USC Marshall
School of Business

DSO 556 – <u>Business Models For Digital Platforms</u>

Syllabus –SPRING 2024 – 13 weekly meetings,
Tuesdays, 6:30pm - 9:30pm – 3 Units

Professor: Inge Lindholm
 Email: ilindhol@marshall.usc.edu
 Office Hours: Upon Request

<u>Course Description:</u>

This course focuses on identifying, designing, and assessing innovative business models for digital platforms. It also focuses on understanding the dynamics of digital platform ecosystems. Increasingly all industries are becoming "flipped" with the digital platform becoming the foreground whereas as the physical activities are becoming the background. Digital platform leadership is becoming increasingly vital for strategic advantage.

This course is meant to give MBA and MS participants a competitive advantage in terms of career preparation for full participation in aspects of business development and business model innovation in any industry where products and services are offered through digital platforms. Digital platform ecosystems are triggering new value chains, new business models & entirely new sets of partnering relationships. Senior executives – especially those in the digital entertainment market space --- have indicated a great need for MBAs and MS graduates who can contribute to new business development initiatives around digital platforms and who understand digital business models. Beyond that, the Internet of Things is extending new digital business models to the emerging connected car industry, healthcare and wellness, and smart energy, and more.

As companies launch many new initiatives and services that are delivered through digital platforms, there is a need for business professionals who understand the new business models evolving in the industry – and who understand the many cross-functional elements that have to be in place for business development to prosper. These are not just for entrepreneurial ventures, but most frequently larger established companies that are innovating with new initiatives and services. The Covid-19 pandemic has greatly accelerated digital transformation and the use of digital business models. And we are entering a new digital normal.

The course takes a strategy approach to understanding dynamics, business models, & digital platform ecosystems. It has a general management multi-disciplinary orientation. It also adopts an ecosystem perspective of business strategy that is suitable for emerging digital platform ecosystems. It delves into emerging technologies as needed.

This course uses lectures, case studies, articles, industry reports, and features industry guest speakers who provide current practice insights and it aims for a rich interactive and collaborative learning experience which is highly dependent on dialogue and shared perspectives among course participants.

<u>Upon Successful Completion Of This Course, Participants Will Be Able To:</u>

- Understand the critical properties of digital platform ecosystems
- Identify, design, and assess innovative digital business models
- Use digital business model design frameworks
- Understand different types of digital business models (open innovation, user-generated content, Internet of things, sharing economy models, social commerce…)

- Explain the dynamics of disruptive business models
- Articulate the *hows* of positioning and managing an enterprise in a digital platform ecosystem
- Scope and assess digital business ecosystem niches
- Leverage partner capabilities in digital business ecosystems through governance and APIs
- Describe the methods and strategic moves through which a company can establish digital platform leadership
- Contrast the characteristics of platform business models from a global perspective

THIS COURSE WOULD BENEFIT THOSE PURSUING CAREERS IN THESE AREAS:

Business Development --- New Product Development --- Entrepreneurship --- Management Consulting --- Marketing -- Digital Innovation --- Information Systems --- General Management – Strategy.

THIS COURSE WOULD BENEFIT THOSE PURSUING CAREERS IN THESE INDUSTRIES:

Any industry that delivers services and value through digital platforms – really ANY industry! -- healthcare, consumer retail, entertainment, real estate automotive, or smart energy.

USC AS DIGITAL NEXUS

Even in this distance-socializing digital-first world, USC sits in a special "digital cool" place at the heart of "Silicon Beach" and "Digital Hollywood" with the vibe of the creativity and entertainment industries. Southern California is a major center of commerce, content, and communication in the digital space. It is the gateway that connects us to Asia and the Pacific Rim. As this new world transforms to global digital at an exponential rate, we sit at the roots of its crossroads with the opportunity to watch, participate, and help rethink developments as these new business models trigger a new and evolving digital business ecosystem. USC is a world leader in things digital – and it is an exciting spot to be at.

COURSE MATERIALS & READINGS:

1. **Course Reference Text**: "Platform Revolution: How Networked Markets Are Transforming the Economy-- And How to Make Them Work," by Parker, Van Allstyne, and Choudary, 2016. It is trade book rather than a textbook and you can purchase from Amazon in both hard copy and Kindle edition and audio.

2. **Harvard Business School Cases (Course Pack):** The case course pack (8 cases + an industry note) can be purchased online directly and downloaded in electronic form from Harvard Business Press -- as per the instructions provided in the BlackBoard class folder under the Syllabus tab.

3. **USC Marshall Cases and Other Readings:** USC Marshall cases, articles from professional journals, tradepress, and industry reports (made available on-line through Blackboard class folder).

