Empowerment with Service Platforms & Ecosystems

Tomorrow - The McKinsey Berlin Conference

Prof. Dr. Markus Warg, November 13, 2020
Your hosts during the Ecosystem Strategy Hub expert session

Prof. Dr. Markus Warg
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.

Istvan Rab
Director of Solution Delivery
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.

Author of this document
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
“Actors fundamentally do the same thing: they integrate resources and engage in service exchange all in the process of cocreating value”*

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

1. **Actors** involved in
2. **Resource Integration** and
3. **Service Exchange** enabled and constrained by
4. endogenously generated **Institutions & Institutional Arrangements**
5. establishing nested & overlapping **Service ecosystems**

Service-Dominant Logic takes a transformative approach...

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<tr>
<th>Value Proposition</th>
<th>Exchange Value</th>
<th>Value-in-use</th>
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<td>Good-Dominant</td>
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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

- **System of Interaction**: Value-in-use through interaction as application of resources
  - Value-in-Use

- **Data Lake / ODS**: Databased customer understanding real-time data and event-driven actions
  - Data-based Customer understanding

- **System of Participation**: Connecting actors, integration of external capabilities: platforms, ai … a2a-networks
  - Building Ecosystems

- **System of Operant Ressources**: Integration of existing capabilities and building of resource density
  - Leverage existing Resources & Strategies

Institutions as rules, incentives and constraints: a2a-coordination, incentives, constrains
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: Partner Stack, Contract Stack, Proposal Stack, Mail Stack, Archive Stack, Submission Stack, Chat Stack*, Health Stack, Transaction Stack, Claims Stack, Tariffing Stack, Consent stack…

SDA Plates Technology
- Basis
- App
- Web¹

1. Aktuell in Entwicklung
On this enabling kit, innovative, customer-focused solutions can be developed - scaled to the existing resources
Event-driven processes provide an example...

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

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

Lower service focus

(own) Platform

Reuse (Resourcen)

Empowerment with external Capabilities

Higher service focus

Ecosystem (Networkeffects)

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”
Glossary

**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))
Further academic literature


Fonseca, F.J.; Pinto, C.S. (2014): From the classical concept of Services to Service Systems, Procedia Technology, 16, S. 518-524

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Further academic literature


Maglio P., Vargo S.L., Caswell N., Spohrer, J. (2009): The service system is the basic abstraction of service science.


Further academic literature

Warg, M., Bahrs, Ingo; Stäcker, Jens (2017): Service Dominant Architecture (SDA): Wie die Service-Plattform der Zukunft aussieht, CIO.de, 27.11.2017


