Platform Strategy: 
Building and Thriving in a Vibrant Ecosystem

Program Overview

Over the past two decades, some of the most profitable and successful firms are those that have adopted a digital platform model—a strategy whereby the company allows two or more disparate groups to interact in real time over a platform to co-create value—for example, website developers and users on Akamai, recruiters and employees on LinkedIn, and drivers and customers on Uber. In fact, in 2013, fourteen of the top 30 global brands by market capitalization were platform-oriented companies.

While many of these platforms—such as eBay or Apple’s iTunes—are well known, there are other less-heralded platforms that are exploring new ways to create and capture value, including dynamic pricing, usage fees, highly targeted product and service offerings, inbound marketing, and network effects.

In today’s networked age, the cloud, social media, and mobile devices are fueling this platform competition, and more and more companies want in. However, many companies do not succeed in becoming platform leaders because their technology and/or business strategies fall short. Participants eager to develop or launch a digital platform approach will learn why and how their business strategies may need to be revised to be successful. Drawing on recent MIT Sloan research and lessons learned by companies that have grown out of the innovative ecosystem around MIT, this program exposes participants to strategic thinking and tools beyond what is found in most traditional approaches to enterprise and product strategy.

Key questions the faculty explores include:
- Is a customer segment with the highest “willingness to pay” the most valuable segment?
- When is tying a customer to a platform (sometimes called “lock in”) counter-productive?
- Which pricing formats seem to boost revenues but actually slow platform adoption?
- How can companies get in front of the common evolution patterns of platforms?
- When should leaders be wary of “platform envy”?

Program Benefits

By the end of this two-day course, participants should be able to:
- Identify what makes a multi-sided platform unique
- Weigh a multi-sided platform approach against controlling only one side of that market (such as supplying, sourcing, and delivering products)
- Identify valuable customer and user groups for their platforms
- Design strategies to attack or defend an established platform
- Understand the principles of platform pricing

This course will show how traditional customer value analysis should be expanded to highlight the importance of “fit” between potential platform members and the platform itself.

Who Should Attend?

This course is intended for leaders of:
- Corporate strategy and business development
- Marketing
- Product & service development
- R&D and innovation
- Application development and content management

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Through case studies and Q&A, experienced managers will emerge with insights for refreshing their company’s strategic approach and participating profitably in the multi-sided marketplaces of the future.

http://executive.mit.edu/ps
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### Sample Program Schedule (subject to change)

#### Day 1
- 8:00–10:00 AM: What is a “platform”?
- 10:00–12:00 PM: Platform Customer Behavior
- 12:00–1:00 PM: Lunch
- 1:00–3:00 PM: Economics of Platform Competition: Frameworks
- 3:00–5:00 PM: Economics of Platform Competition: Application

#### Day 2
- 8:00–10:00 AM: Platform Pricing: Frameworks
- 10:00–12:00 PM: Platform Pricing: Application
- 12:00–1:00 PM: Lunch
- 1:00–3:00 PM: Building and Staging the Platform Ecosystem
- 3:00–5:00 PM: Platform Thinking for the Non-Platform Business

### Program Faculty

**Pierre Azoulay** is the Sloan Distinguished Associate Professor of Technological Innovation, Entrepreneurship, and Strategic Management. He joined the MIT Sloan School faculty in July 2006. In his research, he investigates how organizational design and social networks influence the productivity of R&D in the health care sector. Currently, he is studying the impact of superstar researchers on the research productivity of their colleagues in the academic life sciences. He is also interested in the topic of academic entrepreneurship, having recently concluded a major study of the antecedents and consequences of academic patenting. In the past, he has researched the outsourcing strategies of pharmaceutical firms, in particular the role played by contract research organizations in the clinical trials process. He teaches courses on strategy and technology strategy.

**Catherine Tucker** is the Mark Hyman Jr. Career Development Professor and Associate Professor of Marketing at MIT Sloan. Her research interests lie in how technology allows firms to use digital data to improve their operations and marketing and in the challenges this poses for regulations designed to promote innovation. She has particular expertise in online advertising, digital health, social media and electronic privacy. Generally, most of her research lies in the interface between Marketing, Economics and Law. She has received an NSF CAREER award for her work on digital privacy and a Garfield Award for her work on electronic medical records.

### Contact Information

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