Modern business happens on digital platforms

Digital platforms are changing how companies use technology services and operate their business models. Speaking at the Cover Insurtech 2019 conference, thryve MD Sean Pyott explained the value of this modern business asset.

Sean Pyott, Managing Director at thryve

For many the platform is still a foreign idea and some even consider it a temporary change. But once you wrap your head around the proposition, it is very clear that the futures of commerce and customer interactions are entirely anchored to this exciting way forward.

The business world is currently experiencing a change of the guard like no other. Decades of stoic business logic, based on creating monolithic systems and high siloed environments, are being invalidated by the power of digital platforms. Insurance and GRC platform solutions provider thryve recently took to the stage of the Cover Insurtech 2019 conference and delved into this crucial topic.

Pyott presented the topic to the attendees of the conference, held in Johannesburg at the Wanderers Club, to explain the nature and impact of digital platforms. thryve is very well-acquainted with the topic as it is a partner and implementer of Salesforce, an original business platform.

What is a digital platform?

As Pyott explained, a digital platform is "a collection of cloud-based software and services that businesses can use." Examples include search engines and social media sites: Facebook is a very powerful platform in that it connects easily with users, provides optional services that are built on top of its foundation and offers opportunities for third parties to develop their own services, presences and interactions.

Platforms can typically extend their interfaces to any device, from a web browser to a mobile phone. If you have ever used a service such as Office365 or Gmail, the ease of access you experience is directly due to the platform philosophy. Platforms scale well and are often very supportive of third-party solutions that can integrate with the platform. In the platform world, you are not limited to the modules of a single expensive vendor but can assemble services from specialists - all in the safe yet dynamic environment of the platform.

The business platform

A business platform follows the same logic, only instead of sharing cat videos, it is geared towards the purposes of the company or ecosystem it serves.

"Digital platforms provide the attributes the market expects," he explained. "They are responsive and offer ease of use as well as instant gratification for the customer. This reflects the move from a product focus to customer focus. With a digital platform, you can create more contextual experiences for your customers."

To be more specific, a digital platform is a central software foundation from which other applications can be launched. But it is much more than just that: a platform is an integrated presence for the business or an ecosystem of complementary businesses. As opposed to past models, where business applications for different functions are quite removed from each other, various services for departments and projects can run on the same platform. Moreso, the information each generates can be shared across business silos, bringing business functions closer together without violating their sovereignty.

Digital platforms are built to scale on data centres and typically are cloud platforms - meaning they harness immense computing power at very reduced costs when compared to traditional technologies. So they represent a much lower TCO for businesses, which can essentially procure tailored services without needing to own the entire technology stack. From a financial perspective alone this makes digital platforms very appealing. That additional power and flexibility are also what opens doors to artificial intelligence, machine learning, big data analytics and more.

The platform journey

But the shift to a digital platform has risks, such as shaking up the business, Pyott warned:

"The first big choice is whether to build your own platform or integrate with another. The latter might sound scary, but in fact, today's digital platforms are a lot more secure than what most companies can produce themselves. It also takes a lot of time and resources to build and maintain a platform."

He added that making the move is not about technology, but the business culture: "Platforms are the rise of multi-sided environments to facilitate value exchange as opposed to basic two-sided transactions between buyers and sellers. It requires big changes in organisations. A healthy platform ecosystem involves partners that offer different products and value which operate on the platform. It's much more collaborative, something that a lot of companies are not currently geared towards."

As such, Pyott advised that when looking at a platform, companies must identify monetisation strategies and risk, and drive

the transition with clear business outcomes in mind. Fortunately, platforms can scale, so the risk of a proof-of-concept is small. Once a business experiences the virtues of a platform environment, it will find that sharing resources and encouraging innovation becomes much simpler and safer. Ultimately platforms cater to the expectations of modern users, customers and employees alike: speed, context, adaptability, reliability and availability. This is why businesses need to take platforms seriously.

"Digital platforms improve market performance and cost by tapping spare capacity while still lowering prices. It also places the customer at the centre of transactions. These are powerful dynamics that are rewriting business rules. The ones that are the most responsive to change will survive. Digital platforms deliver that responsiveness."

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