PLATFORM DESIGN TOOLKIT 2.1

the USER GUIDE *v 2.1 (June 2018)*

Premise

Dear reader,
this is the ***User Guide*** *of the* ***Platform Design Toolkit****, a design framework that one can use to envision, develop and rollout platform strategies that mobilize ecosystems.*

The toolkit is essentially made of a set of ***design canvases****, plus* ***additional resources*** *like the User Guide you are reading right now.*[1]

In this document we present one of the tens approaches to the use of these canvases to explore a strategic design challenge: a ***new company*** *that wants to set new rules to a market,* ***rethinking an organizational model****,* ***mobilizing an impactful ecosystem*** *and more.*

Although it is clear that there's no inherent usefulness in filling up a canvas, we believe—and our adopters made it clear countless times—that this methodology helps you to ***get quicker to a shared idea****, and* ***support you in the execution,*** *always a key challenge, beyond design.*

In this User Guide we propose one possible way to organize the work around the canvases: we hope that by following a step by step process you will soon feel confident to explore other ways to use the framework, ways that you find more relevant to your case. Please reach out to us to share insights and co-create!

We truly believe that everything is a remix, and that's why we made this toolkit open source, and easy to use so that anyone can feel free to change it and adapt it to their own style by following the ***CC-BY-SA 4.0*** *Licence.*

Kindly,
the ***Platform Design Toolkit*** *team at* ***Boundaryless S.r.l.***

[1] *To complement this introduction you can read our orientation post:*
"Navigating ➤ Platform Design Toolkit" - availabe at http://bit.ly/PDT-UG-NAV

Special Acknowledgments

Many people contributed ideas, and gave us inspiration in building this toolkit. [2]

The Platform Design Toolkit team wants to explicitly thank a few special ones:

- ***Alex Osterwalder, Yves pigneur*** *and Strategizer AG for having created the amazing Business Model Canvas and the knowledge around it.*
- ***Dave Gray*** *and XPlane for the Empathy map and the Gamestorming library.*
- ***Ezio Manzini*** *for his seminal work in Service Design (and the motivations matrix!).*
- ***Steve Blank*** *and* ***Eric Ries*** *for being such an inspirations towards experimenting, and learning with Customer Development and Lean Startup.*
- ***John Hagel III*** *for giving us the lenses to look at the modern complexity of digital industries.*
- ***Michel Bauwens*** *for pioneering the study of Peer to Peer modes of production and the Commons.*

We owe a lot to many, we stand on the shoulders of giants!
Thanks to all who contribute knowledge in the open!

Onwards!

[2] The team also thanks **Stelio Verzera**, **Ron Kersic**, **Hugo Raaijmakers**, **Daria Aksenova** for the precious feedback received in the last months, in the continuous development of the project: you've been precious, thank you!

Table of Content

INTRODUCTION

Before you begin with the hands-on step by step process we suggest you to get familiar with some key notions and concepts of platform design.

This introductory part contains:

- ➔ a **methodological note**, introducing the concept of designing FOR ecosystems and the main contexts of Platform Design
- ➔ a **glossary** of the **key words** we use in Platform Design;
- ➔ a description of the **key roles** that we use to model all the entities around Platform Design
- ➔ a description of the **two key engines** of Platform Design
- ➔ a description of the **phases of the Platform Design** process

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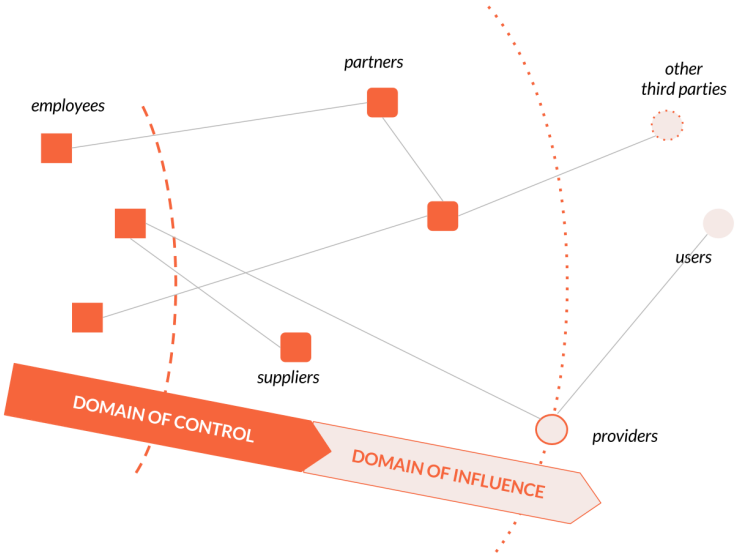
A Methodological Note: Design FOR Ecosystems

The more we run Platform Design workshops, the more we realize one thing: the most challenging moment always come at the beginning, when the team needs to figure out the scope of application of the methodology and approach. ***Scoping***, setting the point of view and delimiting the opportunity we're addressing with a platform—an *ecosystem mobilization* strategy—is an extremely challenging task.

One of the key points to understand is that we are **designing *for* ecosystems**: that the focus of our design strategy is external, it's **IN the Ecosystem**, not inside our team, company or institution.

On the other hand we also need to acknowledge that the difference between inside and outside may be more blurred than in the past: the very effort of trying to set a boundary to the design challenge doesn't make much sense anymore.



We always come to point out to the teams that work with us, that there's no more an inside or outside to a company, an organization or a brand, and that strategy must be seen more as *boundary-less* and as a continuum (inside, at the edge and outside the, blurring, context).

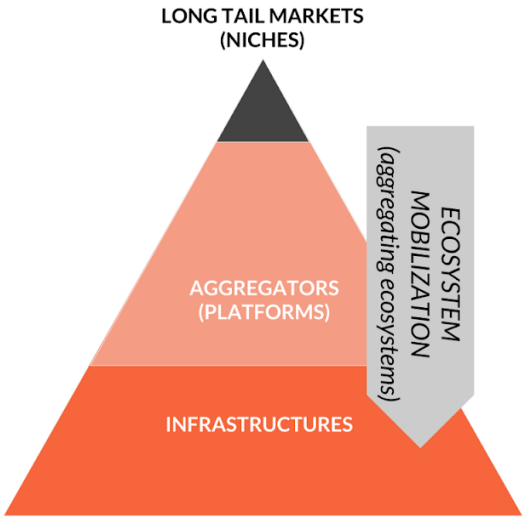
This enormous, boundary-less potential, on the other hand must push us to accept that—while the design scope might be wide—we need to begin by **prioritizing and**

focusing on few points of view, and progressively iterate the approach at later times. That's how you explore complex systems.

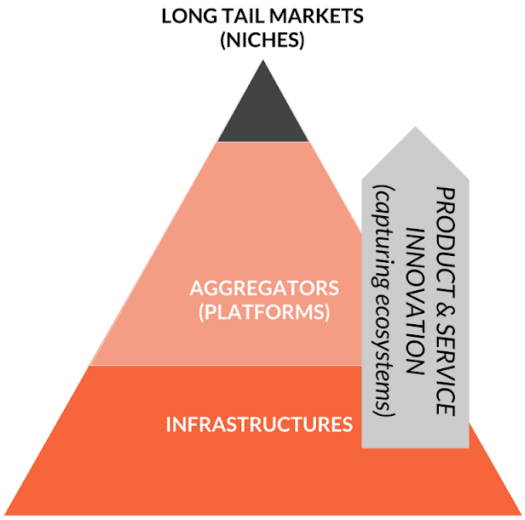
What's a good context for Platform Design? How can I use Platform Design in my Context?

In our experience with adopters, we've looked at platform design as a way to enhance and transform what they do, or care about. A *Platform strategy*, in the end of the day, can be defined as a strategy run by a *shaper* with the aim of mobilizing an ecosystem that creates value in interaction, ~~with the aim of~~ capturing part of this value. Often, this is about either **evolving an existing organization or product and service offering**, or **exploring a new market and its opportunities**.

We mainly see two contexts of applications:



Ecosystem Mobilization



Product & Service innovation through platformization

A. *Ecosystem Mobilization*
A common context of application of Platform Design is related to shaping and mobilizing ecosystems that already exist. As we often say, Platform Design is heavily rooted in the observation of the *emergent*: you actually *can't design a strategy for an ecosystem that doesn't exist* (where *exists* = already trying to create and exchange value). The analogy would be designing a solution for an inexistent problem: who would do that?

This consideration is at the core of this first context of applicability: if you see that value is being created and traded in a market (or any other societal context that you don't normally call like that, can be for example your organization); if you see producers and consumers that are self organizing around value creation, and you think this market (context) is performing below potential, then this context is perfectly worth of **organizing through a platform strategy** that amplifies its potential. We call this context of application, *ecosystem mobilization*.

B. Product & Service Innovation
Another recurring case is that of a player trying to use a platform approach to organize a larger ecosystem of interactions that exists, or could exist, around existing products or services that the organization already provides. In this case there's already an ecosystem of entities using the product or service as **a component of a value chain** that leads to higher value services: the platform shaper might want to better organize this ecosystem, facilitating higher value interactions. Let's call it, *product/service innovation* (through platformization).

Platform Design Glossary

Here you find a glossary with some of the most recurring words we use in platform design. We suggest you get familiar with these notions as they will be useful while going through the step by step process.

Canvas — A design canvas is a pre-formatted sheet of paper that enables a group of people to work and think together, as well as having structured conversations around a series of key topics to ultimately produce a shared vision and rich knowledge output. In our workshops we use design canvases to help the team members to apply step by step our platform design approach, get insights together and share outcomes clearly with their stakeholders.

Platform Design Brief — A Design brief is a document for a design project developed by a person or team (the 'designer' or 'design team'). The brief outlines the scope of the platformization project including initial insights and element of initial vision.

Platform (strategy)—a strategy, run by a "platform shaper" that wants to mobilize and help an ecosystem in creating value, with the aim of capturing part of this value. A platform strategy is made of a combination of different elements: narrative, technologies, rules, channels, contexts, enabling services, protocols and more.

Ecosystem—a set of entities playing in a context (e.g. a sector, an industry, a market, an organization) interacting and exchanging value, leveraging resources, generating outcomes. We often use "system" as an alternative of ecosystem. Note that contexts often overlap and boundaries of ecosystems are hard to define.

Entity—an individual, economic and social actor with specific objectives. It can be: a person, an organization, an institution, a team.

Role— in platform thinking, defining a role is a way to cluster several kinds of entities into the same category of players, primarily according to how much they share motivations to join, assets and capabilities (resources that they can leverage) and type of value exchanges they're looking for. Clustering entities into roles helps you to apply platform thinking. As an example, modeling a healthcare platform-ecosystem, to facilitate booking and consumption of medical advice, one could model a general practitioner (GP) or a specialist under the same role of "*medical professional*" or "*healthcare service provider*".

Transaction— a transaction is an interaction between two entities. It happens in a channel or context and it involves an exchange of *value unit* between the two entities. Transactions are already happening even before we deploy our platform strategy, however the more the channel is well designed to reduce the coordination/transaction cost the more of this kind of transactions will happen easily. A good transaction is elementary, atomic.

Incentive— one of the main pillars of designing and deploying a platform strategy is to deeply understand what would be the incentives we foresee for every entity to join our platform strategy. Usually incentives has to do with everything that address the entities' performance pressures, life goals or generates more convenience for them. The more we understand incentives, the more is likely that they would embrace the "new rules of the game" embedded in our platform strategy.

Platform Narrative — is the macro message that embody the "new rules of the game" that a platform shaper wants to offer to the entities of a sector, industry, organizational or market context. The platform narrative aims at convincing existing players to join a platform strategy because it will be easier for them to produce and exchange value, as well as because they will learn and evolve much faster as compared to not joining the platform strategy. One way to describe it is what John Hagel calls a narrative of positive opportunities: *"…an effort to broadly redefine the terms [..] for a sector through a positive,* ***galvanizing message*** *that promises benefits to all who adopt the new terms"*

Network Effects — A Network effect is the mechanisms, peculiar of networks, where adding a new user (or producer) makes the product/service/experience more valuable to every other user. Network effects are of many types. One example could be the network effect generated by adding a landline to the network (Metcalfe's law).

MVP — in platform thinking this word stands for *Minimum Viable Platform*, besides the more usual *Minimum Viable Product*. The *MVP* is an initial iteration of the platform strategy that is focused on validating the riskiest assumptions: this is normally used to minimize the risk in designing and developing a whole strategy - investing a lot of energy and money in developing it - without actually learning and validating first if the ecosystem really exists and the strategy generates attraction and pull.

VUCA —VUCA is an acronym used to describe or to reflect on the volatility, uncertainty, complexity and ambiguity of general conditions and situation in the modern world. It's a key concept in Platform Design, as the shifting conditions of reality create the mounting **performance pressure** on entities in the ecosystem for which the platform strategy wants to be an answer.

The Entities in the Ecosystem

When developing a platform strategy, one needs to address, mobilize and support an **Ecosystem**. To make it easier for platform designers to confront with the complexity of Designing for Ecosystems, we've created a simple framework to frame the entities involved in a Platform Strategy.

We differentiate entities in three groups:

IMPACT Entities

Impact related entities, Owners/Shapers and Stakeholders are not involved in the continuous interactions happening in the ecosystem.

- ***Platform Owners/Shapers [PO]***
- ***Platform Stakeholders [PS]***

DEMAND Entities

Entities interested in "consuming" the value produced in the ecosystem.

- ***Peer Consumers [PC]***

SUPPLY Entities

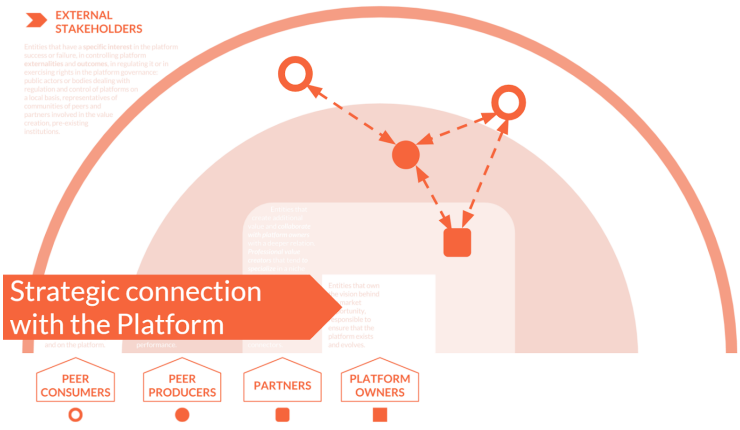
Entities interested in "producing" the value consumed in the ecosystem.

