ITU Asia-Pacific Centre of Excellence Workshop

Implementing e-application strategy for telecom sector in the Pacific

Platforms

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What is a platform?

A Platform business model builds value for both the platform owner as well as its ecosystem which typically is > 7-8x that of the owner. This helps in aggregating the customers, simplifying the processes, opening up the market through APIs, and rewarding each participant in the value chain commensurate to the value they bring to the ecosystem. Typically, the owner of the platform will have a service or product that leads in revenue but hundreds or other apps and services are created to enrich the platform ecosystem.

Why Platforms?

- For Scale.
  - For Network Effects
- For Attracting developers to continue innovation
- For Time to Market
- For Cost Synergies
- For Entering new markets, new services

Platform Value Creation

- Platform sponsor gives away platform value
- Ecosystem partners build apps and services for the installed base thus adding new layers of value
- Platform creator benefits from increased sales and royalties
- Partners benefit from cost savings and access to market/new customers

Framework for Planning

	Core	Adjacent	Experimental
Operators	IP Network – Data and Voice Services	Billing, Cloud, Location, Messaging, Security	Connected Homes, Cars, Enterprise Apps
Google	Advertising Engine	Google Apps, Android, Play, Chrome	Glasses, Loon, Car
Facebook	Advertising	Messaging	Oculus Rift, Internet.org
Ericsson	Networking Gear, Managed Services	Cloud, Payments	Internet.org
Samsung	Chips, Devices, CE	OS (Tizen)	Messaging, Content Services, Security and Enterprise Services
Apple	Devices	iTunes, iCloud, Appstore	Apple TV
Uber	Taxi, Carpooling	Delivery	Logistics
Amazon	Commerce	Kindle, Marketplace	Drones, Phones

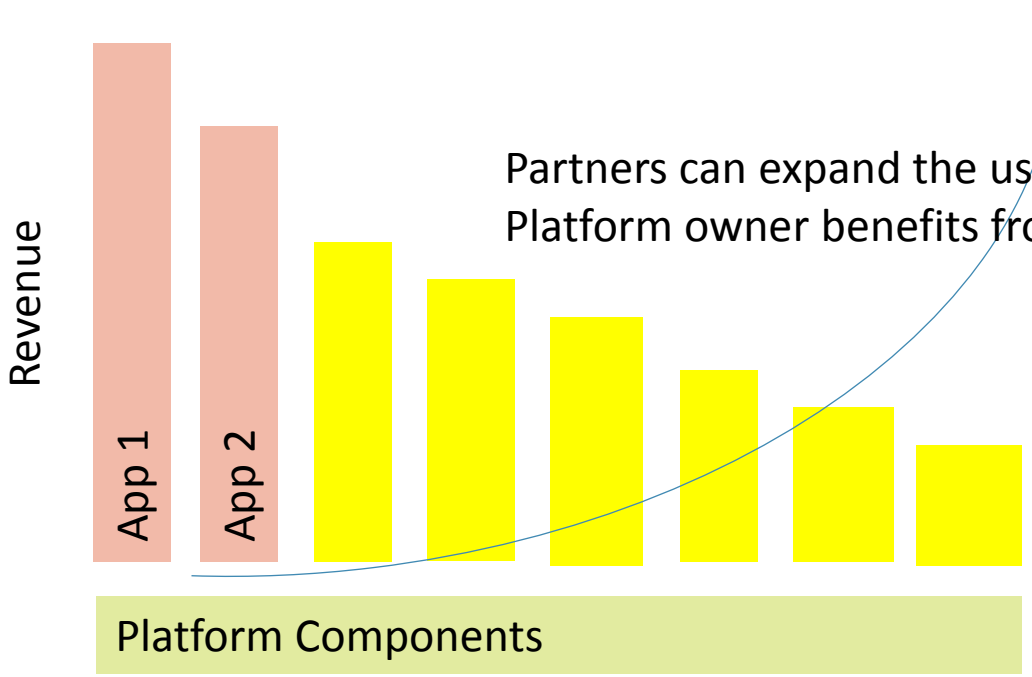
- **Adjacent** supports Core or adds incremental revenue stream
- **Experimental** could become adjacent in the medium term and Core (rarely) in the long-term but can be Strategic for the company

Platform Development Process

- Use the platform as-is
- Use the platform with some modifications (modifications done by the owner)
- Use the platform with some modifications (modifications done by the consumer)
- Use the platform for new applications
  - For e.g. mobile money platform can be used for public transport, agriculture, retail

Platform Value Creation

Platform Owner can only focus
On a few apps or limited geographies



Partners can expand the user base
Platform owner benefits from increased user base

