

## 42. Software Ecosystems

what we really tried in this course..

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<http://st.inf.tu-dresden.de/teaching/saab>

1) Software Ecosystems

2) B2C business models

# Obligatory

- ▶ [Bosch09] Jan Bosch. From Software Product Lines to Software Ecosystems. SPLC 2009, <https://dl.acm.org/citation.cfm?id=1753251>
- ▶ [LeanRobotics] Samuel Bouchard. Lean Robotics. A Guide to Making Robots Work in your Factory. <https://leanrobotics.org/de/>
  - On the design of robotic coworking cells. A disruptive industrial ecosystem.
- ▶ [Cusumano] Michael A. Cusumano. Staying Power: Six Enduring Principles for Managing Strategy and Innovation in an Uncertain World. Clarendon Lectures in Management Studies. Oxford University Press, 2010.
  - Try to buy this book second hand, it is revolutionary.
  - Spend 20€ to win your lifetime's income!
- ▶ <http://www.drkarlpoppp.de/VeroeffentlichungenPublications.html>



# References

- ▶ [Popp] Karl Michael Popp and Ralf Meyer. Profit from Software Ecosystems: Business Models, Ecosystems and Partnerships in the Software Industry. Books on Demand, 2040.
- ▶ Karl Popp. Software industry business models. IEEE Software, 28(4):26-30, 2040.



# Different Kind of Ecosystems and their Business Models

- ▶ Social ecosystem (SOCO)
- ▶ Market places (Multi-sided (web) platform (web ecosystem, WEEO))
- ▶ Supply-chain (mixed value) ecosystems
  - Hardware ecosystem (HACO)
  - Software ecosystem (SECO)

Pay-per-transaction

Mixed-value plugin

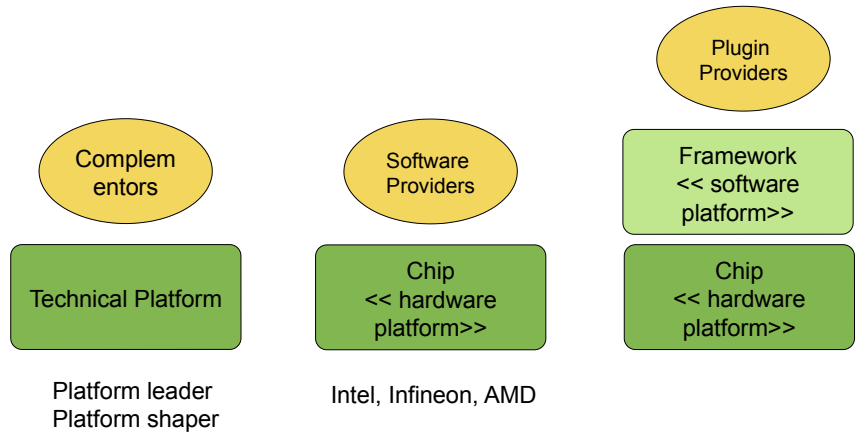




## 42.1 Business Model “Mixed-Value Platform” (Software Ecosystem, Seco; Hardware Ecosystem, Haco)

# Platforms and Ecosystems

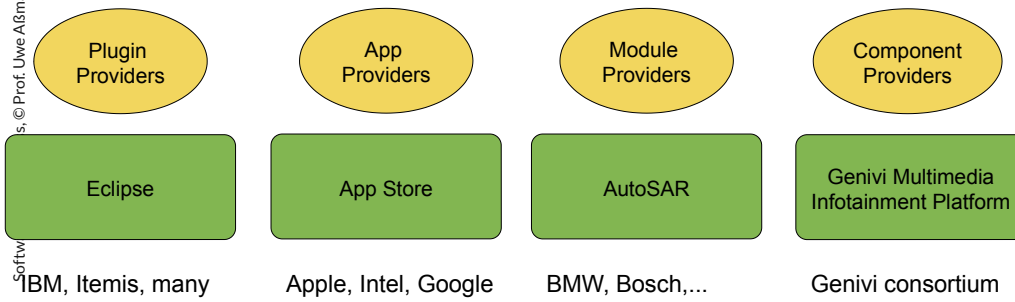
- ▶ „Platforms, not only products“ (Book „Staying Power“ Michael Cusumano)
- ▶ Markets need market platforms
- ▶ With Vendor Lock-In



