

## ***BusinessFirstNZ***

### **Workshop Report:**

### ***Entrepreneurial Ecosystems for Advancing Regional Business***

Held 21<sup>st</sup> June 2023

in The Refectory, Massey University

facilitated by Dr Tanya Jurado

with Dr Jennifer Scott, Dr Wayne Macpherson and

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from the School of Management

Massey Business School

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## Executive Summary

This report summarises the second *BusinessFirstNZ* workshop for 2023, and 15<sup>th</sup> in the series, hosted by the Massey Business School to engage local businesses. The initiative seeks to assist business leaders to highlight business problems and seek practical solutions in their pursuit of business excellence and sustainable competitive advantage.

In this half-day workshop, Dr Tanya Jurado from the School of Management helped attendees explore entrepreneurial thinking, and how entrepreneurial ecosystems can help regional economic development. Tanya provided a brief history on the origins of the ecosystem concept in business, before leading a discussion on how ecosystems might provide a regional advantage for New Zealand businesses.

Attendees considered the ecosystems within which they currently operate and what enhanced ecosystems might look like for advancing their business. Through a consideration of the actors and factors of entrepreneurial ecosystems surrounding each business, the attendees were able to articulate what would be needed in an ecosystem that would help them drive their business forward. The four systemic elements – place, people, purpose, and processes – were considered by both the full group and at the individual business level.

The workshop provided time and space for attendees to identify the ecosystem elements that most impact their individual business and highlight the elements and stakeholders that would be beneficial for increased engagement in building a strategy for enhancing their ecosystem.

This report focuses on the highlights of the workshop including:

- Origins of the ecosystem concept and entrepreneurial thinking
- Entrepreneurship for regional advantage
- The entrepreneurship support ecosystem

Key takeaways for attendees included:

- Entrepreneurial ecosystems are communities of entrepreneurs.
- Relationships are crucial to their success – including collaboration and knowledge sharing.
- The ecosystems are systemic – they go beyond individuals and firms.
- Ecosystems are self-managing and self-directed – there needs to be a shared goal or purpose to keep driving the arrangement and engagement.

For more information on [our past workshops](#), [our industry report](#) titled, “*Business First New Zealand: Advancing engagement among industry and academic communities for business prosperity in NZ*”, an [editorial piece in The Conversation](#), and more can be found on our [website](#). If you have any questions or would like to suggest or request any specific workshops, please contact the BusinessFirstNZ team at [bfnz@massey.ac.nz](mailto:bfnz@massey.ac.nz).

## Businesses in Attendance

Across the *BusinessFirstNZ* workshops to date, the following business have been represented:

Business	Sector	Business	Sector
Advantage	IT Support	Genoese Foods	Food Preparation
AFC Motorcycles	Powersports Products	Gillard Honey	Honey Production
Ali Arc Industries	Structural Metal Fabrication	Gropak	Agricultural Services
Avatar Honey	Honey Production	Henergy	Poultry Products
BakerAg	Agricultural Services	JR's Orchards	Apple and Pears
Betacraft NZ	Workwear	Manawatech	Tech NPO
Business Central	Business Development	NZ Delphiniums	Horticulture
Carousel Confectionary	Confectionery Manufacturing	OBO	Sports Protection
Cartwheel Creamery	Cheese Products	Palliser Estate	Winery
CEDA	Economic Development	Prepack	Packaging
Cyber Consulting	Online security and Networks	Property Brokers	Real Estate
E&T Consultants	Education & Training (E&T)	Quest Industries	Plastic Moulding
ExportNZ	BusinessNZ Division	Speirs Foods	Food Preparation
FieldAir	Aviation Engineering	Steelfort	Machinery & Equipment
Gallagher Fuel Systems	Fuel Dispensing Systems	Tasman Tanning	Leather Products
Garden Barn	Garden Supplies	Turks Poultry Farm	Poultry
GasNet	Gas Delivery	UCOL	Education

## 1. Workshop Overview

This workshop was attended by several 'new' businesses (those that hadn't participated in past *BusinessFirstNZ* (BFNZ) workshops), and so the early part of the workshop was used to re-iterate the purpose of this initiative. Jen and Wayne gave an overview of BFNZ, how it began, how it has evolved, and the current purpose of the workshop. Notably, as this was the 15<sup>th</sup> workshop in the BFNZ series, it felt 'right' to affirm that the desire for ongoing engagement among the business school and the business community remained. The workshops afford a time and place for the two groups to come together to discuss pressing issues in the current business landscape. They enable the group to draw on academic expertise and leverage facilitated discussions of shared experiences to apply cutting edge research knowledge and practical implementation considerations to everyday challenges businesses face while continuing to strive for improvement. The BFNZ approach keeps the focus of each workshop on a relatively specific theme, drawing on experts from across the university, while supporting attendees to apply the discussion points, tools, and possible solutions to their individual circumstances.