- ***Partners [PA]***
- ***Peer Producers [PP]***

***Larger entities**, mostly interested, interacting and impacted by the **whole system** dynamics, not by the punctual interactions.*

Normally Individuals or small-medium organizations that behave as a single, identifiable entity with a specific interest and identifiable objectives that the Platform's Value Proposition should meet.

These entities are involved in continuous interactions.



Normally, the strategic connection with the platform strategy grows as much as you get closer to the owners/shapers.

Demand players (consumers) are less strategically linked as they can leave the ecosystem easily, with little impact.

Producers are more tightly connected, with Partners investing a lot of energy and time to become the best, and therefore being concerned about developing a strong connection with the owners.

IMPACT Entities

PLATFORM OWNERS (or SHAPERS) [PO]

is the entity who owns the vision behind the realization of the market and ensure that the platform strategy exists, evolves and thrives. It can be a team, an organization or sometimes is a set of teams throughout different organizations in a form of committee or a consortium.

This category refers to the "owners" of the Platform. Owners are those ultimately responsible to ensure that the platform strategy exists and evolve. Normally we are talking about the firms - being them Startups or Scale-ups or corporate firms - that own the platform but nothing prevents this to be a non-profit organization, a foundation or a even a cooperative structure that is open to the participants.

In the latter, peers or partners could also be somehow owners of the platform: as an example, in the Bitcoin Blockchain ecosystem, peers collaboratively own the infrastructure that makes the platform.

Sometimes, and increasingly, we see the potential to separate *owners* from *shapers*. One player can design a strategy with the objective to craft a sustainable business model that is not necessarily related to owning the infrastructure of the strategy. This potential separation is reflected by several trends in the evolution of platforms, their governance, and the increasing type of players that can develop or influence the future of platform strategies.

EXAMPLES	Airbnb (as a firm), Apple (re the Apple app store ecosystem), Google (re the Android ecosystem for example), Tripadvisor, WordPress: they're all owners. In the Bitcoin ecosystem, *Bitcoin developers* can considered the *shapers* (as compared to the actual *owners* of the infrastructure and value that are the Bitcoin miners and *Hodlers*).

PLATFORM STAKEHOLDERS [PS]

Stakeholders are entities that have a specific interest in platform success or failure, in controlling platform externalities and outcomes, in regulating it or in exercising rights in the platform governance.

This category, normally includes for example all the actors dealing with the regulation and control of platform strategy on a local basis. It can also include the representatives of the plurality of peers and partners involved in the value creation, or any pre-existing institutions that can help the platform thrive. Additionally, this can include entities that can help distribute the strategy and help it grow. Normally, we're talking about entities that are hit by the positive or negative externalities of the platform.

EXAMPLES	A municipality affected by the gentrification effects of short time rentals that wants to regulate AirBnb. In a platform strategy that wants for example to help people "get fit", a provider of sports apparel can be an excellent PS, as it can hugely distribute and onboard

	new participants to the strategy, for example by mentioning this possibility to all its customers. Note that potential "distributors" are always great stakeholders to mention.

Demand Entities

PEER CONSUMERS [PC]

Peer Consumers (PC) who we may also call users, are entities interested in consuming, utilizing, accessing the value that is created through and on the platform.

They are individuals but can also be small/medium business and single representatives or teams in bigger organizations. Eventually, in some cases they may evolve into peer producers, when they realize that beyond fulfilling a need they can seek evolutionary opportunities to produce.

EXAMPLES	Travelers in airbnb (PC), Bloggers in Wordpress (PC), Angels in AngelList (PC), Home owners in Houzz (PC)

Supply Entities

PEER PRODUCERS [PP]

Peer Producers (PP) who we may also call producers, prosumers and providers, are entities – most of the times individuals – interested in providing value on the supply side of the ecosystem/marketplace, usually seeking for opportunities to improve their professionality and honing their capabilities towards a better performance.

Typically, these players produce value occasionally and not systematically. Often the same *peer* may behave as both consumer and producer in different phases of its relationship with the brand-platform. Like in the case of a traveller that also rents her house when she's not at home, such a user may sometimes contribute to the value and other times consume it, depending on lifetime phases, contexts and more. Peer producers can as well be SMBs or individuals.

EXAMPLES	Hosts in Airbnb (PP), an non-professional trainer (PP) in a platform strategy regarding fitness ecosystems, a Uber X driver (PP) that drives only sporadically, a casual developer that is trying to publish her first app on the Apple marketplace (PP).

PARTNERS [PA]

Partners (PA) are professional entities – individuals and SMBs, most of the times – that seek to create additional professional value and to collaborate with platform owners on a stronger level of relationship.

Typically, partners are professional value creators that tend to specialize in a niche or advanced/premium product/service and become better and better within time. Partners sometimes also facilitate, cater and enhance the value production by acting as brokers, facilitators, connectors.

In particularly polarized platforms, where you substantially have two sides (supply and demand) the partner could be an evolution of the peer producer into a more professionalized entity. This evolution is typically well received from the platform since partners drive more value than peer producers and are able to pull many other players towards a better overall platform experience.

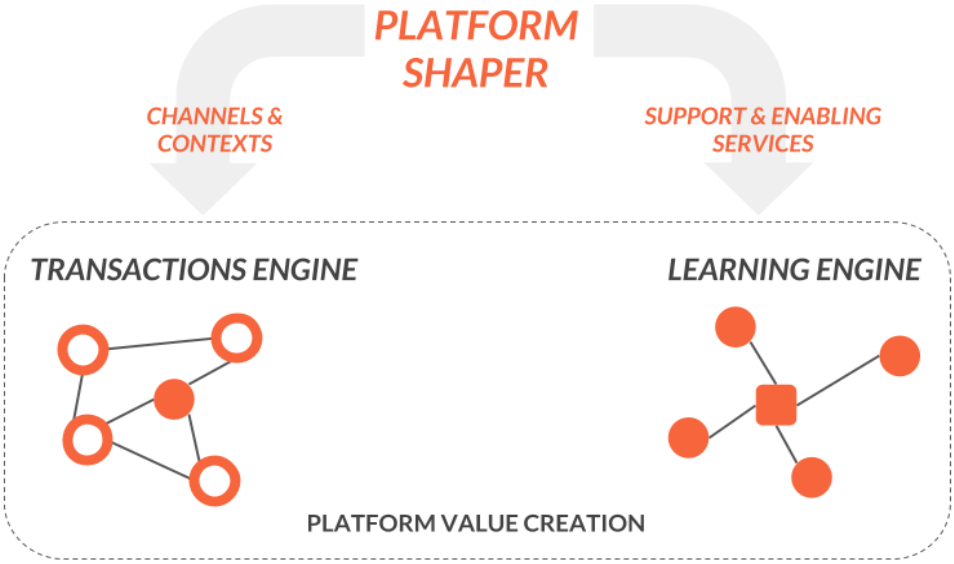
EXAMPLES	Airbnb Superhosts (PA), WordPress theme developers (PA), Companies developing applications on Apple or Android marketplaces (PA), Salesforce Forge developers (PA), AngelList syndication SuperAngels (PA), WordPress Cloud service providers (PA), ...

We just presented you a possible way to classify entities in your ecosystem. It's highly possible that your ecosystem doesn't feature a "full" picture: it may, for example haven't any peer producers - often in Business to Business ecosystems). Sometimes is also hard to figure out who is a partner or peer producer, but we normally don't care much about the difference. The reason for introducing the Partner and Peer Producer differentiation is to stress the point that - most of the times - real platform strategies mobilize wide ecosystems, involving producers of different types: some more strategic, professional, commercial (partners), some more informal (peer producers).

In the instructions coming later, we're going to be back on mapping, and especially focusing on how to group "entities" into "roles", to simplify and streamline your design.

The two key engines of Platform Design

Platform Strategies are based on two principles: the creation of **two essential engines of value creation**. As a Platform Owner (Shaper), designing, building and evolving these two engines - and finding a sustainable model to do so - is the critical challenge.



Transactions Engine

is the set of **channels** and **contexts** specifically designed to facilitate interactions and exchanges between entities. Transactions are - at least partially - already happening even before we deploy our strategy, however the more a channel is designed to reduce the coordination/transaction cost the more transactions can easily happen.

Why it's Important

Creating and Improving channels to Reduce Transactions cost (allowing more niche interactions)

By making interactions easier, faster, reducing the cost of interaction between value producers and value consumers, platforms that aggregate and facilitate make it easier to interact in smaller niches: if the cost of coordinating with your consumer (as a producer), is lower, it will be easier to create a solution that fits exactly with the niche expectations. *Key Question to ask:* *How is my strategy reducing the cost of interaction and improving the possibility to interact in the context I'm willing to shape and organise?*

Learning Engine

is the set of support services and contexts that the platform shaper provides and maintain for the participants so that they can learn, improve and evolve. Is the way the platform shaper helps entities to cope with and adapt to the complexity of the networked age.

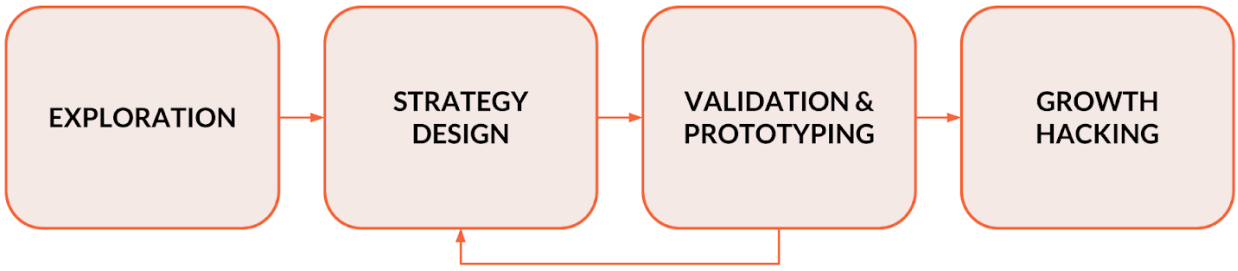
Why it's Important

Creating a Learning engine to help ecosystems face VUCA

As we live through a Volatile, Uncertain, Complex and Ambiguous World, platform offer a huge promise of accelerated learning, ways to find new opportunities and hone new capabilities. The promise of a platform strategy is essentially that learning will happen faster by being "inside" than by staying "outside". *Key Question to ask:* *What incremental process is available for the entities of my reference ecosystem to evolve? Am I offering radical opportunities of improvement?*

The Phases of Platform Design

The work of a platform shaper can be roughly framed in four macro phases:



The step by step instructions contained in this User Guide will mainly revolve around phase 2. and 3.

1. **Exploration** – in this phase, a shaper understands the existing context, as well as the strategic meaning and applicability of a platform strategy that could impact, shape and influence the context. The key question that is asked in this phase is: *"What could be a fruitful context where we can apply a platform strategy, given our position in the ecosystem, our assets and specificities as an organization or team?"*

The exploration phase is not covered by this user guide as it's still an experimental framework we're building. To know more about how we approach exploration, please refer to:
• **"12 Patterns of Platform Design to kickstart Innovation Strategies."** Available at: http://bit.ly/PDT-UG-PAT • **"Exploring Ecosystems: The Patterns of Platformization."** Available at: http://bit.ly/PDT-UG-EXP

2. **Strategy Design** – in this phase the platform shaper maps and cluster existing entities, understands their individual context and explores the potential they have to exchange value among them. Eventually, the platform shaper designs the two key platform engines (the Transactions Engine and the Learning Engine) and it selects an high potential platform experience– along with its sustainability model (business model)– that can be brought to the context and iteratively validated with the ecosystem *(see next phase)*.

3. **Validation and Prototyping** – in this phase the shaper conducts a series of interviews (this could also partially happen during the design phase, and is generally an iterative process) to get feedback on the riskiest assumptions in the design. Later the shaper makes an actual MVPs (or just run experiments, or build prototypes) that is focused to validate or invalidate the assumptions in real life;

4. **Growth Hacking** – after the validation has happened, the shaper applies tactics to help the strategy grow in the context (being it a market, or something different). By growing supply and demand side of the system, generating network effects, the strategy becomes more relevant and valuable.

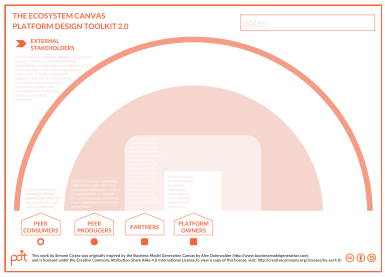
The growth hacking phase is not covered by this user guide as it's still an experimental framework we're building. To know more about how we approach growth hacking, please refer to:
• **"Launching Platforms: Growth Hacking & Network Effects."** Available at: http://bit.ly/PDT-UG-GHA

The Step by Step process in the User Guide

The step by step process presented here will cover most of the canvases we have released so far that have been widely used and adopted. Some experimental canvases are still not part of the process we suggest here. Before starting the process highlighted in this document, we suggest the reader to clarify the context and patterns that may operate in the context.

Please refer to the reads linked above related to the **Exploration** phase.

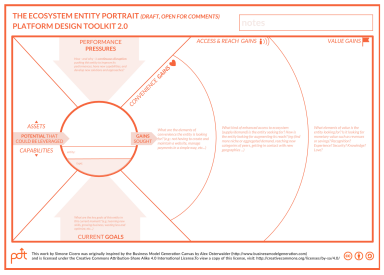
1 Mapping the Ecosystem



First, by using the **Ecosystem Canvas** you will reflect on the ecosystem you're looking to shape, and organise with your platform strategy.

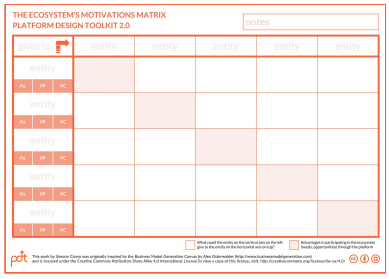
You will map the **entities** present in this ecosystem and you will then understand what **roles** they might play, clustering them if necessary.

