Mission

Nonprofit, nonpartisan research organization devoted to the study of the contemporary corporation, globalization, economic trends, and their impact on society.

Established: 2013

Partners:

- Stanford University
- NYU Stern
- Georgia Tech
- UT Dallas

Re-Think: A Path to the Future

Samuel J. Palmisano
Chairman, Center for Global Enterprise
former Chairman and CEO of IBM
Global 500 largest firms today

Collective Size

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$31 trillion</td>
</tr>
<tr>
<td>Assets</td>
<td>$123 trillion</td>
</tr>
<tr>
<td># Employees</td>
<td>65.2 million</td>
</tr>
</tbody>
</table>

Countries

Source: Fortune Global 500 2014 and Center for Global Enterprise.
## Number of Chinese vs. Indian Large Enterprises*

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2010</th>
<th>2013</th>
</tr>
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<tbody>
<tr>
<td>China</td>
<td>29</td>
<td>61</td>
<td>95</td>
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<tr>
<td>India</td>
<td>7</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

### Industries

- Aerospace and Defense
- Automotive
- Financial
- Building Materials, Glass
- Computers & Electronics
- Energy
- Chemicals
- Engineering, Construction
- Industrial Machinery
- Metals
- Pharmaceuticals
- Delivery & Shipping
- Merchandisers
- Insurance
- Trading

*Firms generating $22 billion or more in annual revenue

Source: Peter Evans, Center for Global Enterprise and Fortune Global 500, 2014
CGE research objectives... ‘re-think’

Globalization and enterprise transformation

- Engage the world’s top scholars
- Select challenging and important topics
- Support a global focus
- Advance management science
- Develop actionable insights/tools for CEOs
Advancing applied research and insights

Projects 2014-2015

- Business Models for Speed and Scale
- Measuring and Managing Organizational Capital
- Computational Enterprise Analytics
- The Emerging Platform Economy

CGE’s Research Partners

- NYU Stern School of Business
  New York, NY, USA
- NYU Stern and University of Texas at Dallas
  New York, NY and Dallas TX
- Georgia Institute of Technology
  Atlanta, GA, USA
- Graduate School of Business
  Palo Alto, CA, USA
Rise of the Platform Economy

Project Leaders

William P. Barnett, Professor of Business Leadership, Strategy, and Organizations, Graduate School of Business, Stanford University

Peter C. Evans, Vice-President CGE

Roadmap

- CGE and Stanford Business School will jointly build the first comprehensive global database of successful and unsuccessful platforms businesses.

- The information collected in the CGE-Stanford Global Platform Database will be analyzed and visualized to capture and share key findings.

- The results of the global platform database development will be presented at the 2015 CGE planned worldwide gathering of CEOs in China.
Platforms go global... regional survey project

<table>
<thead>
<tr>
<th>Authors</th>
<th>Region</th>
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<tbody>
<tr>
<td>Olayinka (Yinka”) David West, Faculty Director and Senior Fellow in Information Systems, Lagos Business School</td>
<td>Africa</td>
</tr>
<tr>
<td>Sherif Kamel, Dean, School of Business, The American University in Cairo</td>
<td>Middle East</td>
</tr>
<tr>
<td>Sangeet Paul Choudary, Founder and Director, Platform Thinking Labs</td>
<td>India</td>
</tr>
<tr>
<td>Geoffrey G. Parker, Norman Mayer Professor of Business, Tulane University and Peter C. Evans, Vice-President, CGE</td>
<td>US</td>
</tr>
</tbody>
</table>

Author search underway
Platforms & Devices
Platforms... sectors and companies

Platform companies are found in a growing number of industries

Source: CGE Platform Database, 2014
CGE Platform Literature Database

- Book: 18
- Book chapter: 43
- Govn't Report: 3
- Journal article: 613
- Working paper: 529
- Grand Total: 1,206

