Exploring the interplay of corporate and ecosystem change

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Abstract

Purpose – Corporate changes not only impact the firms involved but also have consequences for their ecosystems. However, the existing literature on ecosystem change is limited. This paper describes and discusses the interconnected patterns between corporate and ecosystem change, shedding light on the various forms these changes take.

Design/methodology/approach – The empirical part of the paper is based on the case study of two previously merged organizations’ separation.

Findings – The paper reveals intensifying and dissipating change patterns, illustrating the linkages between rapid and gradual corporate and ecosystem changes within and across various ecosystem spheres. Three spheres are conceptualized: sphere of control, sphere of interdependency and sphere of negotiation, each indicating a separate change pattern.

Originality/value – The contribution of this paper lies in its discussion on interconnected corporate and ecosystem changes, offering valuable insights for situating corporate change within the ecosystem and establishing a vocabulary for ecosystem change. Moreover, through the empirical study of a corporate divorce, the paper enhances our understanding of this specific form of change.

Keywords Change, Corporate, Divorce, Ecosystem, Patterns of change

Paper type Research paper

Introduction

Companies continually change their business scope, including specialization, streamlining and venturing into new operational areas to broaden their horizons (Rosenbaum et al., 2018). While these changes originate from decisions made by the firm (Öberg et al., 2016), they also have consequences for the ecosystem in which the firm operates. The term “ecosystem” here refers to “a set of actors with varying degrees of multilateral, nongeneric complementarities that are not fully hierarchically controlled” (Jacobides et al., 2018). It represents a business ecosystem type that emphasizes the interdependencies among parties in their business conduct (Thomas and Autio, 2020). Despite an increasing interest in ecosystems in research, we know surprisingly little about change in ecosystems and specifically how ecosystem change is interconnected with corporate change.

In an ecosystem of interdependent parties, firms would still make individual decisions, which may include reactions to changes in the ecosystem, alignment with ecosystem changes or attempts to reposition the firm relative to the ecosystem or as part of it (cf. Öberg et al., 2016). However, the interdependency means that such decisions would have consequences for the ecosystem. Therefore, we can envision an interplay between corporate and ecosystem change, with changes being interconnected. To address a research gap on ecosystem change...
(Jacobides et al., 2018), the purpose of the paper is to describe and discuss the interconnected patterns between corporate and ecosystem change, shedding light on the various forms these changes take. The following research questions are addressed: How are corporate and ecosystem changes interconnected? What factors explain such interconnectedness?

Empirically focused on the case study of a corporate divorce, the separation of previously merged firms (Oberg, 2014; Kochura, 2022), the paper conceptualizes three ecosystem spheres based on whether change follows anticipated patterns (sphere of control), is a consequence of interdependency and ambitions to deal with the change (sphere of interdependency) or is reactive to imbalances between the firm and ecosystem (sphere of negotiations). The paper theorizes patterns of gradual and rapid change, along with their corresponding ecosystem implications as intensifying and dissipating change in the ecosystem spheres.

In a business world where organizing increasingly takes place across corporate borders, where firms depend on others for critical resources and on customers for more than revenues, and where change is continuous, it is pivotal to grasp the interconnectivity between a firm’s and an ecosystem’s change. Recent years’ literature has indeed focused on ecosystems as both organizational units and contextual descriptions (Thomas and Autio, 2020; Cobben et al., 2022; Jacobides et al., 2018), while also highlighting the lack of research on ecosystem change (Jacobides et al., 2018). Possible descriptions of change refer to ecosystem transformation and dynamics, with the ecosystem as the developing unit (cf. Daymond et al., 2023). This suppresses the corporate level of ecosystems (Hannah and Eisenhardt, 2018) and thereby firms’ strategizing as well as interdependencies among parties. Through its focus, the paper contributes to past research by providing a theoretical framework for understanding the interconnectedness of corporate and ecosystem changes. This contextualizes corporate change while providing a vocabulary for business ecosystem change, thus extending past research on ecosystems by linking them to parties within the ecosystem and elucidating how ecosystem change arises and its consequences beyond the development of new products or service offerings (Xu et al., 2021; Alaassar et al., 2021; Audretsch et al., 2021). In addition to theorizing the interconnectivity of change, the paper highlights corporate divorce as a phenomenon that has received limited research attention in the past (Kochura, 2022).