4. **Course Content:** There will be a session preparation guide with case questions posted every session Blackboard. It is expected that course participants will have completed all required readings, activities, and assignments before attending their class session each week. Other than the course pack that needs to be purchased (see Item 2 above), other readings will be posted in the class session channel for that week – as will PowerPoints, assignment instructions, resources etc... Please check it frequently! The syllabus section contains the course guide and information on materials. The "Assignments" section has information on mid-term and final projects.

COURSE DIGITAL PLATFORMS & MEDIA:

SLACK: Communication, interaction, and networking channel for the class. To be explained.

ZOOM: All class sessions will be recorded and posted in theBlackboard under USC Zoom Pro Mtg.

GOOGLE DRIVE: Used for Breakout Rooms. To Be Explained.

BLACKBOARD: Weekly session preparation, course contents, session presentations, and assignments will be posted and delivered here.

CLASSROOM POLICIES:

1. **ATTEND!:** Class attendance and active participation is critical for developing a mastery of the materials covered in the course.

You are expected to attend all sessions. If you cannot attend for a specific reason then please inform the professor via slack that you are unable to attend, or your absence will affect your participation grade. Treat it like a professional meeting at work: if you cannot attend, you are expected to inform the person running the meeting as a professional courtesy. You are also expected to make up for your absence by some extra effort.

At the beginning of class, attendance is recorded. You will need to scan the QR code when you arrive. Please do not forget to complete this task. No exceptions will be made.

Additionally, I allow for 2 zoom attendances during the semester***I will discuss this during the first session.

2. **ENGAGE!:** There will be plenty of opportunities to provide ideas, experiences, and shared perspectives not only while in the class session but also through engagement on slack. Please take space to speak up and give space for others to engage as well. P.S. Your participation in the course is graded both by in-session and community engagement on slack.

3. **CONTRIBUTE!:** Your contribution both online and in class discussion grade is based on quality and a sincere effort to provoke, learn and understand, rather than quantity. The more you engage with the class with passion, intellectual curiosity, and interest, the higher will be your participation grade, and the more successful and exciting our learning experience will be. We are all here to learn and share our understandings.

4. **PREPARE!:** You are expected to attend and prepare for each class and to actively engage in the discussion of readings and cases. If you don't keep up with the reading, you will not enjoy the class. Thus it is very important that you be prepared for each class – even if you are not doing the case write-up. You are expected to actively discuss both readings and cases and add to the learning of the class. If you see an article that is pertinent to the class – let us all know. You are also expected to raise questions that provoke the thinking of others. You may be randomly called upon in class to comment and answer questions, so please be prepared.

COURSE EFFORT AND GRADING INFORMATION:

Each individual's effort and grade will be based on the following 5 components. Please note that extraordinary effort in any of those components will be recognized beyond the math. Conversely, plagiarism in written assignments will be dealt with very severely as per USC rules.

1.	**Class contribution and online discussion related to readings**	**16 %**
2.	**2 case write-ups (individual)**	**18 %**
3.	**Report#1 (1-Person Report)**	**20 %**
4.	**Report #2 (2-3 Person Team Report)**	**23 %**
5.	**Report #3 (4-5 Person Team Report)**	**23 %**

ASSIGNMENTS:

[1] CLASS CONTRIBUTIONS & ONLINE DISCUSSIONS RELATED TO READINGS:
(See Classroom Policies Above)

[2] CASE WRITE-UPS (INDIVIDUAL):
Written analysis is required for 2 of these 8 cases (one from each set) as follows:
Write-up #1 (Individual) Case 1, 2, 3, or 4
Write-up #2 (Individual) Case 5, 6, 7, or 8
Rather than a lottery, there will be a sign-up sheet provided for each of the 2 sets of cases to both allow you to write-up the case that you have a passion for, while also balancing the number of write-ups for each case by having a reasonable upper limit of sign-ups for each case. Please note that all cases must be read prior to each class session and prepared for discussion regardless of if you chose to do that particular write-up.

Written analyses are due at the beginning of the session in which the case will be discussed. Case questions will be provided for each case to guide your write-up. The case write-ups should preferably be the equivalent of about 2-3 single-spaced pages (and any appendices attached). You will still need to prepare the case for discussion, even if you are not writing up.

The written analysis is an individual assignment. However, group discussion before write-up is good as long as write-up occurs separately and individually. If you would like detailed feedback on a specific aspect of your write-up, please feel free to include "feedback requests" in the body of your write-up.

These are not "standard" case analyses. Just answer the questions. There is no need for a lengthy introduction in your write-up but rather please directly address the key issues suggested by the case questions. Try to avoid lengthy repetition of case facts (you can reference page numbers, exhibits, tables) -- but by all means justify your logic through case specifics. Please be careful to distinguish between case facts and stereotyped sweeping generalizations. Recommendations should be substantiated by clear logic and case specifics. Diagrams and schematics are very helpful in both sharpening your thinking and your exposition. Incorporation of learning from assigned readings and class material into analysis is a definite plus and is expected.

