

The business of platforms

The platform business model to survive in an ecosystem driven economy

Article 3: Part A



Foreword	03
Introduction	04
Platforms: Customer, service and product	05
Unpacking the Operating Model	06
Conclusion	11
Contacts	12



Foreword

Introduction

**Platforms: Customer,
service and product**

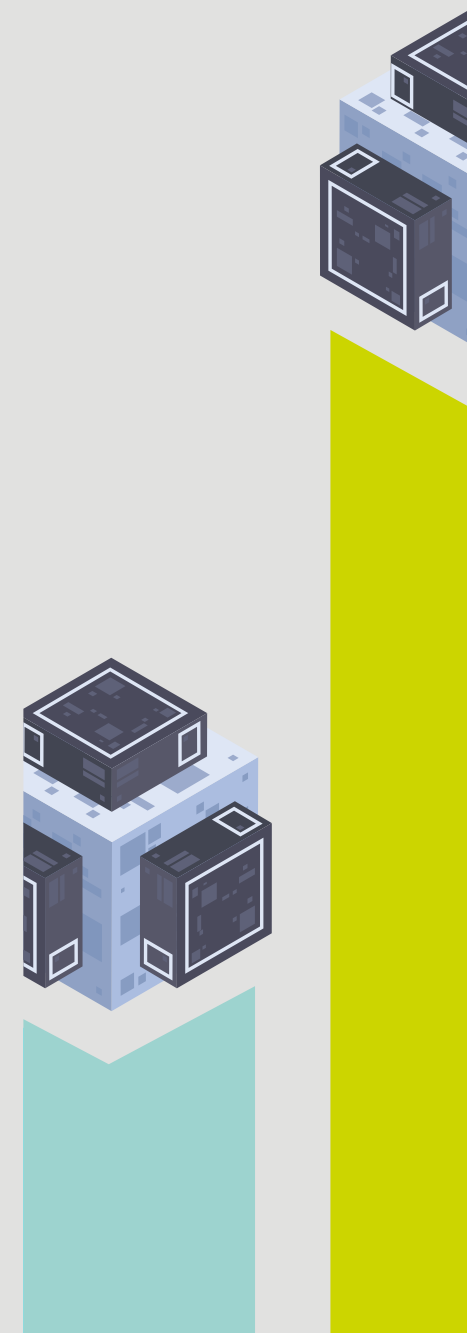
**Unpacking the
Operating Model**

Conclusion



Foreword

In the initial paper of this series we unpacked the core business model archetypes and their strategic nuances. With the significant upside value for organisations to adopt platform business strategies in a more and more globalised economy, an understanding of how these strategies functionally operate becomes paramount.



Foreword

Introduction

Platforms: Customer, service and product

Unpacking the Operating Model

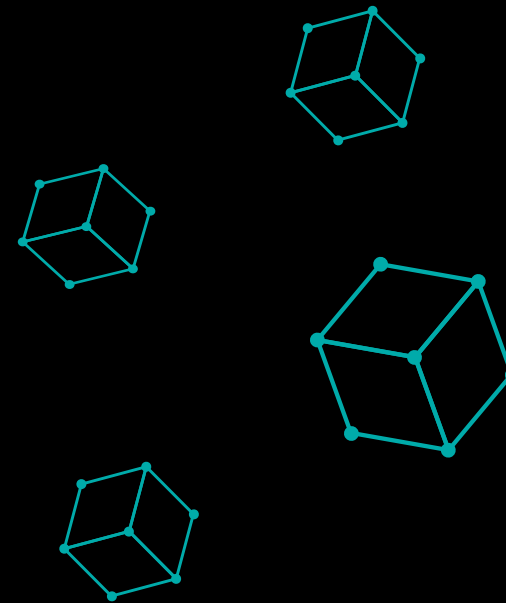
Conclusion



Introduction

The operating model of any business provides an understanding of how a business seeks to deliver value. With the strategic decision made by an organisation that a platform business model is key to its future success, the next step is to understand the implication of this on the current state of the organisation and what the future state may look like.

The complex and competitive landscape can be made less daunting through a clearer understanding of the implications, mechanics and universal enablers that are associated with the platform business model domain. For organisations to be empowered to design their operational structures in line with their platform strategies, this paper looks to expand on the operating criterion of three platform business models and provide guidance on key implementation enablers.



