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Alustatalous myllertää toimialat ja liiketoiminnan



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It's about fundamental change in thinking

1) Product-centric thinking



Operational efficiency

2) Service-centric thinking



Omnichanneled customer experience

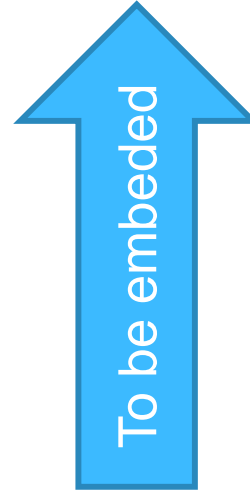
3) Platform-centric thinking



Disruption of supply chains and industries



Software (digital platform)



**Paradigm
changes!**

Products & Services



Change in business thinking

Product- and service-oriented business

- Own customer relationships
- Single or multichannel product and service experience
- Life cycle services
- Two-sided markets (supplier, customer)
- Value creation and capture follows traditional value chain model (suppliers, focal firm, customers)

Platform (economy) business

- Maintaining digital platform to enable third parties business and innovation; network effects
- Common user and customer experience is crucial (i.e., full-pull economy)
- Simple, defined, development enhancing interfaces between parties
- Earnings are based in using and operating in and on the digital platform
- Ecosystemic value creation and capture

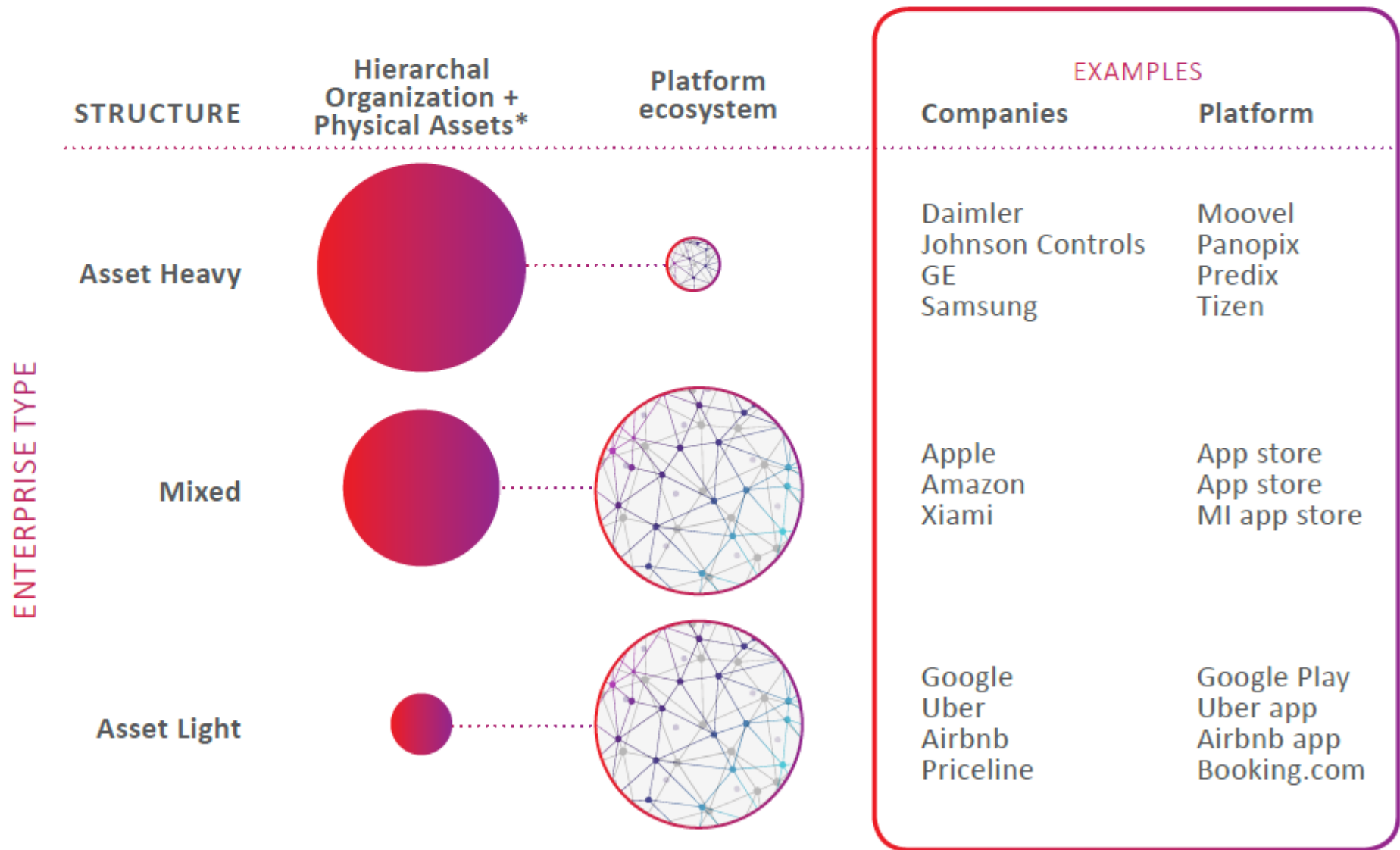


Three key shifts in moving from pipeline to platform

1. From resource control
to resource orchestration
2. From internal optimization
to external interaction
3. From a focus on customer value
to a focus on ecosystem value



PLATFORM BY ENTERPRISE TYPE



SOURCE: Authors, 2015

FIGURE 9

* Includes HQ, other rooftops, retail outlets, manufacturing plants, service shops, etc.