Theoretical background and framing

Corporate divorce: problematizing the empirical phenomenon

A commonly used metaphor for mergers and acquisitions is the “marriage” of companies (Sherman and Badillo, 2007; Cartwright and Cooper, 1995; Schmid and Daniel, 2009). Conversely, the term “corporate divorce” is employed to define the separation of previously merged firms (Oberg, 2014). There are other concepts that describe similar or partially overlapping activities with corporate divorce, such as dissolution, decline and divestiture, all of which involve separations. “Dissolution” is used when a party decides to part ways with a business partner or when alliances are discontinued (Clough and Piezunka, 2020). “Divestiture” refers to selling a firm or a part of it (Capron et al., 2001). “Decline” indicates a reduction in a company’s revenues or operations. Collectively, these concepts serve as counterparts to more extensively researched phenomena such as mergers and acquisitions, the establishment of business relationships and alliances, investment and growth. In combination with these, they delineate changes to a firm’s operations, boundaries or business conduct.

Previous research on dissolution, divestiture and decline has predominantly focused on understanding the causes behind these changes, such as delivery failures, misfits with current business strategies, downturns or increased competition. However, there is comparatively less knowledge about the consequences of such changes and how they may trigger additional changes. Exceptions related to decline include research highlighting the
risks of losing core competences (Nutt, 2004), examining career consequences (Feldman, 1995) and studying staff dismissals (Reinardy, 2010), thereby shedding light on the intraorganizational consequences of corporate change. Conversely, research on mergers and acquisitions, the establishment of business relationships and alliances and growth has attempted to explain their processes and, in the case of mergers and acquisitions, their consequences for the acquiring and acquired parties foremost.

Existing research thereby extensively concentrates on the causal factors driving change and analyzes the implications of change for the organizations involved. This means that a corporate change is typically explained or analyzed in terms of its consequences for the organization itself. However, there have been some attempts in research to describe, for instance, changes in customer relationships resulting from an acquisition, and there is an interest in understanding how change spreads to other parties in research on business networks (Thilenius et al., 2016). Corporate divorce, however, is extensively absent from the existing literature (Kochura, 2022; Oberg, 2014). A corporate divorce is a specific situation entailing several strategic decisions between the divorcées that come across as corporate changes, which are interconnected with ecosystem changes, as described and discussed in this paper.

**The interconnectivity of corporate and ecosystem change**

The term “ecosystems,” as defined by Jacobides et al. (2018), can be understood as an (inter)organizational form that falls between markets and hierarchies. In such ecosystems, parties collaborate based on their non-generic complementarities, exchanging tangible and intangible resources with one another. It refers to a type of business ecosystem (Thomas and Autio, 2020), while, in line with Adner and Kapoor (2016), also includes customers as active contributors to value creation, thereby considering their impact as stakeholders in the ecosystem. Others include institutions in the ecosystem description (Aarikka-Stenroos and Ritala, 2017), which in the definition by Jacobides et al. (2018) possibly play the role as institutional actors. By characterizing the ecosystem as comprising stakeholder actors engaging in the exchange of resources among themselves, the definition highlights both their agency and interdependency (Hannah and Eisenhardt, 2018; Burford et al., 2022).

Interdependencies are, in turn, critical in understanding how corporate changes affect the ecosystem and vice versa. The interdependencies refer to how firms are closely connected to other parties, providing and receiving complementary resources, revenues and support (cf. Raveendran et al., 2020; Puranam et al., 2012). In the ecosystem, the non-generic complementarities create resources that are difficult to obtain from others, and in the interorganizational form between markets and hierarchies, parties develop interdependencies on each other’s specific contributions.