*Source: P. Evans, CGE Platform Database*
Platform Books

1997
David B. Yoffie, ed. Competing in the Age of Digital Convergence

1998
Carl Shapiro and Hal R. Varian Information Rules: A Strategic Guide to the Network Economy

1998
Raghu Garud, Arun Kumaraswamy, and Richard Langlois, eds. Managing in the Modular Age: Architectures, Networks, and Organizations

1998
Lawrence S. Glaister Information Technology and Business Strategy

1999
Raghu Garud, Annabelle G. Gawer, and Michael A. Cusumano Platform Leadership: How Intel, Microsoft, and Cisco drive industry innovation

1999
Annabelle G. Gawer and Michael A. Cusumano Platform Leadership

1999
Lawrence S. Glaister The Internet: New Markets, New Industries, New Organizations

2001
Raghu Garud, Arun Kumaraswamy, and Richard Langlois, eds. Managing in the Modular Age: Architectures, Networks, and Organizations

2001
Lawrence S. Glaister Creating and Sustaining Manufacturing Excellence

2002
David S. Evans and Andrei Hagiu and Richard Schmalensee Invisible Engines: How Software Platforms Drive Innovation and Transform Industries

2002
David S. Evans, Andrei Hagiu and Richard Schmalensee Invisible Engines

2003
Marco Iansiti and Roy Levien The Keystone Advantage

2003
David S. Evans and Richard Schmalensee The Catalyst Code: Strategies Behind the World's Most Dynamic Companies

2003
Raghu Garud, Arun Kumaraswamy, and Richard Langlois, eds. Managing in the Modular Age: Architectures, Networks, and Organizations

2003
Lawrence S. Glaister Manufacturing Technology: The New World

2005
David S. Evans Platform Economics: Essays on Multi-Sided Businesses

2005
Raghu Garud, Annabelle G. Gawer, and Michael A. Cusumano Platform Leadership: How Intel, Microsoft, and Cisco drive industry innovation

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Lawrence S. Glaister Manufacturing Strategy, Second Edition

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Raghu Garud, Arun Kumaraswamy, and Richard Langlois, eds. Managing in the Modular Age: Architectures, Networks, and Organizations

2007
Lawrence S. Glaister The Next Manufacturing Frontier

2009
Annabelle G. Gawer, ed. Platforms, Markets and Innovation

2009
Lawrence S. Glaister Global Manufacturing: Competing in the 21st Century

2011
Phil Simon The Age of the Platform: How Amazon, Apple, Facebook and Google have Redefined Business

2011
David S. Evans, Andrei Hagiu and Richard Schmalensee Invisible Engines: How Software Platforms Drive Innovation and Transform Industries

2014
Amrit Tiwana Platform Ecosystems: Aligning Architecture, Governance, and Strategy

2015 forthcoming

2016
Toda

Source: P. Evans, Platform database, Center for Global Enterprise, 2015
## Platform literature

### Top authors by volume and type

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Frequency</th>
<th>Book</th>
<th>Book chapter</th>
<th>Journal article</th>
<th>Working paper</th>
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<tr>
<td>Tirole, Jean</td>
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<td>Economides, Nicholas</td>
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<td>Evans, David S.</td>
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<td>Farrell, Joseph</td>
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<td>Parker, Geoffrey G.</td>
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<td>Gaver, Annabelle</td>
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<td>Cusumano, Michael A.</td>
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<td>Boudreau, Kevin J.</td>
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<td>Gandal, Neil</td>
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<td>Hagiu, Andrei</td>
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<td>Schmalensee, Richard</td>
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<td>Sundararajan, Arun</td>
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<td>Van Alstyne, Marshall</td>
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<td>Greenstein, Shane M.</td>
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<td>Lerner, Josh</td>
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</table>

*Source: P. Evans, CGE Platform Database*
Most cited platform authors

*Source: P. Evans, CGE Platform Database*
Competing perspectives/frameworks

- Business models/Strategy
- Social economy
- Management
- Economics
- Industrial Organization
- Double and multi-sided markets
- Product Innovation

Source: P. Evans, Center for Global Enterprise, 2014
Platforms Go Global
Network growth, 2003 to present

- There are over 330 million LinkedIn Users
- LinkedIn has 187 million unique monthly visitors
- LinkedIn has members in 200 countries
- LinkedIn operates in 20 languages
- 41% of LinkedIn users access the site on a mobile device
- There are 3 million LinkedIn Business pages
- There are 2.1 million LinkedIn Groups

Source: LinkedIn membership, http://ourstory.linkedin.com/
Building out the platform

Long-term vision

Over the longer term, the company’s target market is the 600 million knowledge workers in the world.

