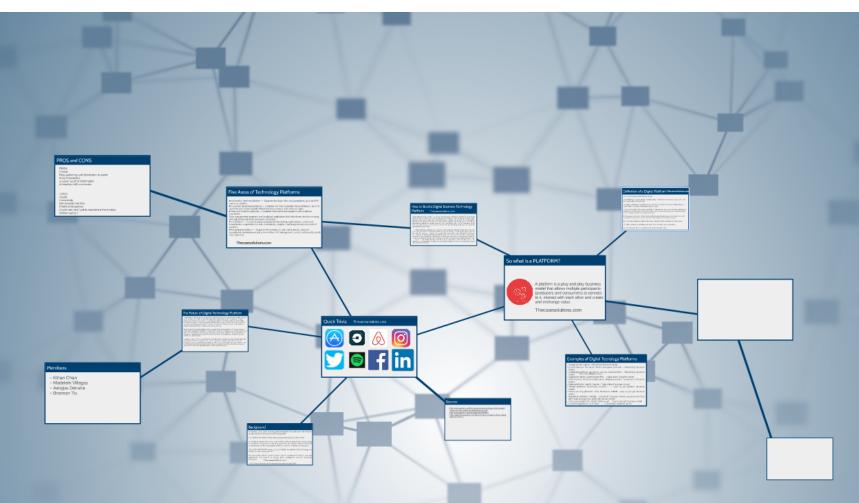


# The Market Power of Platform-Mediated Networks



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# Background

In October 16-20, 2016, analysts gathered together to examine the next evolution of digital business during the Gartner Symposium

It is said that the Global IT Spending is projected to grow by 2.9% in 2017

According to Gartner, there is a need to build an infrastructure that is not just going to reshape the business but also the way people live. He also believes that CIOs are the builders of the infrastracture which he calls the civilization infrastracture.

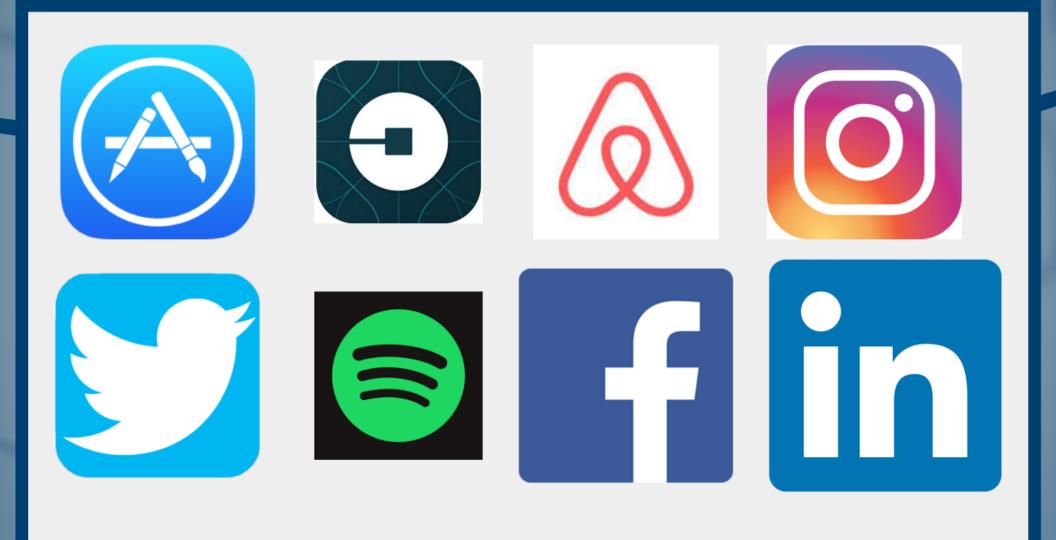
CIOs ARE IMPORTANT because they will build the platform that will change the society and the way people live.

The new digital platform consists of five domains: traditional IT systems, customer experience, The Internet of Things (IoT), intelligence and the ecosystem foundation.

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Each of these domains are interconnected and interdependent.

## Quick Trivia



## Examples of Digital Tecnology Platforms

- Google search engine: "advertising" business model.
- Social platforms: Facebook, Twitter, Instagram, LinkedIn "advertising" business model.
- Knowlegde platforms aka forums such as StackOverflow "advertising" business model. Thecasesolutions.com
- Application stores: Apple/Google Play "digital good" business model.
- Market places: Amazon market place, shopping engines: "ecommerce" business model.
- Media platforms: Spotify, Deezer "subscription" business model.
- Affiliate platforms: Commision Junction ... "earn as you perform" business model.
- Crowd-sourcing platforms: Uber, BlablaCar, AirBnB "pay as you go" business model
- Repository platforms: GitHub "freemium" business model: you pay only if you don't want to share your code with the community.
- Infrastructure platforms (IaaS): AWS, Azure "pay as you go" business model
- Classifieds platforms: real estate ... "advertising" business model

#### So what is a PLATFORM?



A platform is a plug-and-play business model that allows multiple participants (producers and consumers) to connect to it, interact with each other and create and exchange value.

# How to Build a Digital Business Technology Platform Thecasesolutions.com

Digital business is the creation of new business designs by blurring the boundaries between the digital and physical worlds due to the convergence of people, business and things. To cities, digital business means smart cities with connected parking, facilities and services. To manufacturers, digital business can mean connected factories and the industrial internet. To others, the notion of ecosystem or platform businesses (such as Airbnb and Uber) come to mind. Regardless of the variety of digital business, most enterprises do not have the technology components to support the new capabilities and models.

A digital business requires much more than technology (for example, leadership, talent and skills, and new business models). All of these areas are covered in "Building the Digital Platform: The 2016 CIO Agenda." However, from a technology perspective, many will expect the CIO and the IT team to lay out the technology foundation (see Figure 1). At a minimum, the IT organization needs to be able to design the "big picture" of all the new information and technology capabilities required to support digital business. IT can then work with the rest of the organization to define who — if not IT — will build/fund/support/own these major components. (Note that the focus of this research is to present the big picture, not to provide guidance on who should build/own/support each of the components.)

# Definition of a Digital PlatformThecasesolutions.com

#1 It is a technology-enabled business model.

#2 It facilitates exchanges between multiple groups – for example end users and producers – who don't necessarily know each other.

#3 It offers a value that is proportional to the size of the community. There are network effects. A Digital Platform is worth nothing without its community.

#4 It is a trust enabler: it must generate trust with clear general terms and conditions regarding the intellectual property and data ownership. It also helps consumers and providers to trust each other within the network thanks to scoring mechanisms.

#5 It has open connectivity: it shares data with 3rd party developers to create new services and extend the ecosystem. This is done with APIs and participates to the API economy.

#6 It can scale massively to address millions of consumers without performance degradation.

#7 It offers compelling user experience: easy to use, no training needs, self-service.

#8 It has innovative business models based on the immediate value.

## Five Areas of Technology Platforms

- Information systems platform Supports the back office and operations, such as ERP and core systems.
- Customer experience platform Contains the main customer-facing elements, such as customer and citizen portals, multichannel commerce and customer apps.
- Data and analytics platform Contains information management and analytical capabilities.

Data management programs and analytical applications fuel data-driven decision making, and algorithms automate discovery and action.

- IoT platform Connects physical assets for monitoring, optimization, control and monetization. Capabilities include connectivity, analytics and integration to core and OT systems.
- Ecosystems platform Supports the creation of, and connection to, external ecosystems, marketplaces and communities. API management, control and security are its main elements.