2 Portraying Ecosystem's Entities



With the **Ecosystem Entity Portrait** you will make a consistent picture of the entities' context: what they're trying to achieve, with whom and how they're trying to connect, what **potential** they can express, and what kind of experience gains they're looking for - and therefore you should provide - as a platform shaper.

3 Analysing the potential to Exchange Value

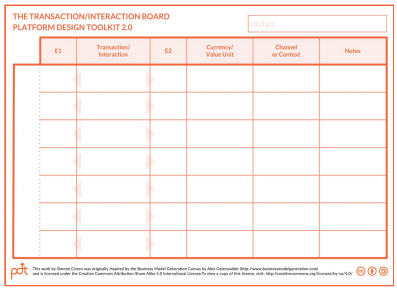


With the **Ecosystem's Motivation Matrix** you will then analyse their potential to exchange flows of value: in other words you will map what kind of **value exchanges** the entities are performing already (or trying to), and what additional type of value they might exchange if properly enabled.

4 Choosing the core relationships you want to Focus on

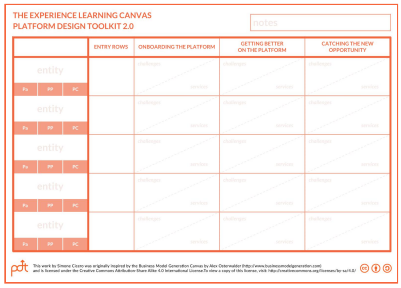
At this point in the design process, it's important that the shaper identifies the **focus**: what are the entities in the ecosystem we want to focus on? What relationships are going to be the core of our design work (at least for this iteration?).

5 Identifying the Elementary Transactions



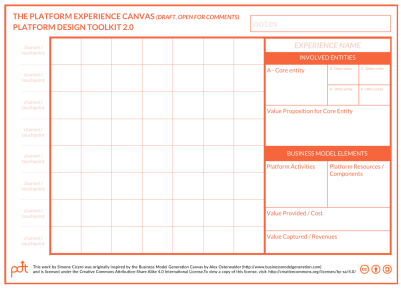
With the **Transactions Board** you will map how your ecosystem is currently exchanging value (focusing on the entities and the relationships you decided to prioritize), and you envision how your platform strategy can help them transact value in a *easier*, *cheaper* and *faster* way by providing, and curating **channels** and **contexts** that will make interactions and transactions more likely to happen.

6 Designing the Learning Engine



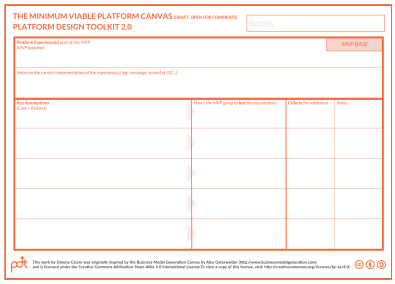
With **Learning Engine Canvas** you will design a step by step process made of support/enabling services that will help your entities embrace your platform strategy. These services will help them evolve, emerge from the crowd, become better producers and consumers, and ultimately to undergo a radical evolution that will have them explore new opportunities, and behaviors not intended initially.

7 Assembling the Platform Experiences



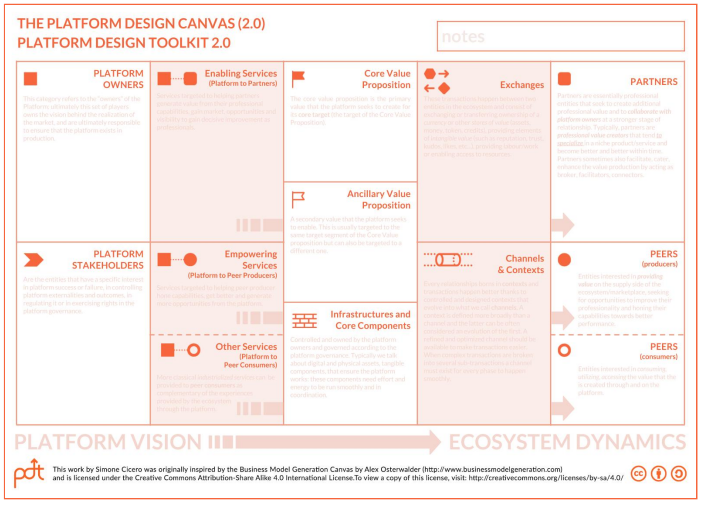
With the **Platform Experience Canvas** you craft an experience that synthesizes the core value proposition(s) arising from the Strategic Design phase and that - more than others - you consider essential for your platform strategy. With this canvas you will assemble the elements emerged from the Transactions Board(s) and the ones emerged from Learning Engine Canvas. You will then reflect around the sustainability model of this experience, thus covering the basic elements of Business Modeling, you will think at what resources and components you will have to set in place and manage in order to deliver this experience, and how you will extract value from it.

8 Setting up the Minimum Viable Platform



With the **Minimum Viable Platform Canvas** you finally *move out of the building* to test in the real world if all your design assumptions have a future or not. By looking at your design outputs, especially the Platform Experience Canvas(es) you have compiled, you'll extract the riskiest assumptions in your strategy, and you'll set experiments and metrics to validate them with your ecosystem.

A Handy Dashboard: The Platform Design Canvas

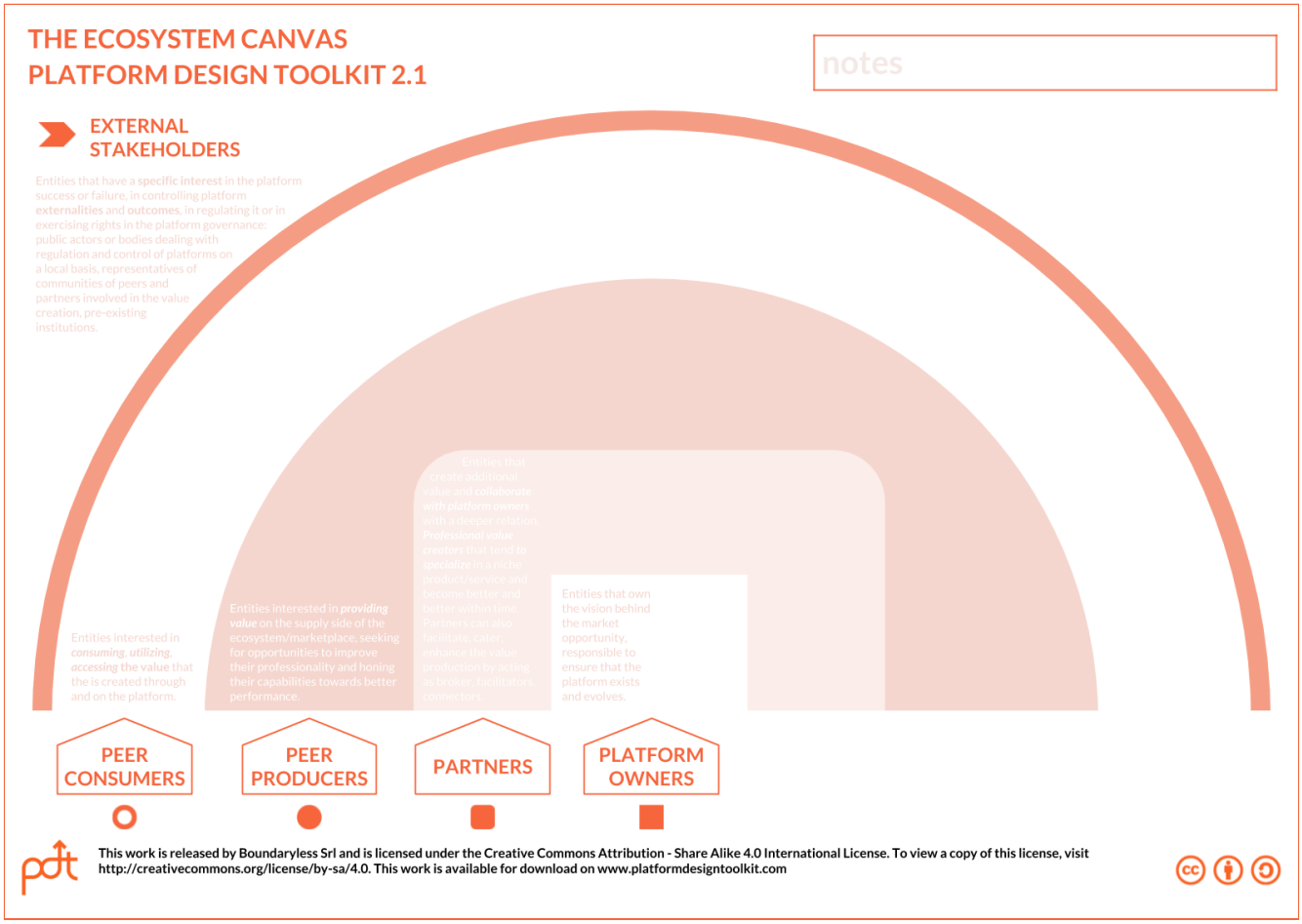


Recently, we've been using the Platform Design Canvas in an increasingly limited set of cases, in any case less and less as a *design tool*.

We noticed, on the other hand, that our community played with it mostly as either:

- a tool providing a **quick way to recap** the ecosystem potential and the platform strategy (some sort of "dashboard")
- tool to **quickly explore platform potential** without diving into more complex processes.

1 Mapping the Ecosystem



Practical Steps Guidelines:

- Start by enumerating entities: if you're in a group, try to diverge first, taking some time to brainstorm alone.
- Cluster similar entities together.
- Position PP/PC/PA based on the key value produced: are they consumers or producers?
- Choose maximum five entities in the PP/PC/PA (peers) spectrum. You can either cluster two similar entities (finding an overarching description) or just chose five you want to start with.

Suggestions:

When you start mapping, most likely you'll map "entities", individual entities in your ecosystem that have a specific context, motivations and expectations. To make your platform strategy more general and able to scale up, you'll want to keep as much potential as possible inside the reach of your strategy. You can therefore cluster similar entities by giving them a "common" name: by allowing two slightly different entities to play in similar ways, you'll design a more loose "role" (instead of *entity*) that could be played by both.

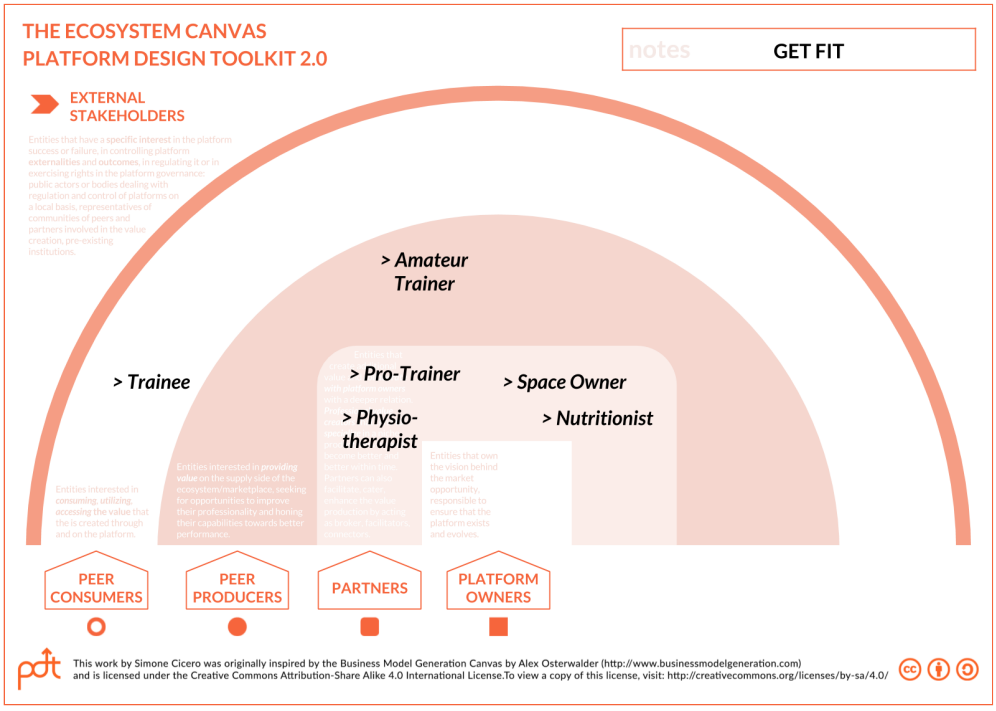
As an example, you can define a General Practitioner and a nurse, both "*healthcare professionals*". Any time you cluster a shared role for two or more entities, you'll lose some detail but, as your platform strategy needs to be able to scale up, this is a good thing as they'll find their own way to participate, and you'll be able to keep both of them involved.

An Example:

In the ecosystem of people trying to *get fit*, we could map the following entities >

One could also decide to cluster *"health professionals"* (nutritionists and physios) and therefore leave space for more professionals to show up.

If you design to be surprised, you will be surprised!



Three essential Tips and Tricks:

- Use *post-its*, this will help you play around with entities, cluster them.
- Don't obsess about PC vs PP vs Partners - it's not so crucial, even if it's a good idea to figure out what is the key value provided (*fitness*, in the example). This will help you figure out
- Remember that you want to map entities involved in the continuous interaction as PC/PP/PA and not those interested in the whole thing (these are *platform stakeholders*). Always ask: how many of them? If you can mention one or two, it's unlikely they're PC/PP/PA

What do you have at the end?

You've a list of all the entities that are already trying to exchange value in the ecosystem you're trying to shape.

How's this connected with the rest?