[3] Report #1: (1 Person Project) Critical Properties of Digital Platform Ecosystems Assignment:

This is an individual written assignment that identifies and selects critical properties of digital platform ecosystems that have influence for strategic advantage, and then applies it to a platform business model. More details will be provided prior to the due date.

[4] Report #2: (2-3 Person Team Project) Business Model Innovation Proposal for a Company or Non-Profit

Students will work in teams of 2 or 3 to develop a business model proposal for a selected new service through digital platforms. Business models for new products and services in the digital business ecosystem often make theirway to reality through a variety of paths. The process is triggered variously: a new value proposition for a targeted customer segment through a service innovation, a new interface for content access through new media or a new device, a different service delivery platform, a different way of organizing channels, or a new revenue sharing or different pricing arrangement. More specific guidelines will be provided.

[5] Report #3: (4-5 Person Team Project) Strategic Moves Assessment for Digital Platform Ecosystem Niche

Each team of 4 people will tackle a focused niche of a digital platform ecosystem, and both describe/assess the strategic moves that various players have taken, and which ones the team recommends that the players take going forward. We will divide each team into 2 sub-groups – one sub-group will address the strategic moves that the large platform owner can make, while the second group will address the strategic moves of the smaller players. And then the team will integrate its findings. More details and guidelines will be provided later in the semester.

ASSIGNMENT SUBMISSION POLICY:
Assignments must be turned in on the due date/time electronically via Blackboard. assignment turned in late, even if by only a few minutes, will receive a grade deduction (for example, if your work is a B+ grade, you will be given a C+ grade).

If your Internet breaks down on the due date, you must deliver a hard copy at the beginning of class on that day. If you are unable to attend class on that day, make arrangements for it to be delivered by the start of class. Late or not, however, you must complete all required assignments to pass this course

INCOMPLETE GRADES:
Mark of IN (incomplete) may be assigned when work is not completed because of a documented illness or other "emergency" that occurs after the 12th week of the semester (or the twelfth week equivalent for any course that is scheduled for less than 15 weeks).

An "emergency" is defined as a serious documented illness, or an unforeseen situation that is be- yond the student's control, that prevents a student from completing the semester. Prior to the 12th week, the student still has the option of dropping the class. Arrangements for completing an IN must be initiated by the student and agreed to by the instructor prior to the final examination. If an Incomplete is assigned as the student's grade, the instructor is required to fill out an **"Assignment of an Incomplete (IN) and Requirements for Completion"** form which specifies to the student and to the department the work remaining to be done, the procedures for its completion, the grade in the course to date, and the weight to be assigned to work remaining to be done when the final grade is computed. Both the instructor and student must sign the form with a copy of the form filed in the department. Class work to complete the course must be completed within one calendar year from the date the IN was assigned. The IN mark will be converted to an F grade should the course not be completed.

TECHNOLOGY POLICY:
Example: Laptop and Internet usage is not permitted during academic or professional sessions unless otherwise stated by the respective professor and/or staff. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. ANY electronic devices must be completely turned off during class time. Upon request, you must comply and put your device on the table in off mode and FACE DOWN. You might also be asked to deposit your devices in a designated area in the classroom. Videotaping faculty lectures is not permitted due to copyright infringement regulations. Audiotaping may be permitted if approved by the professor. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class.

AI POLICY:

Since creating, analytical, and critical thinking skills are part of the learning outcomes of this course, all assignments should be prepared by the student working individually or in groups. Students may not have another person or entity complete any substantive portion of the assignment. Developing strong competencies in these areas will prepare you for a competitive workplace. Therefore, using AI-generated tools is prohibited in this course, will be identified as plagiarism, and will be reported to the Office of Academic Integrity

An important goal of the educational experience at USC Marshall is to be exposed to and discuss diverse, thought-provoking, and sometimes controversial ideas that challenge one's beliefs. In this course we will support the values articulated in the USC Marshall "Open Expression Statement" (https://www.marshall.usc.edu/open-expression-statement).

USC STATEMENT ON ACADEMIC CONDUCT AND SUPPORT SYSTMES

USC Statement on Academic Conduct and Support Systems

Academic Integrity:
The University of Southern California is a learning community committed to developing successful scholars and researchers dedicated to the pursuit of knowledge and the dissemination of ideas. Academic misconduct, which includes any act of dishonesty in the production or submission of academic work, comprises the integrity of the person who commits the act and can impugn the perceived integrity of the entire university community. It stands in opposition to the university's mission to research, educate, and contribute productively to our community and the world.

All students are expected to submit assignments that represent their own original work, and that have been prepared specifically for the course or section for which they have been submitted. You may not submit work written by others or "recycle" work prepared for other courses without obtaining written permission from the instructor(s).