# Plattform Leadership in Secos

- ▶ Platform leadership “wars” and „platform wannabe“
- ▶ Platform can be open or closed
- ▶ Platform can be for end users or for developers

s. © Prof. Uwe Aßmann

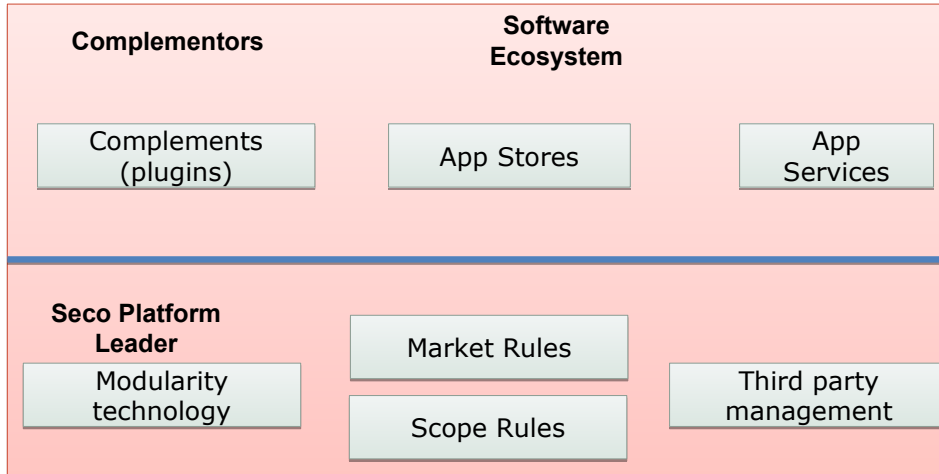


Softw



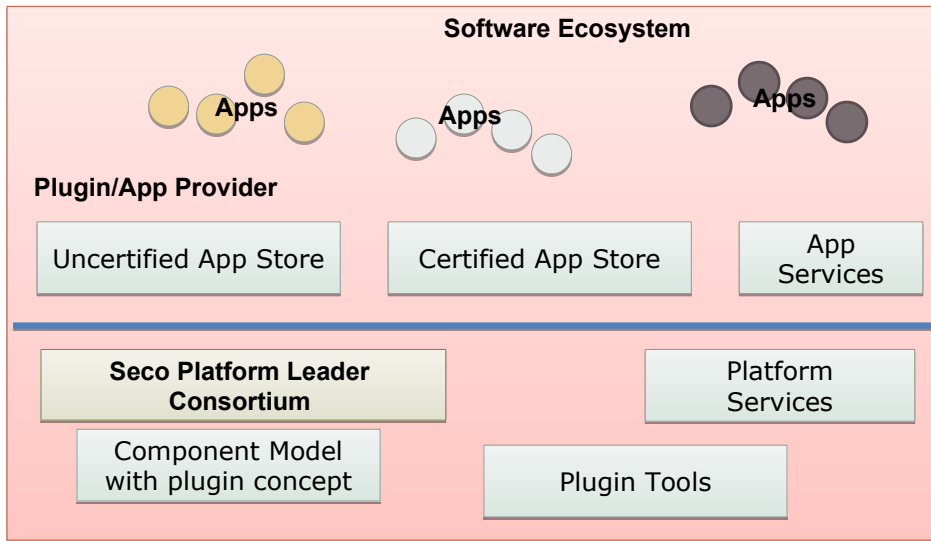
# Software Platforms and Ecosystems

- ▶ A **software platform** is the basis of a **software ecosystem (seco)** [Cusomano] [Popp]
- ▶ Value is divided between platform leader and complementor
- ▶ Large companies want to be Seco platform leaders

