

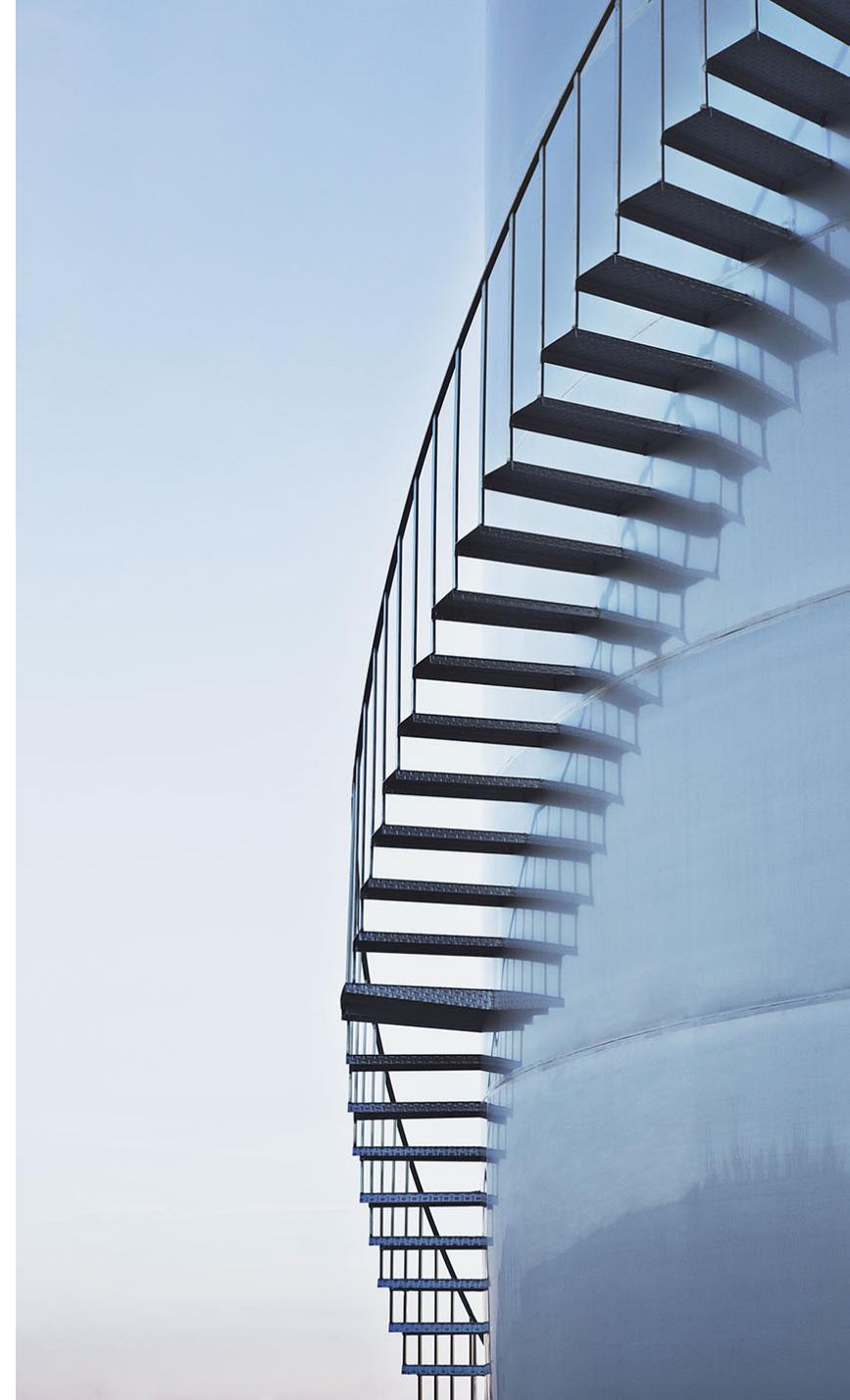
# Empowerment with Service Platforms & Ecosystems

Tomorrow - The McKinsey Berlin Conference

Prof. Dr. Markus Warg, November 13, 2020

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# Your hosts during the Ecosystem Strategy Hub expert session

Author of this document



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## Service-Platform and Ecosystem expert

Markus is heading the Institute for Service Design (IfSD) that brings together world's leading service scientists and managers to generate valuable impulses for practice from theory. He is one of the initiators and Chairman of the Supervisory Board of the Platform- and Ecosystem Builder SDA SE. Previously Markus was a member of the Management Board of insurance companies for 17 years; most recently ten years as CIO/COO of SIGNAL IDUNA Group.

