

University of Groningen

The link between entrepreneurial attributes and SME ecosystem orchestration

Pop, Oana-Maria; Roijackers, Nadine; Rus, Diana; Hins, Marjolein

Published in:
Researching Open Innovation in SMEs

DOI:
[10.1142/9789813230972_0011](https://doi.org/10.1142/9789813230972_0011)

IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

Document Version
Early version, also known as pre-print

Publication date:
2018

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

Pop, O.-M., Roijackers, N., Rus, D., & Hins, M. (2018). The link between entrepreneurial attributes and SME ecosystem orchestration: A case from the Dutch HR services industry. In W. Vanhaverbeke, F. Frattini, N. Roijackers, & M. Usman (Eds.), *Researching Open Innovation in SMEs* (pp. 347-375). World Scientific Publishing. https://doi.org/10.1142/9789813230972_0011

Copyright

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

The publication may also be distributed here under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license. More information can be found on the University of Groningen website: <https://www.rug.nl/library/open-access/self-archiving-pure/taverne-amendment>.

Take-down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.

Chapter 11

The Link Between Entrepreneurial Attributes And SME Ecosystem Orchestration: A Case From The Dutch HR Services Industry

Oana-Maria Pop, Nadine Roijackers, Diana Rus, and Marjolein Hins

Abstract

This chapter provides a detailed account of the evolution and internal dynamics (network relationships) at Q-Search, a Dutch ecosystem of small and medium-sized enterprises (SMEs) active in the human resources (HR) services industry. More specifically, the chapter explores how the personality of the entrepreneurial orchestrator reflects upon the SME ecosystem forming around her. Using multiple data sources – i.e., interviews, archival search, and direct observation – we first explore the various phases of the ecosystem’s 16-year evolution. Next, we examine the complex interplay between Q-Search’s goals in each phase, the orchestrator’s corresponding attributes/actions, SME partner roles, and the innovative value created. Our findings suggest that studying the psychology of entrepreneurial orchestrators can reveal a great deal about the networks and ecosystems they help shape. At Q-Search, the founding entrepreneur’s vision, authenticity/honesty, passion for a cause, personal initiative, social skill, persistence/grit, ability to conduct self-reflection and willingness to change, and self-efficacy have proven critical for the ecosystem’s survival and performance.

.1 Introduction

The importance of SMEs for economic growth [World Bank, 2016] as well as their propensity to form enterprise groups [Eurostat, 2016] or other types of collaborative arrangements - e.g., alliances [Lee, Kelley, Lee, and Lee, 2012], networks [Gardet and Fraiha, 2012], and even meta-organizations/ecosystems [Gulati, Puranam, and Tushman, 2012] to sustain this growth, continues to be emphasized. Despite this fact, relatively little is known about *how* SMEs build such important Open Innovation (OI) relations and constellations and moreover, how they secure the strength of their collaborative arrangements on the long run - a notable exception is Vanhaverbeke [2017]. To shed more light on this topic, the current chapter explores how an entrepreneur orchestrates the ecosystem of SMEs formed around. Specifically, we study the case of Q-Search, a Dutch HR-services ecosystem whose aim is to increase “workers’ joy” [job satisfaction] and through this provide better societal outcomes.

In the literature, managing OI relations in SMEs has recently taken center stage. Brunswicker and van de Vrande [2014], in particular, underline that the OI relationships of SMEs (both formal and informal) are crucial for their survival, their ability to change their strategic direction, and their overall (innovative) performance [Drechsler and Natter, 2012; Brunswicker 2011; Van de Vrande, De Jong, Vanhaverbeke, and De Rochemont, 2009]. SMEs also create OI relations to enrich their knowledge capital [Laperche and Liu, 2013]; that is, the information and knowledge produced, acquired, and used in the value creation process. In addition, being embedded in a network or ecosystem of OI relations enables SMEs to compensate for the lack of complementary resources and skills they typically need for innovation; hence, being part of a shared enterprise with an explicit customer focus (a typical characteristic of ecosystems) leads to a so-called “ecosystem advantage” [Williamson and De Meyer, 2012] in the face of changing customer demands and volatile markets. All in all, as Ceci and Iubatti [2012] note: “the presence of multiple types of relationships [in a network] modifies inter-firm dynamics, creating a space where traditional innovation activities take place in an unusual way”.

While SMEs can potentially use their network/ecosystem partners’ resources and skills to their advantage (e.g. become more effective at product/service innovation), realizing this potential requires the development of distinct capabilities [Vanhaverbeke, 2017]. Specifically, SMEs need to build up the ability to *coordinate or orchestrate their OI network relations*. To effectively coordinate knowledge flows in a multi-actor environment, SMEs and the entrepreneurs that founded them must explore and learn about a variety of orchestration aspects including: degrees of formality, trust, division of benefits, guarantees (against potential loss), and conflict resolution modes, to name but a few [Gardet and Fraiha, 2012; Paquin and Howard-Grenville’s, 2013]. At the same time, entrepreneurs must understand orchestration processes such as managing innovation leverage, managing innovation coherence, and managing innovation appropriability [Nambisan and Sawhney, 2011]. Finally, entrepreneurs must acknowledge that in SMEs embedded in ecosystems [Autio, Kenney, Mustar, Siegel, and Wright, 2014], orchestration actions are “tailored” and reflect the personal attributes and goals of the orchestrating entrepreneur [Ucbasaran, Westhead, and Wright, 2001]. For example, entrepreneurial orchestrators, acting based on their personal attributes, can discretely influence the creation of the groundwork for value creation/capturing by all ecosystem partners (SMEs), other stakeholders, and society at large [Nambisan and Sawhney, 2011; Ritala, Agouridas, Assimakopoulos, and Gies, 2013].

All in all, orchestrating entrepreneurs appear to create personal visions where each SME partner plays a distinctive role, market the ecosystem – or other type of collaborative arrangement – to outside parties, set up partner selection mechanisms reflecting their personal values, and create a personalized resource network around the ecosystem from which partners can draw – see also the

“player-structure duality” Dhanaraj and Parkhe [2006] note.

