

Arkwright

FROM PLATFORMS TO ECOSYSTEMS

DEVELOPING HIGH VALUE
BUSINESS MODELS

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**From Platforms
to Ecosystems.
Developing high value
business models**

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EXECUTIVE SUMMARY

“Platform” and “ecosystem” are two commonly used business buzzwords describing business models that investors and board members around the world seek to emulate. These types of businesses benefit from higher price-to-earnings on account of their superior performance compared to so-called linear business models.

While the two terms are often used interchangeably, they are not synonymous. Platforms create value by eliminating friction from transactions and exchanges – for example in the case of a marketplace – whereas (platform-based) ecosystems do so by orchestrating the contributions of multiple companies, which collaborate to create a unique value proposition within a thematic customer journey.

There are many propositions of this type in the B2C and B2B space, for example those that facilitate the day-to-day operational activities of a business or encourage consumers to live healthier lives and make it easier for them to do so.

Ecosystems, platform-based or otherwise, are more complex to develop, operate and manage than mere platform business models because they have more constituent parts. To understand the two models’ business focus and critical success factors, it is necessary to appreciate their differences: while platforms need scale to dominate their intended market, platform-based ecosystems (PBEs) require a combination of scale and scope. Frameworks like the Ecosystem Canvas, presented in this report, provide the logical rigour and guidance necessary to analyse and design these business models.

The Ecosystem Canvas offers support in analysing and planning, which helps evaluate opportunities and define:

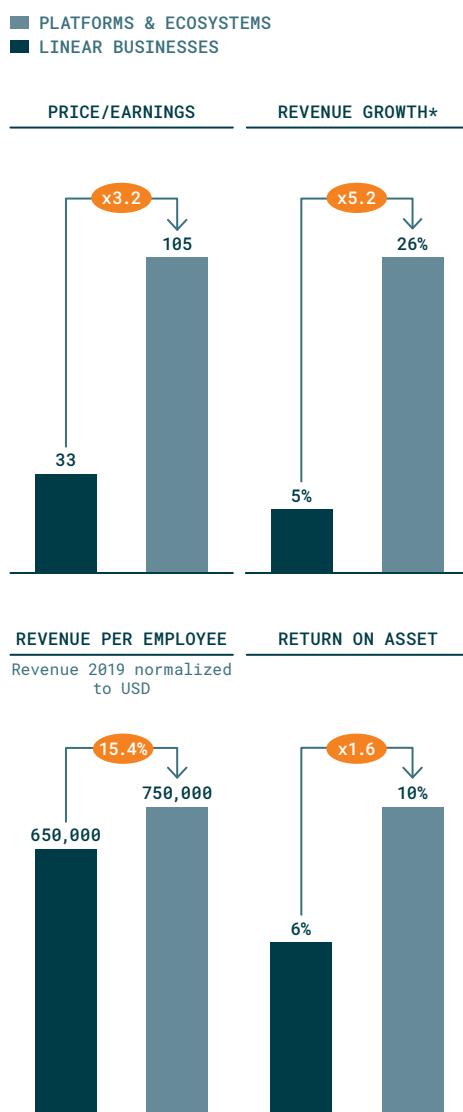
- The unique value proposition that we are developing
- The role we can play within the value proposition
- Whether we should develop our own platform or ecosystem, or become a partner to an existing one

Platforms and PBEs are, in most cases, business models that continue developing and evolving over time. In some cases, they intersect with similar business models, becoming virtual participants in each of the other PBEs, as in the case of KPLUS and LINE. Once one platform or PBE proposition is launched, it is common to see it expand by exploring adjacent areas for friction, white spaces and potentially complementary thematic journeys.

Ultimately, it should also be noted that these are not new business models. There are a number of very successful B2C and B2B cases that can serve as inspiration or be adapted to one’s needs. Some models, for example that of Vitality, have been replicated into other geographies, proving the universal applicability of these ideas with the benefit of being able to take inspiration from success cases in other markets.

THE BUZZ ABOUT PLATFORMS & ECOSYSTEMS

Fig. 1 – Comparative key performance indicators.



Source: Morningstar, Arkwright analysis.
* 2014-2019

"Platform" and "ecosystem" have been frequently used business buzzwords over the past decade. One could even say that the success of certain platforms and ecosystems caused a "platformmania"¹ of investors readily believing in their potential. It thereby comes as no surprise that, in 2019, the term "ecosystem" occurred 13 times more often in annual reports than in 2009.² However, a closer look into platforms and ecosystems is worthwhile as they – when successful – reshape the way companies innovate, produce and interact with customers and partners.

During the first quarter of 2021, Arkwright conducted a systematic analysis of over six hundred³ publicly listed companies, sampled from stock exchanges⁴ globally, to compare the performance of those operating platform and ecosystem business models with those that don't (non-platforms and non-ecosystems companies are henceforth referred to as "linear businesses"). The sample includes businesses operating in a variety of industries, from metals and mining to consumer electronics, with 47 platforms and ecosystems representing 7.8% of the sample.

The comparison was based on four key performance indicators (KPIs): return on asset (RoA), revenue growth, price-earnings (PE) ratio and revenue per employee. The results are in line with previous findings on the outstanding performance of platforms and ecosystems but are nevertheless remarkable: platforms and ecosystems significantly outperform other companies in each category across industries. Fig. 1 shows the average values for each KPI.

¹ Michael A. Cusumano, David B. Yoffie, and Annabelle Gawer, "The Future of Platforms, MIT Sloan Management Review", 2019.

² Jack Fuller, Michael G. Jacobides, and Martin Reeves, "The Myths and Realities of Business Ecosystems", MIT Sloan Management Review, 2019.

³ The sample included the top 100 companies for each stock exchange based on their financials over a period of one year. These have been classified as platforms, ecosystems or linear businesses based on their business models. Companies that are currently or have partially transformed their businesses into a platform or ecosystem are hybrid models and can therefore not be counted as pure platforms or ecosystems.

⁴ NYSE, FTSE, Nasdaq, SGX, XFR, HKEX.

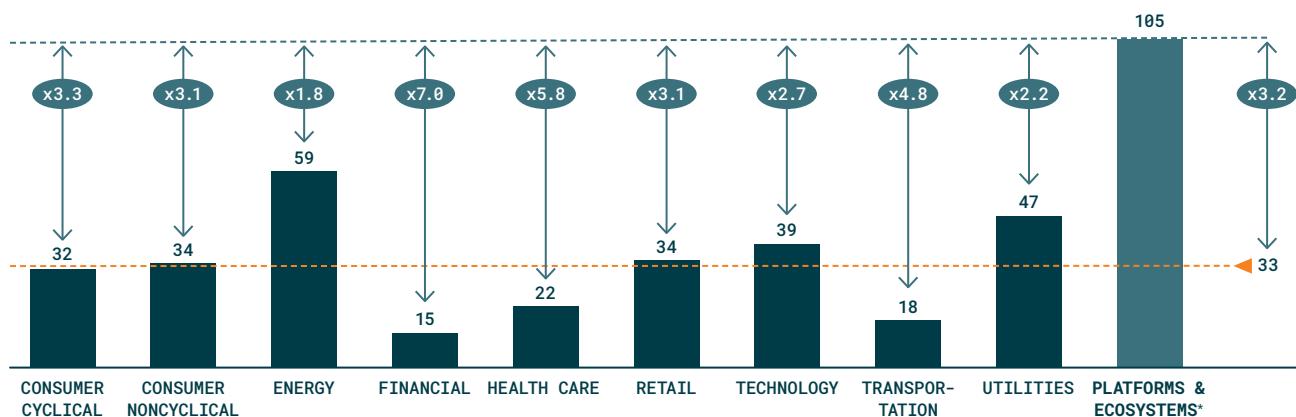
RESULTS ARE IN LINE WITH PREVIOUS FINDINGS BUT ARE NEVERTHELESS REMARKABLE: PLATFORMS AND ECOSYSTEMS SIGNIFICANTLY OUTPERFORM OTHER COMPANIES IN EACH CATEGORY ACROSS INDUSTRIES

Fig. 2 – Price-earnings ratios across industries compared to platform and ecosystem businesses.

The analysis covered the data over a five-year period between 2014 and 2019 and, on average, platforms and ecosystems had a PE ratio three times as high, with yearly revenue growth 20 percentage points higher in absolute terms. Similarly, platforms and ecosystems recorded higher returns on assets as well as higher revenue per employee than linear businesses over the same period.

In a closer look into the average PE ratios based on 2019 performance, **Fig. 2** shows that pure platforms and ecosystems outperformed linear businesses across all industries on average.

The results of the analysis fit into the picture of similar previous analyses, confirming the considerable performance of platform and ecosystem businesses in terms of higher revenue per employee, growth rate and valuation premiums: “When comparing the largest 43 publicly listed digital platform companies from 1995 to 2015 with a control sample of 100 linear businesses in the same set of businesses, it was found that the two samples had roughly the same level of annual revenues (about \$4.5 billion). But platform companies achieved their sales *with half the number of employees*. Moreover, platform companies were *twice as profitable*, were *growing twice as fast*, and were *more than twice as valuable* as their conventional counterparts.”⁵



CSI Market P/E ratios by sector for Q4 2019.
Source: Morningstar, Arkwright analysis.

* Platforms and Ecosystem prevalent businesses across all industries. Sector performance is average of all companies categories in each specific sector.

⁵ Michael A. Cusumano, David B. Yoffie, and Annabelle Gawer, “The Future of Platforms”, MIT Sloan Management Review, 2019.