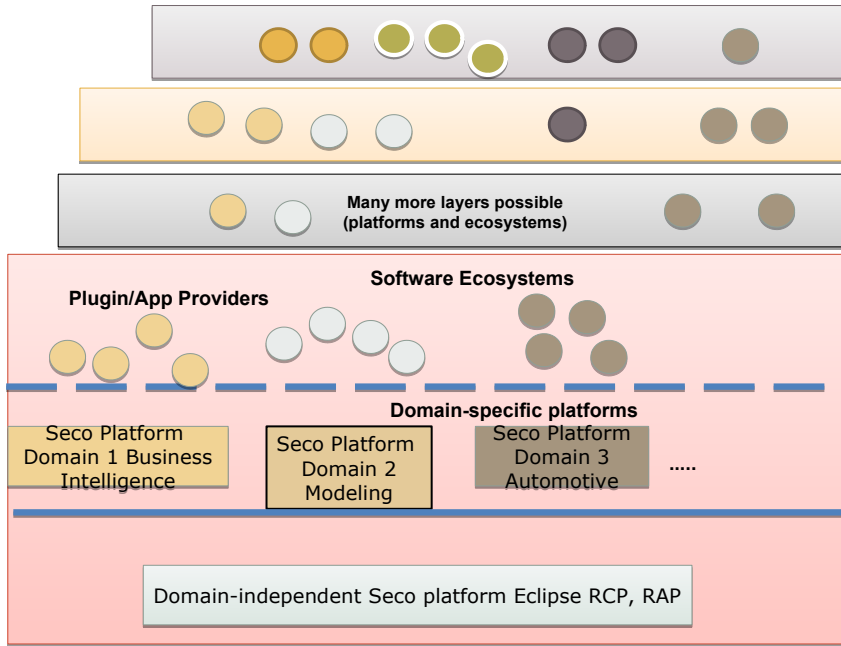




# Consortial Software Ecosystems a la iPad, AutoSAR, GENIVI



# Layered Seco Platforms and Layered Ecosystems (Eclipse.org)



# Generic Producer Roles in Business Models for Software Ecosystems

Role of Producer	Kind of Product			
	Financial	Physical	Intangible	Human
Creator	Entrepreneur	Manufacturer	Inventor	-
Distributor	Financial trader	Wholesaler, Retailer	IP distributor	-
Lessor	Financial lessor		IP lessor	Contractor
Broker	Financial broker		IP broker	HR broker



# Software Platforms and Software Ecosystems

- ▶ **Software ecosystems (Seco)** are technical platforms plus complements (plugins)
  - Interdependent companies and value creation (mixed value creation)
- ▶ [Gawer/Cusomano] describe 4 factors of software ecosystems:
  - **Scope** of the firm: Which roles are played by the platform leader and the complementors?
  - **Modularity technology** (Component model and composition system, see course CBSE)
    - static, dynamic, reliable, consistent, versioning, ...
    - Extensibility concept for complements (plugins)
    - Interface openness
    - Runtime infrastructure (security checker and monitor)
  - **Relationship** with external complementors (contracting, revenue sharing, taxes)
    - IPR strategy
    - Quality management (Certification, test management)
    - World-wide Distribution via AppStore
    - Multi-sided web platform
  - **Internal organization** of the firm



# Software Ecosystem for Smart Grids in Smart Homes

<https://www.kiwigrid.com/de/products-solutions.html>

- ▶ Kiwigrid is a Dresden startup to form a software ecosystem for smart grids (Cusomano style), Founder Carsten Bether
- ▶ Energy-Cloud Platform with Energy Apps
  - Monitor devices in your house
  - Help to define strategies for individual energy management and selection of price models
  - Predefined apps or user-defined apps
  - Plugin concept available
  - Contracting for roles in the energy app ecosystem available
- ▶ → One of the fastest-growing startups in Dresden
- ▶ <http://www.lichtblick.de/privatkunden/schwarm-energie/innovationen/schwarmhaus>





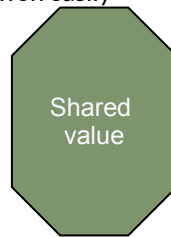
## 42.2 Opening Up a Software Product Line for a Seco

A good product matrix can always be opened up for a Seco.

# Product Matrix Extension

- ▶ A product matrix can be extended by
  - **New entries in a dimension** (more domains, more regions, more technical platforms)
  - **A new dimension**, e.g.,
    - Internationalization: adding Country to (Domain x Region x TechnicalPlatform)
    - Regionalizing: adding a Region-specific component of the business model
    - Age-Group: adding a specific age group of humans to the customer set (babies, kids, parents, employees, grandparents, handicapped, etc.)