For the purpose of this chapter, we zoom in on *ecosystems* of SMEs. Hence, the notion requires defining. To date, a few notable publications have described ecosystems’ purpose well, mainly by comparing and contrasting them to the more established notion of “alliance networks” [Autio et al., 2014; Leroi-Werelds, Pop, and Roijackers, 2017]. From these works we learn that ecosystems seem to function on the basis of not one, but several central parties that activate and connect partners. Although there may be one party initiating the ecosystem, the organizational structure typically evolves over time to a state of shared leadership and a sustainable social community, functioning largely on the basis of shared norms and values (i.e. institutions), where several partners can take the lead on initiatives pursued by the ecosystem. While alliance networks and leadership positions herein are usually associated with superior performance and enhanced competitive positions of individual firms, several ecosystems that have come into existence, so far, seem to be more about benefiting the ecosystem at large and creating societal value [Ritala et al., 2013]. All in all, OI ecosystems create value at the level of the ecosystem whereby partners integrate resources, i.e. serve each other, for the wellbeing of the ecosystem and all partners involved (including the customer and society). Specifically, partners contribute to the ecosystem according to their areas of expertise and then rely on others to provide access to complementary resources; as such, they depend on each other for long-term strategizing, survival, and mutual effectiveness.

In the light of the above, we define an ecosystem as a “relatively self-contained, self-adjusting system of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange” [Vargo and Lusch, 2016].

To illustrate the aforementioned aspects – i.e., OI ecosystem relations and capabilities to orchestrate these relations, this chapter examines the development of the Q-Search ecosystem in relation to the psychology of the orchestrating entrepreneur. Observing orchestrators’ individual characteristics and how they drive OI in (networked) SMEs is also a topic tackled in Chapter 5 of this book as well as in earlier work by Ahn, Mortara, and Minshall [2013]. In the former case, the authors mention risk taking propensity and endurance as well as knowledge and network as factors that influence the adoption of OI.

In our pursuit to better understand the dynamics of OI ecosystems formed by SMEs, we also answer prior calls for research by Gardet and Fraiha [2012], Brunswicker and van de Vrande [2014], and Vanhaverbeke [2017]. These calls refer to the OI relations of SMEs and how these small firms can effectively coordinate their relations with (SME) partners. Finally, this chapter answers calls for research on different levels of analysis – i.e., the individual and the ecosystem level, by Chesbrough, Vanhaverbeke, and West [2014] and West and Bogers [2017], as well as on the human element in OI [Salampasis and Mention, 2017].

The remainder of this chapter is structured as follows. In Section 2, we introduce the research design by providing background to the case as well as notes on the research method. In Section 3 (analysis) we examine each evolutionary phase (initiation, growth, and maturity) at Q-Search, and explicate the link between the orchestrator's attributes, the ecosystem's goals, orchestration actions, and ecosystem outcomes (generated value). In the 4th and final Section, we present the implications of our research.

.2 Research Design

.2.1 Research Context

Founded in the year 2000 by HR expert, independent policy advisor, and entrepreneur, Marjolein Hins, Q-Search represents an SME ecosystem specialized in HR services consulting. A few examples of innovative services created by the ecosystem include the Development Vouchers and The Art of Letting Go training – see Section 3.3 for a more detailed explanation of these services.

When asked to describe the HR services industry in the Netherlands, Hins points to a conservative, divided market, undergoing slow and uneven change. The result is a divide between the corporate world and the real world, powered by a misalignment in values. For an SME like Q-Search trying to penetrate and generate positive societal impact in a reactive, old-fashioned market (“to compete with the McKinseys and the Ebigners”) was therefore difficult, but not impossible. Q-Search's mission from the onset was not to meet market targets per se although partners acknowledged the need to get their market act together in the mid and long run. In stark contrast to other HR service organizations, Q-Search set out to generate value for its partners and instill the Q-feeling, as defined in a set of written testimonials. All in all, at a time when collaboration/Information and Communication Technologies (ICT) platforms for recruiting and management were unknown in The Netherlands, Q-Search was pioneering ways to educate specialized SMEs and through them, turn the workplace into an arena where people operate on the basis of trust, cooperation, and sharing.

Choosing to build an OI ecosystem beyond a typical organization or recruitment network hence set Hins apart. The aim was to create an ecosystem of professionals and SMEs that could, in time, function independently from her guidance and intervention. As such, Hins was laying the groundwork for an ecosystem with distinct OI relations. If built well, this vehicle could bring SME

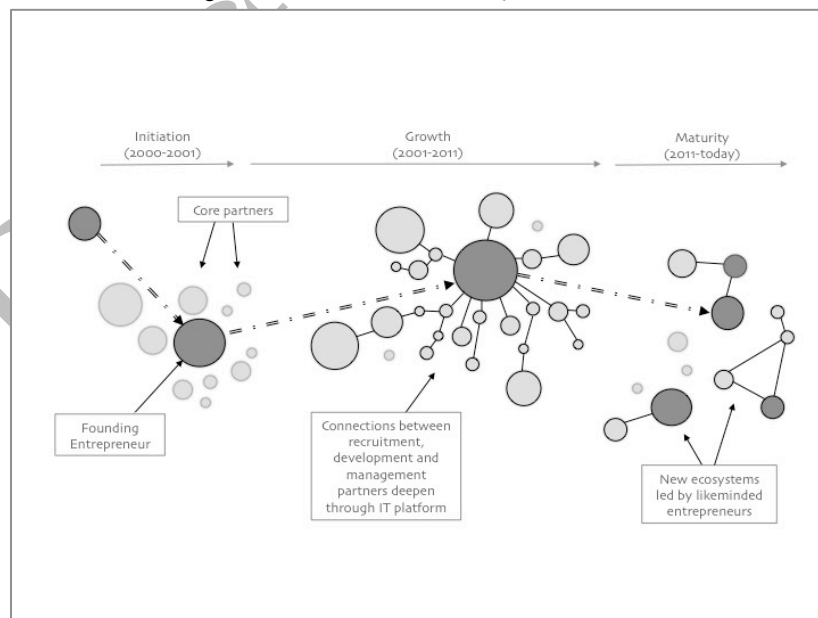
partners and expertise together, deliver better, innovative value propositions to customers, and generate social change.

Between 2000 and 2016 Q-Search has undergone a number of distinct evolutionary phases that resemble the development of single firms and even those of biological ecosystems. These phases are: initiation, growth, and maturity (see Figure 13.1).

The initiation phase takes place between 2000–2001 and is characterized by the orchestrator’s drive to bring about change, fuelled by her disappointing experience working as a manager for a large Dutch auto lease company. For one year she searches for likeminded people and SMEs willing to join her ecosystem and ultimately starts off with a core group of around 10 SME partners. During this first phase the ecosystem is not profit driven.

An increase in the number of partners joining shifts the ecosystem into its second phase: growth. This phase spans the period 2001–2011 and is characterized by formalization and centralization. The orchestrator introduces a fee-based system and virtual platform to connect all members. Hins also provides member services – e.g., marketing collateral, newsletters, guest lectures and meetings, leads, in exchange for a yearly contribution. Furthermore, she commits values and ways of working to paper.