The literature on ecosystem change remains surprisingly limited. Researchers have primarily focused on the evolution of ecosystems linked to start-ups, the co-evolutionary dynamics within ecosystems (Xu et al., 2021; Alaassar et al., 2021; Audretsch et al., 2021), their transformation and sometimes how institutional change impacts ecosystems. Innovation and entrepreneurial ecosystems have been the primary focus of these studies. Additionally, research on service ecosystems has occasionally explored dynamics and change (Simmonds et al., 2018), conceptualizing morphostatic and morphogenetic mechanisms in service ecosystems. It is essential to differentiate between service and entrepreneurial ecosystems and the strategic business ecosystem. The former focuses on supporting entrepreneurs or co-creating value for a specific offering. The business ecosystem entails a form of stability arising from interdependencies and portrays a set of actors as interdependent stakeholders.

When considering change in ecosystems with interdependent actors and non-generic complementarities, we can understand how firms as part of these ecosystems may attempt to
create a new strategic direction while seeking individual advantages or reduced dependence on others. This represents the agency. Changes to corporate boundaries are particularly significant in this context (cf. Casciaro and Piskorski, 2005), where mergers, acquisitions and corporate divorces, by definition, involve such changes. The interdependency implies that changes can affect other parties in the ecosystem, resulting in modifications to content (resources) or the formation and dissolution of strategic connections. Relatedly, in research on business networks and supply chains, change is portrayed as spreading unobtrusively (Thilenius et al., 2016) and in the form of domino effects (Hertz, 1998), respectively. These changes pertain to shifts occurring in response to changes in other business connections rather than the interconnectivity between corporate and ecosystem changes. Meanwhile, Öberg et al. (2016) describe five modes of strategizing in networks – copy, complement, compete, challenge and co-strategizing with peers in alliances – and their respective impact in terms of reactive change. This suggests that firms may attempt to influence change within their ecosystem or change follows from how ecosystem actors react to change. Although present business network research acknowledges the interconnectivity of business relationships and their impact on individual firms, it seldom examines the connection between corporate and ecosystem changes.

The interconnectivity between corporate and ecosystem changes offers an approach that allows for investigating patterns (Jessop, 2005) of changes at the firm level in relation to changes in the ecosystem. Rather than focusing on the mode of change – an acquisition, a divorce, etc. – the corporate changes concern what in the company changed. This approach helps address how corporate and ecosystem changes are interconnected and what explains such interconnectivity.

Research design
The empirical part of this paper adopts a case study approach, which is appropriate for capturing the interconnectivity between corporate and ecosystem change, as it is a method that can explain and contextualize interconnections between studied items (Halinen and Törnroos, 2005). Moreover, this approach permits the exploration of a phenomenon that has received limited research attention. Like an acquisition, a corporate divorce represents a distinct event in time and its changes can thereby be separated as subsequent activities, depending on the needs for public announcement, which helped to capture patterns of change as developments over time.

Case background and data collection
The case study examines the corporate divorce between two anonymized corporate brands, SwedishFoods and NorwayFoods. The corporate divorce resulted from the failure of the ownership families of both firms to reach agreements and establish trust following the merger of the companies. Both firms operated in the same niche of the food sector and held strong positions in their respective home markets and throughout northern Europe, with NorwayFoods having a broader product range than SwedishFoods but which remained external to the merger. Meanwhile, the merger had established a firm with a unified head office, routines, sales, logistics and integrated production across the various production sites of both companies. Additionally, it had formed a multi-brand entity targeting the consumer market, with both firms’ previous brands now distributed by the amalgamated firm. Although the merger had brought about several positive changes and the combined firm was deemed successful by its managers, the family owners of the original companies struggled to reach a consensus and engaged in constant conflicts. These families legally controlled the firm; they ultimately opted for a divorce.
The empirical information for this study was obtained through observatory research and document data (Sarantakos, 1998; Welch, 2000). The author of this paper served as a multiple-year, weekly or biweekly consultant for the Swedish firm, starting at the time the divorce was announced. Several hundred hours of presence at the headquarters and main production site and informal meetings with the management during these years provided first-hand insights into the divorce and its consequences. The observations were complemented by a systematic newspaper review on the matter of the merger and subsequent divorce, annual reports and other written materials. The newspaper items amount to approximately 500 items captured through the Retriever Business database. The use of newspaper items and other secondary sources reduced possible researcher bias and helped to systematic structure the data (Huber and Power, 1985). The data for the paper hence consists of notes taken by the researcher, retrospective reflections, annual reports by the divorcees and newspaper items and other written materials covering the companies from the year prior to the merger up to the current date.