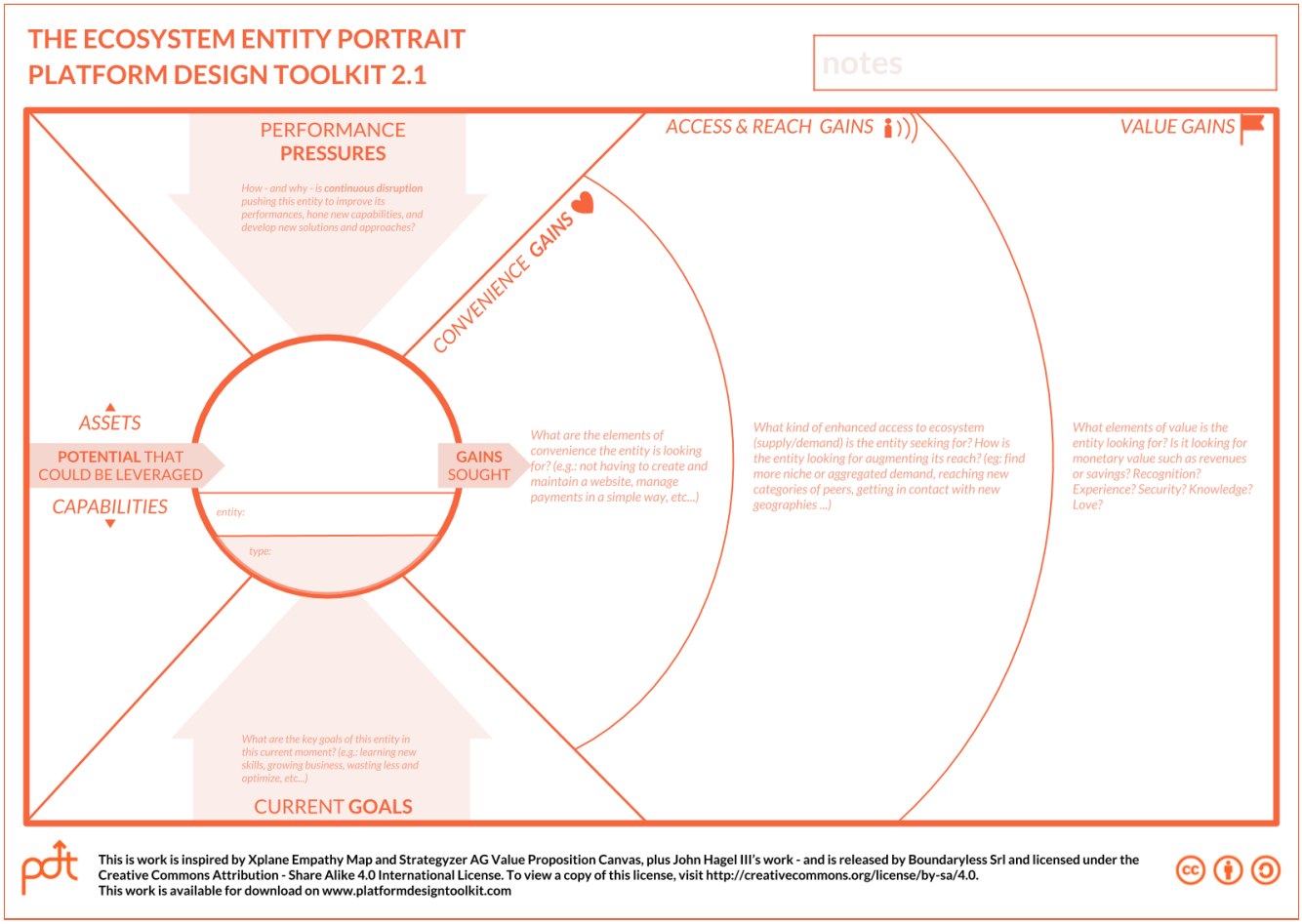
Starting from this list, you'll explore their context more in deep and start evaluate what value they exchange already, and what they could exchange.

Additional reads, from our blog:

"Design for Ecosystems: Emergence & Attraction" http://bit.ly/PDT-UG-DFE1
Will explain you better the difference between entities, and roles.

"Design APIs for Disobedience" http://bit.ly/PDT-UG-DFD
Will tell you more about how to design loose platform strategies and let the ecosystem innovate, institutionalizing these innovation within time.

2 Portraying Ecosystem's Entities



Practical Steps Guidelines:

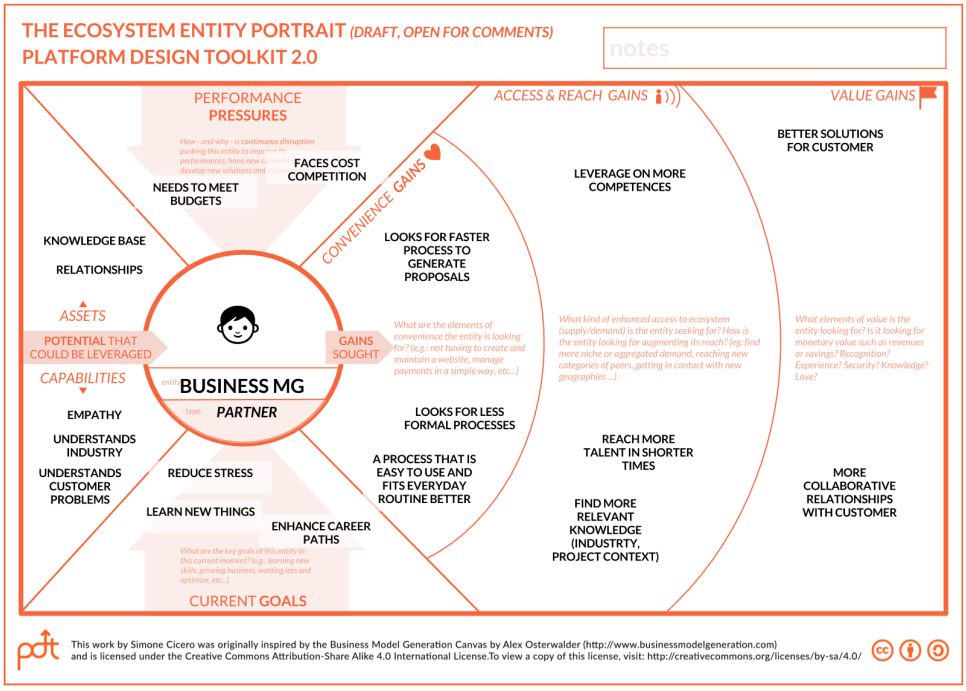
- Convenience gains are all about "easier, faster, cheaper" ways to do things (the part of the strategy that resembles more the .... solution to a problem).
- To identify the reach gains the entities are looking for, ask yourself: "what is the *other half of the apple*" that these kind of entities are looking for? What's the perfect producer for this consumer (and vice versa)? Reach gains should help you explore what dimensions are important, inside your ecosystem, for entities to get in touch with the niche they're looking for.
- Be sure you compile an Entity portrait for the entity that seems the most interesting for your design challenge: for which entity are you designing for in the first stance?

Suggestions:

Portraying entities differs from traditional user research approaches. Ecosystem entities, in our framework, are most of the time ***loose clusters*** (eg: "healthcare professionals") and therefore you may have some issues in getting to the detail: that's perfectly fine! You want to design a strategy that pulls in **anyone in that market,** niche or context, therefore you don't want to design a too narrow value proposition. Entity portraits are indeed key to design your *narrative*: a **value proposition** of a platform strategy towards an entity can be described as follows: *"you'll be able to use your potential, to reach your goals and confront performance pressure, and the platform will give you the convenience, reach and value gains you're looking for in the meanwhile"*. Finally: remember that you want to map what the entities are looking for *now:* keep the focus on the ecosystem (outside-in), not on your "platform" idea. As an example: **gains** are those that entities are looking for in their **current** experience, not the gains you're thinking to offer.
A platform strategy that is able to fulfill this promise will be generating the "pull": a continuous attraction towards the entity, and the entity will therefore chose to play "inside" the strategy instead of staying outside.

An Example:
In this example you can find an entity portrait for a *Business Manager* of a fictional consulting company called **CONSULTIA**.

You can access the whole example here: *"How to Platform-ize existing Processes"* >http://bit.ly/PDT-UG-PEP; the example of the EP for the Airbnb host is also available here: http://bit.ly/PDT-UG-EUG.



Three essential Tips and Tricks:

- Use *post-its*, this will help you move elements around and get to a clearer view.
- Start by the potential and then move into the compressors (goals and performance pressures), and then gains.
- It's a good idea to run a round of informal interviews (open ended) with representatives of your entities groups, or even to get them participate in the mapping exercise.

What do you have at the end?

You'll have a clear understanding of your ecosystem's entities context (you've been wearing their clothes), and also a raw idea of your multi-sided Value Propositions

How's this connected with the rest?

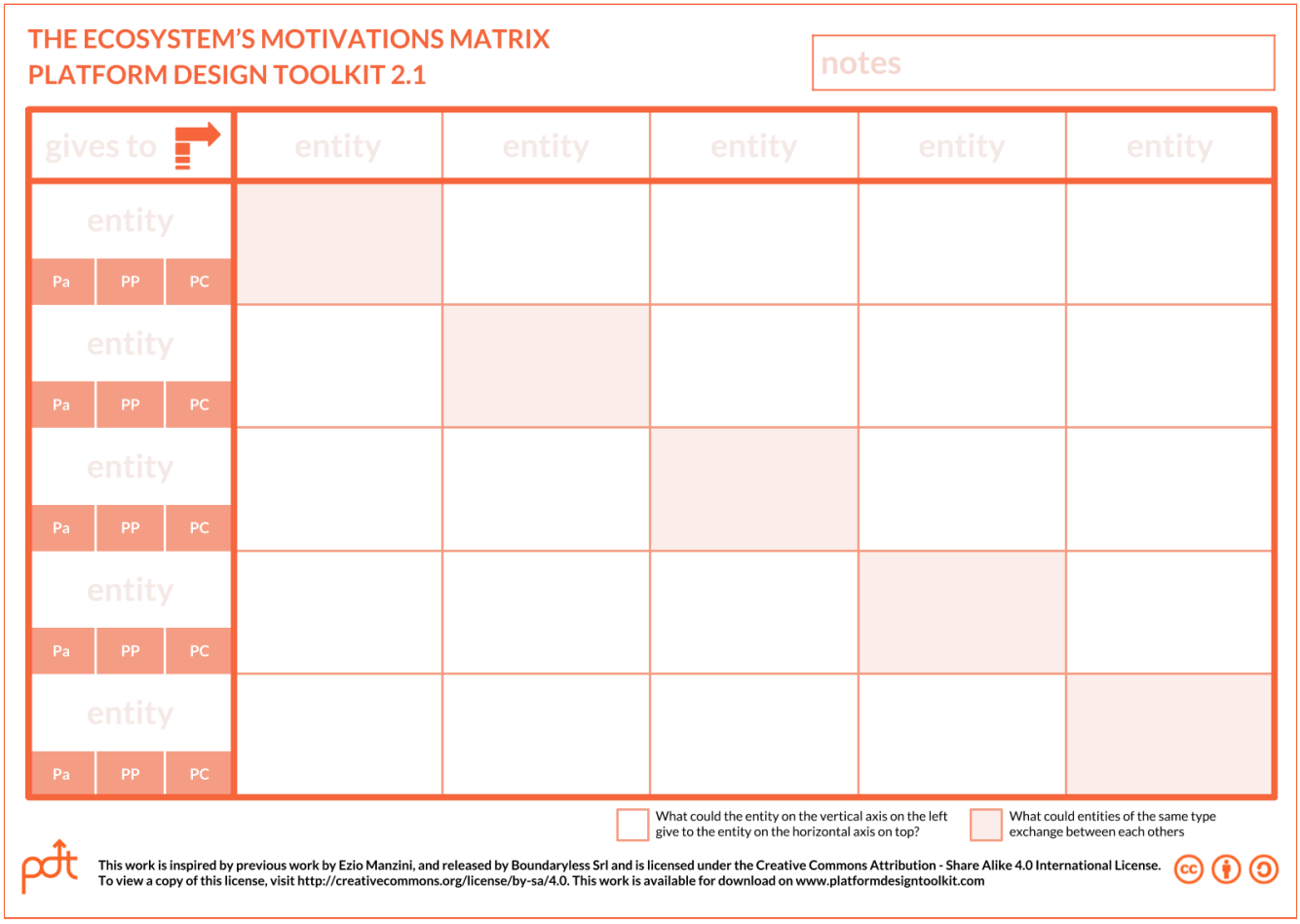
Remember to map the entities you feel more important, at the end of the day you'll need to cross check your Platform Experiences with the Entity portraits, to verify you can generate the "pull"!

Additional reads, from our blog:

"Evolving User Research in the Age of Platforms & Ecosystems" http://bit.ly/PDT-UG-EUG
Will explain you the key differences in the approach needed when designing mobilization strategies (platforms) vs products and services. You can also find the Airbnb Host example over there!

" Design For Ecosystems: Discovering Potential and Testing Assumptions." http://bit.ly/PDT-UG-POT
Despite the scope of this post is slightly larger you can use it to understand more about portraying (plus there's an extra example!)

3 Analysing the potential & motivations to Exchange Value



Practical Steps Guidelines:

- Put your selected entities in the same order on the 1st row and column: as an example, the cell in row 1 and column 2 should contain what the the entity in row 1 "gives to" (or has the potential to "give to") the entity in column 2.
- Start by analyzing the value flows between entities of different type, them move into same entity types.
- Not all cells must be full with flows, it may be the case that there's not value flowing or potential to flow: this should tell you something!

Suggestions:

Motivation matrix is a highly divergent tool: you'll need to map all the current and potential **value flows** that you see happening (or potentially flowing). Keep your mindset open to see anything might be interesting and important. This is really a moment in which you listen to your ecosystem: listen to what they're telling you. What you're trying to map here is no more than what one entity can "give to" each other.

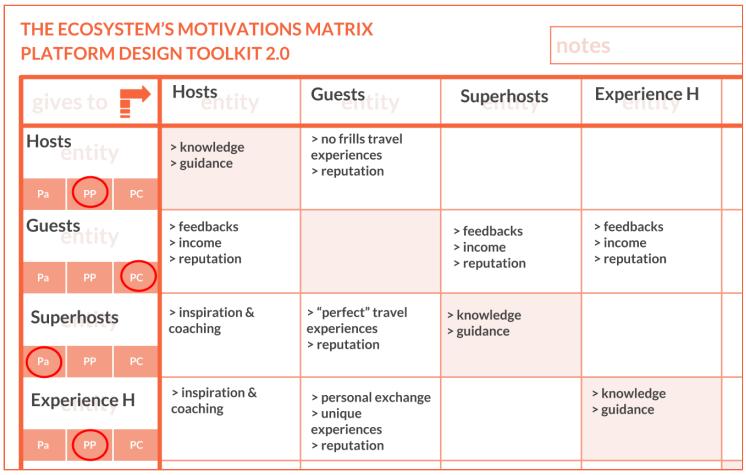
This exercise will help you let the most important relationships to emerge, as we'll see later: you may well be surprised by some relationships that you didn't deem "crucial" for your design, but that can emerge powerfully as important.