Figure 13.1. The Evolution of Q-Search

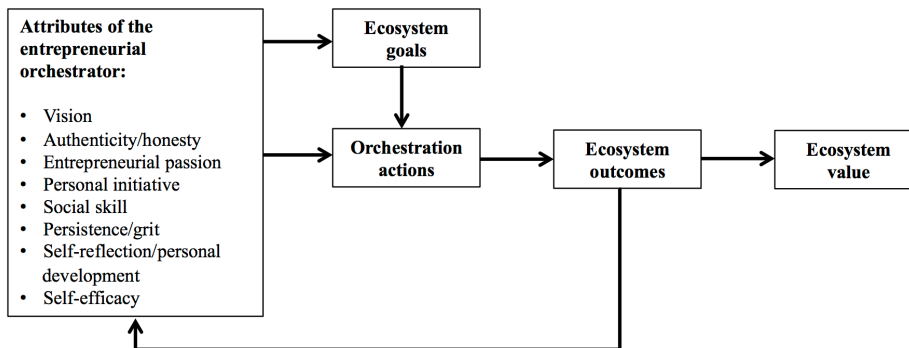


As partners increasingly expect the entrepreneur to take the lead, a fact that is reinforced by the dawn of the international financial crisis, she decides to abandon all formal administration and to collaborate on demand. This action enables the ecosystem to evolve to its current phase: maturity (2011–2016). This phase is characterized by several spin-offs, which maintain the spirit of Q-Search and work towards the orchestrator's initial purpose. One such spin-off is the The Future of Work, whose philosophy is to lay a new foundation for the way people work, which is actively communicated to the Dutch government.

2.2 Research Method

Q-Search offers a unique opportunity to study the link between the psychology of the entrepreneur and how her attributes reflect upon her ecosystem's evolution (2000-2016). Figure 13.2 captures this relationship.

Figure 13.2. The Relations under Study



Following Eisenhardt [1989] and Eisenhardt and Graebner [2007], we conduct a theory-building, case-based investigation, as this approach is particularly relevant in new topic areas leading to theories that are novel, testable, and empirically valid. Specifically, we use a single case design, which involves phenomena that are critical, unusual, and longitudinal [Yin, 2013] with the aim to expand existing theories on entrepreneurial firms (SMEs) embedded in ecosystems. Single case studies are especially valuable because they allow for a thorough analysis of complex, distinct phenomena. Bennett and Elman [2010], for example, point at

the advantages of using single cases that are implicitly comparative, such as deviant or crucial cases.

To increase the generalizability of our findings, we employ a strategic selection of the case [Flyvbjerg, 2006]. Such information-oriented selection (as opposed to random selection) is appropriate when having high expectations about the information content of the case, as well as when the goal is to maximize the utility of this content. In our specific case, information-oriented selection ensured that the greatest possible amount of information on the phenomena of interest was collected, facilitating a rich analysis.

We have ensured the quality of the research by taking several measures. First, we have tapped into multiple sources of evidence (see Table 13.1). These sources include: in-depth, semi-structured interviews with the orchestrator and Q-Search partners active at various stages of the ecosystem's evolution; public and privately available information – e.g. press releases about Q-Search and documents available on the back end of the platform (access into the archives was granted by the founder), brochures describing the Q-Search services; as well organizing a physical event (interview group meeting) with Q-Search partners to receive feedback on the analysis and validate the milestones in the ecosystem's evolution. Second, we have conducted our analysis independently according to our own areas of expertise (strategy/innovation management and psychology), periodically comparing and contrasting results until consensus was reached. Third, we have used a case study protocol and have drawn up a database where all information was stored.

Table 13.1. Sources of Data

Data type	Description
Interviews	In-depth, semi-structured personal interview with Q-Search founder and orchestrator
	In-depth, semi-structured telephone interview with Q-Search partner in Stage II
	In-depth, semi-structured personal interview with member of The Future of Work project (a Q-Search spin-off) and Q-Search founding partner in Stage I
Documents	Document outlining rules and attitudes prospective Q-Search partners adhered to prior to being granted membership - e.g. 'I am aware that working successfully in a networked organization means that I take other people's business as seriously as my own'; 'I firmly believe that by working together within Q-Search I can serve more customers than I could on my own (I can also generate more revenue with the group than by working alone)'
	Document outlining values Q-Search members shared and/or developed while in the ecosystem. E.g. Q-Searchers are 'interested in others, informal, communicative, empathetic, respectful, have a sense of humor, helpful, and provide pleasant

	company'; professionally, Q-Searchers know what they're talking about, know their trade (via experience and skills), and are professional (you are in good hands with them). The document also includes partner testimonials.
	Document outlining benefits received in exchange for Q-Search membership fee in Stage II – e.g. network book, marketing collateral (Q-Search logos, banners, personalized signature in e-mails), OTYS user manual (the IT infrastructure), newsletters, direct weekly info, list of leads, access to shared meeting rooms, etc.
	Document outlining input for new tax plan in The Netherlands. There is reference to The Future of Work project in an endnote.
	PowerPoint presentation for the Ministry of Internal Affairs in The Netherlands on achieving societal impact through new leadership and flexible forms of organization (networks).
	Document outlining The Future of Work project's philosophy
Direct observation	Personal meeting with Q-Search founder and SME partners; in this meeting the preliminary findings of the chapter were discussed. Feedback was incorporated into the final version of the chapter.

Following Gehman, Glaser, Eisenhardt, Gioia, Langley, and Corley [2017], we acknowledge that our data is only a static photograph of an otherwise dynamic phenomenon (ecosystem building); hence, we attempt to explicate the evolution of Q-Search using process thinking [Langley, Smallman, Tsoukas, and Van de Ven, 2013]. As part of this approach, we have interviewed partners about specific factual events (initiation, growth, maturity, even rebirth of the Q-Search ecosystem), rather than being interested in their interpretations and cognitions of these phases. The exception was the founding entrepreneur, who we also asked about her attitude towards the evolution in order to grasp her attributes and leadership style. Next, we have employed visual mapping and have examined, in-depth, each of the evolutionary phases. Following Van de Ven [1992], we focus on changes over time within the ecosystem as to identify underlying patterns. As we progress through the analysis, we explain what phenomena have unfolded at each phase of the ecosystem's evolution and we set this against the specific attributes/orchestration actions of the entrepreneur. All data collected was stored and analyzed using NVivo10.

