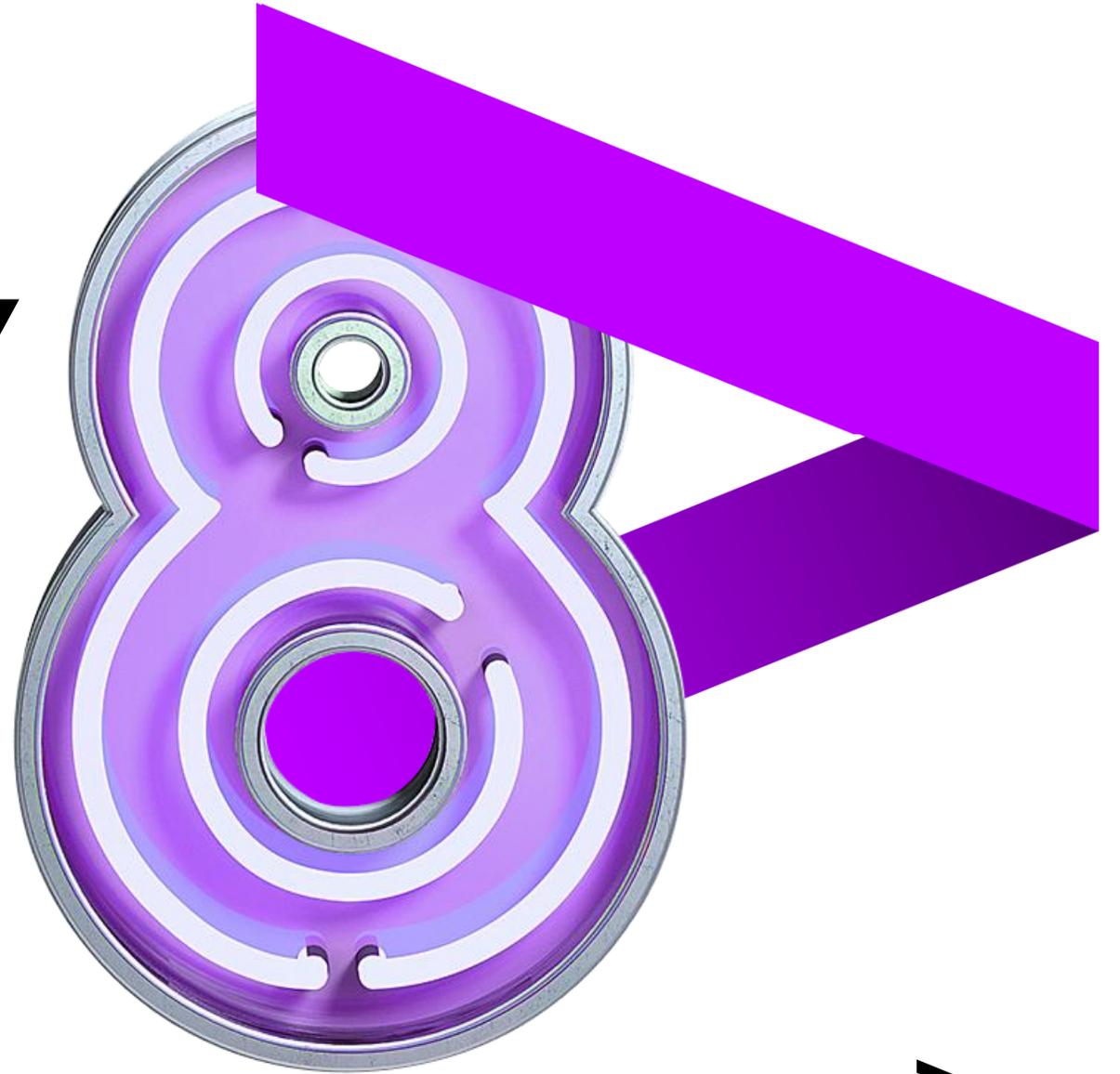# THE EIGHT KEY DIMENSIONS

OF PLATFORM PRODUCT MANAGEMENT

accenture

AN OVERVIEW

Managing a platform is different than managing an application and the techniques and skills of product management in these two environments are distinct.

The core responsibility of the platforms is to not just be future thinking but to be velocity oriented.

Ashley Still, Vice President/General Manager, Adobe Document Cloud and Adobe Creative Cloud Enterprise, Adobe

- Successful tech companies like Amazon, Google and Alibaba are unleashing profound global macroeconomic changes through their platform-based business models.