Two Examples:

Look at the ecosystem of Airbnb >

It's important to note that, in this case, the ecosystem existed before airbnb (hosts, guests) but Airbnb helped more figures emerge.

Note that it's very important to map reputation and feedback exchanges as they're powerful quality filters!

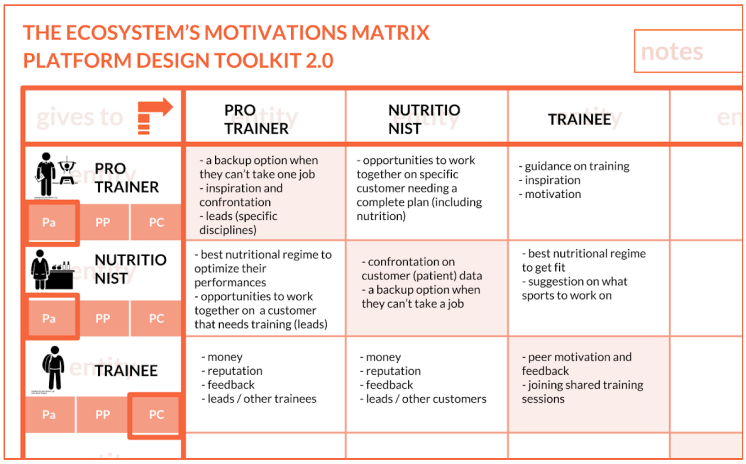

THE ECOSYSTEM'S MOTIVATIONS MATRIX
PLATFORM DESIGN TOOLKIT 2.0

notes

gives to →	Hosts	Guests	Superhosts	Experience H
Hosts Pa PP PC	> knowledge > guidance	> no frills travel experiences > reputation		
Guests Pa PP PC	> feedbacks > income > reputation		> feedbacks > income > reputation	> feedbacks > income > reputation
Superhosts Pa PP PC	> inspiration & coaching	> "perfect" travel experiences > reputation	> knowledge > guidance	
Experience H Pa PP PC	> inspiration & coaching	> personal exchange > unique experiences > reputation		> knowledge > guidance

Look at the motivations matrix related to a subset of the ecosystem of people trying to get fit >

You may have started your exploration focused on helping trainees getting the best training experience but the motivation matrix brings you a clear message: the relationship between the Trainer and the Nutritionist is also key and looks very rich! Should this be the basis of rethinking of the strategy? Maybe there's enough value there to leverage!


THE ECOSYSTEM'S MOTIVATIONS MATRIX
PLATFORM DESIGN TOOLKIT 2.0

notes

gives to →	PRO TRAINER	NUTRITIONIST	TRAINEE
PRO TRAINER Pa PP PC	- a backup option when they can't take one job - inspiration and confrontation - leads (specific disciplines)	- opportunities to work together on specific customer needing a complete plan (including nutrition)	- guidance on training - inspiration - motivation
NUTRITIONIST Pa PP PC	- best nutritional regime to optimize their performances - opportunities to work together on a customer that needs training (leads)	- confrontation on customer (patient) data - a backup option when they can't take a job	- best nutritional regime to get fit - suggestion on what sports to work on
TRAINEE Pa PP PC	- money - reputation - feedback - leads / other trainees	- money - reputation - feedback - leads / other customers	- peer motivation and feedback - joining shared training sessions

Three essential Tips and Tricks:

- Don't ask if something is right or wrong: just map and generate divergence and abundance!
- It's really important to map any possibility to exchange money, reputation, and feedback as these are powerful engines of value exchange and can drive up quality.
- Just ask yourself "what can A give to B?" and be surprised by the answers

What do you have at the end?

You'll have a clear understanding of the potential to exchange value in the system, plus an indication of what are the most powerful relationships (where most of the value can flow).

How's this connected with the rest?

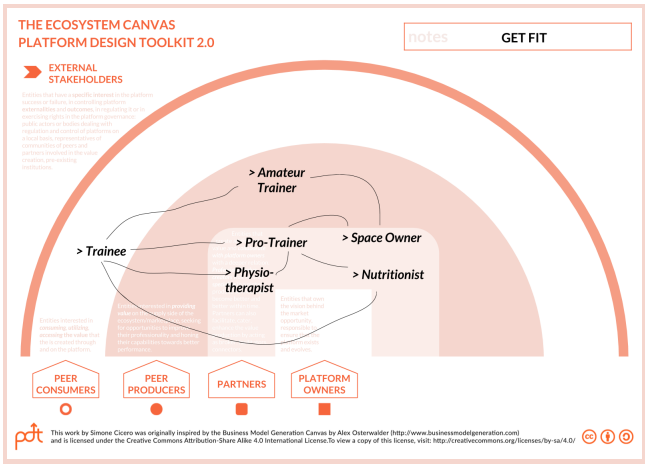
This exercise brings you to identify the initial part of the transactions engine potential: you'll use the information from the motivations matrix to feed into the transactions boards, and consolidate the design of your transactions engine.

4 Choosing the core relationships you want to Focus on

Once you've your **Entity Portraits** and **Motivations Matrix** ready, it's time for you to start *focusing*. Despite the ecosystem you're designing *for* is, and always will be, varied and abundant, it's a good idea for a strategist to find a **core focus** when developing the first steps of a platform strategy.

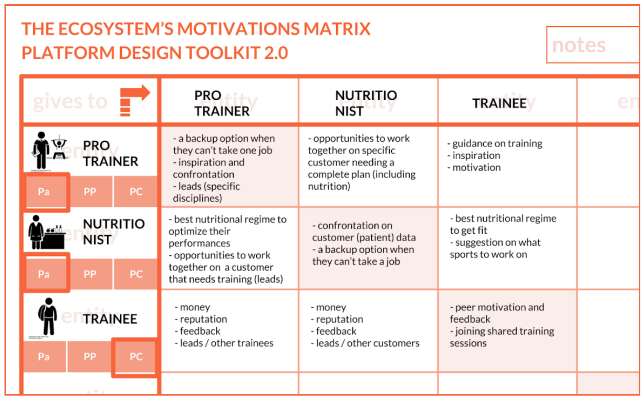
It's important to note that one can unroll a platform strategy in different steps, for example by deploying different experiences within time, all carrying different business models, and target entities. At this moment of your design session, you'll need to ask: **what are the one, two, three key relationships I want to design *for***? It's very important to start thinking in terms of relationships because relationships are the *roots* of the experiences you will design.

Let's look into the *getting fit ecosystem* for a moment. Among the many players there's an abundance of possible relationships that are worth exploring. If you focus on the relationship between a **trainee** and a **professional trainer**, what would the experience I end up designing? Most likely a "*getting trained*" (or providing training, if I look from the other point of view) experience.



What happens if, instead, you focus on the relationship between a **nutritionist** and a **trainee**? Most likely the experiences we end up designing will be about *losing weight* and getting a nutritional regime.

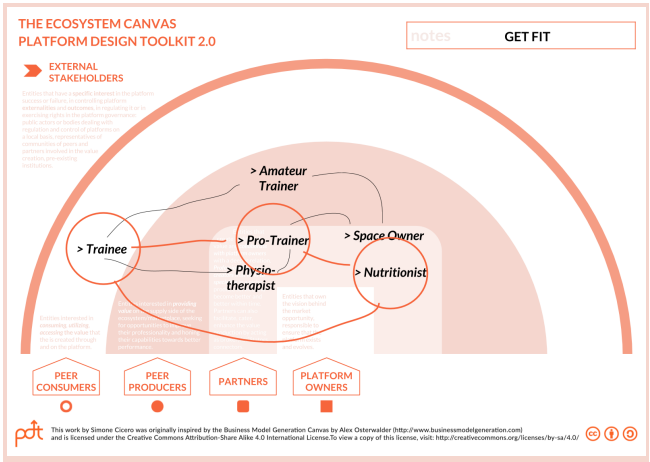
To understand what are the relationships worth focusing is not an easy catch: this will depend on your interests, priorities and existing reach, but also from what the ecosystem tells you about the **potential value flows**. As we anticipated above, in the *getting fit* ecosystem it may worth for one to focus on the relationship between the two professionals (trainer and nutritionist), ending up designing a *professional collaboration experience*.
It's normally a good practice - according to our experience - to pick a **triangular set of relationships**, and try also to identify a **"Core Entity"**.



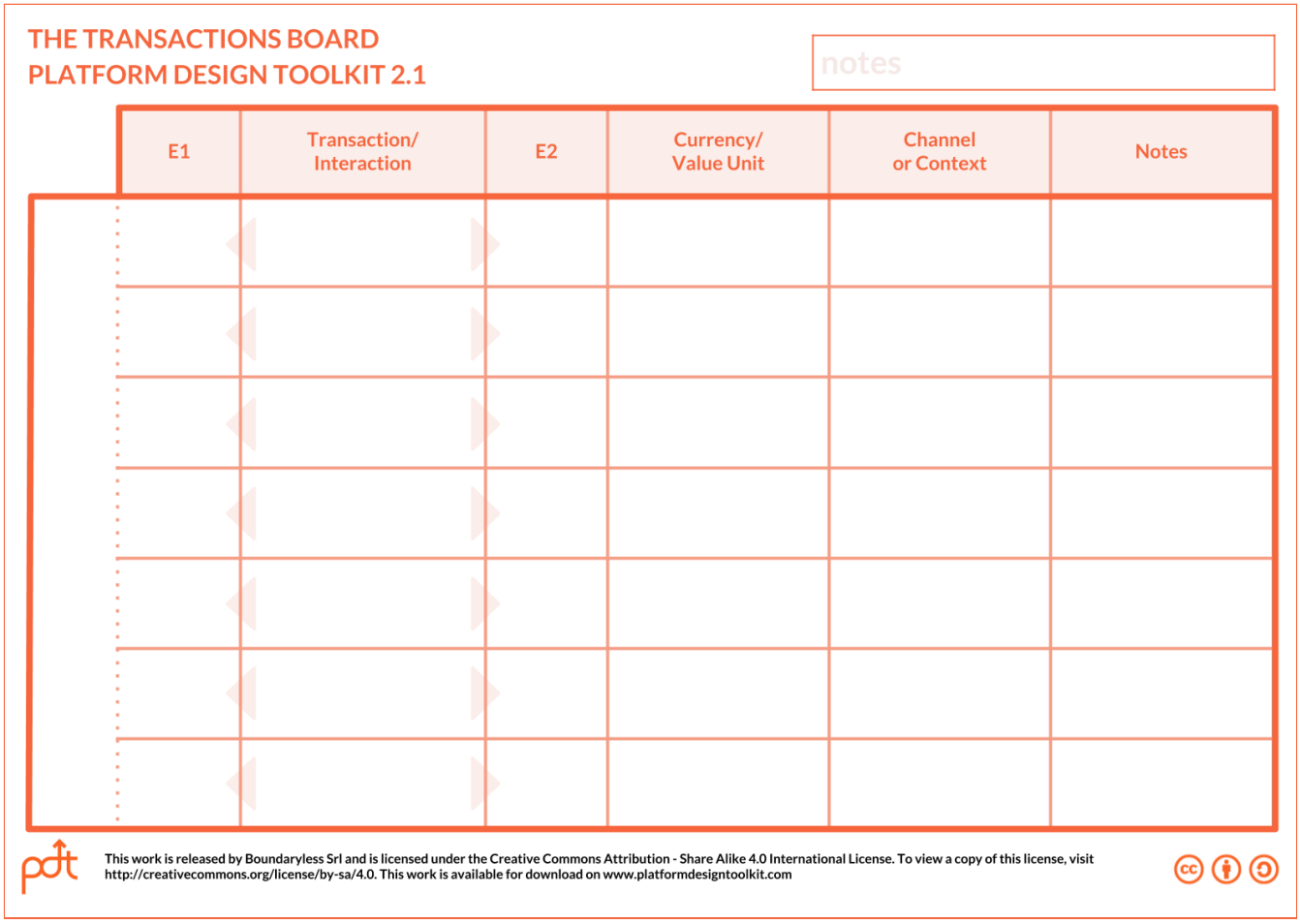
The core entity that you'll identify might be the one you *prioritize* for: for example the one from whose point of view you'll likely design the first experiences.

It's a good idea at this point to double check if you've the entity portraits for all the entities you've chosen in your core system (especially the "Core Entity"). If you don't, it's a important to come back to portraying this entity, this will be essential for you in the **reality check** on the potential that your strategy has to generate **pull**!

We recommend you to read *"Design for Ecosystems: Emergence & Attraction"* (see: http://bit.ly/PDT-UG-DFE1) to understand more of how to prioritize entities, and why it makes sense in this open-ended process that is platform design.



5 Identifying Elementary Transactions



Practical Steps Guidelines:

- Identify the relationship you're exploring and try to focus on one relationship at a time. We suggest you to run a transactions board for each relationship you identified in your "Core System" first.
- Enumerate all the elementary, atomic transactions you can see happening already, or the ones that may happen, to facilitate the value exchanges that you may have mapped before, in the motivations matrix.
- If two transactions don't have sense separated, you can actually group them (eg: book and pay in advance).

Suggestions:

The Transactions Board should help you, once you've focused on a given relationship, to enumerate all the transactions that happen already, or might happen if facilitated. One of the key roles of the platform shaper (owner) is that of creating channels that can reduce the transactions cost[3]. It's a good idea to focus on atomic transactions, because essentially we want to enable them to happen at scale.
Sometimes this exercise may sound awkward and counterintuitive (too simple), or you may end up asking, "what am I designing here?".

The key to understand this exercise is to understand that your mission here is to identify what channels exist and what new ones you need to create, with the aim of facilitating interactions between entities at a smaller scale (to enable more interactions to happen in smaller niches). It's also very important to understand that we're moving from the "value flows" into "value units" so it's very important to try being specific in describing the type of unit of value that gets exchanged.

