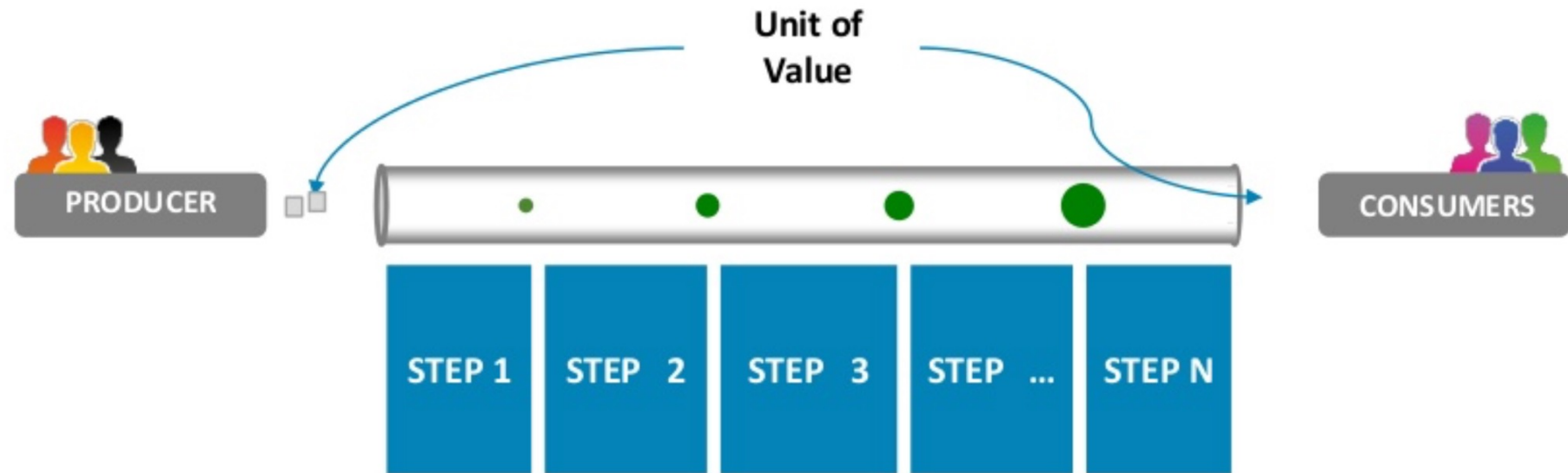


Platforms

An introduction

What is a non-platform business?