Other violations of academic integrity include, but are not limited to, cheating, plagiarism, fabrication (e.g., falsifying data), collusion, knowingly assisting others in acts of academic dishonesty, and any act that gains or is intended to gain an unfair academic advantage.

The impact of academic dishonesty is far-reaching and is considered a serious offense against the university. All incidences of academic misconduct will be reported to the Office of Academic Integrity and could result in outcomes such as failure on the assignment, failure in the course, suspension, or even expulsion from the university.

For more information about academic integrity see the student handbook or the Office of Academic Integrity's website, and university policies on Research and Scholarship Misconduct.

Please ask your instructor if you are unsure what constitutes unauthorized assistance on an exam or assignment, or what information requires citation and/or attribution.

Students and Disability Accommodations:

USC welcomes students with disabilities into all of the University's educational programs. The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at osas.usc.edu. You may contact OSAS at (213) 740-0776 or via email at osasfrontdesk@usc.edu.

Support Systems:

Counseling and Mental Health - *(213) 740-9355 – 24/7 on call*
Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

988 Suicide and Crisis Lifeline - *988 for both calls and text messages – 24/7 on call*
The 988 Suicide and Crisis Lifeline (formerly known as the National Suicide Prevention Lifeline) provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week, across the United States. The Lifeline is comprised of a national network of over 200 local crisis centers, combining custom local care and resources with national standards and best practices. The new, shorter phone number makes it easier for people to remember and access mental health crisis services (though the previous 1 (800) 273-8255 number will continue to function indefinitely) and represents a continued commitment to those in crisis.

Relationship and Sexual Violence Prevention Services (RSVP) - *(213) 740-9355(WELL) – 24/7 on call*
Free and confidential therapy services, workshops, and training for situations related to gender- and power-based harm (including sexual assault, intimate partner violence, and stalking).

Office for Equity, Equal Opportunity, and Title IX (EEO-TIX) - *(213) 740-5086*
Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

Reporting Incidents of Bias or Harassment - *(213) 740-5086 or (213) 821-8298*
Avenue to report incidents of bias, hate crimes, and microaggressions to the Office for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

The Office of Student Accessibility Services (OSAS) - *(213) 740-0776*
OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

USC Campus Support and Intervention - *(213) 740-0411*
Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity, Equity and Inclusion - *(213) 740-2101*
Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - *UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call*
Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

DSO 556 COURSE SCHEDULE_TUESDAY

Session #	Date	Topic	Cases and book chapters listed below. Others to-be posted readings are in weekly prep sheets.
Part 1		**Setting the Stage: Digital Platform Ecosystems & Digital Business Models**	
1	Tues Jan 9	**Course Orientation & Introduction to Platform Business Models**	**Ch. 1, Platform Revolution Book**
2	Tues Jan 16	**Ecological Approaches to Strategy & Digital Business Ecosystems**	**Ch. 2 & 4, Platform Revolution Book**
Part 2		**Probing Business Models for Digital Platforms & New Forms of Value**	
3	Tues Jan 23	**Social and Professional Networking Business Models**	**Case #1 LinkedIn** **Ch.6 & 7, Platform Revolution Book**
4	Tues Jan 30	**From Product to Platform Business Models**	**Case #2 Intuit** **Ch. 3 & 8, Platform Revolution Book**
5	Tues Feb 6	**User-Generated Content Business Models**	**Case #3 Twitch** **Ch.5, Platform Revolution Book**
6	Tues Feb 13	**Scaling up Digital Commerce in a Platform World: Competing with Giants in a Covid Era**	**Report #1: Critical Digital Platform Ecosystem Properties Assignment Due**
7	Tues Feb 20	**Social/E-Commerce Platforms in China: Same or Different?**	**Case #4 Pinduoduo** **Ch. 9, Platform Revolution Book**
Part 3		**Digital Platform Ecosystems & Strategic Moves**	
8	Tues Feb 27	**The Internet of Things (IoT): Implications of Smart Connected Products**	**Case #5 Adventech + Industrial IoT**
9	Tues Mar 5	**Real-Time Management Platforms Contexts & Artificial Intelligence**	**Case #6 Byte Dance/Lemonade**
10	Tues Mar 26	**Report #2 Storytelling**	**Report #2: Digital Platform Business Model Innovation Assignment Due**
11	Tues Apr 2	**Red Queen Competition & Orchestration in Platform Worlds**	**Case #7 Nike Tiptoes into the Metaverse** **Ch. 10 Platform Revolution Book**
12	Tues Apr 9	**APIs as the Glue of Digital Platform Ecosystems**	**Case #8 Stripe (USC Case)** **Ch. 11 & 12, Platform Revolution Book**

Part 4		Visioning the Future	
13	**Tues Apr 23**	**Course Wrap-Up & Report #3**	**Report #3: Digital Platform Ecosystem Strategic Moves Assignment Due**