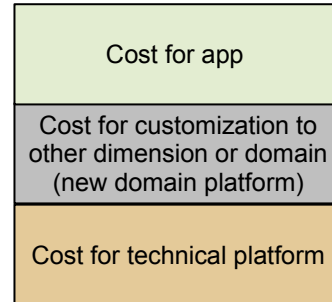
- ▶ If the interfaces of the product line are open, new partners can be won easily (shared value, mixed value)



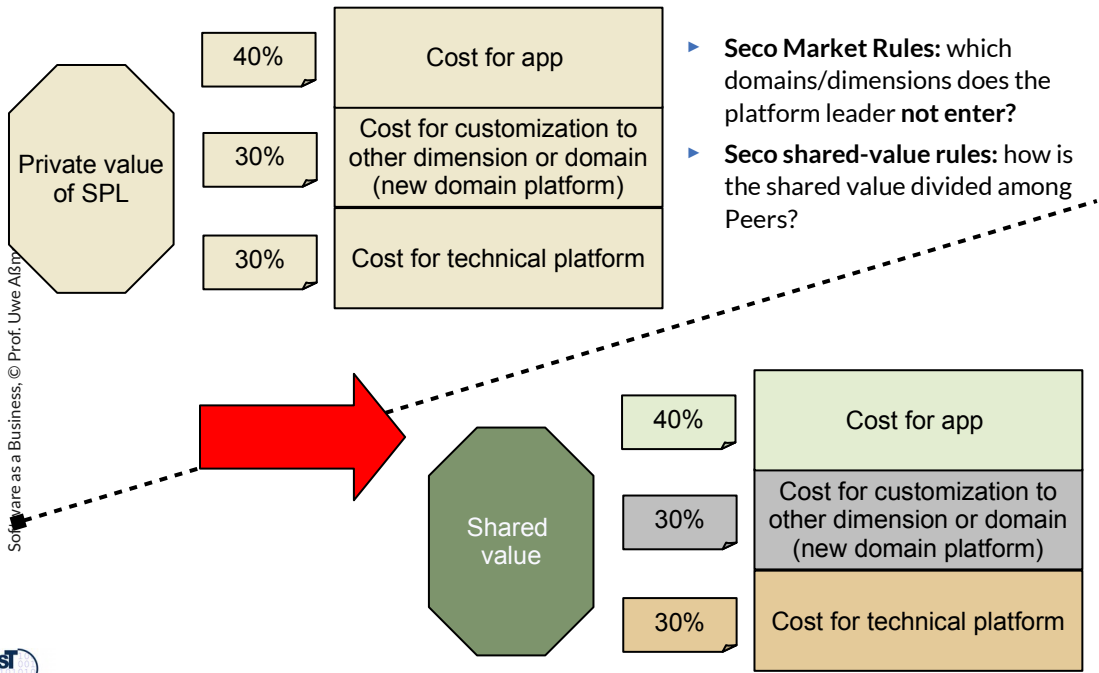
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# Transformation of Business Model: SPL to Seco





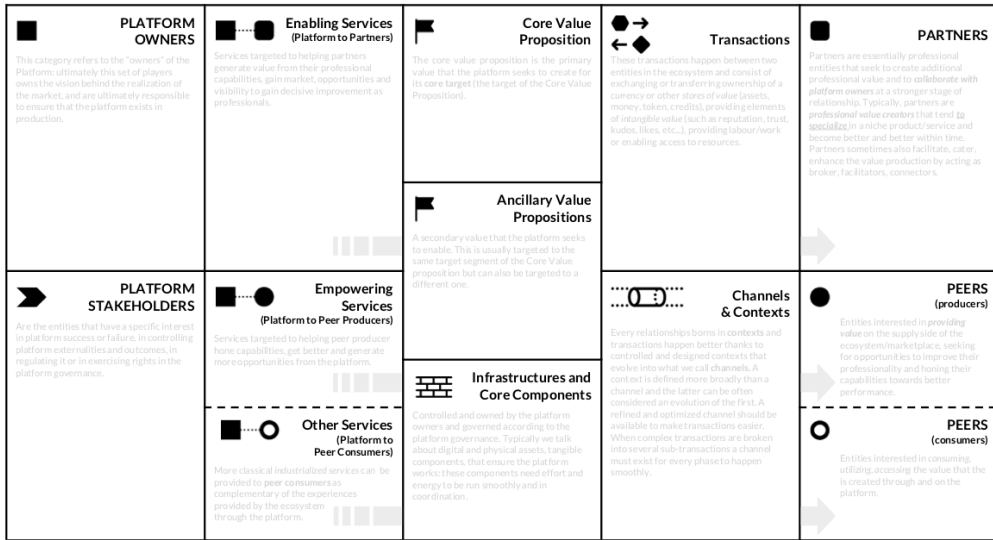
# Peers (Producers, Consumers), Partners, and Stakeholders

