

Leveraging platforms in asset management

Trends in Asset Management 2023 - Maintaining a Better World

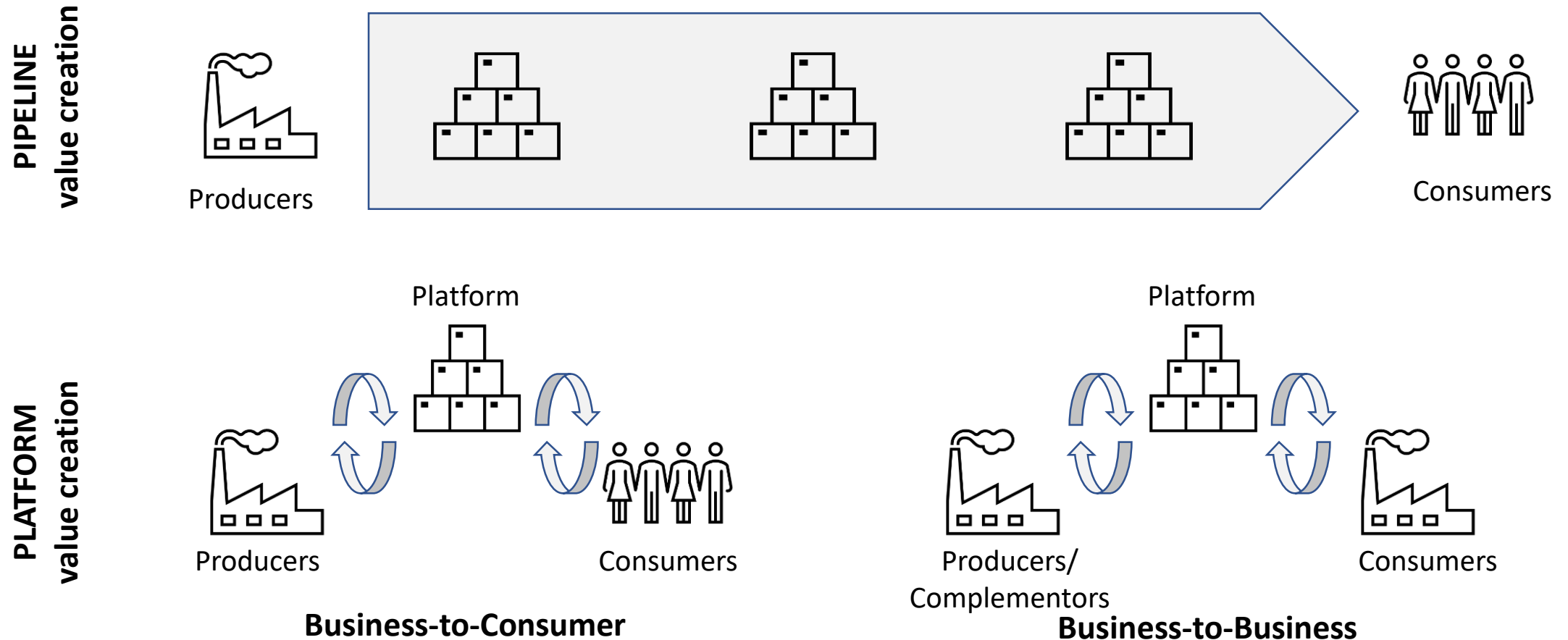
Prof. Erik Beulen

University of Manchester (UK) & Tilburg University (NL)

Platforms value creation - agenda

- Platform value creation explained
- Leveraging platforms in asset management
- Assets activity cycle
- Strategies for core actors of ecosystems
- Green technology
- Internet of Things
- Augmented reality
- Blockchain & Smart Contracts

Platforms value creation

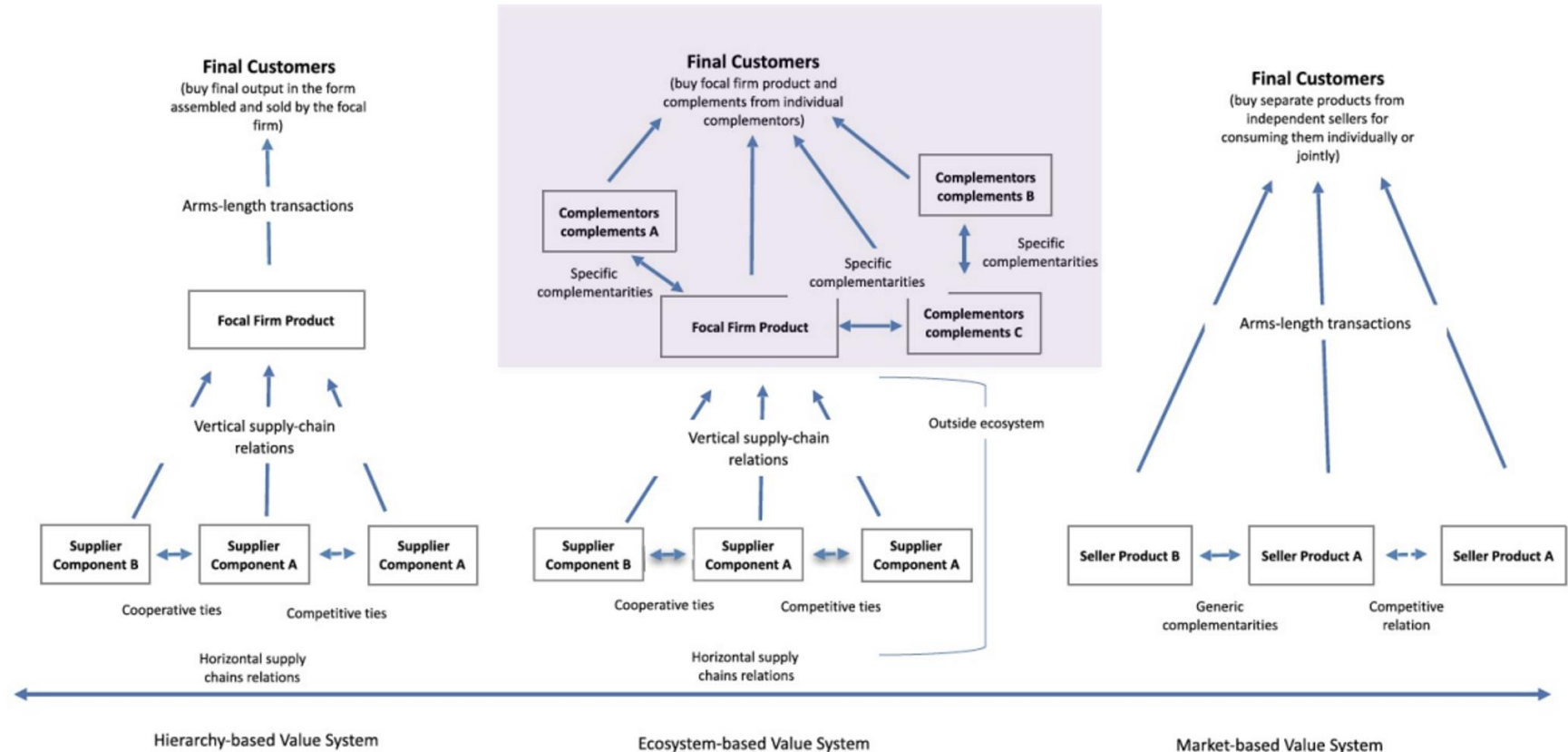


Leveraging platforms in asset management

Platforms connects partners in ecosystems and facilitate seamless collaboration including data exchange.

