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BUSINESS ECOSYSTEMS: A GUIDE

GUIDE

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The term ecosystem is now widely used in business conversations. In this guide we explore this powerful metaphor and how it can help in developing business understanding and new strategies. The guide concludes with five actions which will help you make the most of ecosystems thinking.

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1. A new perspective on business relationships

We all learned about ecosystems when we were at school – usually looking at a pond where the decomposters like worms live at the pond bottom, then a range of fish, tadpoles, insects and birds above mingle with different forms of vegetation, as well as the mineral-rich soil, to create a self-perpetuating cycle of life. This finely balanced network of living and non-living components is often visualised as a food web, charting the connections and interactions that allow the system to thrive. It was this notion of an interconnected, thriving natural ecosystem that inspired management

theorists in the 90's to explore the possibilities of deploying those ideas as metaphors for the business world.

1.1 More than digital

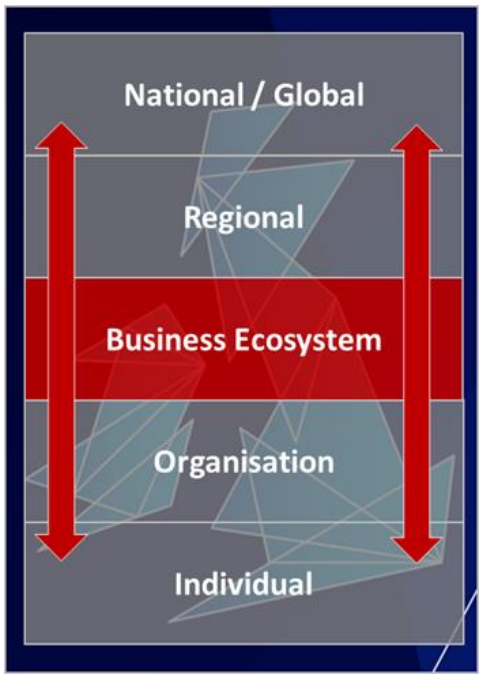
Thinking about business ecosystems is a way of framing, evaluating and managing your links to multiple different networks. These ecosystems are not limited to new technologies or digital ways of working: they are far more widespread and important than that. An ecosystem is a rich network of connected organisations, one that cannot simply be reduced to binary trading links, where co-dependence can be both direct and indirect, as value flows through the system in multiple ways. Through the deliberate study of your ecosystems, how they have evolved, and the cascading interactions that flow through them, you may see new opportunities for value creation, or reveal new perspectives on existing relationships.

But this comes with a caveat: ecosystem thinking is just a way of looking at things. It is not a 'silver bullet strategy' as some consultants might suggest, a route to digitized domination and disruptive re-design of your organisation and the markets you operate in. It's a perspective that may, in a limited number of cases, help you to exploit such radical opportunities; however, to position it this way as a concept ignores where the ideas came from and where they can be used by just about every business, large or small, global or local, digital or not.

1.2 The 'missing link' between you and the world

As we formulate strategies for our firms, either explicitly through a strategy process, or implicitly through thought and experience, we draw constantly on external and internal insights. External evidence may be global, national or regional in its content and reach, as we evaluate the potential impacts of Brexit, Covid, changing consumer behaviours or the impacts of climate change and the legislation that aims to stave off its most harmful effects. We relate these to internal factors, the resources we have to draw on, the individuals and skills we deploy now or need for the future, and so on.

The 'missing link' in this analysis is the ecosystem layer – the networks and relationships that we are embedded in, larger than the organisation itself but not as large as an entire region or nation. An ecosystem perspective puts a layer of strategic thinking between the 'internal' and 'external', with ecosystem theories helping to guide this analysis. The aim here is to think differently about how our business connects outwards: how networks of relationships might shape the way we think about and deploy our internal resources, or guide our view of global, national and regional opportunities and risks.



1.3 Making use of ecosystem thinking

Much research effort has gone in to understanding how different types of ecosystems function. For larger firms this may help identify routes to building, managing or disrupting systems; equally, research may reveal valuable insights to those who don't have system-managing aspirations, but who want to make better choices about which systems to join, or how to shape their operating environment to enable better performance.

