Evolving the platform product
Get ahead of breakneck change
Technology underpins the value proposition, competitive advantage and unique selling proposition of every platform company. But technology doesn’t belong to them exclusively. It impacts every business and permeates all areas of human behavior.

Our lives are massively dependent on platform companies. And we need them now more than ever. COVID-19 has fundamentally changed how we communicate, exercise, receive medical care, relax, shop, travel and work. It remains to be seen whether these disruptive changes will be permanent or transitory.

Either way, it’s clear platform companies need to do what they’ve always done to survive – adapt. For those that are slow to do so, COVID-19 may prove an irreversible wake-up call for their business. Those ready to shift immediately, and continuously, may undergo sustainable change in response to the pandemic.

It’s likely that changes in user behavior demand changes in the very nature of how platform companies operate. In today’s highly challenging environment, there is tremendous opportunity for them to exhibit strong leadership, forge lasting partnerships, bring tangible benefits and demonstrate their true value.
Challenges – today and tomorrow

To remain relevant, platform companies must address four key areas now, and in the future:

1. Unprecedented usage levels
2. Demand for rapid product change
3. Attracting and retaining developers
4. Planning for commercial sustainability

Unprecedented usage levels / Use-case explosion

Along with a global lockdown, we’re witnessing significant behavioral changes. More people are online more frequently and for longer periods, using a broader range of devices. With people increasingly using low-latency applications like teleconferencing and video streaming, there’s much more demand for data to be delivered without noticeable delays. Combined with the sheer scale and variability of usage, explosive adoption of core and non-core use-cases means platform companies are stretched to capacity, and beyond.

US Internet usage trends January-March 2020

Source: Cloudflare 90 day traffic trends
Working from home, internet users are spending more time on a variety of platforms, especially collaboration tools:

- **Google Meet**: 2 billion usage minutes per day.
- **Microsoft Teams Video**: 1000%+ increase in March 2020.
- **Windows Virtual Desktop**: 3x pre-COVID-19 service levels.
- **Verizon**: +20% increase in web traffic in one week with VPN up +49%.

We’re also seeing an enormous migration from offline to online for many businesses that are essential to our everyday lives – including healthcare and education. This not only increases burdens on infrastructure, but also stretches existing product functionality to its limits, exposing key deficiencies. Current systems are constrained. How can platform companies scale to meet increased and diversified demand?

**Evolving at speed**

There’s been a tremendous surge in new users and enormous demand for platform services; scaled increase on a per-user basis is coupled with rapidly changing requirements and use-cases.

Zoom has experienced unprecedented demand from various users and use-cases including classrooms, religious services and dating.

Apptopia reports that on 23 March 2020 alone, Zoom was downloaded 2.13 million times, up from around 56,000 eight weeks earlier.

To secure their survival, platform companies must rapidly evolve products and services, using their user base and its changing demands as a blueprint. People are using platforms, products and services in ways that are adjacent to their intended use-cases and platform companies should think about how to accommodate these new requirements.

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Engage developers

Developers are one of the most critical stakeholder groups to nurture. As the technology industry continues to be disrupted, the developer ecosystem is ideally placed to drive expansion at sustainable scale, enable product differentiation, reduce time-to-market and ensure relevance.

Platforms that can understand developers’ needs, and expand the services and programs they require, will stand out from the crowd and win the increasingly competitive fight for developer loyalty.

According to a recent Accenture study of US developers\(^3\):

\begin{itemize}
\item 72% say that successful developer ecosystems help them solve problems in a creative way
\item 71% say a company’s developer ecosystem is important.
\end{itemize}

With developer ecosystems increasingly become a differentiator, platforms that don’t address nuanced developer needs may struggle to be global businesses and, more importantly, be on the wrong end of the next disruption.

Commercial sustainability

As user numbers grow, so does the cost of doing business. Maintaining the same level of service has an increasing impact on budget. To deal with this, companies must consider the level of investment required, where it is best applied and when there will be a return on that investment. The final part is key – if there’s no path to incremental revenue, it’s game over.