Ecosystem flourishes
Consumers get access to new services

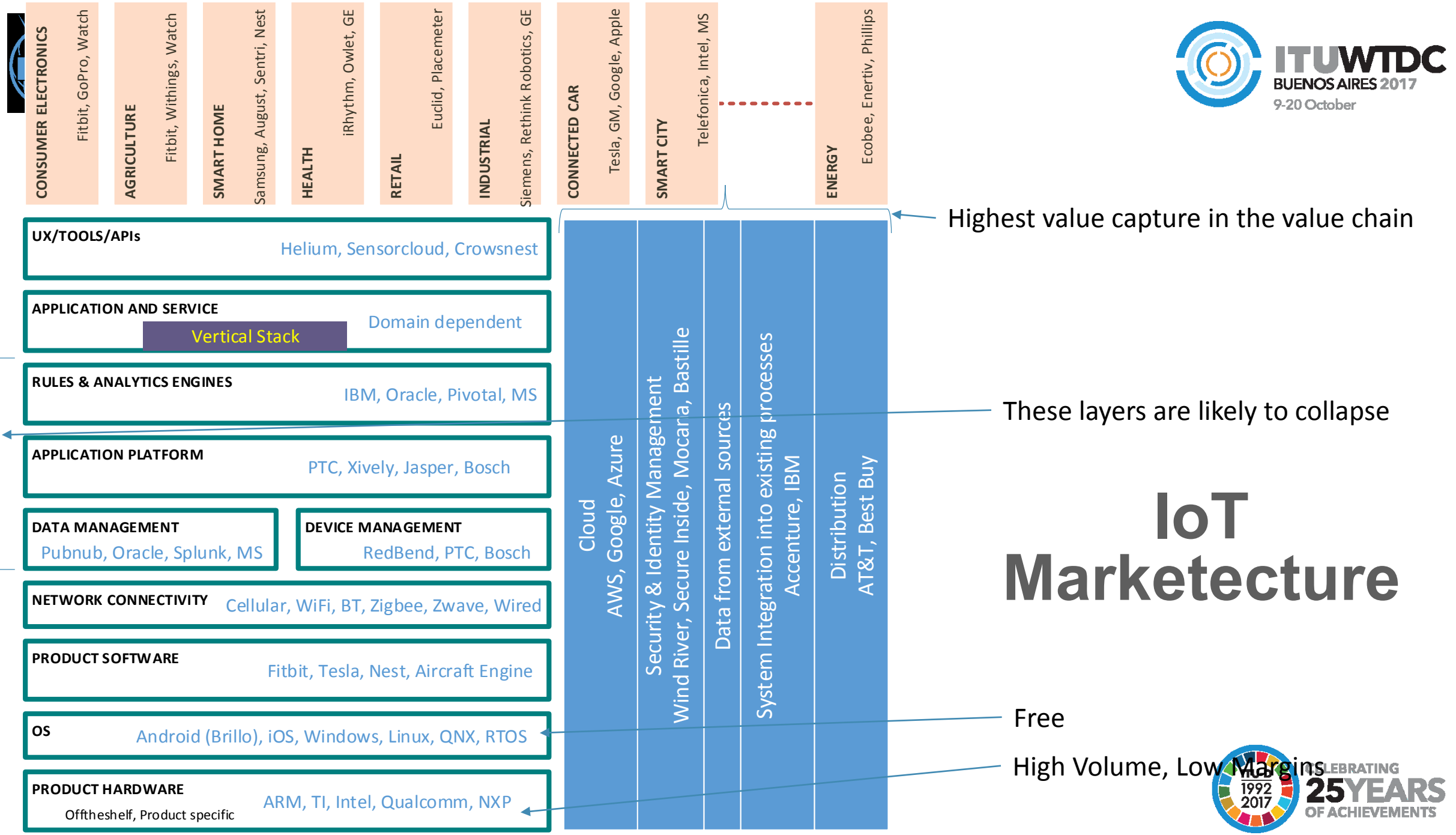
Platform is a creation of ecosystem of shared incentives

Components of a Platform

- How is the platform created?
  - Hardware, Software
- How is the platform packaged for user consumption?
  - User experience (UX), Customization
- What's the business model?
  - Pricing, governing principles, legal agreements

Platform Examples

Platform	Provider	Beneficiaries
Windows	Microsoft	Application Developers, OEMs
Android	Google	OEMs, Application Developers
Search	Google, Microsoft	Advertisers
Netflix	Netflix	Content Providers
Uber	Uber	Spotify, Starbucks
Payment	Starbucks	Affiliates
Digital Life	AT&T	Sensor manufacturers, App developers (tentative)
Facebook, Twitter	Facebook, Twitter	Application Developers, Advertisers