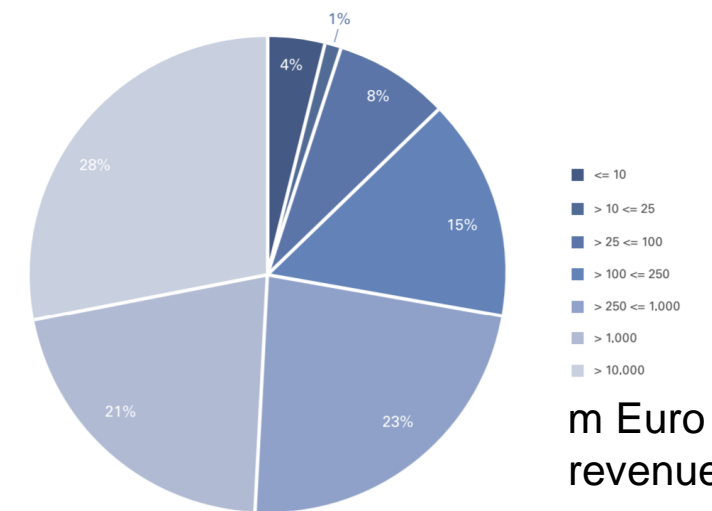
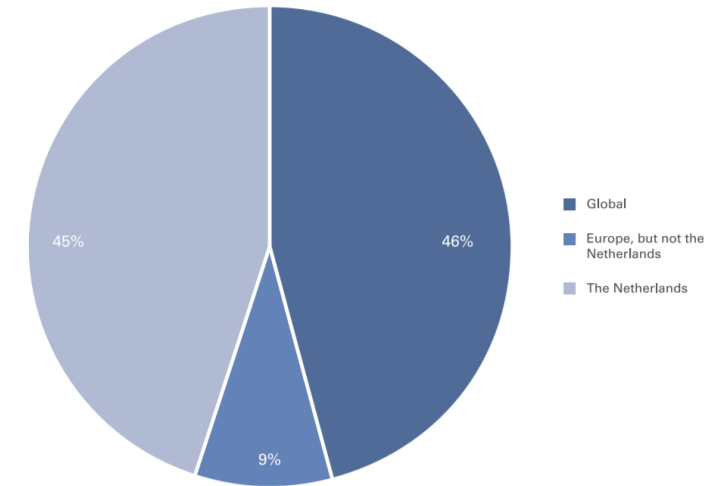
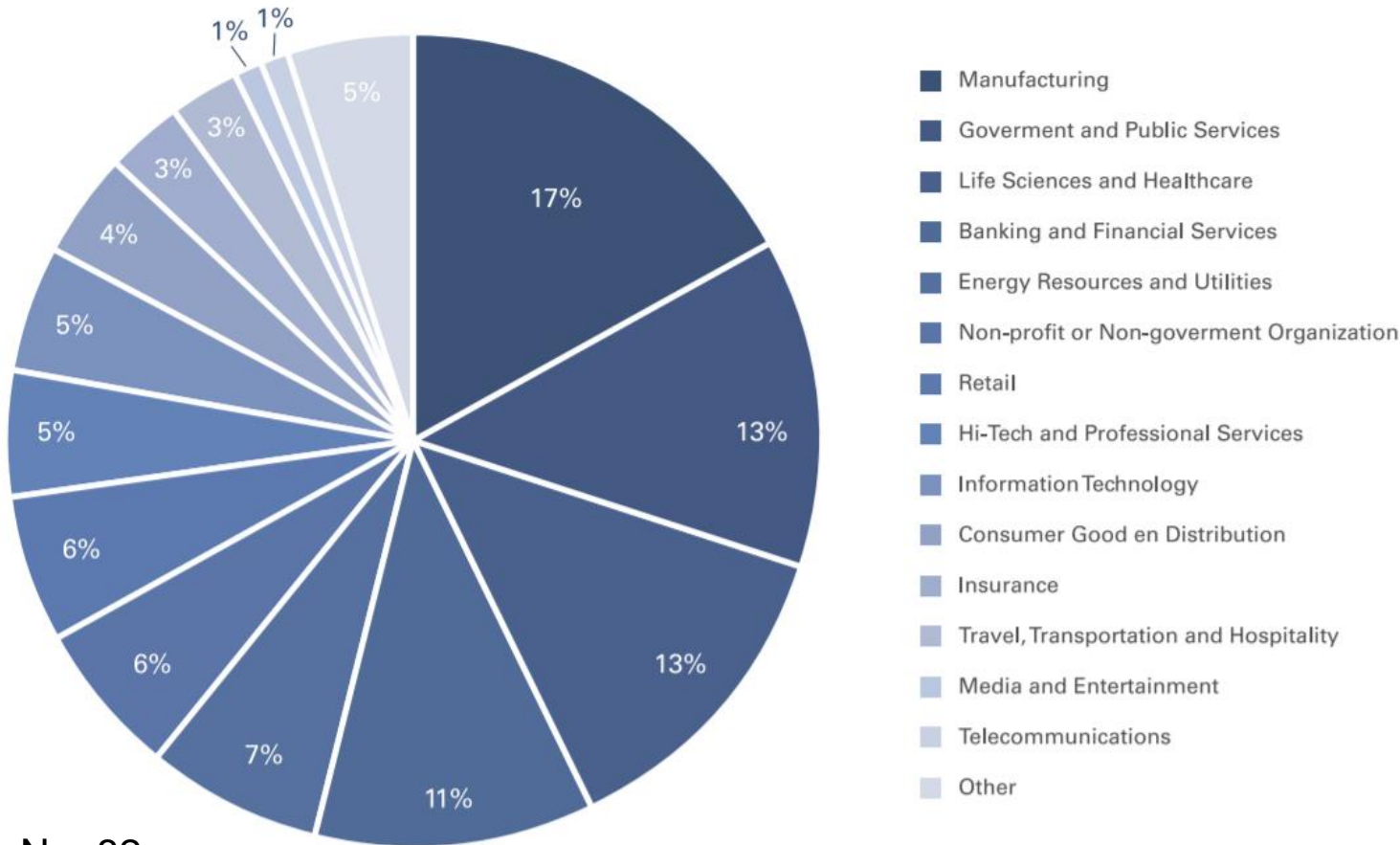
Understand and explore opportunities.

In this session we will address how platforms, technology innovations and your business processes contribute to your business goals.



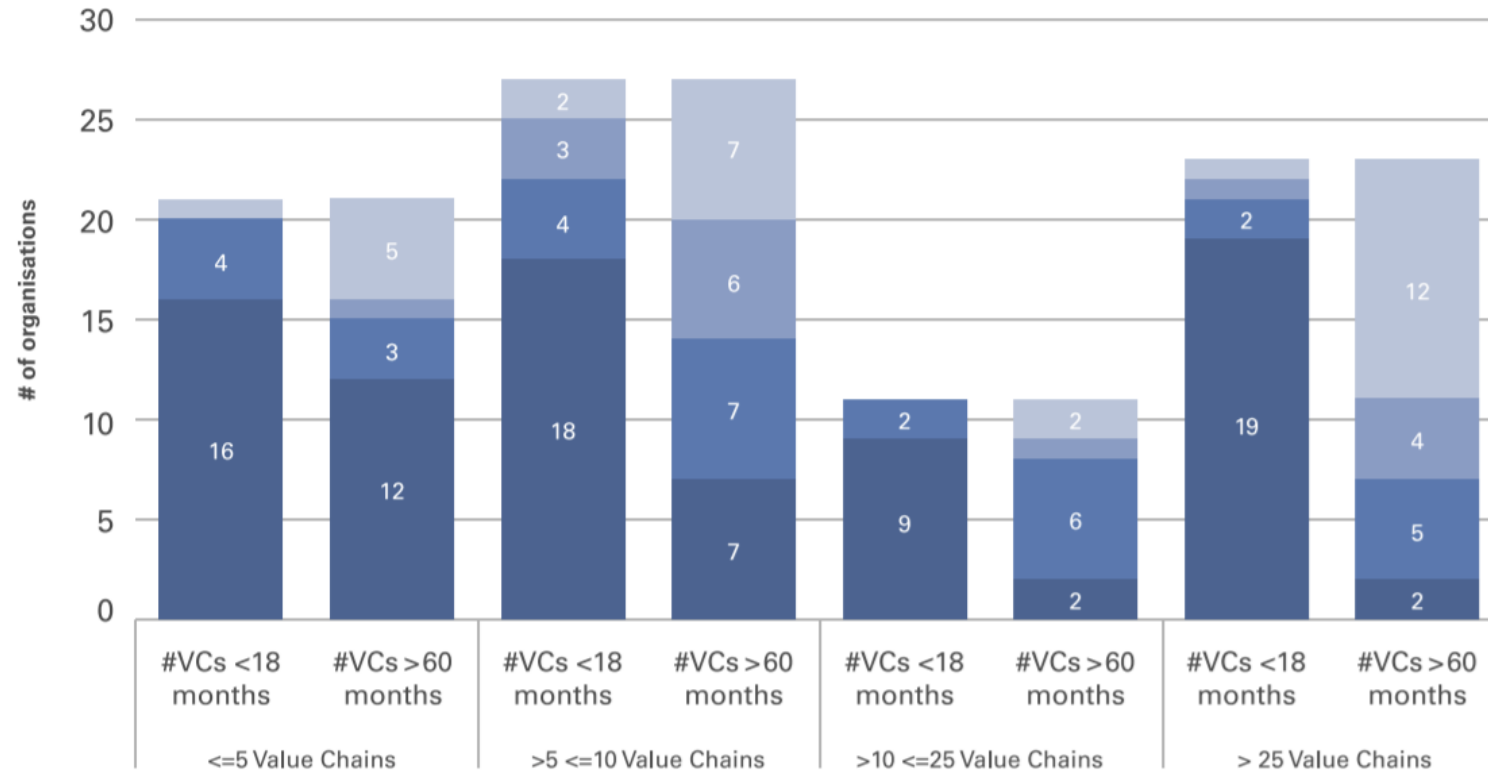
Jacobides, M.G., Cennamo, C. and Gawer, A., 2018. Towards a theory of ecosystems. *Strategic Management Journal*, 39(8), pp.2255-2276.

