

# STAR

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**BIG DIPPER**

**NORTH STAR**

# FIND YOUR NORTH

## Successful Ecosystems Form and Align Around a Common Vision: Creating Value for the Customer

Finding your North Star is a concept adapted from Agile Methodology. The North Star in this context is a vision or goal that provides guidance to fast-moving, self-directed, agile teams. As Agile has expanded its influence from teams to teams-of-teams and then to enterprises, the concept of a guiding North Star becomes crucial in maintaining alignment of a large number of people to a common vision. And as enterprise business models evolve to ecosystem business models, finding a North Star becomes even more necessary.

Ecosystems, after all, are not managed by command and control. Partners choose to work with you. They do not report to you. They are held together through self-alignment to a vision that fits their self-interest. The North Star becomes the unifying vision that all partners within an ecosystem recognize.

There are many recent examples of collaborative ecosystems that have sprung up around COVID-19 (see the cover story and sidebar in this issue for some of these). Addressing the public health issues created by this crisis has become the North Star vision of public and private entities banding together to solve one of the most urgent challenges of our time.

There are a host of reasons why companies and organizations partner—and many reasons why they succeed or fail. One of the top success factors is achieving alignment on vision and values with your partners. Successful partnerships have that shared vision of what they are expected to accomplish and shared values on how they operate. This doesn't mean you have identical expectations, but there should be a mutuality and synergy in your thinking. In my experience, it is best to have these discovery and alignment discussions on vision and value before you actually launch a partnership.

The definition of an alliance is a collaboration to combine your resources and expertise to create greater value together than you can alone. This is where the process of alignment starts. What are you trying to achieve together? How are you creating value for your shared customers, and how is value created for each partner? When you encounter conflicts and differences

in your partner relationship (and you will), often these can be resolved by going back to the vision and addressing the conflict in a positive way that is true to the vision.

### A Compelling Vision Statement

In my consulting practice, we conduct a workshop exercise that asks participants to craft a joint vision statement between a pharma company and a biotech that are partnering to develop a therapy for Alzheimer's disease.

Most of the participants come up with a vision statement like "We will combine our joint expertise and resources to create an effective therapy for the treatment of Alzheimer's." This is a perfectly serviceable vision statement that is clear on the purpose of the partnership. However, one group created something much more powerful. Their vision statement was: "We will relieve the suffering of Alzheimer's patients and their families." You could hear a gasp sweep over the entire class. They had articulated a vision statement that was visceral, inspirational, and embraced underlying common values. As one participant observed, "With that kind of vision, this project would become the life's work of many in the team." They had crafted a vision statement that captured hearts and minds and cemented commitment to the common cause.

It's not always possible to find that vision statement that inspires so deeply. But when you can find it, it is galvanizing.

Whether you are the ecosystem orchestrator or a member, you need to clearly articulate the value you anticipate from adopting an ecosystem business model. Your ecosystem strategy needs to align to your company strategy and interests just as the pointer stars of the Big Dipper align to the North Star.

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You have to consider the more hard-nosed business alignment constructs as well. Your partnering strategy should align with

your corporate strategy. The anticipated business objectives of your partnership should be stated in clear metrics. Your plan of action should be specific about what tasks need to be completed by when and by whom. These constructs should all tie back to your vision statement. They serve to align the business operations and day-to-day activities to the vision statement, the North Star, in a way that leads to results.

### You Are Not the Center of the Universe

For most of my years designing and deploying ecosystems in the tech industry, the guiding North Star has been in practice very company-centric. The norm was to build the ecosystem around your own products and services. In fact, given that the biological definition of ecosystems is “a community of interacting organisms,” the traditional ecosystem typically fell short on the *interacting* part. Interactions were principally with the center hub, the company that served as the orchestrator. We built siloed communities of partners that did not officially interact with each other. We built technology partner programs for developers seeking to extend our technology with innovation and complementary intellectual property. We built channels to provide routes to market to deliver our technology to customers and we nurtured service companies to provide implementation and customization services.

All of this was focused on extending our technology to customers; yet very little of this thinking represented a holistic view of what the customer truly needed, because obviously they needed our technology. It was a very egocentric approach.

What was really going on? As I’ve often said in my many years of managing partner go-to-market initiatives: “Customers do not buy a bag of parts.” Often without conscious direction from the orchestrator, partners were assembling solution ecosystems around the customer and working across the silos. System integrators or a VAR typically took the role of solution ecosystem orchestrator focused on the customer and coordinated the delivery and implementation of multiple technologies from multiple vendors.

As the technology has migrated to the cloud, the customer changed. No longer was the primary customer a technologist. The IT budget is now largely owned by the heads of functional lines of business who do not want to go into the weeds of the technology. They have a business to run and are seeking business outcomes. While we have long preached selling solutions and business outcomes, a fundamental shift has occurred in that this is how the “new” customer consumes technology. This shift puts the customer—and customer business needs—at the center of every opportunity.

**Jim Chow**, enterprise cloud solution evangelist and alliance executive par excellence at Google, cites an example of

a business perspective versus a technology one. As technologists, we might prattle on about the wonderful features of our security firewall. Meanwhile, the client is thinking, “How do I avert the next massive security breach that results in a billion-dollar lawsuit, tarnishes my brand, and sets my business into decline?” (I personally prefer to lead with more positive outcomes, but fear works, too.)