The Center for Global Enterprise

Volkswagen Truck & Bus launches cloud-based "operating system" for the entire transportation industry

- The new brand RIO bundles digital solutions of the transportation & logistics ecosystem
- Open platform also includes vehicles of competitors
- Significant increase in efficiency and transparency in the field of transportation
- MAN is first sponsor of RIO and is responsible for developing the brand within the Volkswagen Truck & Bus Group



As of the beginning of 2017, Volkswagen Truck & Bus will be offering an open and cloud-based "operating system" for the entire transportation industry.

Digital platforms

- Frameworks (“digital frames”) where third parties can build their innovations, over current industry boundaries
- Different actors (parties) develop, offer, and maintain products and services complementing others’ offerings, providing those into many channels and markets within commonly agreed rules and user/customer experience
- May form comprehensive value creation ecosystems and de-facto standards; typical characteristics is to bind and attract separate participants into digital platforms through monetary rewards enabled by network effects
- Digital platforms will revolutionize economical organizations and institutions by, for instance:
 - Re-defining boundaries of industries and industry architectures
 - Changing value creation and value capture logics and methods
 - Modifying the content and nature of work and labor markets
 - Shifting equilibrium of competitive advantage in global value networks



Strategic challenges when moving to multi-sided markets

- Number of participants
 - The more there are participants, the bigger are potential network effects and resulting value capture potential
- Contradicting interests in functionalities
 - E.g. number of ads vs. user experience
- Value sharing between parties (over time)
 - Pricing power; how and based on what principles revenues will be shared
 - Change of contracts during period
- Control (contracts, use rights)
 - To what extent delimit parties' innovativeness and freedom to operate in advance?



Value creation from platform perspective

A well-managed platform can create excess value in four ways:

- access to value creation,
- access to the market,
- access to tools, and
- curation



Scalability: what does it mean #1

- Network effects: direct and indirect
 - Direct network effects (“more users, more value”) (numbers game; who has the most eyeballs attracted is the winner; monetization comes from VC logic or other; linear value creation and capture)
 - Indirect network effects (“more use; more value”) more use (of service/product) is better (content-driven; ecosystemic value creation and capture happens here)
- Network effects: Same-side, cross-side, positive and negative
 - same side positive and negative network effects
 - pos. more users, more content, other users happy
 - neg. more suppliers; more competition btw suppliers, less happy suppliers
 - cross side positive and negative network effects
 - pos. more users make suppliers happy
 - neg. more advertisers in supply side make users less happy



Scalability: what does it mean #2

- Scalability requires effective way to use and benefit the resources that somebody else owns
 - Digital platforms as backbones of business
- Boundary resources are the central concept in the platform economy
 - Managing and controlling the interfaces enables exponential growth (business scalability)
 - Social and technical boundary resources
 - Contracts between platform owner and complementing parties
 - Technical compatibility between offerings; APIs, SDKs, Moving from two-sided markets to multi-sided markets
 - Ecosystemic approach, requires e.g. complementors and enablers



Boundary resources

Social boundary resources

Contracts between platform owners and complementors

- Legal rights (e.g. patents, excl. Data)
- Joint earning logics
- Open data (for third parties)
- Guidelines, documentation (incl. Common user and customer experience)

Technical boundary resources

Multi-layer technical compatibility & interoperability

- Application Programming Interfaces (APIs)
- Software Development Kits (SDKs)
- Scripts for new functionality



How firms have prepared themselves to utilisation of digital platforms?

- Of 51 middle-size manufacturing industry firm (so-called *Mittelstand* firms)
 - **0** firms have published their social boundary resources
 - **0** firms have published their technical boundary resources
 - **7** firms defined their offerings in a way that it includes parts of digital offerings

Castren et al. 2016



Key takeaways

- Platform economy is the new paradigm
- There are three shifts to: 1) resource orchestration, 2) external interaction, 3) ecosystem value
- Needs to understand how to accumulate and enable co-creation of value



KIITOS!

Toteutamme mielenkiintoisia tutkimus- ja kehityshankkeita tuottaen ratkaisuja, tietoa ja osaamista yritysten kilpailukyvyn kehittämiseen teknologiakeskeisessä, muuttuvassa toimintaympäristössä.

Meneillään olevia hankkeita ovat mm.

iPLATE – Osaamisen kehittäminen alustatalouden maailmassa

DEEVA – Data ja kokemukset ekosysteemin arvon yhteisluonnissa

TEUVO – Uudet liiketoimintamallit verkostoissa – teollisuuden uudistumiskyky

YHTEYSTIEDOT

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