To an extent, ensuring commercial sustainability depends on the cost model. If it’s pay-as-you-use, like cloud services, then revenue grows with usage. If it’s percentage-based, like an app store, then the revenue comes upfront. If it’s a free-trial, like OTT video platforms, then revenue comes after trial expiration. And if it’s a freemium model, like online storage, revenue comes when users convert to paid. A common thread throughout? Establishing how to balance requisite short-term expenditure with longer-term profitability.

\(^3\) Accenture 2018 US Developer Ecosystem Survey
Getting ahead of uncertainty

Maintaining uninterrupted service levels while experiencing unprecedented usage growth is top priority. Customers understand that companies are under pressure and that support teams are working 24/7 to manage demand. But empathy does not extend to ongoing acceptance of sub-par service. If this happens, they’ll explore alternative solutions and, if they do, there’s a high chance they won’t return.

To handle incoming volumes, platforms should undertake a detailed analysis of existing capabilities, project forecasted loads and establish any gaps. It may be possible to better leverage existing resources in certain areas. For example, customers may not notice a half-second delay to a page load, but they’ll definitely notice a half-second delay during a conference call.

Figuring out which customer segments are most affected, by analyzing exactly who is using the platform (and how), allows companies to at least communicate with them effectively. It’s key to keep customers informed at each stage of the journey – this can be a great opportunity to reinforce customer loyalty and increase customer advocacy. Be transparent, especially when the news is bad. Customers respond better when they’re informed in advance.
Understanding evolving platform use-cases helps to enhance awareness of customers’ changing behaviors, allowing companies to investigate the feasibility of interim workarounds. Ensuring these changes are tracked and monitored, with customer feedback gathered, provides valuable insights into future platform evolution. Closely aligned to this is understanding which business segments are using the platform, and how their needs will change.

As well as tracking new platform use-cases, it’s important to track the evolution of competitors’ use-cases. Keeping an eye on the competition, always essential, is now even more important due to the pace of platform adoption. Any gains made by competitors may well have an exaggerated effect later on.

There’s also value in exploring how to collaborate with competitors. One example is shared messaging – if this is coordinated by several competitors then the potential impact to each company is reduced, and everyone is better positioned to recover later on.

As well as giving platform companies the information needed to understand if prioritized service can be delivered in the short-term to the most affected users, early analysis of current capability gaps feeds directly into longer-term planning.

Companies must decide where investments should be made to handle ongoing changes, while keeping two things in mind. First, prioritizing from the users’ perspective to deliver the highest value items first. Second, balancing required expenditure with return on investment.

To deal with significant ongoing change, four areas should be addressed:

**Operational support** – reevaluate operational support capabilities to ensure a seamless user experience. Whether this is temporary or the new normal, companies’ ability to support customers should be backed with resources to ensure continuation of support service-levels. Given the transference from offline to online for several industries, a continued increase will likely be required.

**Cross-functional teams** – ensure the right touchpoints are there to connect with cross-functional team members representing stages within the end-to-end user journey. Those touchpoints should enable synthesized feedback on when users struggle with enablement or understanding new functionality. Collating organization-wide experiential feedback will help shorten end-user feedback loops.

**Organizational alignment** – the whole organization should be aware of any new functionality being developed, to enable them to plan effectively and communicate appropriately with stakeholders (including Sales & Marketing, and Customer Success teams). After all, these teams will be critical to generating additional revenue, and driving adoption.

**Communication strategy** – it’s helpful to keep customers informed about what’s being worked on. This shows companies have heard their feedback and are addressing their concerns. It also helps to share any planned changes and manage expectations around delivery.

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**Longer-term recommendations**

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Evolve the product

It’s important to assess the platform’s accessibility, and how quickly new users can get up and running. It must be as easy as possible to start using the platform without training or support. Non-business-critical barriers should be removed. An effective self-service approach can help bypass the risk of operational bottlenecks and removes the need for increased support resources.

With users requiring adjacent capabilities like payment integration or enhanced product security, partnerships with industry-leading providers can rapidly facilitate such capabilities. Establishing how to fill near-term product gaps through partnerships can allow companies to fulfill urgent customer needs, while providing some breathing space.