A research study to discover the significance of Ecosystem Partnering in value creation



Excelling in the Digital World

A research study to discover the significance of Ecosystem Partnering in value creation

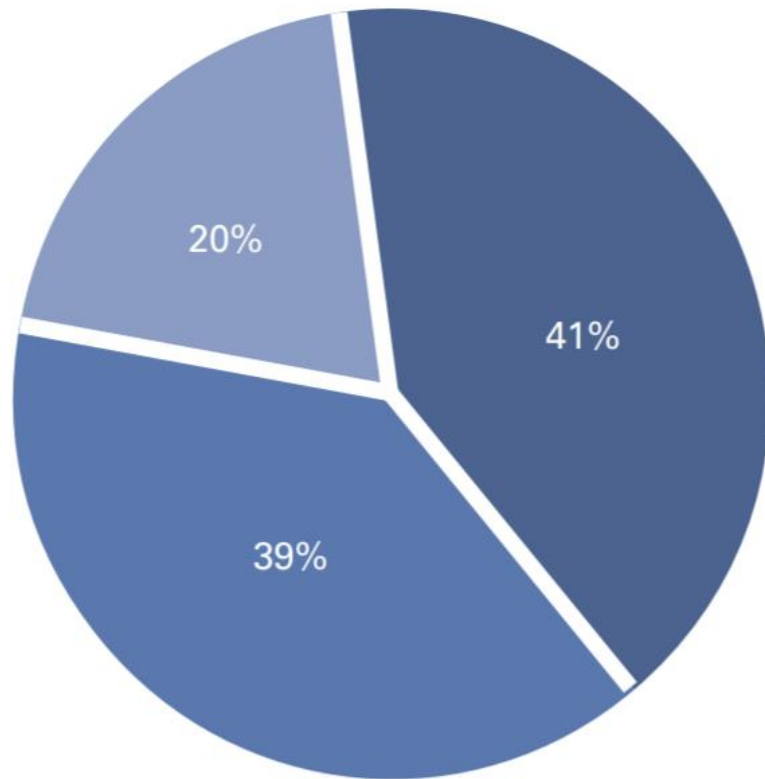


Stability in Value Chain participation is paramount!

Percentage of Value Chains initiated either less than 18 months or over 60 months

■ ≤ 10% ■ > 10% ≤ 25% ■ > 25% ≤ 50% ■ > 50%

A research study to discover the significance of Ecosystem Partnering in value creation

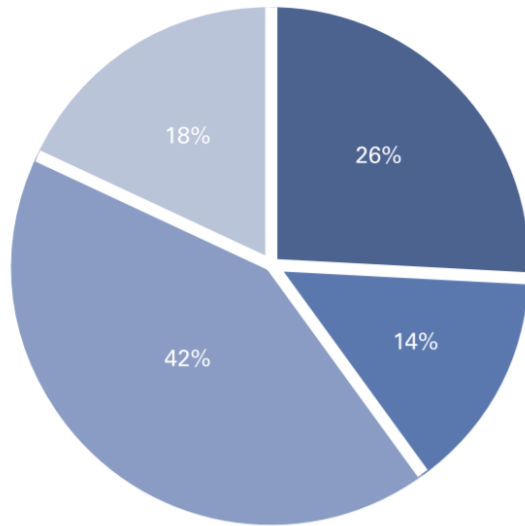


IP creation potentially improves the competitive position

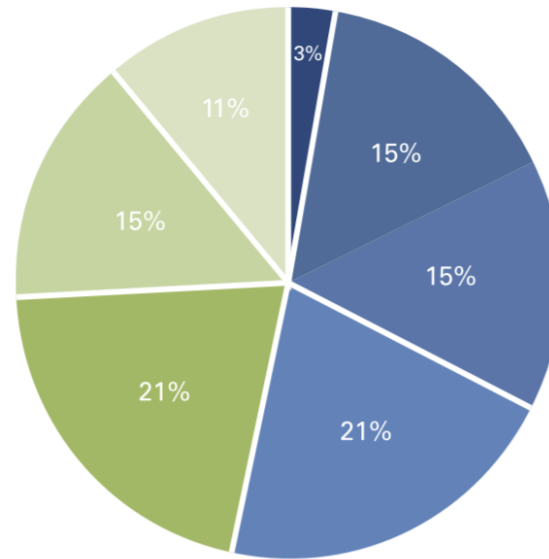
To get access to resources, market and improve competitive positions, **larger organisations fund their key partners** – typically smaller or specialized organisations or start-ups

Excelling in the Digital World

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- Active: strategic decision including thorough market research
- Active: Accepting partnering proposal
- Both active and passive-predominantly active
- Both active and passive-predominantly passive

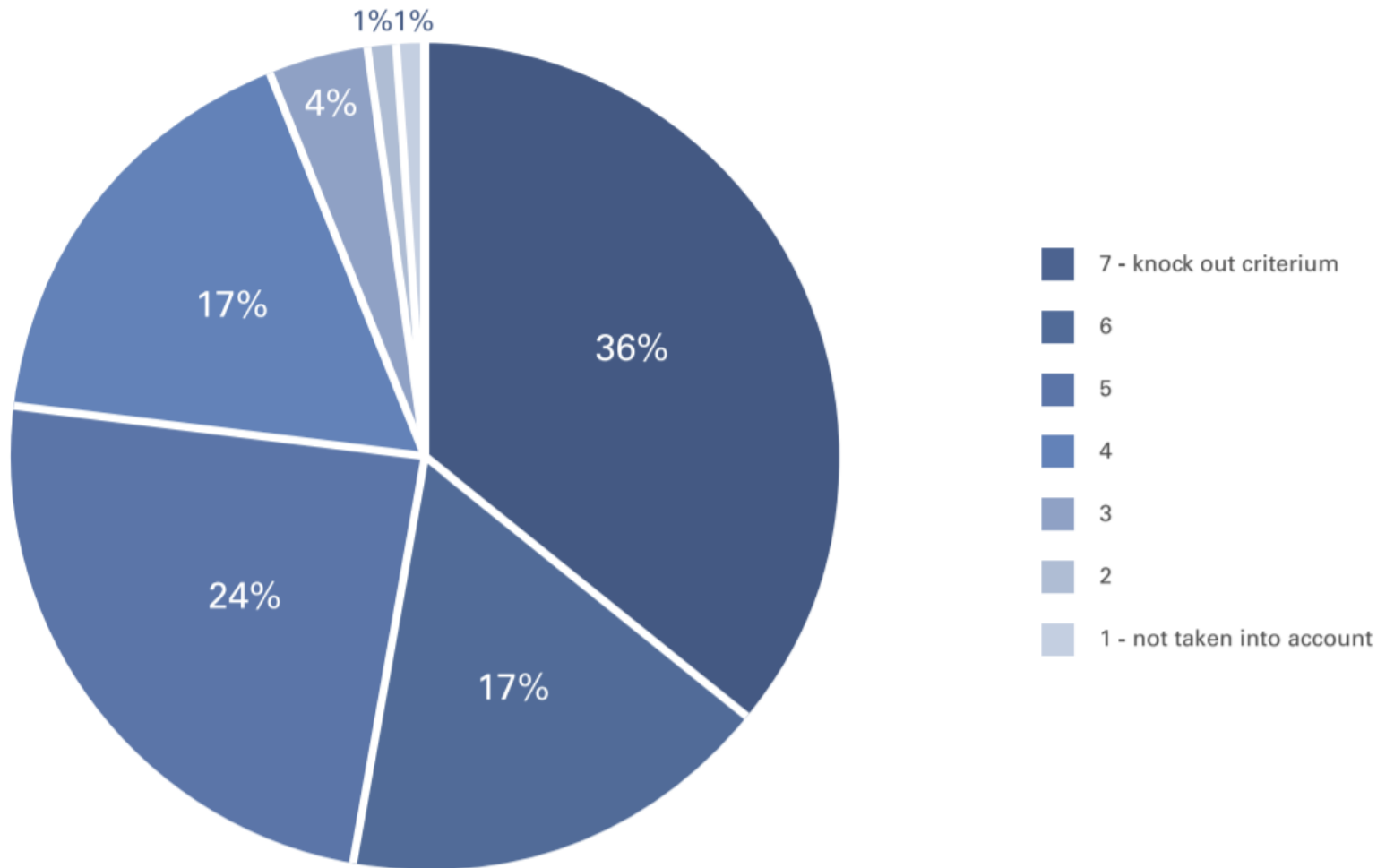


- Financial criterion - Increased gross margin – from the start onwards
- Financial criterion - Increased gross margin – in the long term (over 12 months)
- Financial criterion - Increased revenue – from the start onwards
- Financial criterion - Increased revenue – in the long term (over 12 months)
- Non-financial criterion - Leverage and extend skills and capabilities
- Non-financial criterion - Exposure / prestige
- Non-financial criterion - Accelerate innovations and time to market

Despite the stability in value chains participation, organisations are **actively engaging**

Criteria for ecosystem partnering are diverse but not limited to financial criteria

