

Platformization and Management Education

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The Rise of Platforms

Stock Market Valuation – Top 10

May 2020

Microsoft \$1342B

Apple \$1270B

Amazon \$1144B

Alphabet \$894B

Facebook \$579B

Alibaba \$535B

Tencent \$517B

Berk Hath \$429B

J&J \$389B

Visa \$384B

2002

Microsoft

General Electric

ExxonMobil

Wal-Mart

Pfizer

Citigroup

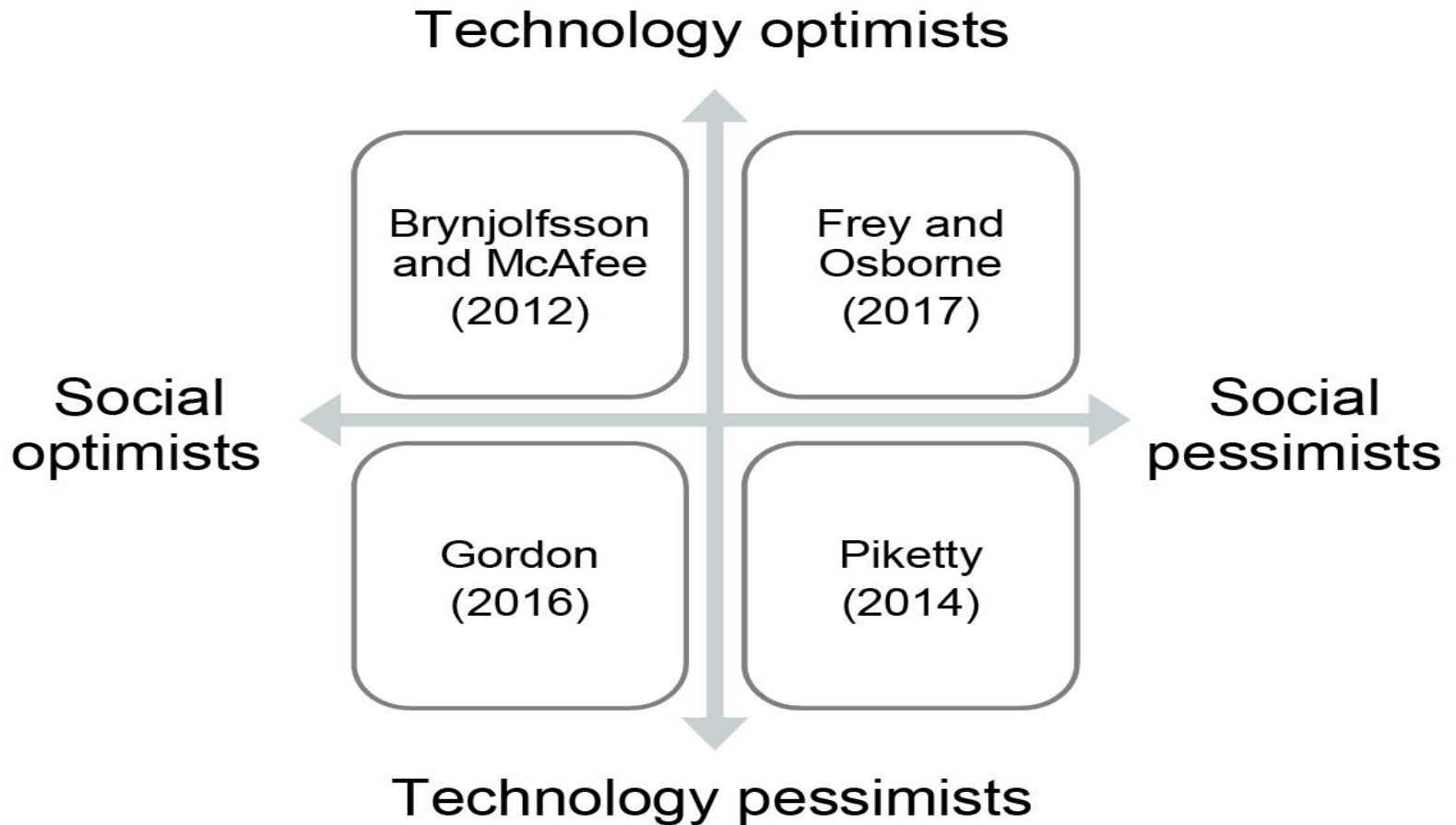
J&J

Shell

BP

IBM

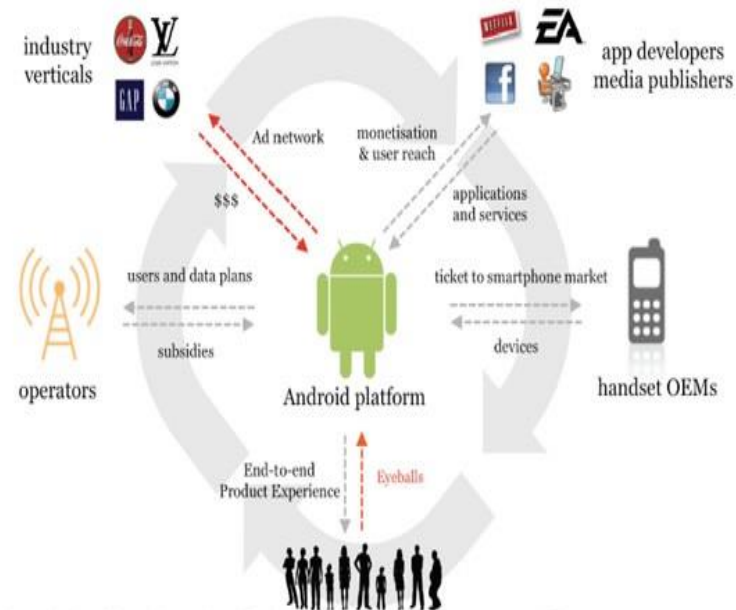
Great Technology Debate



Digital Platform Literature

- Culture of connectivity (Van Dijck 2013)
- Boundary resources (Ghazawneh & Henfridsson 2013)
- Network effects (Katz & Shapiro 1994; Parker & Van Alstyne 2005)
- Winner-take-all/most (Arthur 1996; (Noe and Parker 2005))
- Lock-ins (Arthur 1989)
- Two-sided markets (Rochet and Tirole 2003) and multisided platform markets (Evans 2003)
- Long-tail markets (Brynjolfsson et al. 2006)
- Platform-dependent entrepreneurs (Cutolo & Kenney 2019)
- Ecosystems (Jacobides, Cennamo, & Gawer 2018)

The 5-sided network forming around the Android platform, illustrating network effects



Source: Developer Economics 2011 | www.DeveloperEconomics.com | June 2011
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vision mobile BlueVia

First key driver for management education: open versus closed platforms

- Opening to external actors improves adoption, but hurts appropriation.
- Closing increases opportunity for appropriation, but may hurt adoption.

Second key driver for management education: end-to-end versus specialized platforms

- End-to-end implies that a few dominant players succeed in creating integrated and centralized platforms across entire value network.
- Specialized means that diverse organizations are able to maintain agility and competitive advantage with modularity and collaboration across entire ecosystem.