THE BUSINESS MODEL DEFINITIONS CHALLENGE

THE UBIQUITY OF THE TERMS PLATFORMS AND ECOSYSTEMS IS A SOURCE OF A WIDESPREAD LACK OF CLARITY ABOUT WHAT THOSE BUSINESS MODELS ACTUALLY ARE

While the typical superior economic performance of platform and (digital platform enabled) ecosystem businesses has become part of common business expectations, the ubiquity of those two terms is a source of a widespread lack of clarity about what those business models actually are. This is made even more complicated by the fact that “those buzzwords are also used interchangeably”,⁶ despite not being synonymous, and although “the distinction between platform and ecosystem has broad strategic implications that can make the difference between success and failure in today’s digital world.”⁷

This has been repeatedly confirmed in Arkwright’s experience, with organisations aspiring to develop their digital strategies including platform and ecosystem business models. As an example of a typical misunderstanding, the digitalization of a catalogue or the establishment of reseller agreements are often mistakenly assumed to fall within these models. To address this semantic challenge and to add clarity about the business models referred to as part of this analysis, Fig. 3 provides an illustration of different business models.

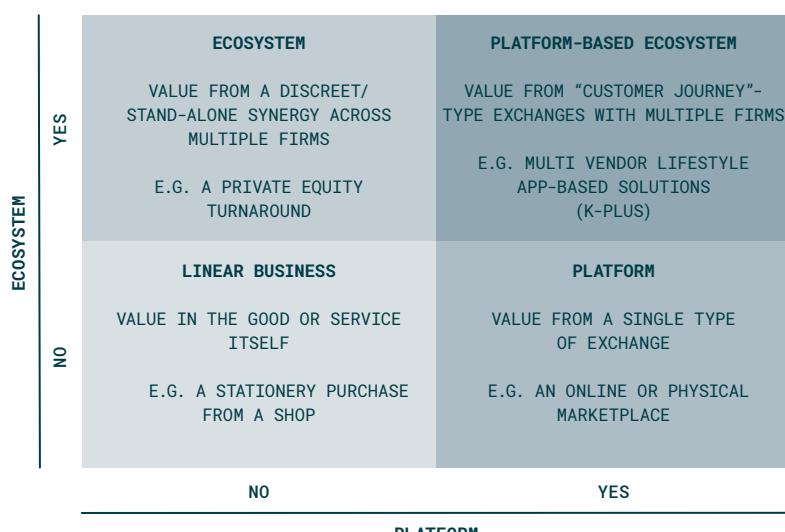


Fig. 3 – Illustration of business models types.⁸

⁶ Andrew Shipilov and Francesco Burelli, “Don’t Confuse Platforms with Ecosystems”, INSEAD Knowledge 2020.

⁷ Ibid.

⁸ Ibid.

Linear businesses

In this quadrant, there are businesses that operate by selling products or providing services at various points along a value chain. An example of this is a supplier of mechanical components to a woodwork-machinery manufacturer that assembles and then delivers to a distributor that sells to a business customer. The value creation happens through a linear chain of exchange of goods or services within direct customer-supplier relationships. These can include industrial partnerships and horizontal agreements along the value chain, such as the Apple Inc's agreement with Corning Inc for the production and supply of glass for the iPhone and Apple Watch.

Ecosystems

This describes a one-off-purpose driven collaboration of unrelated companies acting together, all contributing to an ultimate shared objective. The organisations are interconnected only by minimal formal relationships of a commercial or supplier-customer nature.

This is the case for a syndicated loan, when one bank – the arranging bank – organises a pool of additional lenders; and an agent links the borrower and the lenders, engages a trustee, and may engage auditors and third-party analysts for the purpose of financing a large borrower, typically a corporation or a government.

Companies may also act through a one-off-purpose strategic alliance, as in the case of a private equity consortium-led turnaround.

Platforms

Platforms are companies that perform the role of facilitator to a transaction in which they are not taking part to. "A 'broker' company connects two partners but keeps them separate, forcing them to work through itself."⁹ The platform eliminates friction by enabling a more cost-effective exchange of goods, services or information. "The oldest examples of platforms are village markets that facilitate transactions between buyers and sellers. They do so by reducing the costs of transacting at scale by attracting a large number of buyers and sellers."¹⁰

⁹ Nathan Furr and Andrew Shipilov, "Building the right ecosystem for innovation", MIT Sloan Management Review, Summer 2018.

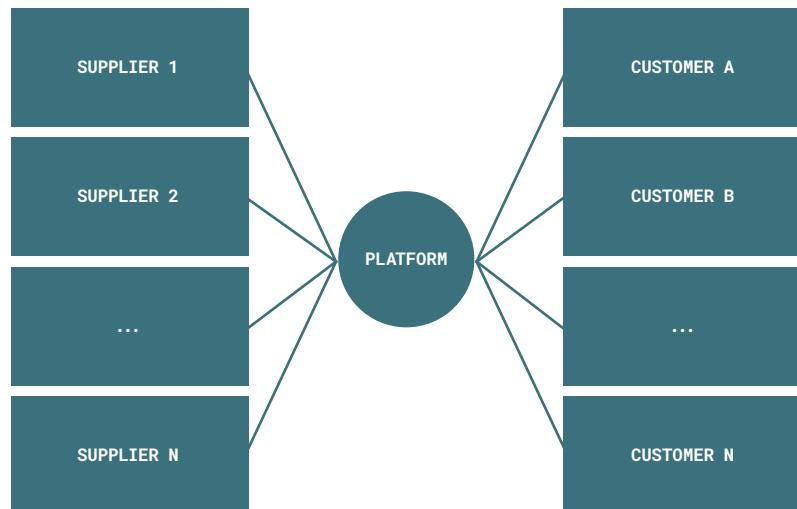
¹⁰ Andrew Shipilov and Francesco Burelli, "Don't Confuse Platforms with Ecosystems", INSEAD Knowledge 2020.

What is a platform?

Fig. 4 provides an illustration of such a business model.

Examples of platforms are companies such as Uber, Amazon and Apple's App Store that, in complementarity to the various products and services marketed by Apple Inc., connects developers and app users. The success of a platform is dependent on the achievement of a critical mass of participating counterparties, while the key success factor is the achievement of a network effect.

Fig. 4 – Platform business model illustration.



Platform-based ecosystems (PBEs)

These are groups of organisations “linked through non-generic complementarities”,¹² “or investments in mutual adaptation”.¹³ Members of a PBE have to coordinate to “create a unique value proposition”¹⁴ for the consumer.

¹¹ “Network effect is a phenomenon whereby an increased number of people or participants improve the value of a good or service”. Source: Investopedia, <https://www.investopedia.com/terms/n/network-effect.asp>.

¹² Michael G. Jacobides, Carmelo Cennamo and Annabelle Gawer, “Towards a theory of ecosystems”, 2018.

¹³ Andrew Shipilov and Francesco Burelli, “Don’t Confuse Platforms with Ecosystems”, INSEAD Knowledge 2020.

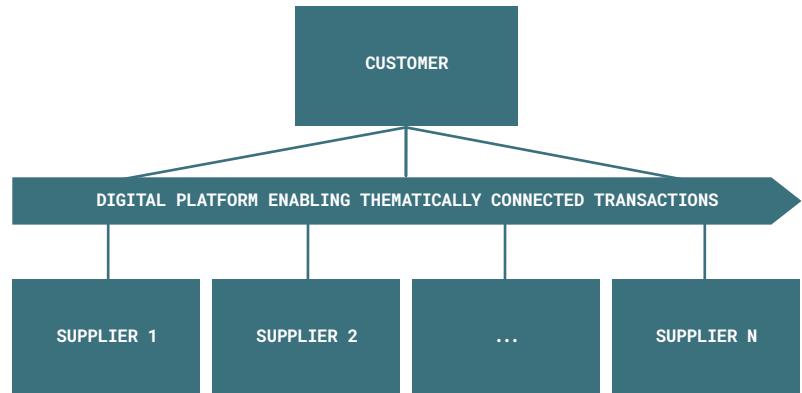
¹⁴ Rahul Kappo, “Ecosystems: broadening the locus of value chain”, Journal of Organisational Design, 29 October 2018.

The non-generic complementarity is related to thematically connected discreet transactions (the “customer journey”) coordinated through the formal participation in a shared infrastructure, the enabling digital platform.

[Fig. 5](#) provides a graphical illustration of this business model.

The thematic journey is characterised by a theme. For example, “living a healthy life” includes a set of discrete actions and purchases that are all part of a healthy lifestyle. These otherwise unrelated transactions are facilitated, enabled or complemented by a common “platform” that binds them all, adding value for the customer through convenience and/or rewards.

Fig. 5 – PBE business model illustration.



Vitality is an example of a PBE that consists of a set of applications that attract, motivate and reward consumers for living a healthy life. Customers appreciate the convenience that the proposition offers. All participating organisations benefit from lower customer-acquisition and retention costs, while the insurer, Discovery, pays out less frequently on the policies it underwrites.

EVOLUTION OF PLATFORMS TO PBEs

GRAB EVOLVED FROM A PLATFORM PROPOSITION INTO A PBE IN THE FORM OF A LIFESTYLE-ENABLING APP

Platforms, and in particular, PBEs are types of businesses that typically evolve from linear business models and strategic partnerships. The following section illustrates some examples of businesses that have evolved across business models.

From linear business models to platforms to PBEs

Grab, the South East Asian company mostly known as a ride hailing platform, evolved from a platform proposition – a taxi-booking mobile app – into a PBE in the form of a full lifestyle-enabling app.