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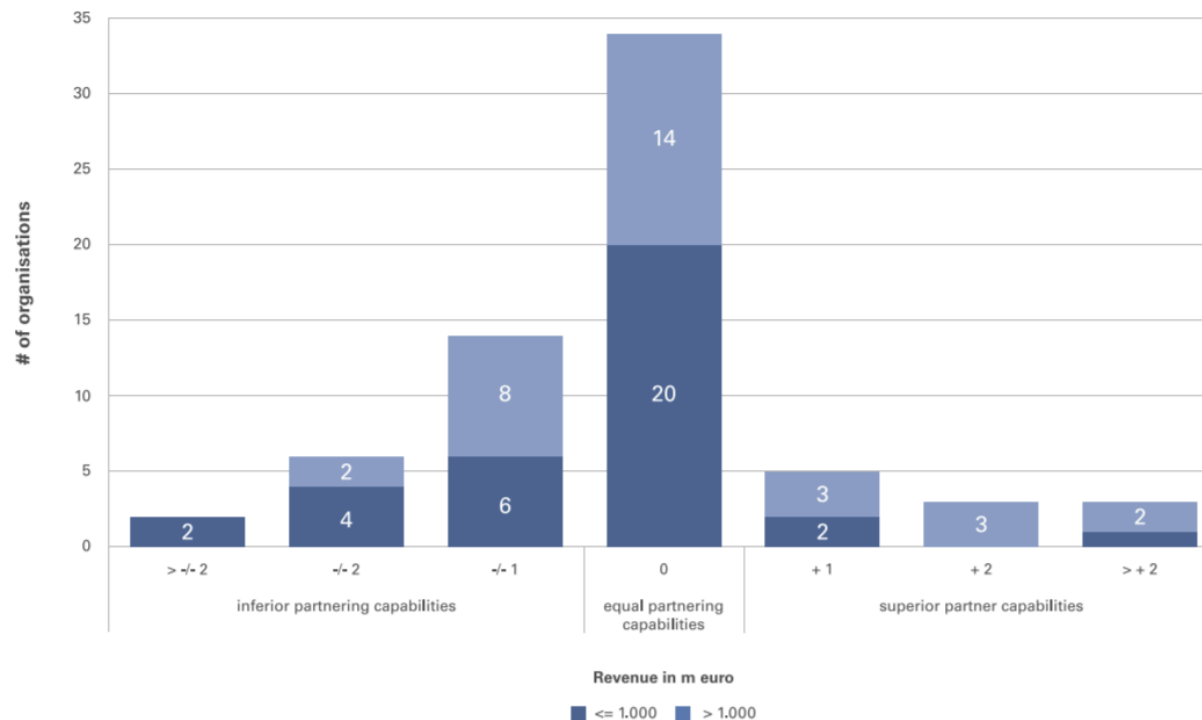


Degree **ethical consideration** are taken into account in **selecting value chains**

My question to all of you – is this good enough?

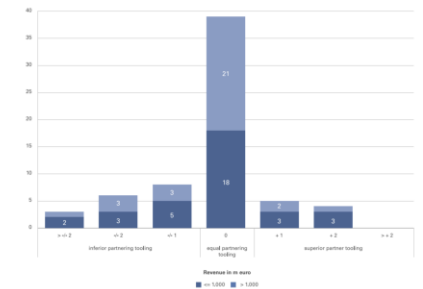
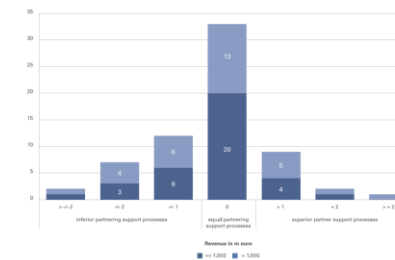
Excelling in the Digital World

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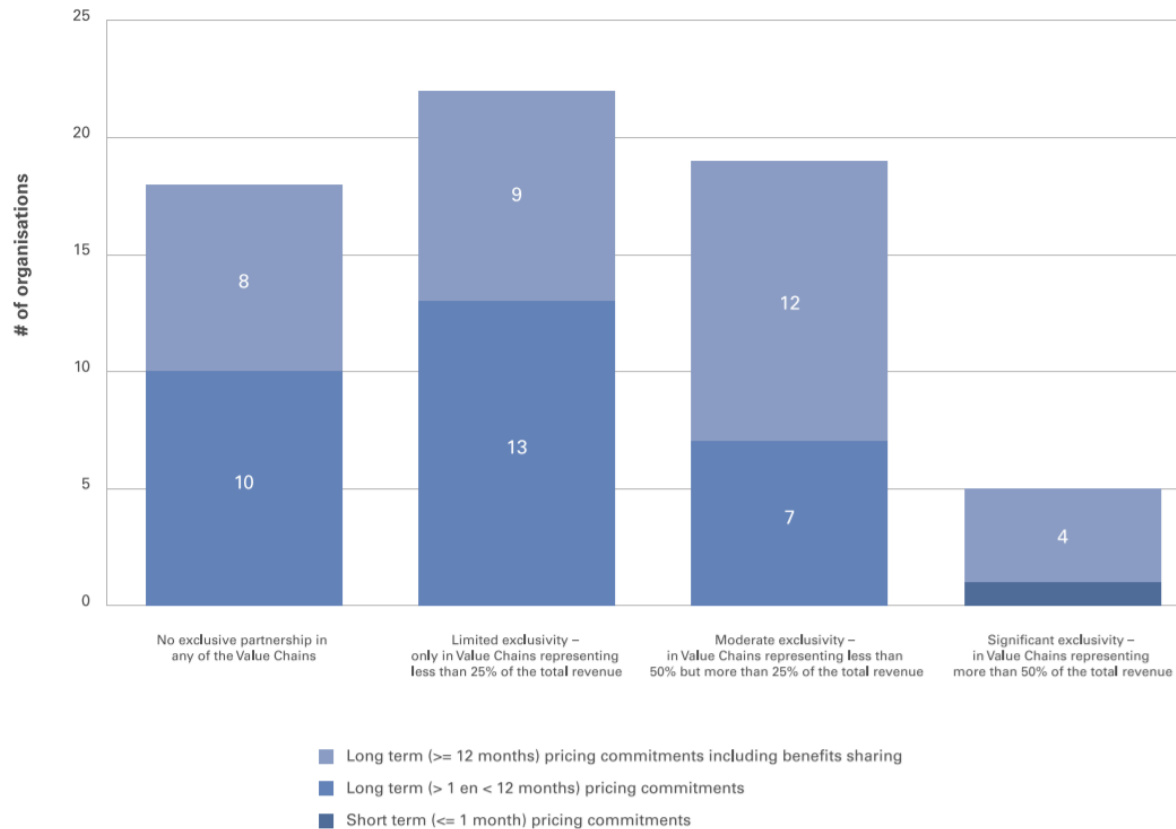
- Not much difference in
1. Partnering capabilities
 2. Support processes
 3. Tooling

Select partners with an equal maturity



Likert scale 1- 7 – delta own organisation and partner

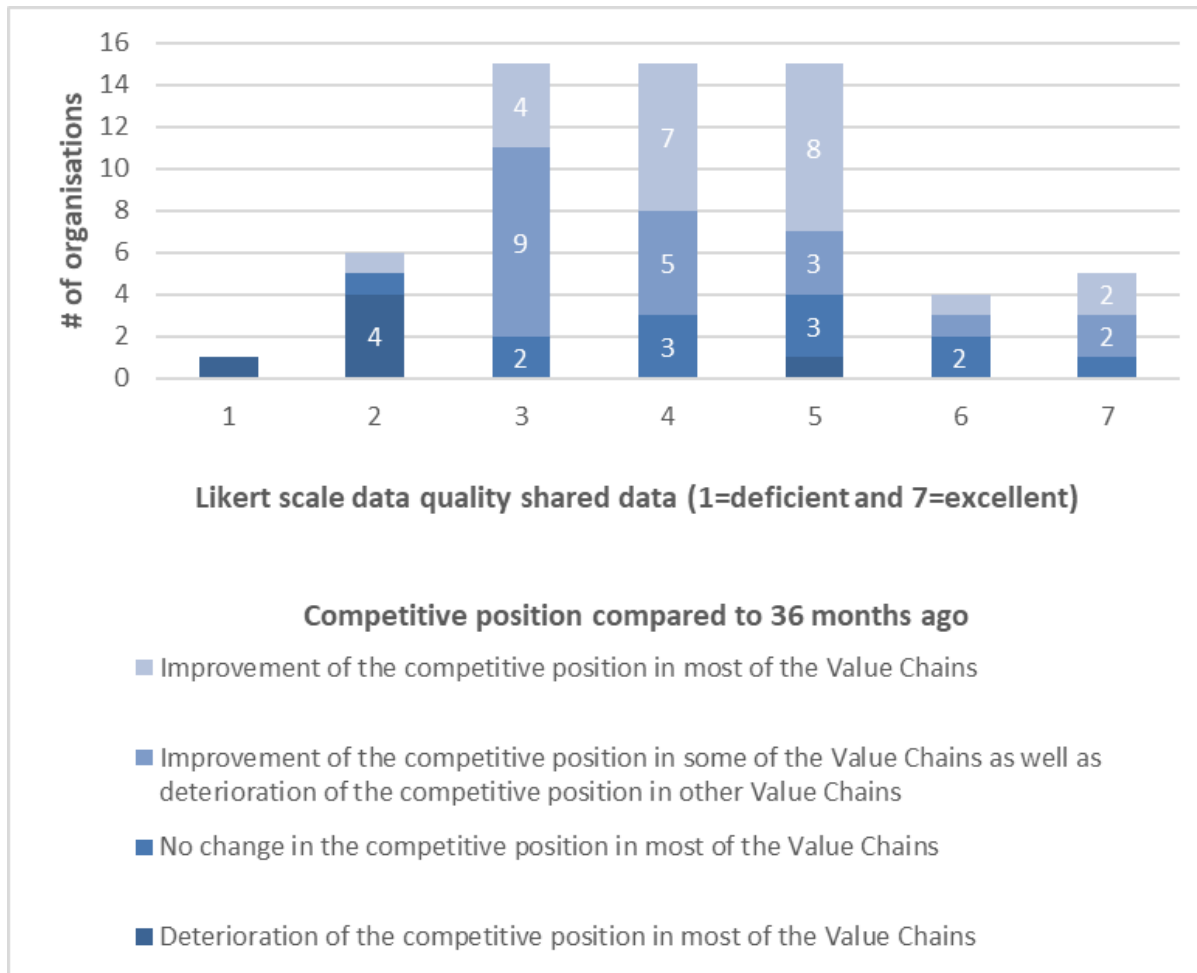
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Mid to long term price commitments

Limited exclusivity for the value chains with largest revenue streams of most organisations

A research study to discover the significance of Ecosystem Partnering in value creation



High data quality improves the competitive position

A research study to discover the significance of Ecosystem Partnering in value creation

Five areas require action!