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Istvan is the co-founder and leader of McKinsey's Ecosystem Strategy Hub, a global team of strategists focusing on ecosystem strategy related client service and knowledge building.

He serves multiple industry leaders as well as emerging players on their ecosystem strategies in various industries (Banking, Insurance, Consumer, Technology, Media, Telecom and Advanced Industries) across multiple geographies.



**Imre Szilvacsku**

## Solution Manager

Imre is a manager at McKinsey's Ecosystem Strategy Hub, serving clients globally on ecosystem strategy and design.

He has been supporting clients in Europe, Latin America and South-East Asia to harness the opportunities from ecosystem strategies, covering Financial Services, Telecom and Advanced Industries, and driving McKinsey's knowledge agenda on ecosystem topics.

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# The Challenge: Paradigm shift results moving from Goods-Dominant to Service-Dominant Logic...

...and from value exchange to  
value co-creation and value-in-use



Goods-Dominant



Service-Dominant



NETFLIX



Spotify



LinkedIn  
Microsoft



Apple  
WATCH



SHARENOW

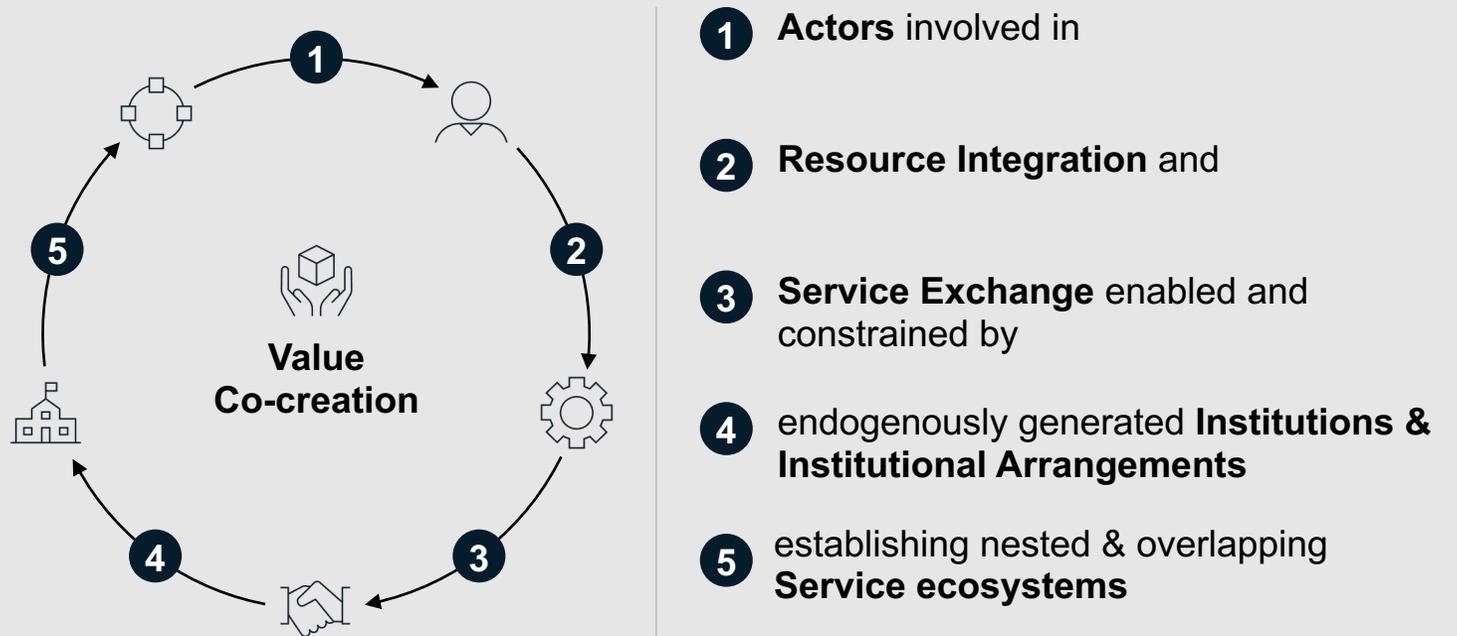
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***„Actors  
fundamentally do  
the same thing: they  
integrate resources  
and engage in  
service exchange all  
in the process of  
cocreating value“ \****

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The new logic in value co-creation and value-in-use, i.e., the narrative of service-dominant logic\*



