Platform-ing Governance



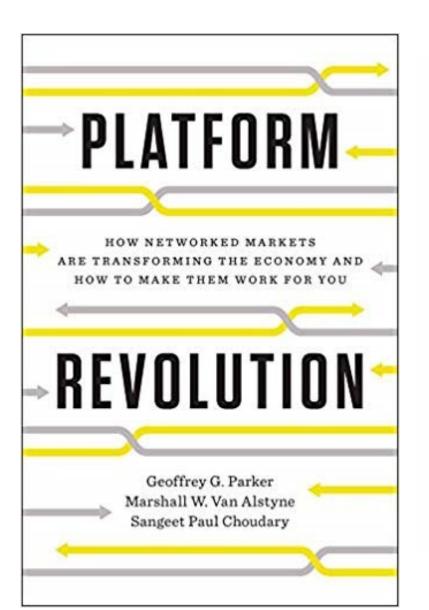
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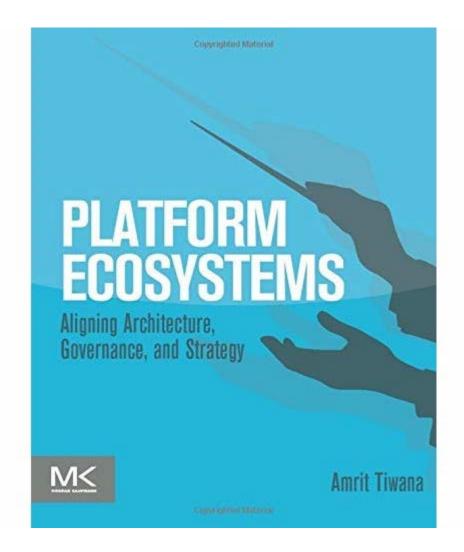
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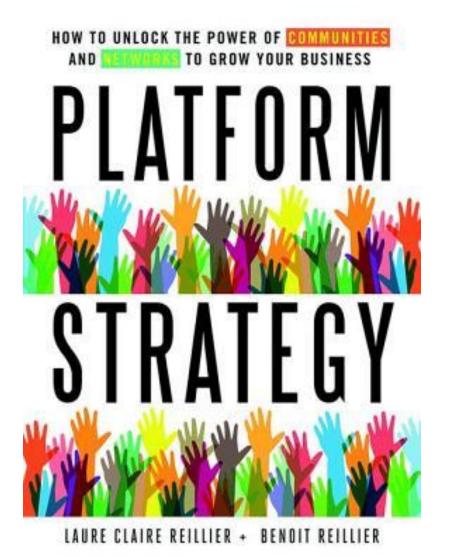
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비즈니스 빅뱅과 뉴미디어의 모든 것 품하라 Do Platform 흥기영 지음 세상을 지배하는 플랫폼 전략의 힘 NAVER Google 매일경제신문사



"This is that rare book that not only informs but entertains. You'll never look at these four companies the same way again."

-JONAH BERGER, author of Contagious and Invisible Influence



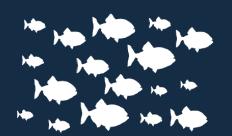
THE HIDDEN DNA OF AMAZON, APPLE, FACEBOOK, AND GOOGLE

Scott Galloway



Platform economics in nutshell





Digital **White Sharks**







- At the top of the food chain -

Digital **Swordfish**









zalando

- Big, fast, rarely get eaten -

Digital

Piranhas

SHAZAM

Bla Bla Car

WARBY PARKER







- Small but aggressive for prey -

statista 🗹

Source: Statista Digital Market Outlook

Platform

- Matching buyers with supplies that transact directly with each other
- A nexus of rules and infrastructures that facilitate interactions among network users (Eisenmann et al., 2011)
- Facilitating third party participation
- Providing building blocks that serve as the foundation for complementary products and services (Cusumano & Gawer, 2002)

Key Concepts

- Modularity: the degree to which a system's components may be separated and recombined, often with the benefit of flexibility and variety in use; reduce complexity by breaking a system into varying degrees of interdependence and independence across and "hide the complexity of each part behind an abstraction and interface
- Interface: a point of interaction between systems
- Flexibility: core that cannot change easily vs. peripheral that can change often
- Two-side network effect: hosts pull guests, and in turn guests pull hosts

Modularity (wikipedia)

- Ecological nuance: a key factor—along with diversity and feedback—in supporting resilience
- IT nuance: compartmentalization and interrelation of the parts of a software package
- Industrial nuance: a bundle of redundant project components that are produced en masse prior to installation
- Art nuance: the ability to alter the work by reconfiguring, adding to, and/or removing its parts

Four Tools of Platform Governance

- Rule: internal rules, external laws, regulation
- Norm: restrictions, peer pressure, nudge
- Architecture: programming codes
- Market: incentives, extrinsic motivation, give and take

Two Principles

- Transparency: pulling external resources, extension of platform
- Participation: owner, app developer, customer, partner, stakeholder

Research Inquiry



Issues and Agendas for Mgm't

- Transparency of organizations (public and private): how can we find an optimal level and scope of transparency
- Core and peripheral: what is and what should be core/peripheral?
- Deciding modularity: what can be common, shareable, independent, and/or interdependent?
- Structuring platform organizations: lessons from sharing economy firms (airBnB, Uber)
- Designing online platforms: concerned about failures in online architecture design
- Responsibility and accountability of platforms

Issues and Agendas for Policy

- Regulation of business platforms
- Market share: New market? Existing market?
 A winner takes all (too cheap price, quasi-monopoly)
- Data privacy and security: gathering data necessarily (un)intentionally
- Labor market: e.g., sharing economy firms
- Education: MOOC
- Energy: beyond smart grid
- Logistics
- Medical service

Other Issues in General

- Standardization and interoperability
- Sustainability of interface and protocols
- Support one or encourage competition among platforms
- Module becomes nudge or nanny?
- Institutionalization of platform lacks advantages of platform
- Dynamics between cores and peripherals over time

Platforms for Government

- Korea ON-Line E-Procurement System (나라장터 g2b.go.kr)
- E-Petition (국민청원 https://www1.president.go.kr/petitions)
- Open Data Portal (공공데이터포털 www.data.go.kr)

Platforms for Government

- Functional typology of platforms for government
 - **Ideation**: e.g., coproduction
 - Opinion: e.g., petition
 - Transaction: e.g., procurement
 - Public service delivery: e.g., welfare, education...
- Ownership-based typology of platforms for government
 - Government owns: national, provincial, local
 - Civil society owns
 - Industry owns