Data analysis
During the analysis procedures, individual items were coded to capture their content and link them to a timeline of developments. The timeline helped to understand the interconnectivity of change as it unfolded over time.

Through several cycles of comparisons among the items (Pratt, 2009), the codes were refined. Subsequently, a type of theoretical coding involved confronting descriptive codes with questions about change and the parties involved in that change, whether related to the corporate sphere or the ecosystem. This approach yielded a set of areas of change (e.g. staff, management and wholesalers) and how these changes unfolded. Alongside this coding, various characteristics of change were sought to be able to create patterns of change.

The various areas of change were linked to each other based on interconnectivity captured through the data material and the timeline. This interconnectivity was theorized as different patterns of change, elucidating the relationship between corporate and ecosystem changes and vice versa. The theorized interconnectivity underwent further comparison among the various changes to characterize and, through backward tracing using the raw data (Jessop, 2005), explain the changes. The coding process was also discussed with research scholars for verification purposes.

The SwedishNorwayFoods corporate divorce
This section is divided into corporate changes and ecosystem changes related to the SwedishNorwayFoods corporate divorce.

Corporate change: the corporate divorce and its corporate consequences
After eight years of operating as a merged organization, SwedishFoods and NorwayFoods decided to separate and return to being two independent companies. The decision to divorce was driven by disagreements among the owner families, while the management had managed to maintain a friendly relationship.

A delayed general meeting was held in SwedishNorwayFoods. The continuous battles between the owner families were started already with the merger. . . There have been three legal processes . . . Any reconciliation has failed . . . The attempts to maintain the amalgamated firm has thus failed. . . . What has been a success though, is the settlement of how the separation will be done. (Newspaper item, Swedish national press)

The separation process was based on the principle of dividing assets back to their original owners. The production sites, located in their respective countries of origin, were returned to
the past owners. Similarly, the consumer brands and their possible extensions were assigned to their original owners, with a dispute arising over a new product range where both parties maintained that it fitted the best with their portfolio.

They [NorwayFoods] tried to claim that [the product range] fitted better with their past products. We meant that it was invented by us (Representative of SwedishFoods, Newspaper item).

Meanwhile, the divorce also led to the disintegration of production, with each company halting the manufacturing of the other's products. This change significantly impacted internal planning, resulting in some production equipment becoming redundant and leading to staff layoffs due to declining production volumes at the individual sites. To manage this transition, a phased-out approach was adopted, setting a pre-decided exit date for discontinuing such production.

In addition to production-related consequences, the divorce had implications for management staff in a reactive sense. Those who previously worked at the group level, such as the CEO and CFO, found themselves working for a company half the size of the merged organization. Many perceived this as a backward career step and sought opportunities outside the previous SwedishNorwayFoods group.

The divorce did not only include a downsizing of production. We experienced how many of our managers left. This was surprising given how we are located in a small town with few other options. And it meant a competence loss. But also a chance to start anew and staff up here. (Representative, SwedishFoods)

**Ecosystem change**

Along the attempts to not only separate the firms but also disconnect them from each firm's ecosystem, the firms also attempted to divide their ecosystem between them. During this process, both firms inherited the distribution and sales staff in their respective countries. This change had a profound impact: SwedishFoods lost its entire sales force and distribution network in Norway, while NorwayFoods integrated their product sales with their other offerings in the group, not part of the merger. This strategic move allowed NorwayFoods to maintain a strong presence in the Swedish market, while SwedishFoods bore the brunt of the loss.

Suddenly we lost an entire market, which was one of our main markets. It became very clear to us that the divorce did not allow us to turn back the clock, but we needed to start looking for a partner and it was not easy. (Representative of sales, SwedishFoods)

The separation of brand ownership and the disintegration of production and sales and distribution networks had consequences for the ecosystem. Wholesalers now had to negotiate with two separate firms and interact with different sales staff than before, while the sales teams had only half the product ranges to offer to wholesalers. Additionally, this change altered retail logistics, as products were shipped from the individual production sites rather than being co-transported. However, it did empower the wholesalers, granting them a stronger negotiation position in an already highly concentrated market. This was particularly evident for SwedishFoods, as they felt a significant loss of negotiation power.