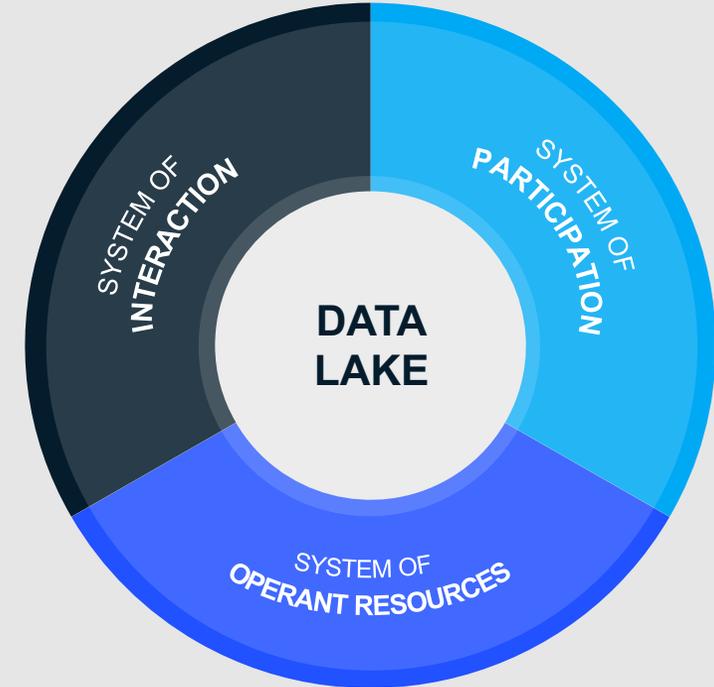
\*  
**Vargo, S. L. and R. F. Lusch (2016).** "Institutions and axioms: an extension and update of service-dominant logic." Journal of the Academy of Marketing Science 44(1): 5-23.  
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# Service-Dominant Logic takes a transformative approach...

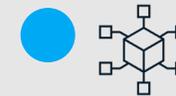
	 <b>Goods-Dominant</b>	 <b>Service-Dominant</b>
<b>Value Proposition</b>	Exchange Value	Value-in-use
<b>Object of Exchange</b>	Product	Skills, Knowledge, Services
<b>Role of Customer</b>	Consumer	Co-Creator Interactive

\* Warg, M., Engel, R. (2016): Service-Dominierte Architektur (SDA): Kernkomponente digitaler Transformation, Zeitschrift für Versicherungswesen, 12  
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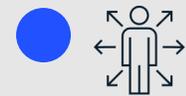
# ...and is being operationalized by Service Dominant Architecture\*



