Platformization and Management Education

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The Rise of Platforms
Stock Market Valuation – Top 10

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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

Technology optimists

Brynjolfsson and McAfee (2012)

Frey and Osborne (2017)

Social optimists

Gordon (2016)

Social pessimists

Piketty (2014)

Technology pessimists
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))
- 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)
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

Open platforms

Network power

Strength through diversity

End-to-end platforms

Corporate lock-in

Business as usual

Closed platforms

Specialized platforms
Business as usual
Corporate lock-in
Strength through diversity
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?