At its inception in 2012, it aimed to enable safer taxi rides in Malaysia. The service later rebranded to Grab Taxi. Before becoming Grab, it expanded not only geographically but also along a platform business model, then along a “living a daily life” thematic journey of owning and operating a vehicle on the driver’s side, while complementing the life of ride-hailing consumers by becoming part of their daily activities.^{15, 16}

The current portfolio of value propositions has expanded rapidly since 2012, over a period of less than 10 years. Please refer to Fig. 6 for a summary timeline of Grab’s history,^{17, 18} taking Grab to a valuation of \$14bn (post-money)¹⁹ at a March 2019 funding round (series H). That valuation is an indicative figure from two years ago that has since grown to an undisclosed larger value on the basis of five additional rounds of funding, for a total additional amount raised of \$1.656bn.

¹⁵ “Grab’s Superapp Ecosystem and Why It Works”, <https://www.pymnts.com/ecosystems/2019/grab-ridesharing-financial-services-payments-commerce/>, accessed 16th April 2021.

¹⁶ “The Grab Journey: From Ride-Hailing To Mobile Financial Services Powerhouse”, <https://news.finncapital.com/post/102fgfg/the-grab-journey-from-ride-hailing-to-mobile-financial-services-powerhouse>, accessed 16th April 2021.

¹⁷ “How Grab is Becoming an Everyday, Everything App in Southeast Asia”, <https://www.entrepreneur.com/article/334690>, accessed 16th April 2021.

¹⁸ “Fintech: the rise of the Asian ‘super app’”, <https://www.ft.com/content/0788d906-1a7b-11ea-97df-cc63de1d73f4>, accessed 16th April 2021.

¹⁹ “Grab funding rounds, valuation and investors”, <https://craft.co/grab/funding-rounds>, accessed 16th April 2021.

²⁰ <https://www.grab.com/sg/>.

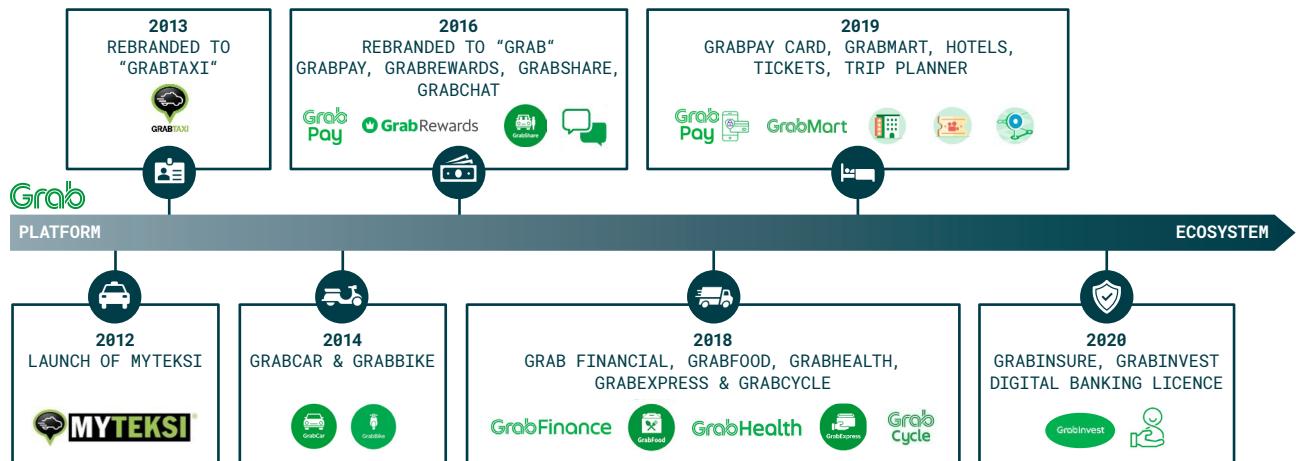
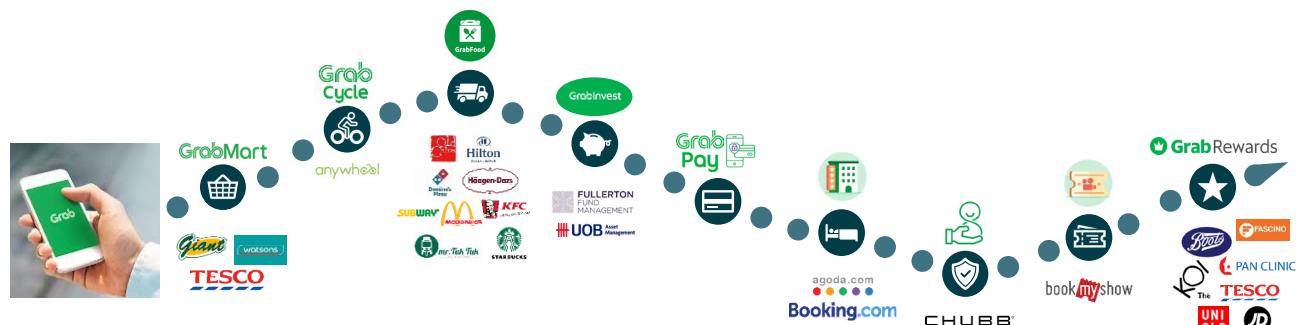


Fig. 6 – Grab's evolution timeline (non-exhaustive). Grab developing from a platform connecting passengers to a single taxi company all the way to a so-called all-in-one "super app".

A Grab account enables consumers to live their lives and carry out their daily activities through the app, enjoying a combination of convenience and rewards.

Fig. 7 illustrates some of the options available to a consumer through the Grab app. These range from daily shopping, through entertainment tickets, to facilitating the necessary transportation to move from one activity to the other, while also including the payment facility needed to pay for them.²⁰

Fig. 7 – A consumer's day in the Grab PBE.



NAME OF THE SERVICE	GRABMART	GRABCYCLE	GRABFOOD	GRABINVEST	GRABPAY CARD	HOTELS	GRABINSURE	TICKETS	GRABREWARDS
DESCRIPTION	ORDER EVERYDAY GOODS AND GROCERIES FROM PARTICIPATING SUPERMARKETS	LEND A BICYCLE FROM ONE OF THE STATIONS SPREAD ACROSS YOUR TOWN TO BIKE TO WORK	ORDER LUNCH FROM PARTICIPATING RESTAURANTS DIRECTLY TO YOUR OFFICE	AUTOMATICALLY INVEST SMALL FRACTION OF YOUR PAYMENT IN AN INVESTMENT FUND	USE THE PREPAID MASTERCARD TO SHOP ONLINE SPENDING YOUR GRABPAY BALANCE	USE EMBEDDED BOOKING.COM FUNCTIONS (API) TO BOOK A ROOM FOR YOUR NEXT TRIP	BUY TRAVEL INSURANCE FOR YOUR (INTER) NATIONAL TRIP	BUY TICKETS TO SEE A MOVIE IN THE EVENING WITHOUT WAITING IN LINE	COLLECT POINTS WITH EVERY GRABPAY TRANSACTION & USE FOR VOUCHERS

POSSIBILITY TO PAY FOR EVERY SERVICE WITH YOUR GRABPAY E-WALLET TO COLLECT POINTS

SERVICES FOR APP USERS	DESCRIPTION	
 GRABPAY	<ul style="list-style-type: none"> Combines all payment services within the Grab App including: e-Wallet, P2P payments & in-store purchases (scanning QR codes) Either connected to a credit card or prepaid GrabPay balance to pay for in-app services (e.g. Grab Rides, GrabFood deliveries) Balance can also be topped-up without a credit card through PayNow with bank accounts at Citi, UOB, HSBC, etc. Get prepaid Mastercard to spend GrabPay balance online/at POS Make bill payments with supported billers e.g. utilities, telco & internet bills Transfer money to a bank account, other e-wallets or GrabPay users Deals & recommendations based on transactions & location 	
 GRABHEALTH	<ul style="list-style-type: none"> Schedule in-house health consultations with practitioners or specialists Consultations with partner hospitals; medicine delivery, medical records registered, partner: Ping An Doctor 	
 GRABMART	<ul style="list-style-type: none"> Order everyday goods and groceries from participating supermarkets and stores nearby; HappyFresh grocery delivery service also integrated in the app (API) 	
 GRABINSURE	<ul style="list-style-type: none"> Buy travel insurance for your next (inter)national trip or ride (for passenger & driver); underwritten by Chubb Insurance 	
 GRABINVEST/AUTOINVEST	<ul style="list-style-type: none"> Invest a small amount from each transaction automatically to an investment fund (e.g. by UOB Asset Management) 	
 GRABCYCLE	<ul style="list-style-type: none"> Rent a bicycle at one of the stations spread across town for (short) trips 	
 GRABEXPRESS	<ul style="list-style-type: none"> B2B & B2C & C2C service – having parcels, documents, etc. delivered 	
 GRABFOOD	<ul style="list-style-type: none"> Order food from participating restaurants for pick-up or delivery 	
 GRABREWARDS	<ul style="list-style-type: none"> Collect points with each GrabPay in-app, online or in-store transaction, can be redeemed for the next transactions (e.g. vouchers, deals) 	
 HOTELS	<ul style="list-style-type: none"> Agoda and booking.com room-booking services integrated in the Grab app (API) 	
 TRIP PLANNER	<ul style="list-style-type: none"> Plan multi-modal trips based on public transportation and traffic information; directions for all modes of transportation, purchase tickets for buses & trains 	
 TICKETS	<ul style="list-style-type: none"> BookMyShow ticket services integrated in the Grab App (API) 	
 GRAB TRANSPORTATION	<ul style="list-style-type: none"> Hail a shared ride, private ride, taxi, etc. (e.g. GrabBike, GrabShare); including chat option between driver and passenger with translations 	
SERVICES FOR SME BUSINESSES	DESCRIPTION	
 GRABFINANCE	<ul style="list-style-type: none"> Business loans or cash advance for small businesses 	
 GRABMERCHANT	<ul style="list-style-type: none"> Businesses sign-up as GrabFood or GrabMart partner to use GrabPay for their business and track earnings in the GrabMerchant app 	

Fig. 8 – Grab's PBE components.