[3] (see page 10 ***"The two key engines of Platform Design"***).

Two Examples:

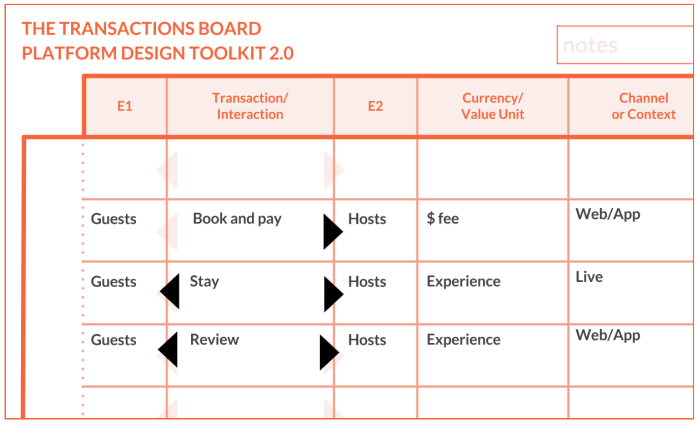
Look at the first core of transactions enabled in in Airbnb, between the first entities (relationship) >

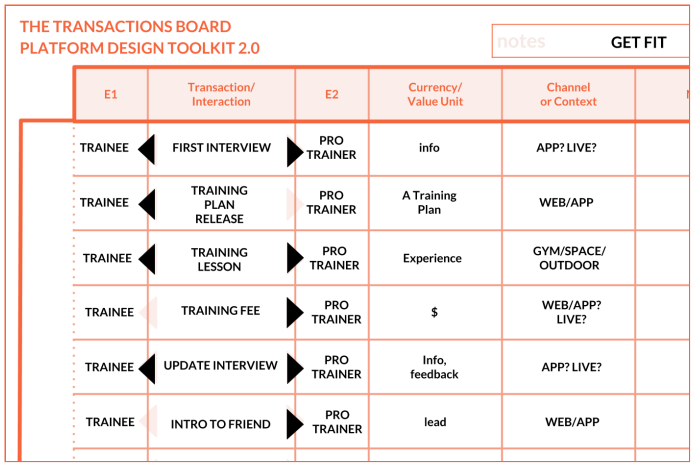
It's important to note that, the AirBnb transaction model, at the start, was extremely simple: this helped Airbnb scale quickly and easily.

Simple transaction engines are quicker to grow: as we explore higher value ecosystems, and more complex relationships we may have to confront with more complex pictures

Let's look for a moment to the transactions board related to the relationship between the trainee and the trainer in the *get fit* ecosystem.

As you can see here, we're more or less mapping what's happening already in this industry: here our mission is more that of understanding how we could improve the channels and how we can consolidate the value units exchanged.





Three essential Tips and Tricks:

- Don't be too restrictive in what is a channel or value unit: a channel is everything making an interaction easier (an event? A template document). Don't think too much in terms of technologies (websites and apps), because we know that platforms are not technologies!
- Try to think in terms of "actions" a transaction is most likely being modeled as an action/verb.
- Use the arrows to determine the directionality, sometimes transactions can also be bi-directional

What do you have at the end?

You'll have a simple model of atomic transactions, and a list of channels that you'll need to build as a platform owner.

How's this connected with the rest?

Atomic transactions are going to be one of the type of "elements" (think as ...Lego bricks) you will be able to combine with others, in the constructions of the Platform Experiences.

Additional reads, from our blog:

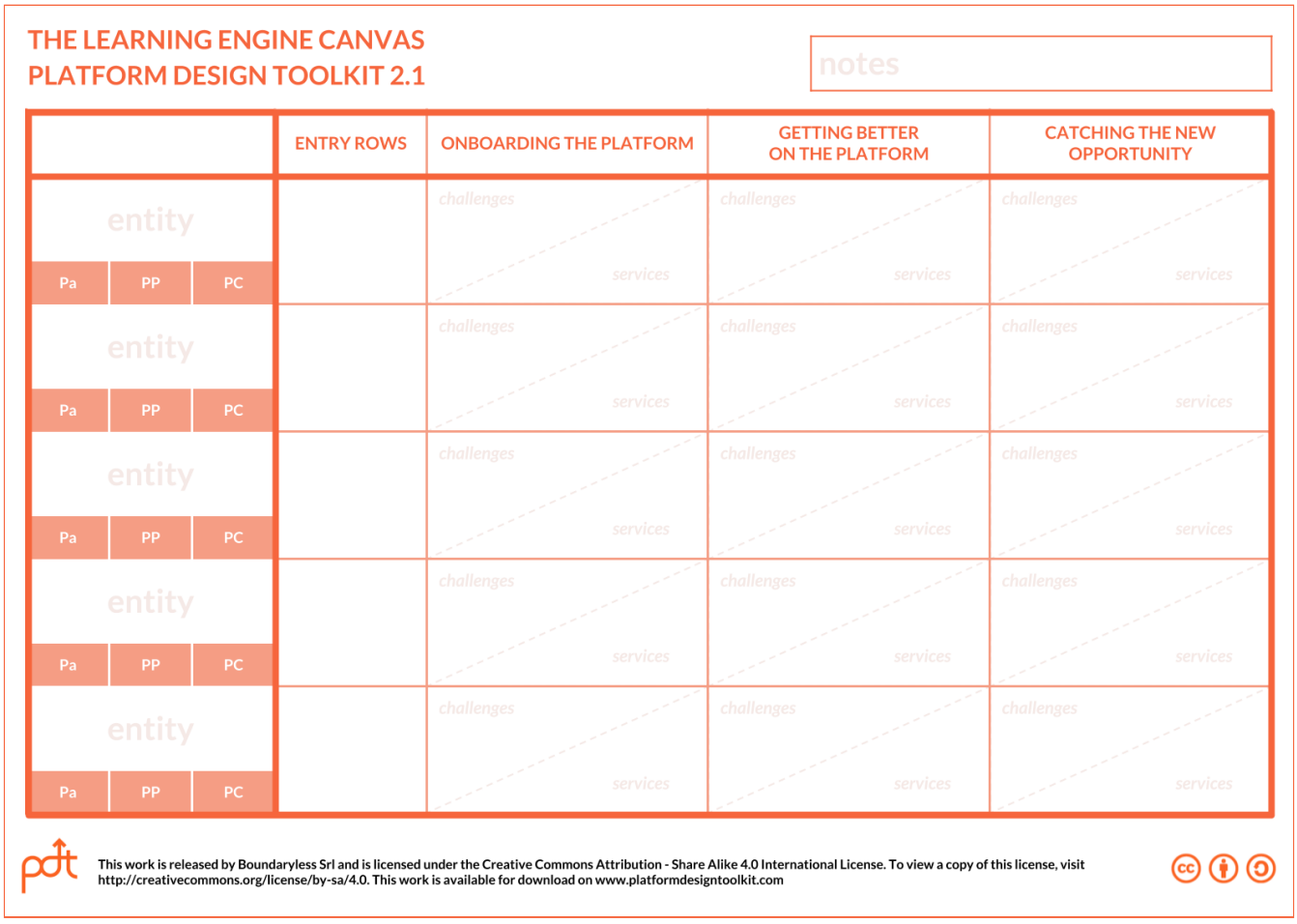
"Why Platform Strategies are all about reducing Transaction Cost"
On this post you'll find a deeper explanation on why reducing the transaction cost is a key element of your platform strategy.

http://bit.ly/PDT-UG-RTC

"How to Platform-ize existing Processes – Stories of Platform Design"
The reader may also enjoy an additional example, approaching the transaction model in an existing context: the CONSULTIA case study.

http://bit.ly/PDT-UG-PRO

6 Designing the Learning Engine



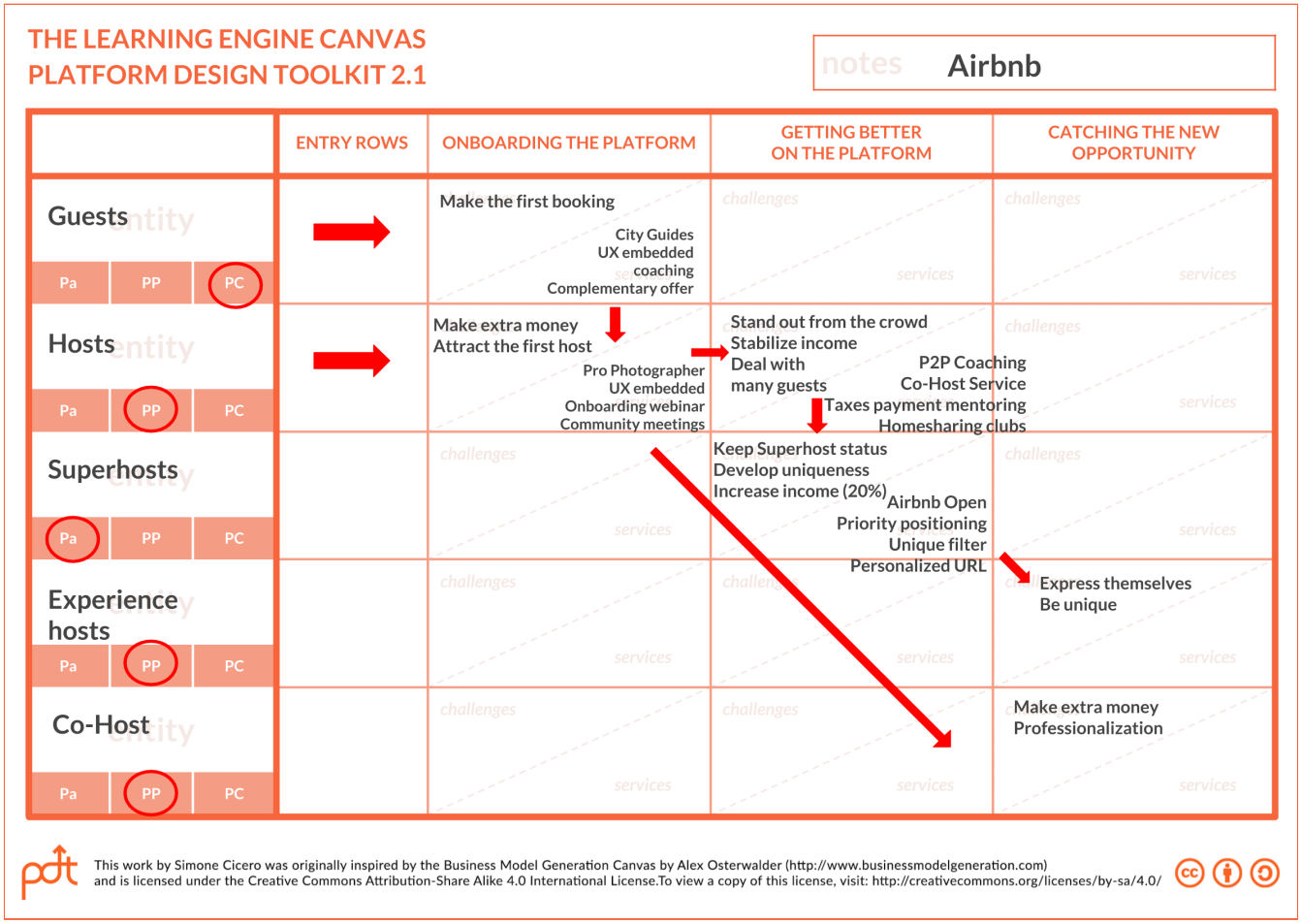
Practical Steps Guidelines:

- Place all the entities on the left and start exploring how they evolve through the three steps;
- After that, imagine how there could be an evolution between different roles (entities): how can a consumer become a producer? How can a peer producer (less strategic) become a partner (more strategic)?

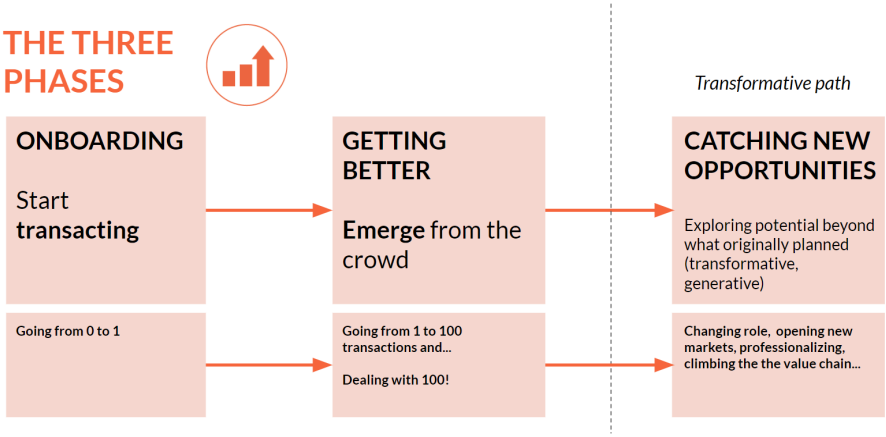
Suggestions:

Why we talk about learning and improvement engine in platforms? As we live in complex times, entities in ecosystems are subject to continuous performance pressure. The learning engine provides you a three steps process framework to design services (broadly defined) to support your entities at every step: every step comes with a **key challenge**, what can you design to provide them with the right aids to overcome the challenges?
Focus on one (or few) key challenges for every step, and one (or few) key services.
This is where you design most of your platform strategy as a owner: the way you support your ecosystem entities to become the best they can be!

The Airbnb Example



The learning engine canvas is all about how you support your entities in the three stepped process of improvement.



In the *onboarding* phase you need to help the entities go from 0 to 1: it's important to understand that we're interested in making the first transactions happen.

The photographer service[4] in Airbnb is iconic of onboarding: having nice pictures of your house is a well known booster for new hosts, a powerful way to help them attract the first guests when they don't have a visible reputation yet.

When it comes to *getting better* it's always about helping your entities grow from 1 to 100 and also deal

[4]Airbnb: Get a quote for a professional photographer? https://www.airbnb.com/professional_photography

with increasing demand (this step is definitely mostly interesting for value producers PP, PA). Also consumers could get better (try to ask the question contextually).

Catching new opportunities finally is almost always about new ways to interact in the ecosystem, it's normally a transformative moment, where the entity explores opportunities beyond what originally planned(transformative,generative), such as changing role, opening new markets, professionalizing, or climbing the the value chain.

