

Leveraging ecosystem innovation to unlock the value of disruptive technologies

ESBRI & Norrlandsnavet Webinar



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News and blogs



250~ Academic Publications

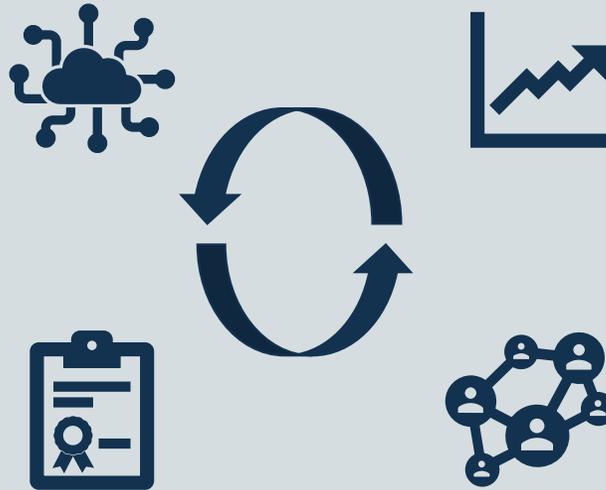


30~ Industry Publications



Policy contributions

At the **DigIn Center**,
we support digital business
model innovation in
**Swedish industrial
ecosystems**



At **NorrlandsNavet**,
we support the
competitiveness and
operations of **SMEs** in the
North of Sweden

VINNOVA
Sveriges innovationsmyndighet

Familjen Kamprads stiftelse
The Kamprad Family Foundation for Entrepreneurship, Research & Charity

Technological disruption



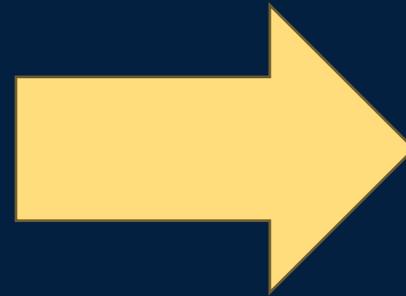
AI and advanced analytics



Connectivity 6G



Electrification



Data has become a valuable resource



Sustainability has become prominent



Transition towards zero touch solutions

Multiple transformations happening at once driven by

- Changing customer needs
- Technology development
- Competition

Multiple changes needed

- Redefining strategy
- Redefining business models
- Redefining skills and competencies
- Redefining ecosystems and partnerships

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News & Media Stories About us

ACCELERATING GLOBAL INNOVATION BASED ON SWEDISH COLLABORATION CULTURE

MobilityXlab offers startups and emerging companies with pioneering ideas within mobility and connectivity the opportunity to accelerate with our six partner companies: CEVT, Ericsson, Magna, Polestar, Volvo Group and Zenseact.

group/en/home/innovation/entrepreneurship/venture-building.html

ITS AND SERVICES ELECTRIFICATION SUSTAINABLE TRANSPORT **INNOVATION** CAREER INVESTORS NEWSROOM

VENTURE BUILDING

Scania ventures has an entrepreneurial mission to explore and commercialize new business models that lie beyond Scania's core capabilities.

Identifying new business ideas

Scania Ventures is set up to help position Scania for the future transport ecosystem. It is identifying and commercializing new businesses based on customer needs and emerging technologies that lie outside the current core. Scania Ventures is sharpening venture building capabilities to build scalable ventures that will become future key businesses and create new profit pools for Scania.

International Mining

Epiroc and MineRP bring the mine digital twin & ERP together to create a digital triplet

Epiroc recently announced the conclusion of the acquisition of the software company, MineRP and has followed up with some commentary on...

