

# How to align business & governance in Solid ecosystems?

Short abstract of a talk at Solid Symposium, Leuven, May 2nd 2024

“Most business ecosystems fail, and wrong governance choices are the main reason they fail.”<sup>1</sup> This intriguing result from a study conducted on business ecosystems made us wonder whether data ecosystems face similar challenges. How do we align governance and business models for data ecosystems? Our initial aim was to come up with a decision tool that allows anyone who wants to initiate a data ecosystem to design it with the right governance and business choices from the start. This inquiry, however, opened up a broader range of questions essential for the tool’s creation.

In this session we explore what the link is between business ecosystems, governance models and data ecosystems. We start with the recognition that data ecosystems, much like business ecosystems, are both technical and organizational frameworks consisting of multiple autonomous actors that may cooperate or compete. Recognizing data as a key, recurring resource in these ecosystems is crucial to define them more precisely.

Our next step involves understanding the governance of these ecosystems. We move beyond the idea of simply moving from hierarchical control to indirect control and consider several vital aspects: aligning with the technical architecture, creating orchestration mechanisms, dividing decision power, quality control... It should be noted that there is no such thing as one perspective on governance: each platform within an ecosystem may have its own rules, adding layers of complexity to ecosystem governance design.

Given this complexity, we dove deeper into finding out why the alignment between governance and business decisions matters, and especially what determines their success. We question whether the typical success criteria of business ecosystems, such as continuous growth and value creation for stakeholders, are applicable to data ecosystems. We explore potential issues like the emergence of new monopolies, misalignment of stakeholder expectations, and the creation of arbitrary markets?

To address these complexities, we revisited the origins of data ecosystems. This way we hope to better understand their nature and potential success criteria. By tracing back to platform and ecosystem theories, we can map the inherited characteristics and assess their

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<sup>1</sup> <https://www.bcg.com/publications/2020/why-do-most-business-ecosystems-fail>

relevance in the data ecosystem context. This comprehensive analysis leads us to reconsider our initial research questions “How to align governance and business models for data ecosystems?” to a more reflective “What does it mean to align governance and business models for data ecosystems?”.

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