- Industry leaders across all market segments are building platforms to seize new opportunities for growth and returns.

- As per 81 percent executives, platform-based business models will be core to their growth strategy within three years.

- The two main objectives of platforms are acceleration and extended value.

Accenture's research revealed **EIGHT KEY DIMENSIONS** in platform product management to shift to a "**platform first**" approach.

EIGHT KEY DIMENSIONS
FOR PLATFORM PRODUCT MANAGEMENT

1
Empower the different types of personas in the ecosystem

2
Protect the core interactions and enable the rest

3
Scale with public API's while providing secure access through private API's

4
Influence the microservices architecture

5
Strive for long-term sustainability versus short-term trade-offs

6
Emphasize future-proofing during platform updates

7
Optimize by exploring the distinct platform monetization models

8
Inspire the shift to a "platform first" culture

KEY DIMENSION #1: EMPOWER THE PERSONAS IN THE ECOSYSTEM

Focus on the mid-tier so that they can deliver optimal value and rich experiences to their end-users.

Customers focus and empathy is just as important as relevant in Platform product management. Rather than building platforms because it's the next cool thing to do, Platform product managers should develop a laser focus on what problems they are looking to solve for their developers and partners.

Priya Lakshminarayanan, Senior Director, Head of Product, PayPal Platform Services

- A platform serves an ecosystem of different types of personas from end-users to developers, producers and partners and generally, the platform's end-user persona is not well known.

- The goal of the platform product manager is to focus on the mid-tier—the developers, producers and partner personas in the platform ecosystem.

- The multiplier effect is successful when the platform ecosystem is larger and more powerful than the company itself.

KEY DIMENSION #2: PROTECT THE CORE INTERACTIONS AND ENABLE THE REST

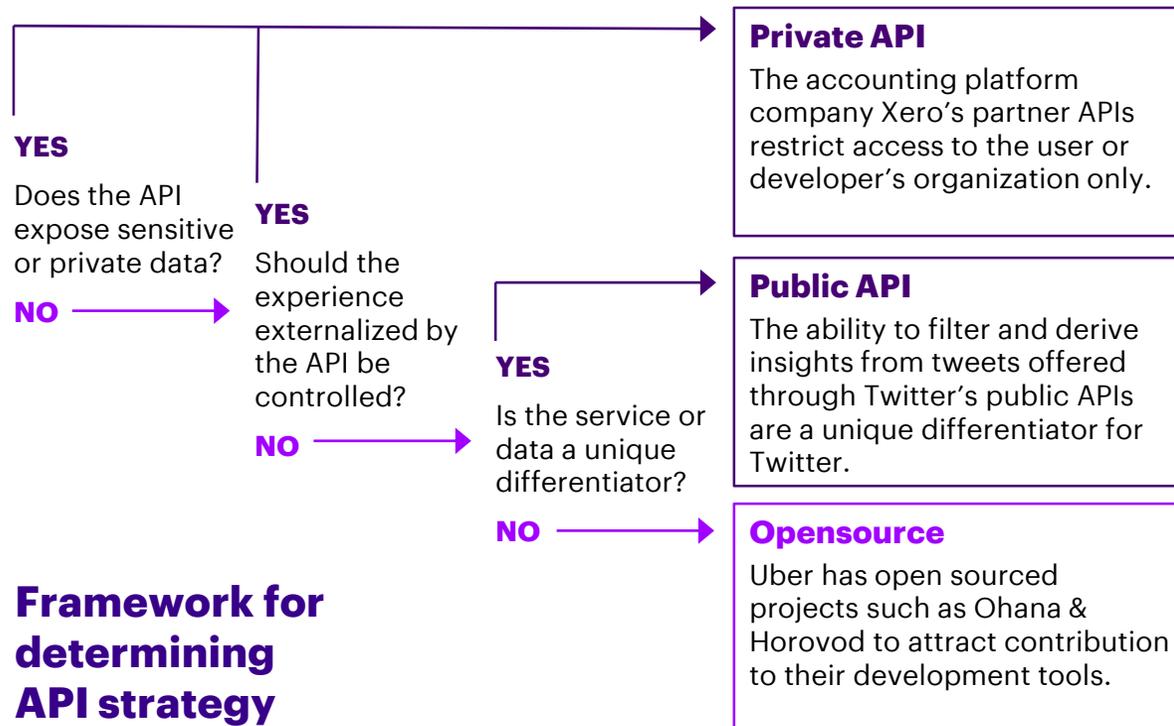**Exposing the core creates competitors. Doing it right creates complementary experiences.**

If a platform product strategy does not incorporate a "Platform First approach" with core interaction APIs and enablers, it will be very difficult to scale across multiple customer segments.

