Haier's (2019) ecosystem revolution:
From Rendanheyi 2.0 to Rendanheyi 3.0

2019 was an important year for Haier. Its new version of its radically decentralised structure, dubbed Rendanheyi 2.0, based on many independent 'Ecosystem Micro-enterprise Communities' (EMCs) had been devised to help it respond to the shifting ways of adding value in the digital, internet-based economy. In 2019 BrandZ declared that Haier was the first and only Internet of Things (IoT) ecosystem brand.[1] By the close of the year, a handful of EMCs had established themselves based on user demands, including the Internet of Clothing, the Internet of Food, U-vaccine, the Internet of Blood, Smart Home Whole-set Experience EMC, Gas Stove & Water Heater EMC, COSMOPlat RV EMC, Agriculture EMC and XCook. More dynamic EMCs would be created as opportunities were identified. Ecosystem competition was growing from other companies in China, keen to leverage their user bases. And, while the ME and EMC structures were successfully implemented in China, it was harder to do this in Haier's international operations.

Internet of Things ecosystems

As the year drew to an end, Zhang announced that Haier's priority had shifted to the challenges of the transformation in the IoT era.[2] EMCs were the connection between all stakeholders in the ecosystem, but also characterised Zhang's idea of the IoT paradigm being open and dynamic and facilitating co-creation. He said:

> *Ecosystem is the embodiment of the essence of 'internet of things' – an 'internet of people'. As of now, Haier is taking the lead in setting the international standards for IoT industrial platforms … In order to build an ecosystem brand, companies must work with users and create scenario ecosystems together. Both smart kitchen and smart home are scenario-based ecosystems and they are application scenarios based on the 5G-enabled IoT technology … James Moore proposed the idea of 'business ecosystem' and defined it as a community of organisms in the business world. Being an organic body is about subverting the rigid organisational structure of the past and evolving it into a self-organisation. Haier has been exploring its Rendanheyi model for 14 years, and today this model has received wide acknowledgement and recognition globally, for it is, indeed, the business model for the IoT age.*

EMCs were dynamic organisations and Haier did not have a complete 'set' as it was continually changing. At the end of 2019, EMCs included XCook EMC (Xingchu in Pinyin), Yuchu ('the Emperor's Cook'), Lechu EMC ('Happy Chef' kitchen appliances), Langdu EMC (fridges), Leader EMC, YUNSH (Internet of Clothing), Zhijing EMC (washing machines), Haier Kitchen EMC, Casarte Kitchen, Gas Stove & Water Heater EMC, and Smart Shower.

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