**Value-in-use interaction**

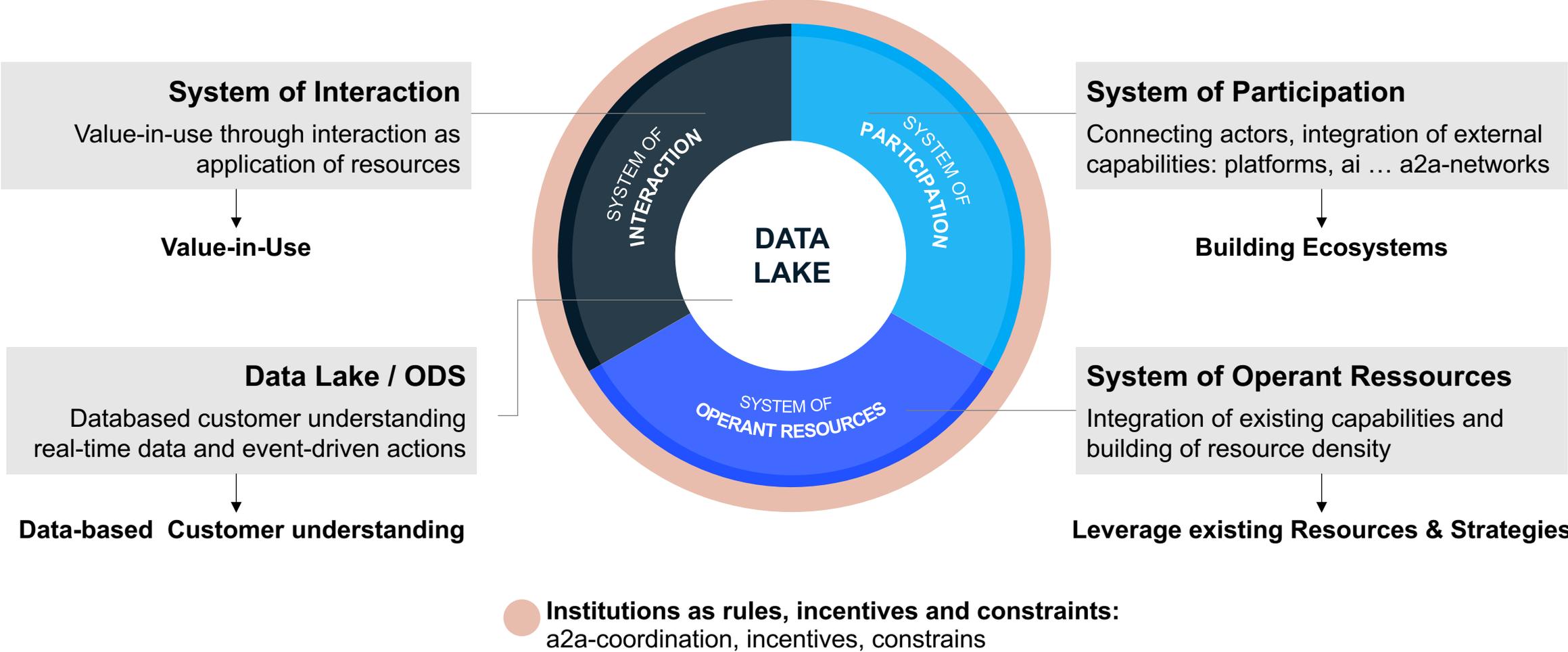


**Empowerment A2A Networks**



**Leveraging existing capabilities**

# Service Dominant Architecture (SDA) enables for value co-creation with customer in actor-to-actor networks



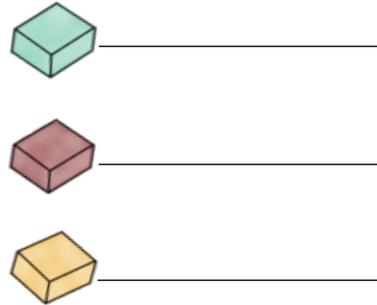
# SDA in combination with leading technology creates a modular enabling kit

## „External“ Services

**Business Service Insurance**  
(e.g., Health SDK, xbAV, Edith.care)

**Business Service Start Up**  
(e.g., DocYet, Nect)

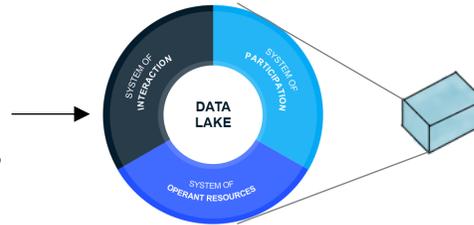
**Individual Services**



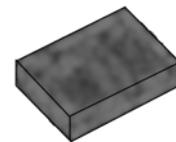
## SDA Service-Stacks Business

**Business Services of SDA SE**  
e.g., Partner Stack, Contract Stack, Proposal Stack, Mail Stack, Archive Stack, Submission Stack<sup>1</sup>, Chat Stack\*, Health Stack, Transaction Stack, Claims Stack, Tariffing Stack, Consent stack...