In the example of Airbnb we could focus on the Co-host[5] role: co-hosts can host for others. We can see the co-host as a support service for the hosts that can't deal with increasing demand ("I don't host professionally but I've a second house and I need someone to help"), or as an opportunity for hosts that learn to love hosting and can be doing it just... professionally!

Three essential Tips and Tricks:

- Practical onboarding steps for consumers are normally: understanding what they can consume (checking the menu), while in the getting better they can explore more advanced consumption patterns (eg: bundles)
- Practical onboarding steps for producers are: explaining to the ecosystem what they can offer (writing the menu!), and getting better normally means offering more complex things, sometimes in combination with others (bundling) or with the platform (eg: badged roles, see Airbnb's "Superhost")
- Try to identify connections with consumption and production sides of the marketplace: if you're lucky to have a potential evolution path that connects the two you may have an internal growth engine!

What do you have at the end?

At the end of this exercise you will have a structured idea of what kind of services (broadly speaking) should your platform strategy provide to the entities, to allow them to improve continuously.

How's this connected with the rest?

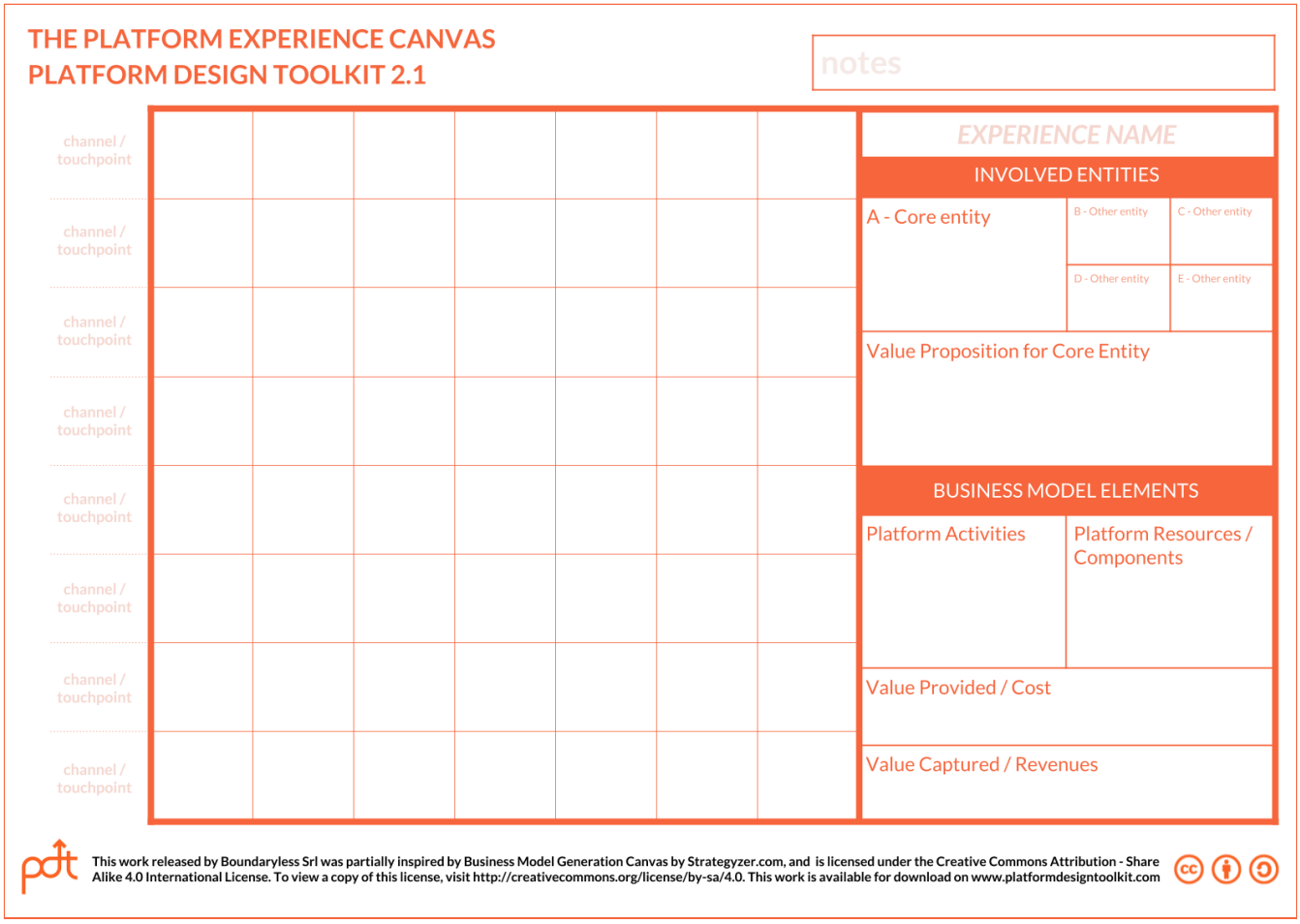
Learning support services are the other essential set of Lego bricks you will use to compose the platform experiences: this set of bricks is all about the relationship between platform (owners/shapers) and entities, while the transactions are the relational, peer to peer, bricks.

Additional reads, from our blog:

"Why Platforms need to be Engines of Learning" http://bit.ly/PDT-UG-ELE
Despite being a bit old, this post will introduce you to the idea of offering an engine of learning as an answer to the continuous disruptions of the interconnected age.

[5] Airbnb: What's a Co-Host? https://www.airbnb.com/help/article/1243/what-s-a-co-host

7 Assembling Platform Experiences



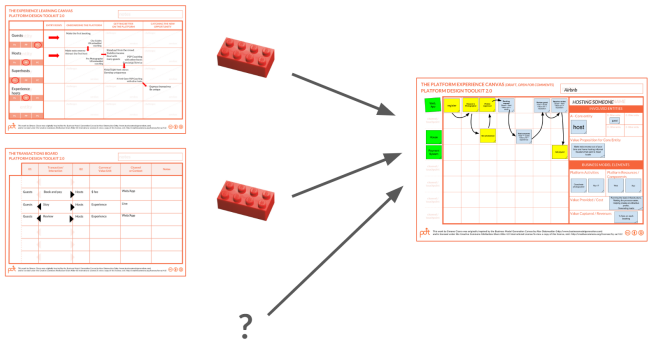
Practical Steps Guidelines:

- Give the experience a name, chose the entity of which you're using the point of view (core entity)
- Use the canvas without restrictions
- Use different post it colours to identify entity-to-entity and platform-to-entity interactions
- Use post-its to play with the steps so that you can move them around until you've a good flow
- Explore the business model only at the end, when you can see the full flows of value

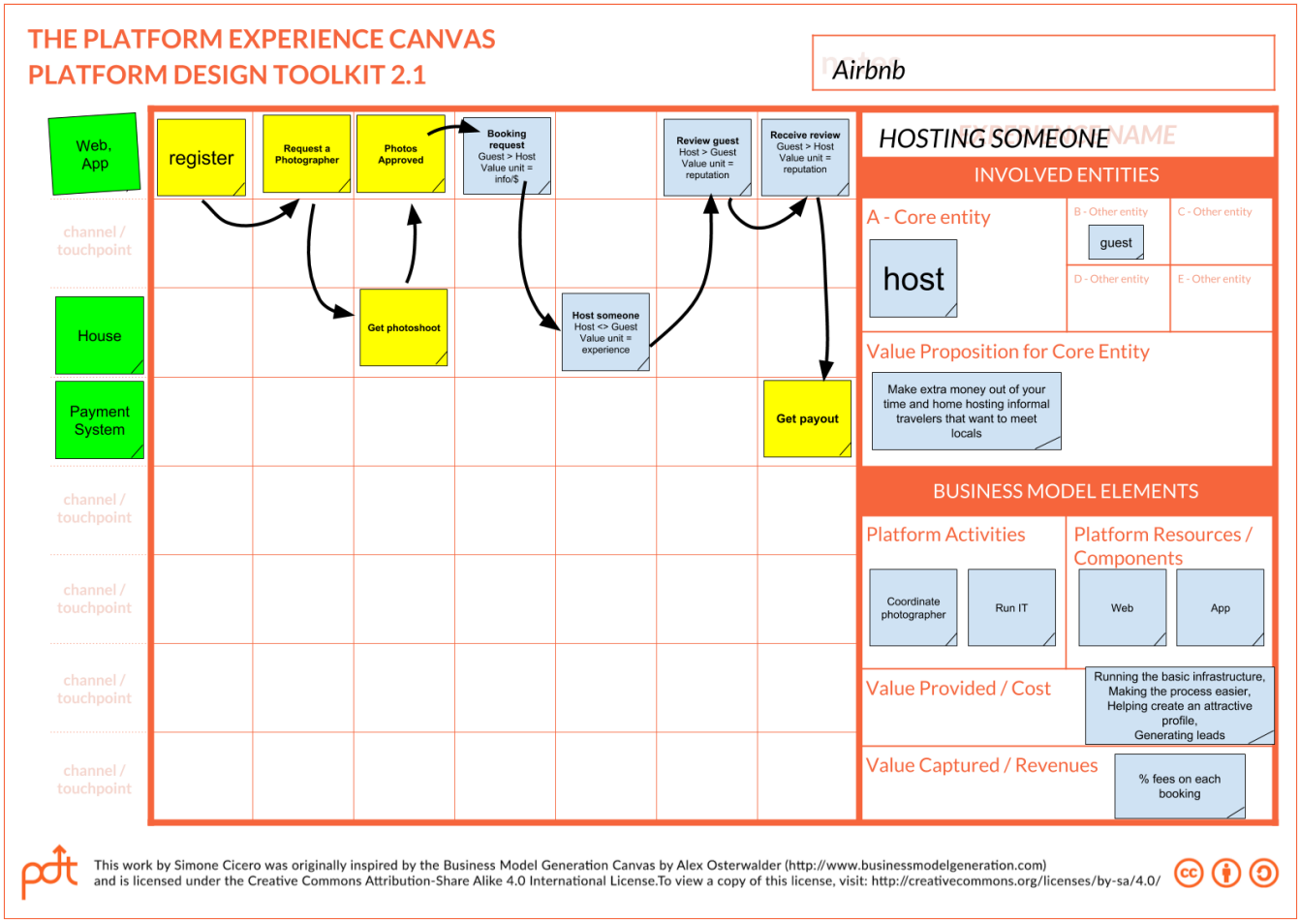
Suggestions:

The Platform Experience Canvas, is the the tool we use to consolidate most of the previous insights and conversations. To build the platform experience one can use three essential types of bricks:

- The **services** that the Platform Owner provides for continuous improvement as part of the Learning Engine
- The **atomic transactions** happening between the entities in the ecosystem
- Further **elements** of consumable services, functionalities, support services that serve to complement the experience.



The Airbnb Example



Let's look at the simplicity of the hosting experience on Airbnb; it all starts with the host onboarding steps (registering, getting a photoshoot) and then moves into the interaction: booking, hosting and reviewing. As you can see, yellow post-its represent interactions with the platform (owner) and green ones represent entity to entity interactions.

Three essential Tips and Tricks:

- Describe the Value proposition as something that resonates with the Entity Portrait of the core entity: allowing the entity to leverage in its potential, to achieve goals and respond to performance pressures, getting relevant gains in the process.
- Choose one point of view, in a relationship: keep an eye on the relative transaction board, to pick all the interactive elements.
- Focus on the onboarding and getting better parts of the learning engine canvas: most likely the transformative (getting to the new opportunity) event, will be part of ... just another experience.

What do you have at the end?

You'll have a tangible sign of your platform strategy: if someone ask you, what's your *platform*, a platform experience is a good candidate as an answer. The platform experience is what you want to bring to the ecosystem.

How's this connected with the rest?

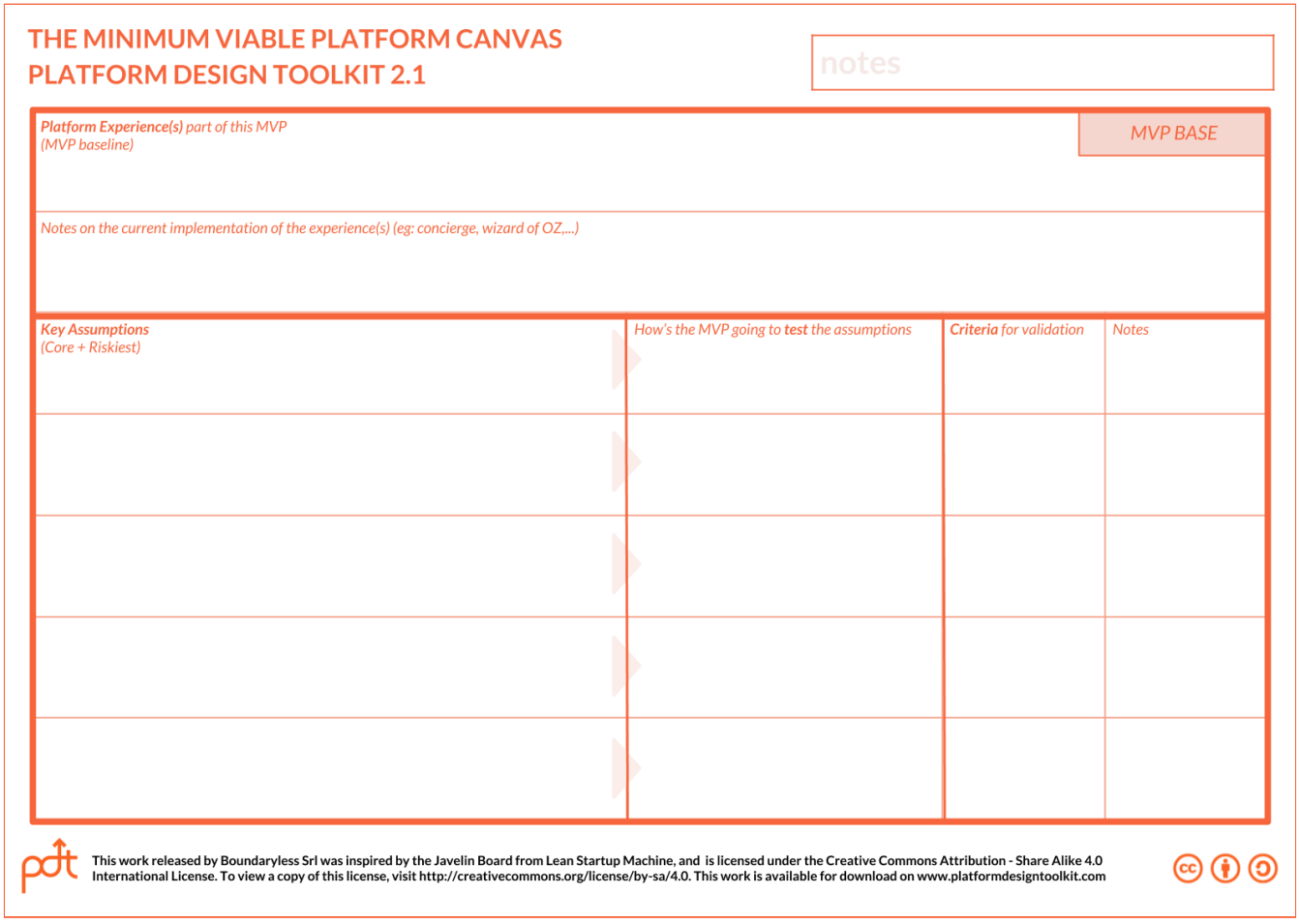
One or more platform experiences will be part of your MVP, or will drive how you build the experiments you want to build (if your strategy is already existing).