8 Jun 2021

The power of collaboration

Mar 29, 2023 2:31 PM CET

How Sweden Turned Into a Climate Tech Funding Champion

In large part thanks to startups Northvolt and H2 Green Steel, Sweden's climate tech investments soared by 224% this quarter, pushing the country ahead of the UK, France and Germany in global rankings

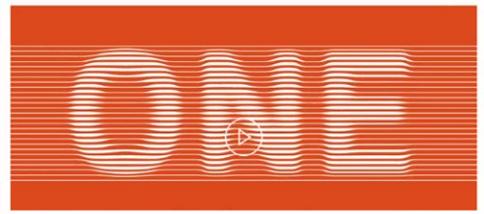
Incumbent – Start-up collaboration for Digital Innovation

What is Ericsson ONE?

Ericsson ONE Venture Studio is an internal accelerator for Ericsson employees with pioneering new business ideas. We give our talented people the chance to develop these ideas and build successful ventures beyond our core business. By leveraging Ericsson's global scale, technology, relationships and expertise we help make their startups a success.

And we mean business. In the innovation space there's a lot of talk and theatrics with entrepreneurs using a lot of their time to secure funding. We offer serious investment in both people and product or service – giving people a very real opportunity to create highly successful ventures and become CEO of their own company. Our diverse team of experts provide hands-on coaching, support and advice every step of the way.

Anyone from within Ericsson is welcome to submit an idea, at any time.



SWEDISH UNICORN POLARIUM REDUCES DIESEL DEPENDENCY IN AFRICA

Setting up a factory in South Africa was made possible by Polarium's cooperation with American Tower Corporation (ATC), an owner and operator of wireless and broadcast communications infrastructure, established in the region. Since 2017, Polarium has helped ATC

Innovative Digital Solutions



Large Incumbents



Solutions emerging from the critical usage of digital technologies during the innovation process between large and small firms



Start-ups

Research Insights



Development project with LKAB generates a new product : Load Finder



Large incumbent firms struggle to reach a successful digital innovation with start-ups

What hinders digital innovation with start-ups?



ORGANISATIONAL INERTIA

➤ **Siloed structure**

“In these divisions [...] we are talking to the same start-up from **two different angles**, and [...], **the left-hand doesn't know what the right one is doing.**” Incumbent informant

**Rigidity of incumbents’
structure challenges digital
innovation milestones**

➤ **Complex and slow due
diligence**

“I can think of **near-failures** where it took **months to get everyone signed** [...], it needs to **comply** with the terms and conditions of this **legal entity.**” Incumbent informant

**Barriers for large
incumbents**

What hinders digital innovation with start-ups?



DIGITAL MYOPIA

Incumbents' analog culture
threatens digital innovation
outcomes

➤ **Low readiness to fast-paced innovation**

“It's something relatively **new** that we can have collaboration on a more **project-by-project basis**, and that acquisition or investment is not the only outcome that we could have.” Incumbent informant

➤ **Lack of incentives to take ownership**

“It's one of I don't know three, four **other things that I'm also doing** [...] frankly speaking if I stopped doing this, I don't know if somebody will ask **why nothing is happening**.” Incumbent informant

Barriers for large
incumbents

What hinders digital innovation with start-ups?



PRODUCT DEVELOPMENT LEGACY

Incumbents' established
processes compete against
digital innovation priorities

➤ **Eternal proof-of-concept**

“In terms of working with **digital transformation** as a project [...] That gap is very much related to the culture and how they work with digital content. [...] how willing they are of **letting go of old habits.**”
Start-up informant

➤ **Resource allocation**

“We have big things coming in, and **we can't source the resources.** [...] I would say the difficult part is with the R&D organization, because they set down their **execution plan**, and those engineers are **planned every hour.**” Incumbent informant

Barriers for large
incumbents

How to best leverage digital innovation with start-ups?