The combination of these activities is the outcome of a number of building blocks that have been added over time. A snapshot of those currently part of Grab's universe is available in the table in [Fig. 8](#).

Please note that this is a snapshot in time, as Grab's list of services will continue to expand and evolve. Grab's range of offering is quite flexible, in addition to enabling third-party providers to access customers through its application(s). Its business ultimately consists of parallel, complementary journeys, e.g. that of drivers and that of consumers, that complement and feed into each other – enabling its users to increase the number of daily activities that can be done through its interfaces – in pursuit of retention, repeated usage and lower cost of acquisition and cross-selling.

Grab is not alone in its rapid growth in scale and scope. This is a common theme across many platform and PBE businesses that rely on speed to avoid the emergence of any meaningful competition, and scale to establish themselves as a pervasive and habitual part of their users' lives. Their goal is to achieve dominance in their target markets as well as their range of services to be able to own all possible and reachable points of interaction with the customer through the Platform. In this case ultimately the platforms evolved into a PBE.

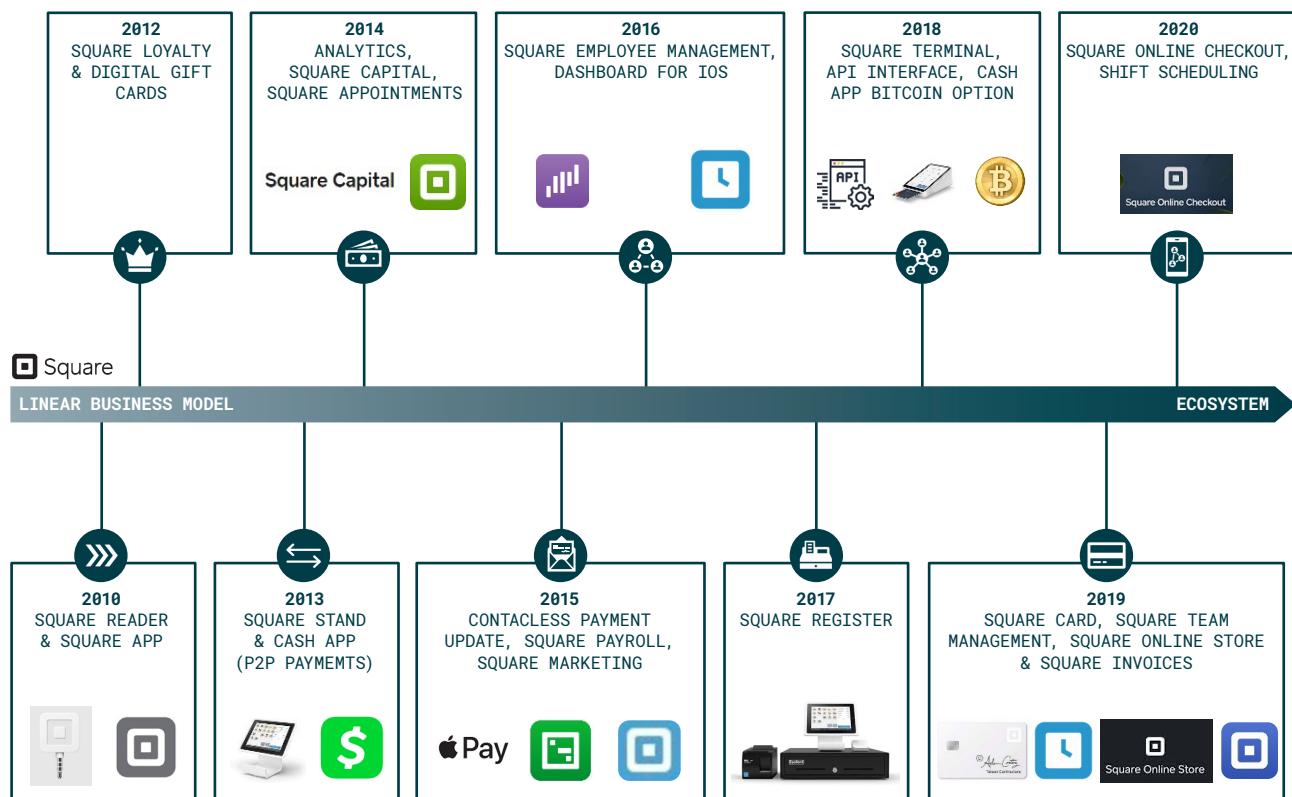
Complementary platforms and ecosystems

Another example of this evolutionary dynamic is Square. Having started out as a linear business with a simple plastic dongle that enables small merchants to accept card payments in the US, Square's payment value proposition evolved into a platform before becoming a PBE in less than nine years.^{21,22} Their value proposition now encompasses the whole range of tasks that are linked to running and growing a (small) business.

²¹ "Square Brings Credit Card Swiping to the Mobile Masses, Starting Today", <https://www.fastcompany.com/1643271/square-brings-credit-card-swiping-mobile-masses-starting-today>, accessed 16th April 2021.

²² "Why Square's Expanding Ecosystem Threatens Banking's Future", <https://thefinancialbrand.com/104827/square-cash-app-p2p-threat-banking-future-small-business-community-bank-credit-union-payment-ecosystem-trends>, accessed 16th April 2021.

Fig. 9 – Square's evolution timeline (non-exhaustive). Square starting as a linear business model providing card readers and processing payments for SME before gradually extending their services into a seller and Cash App ecosystem.

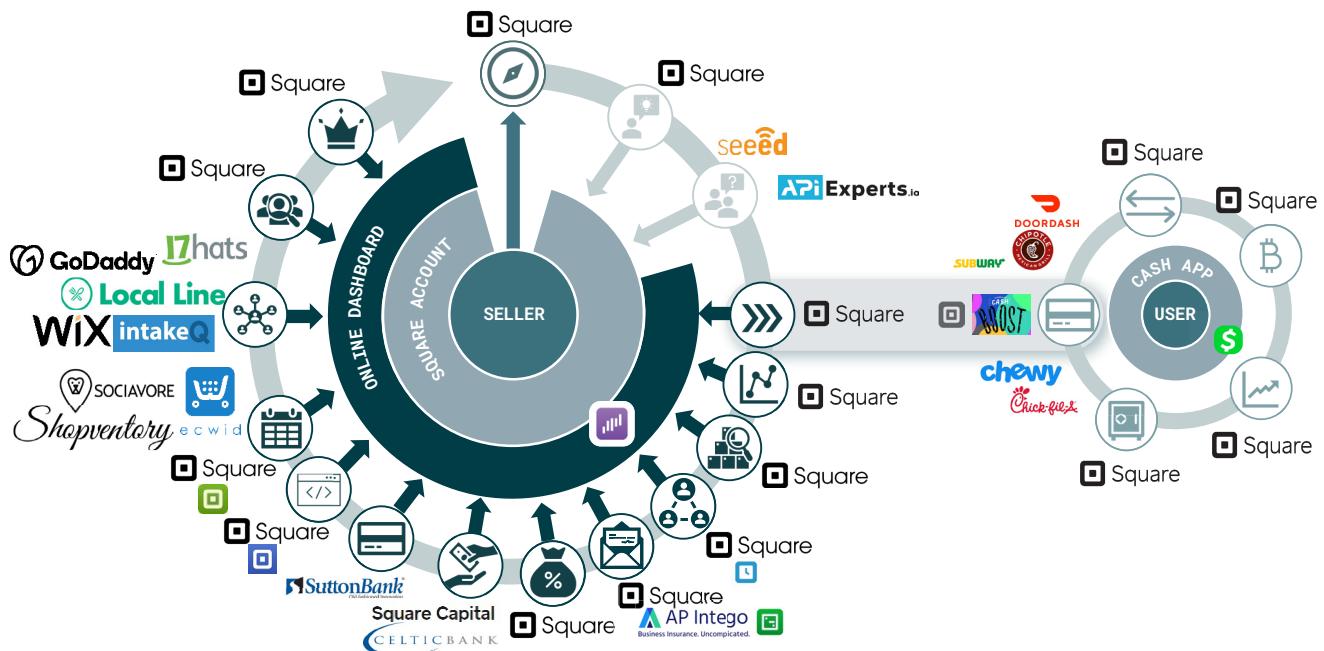


²³ "Square feels your pain, debuts payroll service", https://www.bizjournals.com/sanfrancisco/morning_call/2015/06/square-payroll-processing-service-small-business.html, accessed 16th April 2021.

With the account, the seller can access the services of the Square ecosystem, starting with access to the Seller Community, an online communication platform for merchants to exchange on topics, and to Solution Partners helping sellers to setup and use their Square accounts effectively.

In addition to these, Square has developed the Square Cash app, which is now evolving into a buyer/consumer focused platform in its own right, as illustrated in Fig. 10. The table in Fig. 12 provides an illustration of the services available to buyers through the Cash App. The payer and payee focused solutions are complementary to each other, enabling, amongst other things, Square to be able to benefit from “on-us”²⁴ transaction economies.

Fig. 10 – Square’s seller and Cash App PBE.



²⁴ On-us transaction refers to transactions originating by a payment device and captured by a payment terminal, where both devices are provided by the same financial institution. These are often, but not necessarily, processed within the organisation, bypassing any external routing and processing and their related costs.

