

A Simple Guide to Charting the Evolution of an Ecosystem



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Capture key changes and pivots with a timeline.

The evolution of business ecosystems is a subject of constant fascination, not least because every company is either aspiring to build one or to join someone else's. Over a series of articles, we have discussed and dissected the differences between [ecosystems and platforms](#), identified the main players in an ecosystem and made available an "[ecosystem canvas](#)", a logical framework to map the ecosystem's nuts and bolts. In this article, we take a closer look at how the evolution of a business ecosystem could be captured.

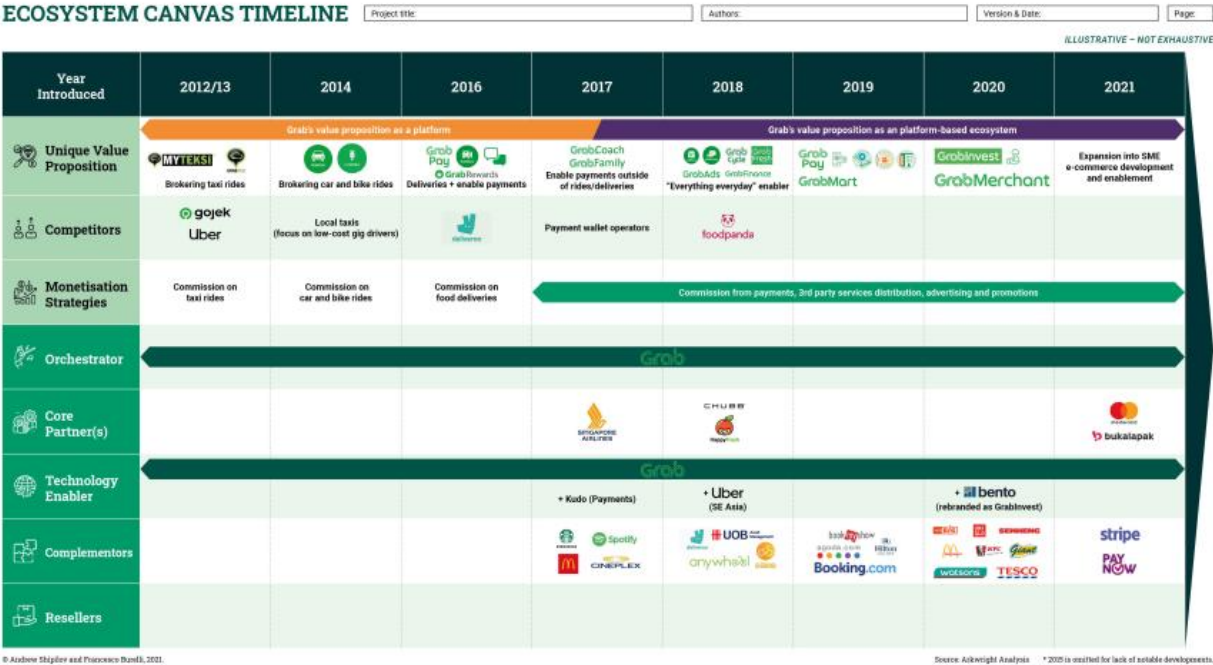
Quite simply, we propose a timeline that captures shifts in the ecosystem's unique value proposition, its competitors and monetisation strategies. The timeline, which accompanies the ecosystem canvas, can also document changes in the key players: the orchestrator, core partners, technology

enablers, complementors and resellers. Both the canvas and the timeline are free to download [here](#).

As you build your own ecosystem or look for one to join, you may find our ecosystem canvas timeline useful for presentations to your investors or business partners. It will help you keep track of the key elements of your business model and pinpoint the pivots, especially when you start with a platform before growing it into an ecosystem.

In the beginning, there was a platform

It might be best to explain how the ecosystem canvas timeline works with a real-world example. Let’s take Grab, Southeast Asia’s largest ride-hailing and delivery company.



Grab began life in 2012 as MyTeksi, a taxi-booking mobile app in Malaysia. Over time, Grab’s business evolved into an ecosystem that offered diversified services through partners and complementors. By the end of September last year, Grab had 22 million monthly active users. Its business model is typical of ecosystems: Start with a platform at the core, then add diverse offerings that meet multiple customer needs.