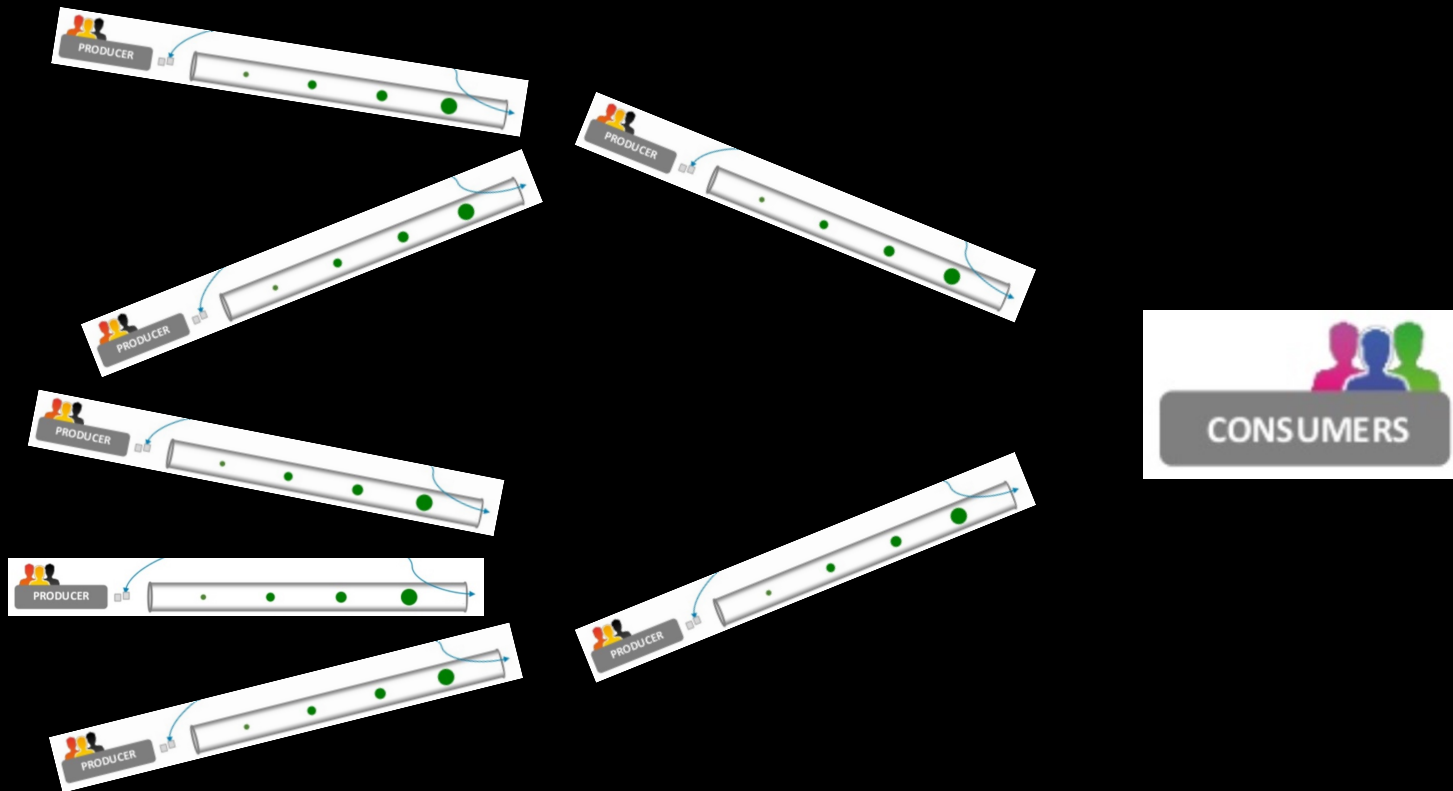


- Producer owns the pipe
- Producer adds value and controls the production
- Value creation is linear

