

New Thought of Business Ecosystem-First Exploration from the Research Perspective of Chinese-West Inter-Explanation

Qianni GU

School of Management, Shanghai University of Engineering Science, Shanghai, CHINA

Abstract: Business ecosystem is an economic complex that is based on interaction of organizations and individuals. This concept, first of all, was proposed by western scholars, who conducted relatively abundant studies on it. On the other hand, discussion of Chinese scholars on business ecosystem is still kept in the preliminary stage of “bringism”. However, in the eastern philosophy, there are abundant discussions on the “zoology”. This paper rethinks business ecosystem from the perspective of eastern and western inter-explanation for ecological philosophy, thinks that eastern and western ecological philosophy has similarities (mutualism, alternation and regeneration) in entire characteristics of the system. On the other hand, status, behaviors and ways of cooperative thinking have differences. Exploring business ecosystem beginning with eastern and western origin of ecological philosophy again is a system theory of enriching business economic ecosystem, is an effective approach to reinforce indigenous research of business ecosystem, and also has a high enlightenments on practical activities for business ecosystem.

Keywords: Business ecosystem; Chinese-west inter-explanation; localization of management science

1. Introduction

Business ecosystem (or ecosphere) has received an increasing number of attentions from scholars and enterprise operators in recent years (Du Guozhu and Shu Huaying, 2007). Many brand-new business opportunities are sprung up with the unprecedented tightness of relations between organizations and individuals, under the background of gradually complicated and dynamic competition and technical environment. Traditional business model is established above the value chain model, while business model based on ecosphere turns its core to enterprise externality from enterprise interiority and turns to prize ability and resources of related enterprises in the value platform from the own ability and resources of running an enterprise (Liu Jianwen and Sun Weijin, 2012). No matter it is a traditional manufacturing enterprise (such as Mengniu Dairy), service business (such as sf-express), or a high-tech and internet enterprise (such as BAT, Xiaomi and LeTV), all of them are looking for a method to construct and optimize ecosphere positively. The earliest one who proposed the concept of business ecosystem was James Moore. In 1993, he published an article named the *Death of Competition: Leadership and Strategy in the Age of Business Ecosystems* in Harvard Business Review. For all, he defined the concept of business ecosystem (Moore, 1993) for the first time and thought that “interaction of organizations and individual is the foundation of interaction between organizations

and individuals. Afterwards, Moore elaborated evolution law of business ecosystem elaborately in the *Death of Competition: Leadership and Strategy in the Age of Business Ecosystems* published in 1996 (Moore, 1996).

The essence of business ecosystem is a kind of governance model between bureaucracy and marketization (Williamson & Meyer, 2012). Differing from network organization theory, the study on business ecosystem not only concerns relationship among organizations, but also brings users and clients, etc., individuals into the category of ecosystem. Moreover, it is regarded as a circulation that is kept in a larger range and considers value with the entire thought.

The concept of business ecosystem is paid attention to scholars, after it was proposed. Western scholars conduct abundant explorations along this direction. However, it is a pity that discussion of Chinese scholars on this problem still is relatively preliminary and keeps in the stage of “bringism”. Existing studies mainly rest on summaries and conclusions on western researches (Pan Jianying and Wang Chongming, 2012).

As a matter of fact, in eastern philosophy, the discussion on “zoology” has already been abundant, even if the concept of business ecosystem has been concerned in recent years. The paper explores business ecosystem again beginning with the eastern and western origin of ecological philosophy and looks forward to opening new knowledge on business ecological problems by virtue of eastern and western philosophy wisdom, under the background of

increasingly prominent importance of current business ecosystem on enterprises in practical significance. In theoretical significance, it is an effective approach to enrich theory of business ecosystem and increase localization study on business ecosystem. LvLi (2013) thought that Chinese-west explanation may be the most reliable approach to establish, spread and develop Chinese management science. From the perspective of peculiarity and universality, Chinese-west inter-explanation is the only approach to establish Chinese School of management and develop Chinese management science. This paper tries to recognize business ecosystem from the perspective of Chinese-west inter-explanation and discusses similarities and differences of eastern and western ecosystem from the perspective of philosophy, so as to provide new “nutrient” for the development of business ecosystem from the eastern perspective.