1. Continue to develop partner capabilities
2. Design partnerships powered by trust and managed by contracts
3. Share data, share more data – in parallel improved the data quality!
4. Anticipate on future legislation to ensure compliance
5. Follow your moral compass

Assets Activity Cycle

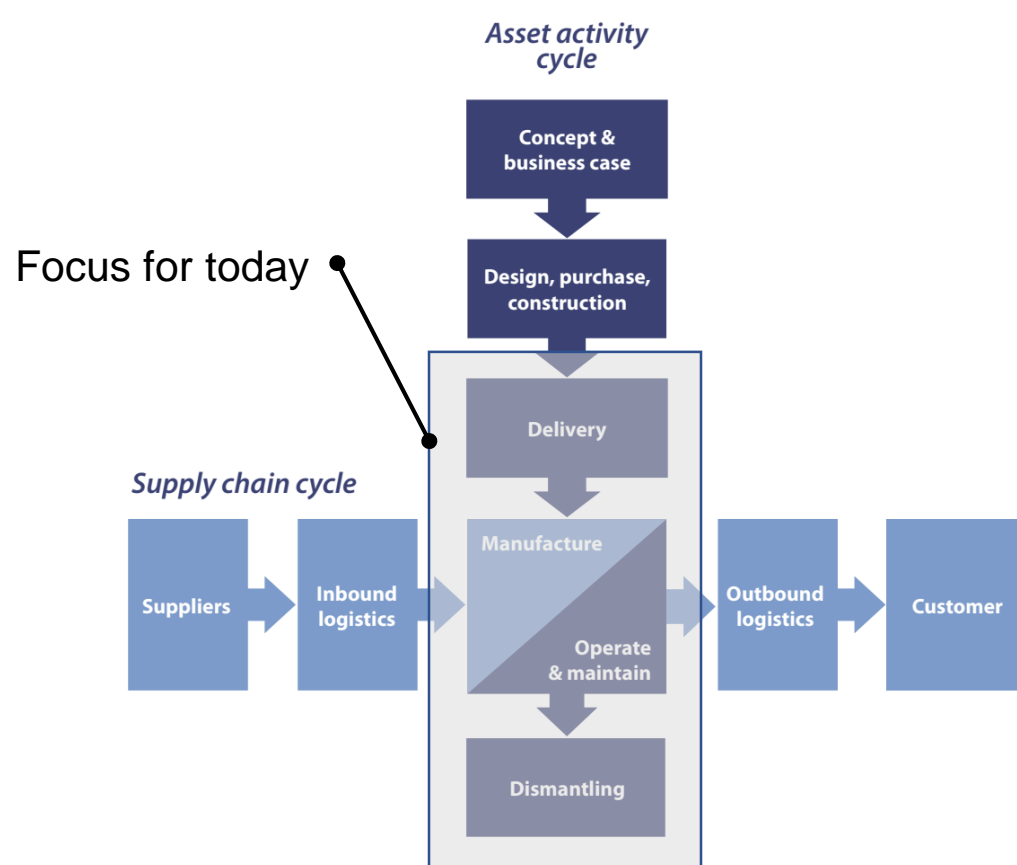


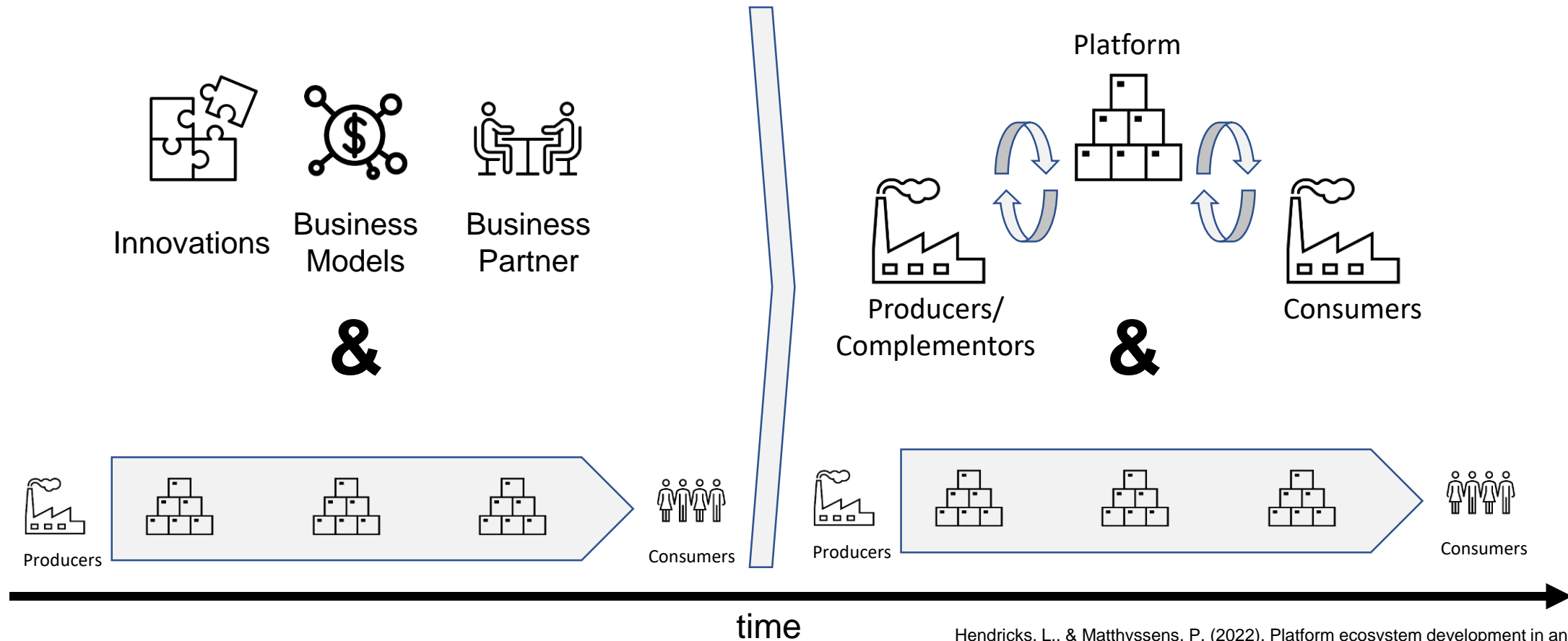
Figure 1: Asset activity cycle and supply chain cycle

In industrial companies, six main asset management goals can be distinguished:

- Asset - output
- Asset - input
- Asset integrity and compliance
- Asset lifetime
- Costs
- Innovation and improvement

<https://www.stork.com/en/news-media/whitepapers/asset-management-policy-strategy>

Strategies for core actors of ecosystems to strengthen established business models and unleash value innovation initiatives



Hendricks, L., & Matthyssens, P. (2022). Platform ecosystem development in an institutionalized business market: the case of the asset management industry. *Journal of Business & Industrial Marketing*, (ahead-of-print).