Foreword

Introduction

Platforms: Customer, service and product

Unpacking the Operating Model

Conclusion



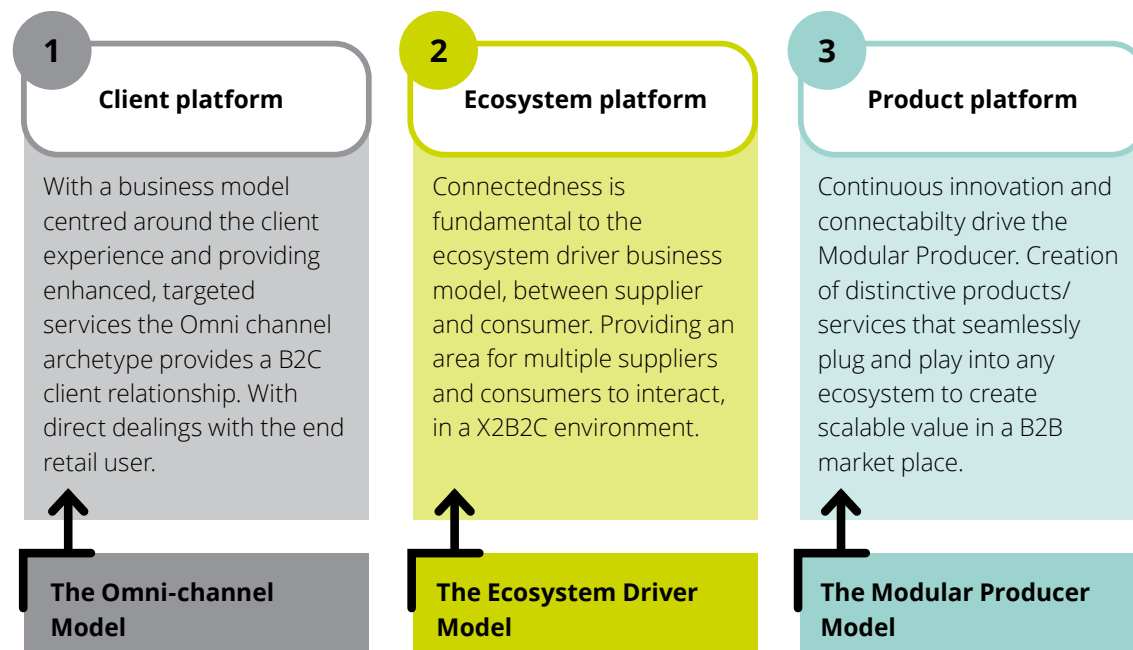
Platforms: Customer, service and product

Investigating the mechanics of how platform businesses look to provide value, sheds light on the potential requirements for these businesses to operate.

Firstly, we need to identify a clearer understanding of the platform business models by asking two key questions:

01. Who is the platforms customer?
02. How do you service them?

In the world of platform businesses value generation looks to focus keenly on the client with the mechanism in which this value is delivered summarised across **understand**, **connect**, and **create**.



Foreword

Introduction

Platforms: Customer, service and product

Unpacking the Operating Model

Conclusion



Unpacking the Operating Model

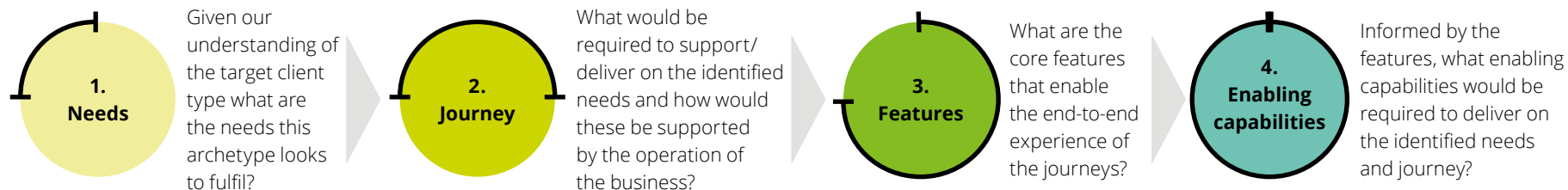
Understanding the focal client and high-level service delivery method or purpose for each of the three core platform archetypes provides the first step in bridging the gap between business model and operating. Working our way further down the platform operating model journey we have applied a subset of the Deloitte operating model design framework.

This snapshot of the framework provides a view between the purpose of each model and the core capabilities required to deliver it.