Involve diverse stakeholders early

- Distribute responsibilities
- Define engagement points

➔ **Secure commitment & resources**

Empower innovation champions

- Allocate time and resources
- Promote their success stories

➔ **Break silos & create awareness**

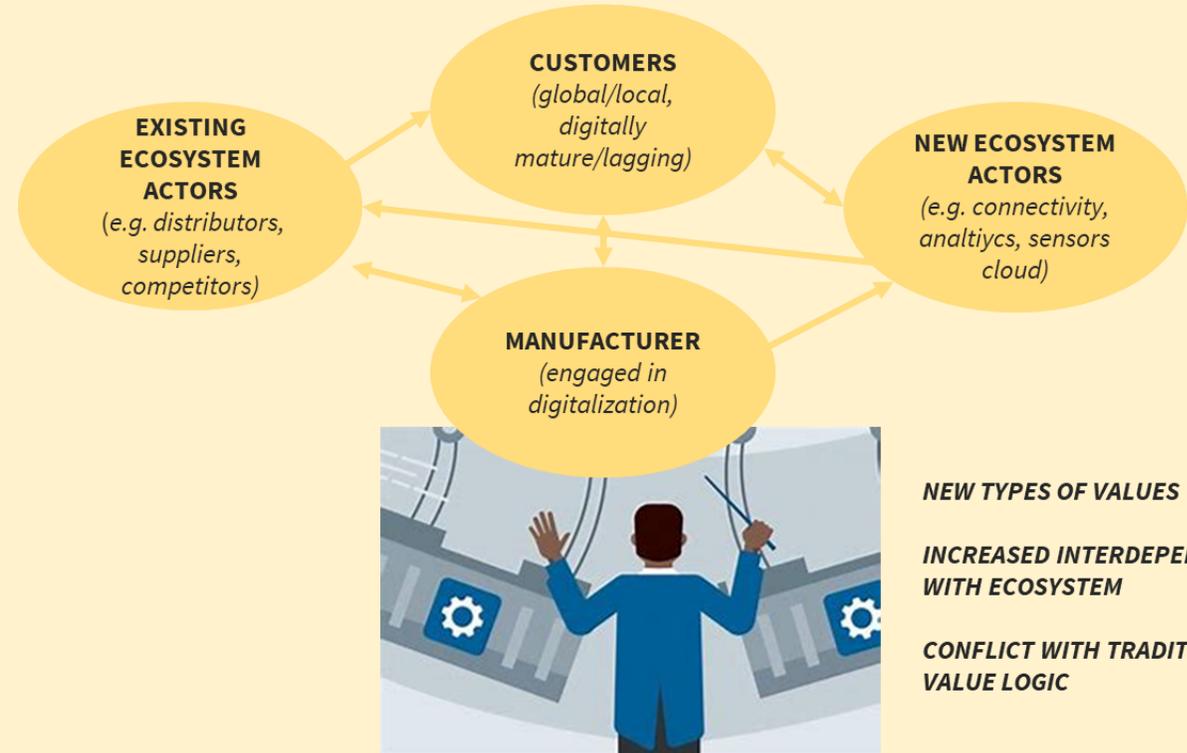
Fast-track collaboration routines

- Decentralise processes
- Simplify engagement rules

➔ **Continuous small wins & momentum**

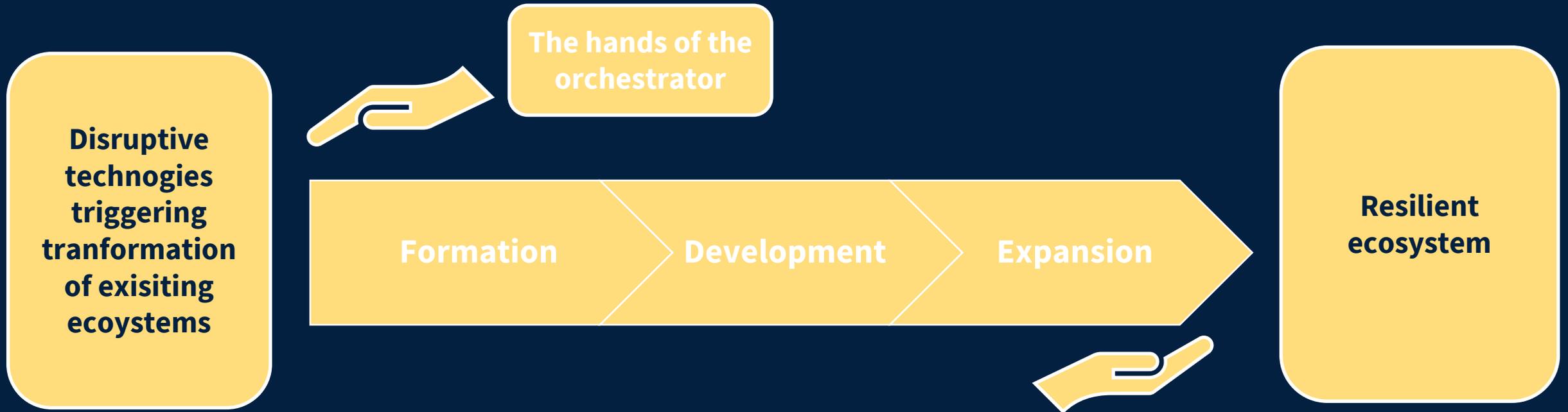
Enablers for large incumbents

The distinguishing feature of an ecosystem is the presence of a **central orchestrator** (in our case, the manufacturer) who sets the **system-level goal**, defines the **hierarchical differentiation** of members' roles, and **establishes standards and interfaces**.



Sjödin, D., Parida, V., & Visnjic, I. (2022). How Can Large Manufacturers Digitalize Their Business Models? A Framework for Orchestrating Industrial Ecosystems. *California Management Review*

Innovation Ecosystem Orchestrator



Kolagar, M., Parida, V., & Sjödin, D. (2022). Ecosystem transformation for digital servitization: A systematic review, integrative framework, and future research agenda. *Journal of Business Research*, 146, 176-200.

Ecosystem Orchestration



Phase

Formation

Ecosystem formation phase highlights the need to define the vision of the ecosystem



Key activities

- **Initiating the ecosystem vision.**
- **Mapping appropriate partnerships.**
- **Incentivising, joint engagement of ecosystem**



Industrial Example



Microsoft

ABB Ability™ platform

ABB partnership with Microsoft to explore Gen AI

Ecosystem Orchestration