Ramadurai Ramalingam, Managing Director, Platform Engineering, Accenture

- The core platform interaction which is the company's key differentiation should be protected. This means that platform product managers have to think about what is core and what can be exposed. Making mistakes in this area can have consequences.

- Once the core is fully developed, and the business model finalized, should the platform be exposed to the middle tier in the ecosystem.

KEY DIMENSION #3: SCALE WITH PUBLIC APIs WHILE PROVIDING PREMIUM OR SECURE ACCESS THROUGH PRIVATE APIs

Public APIs need to comply with privacy policies and endure rigorous testing.

YES

Does the API expose sensitive or private data?

NO →

YES

Should the experience externalized by the API be controlled?

NO →

YES

Is the service or data a unique differentiator?

NO →

Private API
The accounting platform company Xero's partner APIs restrict access to the user or developer's organization only.

Public API
The ability to filter and derive insights from tweets offered through Twitter's public APIs are a unique differentiator for Twitter.

Opensource
Uber has open sourced projects such as Ohana & Horovod to attract contribution to their development tools.

Framework for determining API strategy

- The key dilemma for the platform product manager is if the APIs should be public (shared with all 3rd party developers), private (shared internally or with select partners) or Opensource.

- Most public APIs are initially introduced as private APIs for thorough testing before their broader release.

- If the APIs pass the internal scrutiny, they are published as "private APIs" or "beta APIs" and released to select ecosystem partners.

- Once the APIs perform with no issues at external partner sites, the APIs are released as "public APIs."

KEY DIMENSION #4: INFLUENCE THE MICROSERVICES ARCHITECTURE

A platform product manager should choose the metrics to define the success of their platform.

A platform product manager has to check the microservices support structure. There is a need to get down to the weeds of system architecture in order to understand the DB table(s) and what is exposed to the service.

Doug Summe, Platform Technologist, Dropbox

- The platform product manager needs to delineate the microservices based on business capabilities and understand the data and interdependencies spanning across multiple services.

- The key platform success metrics and the metrics used to monitor microservices are common:

  - **Platform availability** SLAs measured as 99.95% / 99.99% / 99.999%

  - **Usage metrics** measured as #API calls/day

  - **Performance metrics** measured through read/write/query latencies in micro/milli seconds

  - **Scale metrics** measured as #events ingested per day, #of notifications sent per day, etc.

KEY DIMENSION #5: STRIVE FOR LONG-TERM SUSTAINABILITY VS. SHORT-TERM TRADE-OFFS

In platform product management, there is a need to balance quick wins versus long-term platform investments.

Application product managers measure success of their product using engagement and retention metrics such as DAU/MAU. Success of a platform should also be deliberate about the metrics they choose to define success. Eg: API calls/day, #Events ingested per day etc.

Priya Lakshminarayanan
Sr. Dir, Head of Product, PayPal, Platform Services

- In traditional application product management, the features prioritized for development are determined using a matrix of business value versus effort.

- A platform serves as a foundation on which many businesses develop their applications and sustain their business model. Hence, the prioritization of features for a platform requires long-term planning to ensure sustainability, performance and scalability over time.

KEY DIMENSION #6: EMPHASIZE FUTURE-PROOFING DURING PLATFORM UPDATES

Future proofing is a must to ensure long term sustainability, scalability & performance.

- A platform product manager has to be involved in the upgrade strategy in order to drive long-term performance of the platform.

- When the platform version is changed, the platform product manager has to think through the support of all the applications based on previous versions and how to ensure older APIs remain intact so that ecosystem developers are not impacted by changes to the platform's underlying code or architecture.

Older technology still has to work – the developer eco-system will get disengaged if backward compatibility is not thought through when defining the platform.

Robert Hiss, Managing Director Products & Platform, Accenture

KEY DIMENSION #7: EXPLORE PLATFORM MONETIZATION MODELS TO OPTIMIZE

The success of the platform is based on growing user adoption of the core product.

Companies like Adobe & Netflix currently do not directly monetize the platforms. Platforms support experiences – features are developed to enable experiences. So, monetization is still through the application.