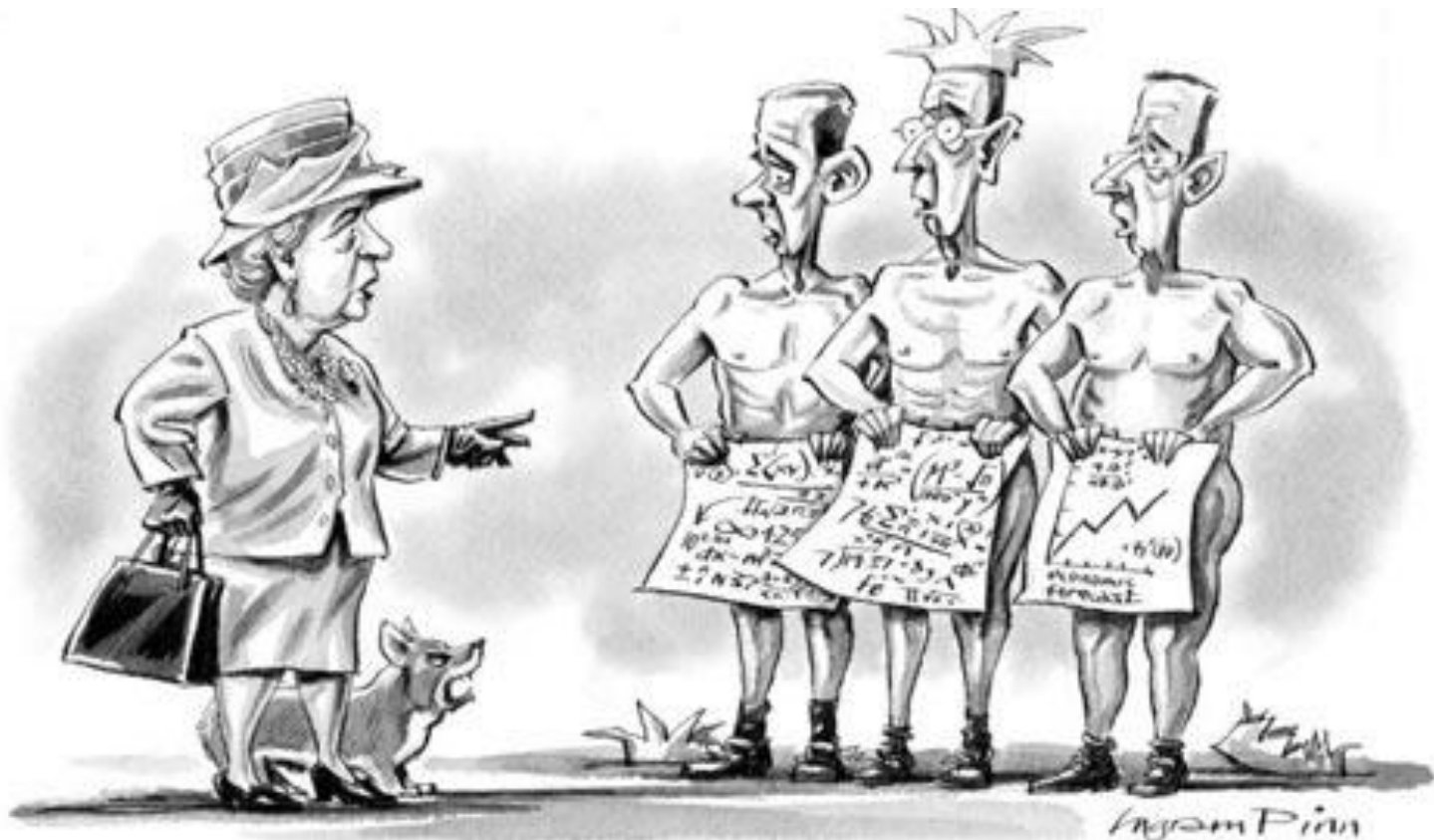


Black swans



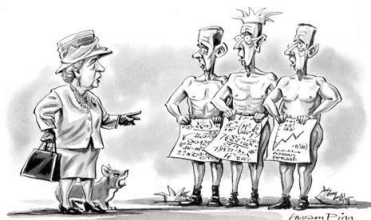
Red pandas





“Why did no one see it coming?”