2. Differences between Eastern and Western Ecological Philosophy

Participants of business ecosystem include consumers, manufacturers, suppliers, service providers, intermediary agency of market, investors and government, etc., elements (Wu Jihong, 2014). Interaction between participants in business ecosystem plays an important role on normal operation of business ecosystem, while eastern and western ecological philosophy embodies different opinions on status, behaviors and cooperative thinking of participants.

2.1. “Status” of Participants in Ecosystem: Role Difference VS. Equal All Things

Western scholars who proposed business ecosystem think that different species in the same ecosystem have differences. They generally can be divided into different grades in line with importance. Generally speaking, participants in business ecosystem can be divided into “core species”(larger influence) and “gap species”(smaller influence) in accordance with size of influence(Iansiti&Levien, 2004). The role of “core species” is considered as the key of determining prosperity and decline for ecosystem. Western scholars generally think that core species only occupy a small part in the huge ecosystem, but play a role on impacting the entire system. The number of gap species is more and presents high differentiation and professionalization. Gap species usually are regarded as complementary of core species in ecosystem to help core species to expand business domain. Furthermore, scholars propose “challenging species” between core species and gap species. The influence of challenging species is limited, but challenging species attempt to expand influence and replace the status of core species (Gawer&Gusumano, 2002).

In the eastern perspective of ecological philosophy, we can observe significant difference. Chuang-Tzu—On the

Equality of Things thinks that “Universe and I are born together; universe and I are united.” In other words, humans should regard all things as their brothers and sisters. Humans and other species are equal. Thus, humans should protect other species conscientiously. For instance, humans should have love and relation for trees and earth. People shouldn’t cut off harmonious and equal state between each other. If such a state is broken, people may be encountered with ecological crisis. In the eastern perspective of ecological philosophy, all species in ecosystem are equal. Harmonious and equal state between each other will be beneficial to more harmonious and healthier development of ecosystem.

Western ecological philosophy emphasizes different status of diverse species in ecosystem, while influence is widely divergent. On the other hand, eastern ecological philosophy stresses on equal, harmonious and unified development of participants in ecosystem.

2.2. “Behaviors” of Participants in Ecosystem: Man can Conquer Nature VS. Let Nature Take Its Course

Literatures in western business ecosystem extremely underline subjective initiative of enterprises. Particularly, enterprises with core species develop subjective initiative and plan or even master the direction of ecosystem. The role of core species is much larger than other species in ecosystem. Western scholars think that subjective initiative of enterprises with core species can master the development and future direction of ecosystem. This embodies a kind of belief that “man can conquer nature”. Enterprises with core species formulate standard for the entire ecosystem, so their behaviors will impact performance other members, including their own performance. Core species must undertake an important responsibility, including provision of platform (such as tool, technology, production process and service) for members using to develop or provide product services. Core species create values and share values between members. Core species can attract and retain members by creating and sharing values, so as to ensure lasting and sound system. In addition, core species should ensure stability and predictability of system operation (Iansiti&Levien, 2004).

Eastern ecological philosophy thinks that participants in ecosystem should conform to nature. In this way, it can reach the harmony of ecosystem. Chuang-Tzu Emperor Ying indicates that “let nature take its course and have no selfish motives, so the country can be governed well.”“Governance” embodies relative harmonious and well-off state. Chuang-Tzu thought that development of all things must abide by natural principles. The essence of nature is free. Humans shouldn’t involve too much. If humans cover the essence of nature, the ultimate feedback of nature will be a kind of vicious countermeasure and cause vicious damage. Eastern ecological philosophy

thinks that if ecosystem wants to develop harmoniously, participators should conform to nature.