As a customer [a wholesaler] this made both companies less attractive. We needed to reconsider our logistics loops when we had increasingly turned to take control over our distribution to retailers. (Wholesaler representative)

**Figure 1** depicts a timeline of the various consequences of the corporate divorce.
Interplay of corporate and ecosystem changes

As depicted in Figure 2, the corporate divorce between SwedishFoods and NorwayFoods entailed a complex web of interconnected changes at both the corporate and ecosystem levels. Changes were either direct or indirect consequences (cascading effects via another change) of the corporate divorce or reactions to such changes.

Source(s): Authors’ own work

Note(s): Reactional changes are highlighted in red

Source(s): Authors’ own work
The direct consequences of the corporate divorce included the separation of production sites, brands, distribution networks and sales staff. The disbanding of cross-production resulted from the separation of production sites, and the separation of distribution networks was a means by which the companies enforced changes on the ecosystem while trying to control such changes.

Meanwhile, indirect corporate consequences thereby not only included the disbanding of cross-production but also the layoff of production staff, equipment redundancy and changes in internal planning. Notably, some of these consequences preceded the actual division of production due to the premeditated nature of the manufacturing separation. These indirect consequences also had ecosystem impacts, such as altered supplier connections, doubled interfaces for suppliers, improved negotiation power for suppliers and reactions to such changes. These reactions could mitigate the consequences of the change, as the two firms did not achieve the planned effects of the divorce. SwedishFoods’ loss of distribution in Norway and its loss of the same market were corporate consequences with ecosystem implications. Further ecosystem changes included wholesalers needing to negotiate with two parties, strengthening their negotiation power while becoming less interested as reactions and changes to retail logistics. The sales staff representing only one brand led to reactions such as loss of sales staff, similar to how group-level management leaving was a reaction at the corporate level.

Combined, the changes describe direct and indirect consequences and reactive changes interconnected across the corporate and ecosystem boundaries. These manifested in the separation of the ecosystems, changes spreading from corporate decisions into the ecosystem and reactions from ecosystem stakeholders to various corporate and ecosystem changes. As corporate changes spread into the ecosystem and had further corporate consequences and reactions, the changes could either cause more severe change than anticipated or reactions could counteract the change. Changes could also have no further consequences or continue in layers of consequences and reactions. An ecosystem consequence could have corporate consequences or converse, indicating an interplay between the organization and the ecosystem. Not all changes were sudden but evolved over time, suggesting that what could be perceived as a reaction might precede the initial change, as seen in the gradual disbanding of cross-production while layoffs may precede its completion.

**Discussion**

*Conceptualizing types of corporate and ecosystem changes*

The interconnectivity of changes in the case of the SwedishNorwayFoods corporate divorce signifies that a single change may trigger reactions and conversely, a change can instigate additional ones as direct and indirect consequences, including how a reaction may spawn further changes on the corporate and ecosystem levels. Specifically focusing on ecosystems, change can be conceptualized as: (1) introduced by a focal firm, (2) as ecosystem consequences of corporate change and (3) arising from reactions to corporate or ecosystem change. These aspects deviate from past literature’s emphasis on co-evolving ecosystems (cf. Xu et al., 2021; Alaassar et al., 2021; Audretsch et al., 2021). Before delving into the theoretical understanding of the interconnectivity of these corporate and ecosystem changes, this section contemplates the case by conceptualizing various types of changes.

Firstly, we can categorize change based on its temporal characteristics. The case highlights what can be conceptualized as *rapid* and *gradual* changes. Rapid changes occur abruptly, as exemplified in the case by the immediate separation of brands and production sites. Conversely, gradual changes are less distinct and evolve gradually over time. The transition from cross-production to separate manufacturing, where each party exclusively produced its own products, exemplifies a gradual change.
Secondly, as change disseminates, it either *intensifies* or *dissipates*. Intensification refers to how reactions or consequential changes increase the change, making it more robust or involving more parties than originally planned by the initiating party. On the other hand, dissipating change occurs when reactions counteract the planned change. For instance, the separation of ecosystems between the divorcing parties faced resistance as wholesalers leveraged their negotiation power, influencing the conditions of the separation in their favor. Simultaneously, on the corporate level, the separation of cross-production intensified into staff layoffs.