Kolagar, M., Parida, V., & Sjödin, D. (2022). Ecosystem transformation for digital servitization: A systematic review, integrative framework, and future research agenda. *Journal of Business Research*, 146, 176-200.



Phase

Development

The ecosystem orchestration phase defines the orchestration principles, distributes different roles among ecosystem actors, and ensures their alignment.



Key activities

- **Defining governance principles**
- **Ecosystem role distribution**
- **Ensuring actors value creation, and capture alignment**



Industrial Example



Volvo CampX

Ecosystem Orchestration



Kolagar, M., Parida, V., & Sjödin, D. (2022). Ecosystem transformation for digital servitization: A systematic review, integrative framework, and future research agenda. *Journal of Business Research*, 146, 176-200.



Phase

Expansion

Ecosystem expansion, embraces continuous evaluation and adaptation to revitalize the collaborations, seize opportunities, and strengthen the bonds between ecosystem actors.



Key activities

- **Continuous ecosystem evaluation and adaption**
- **Revitalizing ecosystem collaboration**
- **Strengthening the ecosystem bonds**



Industrial Example



Ericsson's 5G partnership network

Ecosystem Orchestration



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Key Takeaways

**DISRUPTIVE TECHNOLOGIES:
THE MOMENT IS NOW**



*Early bird catches the
worm*

**BETTER TOGETHER: LEARN TO
COMPETE AS AN ECOSYSTEM**



Big is not always better
Old Tale
Small fish

**ORCHESTRATION: EVOLVE
WITH THE ECOSYSTEM**



*Survival of the
fittest*

Thank you for your attention!

ESBRI & Norrlandsnavet Webinar

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