Additional reads, from our blog:

"Introducing Lean Ecosystem Development" http://bit.ly/PDT-UG-LED

This blog post presents the whole framework of thinking behind the idea of Lean Ecosystem development. Note that some of the canvas structures and the way we suggest to use the Platform Design Canvas have slightly changed in the meanwhile

8 Setting up the Minimum Viable Platform



THE MINIMUM VIABLE PLATFORM CANVAS
PLATFORM DESIGN TOOLKIT 2.1

notes

Platform Experience(s) *part of this MVP (MVP baseline)*	*MVP BASE*
Notes on the current implementation of the experience(s) (eg: concierge, wizard of OZ,...)	

Key Assumptions *(Core + Riskiest)*	*How's the MVP going to **test** the assumptions*	***Criteria** for validation*	*Notes*

Practical Steps Guidelines:

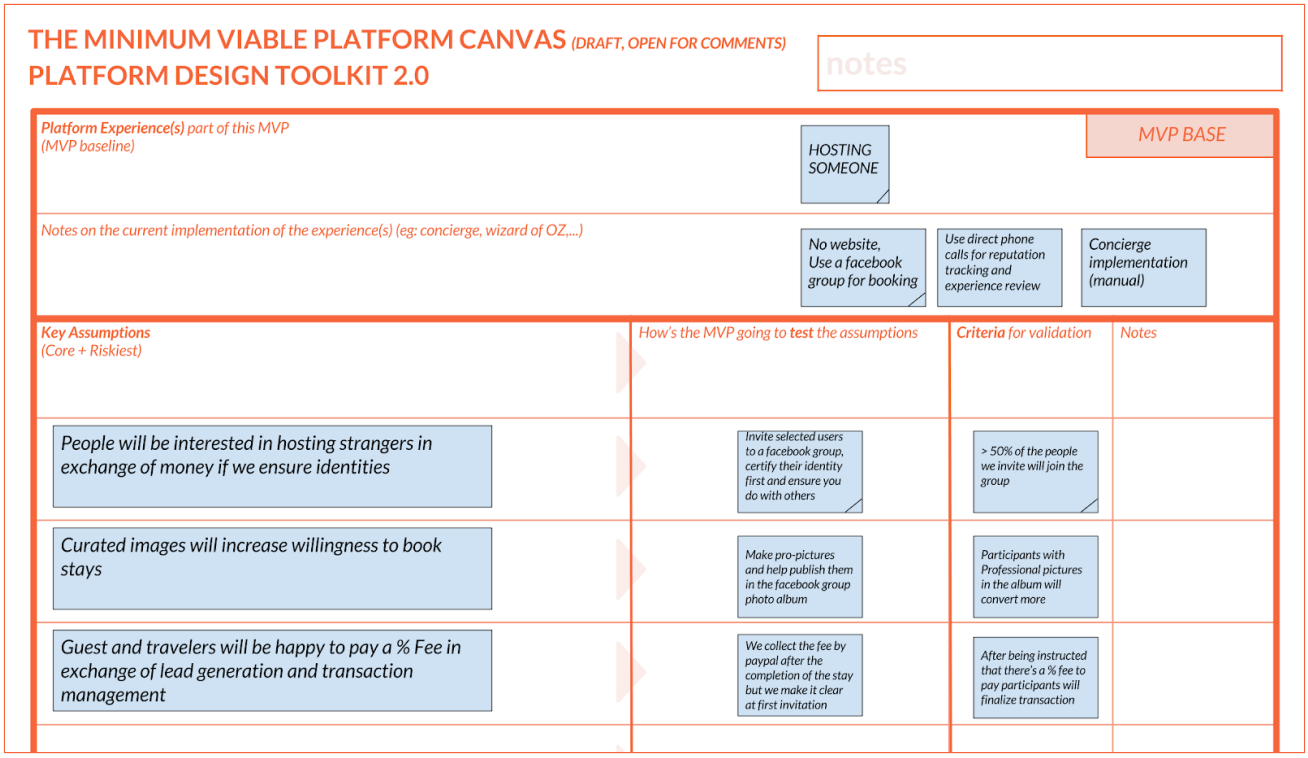
- Start by defining what are the experiences you want to feature in the MVP.
- Understand what are the key assumptions in these experiences.
- Imagine how you can build the leanest MVP possible, and how this MVP is going to test the assumptions.
- Pick the most unbiased criteria for validation

Suggestions:

Setting up the Minimum Viable Platform is, essentially similar to setting up a Minimum Viable Product: the biggest of the differences relies with the fact that a platform strategy is an "interactive" product and that the platform value normally grows with the generation of network effects. Normally we suggest to validate, as soon as possible, at least the following assumptions: business model, trust and attraction.

It's clear what the business model assumptions are (does the business model actually work?) and what the attraction assumption is (is the value proposition working? Are the entity feeling the attraction towards the platform?), the trust assumption may be more complex to understand. With trust assumption we intend every assumption related to moving from consuming a solution coming from an industrial player to consuming a service in direct interaction with a peer. People are used to book a room in a hotel, but would they travel into stranger's houses? Apparently yes.

The Airbnb Example



How would an MVP for Airbnb be if we should prototype it today? We could use a Facebook group and Paypal for escrow payments and make a so called "concierge" implementation (an implementation of an MVP where you don't prevent the user to understand that you've build a prototype and that some of the work happens ...manually.)

Three essential Tips and Tricks:

- Start always by looking at what you have: you may have some resources ready that you can easily combine in an MVP, or just leverage on (eg: a list or contacts)
- Don't procrastinate the validation of your business model assumption
- Enumerate the assumptions with your team and only after you've listed them all, try to identify the riskiest!

What do you have at the end?

You'll have a clear setup of an MV, something that you can now go prototype and use for learning if your riskiest assumptions are true or not..

How's this connected with the rest?

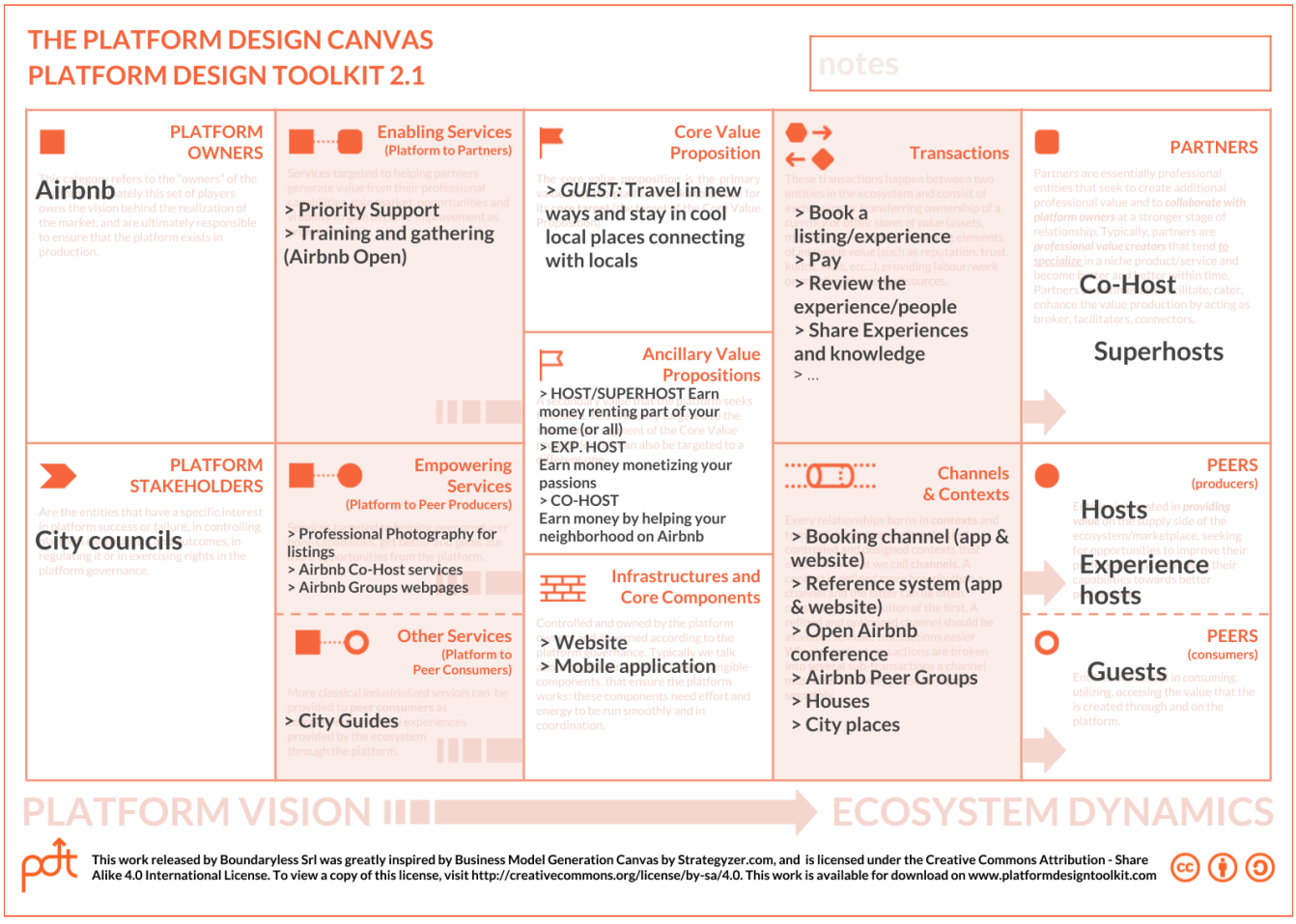
Validating or invalidating the assumptions in the MVP should help you to get back to the design and potentially make different choices. Once your ecosystem-platform fit is validated then you'll need to think about your growth strategy.

A Handy Dashboard: The Platform Design Canvas

The Platform Design Canvas can be used as a dashboard:

- You can the PDC *step by step* consolidate the insights you generate by using the toolkit into the canvas itself (especially in the steps going from 1 (the Ecosystem Canvas) to 6 (the Learning Engine).

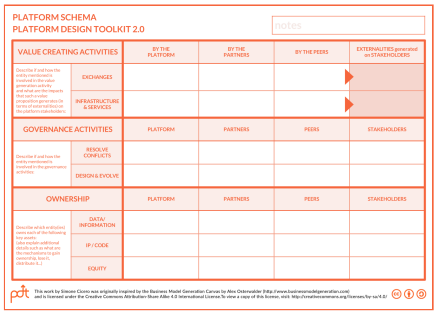
- As an alternative you can grab a PDC and quickly brainstorm (or map an existing platform strategy) in a one single sheet.



NOTES ON ADVANCED TOOLS

This 2.1 version Platform Design Toolkit and User Guide, being released in June 2018, doesn't include two advanced canvases. These canvases are now not yet fully introduced in this user guide but we're providing you here a links to our blog that will help you adopt them in your explorations and send us feedbacks before these get included in the next full 3.0 release and guideline.

The Platform Schema



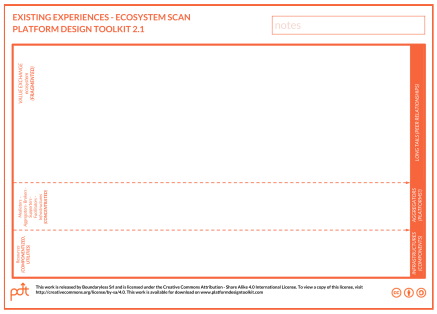
What's for?

The Platform Schema helps you explore advanced issues such as ensuring that the platform you are designing is fair and respectful, gives the ecosystem the right access to value creation and decision making and more.

Where to find more:

Introducing The Platform Design Toolkit 2.0. [online] Available at: https://meedabyte.com/2015/11/06/platform-design-toolkit-2-0-open-for-comments/

The Ecosystem Scan



What's for?

This canvas can be used to map existing experiences in the ecosystem and is a good complement to the Pattern Library[6]. You can use the tool to map what's existing and see how your core assets can be used in the process of reinventing existing experiences through patterns of platformization. Note that, the pattern library introduced in (b) slightly differs and evolves le pattern library introduced in (a).

Where to find more:

a. Exploring Ecosystems: The Patterns of Platformization, available at: http://bit.ly/PDT-UG-EXP

b. "12 Patterns of Platform Design to kickstart Innovation Strategies", available at: http://bit.ly/PDT-UG-PAT

[6] Introduced in "12 Patterns of Platform Design to kickstart Innovation Strategies", available at: http://bit.ly/PDT-UG-PAT

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Thanks!

Thank you for reading this guide! We would love you even more if you

- register to the **Platform Design Newsletter** *"The Rules of the Platform Game"* here: http://bit.ly/PDToolkit-NL
- follow our **Medium Publication** *"Stories of Platform Design"* http://bit.ly/PDToolkit-MEDIUM
- visit our website at www.platformdesigntoolkit.com
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