Winning the Platforms Race
Essentials for a cohesive digital platform
by Balaji Ram
A digital platform brings together people, technology, process and information to provide access to a range of products and services across multiple markets. Digital platforms create a multiplier effect, increasing demand for products and services and generating additional value for platform users and the platform’s owner.

The power and potential of the platform is widely acknowledged. According to an Accenture Technology Vision 2016 survey, 44 percent of Australian executives agree that platform-based business models will become a part of their organisation’s core growth strategy within three years—higher than global results (37 percent) and Japan (23 percent), and on par with China.

Forty-three percent of Australian executives believe that adopting a platform-based business model and engaging in ecosystems of digital partners are very critical to the success of their business. This belief is in line with global peers (40 percent), ahead of Japan (27 percent), and behind China (50 percent). Digital platforms are more technology-enabled than technology-driven, as 68 percent of Australian executives surveyed in 2015 saw industry players rather than technology companies at the forefront of building digital platforms.

With industries leading the charge on digital platforms, leaders from all areas of the business are involving themselves in platform strategies and priorities. Chief information officers (CIOs) are juggling requests for innovation with the ongoing needs of operating the business and its legacy systems. Yet, with a shared understanding of the key layers of a digital platform, all stakeholders should be able to collaborate on an effective strategy for immediate response and long-term sustainability.

Framing the discussion around digital platforms often begins with a few questions:

- What capabilities does my digital platform need to have?
- How do I run my legacy IT systems and infrastructure in parallel to my next-generation digital platform?
- How do we build a platform in a progressive, agile and iterative manner to handle future developments in business models?
- How do I leverage my existing slate and build a platform strategy with little incremental capex?

These questions can be addressed through the five zones of a digital platform. Just like platforms themselves, the zones build upon each other and feed additional innovations and developments. All are essential to a digital platform that is capable of driving an organisation’s strategy and engaging consumers in sustainable connections.

Five zones for a connected digital platform

- **Connection Zone**
- **Integration Zone**
- **Foundation Zone**
- **Data Zone**
- **Infrastructure Zone**

A digital platform brings together people, technology, process and information to provide access to a range of products and services across multiple markets. Digital platforms create a multiplier effect, increasing demand for products and services and generating additional value for platform users and the platform’s owner.
The key characteristic of a digital platform is its ability to integrate an ecosystem of suppliers, partners, devices and customers into a web of connections. This connection zone is where consumers and their life events are connected with products and services. Organisations need to determine which market participants are important to their ecosystems to address the needs and information requirements of clients across their buying cycle.

To tap into the full power of the Internet of Things—the enabler of the Connection Zone—a digital platform should be user-centric, interactive and available across a spectrum of connected devices. Ideally, a platform would accommodate dynamic content to reflect real-time behavior by tracking a consumer’s digital footprint, responding instantly to requests or delivering content of interest. Interactions would be shaped not just by the consumer, but also by location and context.

Applications and interfaces pull together devices and sensors to give the customer a feeling of immediate connection to the experiences he or she seeks. Through the power of a connected ecosystem, Visa and Accenture built a connected car prototype to revolutionise payments on wheels. Payment credentials are loaded into the car, giving consumers the option to place grocery orders, pay for parking or purchase gas, paying for each service via the dashboard. The application learns patterns and behaviours over time, becoming increasingly more valuable to the user.

The connections of the digital platform demand elasticity; this is where the Integration Zone comes in. The Integration Zone pulls in relevant services from inside the enterprise and external ecosystem partners to work seamlessly on a digital platform. The Integration Zone design should demonstrate value for business partners to ensure the growth of the platform ecosystem. The greater the number of relevant connections with digital partners, the greater the multiplier effect and potential to deliver the outcomes customers are looking for.

One imperative of the Integration Zone is defining the integration capabilities to expose to the ecosystem. The best way for partners to connect to these capabilities is with application program interface (API) services, which enable companies to securely open up their data and platforms for others to develop applications and create additional value. API services should ensure elasticity and align to the business services they support, and provide developers with published API service catalogs that support real-time operations.

The Accenture Technology Vision 2015 survey found that 73 percent of Australian executives are either using or experimenting with internal APIs to integrate applications and collaborate with business partners. Slightly fewer—68 percent—are using or experimenting with open or public APIs.

As an example, Commonwealth Bank of Australia (CBA) released Albert, a payments device for its business customers. Albert, and CBA’s application development platform, Pi, can provide these customers access to new business applications and services that will help them grow and compete more effectively in their markets. Pi’s software development kit (SDK) and standard Application Program Interfaces (APIs) provide a functional yet flexible platform that businesses and developers can build upon. Pi and Albert enable businesses to link with their customers, suppliers, partners and developers to deliver business outcomes.