In this report, we draw on some of this research, along with practical case studies, to reveal ways in which ecosystem thinking might support your strategic practice. Two things to accept at the outset though: firstly, this is just one way of looking at things and might prove to be an interesting but entirely useless exercise; second, if it seems useless then perhaps you're not exploring all of

the systems you are embedded in, or wish to be embedded in. Whilst your existing business relationships might be clear-cut and performing well, exploring your knowledge or innovation ecosystems might prove valuable.

2. Lessons from Ecology

To get a grasp of ecosystems terminology and its application to the world around us, we start with an origin story: with the biological ecosystems that launched this perspective. In the world of movies, 'origin stories' are important if you want to follow the plot, and this is also true of ecosystems. For us this means starting in the world of ecology – the branch of biology that is interested in how organisms interact with each other, and with their environment.

2.1 Early understandings of ecosystem dynamics

The first definition of 'ecosystem' came from Sir Arthur Tansley in 1935, who stated that an ecosystem is a biotic community or assemblage and its associated physical environment in a specific place[1]. He deliberately borrowed the word 'system' from physics to emphasise the interactions between the multiple living features of the ecosystem and the abiotic features, such as the soil, wind, water, minerals, sunlight and temperature. Tansley emphasised the dynamic nature of ecosystems, the fact that they need not be in equilibrium, and the variety of such systems: they can exist on many different spatial scales, and with widely varying levels of complexity.

Ecosystem models became the next critical step in making this broad concept useful and useable in the study of different aspects of a system. These emerged from multiple perspectives. One approach is to model ecosystems based on energy flows, something we see in a food web, for example. Another approach looks holistically at the nutrient budgets of entire systems. An approach that is of increasing importance is biodiversity modelling. As concerns over land use and sustainability come to the fore, ecosystems studies have looked at interactions between economy, human activity, and the natural environment. This relatively new field of ecological economics is increasingly seeking to tackle the difficult issues of measuring and evaluating ecosystem value and effects across natural, human, social, cultural and economic capitals.

2.2 Keystones and Cascades

Whichever models are used, the two central concepts of 'keystone species' and 'trophic cascades' need to be understood. Paine introduced the idea of keystones in 1969 after developing a deep understanding of how one species could have a disproportionate effect on an entire system. The keystone can be a large, powerful apex predator at the top of the system, but not necessarily, as for example it could be a species that is a strong interactor, like a small but crucial pollinating insect. In all cases, a keystone plays a critical role in affecting the dynamics of the system they are part of, and changes in keystone presence or behaviours can trigger far-reaching trophic cascades.

One of the most well studied trophic cascades is described in "Trophic cascades in Yellowstone: The first 15 years after wolf reintroduction" by ecosystems experts Ripple & Beschta[2]. How do wolves raise the water table of wetlands in Yellowstone National Park, create a 12-fold increase in the beaver population and a 75-fold increase in waterfowl numbers? In collating the results from many studies, the authors reveal indirect cause and effect links that have dramatic and hard to predict impacts. They explain how wolves prey on elk, which were overgrazing aspen, willow and cottonwood; the regrowth of these plants provided much needed habitat improvements for

[1] Pickett, S. T., & Cadenasso, M. L. (2002). The ecosystem as a multidimensional concept: meaning, model, and metaphor. Ecosystems, 5(1), 1-10.

[2] The full article draws together over 20 separate studies of the various trophic cascades that flowed through Yellowstone following wolf reintroduction. It can be read here: Ripple, W. J., & Beschta, R. L. (2012). Trophic cascades in Yellowstone: the first 15 years after wolf reintroduction. *Biological Conservation*, *145*(1), 205-213.

beavers, who thrived; beaver dams had a dramatic impact on the water table, creating wetland habitats for wildfowl; meanwhile, the resurgence of willow created a richer habitat that enabled a resurgence of songbird numbers, and reduced elk numbers provided improved grazing for bison, whose numbers increased.