11.2008, LSE

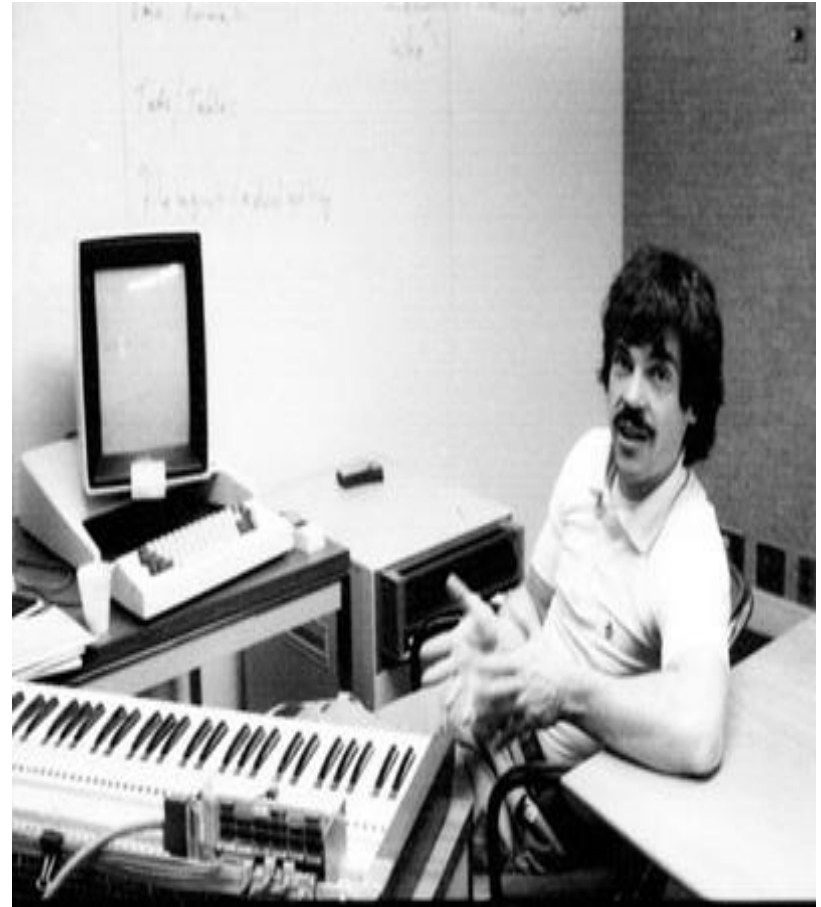


“A failure of the collective imagination
of many bright people.”

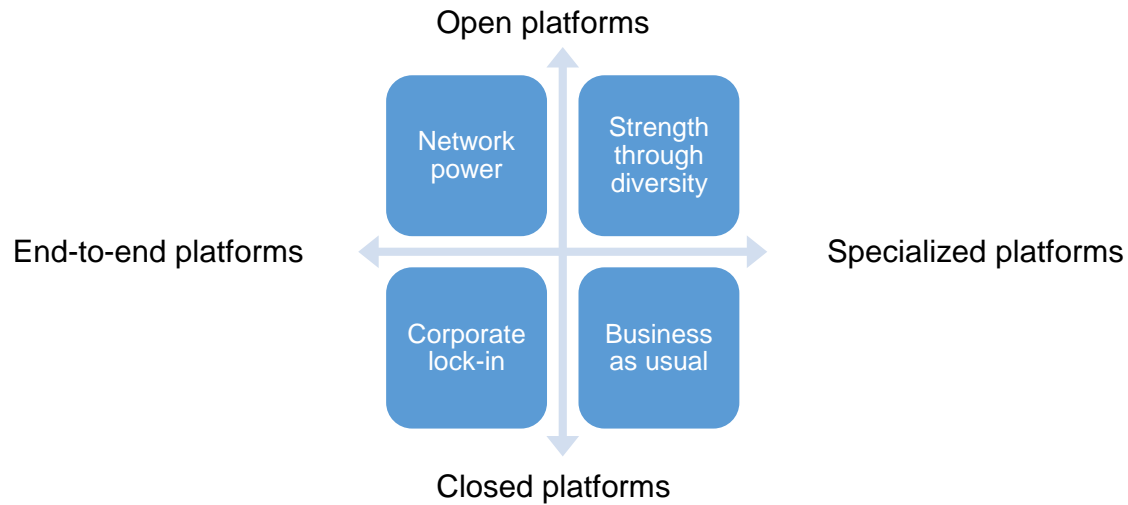
group of eminent economists in 2009 (Tim Besley, Peter Hennessy et al)

„The best way to predict the future is to invent it.“

Alan Kay, Xerox Park, 1971



Scenarios for Management Education



Business as usual



Corporate lock-in



Strength through diversity

A long-exposure photograph of a city street at night. The image is characterized by vibrant, blurred light trails in shades of blue, cyan, and white, suggesting fast-moving traffic and illuminated buildings. The perspective is from a low angle, looking down the center of the road towards a vanishing point in the distance. The overall atmosphere is dynamic and futuristic.

Networked power



Implications for Management Education

- How will platformization affect management education?
- Will providers of management education be able to maintain business as usual?
- Or will platformization radically change business models?