### SDA inside



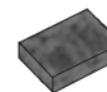
## SDA Plates Technology



**Basis**

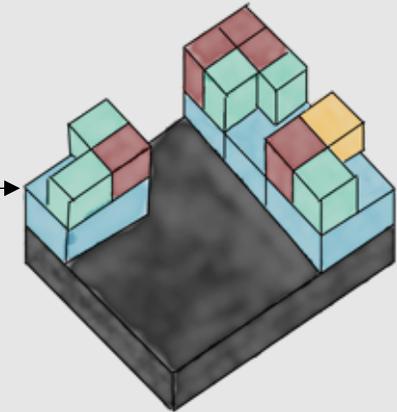


**App**



**Web<sup>1</sup>**

## SDA Service-Platform



<b>Modular</b> 	<b>Standardized</b> 
<b>Reusable</b> 	<b>Scalable</b> 

1. Aktuell in Entwicklung

# On this enabling kit, innovative, customer-focused solutions can be developed - scaled to the existing resources

**SDA Human Centered Service “Processes and Solutions”**



**SDA Service Stacks (Business)**



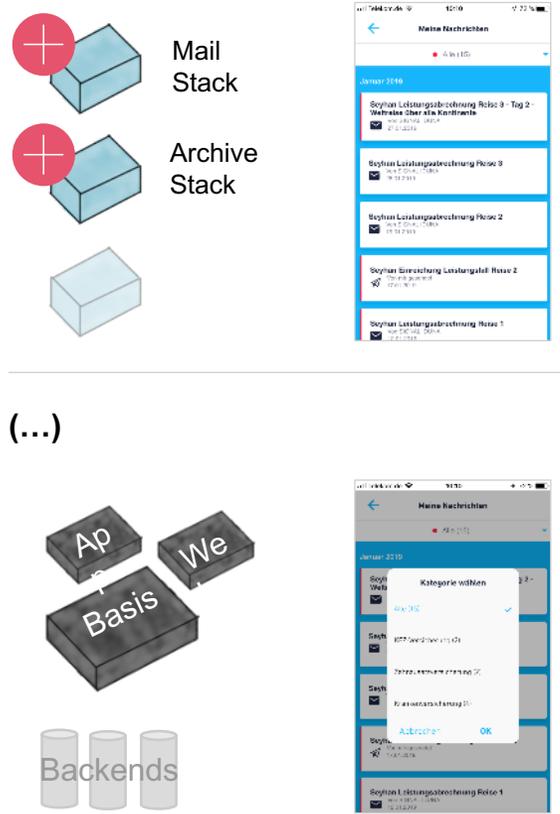
**SDA Plates (Technology)**



**Strategies**




**Digital Document Store**



Mail Stack

Archive Stack

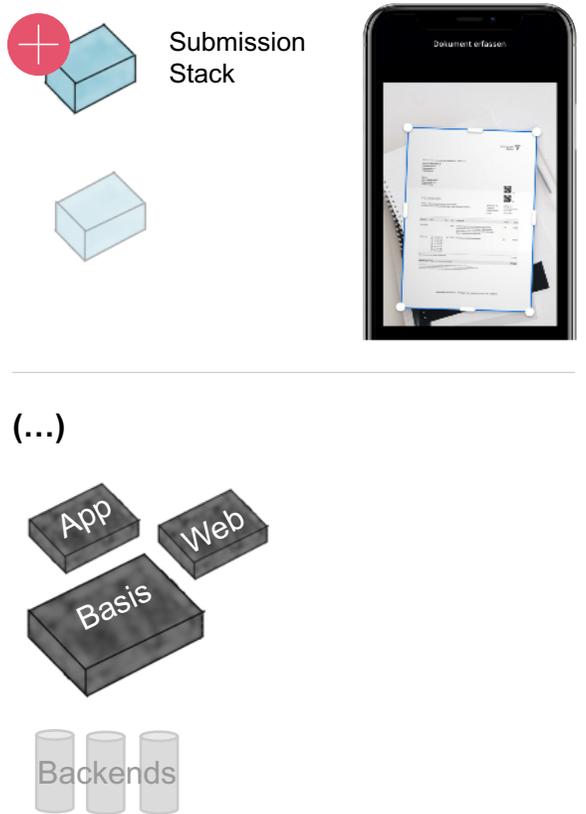
(...)

Ap We

Basis

Backends

**Multi-disciplinary Submission**



Submission Stack

(...)

