

TU-EV – Platform Strategy: creating and executing an industry transcending platform strategy

Syllabus, October 7, 2021

OVERVIEW

The course focuses on developing skills to define and formulate a modern platform strategy based on platform business model, AI and human intelligence.

The starting point for the course is that the leading firms with a platform business model do not define themselves in terms of traditional industry boundaries. Rather, they actively seek to transcend the boundaries and create synergistic value across industries.

LEARNING OBJECTIVES

The students will during the course learn to

- 1) understand, apply, analyze, evaluate and create an industry-transcending strategy approach based on platforms, AI and human intelligence (creativity, courage and insights).
- 2) execute platform creation from business model perspective including network effects. Specifically, student will learn skills and techniques for
 - a. managing psychological dynamics of business model transformation;
 - b. evaluating the degree of friction and transactions cost in the current offering and reducing them;
 - c. developing focused offering to build engagement;
 - d. business approach to application programming interfaces (APIs);
 - e. creation of learning loop using AI;
 - f. expanding offering to new industries by leveraging platform's core capabilities

This course is for master students who already have background knowledge about basic concepts of platforms such as network effects.

Topics	
Week 1	<p>Industry transcending strategy and new business models - Introduction to intelligent platforms. How to manage three inter-dependent dynamics to transform firm's business model: 1) creating network effects, 2) adopting AI, and 3) developing creativity and courage to leap to new domains from business model perspective</p> <p>Ant Financial Blog "Alibaba and the Future of Business, Ming Zeng, Sep, 2018, Harvard Business Review</p> <p>Psychological dynamics of business model transformation: Intelligent platforms challenge many of business's underlying assumptions, including ways of working that organizations have honed for years that may need to change.</p> <p>Vuori, T O. and Huy, Q N (2018) How Nokia Embraced the Emotional Side of Strategy, Harvard Business Review (digital article), https://hbr.org/2018/05/how-nokia-embraced-the-emotional-side-of-strategy</p>
Week 2	<p>Transaction costs, friction and business expansion: simplifying the value chain from the user's viewpoint by eliminating transaction costs and friction to create network effects</p> <p>The Best Platforms Are More than Matchmakers, Alstyn&Schrage, HBR, Aug 2016.</p>
Week 3	<p>Role of focused offering in building platforms and network effect - techniques to identify on the most value-adding service and to define phase approach starting with focus, refining the offering and building engagement/community to drive network effects</p> <p>https://www.cnbc.com/2019/02/12/how-peloton-exercise-bikes-and-streaming-gained-a-cult-following.html</p>
Week 4	<p>Business approach to APIs - APIs role in creating platform business, how to manage APIs as products and over their life-cycle, API business models.</p> <p>https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/what-it-really-takes-to-capture-the-value-of-apis</p>
Week 5	<p>Creation of learning loops with AI – techniques to create business goals for AI, produce relevant data, and maximize continuous learning to learn faster than competition</p>

	<p>Getting AI to Scale, HBR</p> <p>https://hbr.org/2021/05/getting-ai-to-scale</p> <p>Tesla AI:</p> <p>https://www.youtube.com/watch?v=Ucp0TTmvqOE</p>
Week 6	<p>Transcending industry boundaries to create synergistic value across industries - how to break psychological barriers to reach creative insights and to expand offering to a new sector by leveraging a platform’s core capabilities</p> <p>Case study: Amazon history</p> <p>https://edition.cnn.com/interactive/2018/10/business/amazon-history-timeline/index.html</p> <p>Blog to explain three strategies to expand your platform</p> <ul style="list-style-type: none"> • Outside-in: starting from market trends and opportunities • Inside-out: starting from your current strengths and assets • ‘What if we bought’: considering how you could leverage another company’s strengths

Timing: 1 Nov – 17 Dec 2021 (week 44–50) every Tuesday
Credits: 3

COURSE FORMAT

The course combines interactive lectures with case discussions.

- Each week consists of one lecture: **Tuesday 10:15-12:00**
- Students will work in groups on a case study “Develop platform strategy for firm X” throughout the course. The case study company can be selected freely or together with lecturer. Group size is 2-4 persons.
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- Students will prepare contribution to the case study related to weekly session theme based on pre-reading material. Assignment is to summarize the main point from the article and how could that we applied into their case firm.
- The purpose of this assignment is to help students to develop own thinking and to help translating theory into practice in addition to making sure that they understand the basic ideas in the readings.