### Avoid the “Ego-system” Trap: Build the Ecosystem Around the Customer

**Steve Jobs** was intensely focused on the customer experience, and I doubt anyone would dispute that he had an immense ego. Yet he had it right about the customer. He once said, “You’ve got to start with the customer experience and work backwards to the technology.”

The iPhone is now more than a dozen years old, and Apple is a trillion-dollar company based on Steve Jobs’s intense focus on the user experience. When the iPhone first came out, it was a collection of existing technology. It was rather disappointing from that point of view. But it was how all those components were integrated together in creating a compelling user experience that made the iPhone cool! Jobs’s vision of “insanely great” products was the North Star that built a vast ecosystem of partners who wanted to be a part of that customer experience.

Most well-intentioned amateurs will build their ecosystem around their company, their product, their needs. This might look great in a boardroom presentation, and indeed the ecosystem must be aligned to your corporate strategy, but it neglects the fact that no ecosystem will succeed if it does not serve the customer first.

**In go-to-market initiatives, it’s wise to remember that “customers do not buy a bag of parts.”**

Reimagine how customers experience your solution. In other words, innovate around the customer. This creates the most impactful and compelling solutions to take to market. User stories and personas help you and your partners focus on the customer and create customer-centric solutions and experiences.

While you innovate around the customer, keep in mind the role of your business partners. Here’s why: many of today’s products and services are sold by partners, and those not sold through partners are often influenced by partners who are occupying the “trusted advisor” role for your customer. This means that your partners may own the customer relationship and hence the customer experience.

Simply put, your partners are part (if not all) of the customer experience, and experience is often what the customer

is buying. The customer experience is the new competitive arena. Or maybe it always was, and more companies are simply realizing it now and acting on it. This is obvious in the consumer world. Amazon, for example, has built its value on owning the customer experience.

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So consider your partners' roles in customer experience. They are often at the forefront. Realize they have different relationships with the client. Don't think of this as just a technology thing. All companies, across all industries, are seeking to learn how to become more engaged with the customer; technology is just the means. In the case of business transformation opportunities, an advisory partner might be calling at the C-level six months to a year before technology and product decisions are made.

In the end, innovating compelling customer experiences collaboratively with your partners is no longer a nice-to-have; it's essential. So embrace differences—and even conflict—to spur innovation. Turn your differences into an opportunity to learn to jointly solve problems creatively with your partners and deliver valuable innovation for your customers.

### The Ionity Example

Here's a great example of an ecosystem that innovated around the customer. In fact, it's also a great example of how competitors can collaborate around a central vision to create and accelerate a new market. The customers in this case were people who wanted to buy electric vehicles but were anxious about driving long distances or across Europe and getting stuck when a charging station was not convenient. This anxiety led to slow growth in the rate of electronic vehicle adoption.

Ionity is a joint venture formed in 2017 by BMW, Daimler, Ford, and Volkswagen to develop a high power charging network to address this limitation in the adoption of electric vehicles (EVs) and to confront a mutual competitive threat: Tesla, which had its own network of charging stations.

Their vision: "All of us at IONITY are driven by the belief that powering an EV across Europe should be so carefree that soon you'll never even think about it again. Over the coming years, driving an EV will increasingly mean freedom for everyone. Freedom to power your dreams across borders. To travel anywhere in Europe. To hop in, and only then decide where you're going."

### Ionity is a great example of an ecosystem where competitors collaborated around a central vision to create and accelerate a new market.

As a joint venture, the partners agreed to develop a standardized plug and charging station, solving the problem of multiple plug form factors across Europe—and more important, eliminating the need for each EV manufacturer to create its own charging network. (Can you imagine the chaos if each car manufacturer required its own brand of gas that you could only buy from its own network of gas stations?)

This charging technology is simple, clean, and fast. It's designed to charge a vehicle in approximately 15 minutes for a range of 300 kilometers (186 miles). I love the way they translate technology into a compelling customer experience. Ionity describes the power of charging at 350kW as "the power to stop, drink a coffee, and go. At maximum speed, you can be on your way in minutes."

Even though the technology is there, it is not useful unless it is readily available to the driver. In order to solve that problem, Ionity formed strategic partnerships with Shell, Tank & Rast, OMV, and Circle K, creating an ecosystem that delivers on their central vision. These four partners had more than 50 percent of the targeted number of sites. The charging stations are placed at partners' service stations, rest areas, and other convenient locations on the motorways in over 15 European countries. The first charging stations were installed in 2018 and, by 2020, there were over 200 charging stations across Europe.

### Keep Your North Star Vision Uppermost

Ionity kept their vision of the customer experience foremost in their innovation of the charging station and in their distribution ecosystem, emphasizing stress-free convenience. (They could have opted for a save-the-planet, green message, and surely that is implied.) This is a key aspect of finding your North Star. How you define it will determine how you build the ecosystem, how you innovate, and how you go to market.

I encourage alliance managers and ecosystem orchestrators to think expansively in finding their North Star. If it is easy to achieve, your vision is too small. Remember that how you define your vision will guide your journey and inspire your partners to be your fellow travelers.

*Norma Watenpaugh, CSAP, is a founding partner at Phoenix Consulting Group, which specializes in helping companies find more value in their most important strategic business relationships. This article is adapted from a chapter of a book she's currently working on about ecosystems. ■*