SERVICES FOR SELLERS	DESCRIPTION	 Square
 RESOURCE CENTRE	<ul style="list-style-type: none"> ▪ Guidance through publicly available courses about management of (small) businesses and articles, e.g. on Cash Flow management – access via Square website 	
 SELLER COMMUNITY	<ul style="list-style-type: none"> ▪ Q&A platform with Square Sellers on how to use Square services 	
 SOLUTION PARTNERS	<ul style="list-style-type: none"> ▪ Other firms helping sellers integrate Square into their business, B2B service accessible for sellers with Square Account 	
 PAYMENT PROCESSING	<ul style="list-style-type: none"> ▪ Accepting and processing card payments online or at POS (app) with necessary software and hardware (terminal); tracking data on Square Dashboard 	
 BUSINESS ANALYTICS	<ul style="list-style-type: none"> ▪ Sales summary, performance reports, inventory tracking, product portfolio – real-time data analysis on Square Dashboard 	
 TEAM MANAGEMENT	<ul style="list-style-type: none"> ▪ Square Team app with timecard integration synced with payroll: sync hours, review sales, manage permissions for each employee within the POS app 	
 INVENTORY MANAGEMENT	<ul style="list-style-type: none"> ▪ Feature of the Square App that is linked to payment processing; shop owner can keep track of in-stock items (added, sold) and set alarms for low stocks 	
 SQUARE PAYROLL	<ul style="list-style-type: none"> ▪ Based on Team App information (hours & earnings) review and send out payroll; possible to pay with Square balance (from processed payments); pay contractors & employees 	
 TAX FILING	<ul style="list-style-type: none"> ▪ Automatic filing of federal, state and local payroll taxes based on transactions and other tracked information in the Dashboard 	
 SQUARE CAPITAL BUSINESS LOANS	<ul style="list-style-type: none"> ▪ Flat-fee loans for sellers based on dashboard data, repaid automatically & adjusted to number/size of processed transactions, issued by Celtic Bank 	
 SQUARE BUSINESS CARD	<ul style="list-style-type: none"> ▪ Debit card (issued by Sutton Bank) linked to Square balance (from processed payments) to buy at POS or online (Mastercard compatible) 	
 SQUARE ONLINE STORE, CHECKOUT & INVOICES	<ul style="list-style-type: none"> ▪ Tool to design an online store (layout, pictures, logos); orders & inventory linked to dashboard, sell on social media, click & collect ▪ + create checkout links without online store and send out invoices 	
 SQUARE APPOINTMENTS	<ul style="list-style-type: none"> ▪ Tool to schedule appointments or let customers book them online (e.g. for barber shops) integrated into Square POS system or in a separate appointments app 	
 APP PARTNERS & DEVELOPER PLATFORM	<ul style="list-style-type: none"> ▪ Additional apps/services that can be integrated in the Square Dashboard (e.g. Ecwid, GoDaddy, Sociavore); APIs for developers to integrate Square functions 	
 SQUARE MARKETING	<ul style="list-style-type: none"> ▪ Create, send and track email marketing campaigns; performance reports in the dashboard linked to POS to track use of vouchers/gift cards; automated messages, text message marketing 	
 SQUARE LOYALTY	<ul style="list-style-type: none"> ▪ Tool for customer loyalty tracking at POS or online, track sales for different types of customers, send rewards to returning customers for amount spent/visits, etc. 	

SERVICES FOR CONSUMERS	DESCRIPTION	 Square
 CASH CARD	<ul style="list-style-type: none"> ▪ Debit card linked to Cash App balance and not to a bank account, online and in-store payments, special offers ("Boosts") can be activated for selection of partnering businesses (e.g. restaurants) 	
 BITCOIN TRADING	<ul style="list-style-type: none"> ▪ Buy & sell Bitcoin in the Cash App – requires Cash App balance that can be topped up with transfers from user's bank account 	
 P2P PAYMENTS	<ul style="list-style-type: none"> ▪ Money transfers to other Cash App users 	
 STOCK INVESTMENTS	<ul style="list-style-type: none"> ▪ Online broker integrated into the Cash App 	
 DIRECT DEPOSITS	<ul style="list-style-type: none"> ▪ Tax returns or paychecks can be directly deposited to Cash App balance; money supposedly available earlier than with other banks 	

Fig. 11 – Square' Seller PBE building blocks.

Square started with micro-merchants, as a payment facilitator, making it easier for them to get approved and be able to accept card payments within a very short period of time. The value proposition expanded to support sellers throughout their business activities, practically their customer journey. These services, represented by icons, are provided by Square and by the third-party providers. These are available to merchants through the Square Online Dashboard that is illustrated in the diagram in Fig. 10 as the outer circle. The list of the available services is described in the table in Fig. 11.

Amongst these services there is Square Capital for example, launched in 2014. Its function is to leverage the detailed data gathered from processed payments and other activities in the account in order to make an assessment of the merchant's credit worthiness based on data held within the Square PBE. Thereby, Square can provide business lending on the basis of proprietary scoring models that do not require input from any credit score²⁵ sourced from credit bureaus.

Platforms and PBE partnerships

As we have seen, simple platforms or even linear business models can, over time, become wide-ranging PBEs. But what happens if the orchestrating company can't provide a useful addition to the customer journey on their own? That is where ecosystem partnerships are developed to create added value for customers at their intersection, acting as a complementor to each other. An example of this is the cooperation between KBank and the social media platform LINE, yielding "Thailand's first social banking platform"²⁶ LINE BK in October 2020. LINE and KBANK are connected "through the LINE BK feature in the LINE app", making it possible for LINE users to log into the LINE app (the "basic" one with messaging, calls and payment options) and, from there, apply for savings accounts and loans and manage existing bank accounts.²⁷

²⁵ "Square Capital head: We are leveraging data to extend credit to small businesses that lack access to traditional loans", <https://www.cnbc.com/2019/03/05/square-capital-head-extending-credit-to-small-firms-that-lack-access.html>, accessed 16th April 2021.

²⁶ "Introducing LINE BK, Thailand's First 'Social Banking' Platform", <https://www.fintechf.com/01-news/introducing-line-bk-thailands-first-social-banking-platform>, accessed 16th April 2021.

²⁷ "Line's Thai digital bank surpasses two million users four months after launch", <https://www.finextra.com/pressarticle/86489/lines-thai-digital-bank-surpasses-two-million-users-four-months-after-launch>, accessed 16th April 2021.

Fig. 12 – Square's buyer PBE building blocks.

