



Lay Of The Land: Creating Ecosystem Maps

By Laura Patterson

For many organizations growth comes from entering a new market. Today most organizations recognize that venturing unprepared into uncharted territory is fraught with risk. When it comes to entering new markets, it helps to have a map. This map is known as an ecosystem map. Ecosystem maps serve as a valuable tool for getting the lay of the land in a new market, assessing the opportunity, and identifying the best points of entry.

Having the answers to which buyers and organizations are the best points of entry, which organizations can and will create barriers and road blocks, where are the landmines, who are potential guides and partners can make all the difference in your rate and degree of success.

What exactly is an ecosystem? The dictionary defines an ecosystem as "an ecological community together with its environment, functioning as a unit." If we apply this definition to the business environment, we can describe a business ecosystem as the network of independent entities that comprise members of a market community.

An Ecosystem Map

As we are prone to say, "A picture paints a thousand words." An ecosystem map provides a visual representation of the network. It depicts all the network members, such as buyers, competitors, distribution channels, and influencers, and graphically represents the relationship of these members to each other. A key value of the map lies in its ability to identify and visually represent these relationships.

Five Steps to Creating and Using an Ecosystem Map

We recommend five primary steps to create an ecosystem map. As you complete the third step, opportunities and roadblocks will become visually evident. By the time you complete the fifth step you will begin to have the insight you need to decide whether to become a player in the ecosystem and how.

1. Define the scope: Because ecosystems can actually overlap, the first step in creating an ecosystem map is to define the frame of reference for the ecosystem map. An ecosystem can be

created around a company, such as the Microsoft ecosystem, or around a platform such as the iPod ecosystem, or around an industry or a vertical such as the health care computing ecosystem.

2. Identify the members: Every member of an ecosystem plays a role. There will be enablers-members who provide key technologies or capabilities that enable the members to effectively solve problems and compete. And there will be those members who attempt to control technologies, standards, partnerships and channels. At a minimum you will want to identify the members in the following groups when you create your ecosystem map: buyers, competitors, influencers and channels/partners.

Buyers are those members who can potentially benefit from your offer. In a vertical market you may need to segment your buyers into groups. You will want to organize these members by those who are most likely to buy. Competitors are those organizations who you will need to compete against whether directly or indirectly for the buyers' resources. Remember to include the big players as well as any niche players.

Influencers are those members who buyers rely on for decision making guidance. In a business ecosystem these might include editors and reporters in publications, market and financial analysts, trade associations and lobbyists, industry experts, etc. Channels/partners are those members who help insure access and availability of the offer to the buyers. The key to map is to not only identify all the major players, but to also identify the value of each player. For example, the potential dollars per buyers, the market share currently held by a competitors, etc. Your goal is to understand who the key members are in each group.

3. Identify the relationships among and between members: Once you have identified the key players the next step is to identify the relationships between the players. The purpose of this step is to identify the barriers and opportunities. For example, is the chairman of the board of a key association also a member of the leadership team at a primary competitor? If so, what barrier might that present? What if the chairman of the board of a key association is a member of the leadership team at a primary channel partner? What opportunity might that present?

How many of the main buyers are the primary competitors already doing business with? Do some buyers or sub-segments offer better points of entry because there are fewer connections between these buyers and competitors? Are there some influencers and organizations that align with a particular cluster of customers or competitors? How are the competitors aligned with the channels?

4. Paint by numbers: As part of the finishing the map you need to add the details that will help you assess the viability of the entering the ecosystem, what and where you can have impact. Answers to the following types of questions can help you round out important details:

- For the entire ecosystem: the total revenue, the number of ecosystem members, the general trends in the ecosystem.
- For buyers: the number and size of each segments, who the top five players are in each segment, the size of opportunity in each segment and what barriers exist per segment.
- For competitors: the number of competitors and the degree of concentration of competitors in each segment, who are the top direct competitors in each segment, their competitive advantages, primary customers, and key products.
- For influencers: the number of individuals/organizations that specialize in analyzing the ecosystem and its members, their areas of focus, the number of recognized technical experts that have influence on the decisions of the buyers in the ecosystem, the primary publications that keep tabs on the ecosystem, the reporters and members of the press who track the segment trends and players, technologies, and issues, the members who organize events and conferences in this ecosystem, the most important events, and the number and type of industry organizations and firms (such as lawyers, think tanks, lobbyists) that exert influence. Remember to think about the influencers both from an online and offline perspective.

5. Assess the viability of the ecosystem: Armed with your map you can assess the attractiveness and health of the ecosystem for your organization and the merits and issues of entering the ecosystem. Use the map to determine whether the ecosystem is stable and/or has room for new players who can deliver new functionalities, improvements to quality, speed or lower costs.

A healthy ecosystem continuously creates and grows niches; assess whether this ecosystem appears to have this ability. Based on what you learn, describe the desirability of participating in the ecosystem, where you see the best points of entry in terms of segments, buyers, channels, and influencers, and the degree of difficulty in establishing a position for your company.

If your assessment reveals that the ecosystem is attractive and healthy, that there are viable points to successfully enter and gain traction in the ecosystem, then your next step is to develop a go-to-market plan. Use your map to guide your entry, to define areas that could delay your entry

or increase your costs to enter, and to reveal potential connections with possible friendlies among the influencers, channels and potential initial buyers.

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