Highest value capture in the value chain

These layers are likely to collapse

IoT Marketecture

Free

High Volume, Low Margins

Digital Disruption Process

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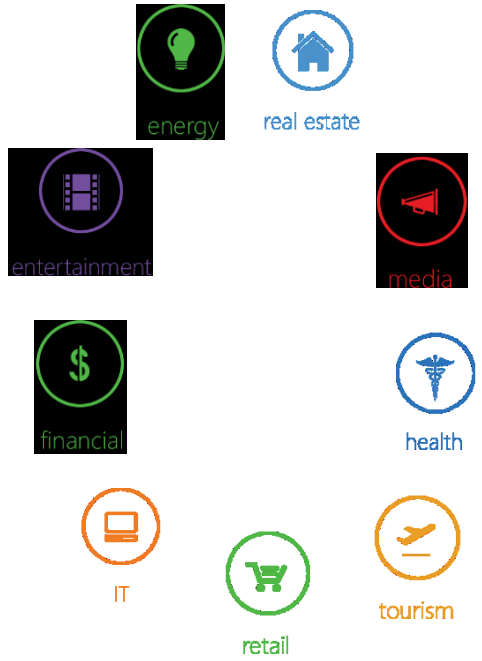
DIGITAL TOOLS

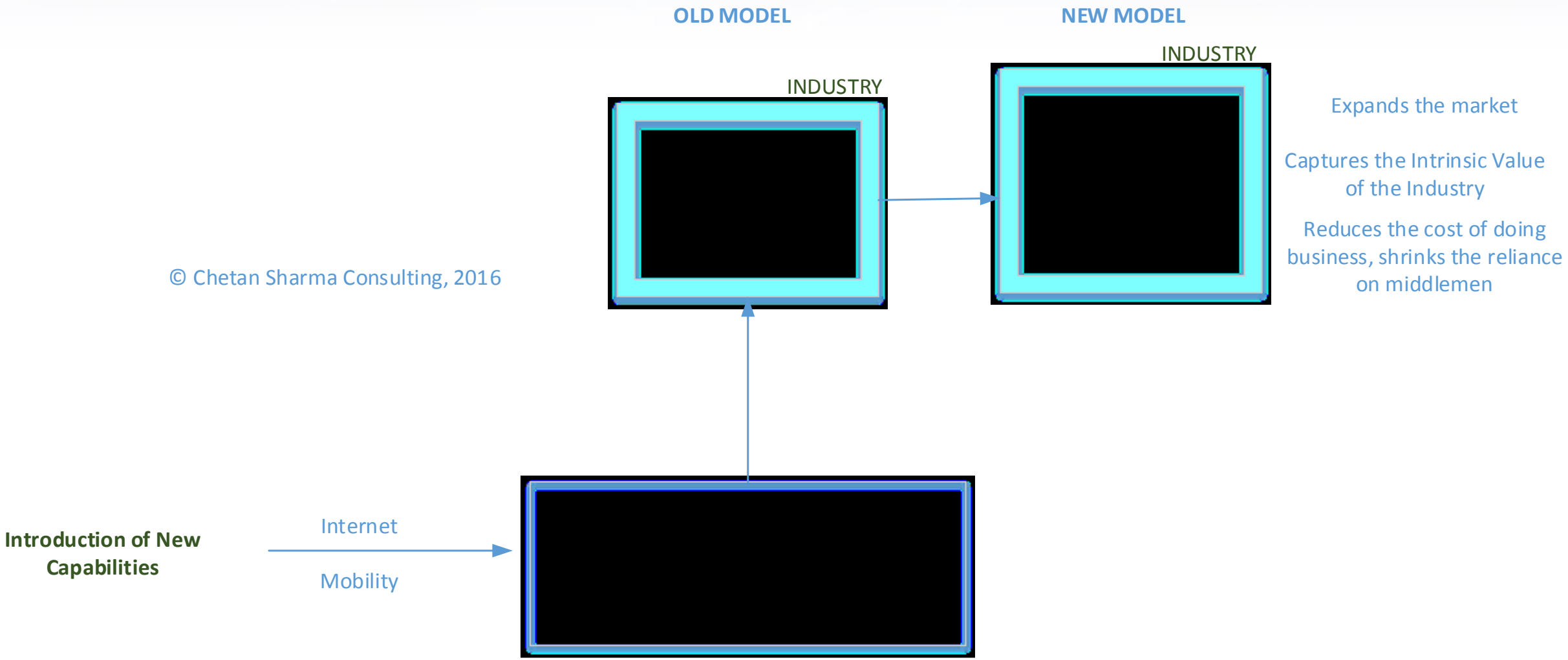
NEW BUSINESS MODELS

CONNECTED INTELLIGENCE



TRANSFORMATION OF INDUSTRIES

Digital Disruption Process



What does this mean for 5G?

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- We are likely to see similar platform, applications, and services disruptions due to 5G capabilities:
  - Low Latency – Manufacturing, healthcare, robotics, transportation, gaming, VR
  - Network Slicing – Enterprise, B2B2C, transportation
  - Massive IoT – Manufacturing, smart city, AI
  - Broadband – Entertainment, transportation, Internet and Video consumption, Commerce, Healthcare, Education
  - Edge Computing – AI, Verticals that generate TBs of data


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Thank You


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