

Why Purpose-Led Ecosystems are Critical to Creating Stakeholder Value





“Harnessing abundance and leveraging purpose-led ecosystems can be just as powerful in helping address global issues of societal significance as they are in solving business issues of board-level significance.”

This was **Krishnan Ramanujam’s** message to leaders from business, government, academia, and media at the ‘**Imagination in Action**’ event in Davos. Hosted by Massachusetts Institute of Technology (MIT) and Forbes during the World Economic Forum Annual Meeting, the event explored how human intelligence can be extended by emerging technologies – including AI, blockchain, IoT and data analytics – to improve the state of our world.

1. Transforming business models: from competition to collaboration and co-innovation

The President of Business & Technology Services at TCS joined thought leaders and innovators including chairman of Mastercard, **Rick Haythornthwaite**, Ramesh Raskar of MIT Media Lab, one of the leading thinkers on AI and privacy, and former ethical hacker and tech entrepreneur Mira Wilzek, who spoke about deepening human-AI collaboration.

Krishnan Ramanujam’s talk stressed the importance of collaboration in addition to technology, underlining that the fundamental problems faced by the world cannot be resolved by lone fighters, but require the coming together of companies, governments, regulatory authorities and individuals that share a purpose through ecosystems.

This idea is an extension of the principles of ‘Business 4.0’, he explained, that helps businesses leverage digital technologies

for their growth and transformation. But one of its major building blocks is a digital ecosystem. Think of Amazon and its multitude of **technology and app partners** for its smart speakers, for example. By extending the boundaries of its traditional enterprise and including partners into its ecosystem, Amazon has once again demonstrated what it does best – customer-centricity.

As Professor Michael Jacobides, London Business School shared in **Harvard Business Review**, traditional strategies and structures are of no help when it comes to ecosystems. Companies need to think about how they can help others create value, rather than focusing on beating their competitors

2. Shifting mindsets: from scarcity to abundance

As Mr. Ramanujam underlined, this effect is not limited to technology-led organizations – it applies to airlines, engine manufacturers, shipbuilders, and retail chains just the same.

The purpose-led ecosystems approach brings together stakeholders that share a purpose – be it better health outcomes, memorable travel experiences, seamless logistics or more. By looking beyond organizational boundaries, ecosystem players can create shared value that benefits their customers, partners, vendors, employees and even the communities in which they operate. And ecosystems allow companies to maximize resources across the value chain. Effectively, rather than managing the limited resources their organizations have access to, players can jointly harness the abundance that exists across the ecosystem, whether it's data, funding or people.

This also opens up new business opportunities and revenue streams, allowing companies to benefit from a broader portfolio of offerings – be it products or services – they can take to their customers. For many enterprises, this means reimagined customer journeys, more engaged workforces, a robust partner network, new capabilities, and outcomes.

And looking beyond the immediate business impact, ecosystems can also deliver more powerful positive results in terms of addressing wider societal issues. From sustainable operations to worker health and safety, responsible growth to inclusion and empowerment, leading companies are fast discovering the exponential value they can unlock through this approach.

Krishnan Ramanujam referred to TCS' work with various communities as an example of the cumulative effect collaboration has in terms of meeting global development goals.

3. Creating stakeholder value: the purpose of technology

A developing country where healthcare delivery is very low, India ranks 150th out of 195 countries. In these circumstances, resources are truly stretched: from healthcare infrastructure to clinicians' availability – there is only one doctor for every 1,600 people, for example.

Together with partners, TCS has built a digital platform to connect the healthcare community with its patients, supporting coordination, communication, and delivery of health services, raising the healthcare standard, especially for the poor.

Another area is wildlife conservation. In India, the one-horned rhino is nearing extinction due to poaching, and a major government initiative is being rolled out to save the species. TCS and the state government in Assam partnered to put in place drone patrols that monitor the rhinos and deter poachers, collecting and analyzing sensor and drone data. As well as anti-poaching duties, the drones can be tasked with other uses – from wildlife census to vegetation analysis.

The 'Imagination in Action' event underscored that the purpose of technology is to create positive outcomes for people and the planet. Krishnan Ramanujam's talk added a further layer to that equation – showing that through collaborating and the creation of purpose-led ecosystems, progressive companies and leaders will truly be able to make the shift – from shareholder returns to stakeholder value.

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