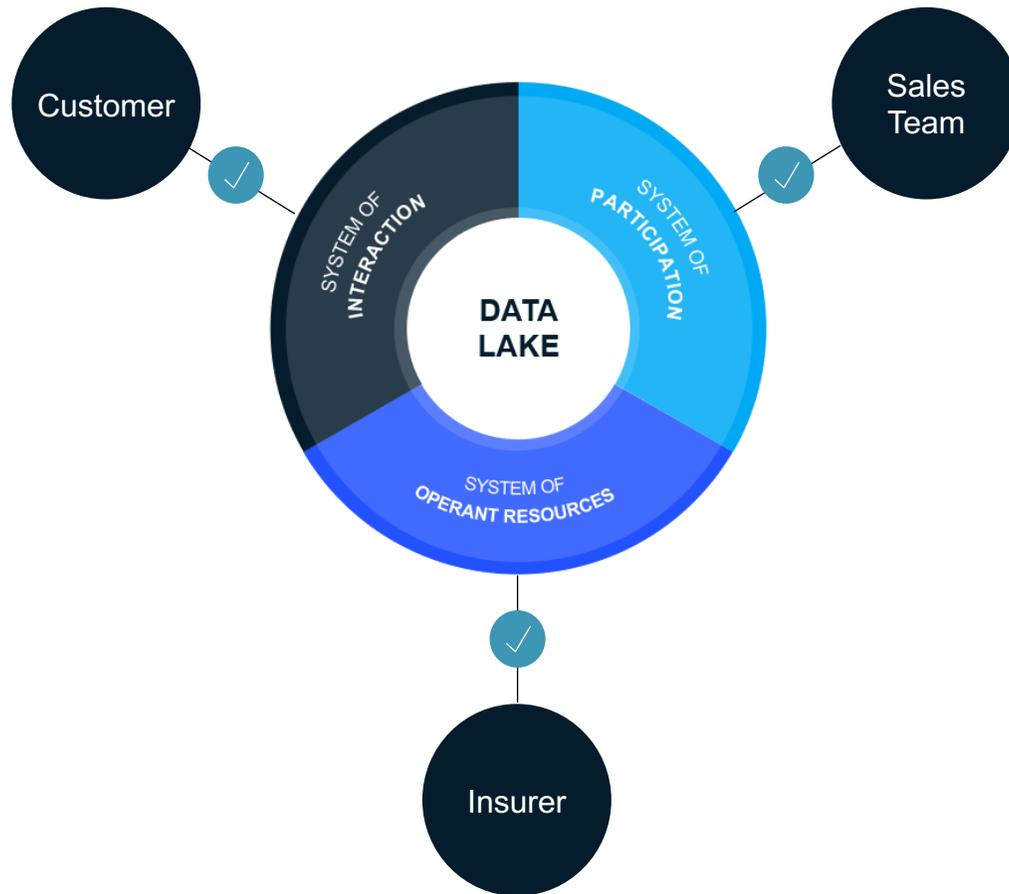
App Web

Basis

Backends

# Event-driven processes provide an example...

Opt-ins: participation of sales partners in health service submissions

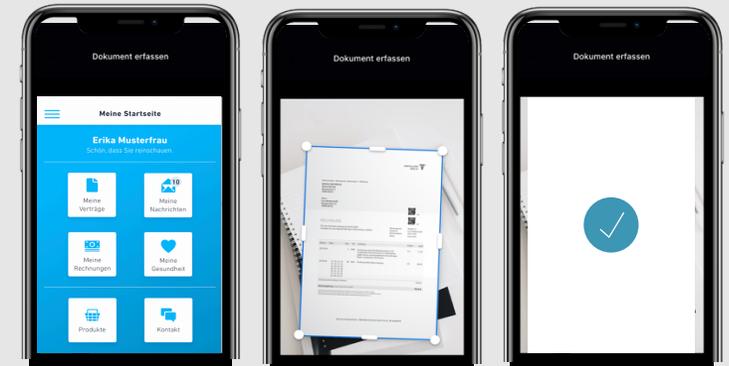


Customer

Customer App

Submission as Trigger

Customer consent



Value-in-use  
Speed-up

Sales Team

Service Improvement  
Increase contact frequency

Insurer

Definition of rules  
Cost reduction  
NPS improvement

# ...and several additional use cases exist

**1** Customer-centric end-to-end processing "re-shaping care-application"



**2** Digitization with strong Business Cases  
e.g., reduction of postal costs through Digital Document Store



**3** A2A Networks – actor connection  
e.g., xbAV, Docyet, AI4Medicine



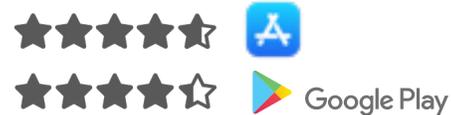
**4** Rapid PoCs

PoCs within 4 weeks

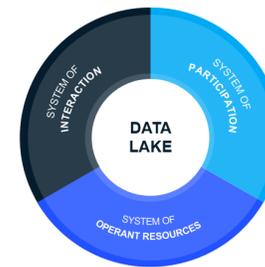
**5** Digital Transformation

**SIGNAL IDUNA** 

SI App mit starker Kundenbewertung:

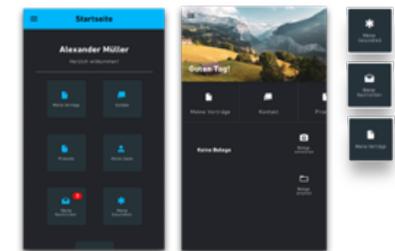


**6** ODS  
Operational Data Stores



e.g.:  
Partner,  
Contract,  
Claims,  
Mails

**7** Open Source  
State-of-the-Art-Technology:



# Such an approach could enable new solutions, business models, accelerated cooperation and transformation...

## Solutions

'Apotheke' Medication Management

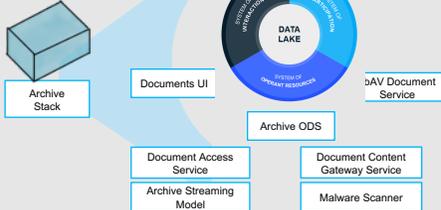
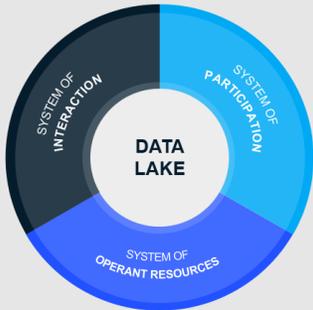


'Shopping Mall' Einreicher App



...