These changes, emanating from a single keystone intervention, reveal the power of trophic cascades in nature. The authors also suggest that further research will reveal changes in the streams and channels of rivers, increased bear numbers supported by the carrion left by wolves, and changed behaviours of Elk who are adapting to the threat of predation. Each of the natural ecosystem concepts described above can be seen in the relationships and interactions which play out in the business environment.

3. From Ecology to Economy

Ecosystems moved from biology to business in 1993 when Moore published his book and Harvard Business Review article on the topic[3]. He took some, but not all, of the ideas from ecology and started to think about how useful they might be when developing business strategies. Publication of 'Keystone Advantage' by Iansiti and Levian in 2004[4] pushed the field of business ecosystem thinking on significantly. The authors had complementary backgrounds for this ground-breaking work: one a Harvard Business School Professor, the other a highly regarded technology innovator with a master's in biology. Together, they weave business insights in with tales of sea otters' appetite for sea urchins and the impacts on kelp forests and the marine life in their ecosystem.

Taking ideas from ecology in relation to keystone species, and translating them into business, is what underpins the theoretical and practical ideas in this book. Essentially, they argue that even the largest firms (the authors cite Microsoft and Walmart as key examples) have a shared fate with the suppliers, buyers, partners, and myriad other firms that they need to integrate with, in order to build a healthy and sustainable business community. These 'hub firms' become active keystones, much like keystone species in nature, that regulate the health of the ecosystem and have goals aligned to overall system performance. From this start point, they explore the strategies that have enabled keystone success, but also the success of niche players that may not operate as keystones. We must not always view keystone behaviours in a rose-tinted way, however. Keystones can damage the system in a number of ways: a failure of their own competitive strategy could lead to cascading losses across the system; they may be narrowly focussed on their own success and use their power to drive costs down to unsustainable levels, damaging smaller and weaker players in the system; or they may be highly secretive and internally focussed, failing to drive innovation through collaboration to ensure system-wide learning.

Further research has highlighted the fact that the keystone position is often, but not always, occupied by a large, stable and resource-rich entity; it stabilises the system and creates or manages assets that can be leveraged across the system to generate value for multiple organisations. In manufacturing this may be a firm such as Nissan in Sunderland, BAE Systems in Lancashire, or Dyson in Wiltshire: all taking an interest not only in their direct supply chains, but in shaping skills, innovation and growth in their region to ensure a strong pipeline of future partners, collaborators and skilled engineers. These firms operate at sufficient scale to benefit from ecosystem growth in ways that smaller entities cannot: they are aligned to ecosystem success, and large enough to benefit directly from that success.

However, when devising strategies linked to ecosystem thinking, we must acknowledge that few firms either want to take on the role of keystone or have the resources to do so. This is where the use of different ecosystems perspectives, as discussed below, can reveal opportunities for smaller, niche players, or for those embedded in ecosystems that do not yet serve their own direct interests as well as they might.

[3] Moore, J. F. (1993). Predators and prey: a new ecology of competition. *Harvard business review*, 71(3), 75-86.

[4] Iansiti, M., & Levien, R. (2004). *The keystone advantage: what the new dynamics of business ecosystems mean for strategy, innovation, and sustainability*. Harvard Business Press.

4. Three Business Ecosystem Perspectives

The ecosystem perspective is not one way of seeing things but several, and each different viewpoint offers something useful in different situations. We highlight three perspectives here: product-centred, place-centred, and finally platform-centred. Each of these perspectives offers a way of viewing, analysing and making commercial sense of an ecosystem. In some contexts, a particular viewpoint is most relevant for the business we're in, how we operate, or the types of ecosystem benefits we're seeking. Usually we are part of more than one system, so figuring out where each perspective is useful might require a bit of trial and error, as we seek to unpack the systems, their dynamics, and the opportunities they present to us.

4.1 Product-centred Perspective

The Product-centred lens looks at ecosystems as a network of firms that coalesce around a core value offering and its associated business model, usually dominated by a major business that acts as the keystone. Also referred to as the 'ecosystem-as-structure' perspective[5] , this view highlights the need for alignment across the entities within the system, such that each plays a role in systemic value creation and capture, and is broadly happy with that role. An example could be the ecosystem that evolves around a major regional house builder: the end product is the house, or housing development, with various suppliers of physical goods and specialist services supporting the value creation process.