In the next Section, we analyze (phase by phase) the evolution of the Q-Search ecosystem closely by noting: OI ecosystem goals, key attributes of the entrepreneurial orchestrator, key orchestration actions, the value created within the SME ecosystem and outcomes of the collaboration.

.3 Analysis

.3.1 *Initiation (2000-2001)*

The first phase of the ecosystem's development takes place between 2000 and 2001 and is marked by the orchestrator's decision to abandon her position as manager at a large, hierarchical organization in favor of a more meaningful pursuit: to alter existing HR practices, increase job satisfaction, and boost the quality of work-life in The Netherlands. This period (Table 13.2) was synonymous with laying the groundwork for sustained value creation and included three goals: 1) establishing ecosystem legitimacy; 2) fostering a knowledge-sharing culture; and 3) creating space for continued development. The driving force across this phase is the orchestrator's vision (disseminated through careful communication), an image of the future that represents the shared values to which the ecosystem's SMEs should aspire [Shamir, House, and Arthur, 1993].

To begin with, the orchestrator spends much time broadcasting her desire to build a strong HR-services community. To do so, she takes part in individual and group conversations, holds speeches, and makes presentations, inspiring and attracting SMEs whose values are aligned with the vision. Within a short period of time, a core group of 10 partners forms around Hins, establishing a type of informal steering committee whose job would be to agree on the direction Q-Search should take.

Next, the orchestrator moves on to foster a knowledge-sharing culture (second key orchestration action) following her conviction that taking a humane approach to business will help create a community based on trust and collaboration, responsibility, openness, and experimentation. To realize this goal, she spends time deepening (as opposed to multiplying) the conversations around better HR practices and increasing job satisfaction, consolidates prospective SME partners' points of view, and performs a careful selection of core partners based on a fit with her own personal values and vision. Partners are therefore selected based on their agreement with statements such as: "I/we believe that we can be more customer-oriented (service-minded) by working within Q-Search than we can by working separately" (Table 13.2). This pursuit of creating the right environment for sharing, collaborating, establishing mutual trust, and shared responsibility is a reflection of the orchestrator's personal belief system and behaviors.

Table 13.2: The Q-Search ecosystem's development. Phase I: Initiation (2000–2001)

Core aspects		Evidence from the data
Ecosystem goals	Establish ecosystem legitimacy	Entrepreneur: So first we were a recruitment network but I was also talking about [...] the ultimate advisory, consultancy bureau, not in the old form, but in the new network form.
	Foster knowledge sharing culture	Entrepreneur: Q-Search is nothing more than a little society for me.
	Create space for continued development	Partner: Doing business in a more humane way on the basis of equality, respect, warm-heartedness, and sincerity.
Key attributes of the entrepreneurial orchestrator	Vision	Entrepreneur: I was an entrepreneur and I started talking about the concept of... well, the consultancy firm in the network organization form. Partner: She said: I want to change [workplace] politics without going into politics. I want to increase [workers' joy].
	Authenticity/honesty	Partner: She is a reference point for a lot of people. And a reference point not solely in terms of business. Partner: A person in her authenticity, in her genuine being. Being herself. Doc1 Partner selection criteria
	Entrepreneurial passion	Entrepreneur: I worked in companies and I saw that we were not cooperating easily or not even cooperating with each other [at all] although we were working on the same products or services. And I thought: This is strange, but you know, I am not going to change them.
	Personal initiative	Partner: She initiates a lot. Partner: She facilitates. She is always there. If [she] is not there, there is no group.
Key orchestration actions	Non-systematized communication	Entrepreneur: The first model was: Everything for free, just being happy that people were even interested in me and came there.
	Member self-selection	Partner: She selected the persons she liked to join in the first stage. And she had, of course, her own reasons and her own assessment, for that. Entrepreneur: [The selections] I made them myself.
	Singlehandedly supporting the	Entrepreneur: At the beginning I paid everything myself but then I earned my money with recruitment.

	ecosystem	
	Coordination mechanisms creation	Partner: We had a starting meeting with, I think around 10-15 people.
Ecosystem value	Connecting likeminded HR service professionals	Partner: So yes, we were all, you can say in a major part in alignment with the values, ideas, philosophies that [the entrepreneur] exhibited.
Outcomes	Ecosystem takes shape with help from core partners in recruitment.	Partner: It all started up with I think, maybe, 10 people who were active in recruitment. Entrepreneur: Everyone was enthusiastic and I started with recruitment professionals. Entrepreneur: I realized that I have to write down all the rules we made up already with each other.

Draft versie

The final goal relates to creating space for continued development or an environment that can help partners co-evolve, withstand environmental contingencies, and safeguard exchanges. Taking a long-term perspective, the orchestrator supports the formation of Q-Search with her own resources, thereby communicating that she believes in the long-term viability of the collaborative arrangement. At the same time, Hins models unique OI principles and relations or the group-oriented behavior necessary for the ecosystem to remain viable.

By the end of 2001 the orchestrator had created a space where HR service professionals and SMEs enthusiastic about the same principles, ideas, and philosophies were connected. As the communication efforts (including word-of-mouth) regarding Q-Search's raison d'être began to attract many new partners, the orchestrator initiated a set of deliberate steps in order to facilitate growth and accommodate the deepening of connections among partners paving the way for innovative services creation.

.3.2 Growth (2001 - 2011)

Growth at Q-Search takes place between 2001 and 2011 and is marked by the formalization of relationships between the orchestrator and her SME partners (Table 13.3). Having laid the groundwork for sustained value creation in initiation, the orchestrator's focus now shifts towards: 1) deepening the connection among partners; 2) changing and aligning their behavior; 3) creating a values community that transcends a singular focus on monetary benefits. These inter-connected goals are reached through a series of synchronized actions and reveal new orchestrator attributes.

The first goal, deepening the connection among OI partners, is realized through two nearly simultaneous actions. First, the orchestrator and core recruitment partners draft and distribute a three-page vision and legal document (collaboration contract) in 2001 geared at reinforcing the vision, clarifying the engagement rules between the orchestrator and partners, outlining resources and facilities available to partners, and highlighting legal provisions. In 2002, the orchestrator commissions an external company (OTYS) to develop and implement an IT platform to facilitate knowledge creation and sharing, develop the basis for learning processes, and strengthen the ties between all categories of partners – recruitment, management, and development.

The decision to create a hybrid collaboration contract stems from the orchestrator's belief that successful collaboration can only happen if partners adhere to the underlying value principles and that the way to get partners on the same page is to rehearse the principles of collaboration. Originally confusing—

i.e., some partners felt vision and legal aspects cannot mix, the document eventually becomes the keystone of collaboration, enabling high quality exchanges and transparency.