'Klinik' digitaler Arztbesuch



## New Business Models



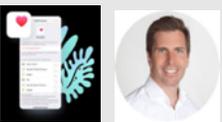
Insurance product as carrier of service

Versicherer

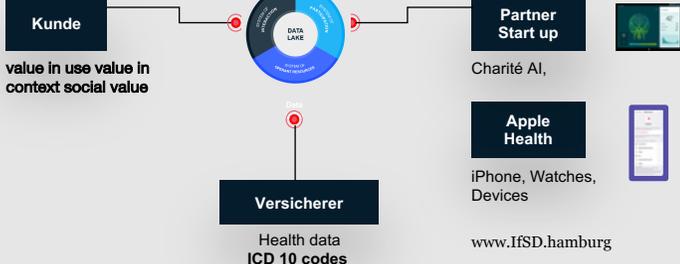
Datenhoheit



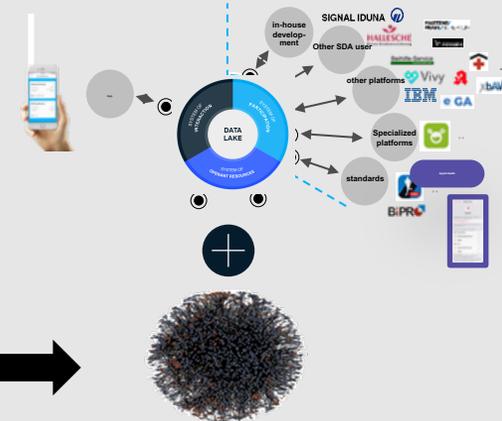
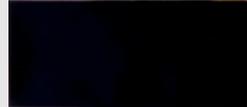
## Cooperation



value in use value in context social value



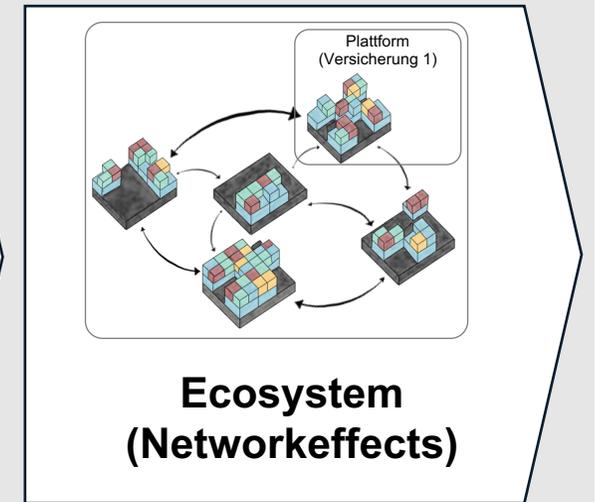
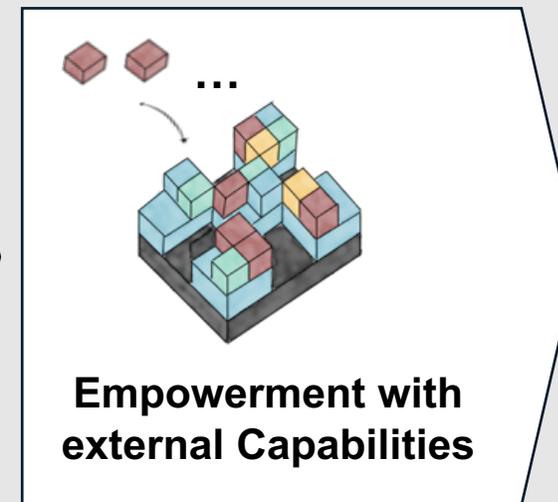
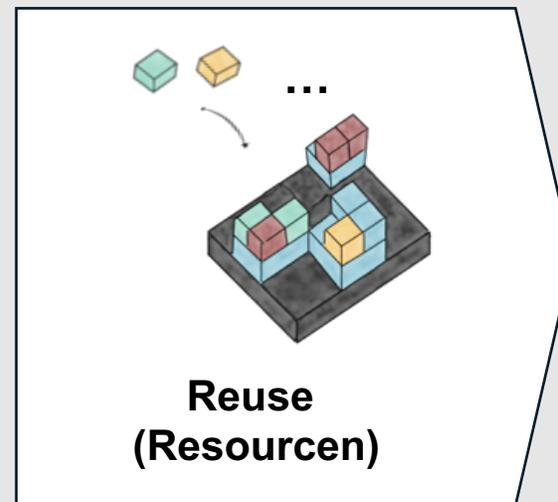
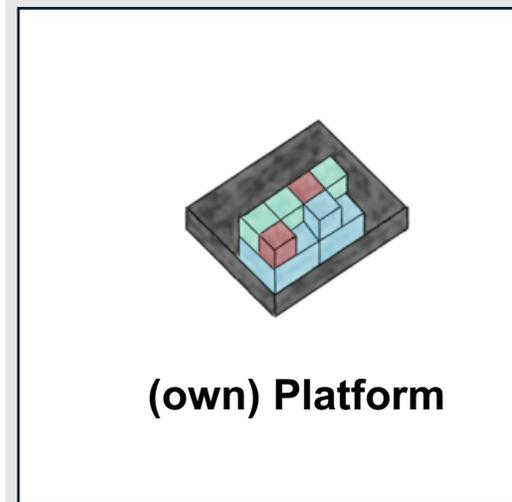
## Transformation