Strategies for core actors of ecosystems to strengthen established business models and unleash value innovation initiatives

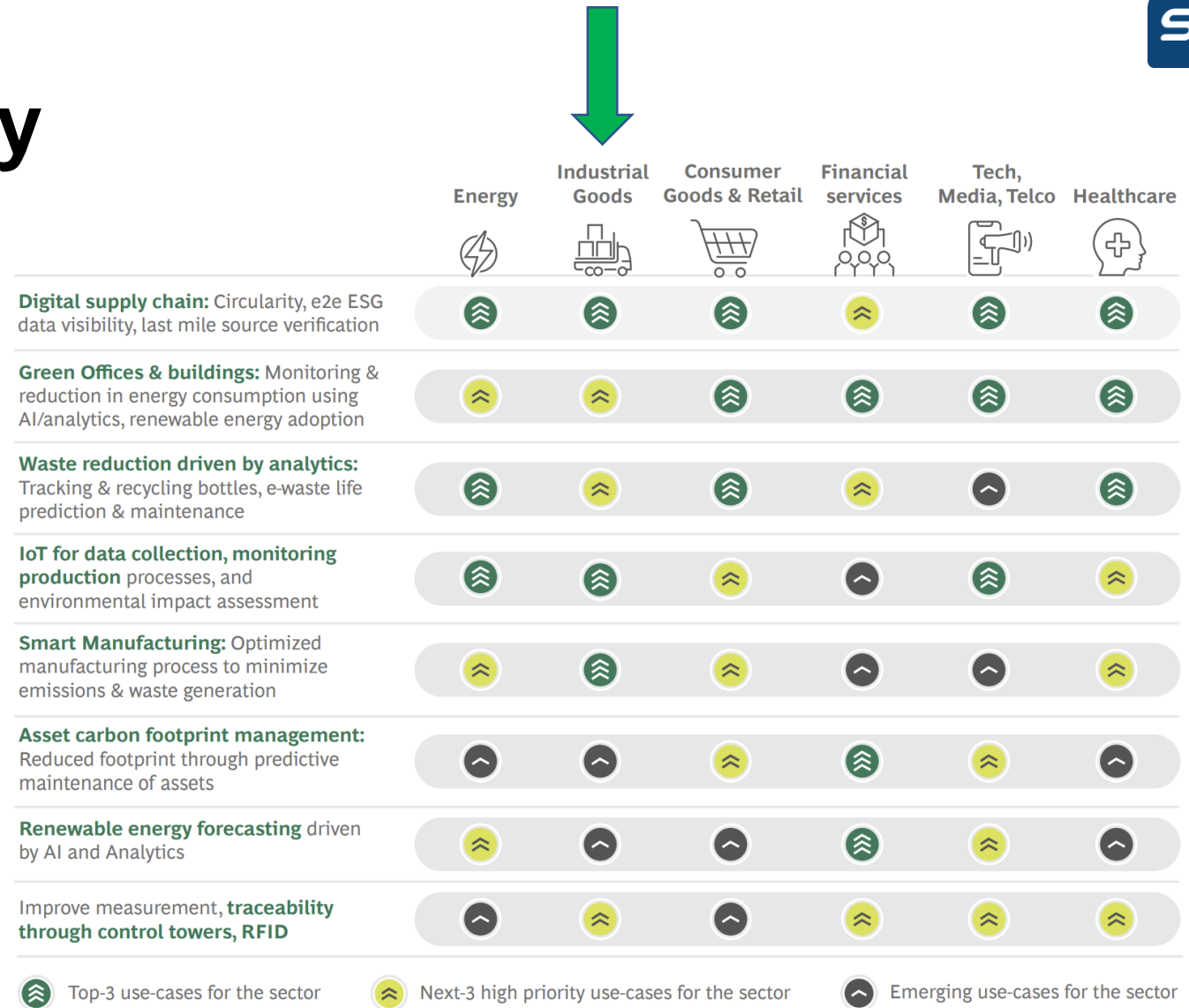
#	Institutional rigidities	Barrier	Intentions & Levers	Observations	Outcome
1	Setting up a core network	Lack of trust in a new player on the market. First commitment is difficult to obtain, customers hesitate	Legitimacy & Trust	Controlled approach - structured partner selection and alignment	Ecosystem spin-off in conjunction with traditional business model
2	Starting to value co-creation	Unclear market Innovations stay within boundaries of established industry recipe Bureaucracy hinders innovation Focus on delay platform launch to limit risk	Identification of market gaps and operationalization for value innovation	Mobilization spin-off Installation of portfolio committee Selective market actors to participate in focus groups	Growing trust by initial successes and effective collaboration (portfolio committee and focus groups)
3	Towards platform launch	Not aligned commercial goals and (including business models) Lack of willingness to invest	Strategic investment and planning for commercialization Aligning shareholders/stakeholders	CEO orchestration	Unambiguous agreement on the platform business model, commercial objectives and required investments
4	Scaling along a dual track	Partner involvement Short term focus (e.g. efficiency in projects instead of showcasing new value innovation initiatives)	Scale-up Identification of complementors (enabling the scale up of the platform)	Co-evolution logic Effectiveness AND efficiency Balancing investments and innovation output	Additional services (by partners & complementors)

Hendricks, L., & Matthyssens, P. (2022). Platform ecosystem development in an institutionalized business market: the case of the asset management industry. *Journal of Business & Industrial Marketing*, (ahead-of-print).

Green Technology

Top 3 for Industrial Goods

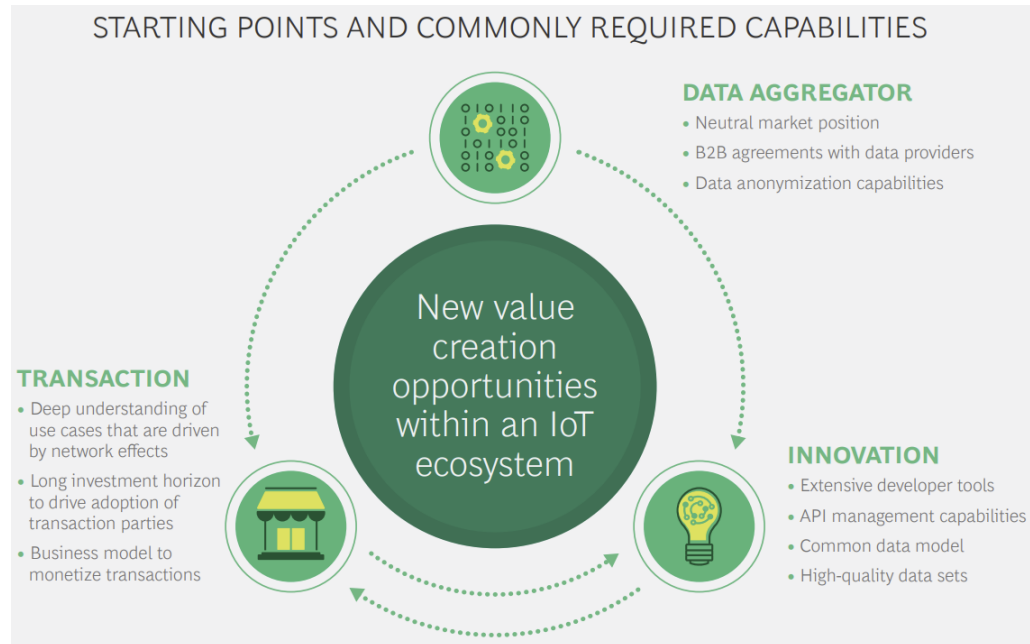
1. Digital Supply Chain
2. IoT for data collection, monitoring production
3. Smart Manufacturing



Source: BCG Global Digital Transformation Survey 2021, n= 86 for Consumer Goods, n=67 for Financial Services, n=101 for TMT, n=58 for Healthcare, n=107 for IG, n=40 for Energy

Note: Survey question: To improve environmental sustainability which of the following digital initiatives are you undertaking?

