



Platforms, Ecosystems, and the New Paradigm for Competition

Stockholm School of Economics in Riga

GNAM Global Network week for Executive MBA students
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Overview

Technological changes of the past decades drove the emergence of many new business models and new forms of interaction between businesses. Digital technologies connect people and firms, forming networks. Interactions within networks are facilitated through platforms, which in many cases connect further with each other and cover even wider networks, which may form business ecosystems. All of this creates new types of firms in both the digital and the physical worlds. These firms have distinct properties that qualitatively change the nature of competition.

Strategy is an integrated set of choices that positions an organisation in its environment to achieve its vision over the long run. The new paradigm for competition implies new principles for defining such an integrated set of choices.

In this course, together, we will consider the following questions:

- How is the new **‘networked’ paradigm for competition** different from ‘traditional’ competition? What conditions enable this new form of competition?
- What is a **platform**? What are its **distinct properties**? How do these properties affect the **strategic choices** necessary to create and maintain **competitive advantage**?
- What is a **business ecosystem**? In which cases is this concept relevant? What **roles** can ecosystem participants perform? How does one maximize **value creation and capture** in each of the roles?

Course Format and Pedagogy

The course will combine the case and the field methods to (a) give the participants an opportunity to reflect on useful illustrations of new models of competition as they master the constructs forming the theory covering these models; and (b) encourage participants to experiment with these theoretical constructs to solve business problems relevant to them and their teams.

The course will therefore consist of the following components:



- (a) Class: eight case discussions facilitated by the Course Director (with guest speakers joining some of the class sessions)
- (b) Team project: largely self-organised work in teams of four or five, supported by coaches (who are subject-matter experts in platforms and business ecosystems from both academic and management practice perspectives) and culminating in project presentations to all the participants on the last day of the course (followed by the submission of the final project report for grading after the module)

Learning outcomes

Having completed the course, participants should be able to think about strategy from a business leader's or investor's perspective, including:

- Diagnose corporate and **industry environments** to determine the most **value-accretive type of strategy** for a business to pursue
- Define the main **strategic priorities for digital transformation** of a business to enable **new models of value creation and capture**
- Assess the **competitive advantage of a platform business** and define the integrated set of strategic choices that embeds this advantage
- Analyse **business ecosystems** and make informed strategic choices on the main decision parameters of ecosystem plays

The course also helps participants practice along all four elements of F.R.E.E, the educational mission of the Stockholm School of Economics:

- **Fact- and science-based approach** – through applying the latest thinking in strategy, developed by academic researchers in the field
- **Reflection and self-awareness** – through considering cases and comparing one's thinking to the actual decisions of case protagonists, one's own prior experience, and the ongoing work on the team project
- **Empathy and cultural literacy** – through putting oneself in the shoes of case protagonists from various corporate and national cultures (incl. those of China, US, Germany, France, Japan)
- **Entrepreneurship and responsibility** – through experimenting with creative approaches and identifying value opportunities in the course of both case discussions and work on the team project

Assessment

Assessment activity	Team/ Individual	Weight	Notes
Class participation	Individual	30%	This component assesses the value of your contribution to your classmates' learning experience in the case discussions
Course reflection	Individual	30%	This component assesses (a) the depth of insight you have developed through the course; and (b) the relevance of these insights
Project Presentations	Team	40%	This component assesses your ability to work with others to use insights developed in this course for diagnosing business problems and defining relevant sets of strategic choices in response to that

Literature

Participants will need to study the main course materials individually in advance of each case class. The materials for the course will include the following:

- Four **cases** along with preparation questions (required reading)
- **Theoretical readings** (academic and management practice articles, module notes, etc) to introduce relevant theoretical constructs and frameworks to support case analysis (required reading)
- **Optional additional readings** for participants interested in the academic foundations of the relevant theory

We will also offer optional post-course readings on individual topics for participants interested in deepening their understanding of the subject matter.

About the Faculty



Yuri Romanenkov is the Executive Vice President of the Stockholm School of Economics in Riga, Chair of Executive MBA Program and a senior Lecturer in Business Administration. In addition to his teaching work, Yuri also advises corporate executives and private equity investors around Europe on strategy, M&A, and business transformation, building on over 15 years of experience as a management consultant, incl. with Boston Consulting Group in the firm's London, New York, and Paris offices. His prior teaching engagements include teaching undergraduate micro- and macro-economics at Harvard University. His research is in platform theory, business ecosystems, and complementarity-based levers of competition. Yuri holds a Doctorate in Business Administration from SDA Bocconi, an MBA with Distinction from Harvard Business School, a BSc in Economics & Business from SSE Riga.