- 1. How the platform purpose drives the operational features**
- 2. Views on key enabling capabilities**
- 3. How these models differ in their methods of service delivery**
- 4. A summary of each model's operating DNA**

Understand, connect, and create provide a view of the purpose of the focal platform business models. However, to operationalising these models, we need to ask what are the potential capabilities that would be required to deliver on that purpose? Further, we look to identify how these would be structured in the delivery of value to the end customer given each model targeted client type?

This journey from the purpose of the model to the operation of the business can be broached by focusing on 4 dimensions to give an understanding of what capabilities would be critical to deliver value.



Foreword

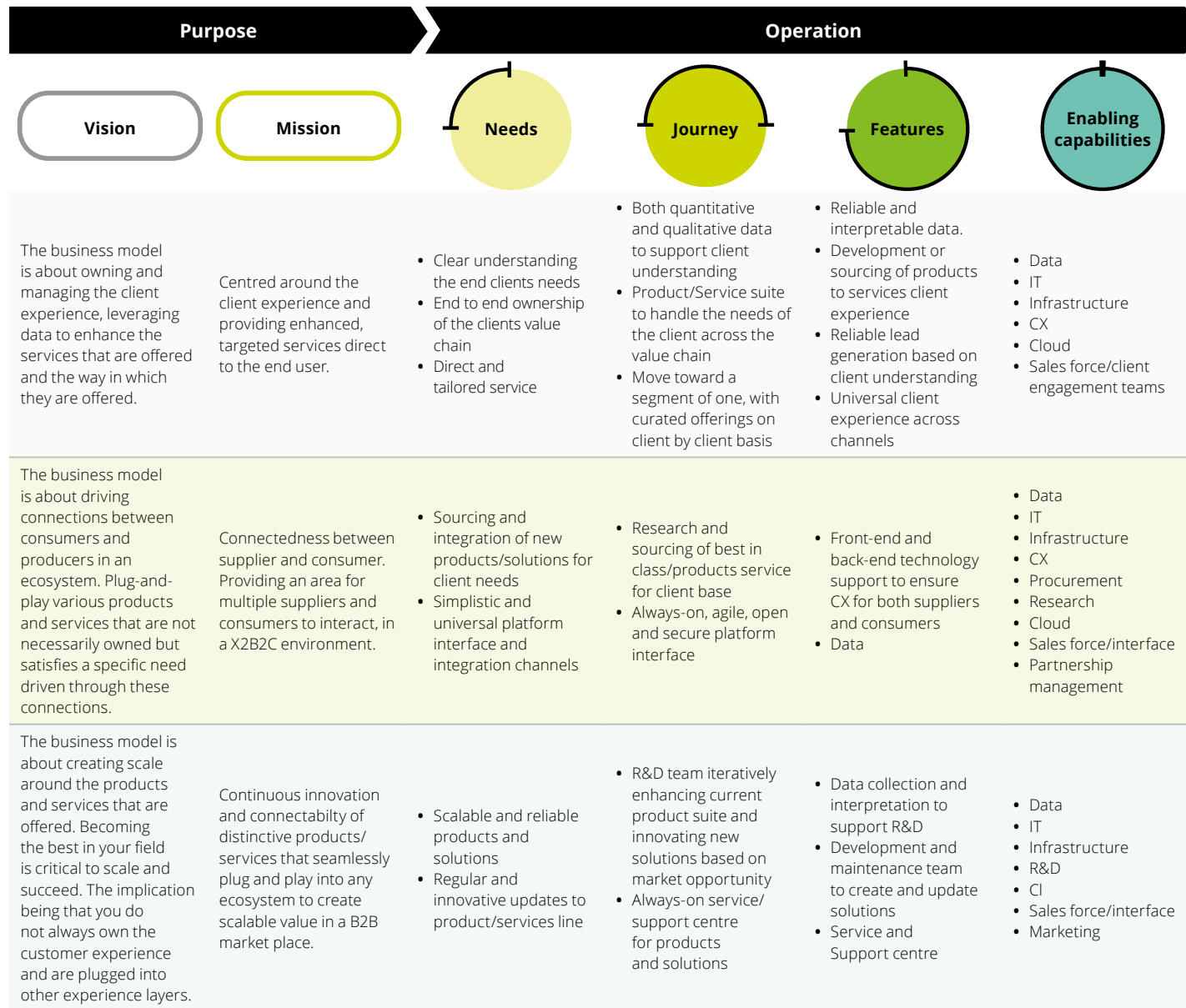
Introduction

Platforms: Customer, service and product

Unpacking the Operating Model

Conclusion





There are clear commonalities across the 4 dimensions, with all models having a strong focus on understanding and utilising both data and technology. The obvious question that arises from this is, if the enabling capabilities have such similarities, then how do these models functionally differ?