# ...while allowing to become a Service Ecosystem Player

Lower service focus

Higher service focus

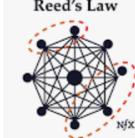
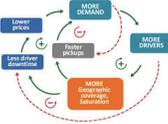


Institutions - Service Catalogue, Rules, Communities

**SDA enables rapid development - "operable" and individualizable despite high modularization.  
Services can be reused and recombined.**

# It also opens up a whole new range of value propositions

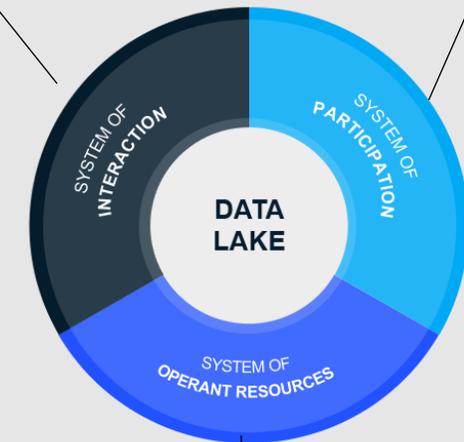
## “Value-in-Use and Value-in-Context”

			Resource Density	<b>Emergence</b>
	Information rules	Two-sided	Co-creation	Event-driven
				HEALTH 
	Asset builder	One-sided	Service-prov.	Customer-specific
			<b>NETFLIX</b>	 
<b>Value Proposition</b>	Re-Use	Network Effects	Value-in-Use	Value-in-Context

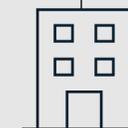
Customer



Partner



Company



# Glossary

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“ ”

## Service

Service as the application of resources (including competences skills and knowledge) to make changes that have value for another (system).  
– (Spohrer et. al. (2007, 2009))



“ ”

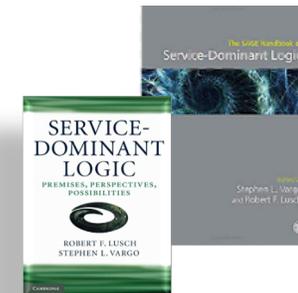
## Platforms

**Platforms** connect actors and enable the integration and orchestration of resources that by their application (interaction) generate value in use  
– (Warg (2018))

“ ”

## Ecosystem

Service Ecosystem as a self adjusting system of resource-integrating actors connected by sharing institutional arrangements and mutual value creation through service exchange  
– (Vargo, Lusch (2018))



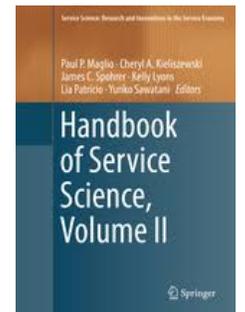
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# Appendix

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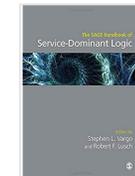
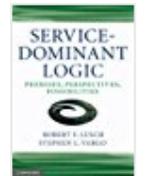
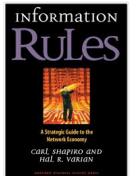
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