Hire
Engaging the world's best talent

Market
The most effective way for marketers to engage professionals

Sell
The start of every sales opportunity

Source: LinkedIn, 2014
Transportation platforms across the globe

Regional and global players emerging

Source: P. Evans, Center for Global Enterprise, 2014
Speed and Scale: Platforms go global

Founded in 2009, Uber now operates in 45 countries and 190 cities

Uber is now valued at $40 billion*

Source: https://www.uber.com/cities/

* Ingrid Lunden, “Uber Confirms New $1.2B Funding Round at $40B Valuation, Techcrunch.com, Dec 4, 2014
Technology Shifts and Platforms...

The Case of VC funding for Ride Sourcing
Disruption... Can incumbents pivot?

Daimler Mobility Services

600,000 customers
10,000 Smarts, 25 cities

“We regard ourselves not only as a vehicle manufacturer but also as a provider of mobility solutions.”

CE Dieter Zetsche

Source: Guenter Mueller-Stewens, University of St. Gallen, 2014
Computational Enterprise Analytics

Project Leaders

**Rahul Basole**, PhD, School of Interactive Computing Associate Professor and Director of the Tennenbaum Institute, Georgia Institute of Technology

**Peter C. Evans**, Vice-President CGE

**Roadmap**

- This project will advance Computational Enterprise Analytics (CEA) tools designed to reveal the characteristics of complex global business ecosystems.

- A group of companies will be selected to test applications of CEA. Insights from these applied applications will inform revision and enhancements to the tool to make it both relevant and user friendly to senior executives.

- These activities will support the development of robust CEA tools that will be presented at a 2015 CGE planned worldwide gathering of CEOs in China.
Mapping firm ecosystems

Applying new analytic and visualization tools

Source: Basole et al. (2012, 2013)
Applied management tools

**Descriptive Analytics**

Data-driven visualization and analytics of the structure and dynamics of complex enterprise systems

**Prescriptive Insight**

Computationally explore the impact on business models, strategies, and innovation

Source: R. Basole (2013)
Measuring Organizational Capital

Project Leaders:

**Baruch Lev**, Professor of Accounting and Finance at New York University, Stern School of Business

**Suresh Radhakrishnan**, Professor of Accounting and Information Management, University of Texas at Dallas

**Peter C. Evans**, Vice-President CGE

Roadmap

- This project will undertake comprehensive review of the literature on organizational capital literature and prepare a white paper on the current state of practice.

- The project will develop quantitative measures of how organizational capital relates to the management science of the GIE and more specifically how it can inform CEO strategy, board engagement and strategy, engagement with external stakeholders.
Organizational Capital
Measuring and managing intangibles

Opening the “Black Box”

Organization Capital is the **ENABLER** that helps combine various commoditized resources of the company

Resources such as equipment, labor, patents, etc., are **INERT** by themselves

Intangibles estimated at over a $1 trillion, on par with physical assets
Measuring to better manage

What is the size, trend and source of organization capital?

Firms’ operating capabilities

Investment capabilities

Innovation capabilities

Standard accounting systems do not segregate the contribution of organization capital to the firm’s final output (sales, profits).
Discussion questions

Platform strategy

Key questions:

a. What capabilities are essential to building platforms... software or hardware or both?

b. How can new platforms accelerate scale and capture network effects?

c. What are the challenges facing incumbent players?

d. Should incumbents try to build platforms organically or through M&A?

e. Should new platforms partner with device suppliers?