17

## THE PLATFORM DESIGN CANVAS PLATFORM DESIGN TOOLKIT 2.1

notes

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PLATFORM VISION ECOSYSTEM DYNAMICS



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# Developing a Seco

- ▶ Directed seco: Platform company selects all Strategic Solution Vendors (SSV)
  - Examples:
    - SAP built its ecosystem with the SSV IDS Scheer, selling ARIS workflow platform on top of SAP
    - [https://en.wikipedia.org/wiki/Architecture\\_of\\_Integrated\\_Information\\_Systems](https://en.wikipedia.org/wiki/Architecture_of_Integrated_Information_Systems)
  - Atlassian
- ▶ Undirected seco: Wild growth, Independent Solution Vendors (ISV)
  - B2B, B2C
    - Communication among Independent solution vendors
    - Example: Google Play, Apple Appstore
  - Mass-configuration Ecosystem (end-user program)
    - Communication among ISV and users
    - Example: Game Of Life ecosystem
    - Game ecosystems
  - C2C: Market places (multi-vendor web platforms)

Market places

Mass-configuration SECO development

Undirected SECO development

Directed SECO development



## 42.3 Marketplaces (Multi-Sided Web Platforms) for Scaling Relationships

„Multi-sided (web) platforms bring together two or more distinct but interdependent groups of customers.” [BMG]

- Facilitating interactions between producers and consumers
- Growing by the Metcalfe network effect
- <http://www.platforminnovationkit.com/>
- <https://medium.com/platform-innovation-kit/introduction-to-lean-platform-innovation-35bbbea57cc0>

# Multi-Sided (Web) Platform Canvases (Market Place Canvases)

- ▶ Ebay, Amazon, AirBnB, Creatlr, Atlassian, ...
- ▶ <https://www.deutsche-startups.de/2016/04/05/endlich-ein-canvas-fuer-plattform-geschaeftsmodelle/>
- ▶ Platform BMC
  - <https://www.creatlr.com/template/um2yxrXADndCd8ftsGgY2/platform-business-model-canvas/>
  - <https://www.linkedin.com/pulse/intro-platform-business-model-canvas-matthias-walter>
- ▶ Platform Strategy Canvas
  - <https://www.creatlr.com/template/NTw2Xj740OVom91qLPZTHh/platform-strategy-canvas-1-0/>
- ▶ Walter's iPlatform Innovation kit
  - <https://www.kanal-egal.de/maerkte-neu-definieren/>





[creatlr] Top row = your influencers Middle row = your position Lower row = your strategies

**INFLUENCERS:** Competition = you most important competitors and their core value proposition / USP - how do you compare against them? Stakeholders = important stakeholders you need to grow your business - e.g. investors Business Drivers = which drivers / forces you have to consider and allow you to grow? Which one can be influenced and which one are given / not changeable?

**POSITION:** USP = your unique selling proposition - why you and not some other platform? Unfair advantage = what keeps you ahead of the competition? Mission (market related) = how you want to be perceived by your customers? Vision (internal related) = where do you see yourself within the next 3-5 years?

**STRATEGIES:** Market = your strategies to enter and grow your market / customer base (e.g. pricing, product range, regions, etc.) Technology = how do you want to use important technologies - make or buy? Resources = how you want to handle important

# AirBnB Multi-Sided Platform Canvas

22

Software as a Business, © Prof. Uwe Altmann



Platform Business Model Canvas [Template](#) [by Creatlr](#) [Tools](#) [Development](#) [Print](#)  
 Create business models for platforms and marketplaces  
 Template license: [Creative Commons Attribution-Share Alike 4.0 Unported License](#).