Western ecological philosophy emphasizes core status of core species and controlling role on ecosystem, but eastern philosophy emphasizes that all species should abide by nature development of ecosystem and have no need to intervene. Opinions between them are opposing force.

2.3. “Cooperative Thought” of Participators in Ecosystem: Mechanism VS. Relationship

All species in ecosphere want to remain a good position in ecosystem, develop sustainably and should be equipped with good “cooperative thought”. In fact, “cooperative thought” in eastern and western ecological philosophy is dealt differently.

The West has clear-cut mechanism and contract requirements for how to maintain relationship between members in ecosphere, namely how to cooperate between members. Core species of ecosystem are used for governing ecosphere by designing platform architecture. In other words, a pattern is designed to make participators cooperative. It is necessary to make this framework flexible and changeable and satisfy future demands, because design of platform architecture often is irreversible (Tiwana, Konsynski & Bush, 2010). Western scholars think that modularization with higher degree contributes to evolution with higher frequency. As a result, coordinative cost between modules will be lower. Modularization is generally accompanied with “design rule”, which abides by a stable principle, maintains continuity and also needs functional diversities. Western ecological philosophy thinks that cooperation between participators can be operated by design platform architecture completely, namely “mechanism”. Stable ecosystem can be maintained by changing platform architecture.

On the other hand, eastern scholars have diverse opinions on how to maintain the relationship between members in ecosphere. Eastern ecological philosophy thinks if members want to maintain good cooperative, they must be equipped with “integrity” and “relationship”. Mencius thought “integrity” is the discipline of natural world, the highest moral category and basic ethical principle of behaving. “Relationship” indicates that Chinese is a society with “differential pattern” and is the network built by numerous private relations, so does the business ecosystem. Participators in ecosphere can maintain good cooperation through “integrity” and “relationship”. “Integrity” reflects in ecological philosophy of business ecosystem. This means that “integrity” is applied to maintain a mutual relation in ecosphere, so as to produce a kind of virtuous circle and apply “relationship” created by “integrity” to reduce cooperative cost between participators.

Western ecological philosophy emphasizes that core species of ecosystem can govern ecosphere by designing

platform architecture. Western ecological philosophy emphasizes that participators of ecosphere apply “integrity” and “relationship” to maintain a mutual cooperative relation in ecosphere and stresses on different guide.

3. Similarities between Eastern and Western Ecological Philosophy

Though eastern and western ecological philosophy has different recognition on member status, behaviors and cooperative thought in ecosphere, as a whole, entire reflection of eastern and western ecological philosophy on ecosystem has larger similarities.

Western scholars think that development of business ecosystem can be divided into four stages: development stage, expansion stage, leadership stage and self-renewal or death stage (Moore, 1996). Correspondingly: hexagram-records of *Kon* in the *Book of Changes* express as “Yuan, Heng, Li and Zhen”. As a matter of fact, these four characters represent four different periods of life metabolism. “Yuan” refers to the beginning time of life; “Heng” represents the growth stage of life; “Li” means the mature stage of life; and “Zhen” indicates old period of life. A complete life period is presented through these four different stages. Life is a round dialectical process, instead of mechanical and dead existence. Life produces in exercise, but terminates in the exercise. This is a kind of simple natural dialectics. Eastern ecological philosophy thinks that every life is kept in the popularity of nature and is always controlled by natural principle from production to the entire rheological process. Life is promoted constantly through such a rheological process.

Ecosphere, as a revolution in the process of constructing commercial relation, can realize three-level functions, including mutualism, alternation and regeneration (Liu Jianwen and Sun Weijia, 2012). Mutualism and alternation describes the member relation in the system. This not only can create values together through constant investments of each member, but also can maintain sound development of the system through value sharing in ecosphere. On the other hand, regeneration can promote constant evolution of ecosphere and adapt to changeable competitive context.