Ecosystem strategy here operates on three levels: firstly, identifying gaps in service provision within the system that may arise due to system growth, departure of a particular player, or your ability to offer higher quality or better priced alternatives, but without disrupting the overall value logic of the ecosystem; secondly, looking at the overall competitiveness of the ecosystem itself against its rivals, and either seeking to improve system adoption, or seeking to relocate your offering to a different system that you believe is going to perform better in the future. Thirdly, there may be opportunities for disruption, as firms seek to make more fundamental changes to the way value is created, and benefit from this reorganisation. Returning to the house builder market, the main disruption in recent years has been digital, in the form of house selling portals such as Rightmove and Zoopla. These have changed the way new homes are found, viewed and sold, resulting in changes to the sales force and sales activity at many house builders. This may change again, as Facebook enters the property market.

For smaller firms or individual traders, there may be choices to make over which product platform(s) to connect with. In some cases, spanning multiple systems is easy (a driver who works through Uber and Lyft), or possible at moderate cost (a developer offering their apps on both Android and Apple), but at other times we have to fully integrate our offering and ways of working into a single system. This makes choosing the system we work with a critical decision: our fortunes become tied to system-level competitiveness that we may have little control over.

Product-centric ecosystems also need to consider the innovation part of the system that drives future product development. If an ecosystem is to thrive in the long term, it needs to be connected to the right forms of knowledge to enable innovation and constant evolution of business practices, production processes, and the products that form the core offer itself. Whilst large firms may have deep pockets and extensive R&D capabilities, often it's the smaller, nimble and entrepreneurial firms around it that can fuel the innovation pipeline. Additionally, such ecosystems tend to benefit from attachment to universities or government research labs that have relevant science, engineering and business specialisations to support early-stage innovation across the community.

4.2 Place-centred Perspective

The place-centred perspective sees an ecosystem as being rooted in a certain location. This perspective seeks to uncover how that place, with all of its many features and inhabitants, can play

[5] For a full discussion and comparison of the structure and affiliation perspectives read: Adner, R. (2017). Ecosystem as structure: An actionable construct for strategy. *Journal of management*, *43*(1), 39-58.

a key role in the success of firms that locate there. In some cases, each separate entity may choose not to be part of an interdependent system centred on place: they may be satisfied with their supply chains, their customer relationships, and their established business networks. However, looking at places as potential systems can reveal new opportunities for shared learning, and collaborative value creation.

At a small scale, place can mean a single building that houses a group of small or start-up businesses. Often technology incubators go to great lengths to build up strong communities, offering support services, events, seminars and a range of activities that encourage people to connect and share ideas. The challenge here can be finding ways to move from simply building a broadly supportive network, to actually delivering something that adds significant value to the firms involved. It may be as simple as the provision of shared services, as a start point, but ultimately such ecosystems thrive only if those managing them have a good understanding of how to advance the needs of their tenants. For example, when GSK decided to build an innovation catalyst next door to its main UK R&D site in Stevenage, it focussed its attention on building a compelling business support offer, combined with a robust tenant selection process that ensured all arrivals were a good fit with the newly formed, but rapidly growing, ecosystem. This became part of their proposition: it was not about competing on price per square foot, but rather, on the business and scientific support that the system would provide to anyone who decided to become a part of it.

At the level of the town or city we see business groups such as Business Improvement Districts (BIDs), or local and regional policy making groups such as Town Councils, District Councils and Local Enterprise Partnerships (LEPs), all devising policies that seek to optimise their ecosystems. The success of a retail environment can be greatly affected by the smooth working of a well co-ordinated BID team, that has the power to draw in funds through local taxation and invest them in system-wide infrastructure and promotion. At the regional or city level, ecosystem thinking can extend much further, as city systems seek to compete with each other on a national and international stage. Critically, these ecosystems need to be understood holistically rather than purely economically, if they are to generate long term value. As we understand more about place value and urban design, we see businesses supporting cultural institutions in order to reshape the environment on behalf of residents, investors, employees and customers alike. From funding for local cultural events in small towns, to investment in iconic buildings and international festivals in major cities, firms increasingly see that they need to embed themselves in a compelling place offer, as talented workers become increasingly mobile and lifestyle focussed.