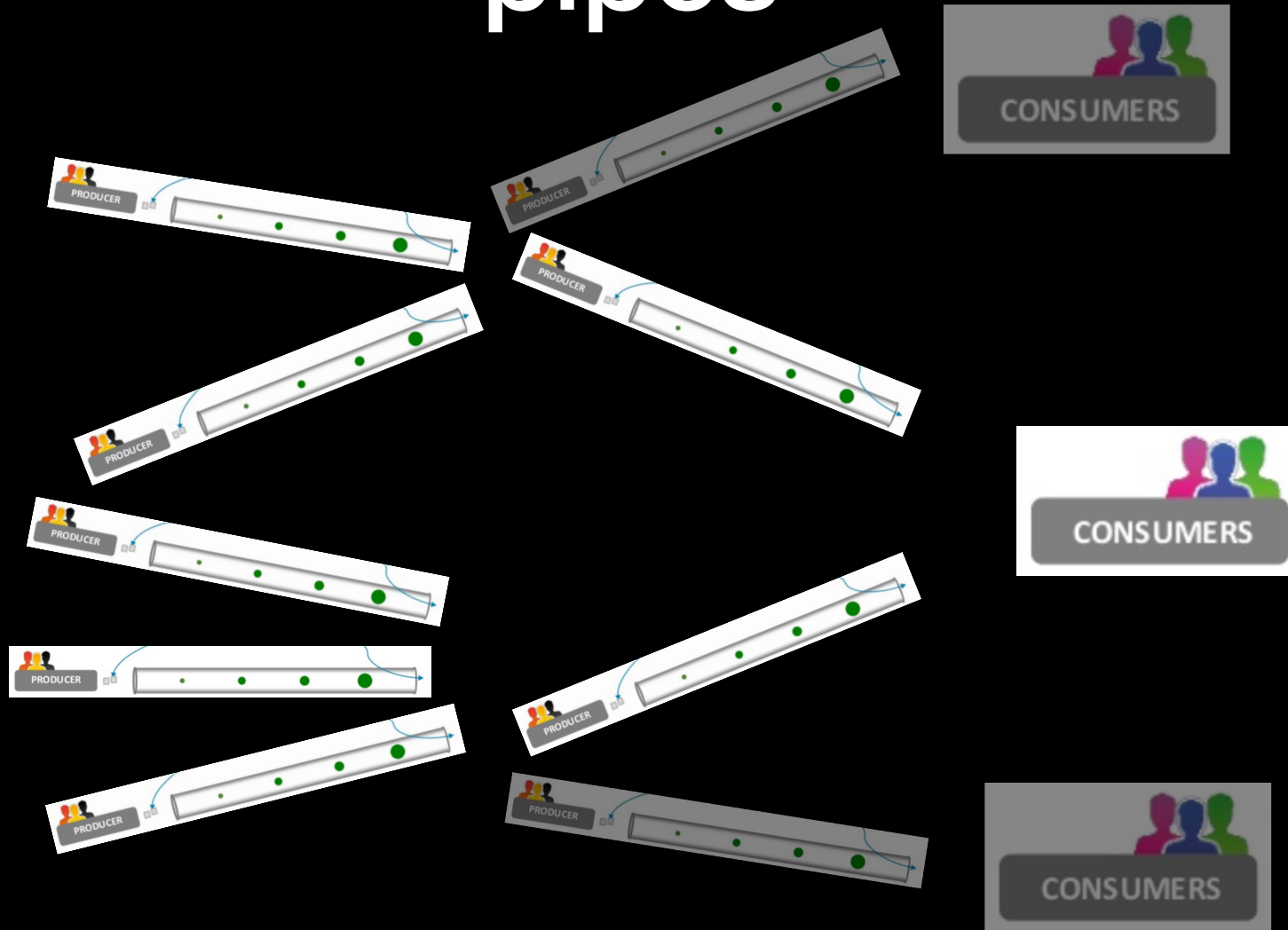


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Realistically - network of pipes



Realistically - network of pipes



The Business Model Canvas

Designed for:

Value Creation

Designed by:

Value Proposition

On:

Iteration:

Key Partners



Who are our Key Partners?
Who are our Key Suppliers?
Which Key Resources are we acquiring from partners?
Which Key Activities do partners perform?

NOTIFICATIONS FOR PARTNERSHIP:
Optimization and economy
Reduction of risk and uncertainty
Acquisition of particular resources and activities

Key Activities



What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

CATEGORIES:
Production
Production Sublog
Platform Network

Value Propositions



What value do we deliver to the customer?
Which one of our customer's problems are we helping to solve?
What bundles of products and services are we offering to each Customer Segment?
Which customer needs are we satisfying?

CHARACTERISTICS:
Novelty
Performance
Performance
Customization
"Getting the Job Done"
Design
Brand Status
Price
Cost Reduction
Risk Reduction
Availability
Convenience/Usability

Customer Relationships



What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
Which ones have we established?
How are they integrated with the rest of our business model?
How costly are they?

EXAMPLES:
Personal assistance
Dedicated Personal Assistant
Self Service
Automated Services
Communities
Co-creation

Customer Segments



For whom are we creating value?
Who are our most important customers?

Mass Market
Niche Market
Segmented
Personalized
Multi-sided Platform

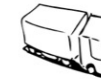
Key Resources



What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

TYPES OF RESOURCES:
Physical
Intellectual (brand patents, copyrights, data)
Human
Financial

Channels



Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?
How are our Channels integrated?
Which ones work best?
Which ones are most cost-efficient?
How are we integrating them with customer routines?

CHANNEL PRICES:
1. Awareness
Break to new customers, obtain our company's products and services
2. Evaluation
Break to help customers evaluate our organization's Value Proposition
3. Purchase
Break to allow customers to purchase specific products and services
4. Delivery
Break to deliver a Value Proposition to customer
5. After sales
Break to provide post-purchase customer support

Cost Structure



What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
Which Key Activities are most expensive?