To answer this, we deconstructed a generic "organisation" into its constituent parts to map out the variations across the business models.



Foreword

Introduction

Platforms: Customer, service and product

Unpacking the Operating Model

Conclusion

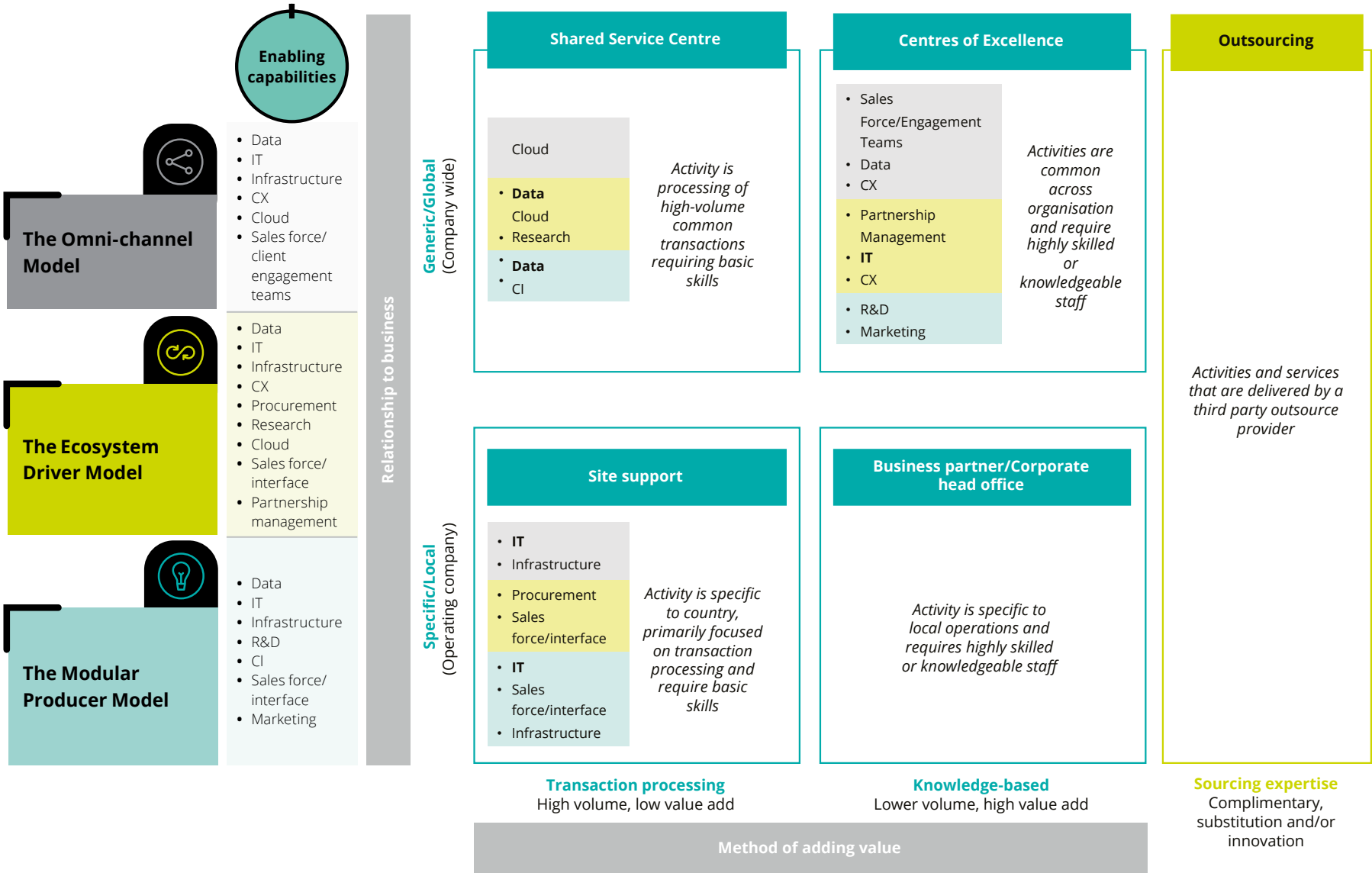


			The Omni-channel Model	The Ecosystem Driver Model	The Modular Producer Model
Strategy	Customer	Who are the internal and external customers that the organisation provides products or services to?	B2C	X2B2C	B2B
	Products and Services	Which products or services does the organisation provide to internal and external customers?	Unique Client experience and targeted services	Connection ecosystem for suppliers and consumers	Scalable Plug and Play Products and Services
	Channels	Which channels does the organisation use to interact with internal and external customers?	Multiple: F2F, Digi, Branch, Call Centre etc	Digital	Digital
Structures	Mandate	What are the roles and responsibility of the main structural entities and what mandate do they have to execute against?	Co-ordinates business strategies, sets and monitors financial and business objectives	Participates in development of business strategies and their implementation	Develops plans, policies and guidelines and monitors operations
	Organisation and Governance	How is the organisation organised and how is the department governed?	Strategic Guidance	Strategic Guidance/Strategic Management	Strategic Management/IOC
Hard capabilities	Processes	What processes does the organisation need to provide its products and services?	Distinctive Customer Experience	Effective connection to services	Scalable, reliable product
	Assets (Information and Data)	What information and data is required by the organisation to conduct processes, who provides them?	Client Level data sourced through engagement	Utilisation and interaction data across ecosystem	Product utilisation data
	Technology and Systems	What technologies and IT systems are required for process performance, product and service delivery?	Cloud, On-prem, Always-on	Cloud, On-prem, Always-on	Cloud and Support Services
	People and Roles	Which resources and skills does the organisation require?	Sales, operations, data, IT	Sales, Partnership Management, Data, IT	R&D, Marketing, Data, IT
	Location	Where are processes performed as well as where are products and services provided from?	Multi-location	Digital	Digital
Soft capabilities	Culture and ways of working	How do people and teams collaborate and how is performance measured?	Sales Driven	Sales Driven/Experimental	Experimental
	Ecosystems and Partners	What can be done in-house, what can be outsourced and where do we need to partner?	Compete	Leverage	Collaborate

The deconstructed view of the platform models shows how these models begin to differ. However, there are still significant areas of overlap in both enabling, hard and soft capabilities as well as fundamental structures. It may still seem that each of these models could deliver on their purpose in a uniform manner.

To test this, we focus on the core enabling capabilities and map these over a service delivery framework. Effectively asking where and how these capabilities would add value?

-
- Foreword
- Introduction
- Platforms: Customer, service and product
- Unpacking the Operating Model**
- Conclusion
-