Between 2012 and 2017, Grab continually swelled its stable of travel-related services while expanding to Singapore and Indonesia. Most recently, in 2017,

it launched ride-hailing services catering to larger groups (GrabCoach) and families with young children (GrabFamily). Also in 2017, Grab signed a partnership with Singapore Airlines (SIA). Consumers travelling in six countries across Southeast Asia could book Grab rides through SIA's mobile app. In addition, members of SIA's KrisFlyer and Grab's GrabRewards **loyalty programmes** could convert their GrabRewards points into KrisFlyer miles.

Despite Grab's rapid growth, including the launch of a food delivery service (GrabFood) and a cashless payment facility (GrabPay) in 2016, until 2018 its overall value proposition had been riding mainly on the back of the sophistication of its travel platform offerings. Revenue came from fees levied on the transactions brokered through Grab's app.

Expansion to complementary services

2018 was the year when Grab significantly expanded its business model following Uber's exit from Southeast Asia. After acquiring Uber's business in the region, Grab first launched **Grab Financial**, a fintech platform encompassing payments, GrabPay, and other financial services. As a part of this venture Grab signed a **partnership with Chubb**, the world's largest publicly traded property and casualty insurance company. Grab's telematics, data and machine learning capabilities were used by Chubb to develop customised and cost-effective insurance products that cover accident, hospitalisation, loss of income and other needs of Grab's 2.6 million drivers-partners across Southeast Asia.

The same year, Grab expanded its business model further, this time into deliveries. It developed a partnership with HappyFresh, an online grocery shopping service linked to a network of supermarkets and stores. Orders placed with HappyFresh would be delivered by GrabExpress.

Within the framework of the ecosystem canvas, Chubb and HappyFresh would be defined as Grab's *core partners* as they brought unique capabilities and value propositions (personalised insurance products for private-hire vehicle drivers in the case of Chubb) and access to a wide customer base (in the case of HappyFresh).

2018 would prove to be a frenetic year for Grab, as it continued to increase its value propositions with *complementors* while expanding its business model. First up was a payment partnership with UOB. The Singapore bank's credit and debit cards earned customers cashback when used to pay for

transport, food delivery and other services from Grab. UOB also sold investment products to Grab's millions-strong user base. Other complementors added in 2018 included bike rental providers such as Anywheel and PopScoot through the new GrabCycle app.

Last year, Grab Financial launched "Grow with Grab", a suite of services covering marketing, automation, inventory and logistics for small and medium businesses in Southeast Asia.

From platform to ecosystem

Digital business ecosystems create value through integrating platforms and services. One such mechanism in the case of Grab is GrabRewards, which is extended to all users of Grab's flagship mobility services as well as the customers of its network of micro, small and medium enterprises. Think of GrabRewards as honey that creates stickiness among the businesses in the ecosystem, enticing consumers of one player to patronise others. By the end of 2018 Grab had over 300 complementors throughout Southeast Asia, including major brands such as Cathay Cineplex, Spotify, Deliveroo, McDonald's and Starbucks.

Changes in Grab's value proposition inevitably altered its competitive landscape. In the beginning, Grab competed with Gojek and Uber. By 2014 it was also in a race with local taxi companies. 2016 introduced food delivery companies like Deliveroo as well as payment service providers. Two years later foodpanda and similar entities joined the fray when Grab expanded its value proposition to "everything delivery".

Needless to say, Grab's monetisation *strategies* have proliferated since the company's days as a ride-hailer. Until 2018, revenues were driven by fees imposed on transportation and delivery orders. Since 2018, Grab has also monetised its targeted products and promotion campaigns, earning fees from businesses of its ecosystem just as a marketing agency would.

What has remained unchanged all these years is Grab's central role as an *orchestrator* of its ecosystem. The company is also its own *technology enabler*, providing all necessary IT and cloud infrastructure for its ecosystem to date. Its acquisition of Uber's Southeast Asia operations and payments provider Kudo in 2017 helped. None of its businesses use any *resellers*.

There you have it, the journey of a **super app** from ride-hailing service to a vast network of businesses encompassing mobility, delivery and financial

services mapped in a simple chart. We hope the ecosystem canvas timeline can likewise help you, the aspiring ecosystem creators, to chronicle the evolution of your own business.

Find article at

<https://knowledge.insead.edu/strategy/simple-guide-charting-evolution-ecosystem>

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