Investigating the impact of governance on value co-creation in analytics ecosystems

TREO Talk Paper

Hossein Kalantar
University of Colorado Denver
hossein.kalantar@ucdenver.edu

Abstract

The investments in analytics systems have become a business imperative for most of the firms in the recent years. These systems can generate insights that facilitate decision making from operational to executive levels. The complexity of contemporary analytics systems has increased to a level that is very hard for a firm to acquire all necessary capabilities. Therefore, most firms form a partnership to combine their resources and maximize the value of analytics systems. The collaboration between various entities has resulted in the formation of digital platform ecosystems known as “Analytics Ecosystems.”

Traditionally, firms handle analytics activities such as data gathering, data cleaning, and report generation internally. However, with the diffusion of social media and IOT, managing massive amount of data has become so complex. The diversity of data sources and their use have forced firms to acquire multiple analytics applications. Firms can shape or participate in analytics ecosystems that consists of various data sources, applications, third-party providers, and analytics applications. These analytics ecosystems will help firms to fulfill their analytics needs.

In order to maximize value co-creation and capture in any digital ecosystem, a well-defined governance mechanism is needed. Ecosystem governance consists of governance structure and control mechanisms that specify decision making and interaction settings between participating entities. In the context of analytics ecosystem, no entity has direct control over the other. Therefore, a well-defined governance mechanism can facilitate the orchestrated movement of entities toward the ecosystem goals. In this study, we explore various characteristics of analytics ecosystem governance and their impact on value co-creation in these ecosystems.

The potential contribution of this research is twofold: for IS researchers, this study will utilize value co-creation concepts to explain the interrelationship between analytics ecosystem governance and firms’ performance. From the managerial perspective, this study will help firms to achieve a better position in the competitive landscape regarding utilization of analytics ecosystems.