Places that have proved to be extraordinarily successful in building powerful ecosystems have done so through extended periods of strategic thinking, alongside collaboration between policy makers, leading businesses, and academic institutions that underpin the supply of high-level knowledge as well as a rich pool of graduate talent. For example, Boulder in Colorado has a population of just 105,000 and yet supports one of the most successful, high growth technology clusters in the US. The origins of this ecosystem can be traced back to the 1970’s when city leaders made a conscious decision to attract government labs to the area, locating them alongside the university of Colorado campus to provide a rich mix of knowledge and opportunity. As high technology businesses flourished, Boulder thrived on its mix of university research, aspiring graduates, an excellent lifestyle offer in the Rockies, with a strong local business culture of support and open access to people who can offer guidance. Some writers suggest that the origins go back further, pointing to the creation of significant bodies of parkland along with strict planning rules to prevent creeping development into the surrounding mountains. Others highlight the very founding of the university in the town as a pivotal moment. Around the world, policy makers and the business leaders they work with seek to mimic places like Boulder, but they need to first understand and unpack the ecosystem features - environmental, educational, cultural, political, social and economic - that enabled the growth and continued success of such a place.

4.3 Platform-centred Perspective

A platform-centred perspective helps us to see and understand ecosystems as the communities of buyers, sellers and support providers who connect in multiple ways through a single platform.

Before digital platforms came along, and the language of platforms exploded into popularity, the basic ideas around platform-centred ecosystems already existed in physical form. One example is the out-of-town shopping centre, devised as a way of drawing together groups of sellers, and a huge community of shoppers, into one convenient location, but stripping out all of the place-based infrastructure that you get in a town centre (eg, church, library, mixed use by retail, offices and housing). The retail-focussed shopping centre became the platform – the owners of the site and buildings did not benefit directly from all of the trades that took place, but needed to ensure that a large group of businesses wanted to rent spaces, and a large group of shoppers saw this as a good place to come to. They also had to work with local and regional planners to ensure that road networks were adapted to enable the flow of customers to and from the centre, and build infrastructure to facilitate smooth, enjoyable, and most important of all – repeatable – shopping experiences.

With the rise of the digital economy, platforms were able to separate themselves from this notion of having physical roots. Digital platforms such as Amazon have developed the ability to replicate these physical features of a shopping environment, but entirely online, and so accessible to anyone, anywhere, with an internet connection. Other platforms such as Carwow have replicated car dealerships, but on a much larger scale, enabled by new digital technologies that allows them to transcend both place and time; you can interact with the platform at any time that suits you, from any location.

A forthcoming Business and Management Faculty report will look specifically at platforms, but here the key point is that platforms rely on their ability to create and control the infrastructure that connects distributed producers and consumers. Their ecosystem consists not only of these groups, but also the multiple other technology and service providers who deliver complimentary offerings that help to sustain and legitimize the platform. Building a strong ecosystem is only possible if the platform knows how to generate value for all sides, and knows which sides might need to be subsidised in order to attract them to the platform. One of the most well used examples is the credit card company: who they charge (the sellers or the individual users, or both), and how much they charge each, can make or break their ability to build a balanced and sustainable ecosystem of traders and card users.

5. Ecosystem Action

5.1 From Networking to System Building

Thinking actively about the ecosystems you are in, or want to be in, can help you make better use of networking opportunities. Look at who is there and figure out how they could contribute to your place, product or platform systems; but also, how you could contribute to theirs. Being able to articulate ideas about mutual gain and system-wide growth can open up new avenues for conversation, and collaboration.