Adjusting product feature-sets to better match new use-cases can allow companies to temporarily satisfy changing demands. For example, it’s worth exploring whether functionality limitations for lower-priced or freemium tiers can be removed on a time-limited basis to support expanding product requirements.

Bad actors are active during global crises and increased user activity raises risks for platforms and their users. These can be mitigated by enhancing the platform’s Trust & Safety focus to address increased activity levels and closely monitor new players. One or two unfortunate events can quickly lead to more, so it’s vital to address this urgently.

To support product evolution, four key areas should be addressed:

**Product development** – establish if current product development practices are optimized to allow products to be shipped as quickly and efficiently as possible. Revisit product development processes to ensure increased agility and faster time-to-market. Adjust the product roadmap to reflect the priority of issues and criticality of resolution. And recognize that ever-changing requirements create a continual state of flux and a culture where failing fast is encouraged.

**Feedback mechanisms** – enhance (or create) developer feedback mechanisms to gather product feedback to inform the build of integrations/applications and embed security.

**Security** – in addition to upgrading platform access controls and product security, with a focus on platform integrity and resilience, companies must communicate these actions to their enterprise audience. This enables them to target new customers, and reassure existing ones.

**Remote access** – although on-prem software applications are dwindling, cloud-based alternatives are often unavailable. By preventing secure access by remote users, this damages brand perception, particularly among developers.

Feedback from developers goes hand-in-hand with feedback from end-users – with a finger on the pulse of these communities, companies can stay at the cutting edge.

Successful product evolution requires confidence and clarity. While plans may need to be adjusted, commitment to the platform’s product evolution must be unwavering. The platform’s future depends on it. Indecisive companies will fall behind their more determined competitors.

**Longer-term recommendations**

If their platform is being pulled in different directions by users, companies should rapidly figure out which new adjacent services are needed. Customers won’t wait to have their demands satisfied – they’ll look elsewhere.

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Engage developers

As users push for product expansion and platforms evaluate adjacent product areas, it’s prudent to explore new possibilities by engaging with external developers.

Partnerships can be a great way to rapidly increase product capability and cost-effectively enhance end-user appeal. As well as identifying candidate companies for collaboration, it’s vital to engage effectively with developers within these companies. This is achieved by combining an understanding of high-priority use cases (e.g. non-obvious industry overlaps like health, education, or government) with an understanding of the needs of developer communities and the ecosystem components that must be in place.

Platforms can quickly foster engagement with developers in enterprise partners by evaluating which parts of the ecosystem can be opened up quickly, and deciding which integrations to build on top of the platform or coupled with existing services. Collaboration with partners can be accelerated by creating SWAT teams with enterprise partners to launch new services.

Developer numbers are likely to increase fast. And they’ll come from broader segments of the developer community. They may have different core skillsets and varying levels of experience. It’s important to identify what can be done quickly to ensure frictionless onboarding.

Longer-term recommendations

Developers need to secure ROI by engaging with the platform and its ecosystem. So it’s important to revisit the commercial model to ensure that ROI is there. Developers’ perceptions of value will differ. For example, enterprise developers value ease of use, peer perception, strong developer tools, accurate content and enterprise-level support. ISVs, however, care most about revenue – lead generation and being pulled into deals. Any gaps in the engagement model need to be invested in, fast.

Important investment areas include:

**Developer tools** – tools must match the needs of developer groups. Developer content and support needs to align to developer segmentations (new and existing). Learning capabilities are key. And continued focus on self-service will ensure cost-effectiveness, allowing platforms to decouple increased usage from the need for extra support resources.

**Transition critical services to cloud** – seamless service transition to cloud, with future-proofed expansion capabilities, is imperative. Besides supporting service-based pricing, this facilitates scale, and allows secure access from any location. This also increases platform flexibility, enabling collaboration and enhanced performance.

**Developer segmentation** – with the product landscape expanding, it’s important to be clear which new developer segments may want to engage with the platform. By revisiting developer segmentation, new product use-cases can be included to ensure that content, support and messaging match what developers need. For example, if low-code/no-code developers are a new demographic, platforms need to extend content scope to include more basic explanations (including generic technology terms), and extra links to FAQs.