The creation of an IT platform to strengthen the ties between partners (management and development partners can now share vacancies with recruiters), blend routines (old and new), and accumulate a pool of complementary skills is a pioneering OI initiative for HR service professionals in The Netherlands, albeit one that is consistent with the orchestrator's initial vision of the future: a networked organization that can sustain long-term, innovative service creation generating value for society at large.

The second and third goals, changing and aligning partners' behavior and creating a values community that transcends a singular focus on monetary benefits are also partly realized by the introduction of the IT platform. The important element is the orchestrator's decision to assume full ecosystem facilitation for a yearly fee by 2003. The fee is designed as an "all-inclusive" package for partners and covers elements such as group communications (OTYS user manual/guide to the IT platform, monthly newsletters about partners, co-working tips, guest lectures, facilitated meetings), marketing collateral (website, logos, banners, brochures, badges, personalized email signatures), access to facilities (shared meeting rooms), and personal coaching/feedback.

To iron out surfacing disparities between different types of partners, the orchestrator continues the group meetings, sometimes including only individual partner categories, and at other times bringing all types of partners together. During these meetings, her social skills, especially her ability to perceive others' interests and needs [Baron and Tang, 2008] accurately, her propensity to express her own reactions and feelings openly and her skill in adapting her behaviors to the situation at hand, enable her to build trust ("she is a trust builder"), to bridge various points of views ("she is a bridger"), and to make peace ("she is a peace-maker"). Her passion for making the OI ecosystem work, for sharing and helping others, and her persistence/grit and dedication to her SME partners, help create a climate of psychological safety, trust, and cooperation and a sense of shared purpose, mutual support, and voice – all prerequisites of shared leadership creation [Carson, Tesluk, and Marrone, 2007].

Table 13.3: The Q-Search ecosystem's development. Phase II: Growth (2001–2011)

		Evidence from data
Ecosystem goals	Deepening connection among partners (via IT platform)	<p>Entrepreneur: What is also very interesting is that you can use ICT to change behavior.</p> <p>Partner: She was asking: What can I do for the whole group to create a better community?</p> <p>Entrepreneur: We were always pushing towards cooperation. Find each other without me.</p>
	Changing/aligning partner behavior	<p>Partner: She was more like: OK, if you go in that direction, what do you need to go in that direction? How can I help you with that?</p> <p>Entrepreneur: The formal issue was more necessary when the personal connection was not there.</p>
	Creation of a values community	<p>Partner: I think she was trying more to build, develop the values community more than the business community. And that's what a lot of partners didn't understand.</p> <p>Entrepreneur: All the selections, I made them myself. And after 3 years or so I also asked partners to look for new partners because I thought otherwise it's not a really a democratic process.</p>
Key attributes of the entrepreneurial orchestrator	Vision	<p>Entrepreneur: And 10 years ago, there was a partner in my network that said: You really have to change the website because nobody understands it. Well, I see that because I am talking about what will happen in the future, in 10-15 years from now.</p>
	Social skill	<p>Partner: She is a trust builder.</p> <p>Partner: She is a 'bridger', she is a strong networker, and she knows quite a lot of people, and she is also a peacemaker, a world-changer, she is very strong and very quick and she is taking care.</p> <p>Entrepreneur: I am good at attracting new people, building a concept, testing new partners, writing a newsletter. But if someone else wants to take over some of these steps it's OK with me.</p>
	Entrepreneurial passion (strong group-orientation)	<p>Partner: She was asking: What can I do for the whole group to create a better community?</p> <p>Doc2 Q-Search values</p> <p>Entrepreneur: We have to be patient and take everyone with us.</p>
	Persistence/grit	<p>Partner: She is very strong at that [drive, persistence]. She really believes there is a better world.</p> <p>MIG meeting: Partners confirmed this trait.</p>

	Self-reflection	<p>Entrepreneur: I was constantly working on my inner self. I was so anxious to create this that I was constantly working on myself. It was a lot of hard work.</p> <p>MIG meeting: Partners confirmed this trait.</p>
Key orchestration actions	Vision and mission document drafted	<p>Entrepreneur: The contract was this intention, the vision, 1½-page, and then a 1½-page simple [outline of] rules; I delivered a few services, I organized meetings for the partners every month and I wrote a newspaper/newsletter every month in which I told them about each other because they were not always at the meetings.</p> <p>Doc2 Q-Search values + partner input</p>
	IT platform commissioned and implemented	<p>Entrepreneur: All the partners were connected to the IT system, which OTYS built with me for recruitment.</p> <p>Doc3 Services provided by orchestrator</p>
	Full ecosystem facilitation for yearly fee (subscription model)	<p>Entrepreneur: At the beginning I paid everything myself but then I earned my money with recruitment. After 3 years they paid 750 euros a year and therefore I did all the work but I quit recruitment.</p>
Ecosystem value	Ongoing triage/self-organizing system	<p>Entrepreneur: The network kind of organized itself also because the partners that did not share your vision, they leave. And the contract is not necessary. It's like a true biological ecosystem.</p>
	Connectedness, resource diversity	<p>Entrepreneur: I really let people connect their brains in a different way.</p> <p>Partner: The main value is the diversity and the sharing in that diversity.</p>
Outcomes	<p>Orchestration is formalized and partners polarize in the wake of a pending financial crisis</p> <p>Entrepreneur formally quits Q-Search</p>	<p>Partner: It was kind of a culture split between the recruitment partners and some of the consulting business, counseling business, and trainers. (...) The values that Marjolein embraced were more in the consulting, counseling side. The recruiters were the moneymakers and they were real goal getters.</p> <p>Partner: The crisis came and what you see is that everybody started acting human.</p> <p>Entrepreneur: What people do a lot is to think that Q-Search is the ship [they] can go on, and they will help me survive. No, you have to survive yourself.</p> <p>Entrepreneur: So I quit after 11 years with the forms.</p>

The deliberate transition from loose to rigorous orchestration to create a values community occurs naturally and reveals the orchestrator's systematic approach to generating win-win situations. This attitude is consistent with the vision of a self-sustaining community [Vargo and Lusch, 2016] that can engineer behaviors (e.g. service attitudes and exchanges) and services for the greater good. The orchestrator also gravitates towards relinquishing ownership and control by letting more skilled partners take over tasks, democratizing partner selection criteria, and encouraging partners to collaborate without her direct involvement.