BY VALUE BEHAVIOR MODEL:
Cost Driven (lowest cost structure, low price value proposition, maximum automation, extensive outsourcing)
Value Driven (Second or value creation, premium value proposition)

SAMPLE CHARACTERISTICS:
Fixed Costs (salaries, rent, utilities)
Variable costs
Economies of scale
Economies of scope

Revenue Streams



For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each Revenue Stream contribute to overall revenues?

TYPES:
Asset sale
Usage fee
Subscription Fee
Licensing
Advertising

FIXED PRICING:
List Price
Product/Service dependent
Customer segment dependent
Volume dependent

DYNAMIC PRICING:
Negotiation (bargaining)
Yield Management
Real-time Market

**Ok, what is a platform
business?**

For instance this...



The fish market by the harbour in Stornoway, [Isle of Lewis](#), [Scotland](#), 1894.

Platforms ... A multi-sided & sustainable business model

Platform (n):

"A business that creates a positive impact for for it's users, society and our planet.

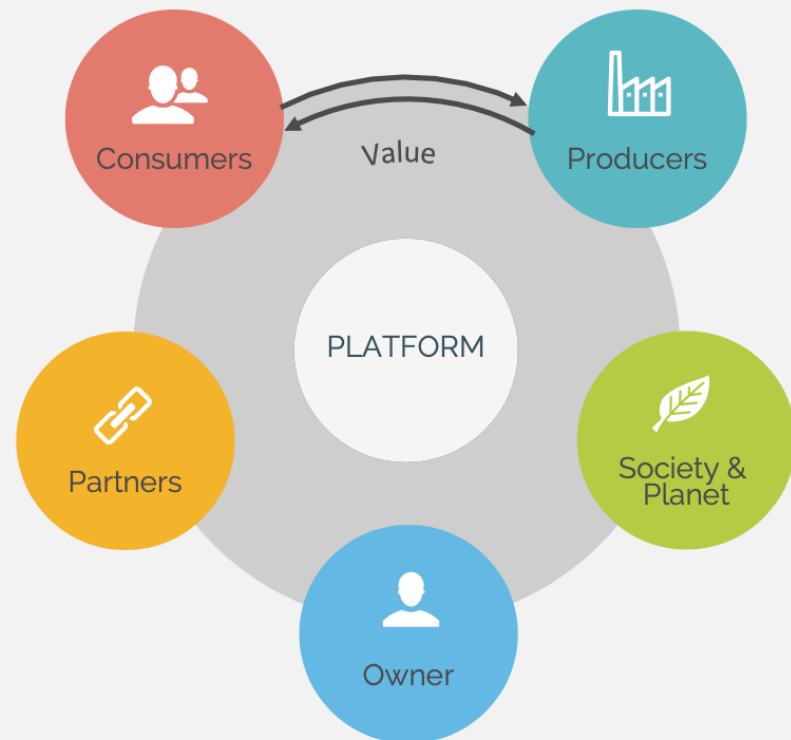
It operates a physical or virtual place to help two or more different groups to