3.1. Mutualism VS. Same Virtue of Heaven and Man

The first level of business ecosystem is mutualism: each member works in coordination and distribution of responsibilities, for the sake of realizing common target and uniting into an integral whole organically, cooperating with each other to create values and realizing the maximal entire value in ecosphere. The core of mutualism is to create a value platform, which can be used and shared by commercial partners in ecosphere together, so that value creation can organize systematically. In the link of mutualism, participators should concentrate on a certain market, but utilize power of other partners in this

platform to solve problems in other aspects, so as to improve business performance greatly. The core of this link lies in establishing and maintaining value platform. Participants can establish a platform by using physical capital, intellectual capital or financial capital. By using such a platform, each member can invest in it commonly and makes complicated value creation simplify to increase productivity and offer more value creative points as much as possible (Zhang Jinping & Zhou you, 2005).

Eastern ecological philosophy, on the other hand, also has profound elaboration on “mutualism”. The Book of Changes—Biography of Copulative Volume Two says that “In the ancient, the whole world belongs to the emperor. Looking up at the sky and looking down at the ground. Birds and beasts are suitable for the ground. Things taken from the close distance and from the faraway place are the beginning of trigram, so as to understand the virtue of spirit and know about feelings of all things.” This sentence obviously embodies the mutual understanding between sky, heaven, humans and all things and mutually tolerant and harmonious concept of ecological unity. In this process, nature and humans are considered as an entire unity to rethink, and reveals the consistent coordination between humans and natures. Same virtue of heaven and man elaborates a kind of relation and state of mutualism between humans and nature. This “mutualism reflects in “the Dao of three powers” integrating with heaven, earth and humans. “The Dao of three powers” will bring humans and natural all things into an ecosystem “sharing ups and downs and sharing weal or woe.” Thus, the “mutualism” foundation of “no separation between humans and nature and integration between humans and things” in “survival” level is defined.

Western ecological philosophy stresses on “mutualism”, namely creating a value platform makes value creation can be organized systematically. Eastern ecological philosophy emphasizes that “same virtue of heaven and man”, namely “the Dao of three powers” integrating with heaven, earth and humans, namely humans and natural all things are brought into an ecosystem “sharing ups and downs and sharing weal or woe”. Both of them have different approaches but equally satisfactory results.

3.2. Alternation VS. Work Together with One Heart

In mutualism, members of ecosphere also present correlative dependence. Benefits of every member are associated with other members and sound entire development of the ecosphere. Value creation of members will be shared in the entire ecosphere. If there is lack of sharing, health level of the ecosphere will be threatened. Members may decline or turn to other ecospheres. The core of alternation means that cost of sharing value in the system must be sufficiently low. The ecosphere must establish a

kind of management structure that shares values at low cost.

In eastern philosophy, there is relatively profound elaboration on “alternation”, The Book of Changes composes of trigram or hexagram by using basic units of yin and yang lines and utilizes five elements to restrain. Yin-yang and five elements form a self-organizing ecological balance system by using the relation of reinforcing each other. Actually, it means that though cosmic inventory though has differences and fighting spirit, namely antagonistic aspects, it also works together with one heart, namely intergeneration. Such a state is “peacefulness”. “The world is destiny to peacefulness, and all things have the nature of peacefulness”. The harmony between opposites is the basis condition for all things. If such the harmony is disappeared, everything will be nothingness. The relation of reinforcing each other in yin-yang and five elements system expresses directly, while interaction of the ecosystem should be realized by a certain feedback mechanism. The system coupling of this feedback mechanism will produce a certain synergistic effect, so as to impact ecological threshold of the entire system.

Western ecological philosophy stresses on “alternation”, namely in mutualism, members of ecosphere also present correlative dependence. Benefits of every member are associated with other members and sound entire development of the ecosphere. Eastern ecological philosophy stresses on “working together with one heart”, namely yin-yang and five elements form a self-organizing ecological balance system by using the relation of reinforcing each other. It means that though cosmic inventory though has differences and fighting spirit, namely antagonistic aspects, it also works together with one heart, namely intergeneration. Such a state is “peacefulness”. “The world is destiny to peacefulness, and all things have the nature of peacefulness”. Therefore, “alternation”, in a sense, is “working together with one heart”.