Internet of Things – capturing value



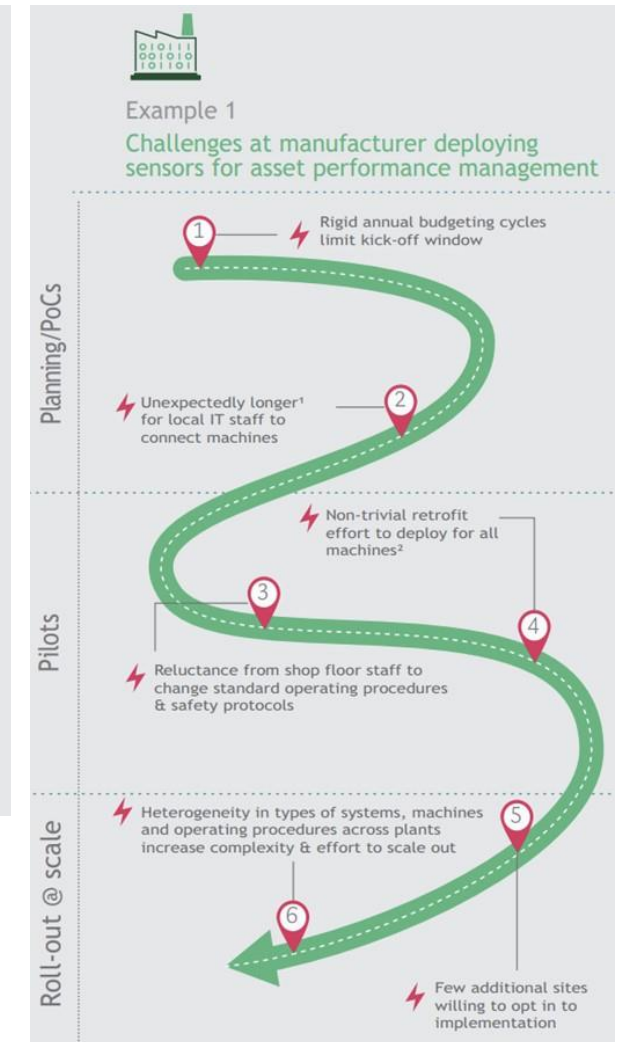
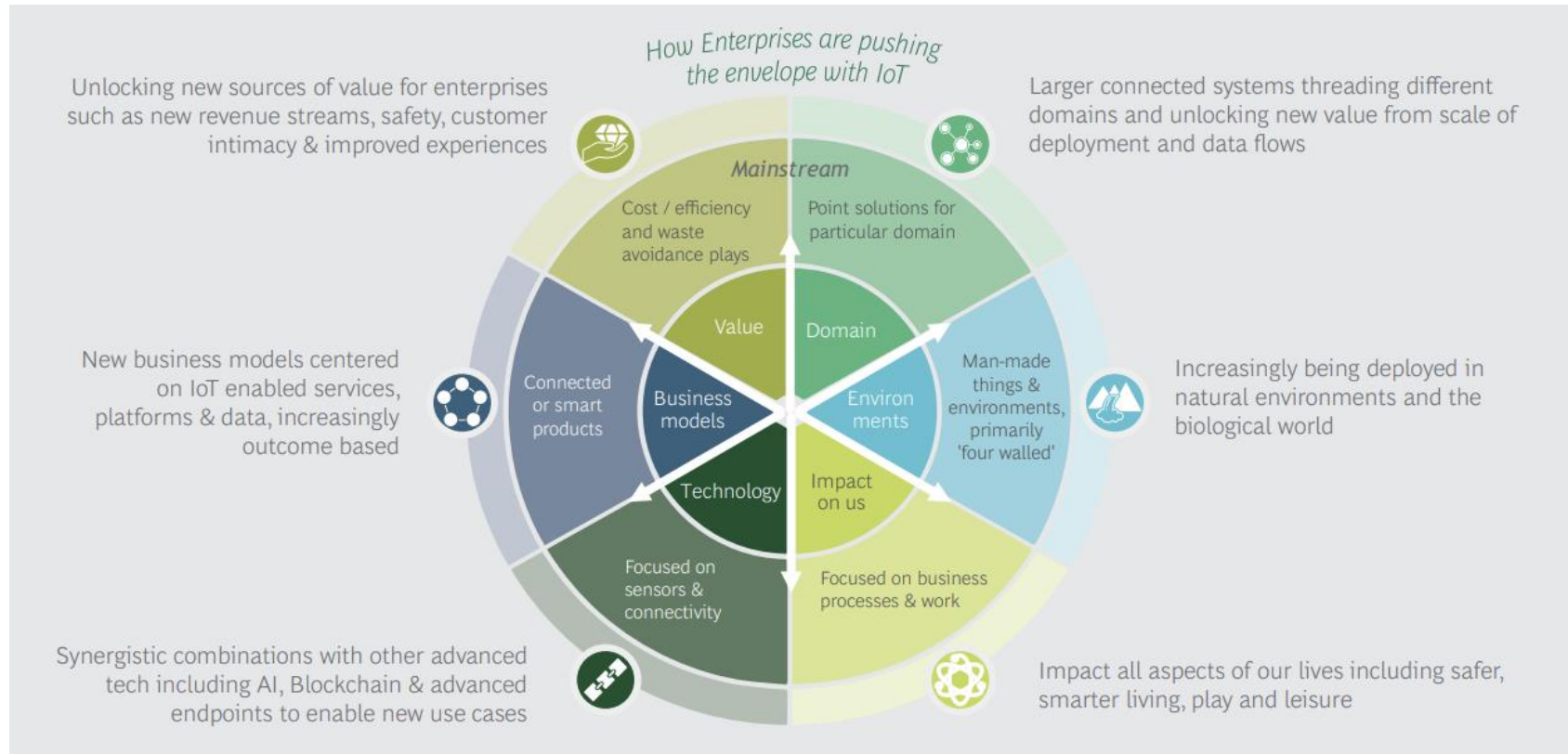
Boston Consulting Group - Orchestrating the Value in IoT Platform-Based – June 2020

Internet of Things – IoT is in Manufacturing in 2030 : \$ 2.3 trillion (McKinsey - *The Internet of Things: Catching up to an accelerating opportunity* – November 2021)

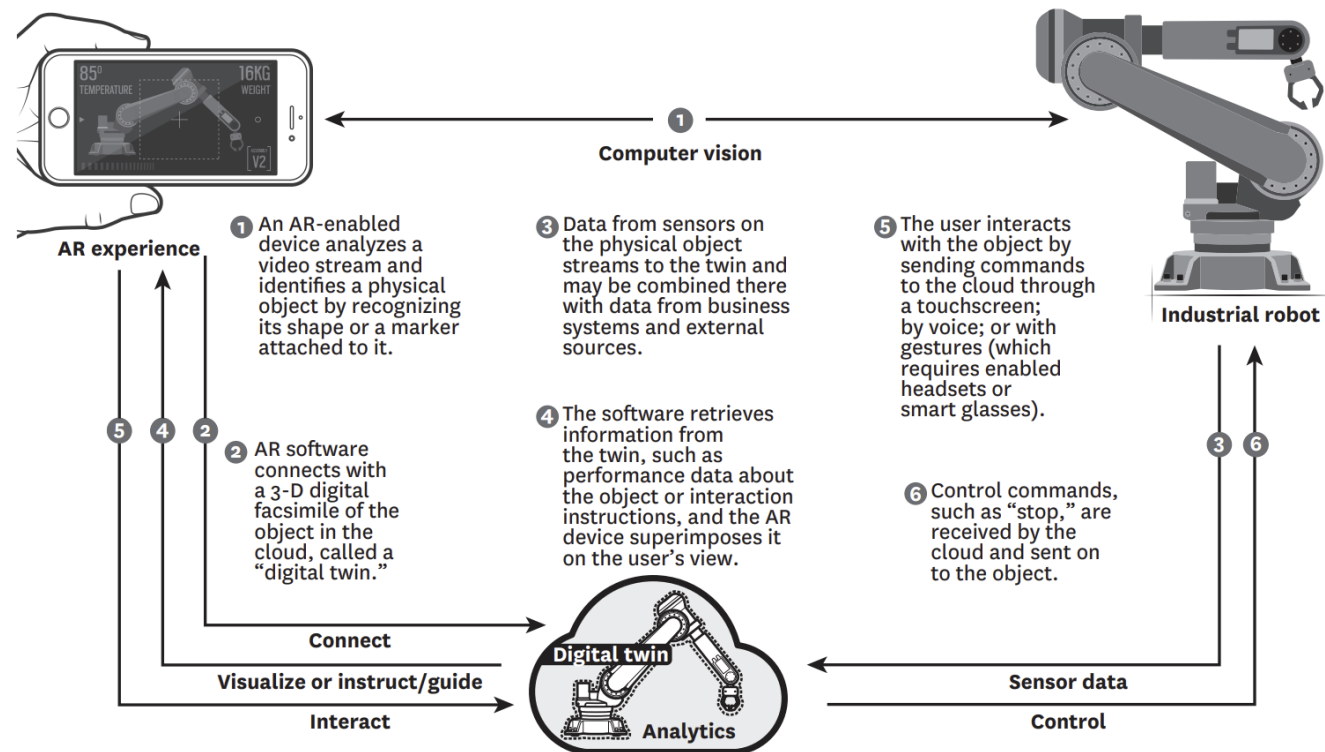
- **Tailwinds** : impact potential, internet connectivity, technology and interoperability
- **Headwinds** : costs, data sharing and cyber security

Use cases	2020 value estimate	2025 range estimate	5-year CAGR	2030 range estimate	5-year CAGR
Manufacturing					
Operations management: Manufacturing	130	220–700	11–40	460–1,290	13–15
Predictive maintenance: Manufacturing	40	70–160	11–31	260–460	23–30
Human productivity: Activity monitoring	10	20–70	14–45	70–170	19–29
Inventory optimization: Manufacturing	15	30–60	16–32	50–140	9–19
Human productivity: Augmented reality	15	40–50	20–30	90–110	16–19

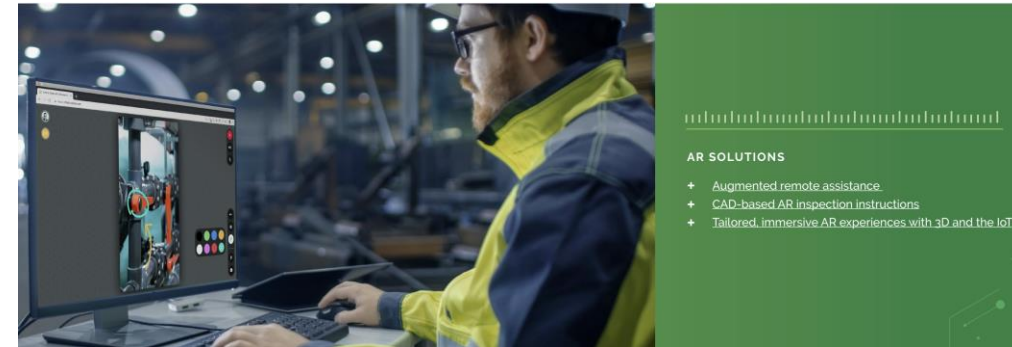
Internet of Things – opportunities & roadmap



