



NEW STUDY: FINDING YOUR WAY THROUGH THE PLATFORM JUNGLE

Opportunities, winning strategies, and pitfalls in B2B platform-based business models

A COLLABORATION BETWEEN





Where we are
TODAY

Preface

BEYOND MARKETPLACES

Platform-based business models are emerging as a new paradigm across industries. Eight out of ten of the world's most valuable companies operate platforms, as do 70 percent of the unicorn start-ups. After having disrupted information-intensive sectors, like media, e-commerce, and software, **platforms are now rapidly entering industrial B2B sectors.**

Many of these platforms are digital marketplaces, facilitating transactions between suppliers with buyers. However, platforms offer many more potentials.

THINK BEYOND MARKETPLACES TO HARNESS THE POTENTIAL OF PLATFORMS IN B2B

To reap the benefits of digital platforms, executives need first to strategically define their role and value proposition in the broader ecosystem. This might also mean expanding their playing field from an enabler or producer towards an orchestrator of a network of different players within the ecosystem.

To better understand the current trends and challenges executives face in the platform economy, **we are currently analyzing over 200 European B2B platforms as well as doing interviews with executives.** The following page provides a first overview of questions we aim to explore. Our subsequent reports will tackle these questions and provide specific guidance to executives.

Stay tuned.

Guiding Questions

THE QUESTIONS YOU SHOULD ASK AS AN EXECUTIVE

Will your sector be impacted by platforms after all?

Previously, many incumbent companies have focused on selective digital initiatives, such as developing software solutions or apps. Now the focus has shifted to exploring new business models and expanding the companies' ecosystem through platforms. However, the impact of digital platforms differs vastly across sectors. In our report, we will provide an overview of which sectors are most severely impacted by digital platforms - and how.

Where in the value chain / ecosystem should you look for opportunities?

Platforms are disrupting every step in the value creation process, from removing inefficiencies between directly linked parties to creating new sales and relationship channels between producers and customers. This disruption might also require going beyond a simple value chain logic and diving into the complexities of orchestrating multiple players within an ecosystem, co-creating value together with them.

How can I create an ambidextrous strategy - building a platform AND strengthening the incumbent business?

This is one of the biggest dilemmas executives face. They have to expand the company position for future growth while at the same time have to ensure that the core business will also continue to flourish.

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Simple transaction-based marketplaces are not sufficient in B2B, so how should my platform create value for your stakeholders?

Platforms can create value on three layers: The network of users and transactions they orchestrate, the infrastructure they provide, and the data they harness and utilize [1]. While one lever can be enough to start playing the platform game, the most successful platforms are active on two or all three layers, often having expanded sideways and building on their initial strengths.

How do you generate network effects?

The value that platforms create grows with the network of stakeholders they orchestrate (i.e., platforms enable "network effects"). The challenge for B2B markets is the low number of stakeholders, potentially equating to smaller network effects.

How do you build valuable relationships among stakeholders, based on trust?

Traditional B2B sales often rely on personal and long-term relationships in which partners can trust each other. Trust is also a key ingredient for success in the digital economy. Our report explores different mechanisms and key ingredients for success to build trust.

How do you monetise and build a viable business?

As a multi-sided business platforms provide multiple options to monetise and price the users differently. But what are the most common and successful patterns in B2B?

Collaborative Project

ABOUT THIS STUDY AND HOW YOU CAN CONTRIBUTE

Our goal is to understand the status quo and critical success factors of European B2B players in the platform economy, identify best practices, and provide a framework for decision-makers to develop and implement the right platform strategy for their company.

For this reason, we set up a collaborative project to provide a broad overview of the European platform economy, the opportunities, risks, and winning strategies for B2B companies.

This preview highlights some of the guiding questions and key themes from the initial report, which will be published in early 2020, followed by additional deep-dive reports.

Collaboration Partners (Initiators and Partners)

This is a collaborative research project between the leading business schools of ESMT Berlin, Warwick, and corporate venture builder FoundersLane

- Corporate venture builder FoundersLane (Co-Founder and CEO, Felix Staeritz, MD UK, Simon Torrance, Head of Platforms, Matthias Walter)
- ESMT Berlin (Dr. Hannes Gurzki)
- Warwick Business School (Prof. Johannes Habel, Wenfu Zhang)

HOW YOU CAN CONTRIBUTE

If you are interested in participating by sharing your experiences, shaping new perspectives, or co-creating insights, reach out to us! We are excited for you to join us on our adventure through the platform jungle.

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