Australian organisations believe that companies will move towards real-time platforms and systems with the adoptions of mobility and IoT solutions.
The Foundation Zone

The Foundation Zone simplifies and optimises the underlying operations and technology of the digital platform to enable agile and responsive customer-facing services.

The function of the Foundation Zone is to provide the ecosystem partners with consistent back-end capabilities and processes to integrate with their services. This can be delivered through modularised and de-coupled legacy applications for the internal services most relevant to the platform. Automating applications for routine tasks, or finding “drag & drop” processing logic from core systems also helps streamline process and deliver a more agile foundation.

The key to developing a digital platform with strong foundations is to look for opportunities to simplify, automate or eliminate any processes that are overly complex or inessential to the platform’s operation. As executives look across business functions, they may find duplicate processes or redundant efforts that could be resolved for better platform integration.

The Foundation Zone allows organisations to deliver industrialised processes for partners to integrate services with the platform. It also provides a standardised set of foundational services organisations can consume, adapt and reuse without building them from scratch. Adaptations to the digital platforms to deliver new business models are also possible due to the industrialised capabilities supporting the Connected and Integration Zones.

Take Alibaba as an example. After establishing the world’s largest B2B eCommerce platform for small businesses, Alibaba essentially replicated its successful model by flipping it upside down. Its 1688.com platform now enables small and medium businesses to buy goods wholesale from outside of China, in addition to selling their own goods abroad. The platforms are highly standardised and industrialised—enabling these enterprises to connect and transact, access credit, manage logistics and analyse results. Alibaba used its foundation to quickly expand the services its platform can offer to its existing customers as well as new ones.8

89%

Australian respondents believe that software intelligence will be critical to streamlining IT.9

The Data Zone

Customers demand a lot from digital platforms—relevance, immediacy, accessibility and security. In exchange, they provide data. Platforms also ask a lot from their partners, but they, too, offer data as a reward. The Data Zone looks at two different aspects: consumer data that is transmitted both explicitly and contextually, and enterprise data that enables a strong connection.

The data points that customise individual interactions gives companies insight into larger trends and evolving interests and habits. Data also brings organisations together, providing powerful glue to a host of interested parties. The Data Zone is all about harnessing the power of information to enable educated business decisions across the platform ecosystem.

To realise the true value of the Data Zone, platform partners need to embrace a combination of data lakes, advanced visualisation, pattern and insight generation tools all seamlessly integrated into the platform back-bone.

The digital platform can have enormous impact in the physical world. Monsanto acquired Climate Corporation. Its “Integrated Climate FieldView™ digital agriculture platform provides farmers with one comprehensive, connected suite of digital tools. Bringing together seamless field data collection, advanced agronomic modelling and local weather monitoring into simple mobile and web software solutions, Climate FieldView Prime™, Climate FieldView Plus™ and Climate FieldView Pro™ give farmers a deeper understanding of their fields.”10

The platform translates mass amounts of data into insights that can help drive effective farm management.

33%

Australian executives said they are using industry platforms to integrate data with digital business partners, while 35% are experimenting.11
If the Data Zone is the heart of the digital platform, the Infrastructure Zone is the backbone. The Accenture Technology Vision 2015 survey found that the majority of digital industry platforms will run on leading software-as-a-service (SaaS) and platform-as-a-service (PaaS) technology foundations.

Whether a platform is hosted “as a service” or in house, it needs to be scalable, agile and highly responsive. Scalability helps manage fluctuating demands, while agility allows for ongoing developments and additions to the ecosystem. A highly responsive system is almost a given, as organisations and consumers both seek reliable availability and instant gratification.

Considering how quickly technology and consumer behaviors evolve, CIOs and other executives should get comfortable in the five zones. The iterative nature of the ecosystem means digital platforms will continue to change and expand their shapes and functions.

Evolving with the platform requires solid governance focused on refining business imperatives, standards and execution approaches. Governance should also address the continuous search for new opportunities to bring to the connected platform.

Harnessing the full power of the digital platform requires focused attention on each of the five zones. By drawing upon the strengths of leaders throughout the business, a company can use these zones to guide and inform a platform strategy that is compelling to consumers, compatible with existing IT systems and capable of helping drive high performance.

‘The majority of digital industry platforms will run on leading software-as-a-service (SaaS) and platform-as-a-service (PaaS) technology foundations.’

Accenture Technology Vision 2015
References

1. Accenture Technology Vision 2016
5. Accenture Technology Vision 2015
7. Accenture Technology Vision 2015
11. Accenture Technology Vision 2015

Contact

Balaji Ram
Managing Director - Application Services
Accenture Technology
Australia and New Zealand
balaji.ram@accenture.com

For more information view
www.accenture.com/australiantechvision2015

About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 373,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.