The outcomes are a formalized orchestration process and a diversified and visibly strengthened community, albeit one of intensified tensions between the idea-oriented (management and development) and business-oriented (recruiters) SME partners. Despite the orchestrator's effort to reconcile expectations and iron out disparities, the global financial crisis, whose effects are first felt in The Netherlands in 2008/2009, takes its toll and triggers the shift towards maturity. In the light of financial pressures, many partners had become dependent on the orchestrator's assistance, non-collaborative and unwilling to assume responsibility for their survival.

.3.3 *Maturity (2011 – 2016)*

The final phase of the Q-Search ecosystem's development begins in late 2011 and continues at present (Table 13.4). The transition brings another round of structural changes, much like the previous transition had previously done through the establishment of the collaboration contract, the IT platform, and the subscription fee. The misalignment between the orchestrator's personal aspirations and her role within the OI ecosystem at the end of growth in conjunction with the growing divide between profit and inspiration-seeking SME partners, prompt her to dismantle the formal structure that had governed the ecosystem's functioning from 2003 throughout 2011. What remains is a borderless community whose partners represent seeds for new ecosystem initiation.

The main goal – pursuing the ecosystem's initial vision and continuing inter-personal support – is born from the orchestrator's personal development and renewed need to align her vision with actions. During this phase the orchestrator's role is best described as an enabler and sustainer of transformation [Gastaldi, Appio, Martini, and Corso, 2015] for partners that have embraced the vision and are prepared to take it forward in their professional environments.

The ecosystem retains a subset of partners acquired throughout the first phases; those partners whose level of independence and responsibility matches that of the orchestrator and who are now free in the forms they adopt for service exchanges, innovative value creation, and co-evolution. The closer collaboration with policy-makers for innovative service generation benefiting society – for example, through the Art of Impact project - bears testimony to the general trend towards increased collaboration, flexibility, and a renewed focus on societally relevant issues.

The new “Maatschappelijke Intervisie Groep” (MIG) (intervision group) meetings give rise to a condensed and effective means of interaction. As alternatives to the orchestration service package (meetings with facilitation, concept building, newsletters, partner selection, personal coaching) delivered by the orchestrator during growth, MIG meetings take interaction to a new level by enabling participants—i.e., partners and experts keen on broadening their professional horizons, to reflect more deeply on their ideas, limitations, and concerns, and even perform role-play in order to solve conflicts. The fluid membership of these meetings reflects the orchestrator’s and SME partners’ belief that issues are best solved by bringing the right combination of people together, namely individuals with complementary skills that are passionate about the issue and open to new ideas. Trust is of fundamental importance in sustaining the new means of communication and, more broadly, the building of an effective knowledge-sharing network at the core of the ecosystem [Dyer and Nobeoka, 2000].

Examples of on-demand projects in collaboration with policy makers include: The Future of Work, a project whose aim is to lay the foundations for the workplace and work practices of the future and the Development Vouchers project. The Development Vouchers project represents a collaborative initiative involving a broad array of stakeholders – i.e., local policy-makers, union representatives, career counselors and life management coaches (among them Q-Search partners), representatives of an industry-specific employer association for continuous learning), whose aim is to create a national platform for lifelong vocational development that will enable vulnerable members of society to fully participate in the workforce.

In addition, Q-Search partners are working closely with the Ministry of Internal Affairs in The Netherlands to achieve impact in society through new leadership and flexible forms of organization (networks). The new projects – The Source of Feminine Leadership and The Art of Letting Go training – are the result of the orchestrator’s newly found self-efficacy and the fit between her vision and the preferred way of working with others; in an exploratory,

collaborative, open manner. The alignment between the orchestrator's attributes and those of the ecosystem appears to be a strong predictor of success. This finding is in line with previous entrepreneurship research [Rauch and Frese, 2007].

The most important change occurs internally as the orchestrator succeeds in aligning her values and beliefs with those of the ecosystem. Maturity is a time of renewal for everyone involved in the OI ecosystem—i.e., entrepreneurial orchestrator, SME partners, emergent stakeholders, and elicits the reintroduction of some of the successful practices undertaken during initiation. Informal conversations re-emerge in a new format (“What we are doing now with the intervision group is that we have a case, on which we share our wisdom so that [everybody] can go home with much more information and work on that”). Mutual sharing and responsibility for one's learning are again decentralized, as is the orchestrator's role in the facilitation of connection making—i.e., partners now connect independently, with or without her participation.

Maturity places the emphasis back on realizing the initial vision (changing existing HR practices and increasing job satisfaction and quality of work life in The Netherlands) within a community of dedicated SME partners, who have fully embraced the Q-Search vision and who choose to collaborate and support each other unencumbered by any formal agreements. These foundational elements currently serve as seeds for new ecosystem initiation and more fruitful OI relations.

Table 13.4: The Q-Search ecosystem's development. Phase III: Maturity (2011–2016)

Core aspects		Evidence from data
Ecosystem goals	Pursue vision and continue support	Entrepreneur: The only thing that we have to do is to interact on a deeper lever with each other and then we don't need all the rules.
Key attributes of the entrepreneurial orchestrator	Re-alignment between vision decisions	Partner: The development of Q-Search is nothing other than the mirror of her personal development. What she's doing now with and in Q-Search is very much more aligned with her deeper soul and attitudes. Partner: She was more and more interested in issues of transformation, transition, and culture change.
	Self-efficacy and persistence	Entrepreneur: My enthusiasm [remained constant] because I discovered that [what I had started was working] and I was more convinced that I have to continue with it. Entrepreneur: It takes time and effort and resilience to continue in doing [what you do]. Sometimes you take two steps forward and three back.
	Self-reflection/personal development	Entrepreneur: During those 15 years the hardest work I had to do was on myself. Entrepreneur: All the phases were necessary for my development and for my partners and for our surroundings. Entrepreneur: I have an ego myself. I've had to let a lot of it go and I still have it. [...] But it's a functional ego. Partner: Now she is very much more relaxed. She initiates and sees what happens.
Key orchestration actions	Quitting network as formal orchestrator	Partner: I think 70-80 per cent of her time she was busy, busy, busy with operational issues. So the [Phase] III was, in fact, her liberating act. Entrepreneur: What we are doing now with the intervision group is that we have a case, on which we share our wisdom so that [everybody] can go home with much more information and work on that. Doc5 Sample vision document (The Art of Impact) Doc6 The Future of Work project
	Collaboration with policy-makers	Entrepreneur: My focus now is policies, the Hague, ministries, institutions. Doc4 Sample vision document (Input for new tax plan for self-employed)

Ecosystem value	Freedom in pursuit of vision, inspiration, and connectedness	Entrepreneur: We [serve more] as inspiration to each other than we [focus] on getting assignments with companies. MIG Meeting
Outcomes	Boundaries disappear	Entrepreneur: The idea of Q-Search being an organization, an organized organization is really gone. Entrepreneur: With me there are no more boundaries anymore. (...) I don't have official partners anymore. Partner: I left at the same time as the entrepreneur said: I will change the system of Q-Search. I thought OK, that is for me also a good time to change now.
	New ecosystems take shape	Entrepreneur: Q-Search now, it's the entrepreneur [myself], who is a good networker, but also the partners [and their new ecosystems]. So we are building a whole new ecosystem.