- find,
- interact,
- exchange &
- co-create

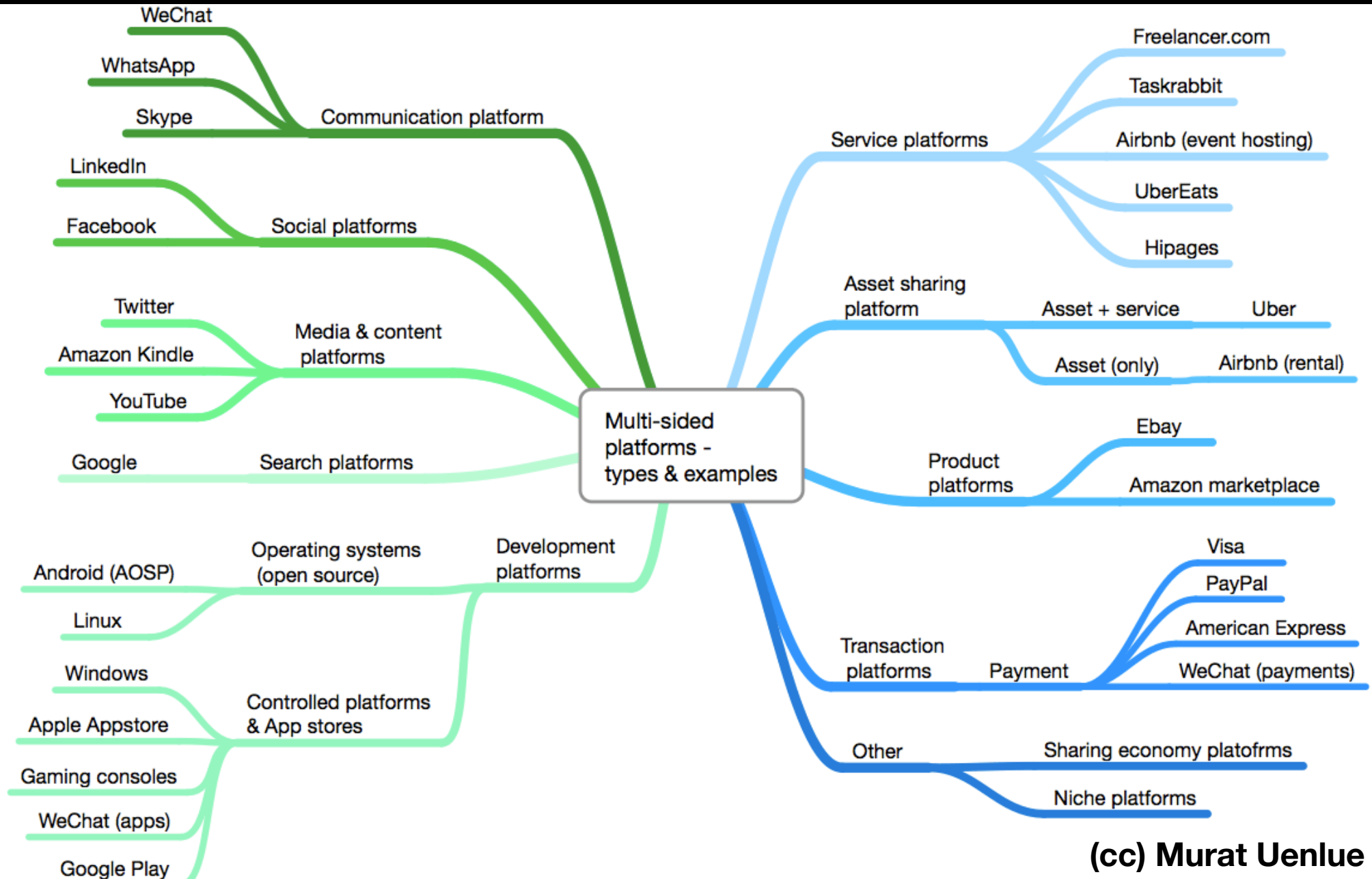
with each other.

It combines the strengths of network engagement, data intelligence and infrastructure for long term sustainability & success.