A group of entrepreneurs on a science park met regularly for lunches co-ordinated by the park managers, to share their latest ideas and get to know each other. When one presented their success in securing major grant funding, they started a chain reaction of mutual support that soon became a powerful network of peer reviewers, all helping each other to succeed in securing grant funding for their work. Their success rates rose dramatically, not because they had advanced each-others science, but because they had repurposed their neighbourly ecosystem to tackle a key business challenge.

5.2 Make time for Unusual Stakeholders

The meta-systems we exist in connect our businesses to cultural organisations, the natural environment, universities, and local governance entities in all kinds of ways. Often the links are opaque and the value of building those links can seem uncertain, so we focus time on certainties

instead. Yet exploring ideas with unusual stakeholders can reveal new and valuable opportunities. Start looking at the world through their lens, understand what they value and how that value links to your ambitions, or reveals new opportunities.

A rapidly growing fin-tech located well away from London spent time discussing regional development with a strategic arts organisation. After some months, they decided to sponsor a major cultural festival in the town. They realised that the festival could support their growth ambitions, as recruiting people to more rural locations is potentially challenging. Therefore, through web and search optimisation they ensured that anyone seeing their adverts also saw the festival pages and therefore got a flavour of the wider cultural offer of the region. It helped them position their employment offer as one component of a great lifestyle offer, embedded in a rich cultural and environmental ecosystem, and led to a radical rethink of their recruitment strategies.

5.3 Track Cascades Backwards then Forwards

The rapid changes that have come about because of Covid-19 reinforce the need for adaptability as a form of business resilience, but also the need to understand complex cause and effect relationships that may affect you. The impact of national policy decisions is felt both directly and indirectly, not only through their effects on supply chains, but many other business-critical relationships. Identifying the journey of a past event or major change that affected your business is an important ecosystem-mapping activity. This change may start nationally, may impact you via changes in your place of work, wider environment, workforce, supply chain, customer base or elsewhere, and may then flow on to affect others. By mapping these changes both back to their origin, then forwards to your customers and end consumers, you can build a better picture of your ecosystem, including the keystone players and anchor institutions, and their effectiveness.

A large supermarket chain was investigating the possibility of building a large store a mile outside a rural town. This would be the first such development. It was seen as an existential threat to many of the retailers and experience providers in the centre, not only directly, but also because of the fear that it would lead to greater use of out-of-town industrial and office space that would further deny the town centre of its routine daytime trade. Therefore, permission was granted for a major supermarket to open on a different site adjacent to the centre, to protect the integrity of the town's retail environment. To create space, the football club was relocated to a new stadium on the town's edge. Football supporters now drove to the stadium instead of walking, and weekend trade in bars, cafes and restaurants suffered as a result. To prevent cascading effects from a keystone supermarket locating itself outside of the town centre ecosystem, a sports and culture keystone – the football stadium – was moved instead, with unintended cascading impacts.

5.4 Big Challenges need Networked Thinking

Who shares your biggest challenges? Which organisations exist to tackle those challenges, and are they succeeding? The nature of major challenges is that tackling them often requires a level of resourcing that is beyond a single firm. This is where a trusted orchestrating person or organisation needs to work across a wider network to identify fledgling ideas, that could be co-developed into solutions that serve all parties. Orchestration is the skill of bringing people together to identify ways of aligning their value creation potential – finding the points at which rivals become natural collaborators, such as the rival hoteliers who need to come together to promote the overarching value of their city or region. Bringing the right people together, at the right time, with the right level of drive to solve a major problem can reveal novel solutions.

One of the biggest attempts to co-ordinate a global ecosystem in recent years started in 2012 with the publication of the Network Functions Virtualization White paper. The World's 13 largest telecoms operators got together, in collaboration with HP and Intel, to address the huge capacity and cost challenges they were beginning to face as a result of the Internet of Things, and the exponentially increasing demand for data traffic through telecoms networks. They collectively reimagined the entire network ecosystem of global telecoms operators, with a proposed shift from their reliance on expensive, proprietary hardware to the deployment of huge, standardised data centres where the hardware functions would become virtual, software-based functions. The groups standards have already had an impact on the industry and development work continues.[6]

5.5 Search Across Ecosystem Boundaries

Seeking solutions to existing problems, or new ways to grow in existing or new markets, always requires some element of search activity. It's important to purposefully think about whether your search strategy is limited – not necessarily deliberately - by your embedded ecosystem perspective. The reason government's fund export trips and related support services is to help organisations become familiar not only with new markets, but also with the relationships, ways of working and different legal, technical and other support services that need to be brought into your network to allow you to export successfully. Thinking differently about your products and the roles they can perform is also important, and injecting your thinking into unusual places can dramatically change the solutions being considered by others.