The conceptualizations of gradual, rapid, intensified and dissipated change contribute to characterizing the changes on the corporate and ecosystem levels. They do so beyond the assumptions of ecosystems transforming or evolving through aligned parties developing the ecosystem (Thomas and Autio, 2020; Moore, 1993; Hanelt et al., 2021). Such transformative development would not occur rapidly, nor would it manifest with reactions intensifying or dissipating the change. In contrast to an orchestrator potentially steering ecosystem transformation (Thomas and Autio, 2020; Parida et al., 2019), corporate change does not necessarily involve attempts to shape the ecosystem’s development with the firm but emphasizes the firm’s strategic decision-making (Öberg et al., 2016), making the firm a crucial agent in the ecosystem. By conceptualizing gradual, rapid, intensified and dissipated change, we can enhance our understanding of ecosystems and delve into the distinctions among various ecosystem types (Thomas and Autio, 2020), particularly in relation to change.

Theorizing the interconnectivity between corporate and ecosystem change

Based on the above, change can thus be characterized as initiated change (the corporate divorce in the case), direct and indirect consequences and reactions, which can be gradual, rapid, intensifying or dissipating across corporate and ecosystem boundaries. These categorizations advance current knowledge on ecosystem change in three ways. First, they contribute to the limited existing research on ecosystem change (Jacobides et al., 2018). Second, they facilitate discussions about change across corporate and ecosystem boundaries. Third, they articulate change within business ecosystems composed of interdependent stakeholders, rather than ecosystems of co-creators for innovation or services (Simmonds et al., 2018; Xu et al., 2021; Alaassar et al., 2021; Audretsch et al., 2021).

To theorize the patterns of change and explain them, changes, consequences and reactions can be related to “where” and “why” change has consequences and is reacted to relative to the corporate and interdependent ecosystem stakeholders. With direct and indirect consequences and reactions, the reach of change as well as the explanations in terms of amplitude, can be understood as spheres of change, see Figure 3. The spheres help to grasp various patterns of change related to gradual, rapid, intensified and dissipated change.

The first sphere represents a *sphere of control*, where corporate decisions play out as anticipated. In the case of the corporate divorce, this sphere involves the divorcées transitioning from the amalgamated firm to a gradual ecosystem connection between the two entities. Change patterns include initial changes and direct consequences, with such changes being rapid or gradual and neither intensifying nor dissipating.

The next sphere is the *sphere of interdependency*, encompassing parties with balanced and interdependent connections with the focal firm (cf. Casciaro and Piskorski, 2005). These parties would likely prefer to continue collaborating with the focal firms while not being controlled by them (cf. Jacobides et al., 2018). In the sphere of interdependency, any change would be mitigated with the goal of reestablishing balance. This entails reactions aimed at restoring balance and thereby dissipating change. Rapid reactions with this dissipation
decrease the likelihood of further consequences, highlighting the interdependence between corporate and ecosystem changes. In the context of the divorce, the sphere diminished as the divorcees attempted to divide the ecosystem between them, leading to imbalances in negotiations and thereby moving into the last sphere, the sphere of negotiations.

The sphere of negotiations comprises imbalanced connections that, in contrast to the sphere of interdependency, create grounds for further changes and weakened connections that may dissipate over time. This sphere thereby entails reactions and consequential changes that, based on increasing issues of trust and alternative plans, may spiral into effects, both intensifying the change in the ecosystem and, in a manner, deviating from the focal firm’s goals, undermining its position in the ecosystem. In this case, this sphere expands into the sphere of interdependency and turns most of its players into becoming part of this sphere.