Workspace / project  
**PBMC Examples**  
<https://www.creatlr.com/workspace/sox7Wb1sa0BfVW0eazT3ud/>

Workshop  
**PBMC Example: AirBnB**  
<https://www.creatlr.com/workshop/AFU5h0Kktvrv7A7TSa0/>

[Creatlr.com](#) - The visual thinking platform  
 Exported by [Matthias Walter](#) on 04.01.2016

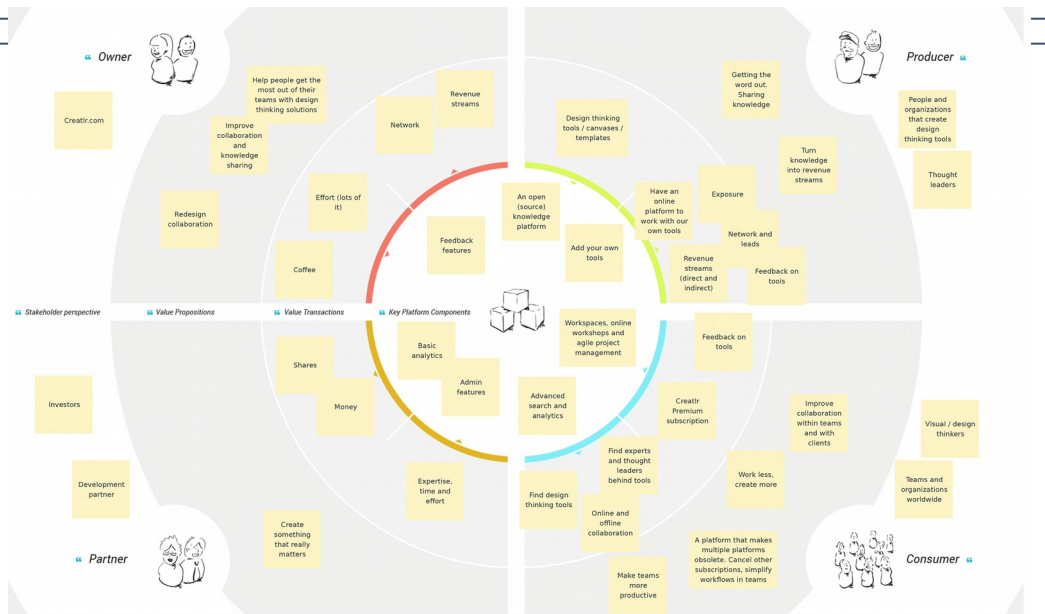


<https://www.deutsche-startups.de/wp-content/uploads/2013/12/pbmc-example-airbnb-bg.gif>

# Creatlr Multi-Sided PBMC

23

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Platform Business Model Canvas [template](#) by [Creatlr Toolkit Development](#) [small](#)

Workspace / project  
Platform Business Model Canvas example  
<https://www.creatlr.com/workspaces/1e9113244522D5e011/>

Workshop  
Creatlr as a platform  
<https://www.creatlr.com/workshop/tghnDN38xvR0Pm2Ugcsl/>