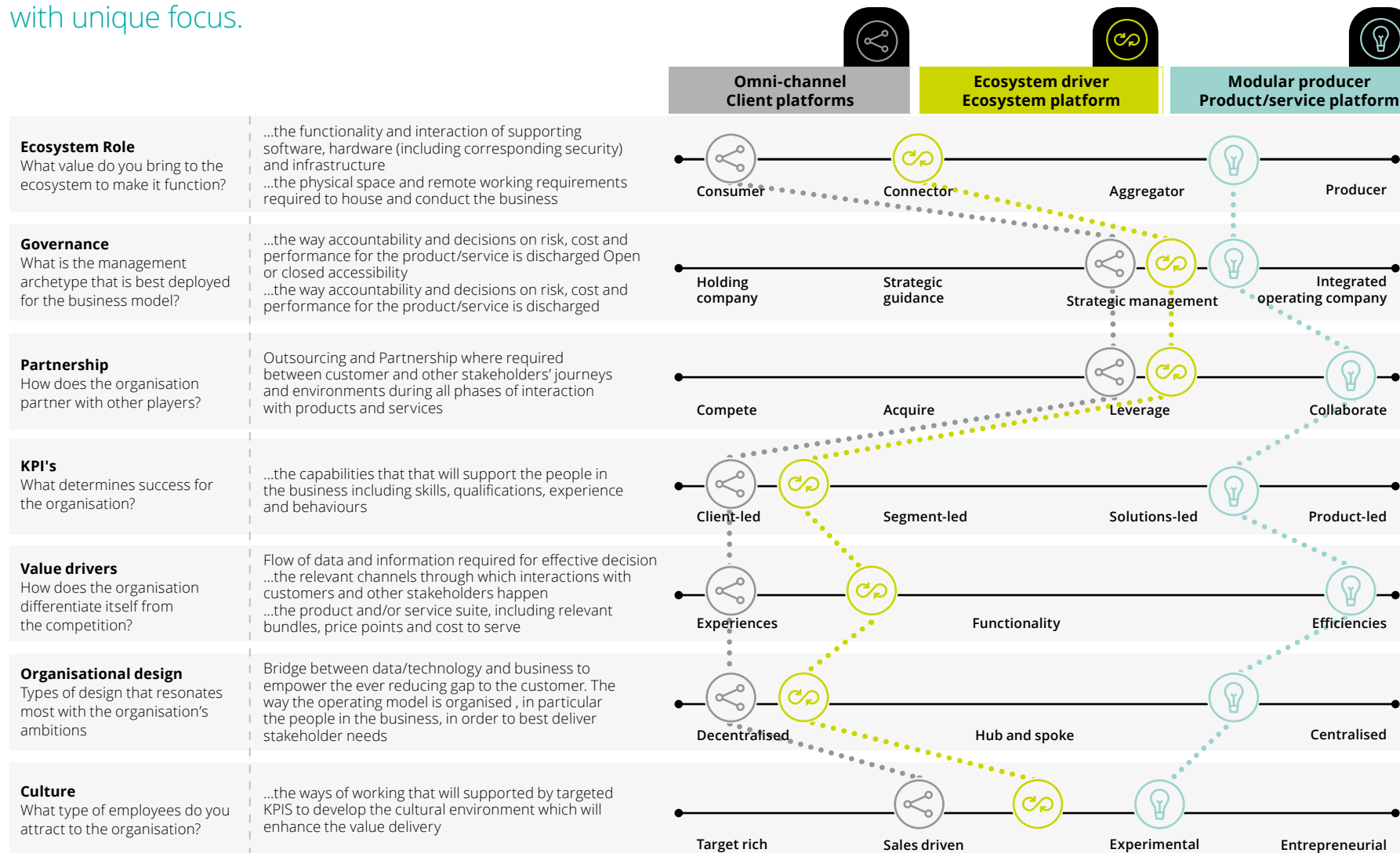


In the service delivery matrix, we see further nuanced variation between the models, critically how they look to utilise data and technology as a support, service, or centre of excellence. The service delivery matrix highlights very starkly how varied the client engagement will be across the platform archetypes linking back to the core mission of each.

By marrying together, the enabling capabilities, organisational constituents and service delivery influences into a singular operational DNA, the nuanced variations become much more apparent.

- Home
- Foreword
- Introduction
- Platforms: Customer, service and product
- Unpacking the Operating Model**
- Conclusion

Critically, here we unpack the key operating model elements within the Platform business model DNA structure, with each strand providing the same driving elements in a unique way with unique focus.



Foreword

Introduction

Platforms: Customer, service and product

Unpacking the Operating Model

Conclusion



Conclusion

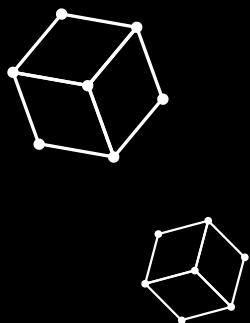
Through the application of the Deloitte operating model approach we have identified a few core features of the platform operating model.

- The client is the central focus of all platform businesses.
- Platform business models vary in the type of client that is serviced.
 - Understand: B2C
 - Connect: X2B2C
 - Create: B2B

Understanding how the needs of the targeted client type are supported by the platform operating model is critical in defining and unpacking the key capabilities of each of the models to effectively deliver value. In this, we have seen that there are some universal key capabilities such as data and customer experience. However, what the service delivery model and operating model DNA display is the subtle, yet critical, variations in how these key capabilities function and organise within the corporate structure.

Implementation

Grounding your platform operating model journey with a client view allows for a more seamless understanding across the organisation of what the anticipated outcome of the platform journey is. The next stage of this journey is to map out the implementation of key capabilities and driving the operating model in the most effective manner. What is clear is the importance of certain universal key capabilities.



To further enhance the platform and its exponential capabilities we have identified several universal enablers that will both support the implantation of the platform operating model and empower its key capabilities. You can learn more in our next article which focuses on implementation.



Foreword

Introduction

Platforms: Customer, service and product

Unpacking the Operating Model

Conclusion



Contacts

To learn more about how your organisations can embark on a platform business strategy, please contact:

Jacques Compaan

Technology Strategy & Transformation

Deloitte Africa

jcompaan@deloitte.co.za

John Bussio

Operations Transformation

Deloitte Africa

jbussio@deloitte.co.za

Thys Bruwer

Digital Financial Services Leader

Deloitte Africa

tbruwer@deloitte.co.za



Foreword

Introduction

Platforms: Customer, service and product

Unpacking the Operating Model

Conclusion



Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the “Deloitte organization”) serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 334,800 people make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2021. For information, contact Deloitte Touche Tohmatsu Limited. (chr)