3.3. Regeneration VS. Already but Not Yet

Any industry has its development border. After external environment changes or an industry enters into the mature period, the entire industry will decline. Regeneration refers to, by paying attention to the industrial areas that are the most suitable mark and microeconomic environment, move some resources to a new ecosphere and establish better cooperative architecture and more sound economic order, so as to pass through broader market range in the future. Such an opinion embodies in western ecological philosophy and emphasizes on “springing up” “regeneration of the system. In complicated subjects, “springing up” is one of the most charming properties. It refers to the appearance of new structure and new attribute in self-organizing process of completed system (Luo Jigui, 2008). When applying to business ecosystem, it can be understood as the potential of constant self-

renewal for ecosystem. When James Moore (1996) analyzed evolutionary process of business ecosystem, he divided into four stages: birth, expansion, guide and self-renewal. If the ecosystem can't realize self-renewal, it will decline and fall inevitably. Thus, it can be observed that eastern and western philosophy makes the most of regarding ecosystem as the attribute of self-renewal and regenerate for a life entity.

Eastern ecological philosophy thinks that "regeneration" is "already but no yet". Hexagram of the Book of Changes performs the overall process of change development in universe exercise change. Hexagram originates from the heaven and has already but not yet. Anyone in 385 liens in hexagram can be changed into yin from yang or yang from yin. Then any line can evaluate any line. In this way, it can form the entire circulation of hexagram and use for natural phenomenon between universes and unities and is used for every nature phenomenon, biology and personnel change processing exceeding entire circulation of hexagram. Yin-yang movement

will cause natural circulation moving has the reasonability of profound ecological process. From natural principle to social change, after experiencing countless waxing and waning of yin-yang and ups and downs organization, it ultimately will have everything. However, solution of any problem is just temporary and relative. "Everything has no ending, so it has already but not yet; so it is to be continued. Identity of contradict is relative, temperature and straggle framework. After finishing the old one, the new one produces is applied with it.

Western ecological philosophy emphasizes "regeneration", namely it means the ecosystem has the potential of constant self-renewal; Eastern ecological philosophy emphasizes that when old process finishes, the new process will be produced with it. This "circle of life" happens to have the same view with western "regeneration".

Similarities and differences of opinions on ecosystem in eastern philosophy and western philosophy are as follows, as shown in the Table 1:

Table 1. Similarities and Differences of Opinions between eastern and western ecological philosophy

	Dimensionality	Opinions of eastern philosophy	Opinion of western philosophy
Differences	Status	Everything is equal. All species in ecosphere are equal. There is harmonious and equal state, which is beneficial to development of ecosystem.	Role difference Distinguish core species, gap species and challenging species, pay attention to influences of core species on ecosystem.
	Behaviors	Let nature take its course Essence of nature is free. Humans shouldn't interference too much. Participants should conform to nature and reach the harmony of the entire system.	Man can conquer nature objective initiative of core species enterprise can control the development and future direction for ecosystem. Core species have the responsible to maintain stably and predictably of the system.
	Cooperation thinking	Relation guide Participants in ecosphere reduce cooperative cost through "integrity" and "relationship", maintain good cooperative relationship and produce virtuous circle.	Mechanism guide: Core species of ecosystem govern ecosphere by design a certain mechanism (such as platform architecture). In other words, designing a pattern to make participants cooperate.
Similarities	Systematic Cooperation	Same virtue of heaven and man "Same virtue of heaven and man", namely heaven, earth, and humans integrating into "the Dao of three powers". Humans and all natural things bring into an ecosystem sharing ups and downs and sharing weal or woe.	"Mutualism" Each member in ecosphere cooperates in division, has common purpose, integrates into an entirety organically, creates values for users, and realizes maximal entire value in the ecosphere.
	4. System distribution	Work together with one heart Yin-yang and five elements form a self-organizing ecological balance system by using the relation of reinforcing each other and work together with one heart in the basis of difference and fight spirit.	"Alternation" Members in ecosphere present a kind of correlative dependence. Benefits of each member are associated with other members and entire sound development of ecosphere.
	System dynamics	Already but not yet Hexagram originates from the world, but is already but not yet. After old process finishes, new process is also produced with in it.	"Regeneration" When analyzing evolution of business ecosystem can be divided into four stages: birth, expansion, guide and self-renewal. Ecosystem has the potential of constant self-renewal.