Draft version

.4 Conclusions and Discussion

This chapter has examined the evolution of a Dutch OI ecosystem of SMEs active in the HR-services industry. The relations under study (Figure 13.2) emphasized the complex interplay between the OI ecosystem's goals, the attributes of the entrepreneurial orchestrator and her consequent actions, as well as ecosystem outcomes and innovative value creation. As such, we have answered to distinct calls, such as the one from Brunswicker and van de Vrande [2014] and Vanhaverbeke [2017], for more knowledge on how SMEs coordinate the network of OI relations forming around them. Furthermore, we have built on existing work by Gardet and Fraiha [2012] and Autio et al. [2014] on OI relations and coordination in a networked setting. Uniquely, the framework used for the analysis has combined different streams of literature – i.e., entrepreneurship, strategy/innovation management, and psychology, to showcase the orchestrator's profound influence on her OI ecosystem of SMEs.

Drawing upon rich data, and taking a longitudinal view of Q-Search's evolution, we find that it takes a specific type of entrepreneur or orchestrator to set up SME ecosystems and OI relations that are ultimately self-sustaining and can thus create innovation and value. This entrepreneur has: 1) a strong vision of changing society for the better and is able to communicate this vision to her partners [Grant, 2012]; 2) is willing to forego her own interests for the benefit of the greater good (passion) and who is capable of cultivating this attitude in others through her authenticity; 3) leads by example and 4) helps others become empowered – i.e., makes making herself replaceable [Conger, Kanungo, and Menon, 2000; Shamir, House, and Arthur, 1993]. At the same time, the type of entrepreneur is: 5) passionate about her cause and, by extension, shows the persistence that is necessary to take her ecosystem through the learning phases of chaos, structure, and ultimately structured chaos [Baum and Locke, 2004]; 6) willing to show her vulnerability; 7) able to use the ecosystem's feedback to her actions as input for self-reflection and personal development [Dhanaraj and Parkhe, 2006], and 8) willing to change her behavior to accommodate the ecosystem's needs.

In studying the psychological profile of the entrepreneurial orchestrator and how it affects ecosystem development and evolution we build on the important work by Ahn et al. [2013] who also find that particularly in an SME context the founder and his/her traits have a profound influence on the way OI relations unfold.

In addition, building on Salampasis and Mention [2017], we shed light on the human element in OI ecosystems where our findings show that personal relationships play a crucial role in supporting OI in each of the evolutionary phases [Vanhaverbeke, 2017; Ceci and Iubatti, 2012]. During initiation, the regular meetings held by the entrepreneurial orchestrator with core partners help create familiarity and also attract new, complementary SMEs to Q-Search. This, in turn, leads to establishing ecosystem legitimacy, to knowledge-sharing, to continued development, and to innovative service creation. During growth, personal relationships contribute to the creation of the IT platform for closer activity coordination, better communication, and aligned expectations. Finally, during maturity, personal relationships (feedback from partners) enable the orchestrator to “free” herself from the formal orchestration role and let Q-Search become a truly self-sustaining [ecosystem] structure. Ultimately, Q-Search partners move on to create new OI relationships in HR-consulting and value constellations of their own, drawing upon the experience from Q-Search.

While this chapter presents one of the first attempts to visualize and analyze ecosystem evolution over a prolonged period of time, its main weakness lies in that we draw up this view based on archival data and past accounts of Q-Search’s development. Despite this limitation, we found consensus among interviewees as to when initiation, growth, and maturity occurred at Q-Search.

Our research provides several implications for academics, practitioners, and policy makers alike. First, by understanding SME ecosystems’ evolutionary phases (also, the dynamics of each “transition”) governments and policy-makers may design better instruments to stimulate their emergence and growth. Second, understanding the psychology of the SME orchestrators (entrepreneurs), can lead to more effective tools and training, and ultimately healthier OI relationships. Third, our research suggests several avenues for further investigation. We stimulate fellow researchers in different disciplines to conduct more in-depth, multi-disciplinary explorations of SME ecosystems, their internal dynamics, and the interactions between the psychology of the orchestrating entrepreneur and his/her partners. In particular, we encourage exploring the human element in OI.

As several other chapters in this book illustrate, understanding the human factor can provide answers to complex questions, including which organizational ingredients and “ways” contribute to the creation of the right corporate OI environment and culture, both within and across organizational boundaries [Salampasis and Mention, 2017]. Chapter 5, for example, shows that understanding top executives’ leadership and awareness (also key attributes) can reveal a great deal about how OI is promoted. Chapter 8 illustrates how misalignments between SMEs’ business models and that of the ecosystem they

are part of can lead to various challenges. Here, the entrepreneurs and SMEs must share business objectives in order to carry out successful OI.