Ashley Still, Vice President/General Manager, Adobe Document Cloud and Adobe Creative Cloud Enterprise, Adobe

- In platforms, the monetization flow is complex across the ecosystem of developers, partners and end-users.

- Sometimes partners or developers can also be paid to use the platform to amplify the network effect – growing the developer ecosystem to grow the platform.

- Platform product managers and their organizations must give careful consideration to adopting the right monetization model to achieve the best return on investment.

SAMPLE PLATFORM
MONETIZATION MODELS

API revenue share

Products built on Salesforce platform pay out around 15 - 25% of revenues as royalty. Currently 50% of Salesforce revenues are through APIs.

API subscription

Docusign the #1 e-signature platform prices its APIs based on a monthly subscription plan with tiering based on document volume. Docusign's revenue was $518M this year at IPO and nearly 60% of the transactions are through APIs.

API call volume

Twilio, a real time communication platform charges per API call or per user. Twilio's revenues are in the range of ~$400M with an average YoY growth rate of 50%.

Premium API access

Twitter offers APIs for premium access for elevated access.

Strategic API partnerships

Salesforce has an AppExchange Partner Program that ISV partners can take advantage of: ISVforce allowing developers to build, market, and sell apps only to salesforce.com customers at 15% reduction.

Data monetization

Twitter has started allowing enterprises to access APIs that directly provide data insights. Data licensing now accounts for 15% of Twitter revenues.

KEY DIMENSION #8: SHIFT TO A "PLATFORM FIRST" CULTURE

Companies must create a mindset of building for flexibility – the core of the platform DNA.

Having good working relationships with developers & a deep understanding of the breadth of business and what the customers do is very important for platform product managers.

Ashley Still, Vice President/General Manager, Adobe Document Cloud and Adobe Creative Cloud Enterprise, Adobe

- A platform product is comprised of multiple microservice engineering teams operating independently.

- The approach of decoupling releases introduced by the platform microservices architecture is only successful with highly aligned and empowered autonomous teams.

- Platform product managers must collaborate, justify objectives through a strong business case and lead through influence.

- Some organizations allow time for "spiking," or time to research and think through architecture in advance of sprints.

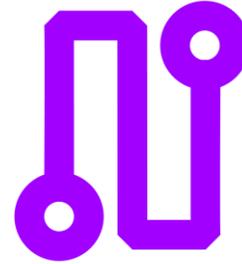# PLATFORM SUCCESS ALSO DEPENDS ON THE OVERALL TEAM CULTURE

General product management principles of continuous improvement and agile development apply
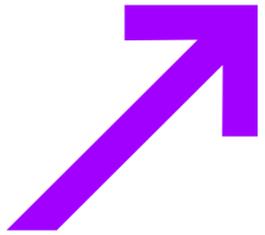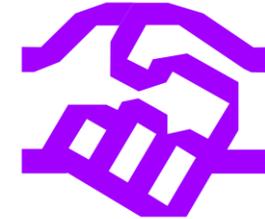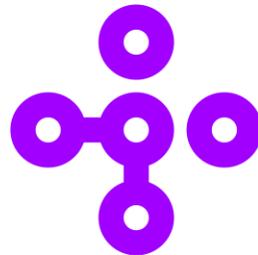
Spiking
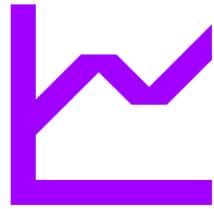
Continuous Improvement

Iterative/Agile Development

Collaboration Focused

Servant Leadership

Autonomous, Self-organized Teams

Empowerment & Trust

High Alignment

FORWARD TO A PLATFORM FIRST DNA

The movement from a product approach to a platform approach is a complete organizational transformation, inclusive of product management.

In a complex business with multiple point products and cloud-based solutions at various stages of maturity, the key issue for us, as platform product managers, is to ensure we have "a platform first" or "API first" DNA throughout the company.

Vijay Vachani, Director, Partner Platform & Ecosystem, Adobe Creative Cloud, Adobe

- An organization that does not embed the necessary platform product management capabilities into its DNA can make poor strategic decisions with potentially devastating effects.

- By following the eight guiding principles, organizations can ensure they have the best platform product management capabilities in place to guide their future, monetize their investment and capitalize on the multiplier effect of having many thriving businesses whose livelihood sits on top of their platform.