4. Summary: Seeking Common Ground is the Tendency of Developing Future Business Ecosystem.

Eastern and western ecological philosophy has similarities in the entire characteristics (mutualism, alternation

and regeneration), while it has differences in status, behaviors, and cooperative thought of members. In current commercial environment, impacted by western ecological thought, many Chinese enterprises construct ecosphere actively, design operation mechanism and rule, and try to make themselves occupy the core status.

However, with the in-depth development of internet, de-centralization and disintermediation become the tendency. The future ecosphere will has smaller dependency on key node. For example, “user participation” and “crowdfunding and crowdsourcing”, etc., forms will weaken the role of core node. We have reasons to believe that eastern ecological thought will give out greater glory, eastern and western ecological philosophy also can find out the foundation of mutual integration.

References

- [1] Moore J F. Predators and prey: A new ecology of competition [J]. Harvard Business Review, 1993, 71(3): 75~83..
- [2] Gawer, A., Cusumano, M. A. Platform leadership: How Intel, Microsoft, and Cisco drive industry innovation [M]. Boston: Harvard Business School Press, 2002.
- [3] Iansiti, M., Levien, R. The keystone advantage: what the new dynamics of business ecosystems mean for strategy, innovation, and sustainability [M]. Boston: Harvard Business Press, 2004.
- [4] Tiwana A, Bush A A. Research Commentary - Platform Evolution: Coevolution of Platform Architecture, Governance, and Environmental Dynamics.[J]. Information Systems Research, 2010, 21(4):675~687.
- [5] Moore, J. F. The death of competition: leadership and strategy in the age of business ecosystems [M], New York,: HarperBusiness, 1996.
- [6] Williamson, P. J., & Meyer, A. D. Ecosystem advantage: How to successfullyharness the power of partners.[J]. California Management Review, 2012, 55(1), 24-46.
- [7] [7] LiuJianwen and Sun Weijia, Competition 2.0: Business Ecosphere [J], Harvard Business Review Chinese Version, 2012(5), 130-132.
- [8] [8] Zhang Jinping and Zhou You: Enterprise Competition Strategy Based on Business Ecosystem [J], Management World, 2005(6), 159-160.
- [9] [9] Lv Li, Yi-ology Management Theory and Chinese School of Management: Based on Management and Environment Perspective[j], Journal of Management, 2013, 8(10), 1100-1109.
- [10] [10] Wu Jihong, “C2C Business Ecosphere”: Terminator of Traditional Enterprises[j], Tsinghua Management Review, 2014, 11, 34-45
- [11] [11] Yu Tianrong, Logical Speech of Chinese Ancient Ecological Philosophy [M], Beijing: China Social Sciences Publishing House, 2014
- [12] [12] Du Guozhu and Shu Huaying, Research Status and Outlook of Business Ecological System Theory [J], Study of Economy and Management, 2007, (7):75-79.
- [13] [13] Luo Jigui, Discussion on Springing up Formation Mechanism in Complicated System[D], Shanghai University, 2008
- [14] [14] Pan Jianying and Wang Chongming, Model Review and Research Prospect of Business Ecosystem Theory [J], Foreign Economics and Management, 2012, 34(9), 51-58
- [15] [15] Sun Haitong , Chuang-Tzu China Classics Library[M], Beijing: Zhonghua Book Company, 2007
- [16] [16] Jin Jingfang et al., Explanation of Zhou Yi[M], Shanghai: Shanghai Chinese Classics Publishing House, 2005.