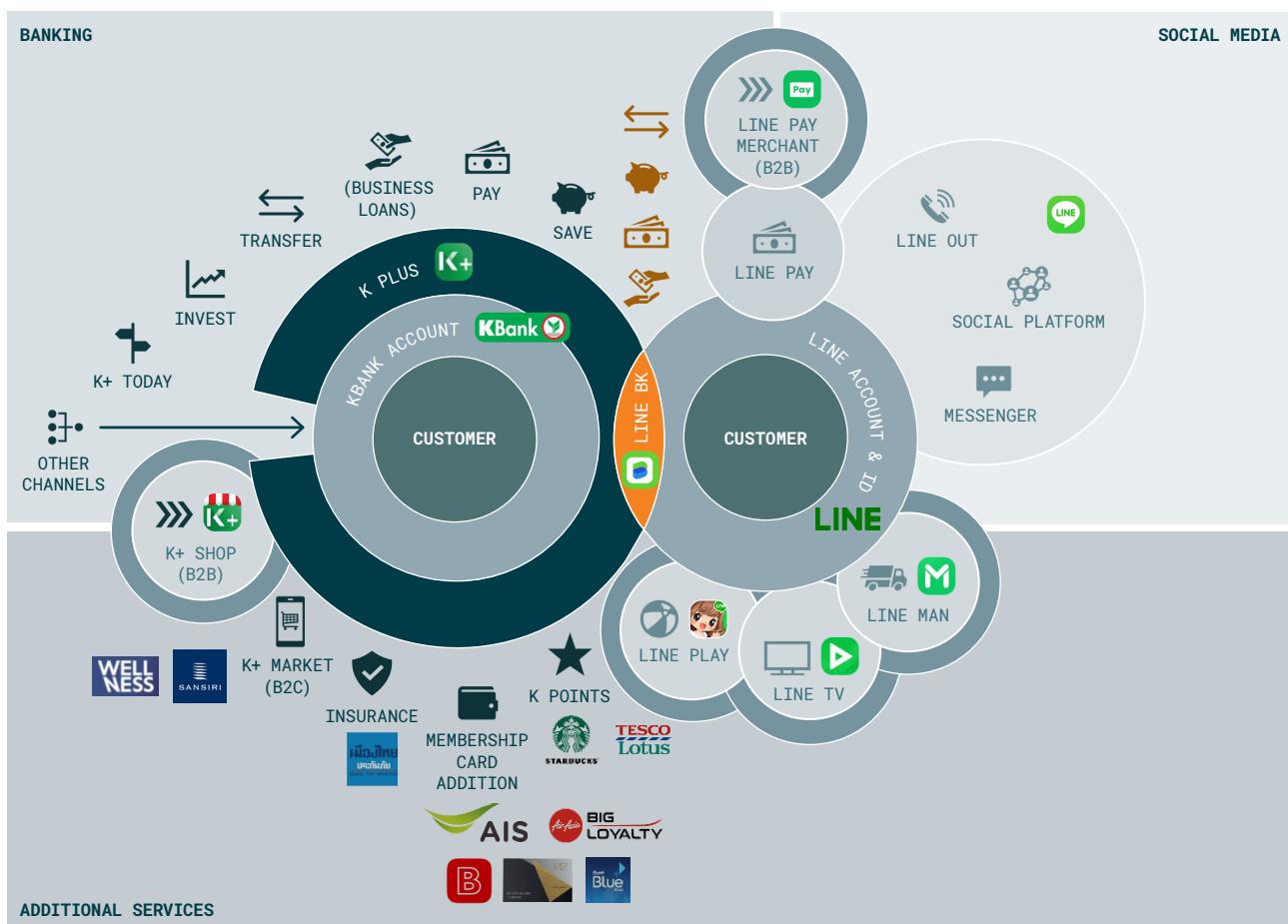
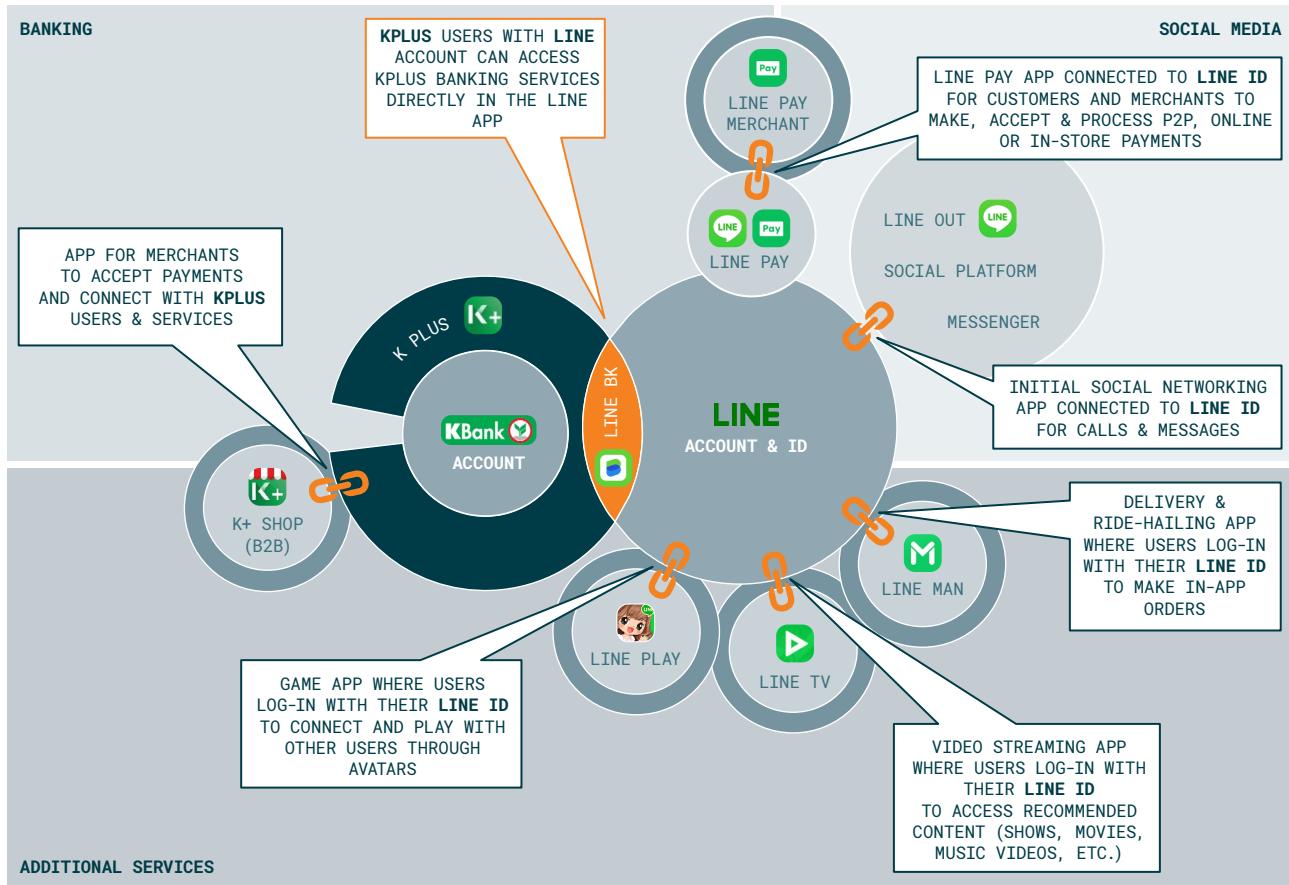


Fig. 13 – KBank and LINE’s complementary ecosystems.

Fig. 14 – KPlus PBEs.

On the bank’s side, customers of KBank who are using the KPLUS app get access to a multitude of services that go beyond usual mobile banking. Among other offers, KPLUS users can buy insurance, shop online and collect points for discounts with each transaction in one app.²⁸ On the other side, LINE users can log into a number of different LINE apps with a single LINE ID to connect with friends via messages, calls or online games, order food and groceries, make in-store payments or transfer money to friends.²⁹ Together, their joint venture Kasikorn-LINE offers advanced digital banking services through the LINE BK feature in the LINE app. The cooperation is valuable for both firms as it offers new banking services like (micro-) loans and savings accounts to potentially underserved LINE users, while connecting KBank to a potential reachable market of 44 million LINE app users.³⁰

Fig. 13 provides an illustration of the complementarity intersection between KBank’s and LINE’s ecosystems. Similarly to Square, KBank and LINE keep expanding their PBE and, in their specific cases, developing additional intersecting platforms and thematic journeys accessible through shared membership credentials. This enables both organisations to extend the type of services offered to their customers beyond their original business domain, providing their users and customers with the opportunity to benefit from functionalities including banking, social media, and an expanding range of additional services.

Fig. 14 and the tables in **Figs. 15, 16** and **17** provide an illustration of the building blocks of the KPLUS and LINE PBEs.

²⁸ “KBank makes most of digital channel services”, <https://www.bangkokpost.com/business/1905415/kbank-makes-most-of-digital-channel-services>, accessed 16th April 2021.

²⁹ <https://linecorp.com/en/business/service>, accessed 16th April 2021.

³⁰ “Kasikorn-Line offers loan options for unbanked”, <https://www.bangkokpost.com/business/1799389/kasikorn-line-offers-loan-options-for-unbanked>, accessed 16th April 2021.

SERVICES	DESCRIPTION	KBank K+ 
 MOBILE BANKING	<ul style="list-style-type: none"> Standard mobile banking services like transfers and payments including K+ Today for recommendations based on recurring payments history 	
 INVESTMENT	<ul style="list-style-type: none"> Managing investment portfolio in the app, sell & buy stock or invest in funds 	
 (BUSINESS) LOANS	<ul style="list-style-type: none"> Apply for (business) loans 	
 SERVING ACCOUNTS	<ul style="list-style-type: none"> Open and manage multiple savings accounts 	
 MEMBERSHIP CARDS	<ul style="list-style-type: none"> Connect certain membership cards from other business with K+ Account to keep track of points and possible rewards (e.g. AirAsia BIG Loyalty, PTT Blue Card) 	
 K+ MARKET	<ul style="list-style-type: none"> Shop and order products or coupons online, possibility to redeem K Points for purchases 	
 K POINTS	<ul style="list-style-type: none"> Collect K Points with transactions, redeemable for coupons and purchases 	
 INSURANCE	<ul style="list-style-type: none"> Buy (travel) insurance 	
 K+ SHOP	<ul style="list-style-type: none"> Separate B2B app for small businesses to accept and process payments by generating QR codes, track payments, integrated loyalty program 	
SERVICES	DESCRIPTION	LINE BK 
 MOBILE BANKING	<ul style="list-style-type: none"> KPLUS account can be linked to LINE account to use KPLUS banking services directly in the "wallet" tab in LINE app (e.g. savings accounts, loans) 	
SERVICES	DESCRIPTION	LINE 
 MOBILE BANKING	<ul style="list-style-type: none"> e-Wallet connected to bank account and LINE points, pay by scanning QR code at supported merchants, within LINE app or in LINE Pay app 	
 LINE PAY MERCHANT	<ul style="list-style-type: none"> B2B service for small business to accept and process payments at POS, integrated marketing tools (send messages, connect with customer on LINE) 	
 LINE OUT & MESSENGER	<ul style="list-style-type: none"> (International) voice and video calls and (group) messages between LINE users via internet connection 	
 LINE PLAY	<ul style="list-style-type: none"> Social online game, each user creates an avatar to play and connect with other users 	
 LINE TV	<ul style="list-style-type: none"> Video streaming app 	
 LINE MAN	<ul style="list-style-type: none"> App for multiple B2C services: food delivery, taxi/ride hailing, parcel delivery, grocery and convenience store product delivery 	

Fig. 15 – KPlus' PBE building blocks.