Platform Innovation Kit Team



Platform categories



DISAMBIQUITION

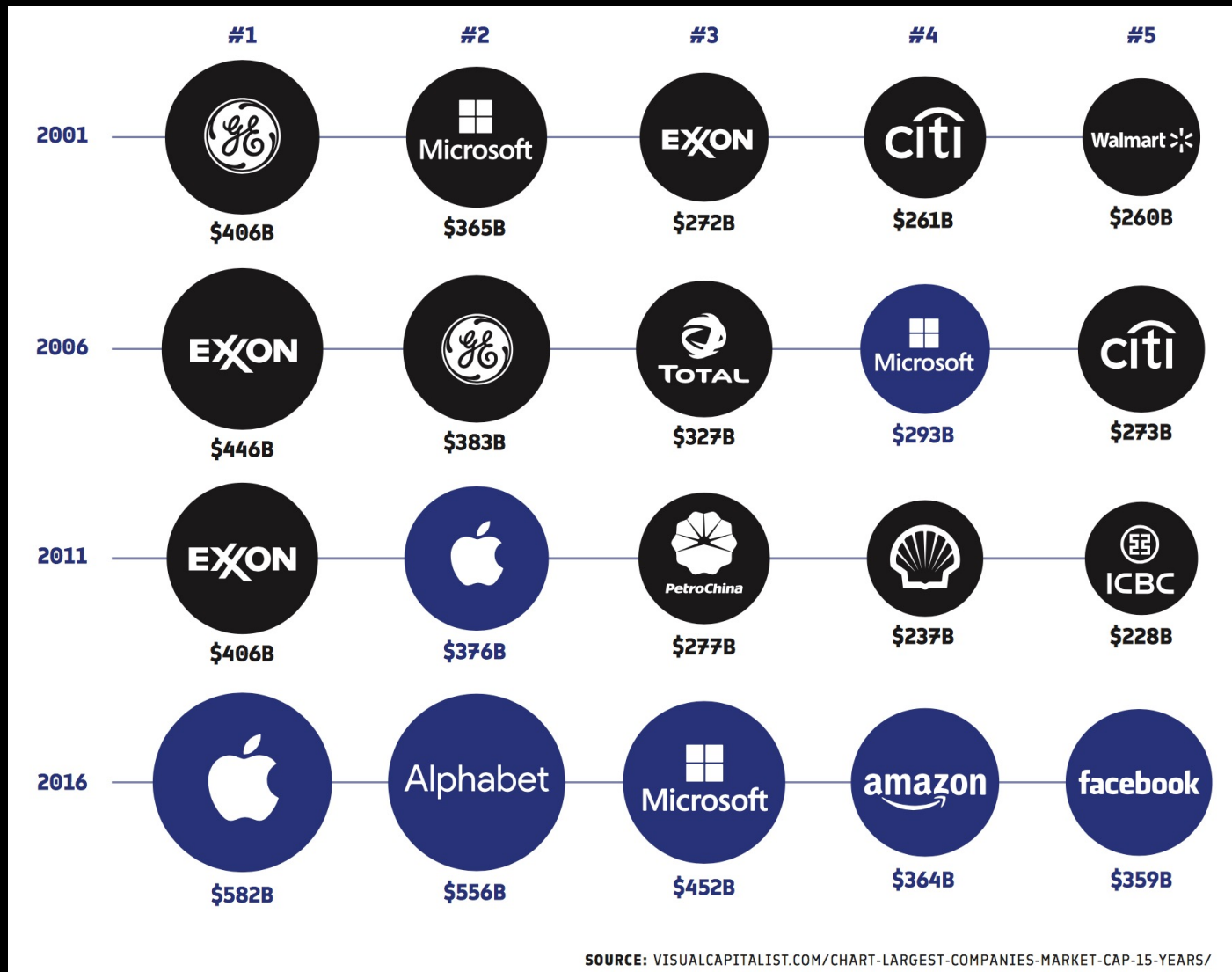
“A platform or complement strategy differs from a product strategy in that it requires an external ecosystem to generate complementary product or service innovations and build positive feedback between the complements and the platform.”

“The effect is much greater potential for innovation and growth than a single product-oriented firm can generate alone.”

— MIT Professor Michael Cusumano

**We do not focus on this type of
technology stack platforms
in this course.**

So what is the fuss?



Why in digital businesses platforms are so powerful?

- Let's do this together!



Why platforms rule?

Virtuous cycle together with network effects leads easily to **winner-takes-it-all** –market. In this, one solution rules a clear majority of the market share.

Network effect also causes high **lock-in effect** – changing is too expensive, hard or impossible.

Winning platforms also **scale quickly** with relatively low resources.

No need to fight alone – the whole ecosystem is taking a part.

(Platforms also solve some problems discussed in **transaction cost theory**.)

From pipes to platforms

- From resource control to resource orchestration
- From internal optimisation to external interaction
- From focus on customer value to focus on ecosystem value
- + Network effects

CONSUMERS



2

3

VALUE PROPOSITIONS

TRANSACTIONS

4

CORE VALUE

1

MISSION

PRODUCERS



PARTNERS



OWNERS



VALUE



PLATFORM VALUE CANVAS v4.0



Part of the Platform Innovation Kit - the toolset for the platform generation
Download at www.platforminnovationkit.com

TITLE

FOUNDERS
LANE



ENG