After this introduction, Dr Tanya Jurado led the workshop on entrepreneurial ecosystems. Tanya, who teaches and researches into SMEs, entrepreneurship, and international business, helped attendees consider what 'ecosystems' mean to them, what entrepreneurial thinking is and how it can be applied to ecosystems, and how entrepreneurial ecosystems might apply to their individual businesses. To help attendees unpack these ideas, Tanya also provided an overview of the origins of the ecosystem concepts, entrepreneurship policy, and the advantages of engaging within ecosystems, before leading attendees to consider their businesses more specifically.

Attendees considered what entrepreneurship meant to them. They suggested entrepreneurial activities included those that had elements of taking risks, being imaginative, experimental, and innovative. Leveraging the No.8 wire approach, the group discussed that such an approach could be considered entrepreneurial if it were not just a quick fix but approaching challenges and opportunities with a view to not letting obstacles get in the way and thinking of different and new ways of achieving a goal. Attendees also discussed how entrepreneurship can mean enhancing existing operations, problem solving, seeing an opportunity that might not exist elsewhere, and focusing on value creation.

Finally, through sharing experiences and examples, the group were able to support one another in discussion about the practicalities of developing, maintaining, and working within ecosystems. Everyone agreed: relationships are key, having a common goal, purpose, or set of values will help sustain the ecosystem, and there are plenty of additional actors that might not be readily apparent, but who would be valuable collaborators and contributors to various ecosystems. When entrepreneurial ecosystems work, they allow individuals and institutions to create value that no single one of them could have created alone.

The sections below set out key takeaways from various parts of the workshop.

- Origins of the ecosystem concept and entrepreneurial thinking
- Entrepreneurship for regional advantage
- The elements of entrepreneurial ecosystems
- Focusing on your business – ecosystem elements to engage with

## **2. Key areas of focus**

### **2.1 The origins of the ecosystem concept & entrepreneurial thinking**

In considering the origins of the ecosystem concept in business, discussion began with the introduction of entrepreneurship policy. Tanya provided a 'crash course' in the history of entrepreneurship and the ecosystem concept, beginning in the 1970s, with the idea that "big business is good business." This understanding and recognition shifted to a notion of "small is beautiful" in the second half of the 1980s. Business policy and regional development were a focus of entrepreneurship policy, which led into the knowledge economy of the 1990s and early 2000s. Around 1990 innovation and venture capital were a key focus of entrepreneurship policy with the shift in the economy moved from the production of goods to the production of services. By 2008, the focus was on high growth firms, accelerators, and innovation policy. There was an emphasis placed on transactional support, with grants, tax incentives, funding, and financial support given to university spin-offs. This then led to social change, as recognised in 2013 by Thurik et al. The economy was shifted from a managed economy to an entrepreneurial economy.

Tanya then helped attendees work through what entrepreneurship in New Zealand means, and whether entrepreneurship policy works (or has been working). Noting that New Zealand's economic growth has not changed that much, despite an array of changing policies, there is room for considering the relationship support among stakeholders and leveraging the synergies among various groups. Tanya helped attendees articulate and consider entrepreneurship policy as re-invented by considering elements such as leadership and management capabilities, mentoring, networks, and leveraging institutional capabilities across an ecosystem for a holistic approach to shared goals.

### **2.2 Entrepreneurship for regional advantage**

Returning to the concept of industrial districts (of the 19<sup>th</sup> century), where companies in similar industries benefit from being located together, the discussion focused on how the elements of specialised regions enable organisations to leverage collective resources, specialised labour, and a supportive 'industrial atmosphere'. More recently, these have been referred to as 'clusters' by Porter (1998) interconnected companies that are in geographic proximity to one another. These can include specialised suppliers and service providers, firms in related industries, and associated institutions. In such clusters, the companies might compete but, they can also collaborate.

When thinking about the regional advantage of entrepreneurial ecosystems, the example of Silicon Valley is useful. Here, there is a vertically disintegrated industrial structure with open networks, inter-firm collaboration, and flexibility of movement between firms. The geographic location affords advantages of networking, trust, reciprocity, and information sharing among employees of different companies. In such locations, large firms are also able to support start-up connections, while facilitating the transmission of knowledge and learning.