These patterns of change transcend mere descriptions of sequential stages of ecosystem creation (Moore, 1993) and transformation (Parida et al., 2019). Instead, they delve into the effects stemming from decisions by firms, the influence of corporate decisions permeating the ecosystem and the responses from ecosystem stakeholders to the myriad corporate and ecosystem changes. They also advance descriptions of unobtrusive change (Thilenius et al., 2016) and domino effects (Hertz, 1998) in business network research by interlinking change across corporate and ecosystem boundaries and describing three distinct patterns. The patterns of change underscore the notion that ecosystem parties not only co-evolve (Simmonds et al., 2018; Xu et al., 2021; Alaassar et al., 2021; Audretsch et al., 2021) but also grapple with challenges tied to their interdependencies. While researchers have indeed characterized ecosystems as systems of interdependent parties (Jacobides et al., 2018; Thomas and Autio, 2020), the agency within them is less pronounced and holds significant importance. The spheres thereby serve as a means to theorize ecosystem change while acknowledging agency. They highlight that ecosystems themselves are not agents of change; rather, it is their constituents who play this role. This aspect is not recognized in the research emphasis on ecosystem transformation and evolution (e.g. Xu et al., 2021; Alaassar et al., 2021). While this paper focuses on a business ecosystem type, agency and interdependency would also be present in ecosystems dedicated to shared outputs, such as service, innovation and entrepreneurial ecosystems (Simmonds et al., 2018; Audretsch et al., 2021).

Figure 3.
Spheres of change in ecosystem

Source(s): Authors’ own work
Conclusions
This paper describes and discusses the interconnected patterns between corporate and ecosystem change, shedding light on the various forms these changes take. Two questions were addressed: How are corporate and ecosystem changes interconnected? What factors explain such interconnectivity? The paper points out how both corporate changes aimed only at changing the conditions between the two divorcees and those linked to changing the ecosystem had ecosystem effects. The changes were either intensified or dissipated based on ecosystem consequences and reactions. The various ecosystem spheres help to capture change as interlinked to control and imbalances.

Theoretical contributions
As an early study on ecosystem change, this paper’s primary theoretical contribution is to shed light on a previously unexplored area: ecosystem change not involving co-evolution (cf. Daymond et al., 2023). By bridging research on corporate strategy with business ecosystems, the paper deepens our understanding of interdependencies and agency within ecosystems.

The introduction of the vocabulary of rapid and gradual change as well as intensified or dissipating interconnected change, provides a valuable framework for distinguishing how changes unfold over time and space. This advances past notions of ecosystem change (Jacobides et al., 2018) and enriches current vocabularies related to business network change (Öberg et al., 2016; Thilenius et al., 2016; Hertz, 1998). The discussion on ecosystem spheres helps capture how diverse parts of an ecosystem may be differently affected by change and how interdependency, when balanced, functions as a stabilizing factor. The interconnectivity of change becomes intricately woven into the interdependency among ecosystem constituents. The agency of these interdependent parties underscores why a mere understanding of co-evolution, dynamics and sequential stages of ecosystem creation is insufficient to comprehend ecosystem change (e.g. Xu et al., 2021; Alaassar et al., 2021; Audretsch et al., 2021; Moore, 1993), where agency, control and imbalances become crucial for navigating across the ecosystem spheres.

Further research
Numerous opportunities for further research arise in both ecosystem change and corporate divorce. In relation to divorce, divestitures, decline and dissolution, a focus on economic downturns can yield valuable insights into their consequences, both positive and negative. It is also worth exploring the connections between these related concepts and how they are interconnected in change.

Regarding ecosystem change, additional studies are prompted encompassing both dissipation and intensification. While the empirical part of this paper focused on firms with strong consumer brands, examining other settings such as service delivery firms, raw material producers and industrial players in relation to ecosystem change would be valuable. Given the variety of definitions of ecosystems, it is crucial to understand the meaning of change within each context and whether and how the different types of ecosystems share similarities in terms of change.

Further research could also delve into firms’ strategies and agency within ecosystems of various types, encompassing service, innovation and entrepreneurial ecosystems. The spheres of change in ecosystems can serve as a framework to comprehend the changes within these ecosystems. Above all, further research is encouraged on ecosystem change to gain a more comprehensive understanding of the concept of ecosystems.
References


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