References

- Ahn, J. M., Mortara, L. & Minshall, T. 2013. The Effects of Open Innovation on Firm Performance: A Capacity Approach. *STI Policy Review*, 4, 74-93.
- Autio, E., Kenney, M., Mustar, P., Siegel, D. & Wright, M. 2014. Entrepreneurial innovation: The importance of context. *Research Policy*, 43, 1097-1108.
- Baron, R. A. & Tang, J. 2008. Entrepreneurs' social skills and new venture performance: Mediating mechanisms and cultural generality. *Journal of Management*, 35, 282-306.
- Baum, Jr. & Locke, E. 2004. The Relationship Of Entrepreneurial Traits, Skill, And Motivation To Subsequent Venture Growth. *Journal Of Applied Psychology*, 89, 587-598.
- Bennett, A. & Elman, C. 2010. Case Study Methods. In Reus-Smit, C. & Snidal, D. (eds.) *The Oxford Handbook of International Relations*. Oxford: Oxford University Press.
- Brunswick, S. & van de Vrande, V. 2014. Exploring Open Innovation in Small and Medium-Sized Enterprises. In Chesbrough, H., Vanhaverbeke, W. & West, J. (eds.), *New Frontiers in Open Innovation*. Oxford, UK: Oxford University Press.
- Brunswick, S. 2011. *An empirical multivariate examination of the performance impact of open and collaborative innovation strategies*. Unpublished dissertation, Universität Stuttgart.
- Carson, J. B., Tesluk, P. E. & Marrone, J. A. 2007. Shared leadership in teams: An investigation of antecedent conditions and performance. *Academy of Management Journal*, 50, 1217-1234.
- Ceci, F. & Iubatti, D. 2012. Personal relationships and innovation diffusion in SME networks: A content analysis approach. *Research Policy*, 41, 565-579.
- Chesbrough, H., Vanhaverbeke, W. & West, J. 2014. *New frontiers in open innovation*. Oxford: Oxford University Press.
- Conger, J. A., Kanungo, R. N. & Menon, S. T. 2000. Charismatic Leadership And Follower Effects. *Journal Of Organizational Behavior*, 21, 747-767.
- Dhanaraj, C. & Parkhe, A. 2006. Orchestrating Innovation Networks. *Academy of Management Review*, 31, 659-669.
- Drechsler, W. & Natter, M. 2012. Understanding a firm's openness decisions in innovation. *Journal of Business Research*, 65, 438-445.
- Dyer, J. H. & Nobeoka, K. 2000. Creating and managing a high-performance knowledge-sharing network: the Toyota case. *Strategic Management Journal*, 21, 345-367.
- Eisenhardt, K. M. 1989. Building Theories from Case Study Research. *Academy of Management Review*, 14, 532-550.
- Eisenhardt, K. M., & Graebner, M. E. 2007. Theory Building from Cases: Opportunities and Challenges. *Academy of Management Journal*, 50, 25-32.

- Eurostat. 2017. Statistics on Small and Medium-Sized Enterprises Explained. Available at: http://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics_on_small_and_medium-sized_enterprises, Accessed: 6 June, 2017.
- Flyvbjerg, B. 2006. Five misunderstandings about case-study research. *Qualitative Inquiry*, 12, 219-245.
- Gardet, E. & Fraiha, S. 2012. Coordination modes established by the hub firm of an innovation network: the Case of an SME bearer, *Journal of Small Business Management*, 50, 216–238.
- Gastaldi, L., Appio, F.P., Martini, A. & Corso, M. 2015. Academics as orchestrators of continuous innovation ecosystems: towards a fourth generation of CI initiatives. *International Journal of Technology Management*, 68, 1-20.
- Gehman, J., Glaser, V. L., Eisenhardt, K. M., Gioia, D., Langley, A. & Corley, K.G. 2017. Finding Theory–Method Fit: A Comparison of Three Qualitative Approaches to Theory Building. *Journal of Management Inquiry*, Forthcoming.
- Grant, A. M. 2012. Leading With Meaning: Beneficiary Contact, Prosocial Impact, And The Performance Effects Of Transformational Leadership. *Academy of Management Journal*, 55, 458-476.
- Gulati, R., Puranam, P. & Tushman, M. 2012. Meta-organization design: Rethinking design in interorganizational and community contexts. *Strategic Management Journal*, 33, 571-586.
- Langley, A., Smallman, C., Tsoukas, H. & Van de Ven, A.H. 2013. Process studies of change in organization and management: Unveiling temporality, activity, and flow. *Academy of Management Journal*, 56, 1-13.
- Laperche, B. & Liu, Z. 2013. SMEs and knowledge-capital formation in innovation networks: a review of literature. *Journal of Innovation and Entrepreneurship*, 2, 1-16.
- Lee, H., Kelley, D., Lee, J. & Lee, S. 2012. SME survival: the impact of internationalization, technology resources, and alliances. *Journal of Small Business Management*, 50, 1-19.
- Leroi-Werelds, S., Pop, O. M., & Roijackers, N. 2017. Understanding value creation in alliance ecosystems: Enriching the strategic alliance literature with insights from marketing. In *Managing Alliance Portfolios And Networks*, Das, T. K. (ed.), Charlotte: Information Age Publishing.
- Nambisan, S. & Sawhney, M. 2011. Orchestration processes in network-centric innovation: Evidence from the field. *The Academy of Management Perspectives*, 25, 40-57.
- Paquin, R. L. & Howard-Grenville, J. 2013. Blind dates and arranged marriages: Longitudinal processes of network orchestration. *Organization Studies*, 34, 1623–1653.
- Rauch, A. & M. Frese, M. 2007. Let's put the person back into entrepreneurship research: A meta-analysis on the relationship between business owners' personality traits, business creation, and success. *European Journal of Work and Organizational Psychology*, 16, 353-385.

- Ritala, P., Agouridas, V., Assimakopoulos, D. & Gies, O. 2013. Value creation and capture mechanisms in innovation ecosystems: a comparative case study. *International Journal of Technology Management*, 63, 244-267.
- Salampasis, D. & Mention, A. L. 2017. *Open Innovation: Unveiling the Power of the Human Element*, Vol. 2, Singapore: World Scientific Publishing.
- Shamir, B., House, R. J., & Arthur, M. B. 1993. The motivational effects of charismatic leadership: A self-concept based theory. *Organization Science*, 4, 577-594.
- Ucbasaran, D., Westhead, P. & Wright, M., 2001. The focus of entrepreneurial research: contextual and process issues. *Entrepreneurship Theory and Practice*, 25, 57-80.
- Van de Ven, A. H. 1992. Suggestions for studying strategy process: A research note. *Strategic Management Journal*, 13, 169-191.
- Van de Vrande, V., De Jong, J.P., Vanhaverbeke, W. & De Rochemont, M. 2009. Open innovation in SMEs: Trends, motives and management challenges. *Technovation*, 29, 423-437.
- Vanhaverbeke, W. 2017. *Managing Open Innovation in SMEs*. Cambridge: Cambridge University Press.
- Vargo, S. & Lusch, R. F. 2016. Institutions and Axioms: A Extension and Update of Service-Dominant Logic. *Journal of the Academy of Marketing Science*, 44, 5-23.
- West, J. & Bogers, M. 2017. Open innovation: current status and research opportunities. *Innovation-Management, Policy & Practice*, Forthcoming.
- Williamson, P. J. & De Meyer, A. 2012. Ecosystem Advantage. *California Management Review*, 55, 24-46.
- Word Bank. 2016. Entrepreneurs And Small Business Spur Economic Growth. Available at: <http://www.worldbank.org/en/news/feature/2016/06/20/entrepreneurs-and-small-businesses-spur-economic-growth-and-create-jobs>, Accessed: 6 June, 2017.
- Yin, R. K. 2013. *Case study research: Design and methods*. 4th edition. London: Sage publications.

Draft Version