Platforms evolving into PBEs

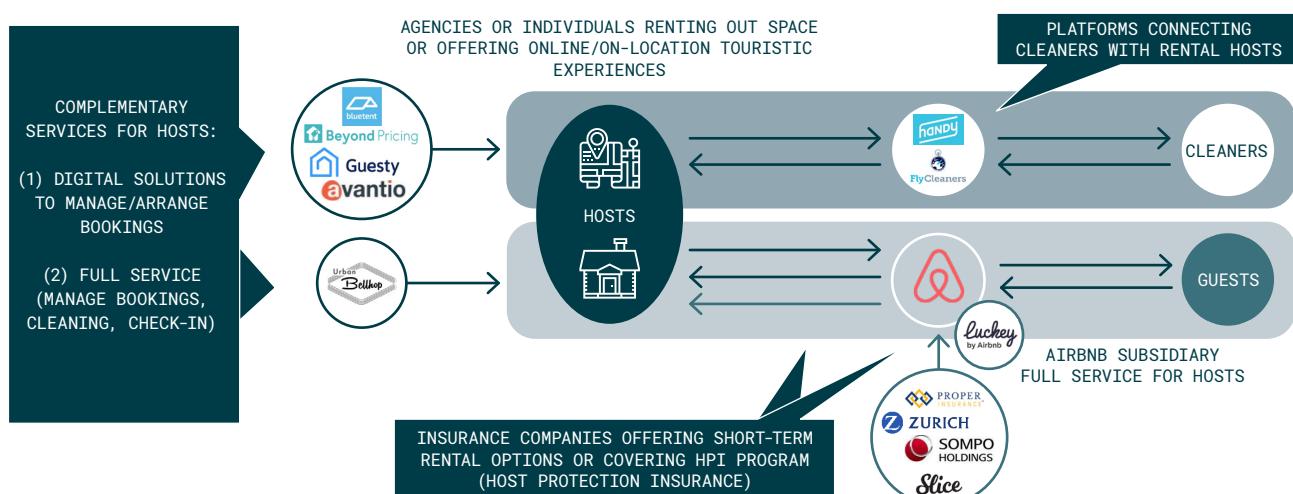
As we have seen, PBEs often develop over time within adaptive networks of companies. One option to drive this evolution is through new entrants offering complementary services to the existing platform. One example of this is the evolution of Airbnb. Its unique value proposition, which resembles what we know from typical marketplace businesses like eBay, is to match and facilitate transactions between two groups – in this case, guests and hosts. However, Airbnb is now expanding its range of services. Guests can now book related activities, such as cooking lessons or hiking trips, to enrich their travel experience. This is where Airbnb becomes an interesting case as a platform evolving into a PBE. While clearly a lodging platform, Airbnb is offering some complementary services that are part of the travel-themed customer journey.

Fig. 16 – KPlus' and LINE's PBE intersection.

In addition to that, Airbnb has created opportunities for other businesses that are complementary to hosts, ranging from property management, cleaning services and digital booking to pricing solutions. While Airbnb offers their own full-package service for hosts in some cities already (e.g. Paris and Madrid), other companies like Urban Bellhop or FlyCleaners (a platform in its own right) have managed to close those gaps with their own services by becoming indirect complementors of Airbnb's travel ecosystem, hence enabling a rental-themed journey. [Fig. 18](#) provides an illustration of the platforms that are developing in parallel to Airbnb by providing complementary services for Airbnb's hosts.

Fig. 17 – LINE's PBE building blocks.

Fig. 18 – Examples of complementary platforms built on Airbnb.



BUILDING BLOCKS AND THE ECOSYSTEM CANVAS

PBE BUSINESS MODEL HAS A NUMBER OF PARTICIPATING ORGANISATIONS ALL CONTRIBUTING WITH VARIOUS BUILDING BLOCKS NECESSARY FOR THE THEMATIC JOURNEY PROPOSITION TO ARISE

While both business models attract stock valuation premiums and are enabled by digital technology platforms, they are significantly different in terms of their building blocks and the number of organisations needed for the business model to operate.

Both platforms and PBEs are based on one or more digital enabling technologies. In the case of Uber, the Uber app for passengers and drivers is the interface for both parties to conduct a transaction – an Uber ride. On the one hand, the service is based on activities and solutions provided by Uber, e.g. driver recruitment and vetting, user registration, development and management of the Uber apps. On the other hand, it also draws on services and content provided by third party suppliers such as Google Maps and cloud infrastructure providers, mainly Amazon Web Services.³¹ Similar considerations are applied to PBEs where a technology solution provides the interface to capture the interaction between users and participants in the PBE. This is the case with the Square Account which gives access to the various applications and functionalities through the Square Dashboard or the respective Square mobile apps such as Square Team, Square Payroll and Square Appointments that are hosted in the cloud.

A platform's architecture is simpler. A central solution, such as a web marketplace, enables participants – such as sellers and buyers, developers and users or riders and drivers – to connect and transact. The organisation owning the platform proposition also directly, or through procured services – such as a payment facilitator for buyer and sellers in the case of PayPal and eBay – manages the technology needed for the platform to operate and exclusively controls participation and functionality.

In contrast, the PBE business model has a number of participating organisations – some in a partner capacity, others as not-strictly-necessary participants and others as suppliers – that coordinate in some form. All contributing with various building blocks necessary for the thematic journey proposition to arise.

³¹ <https://www.zdnet.com/article/uber-vs-lyft-how-the-rivals-approach-cloud-ai-machine-learning/> accessed 16th April 2021.

The Ecosystem Canvas that was made available to the wider business community by INSEAD Knowledge³² provides a conceptual framework and tool for designing and mapping PBE value propositions and those of their constituent parts. While referring the reader to INSEAD Knowledge for more information about the Ecosystem Canvas template and the description of its parts, we have applied it to existing PBEs' value propositions in order to give a practical example of the parts that need to be considered in building one or evaluating the options available to join an existing one.

Discovery's Vitality value proposition is one of the better known and more often quoted examples of PBE value propositions. [Fig. 19](#) provides a description of its constituent parts through the Ecosystem Canvas framework.

When designing an ecosystem, it is important to identify the necessary core partners as a first step. They are necessary collectively for a sufficiently relevant pool of addressable customers to kick-start the proposition. Similarly, core partners' value propositions and capabilities need to be complementary in order to, collectively, enable the thematic value proposition. In case of Vitality, the core partners that played an instrumental role in the early development of Discovery Insurance's proposition were gyms, looking for the opportunity to distribute life and health insurance cover to their subscribers. The complementarity of the insurance cover and of an active gym membership provided the idea and opportunity to kick start the Vitality concept.

However, PBEs are not limited to B2C and, similarly, the applicability of the concept of a "journey" is not limited to a set of activities undertaken by a physical person. For example, IMDEX, a technology company in the mining industry, developed an ecosystem based on data collection and management, supporting the life-cycle from prospecting to site-closing decisions.

³² "What Makes Business Ecosystems Succeed?", <https://knowledge.insead.edu/blog/insead-blog/what-makes-business-ecosystems-succeed-16356>, accessed 16th April 2021.

What we want to do?

Unique Value Proposition
What is the customer journey that you want to capture? "Behaviour change platform" to incentivise customers to achieve their "exercise, drive and money" goals (getting healthier, driving well, spending responsibly) by reducing their personal risks – offering them all the necessary services to incentivise and enable them to do so Vitality's loyalty platform connects the results and lets customers collect "Discovery Miles" which they can spend on rewards of their choosing (e.g. discounts); special offers for kids, teens and elderly.
Competitors Ecosystems (or platforms) that provide similar value proposition Standalone (non-platform) offerings that provide similar value proposition Horizon bFit Horizon "bFitprogram": rewards for regular exercise with tracked steps or at partnering fitness facilities. Health Insurance Fund of Australia (HIF): "Healthy Lifestyle Benefits, fixed amount" to be claimed for list of approved offers (e.g. weight loss, quit smoking). Medova Healthcare: group health benefits plans for firms based on healthy lifestyle.
Monetisation strategies Advertising, freemium, cross-selling, data analytics, transaction fees, payment services, etc. Cost savings based on cheaper policies for Vitality policy-holders – encouraging healthier customers to enrol (positive selection) & incentivising existing customers to live more healthily or reduce their risks and thereby costing less in coverage. Form paid partnerships and agreements with other insurers using the concept in their markets.

Orchestrator
Owns unique value proposition for the customer Discovery Vitality Orchestrating Vitality Health, Vitality Drive and Vitality Money with own insurance offerings & app in combination with various partners to incentivise a healthy life.
Core Partner(s) Provide the core customer base or complementary offerings needed to create value around unique value proposition Discovery combining and expanding its own offerings with Discovery Bank & different types of insurance policies. Practitioners, gym operators, dietologists & more to provide the basis for the Vitality Health program. Discovery Bank Discovery Miles Virgin active planetfitness move MOTION FITNESS CLUB Curves
Technology Enabler Supports technological operations of the ecosystem Discovery app: tracking results with Discovery Miles, gamification effect. Apple watch or Huawei Band 3 Pro: special offers for members to connect watch/band to the Discovery app and track Vitality Active Rewards. Apple WATCH Huawei
Complementors Enrich the customer value proposition, yet individually they are not critical for this value proposition to materialise Fitness, travel, retail, events & more reward partners: – Totalsports discounted gym gear; – PicknPay & Woolworths discounts on healthy food; – Go smoke free & other programmes. TOTALSPORTS PicknPay WOOLWORTHS go smoke FREE
Resellers Provide the ecosystem's offerings as part of their own product or service Manulife Bank GENERALI SUMITOMO LIFE Saludsa Vitality 中国平安 PINGAN

Who is needed to make it happen?

Ecosystem Canvas: © Andrew Shipilov and Francesco Burelli, 2021.
<https://knowledge.insead.edu/blog/insead-blog/the-five-essential-roles-of-corporate-ecosystems-16041>.
 Arkwright Analysis.

Fig. 19 – Discovery's Ecosystem Canvas.

"This ecosystem helps mining companies and their suppliers operate faster and more efficiently thanks to accurate subsurface data collected and shared among all interested parties. IMDEX is the orchestrator through its real-time mining intelligence solution, HUB-IQ. Technology enablers Micromine and acQuire provide mining data visualisation and storage capabilities to HUB-IQ.

Complementors include global mining firms such as Anglo American, suppliers (such as the maker of explosives Orica), as well as sensor providers that integrate and feed IMDEX's HUB-IQ platform. REFLEX, another IMDEX Limited company, combines the capabilities of HUB-IQ and those of AMC's drilling optimisation technologies, advising drilling decisions throughout the mining value chain, i.e. a reseller of HUB-IQ's capabilities."³³

The components within this ecosystem are illustratively mapped on the Ecosystem Canvas in Fig. 20.

³³ "The Five Essential Roles of Corporate Ecosystems", <https://knowledge.insead.edu/blog/insead-blog/the-five-essential-roles-of-corporate-ecosystems-16041>, accessed 16th April 2021.