### 2.3 The elements of entrepreneurial ecosystems

Attendees discussed the four key systemic elements of entrepreneurial ecosystems: place, people, purpose, and processes as below:

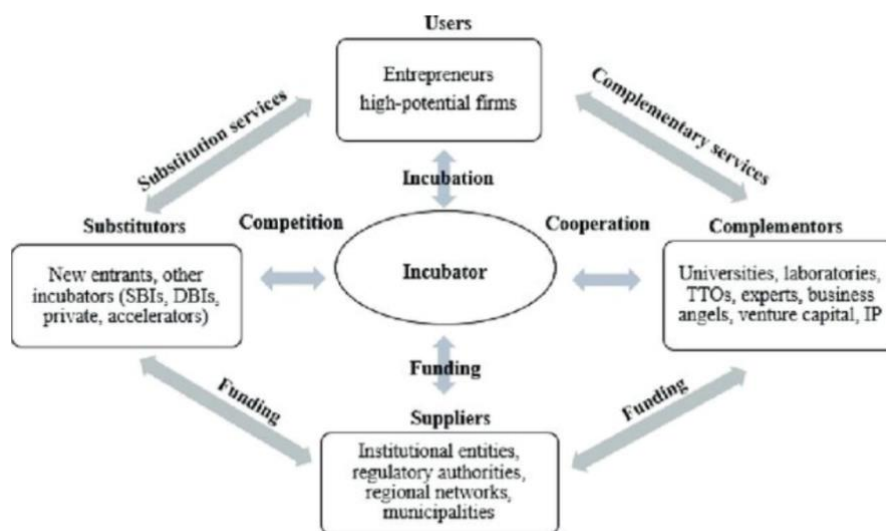
**Place** – the combination of elements that helps the system evolve. A recognition of the entrepreneurial identify and orientation of elements within the system – the explicit contextual influences that arise from local institutions, natural geography, built capital, and financial capital (Emery et al., 2006, Godley et al., 2021; Spigel et al., 2020)

**People** – the agents within the system. Understanding the actors, agencies, individuals, and firms, along with their interactions, relationships and roles toward entrepreneurial decision-making, activities, behaviours, and influence (Adhikari et al., 2018; Roundy et al., 2018)

**Purpose** – the self-organisation of the system through bringing together energy focused on a common goal. A combined focus on facilitating growth, sustainability, and productive entrepreneurship (Stam & van de Ven, 2019). A recognition of the existence of unique economic agendas or the overall purpose or design of the ecosystem ‘narrative’ (such as tourism, regional development, community development, environmental impact, social entrepreneurship, governance and leadership, etc.) (Adhikari et al. 2018; Eichelberger et al. 2020; Hakala et al. 2020; Yun et al. 2017)

**Processes** – the coevolution working together for the system. A consideration of the ecosystem’s contextual nature and interdependencies, the causes and feedback loops, and how the elements work together (Haarhaus et al., 2020; Mack & Mayer, 206; Wurth et al., 2021)

One way of ‘seeing’ what an entrepreneurial ecosystem might look like, in terms of the interactions and interdependencies, is shown below (Theodorakie et al., 2020). Here, the incubator is the purpose, and relationships among the required capital, stakeholders, and services are shown.



Drawing on the four key elements described, Tanya highlighted that the entrepreneurship support ecosystem is a collaborative arrangement. Within the ecosystem institutions support entrepreneurs by combining their resources, capabilities, and products to offer a coherent, entrepreneur-oriented solution.

## 2.4 Focusing on your business – ecosystem elements to engage with

Returning to a focus on how entrepreneurial ecosystems might be applied within local contexts and for the individuals in the room, attendees considered the individual and organisational actors of their (potential) ecosystems, as well as the factors of those ecosystems.