Augmented reality



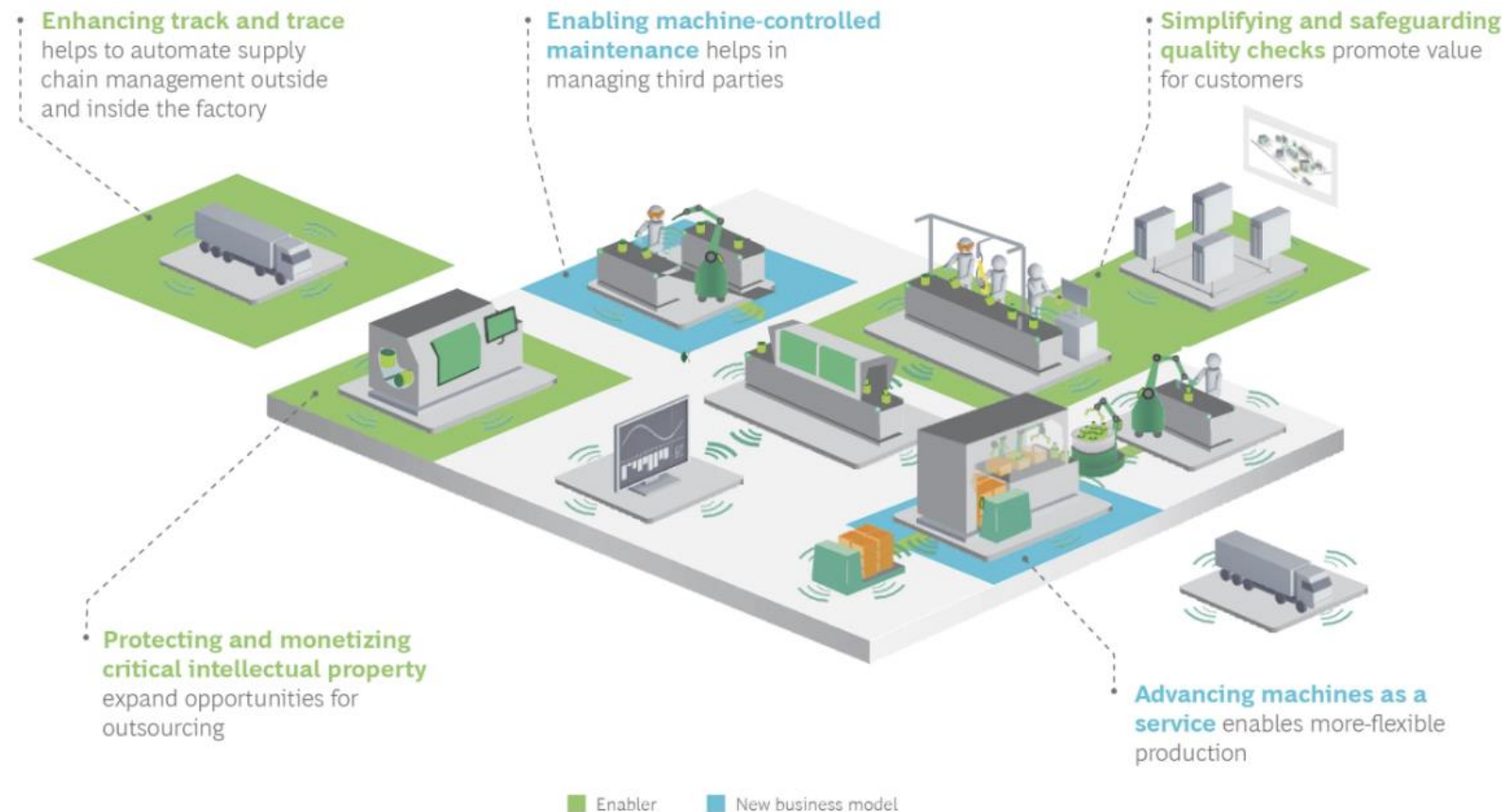
Porter, M. E., & Heppelmann, J. E. (2017). Why every organization needs an augmented reality strategy. *HBR'S 10 MUST*, 85.



<https://www.ptc.com/-/media/Files/PDFs/Augmented-Reality/use-case-guide-for-ar.pdf>

IDC forecasts that worldwide commercial spending on **augmented reality software and services** will grow from \$3.9 billion in 2022 to \$12.1 billion by 2026 (IDC – September 2022)

Blockchain

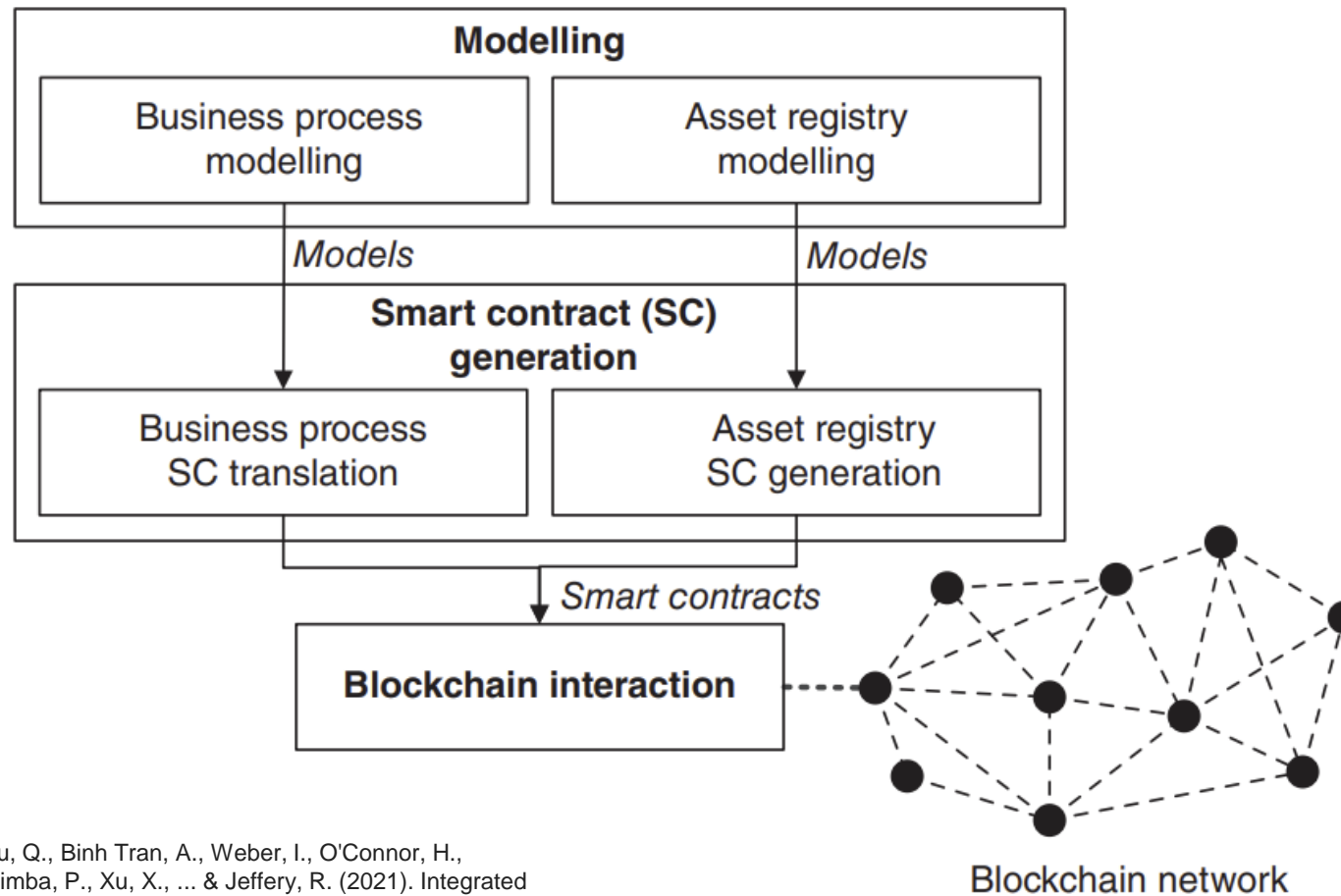


Blockchain

- Contract Management (& Leasing Equipment) - facilitation of transactions (smart contracts)
- Supply Chain Management - improved transparency & traceability

<https://www.bcg.com/publications/2019/blockchain-factory-future>

Blockchain & smart contracts



IF payment to

IS USD in Bitcoin

BY Smart Contract Term 1's expiration date GMT

THEN Smart Term 1 is COMPLETED
AND is recorded as completed in the blockchain, creating a secure record of verified performance
RELEASING the escrow of 0 Bitcoin TO

OTHERWISE Smart Term 1 is FAILED
AND is recorded as failed in the blockchain, creating a secure record of verified performance
RELEASING the escrow of 0 Bitcoin TO

SMART TERM 1 ESCROW
 The below Bitcoin address will receive Smart Term 1's escrow
15LHUp9TVDqNiXXH3aQsrqRby78uH9pWF
 0 Bitcoin has been confirmed for Smart Term 1's Escrow

Smart contract = a computerized transaction protocol that executes the terms of a contract

Szabo, N. (1994). Smart contracts. Unpublished manuscript. // Szabo, N. (1997). The idea of smart contracts. Nick Szabo's Papers and Concise Tutorials.