**Developer marketing** – messaging should focus on new use-cases, products and services. Developers are always interested in new technology capabilities, so it’s important to get the message out there, with a mix of media relevant to the target audience (e.g. customer testimonials, case studies, blogs, tutorials etc).

Developers can bridge internal skills and resource gaps and enhance the platform’s ability to scale fast. Leaning into the developer ecosystem enables scale to be sustainable, accelerating speed to market and helping build relevance. Developers can be a vibrant layer of innovation between the platform and its users. Equipped with powerful tools, enabled through self-service and supported through effective educational resources, developers can extend and differentiate platform products. With developer engagement come two important bonuses – organic growth in developer numbers through the network effect and sustained loyalty.
Commercial sustainability

Scenario planning is vital. Platform companies should form a commercial task team to evaluate best- and worst-case scenarios. The focus should be on the business, its employees, customers and partners. Early analysis and an action plan allow for critical changes to be implemented rapidly.

Adjusting interim commercial models to meet the emerging needs of the existing user base helps to ensure stable user numbers and enhance ‘stickiness’. Understanding which short-term investments will enhance existing products to enable new users can help to grow user numbers. Both scenarios require projections to be made on ROI to ensure longer-term viability.

With growing user numbers (particularly new users), companies must focus on establishing/refreshing customer retention plans. Successful customer retention includes tactical components like seamless onboarding, comprehensive feedback loops and effective support tools, along with strategic components like customer satisfaction monitoring and socially responsible corporate conduct.

Companies should analyze short-term ways to augment existing/develop new revenue streams with their existing platforms. This could include improving messaging around existing features (eg product security), bringing forward release dates, or targeting new customer segments whose use-cases make a good match.

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**Longer-term recommendations**

Scenario-based planning enables the business to focus on financially viable ways to make it through the pandemic, while allowing for enhancements to secure a sustainable future. This starts with exploring the viability of each new product use-case and planned product enhancement, establishing upfront and ongoing costs, and calculating ROI. Other factors include:

**New industries** – focus on existing, or new industry needs that have changed significantly during the pandemic (eg Shopping, Travel, and Advertising). Establish which new industries have opened up for the platform and figure out how to approach them. Evaluate what they need and how to bridge the gaps. Free features can be a valuable marketing tool, allowing new products/product features to scale up a user base without having to expend resources on advertising.

**Commercial model 1** – reevaluate the commercial model to ensure it’s getting the right traction. For example, one of the key purposes of a freemium model should be to attract new users. If numbers aren’t growing fast enough, then the entry-level options may not be sufficiently attractive. If platforms are getting large volumes of new users but not many conversions to paid, the entry tier may be offering too much.

**Commercial model 2** – current pricing models may be unable to deal with the influx of customers and third-party developers. Revisit them to ensure the numbers add up. Customers, particularly developers, will respond favorably to open and transparent pricing information available upfront (especially any price changes when they move from one volume tier to another).

**White-glove/High-touch services** – in uncertain times, all customers (particularly enterprise-level) are open to white-glove/high-touch approaches that guarantee priority service and constant guidance. This can create a strong two-way relationship, unearthing valuable insights into the needs of integration partners and clients that allow companies to streamline the end-to-end process for first-movers.

Platform companies that fail to deploy new pricing strategies may suffer from cashflow issues (as the volume of free users increases without follow-through into paid customers).
How Accenture can help

**Developer support & developer marketing**
We can help activate the developer network by providing onboarding services, tools, and support. We can also help with messaging to the broader developer community to engage third-party developers to build products.

**Product engineering**
New use-cases and friction points are being identified as the number and type of platform users grows rapidly. We can help companies to enable and support products and services (and expand the engineering capabilities needed to build them).

**Product management**
We can help companies to prioritize customer needs, including which products and features will drive customer adoption.

**Security**
While platforms are seeing a rapid increase in users, they’re also seeing a significant increase in security issues. We help to embed security by providing identity and access management services.

**Infrastructure**
Companies face unprecedented strain on capacity and scale. We can help them architect for scale and remote work models and design infrastructures that support surge usage.

**Platform adoption**
We help companies launch new products and services and identify ways to attract new users and increase adoption. We also help them develop a support model for these new products and define how best to monetize them.
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