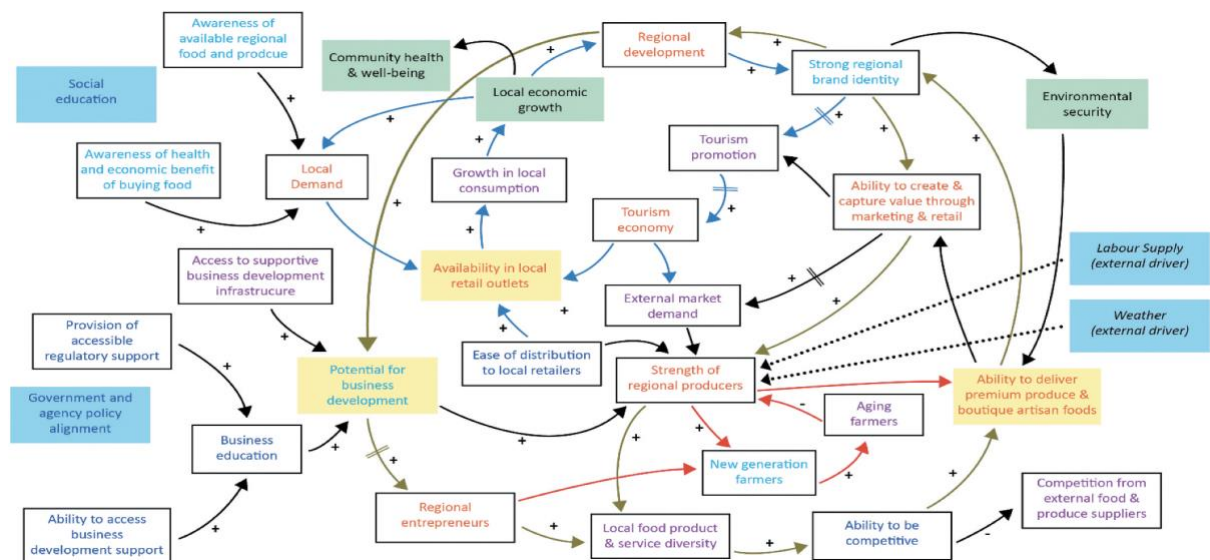
**Individual Actors** – These include entrepreneurs, investors, skilled workers, role models, and support professions, etc.

**Organisational Actors** – These include universities, anchor firms (large firms), incubators, banks, service providers, business angels, venture capitalists, etc.

**Factors of an Ecosystem** – These include culture, networks and peer-to-peer networking, public policy, markets, physical infrastructure, alliances, peer-to-peer learning, entrepreneurial education, partnerships, etc.

Attendees discussed examples of ecosystems in New Zealand, including funding sources and the diversity of start-ups. Funding sources discussed included international venture capital companies with early-stage funds (from Australia and Silicon Valley for tech start-ups), New Zealand-international partnerships (Icehouse and SDG Impact Japan), and local start-up funding (New Zealand Growth Capital Partners).

Attendees then returned to considering their own context, but placing a shared goal or purpose in the ‘centre’ of an ecosystem map, and then working to demonstrate the connections that might help support their value creation. Leveraging an example by Daniel et al. (2022) – shown below – attendees used this activity to highlight where they could look to access infrastructure, knowledge, financial capital, and other support to develop and maintain an ecosystem to support their entrepreneurial thinking.



### 3. Key Takeaways

Overarching key takeaways included:

- Entrepreneurial ecosystems are communities of entrepreneurs or people with entrepreneurial thinking.
- Entrepreneurial thinking involves identifying and acting on opportunities, but it does not need to be done in isolation – the value created in collaboration will be greater than when done by individuals or individual firms.
- Relationships are key to building and sustaining ecosystems.
- Leveraging human and build capital, curiosity, and passion will help drive entrepreneurial ecosystems – knowledge sharing and collaboration are fundamental.
- There are many connections that are not necessarily immediately apparent in terms of actors and factors within an ecosystem that could be leveraged – mapping out possibilities is a useful exercise to see where gaps might be able to be filled.

### 4. Proposed Next Steps

To continue our engagement among the business school and business community, as we seek to support business prosperity in NZ, the following workshops are planned for 2023:

Workshop	Overview	Logistics
Māori Business Perspectives for Contemporary Business Challenges and Opportunities Professor Jarrod Haar	Jarrod will share his wealth of knowledge and experience with Māori business to allow us greater understanding and appreciation of different perspectives on work, which can be applied across an array of industries grappling with contemporary challenges and opportunities.	August 29 <sup>th</sup>  1:00 – 5:30pm, with nibbles and drinks provided.  The Refectory, Massey University
AI in the Workplace Associate Professor David Brougham	David will give us an overview and update of AI, and how it can be utilised in our working and daily lives for greater efficiency, effectiveness and ultimately productivity. The only barrier to this newfound power is not taking up this opportunity.	November 21 <sup>st</sup>  1:00 – 5:30pm, with nibbles and drinks provided.  The Refectory, Massey University

### Thank you

We would like to thank you for your continued participation in these workshops, and welcome any feedback, comments, ideas, or questions you may have. Please note, if there are any issues or amendments required, we would greatly appreciate your feedback on this report. Feel free to contact the *BusinessFirstNZ* team via Dr Wayne Macpherson, [bfnz@massey.ac.nz](mailto:bfnz@massey.ac.nz).



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