What we want to do?



Unique Value Proposition

What is the customer journey that you want to capture?



Real-time, data driven, integrated end-to-end mining decisioning support eliminating data management inefficiencies (e.g. time gaps in data availability, data normalisation, etc.).

Multi-user data access and presentation platform allowing in-time decisioning (e.g. deciding which samples to prioritise in laboratory analysis).



Competitors

Ecosystems (or platforms) that provide similar value proposition Standalone (non-platform) offerings that provide similar value proposition



MineExcellence: Drilling and blast technology, mine safety and drone data analytics SaaS inclusive of drill / blast data and document management.



Corva: Oil and gas data analytics and multi-channel data presentation solutions.



Aucerna: Energy industry data management, corporate planning.



Monetisation strategies

Advertising, freemium, cross-selling, data analytics, transaction fees, payment services, etc.

HUB-IQ is a complementor to other IMDEX value propositions to improve their competitive positioning.

Licensing of stand alone solution.



Orchestrator

Owns unique value proposition for the customer



End-to-end mining management solution through HUB-IQ cloud technology solution as a data analytics and orchestration tool for mining life-cycle.



Provide the core customer base or complementary offerings needed to create value around unique value proposition



AMC for optimisation of drilling programmes.

REFLEX software solutions and tools for on-site data collection (e.g. IQ LOGGER), and measurements (e.g. XRF).
IMDEX Academy training services.



Supports technological operations of the ecosystem



Sequent: Real-time 3D data visualisation.

Micromine: Integration of "Geobank" data management solution with the REFLEX IQ-LOGGER core technology.



Acquire: Provide visualisation and storage capabilities for mining data.



Complementors

Enrich the customer value proposition, yet individually they are not critical for this value proposition to materialise



UFR & Gold Fields: Joint R&D with IMDEX BLAST DOG – autonomous system for multi-parameter measurement of blast holes.



Resellers

Provide the ecosystem's offerings as part of their own product or service



Cross-selling with IMDEX brands

Mining companies collaborating in new developments (testing) and requesting their technology providers to integrate data in HUB-IQ.

Who is needed to make it happen?

Ecosystem Canvas: © Andrew Shipilov and Francesco Burelli, 2021.

<https://knowledge.insead.edu/blog/insead-blog/the-five-essential-roles-of-corporate-ecosystems-16041>.

Arkwright Analysis.

Fig. 20 – IMDEX's Ecosystem Canvas.

DEVELOPING A PLATFORM AND AN ECOSYSTEM

Like any other business model, the success of platforms and PBEs depends on the ability to address a market opportunity through distinctive capabilities. In Arkwright's experience in supporting clients with the evaluation and development of platform and PBE opportunities, typically within the context of digital strategies or corporate venturing engagements, there are three additional considerations that must be considered.

1) Critical Success Factors:

Because of the building blocks they need, platforms and PBEs require a different focus, and depend upon different critical success factors.

These are:

	Platform	PBE
Focus when developing the opportunity	Friction within an activity or exchange involving two parties	Thematic customer journey opportunity + access to a sufficiently sized addressable and reachable customer base + ability to credibly engage with (potential) core partners
Critical Success Factor	Scale	Scope and scale

2) Capital Requirements Considerations:

The success of both business models is contingent upon the ability to sustain large-scale investment, often over a prolonged period of time. Nevertheless, the investment is needed for different purposes.

The necessary duration of the investment is typically shorter for PBEs. The two major reasons for these capital requirements can be summarised as following:

	Platform	PBE
Rationale for high capital requirements	Incentivise adoption in order to reach critical mass and dominance over the intended market at speed	Support the cost of development of a complex value proposition based on shared technology platforms and collaboration/alliances with other organisations
Investment timeframe	Typically protracted over a period of time in pursuit of dominance of the intended market. This may include geographical expansion as a way to prevent the emergence of competing value propositions in neighbouring markets	Typically limited over an inception period as the PBE typically underpins an existing business of the Orchestrator and Core Partners

3) Number of available options for exploration

In addition to the ability to invest, the number and nature of possible platform and PBE options available to any organisation are typically related to the nature and reach of the organisation. This consideration is particularly applicable to the breadth of the business lines an organisation operates, as these provide the foundational insights, the reach into a network of potential core partners and customer base to explore and start developing an opportunity.

Large multi-business organisations, for example universal banks or industry conglomerates, usually have a variety of strategic options available for exploration. The complexity of these business models, and of the organisational change needed to release them, is also significant and it is necessary to focus efforts on a very limited number of ventures to handle the complexity of the required organisational learning. Once one platform or PBE proposition is launched, it is easier to expand on it by exploring adjacent frictions, white spaces and potentially complementary thematic journeys.

There are a number of successful platforms and ecosystems globally and, subject to not having intellectual property limitations, there are also a variety of successful business cases that can be analysed and adopted as a source of inspiration.

CONCLUSIONS

"Platform" and "ecosystem" have become two frequently used business buzzwords in the last decade based on the price-earnings premium that these businesses receive from the markets. While the two terms are often used interchangeably, they should not be confused. Platforms create value by eliminating friction from transactions and exchanges, for example in the case of a marketplace, whereas (platform-based) ecosystems do so by organising the contributions of multiple companies, which collaborate to create a unique value proposition within a thematic customer journey.

In comparison to PBEs, platforms are simpler business models. PBEs have a higher number of constituent parts and are hence more complex to develop, operate and manage. Further, the business focus of the two models and their critical success factors are different: while platforms need scale to dominate their intended market, PBEs require a combination of scale and scope. The Ecosystem Canvas framework offers support in analysing and planning these business models and evaluating opportunities, as well as defining:

- The unique value proposition that we are developing
- The role we can play within the value proposition
- Whether to consider developing our own platform or ecosystem or becoming a partner to an existing one

There are a number of success cases for both business models in B2C and B2B. Some of these cases develop multiple complementarities and can intersect, becoming virtual participants in each of the other PBEs, as in the case of KPLUS and LINE. Once one platform or PBE proposition is launched, it often expands by exploring adjacent frictions, white spaces and potentially complementary thematic journeys. The vast majority of these business types are highly evolutionary, with examples of platforms and ecosystems being built as a complement to each other and extended into more articulated value propositions that bring additional services and convenience to their customers.

The successful development of both business models requires the ability to sustain large scale investment, often over a period of time. Ultimately, it is also to be highlighted that these are not new business models. There are a number of very successful B2C and B2B cases that can be looked into and analysed for inspiration and suitable adaptation. Some models, for example that of Vitality, have been replicated in other geographies, proving the universal applicability of these ideas and the benefit of being able to look to success stories in other markets for inspiration.

APPENDIX

LEGEND OF PBE COMPONENTS

Ecosystem-services for consumers / users
(legend).

FINANCIAL SERVICES	ENTERTAINMENT	OTHER
 MOBILE BANKING	 ONLINE GAMES	 BIKE LENDING
 PAYMENT CARD	 TV/VIDEOS	 (FOOD) DELIVERY
 LOANS	 TICKETS FOR EVENTS	 GROCERIES (DELIVERY)
 SAVE/INVEST (FUNDS)	 LOYALTY	 HOTEL BOOKING
 PAYMENT RECOMMENDATION	 POINTS/REWARDS	 ONLINE STORES
 BITCOIN TRADING	 MEMBERSHIP CARDS	
 IN-STORE & ONLINE PAYMENT	 COMMUNICATION	
 INSURANCE	 CALLS	
 P2P PAYMENT	 MESSENGER	
 (STOCK) INVESTMENT	 SOCIAL PLATFORM	

**Ecosystem-services for businesses /
merchants (legend).**

ADMINISTRATIVE	FINANCIAL	ADDITIONAL SERVICES
 TAX FILING	 PAYMENT PROCESSING	 APP PARTNERS
 PAYROLL	 PAYMENT CARD	 EXTERNAL SOLUTION PARTNERS
 TEAM MANAGEMENT	 LOANS & CASH ADVANCE	OTHER
 ANALYTICS	CUSTOMER OUTREACH	 GUIDANCE
 INVENTORY MANAGEMENT	 BUILD ONLINE STORE	 COMMUNITY
	 LOYALTY PROGRAM	
	 MARKETING	
	 (FOOD) DELIVERY	

ARKWRIGHT PROFILE

WE BELIEVE
IN PRAGMATISM,
METICULOUSNESS
AND IN DEEP
KNOWLEDGE OF
THE INDUSTRIES
IN WHICH WE
OPERATE

Arkwright is a management consulting firm offering strategy advisory services to private corporations, NGOs, investors and start-up companies. Amongst a number of different industry-dedicated teams, our Digital, Payments and Digital Banking practice is one of the most experienced globally, positioning Arkwright as a high-end digital financial services and payments specialist strategy boutique.

With clients that include major financial institutions, central banks, technology providers and institutional investors as well as internet market places and media organisations, Arkwright has hands-on experience in leading and supporting the development of digital strategies and digital transformation.

Our knowledge of global cases and best practices, proprietary ideation methodologies and the hands-on experience of our management consultants and industry experts is able to support throughout the strategy and implementation phases.

We believe in pragmatism, meticulousness and in deep knowledge of the industries in which we operate. At the heart of our mission is the development and implementation of enduring performance improvements and growth strategies, in partnership with our clients.

When we founded Arkwright in 1987, we did so with a strong belief that clients' sustained success requires deeper collaboration and a different working model than what we experienced at the time. Since then, our focus on deep-rooted, long-term partnerships with selective clients has formed the basis of our approach and helped us grow to what we are today: an international consultancy with Nordic roots, operating truly globally, from our offices in Hamburg, Oslo and Stockholm and with additional operational presence based in the Middle East and the US.

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