If we think of urban flood defences, the immediate problem in that *specific place* may be addressed through engineering-led solutions constructed in that place. However, Leeds City Council worked with charities, government agencies, colleges and consultants to design and deliver an upstream tree planting and environmental management initiative, controlling the flows of water heading downriver towards the city. By looking at both the river ecosystem and its wider geographic footprint, while taking a wider view of potential collaborators, the city was able to invest in cheaper, greener, and more sustainable solutions to their flood challenge.

Repurpose or extend strong ecosystems

When corporate entities find they have some level of control over a powerful, well networked, and high performing ecosystem they may well think about how to exploit this system-asset. It is important that smaller firms also explore this line of strategic thinking, if they want to accrue maximum benefits from a system they have invested in, either financially or through relationship building and commercial linkages. A well-functioning network can allow groups of small businesses to begin taking on keystone-like behaviours through shared investments in the common good. This is particularly true in the case of place-based ecosystems, where co-located firms in a town, shopping centre or tourism-dependent region begin to orchestrate their own network and generate shared understandings of what can or should be done to create system-wide value.

Business Improvement Districts (BIDs) were brought into existence in the UK under legislation passed in 2003 (2006 in Scotland) and have evolved to become some of the most powerful and effective place-based ecosystem drivers in the UK[7]. They exist to support the improvement of a

[6] This extraordinary collaboration was formally launched with the publication of this white paper: https://portal.etsi.org/NFV/NFV_White_Paper.pdf Work continues under the governance of ESTI: https://www.etsi.org/technologies/nfv

[7] In 2020 there were 329 active BIDs in the UK. An overview of their work can be found in the British BIDs Annual Survey and Report, downloadable here: https://britishbids.info/publications/annual-bid-survey-and-report-2020

specific, geographically defined, commercial area that is most often a town centre but may also be a mixed use or industrial zone. Unlike organisations such as Chambers of Commerce or Town Councils, BIDs exist specifically to tackle agreed issues, and can only come into being when a majority of businesses want them, and vote for them. At this point they are able to draw a levy, effectively a form of direct geographically defined taxation, in order to achieve the agreed goals. In many cases this process of connecting, sharing, and then acting in relation to major issues builds a whole new network of trust, collaboration and shared value creation. Initially this tends to focus on core services, such as making an area safe, clean and attractive for visitors, but as the strength of the ecosystem increases, BIDs evolve into more ambitious, strategic groups[8].

[8] The Welsh Government commission a handbook for BIDs, which includes evidence of successes and the strategic trajectory of existing BID groups. https://www.conwy.gov.uk/en/Business/Business-Rates/Assets-NNDR/documents/Colwyn-BID/The-Business-Improvement-Districts-Handbook.pdf

About the Author

Chris Ford is an academic, writer and entrepreneur. His career started at Deloitte in London, but he discovered a passion for mountain biking, established his own adventure travel business, and moved to East Africa. On his return to the UK in 2000, Chris established himself as one of the UK's leading authorities on outdoor leadership development, working with British and Scottish Cycling, and authoring over 50 articles on the subject. He completed an Executive MBA at Lancaster University, and he enjoyed it so much that he sold his business, and took up the offer to study for a PhD. Chris is now a Lecturer in Accounting and Management, a Cabinet Office Policy Fellow, Academic Advisor to the Institute for Outdoor Learning, and Academic board member of the ICAEW's Business and Management Faculty. His research into the performance of platforms, ecosystems and open innovation led to a prestigious prize for Best Innovation Paper from the British Academy of Management in 2018. His expertise in this domain has led to him working with policy makers and businesses on local, regional, and national levels.

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