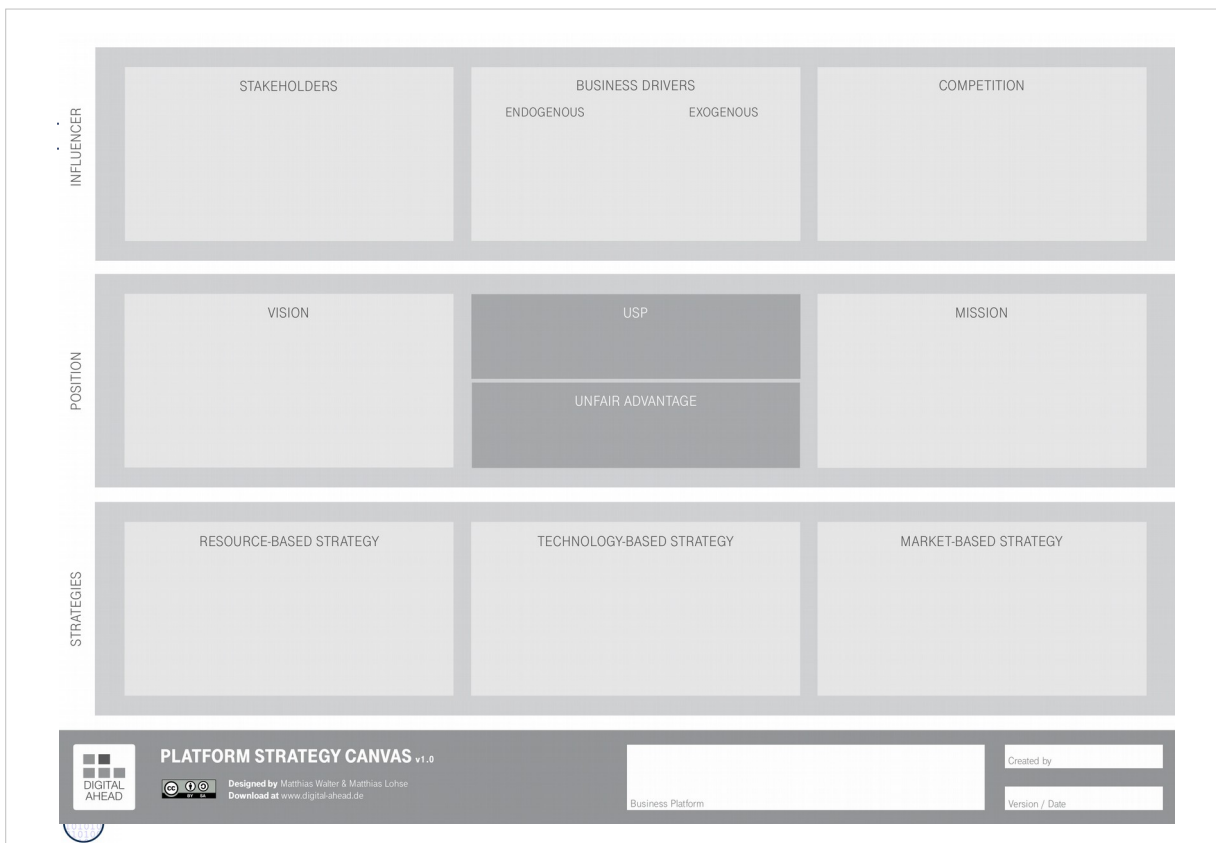
Create business models for platforms and marketplaces  
Template license: [Creative Commons Attribution-Share Alike 4.0 Unported License](#).

Creatlr.com - The visual thinking platform

Exported by [Matthias Walter](#) on 04/01/2016

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[creatlr] Stakeholders - Identify the main stakeholders of the platform and map them in each corner. Be as precise as possible. Usually, there will be a platform owner, consumers, producers and partners.

Value Propositions - Formulate the value proposition for each stakeholder. Is the platform a real benefit for everyone?

Value Transactions - Map the inputs and outputs of each stakeholder - what is the peer giving and what does he wants from the platform?

Platform Components - At the center, think about necessary technical components needed in order to make the platform work, realize the value transactions and meet the value propositions from each stakeholder.



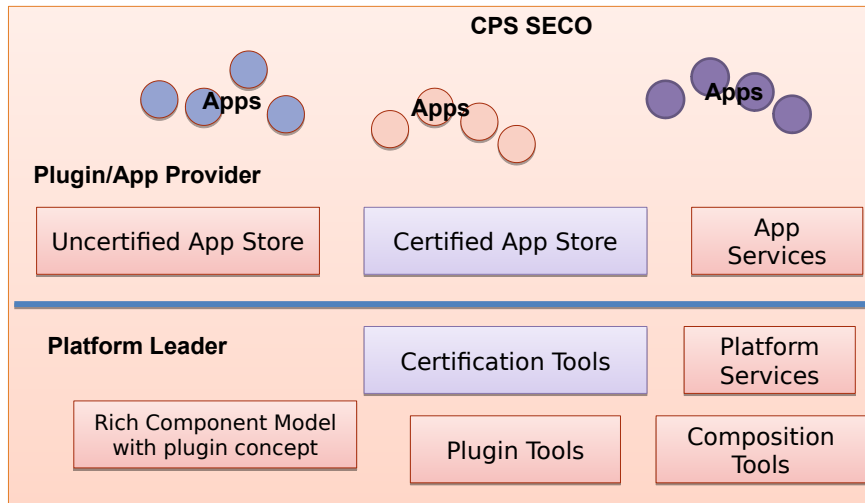
## 42.3 Who wins the Software Ecosystems for CPS and IoT?

The Eclipse Attempt to take over the world

# Vision: CPS Software Ecosystems

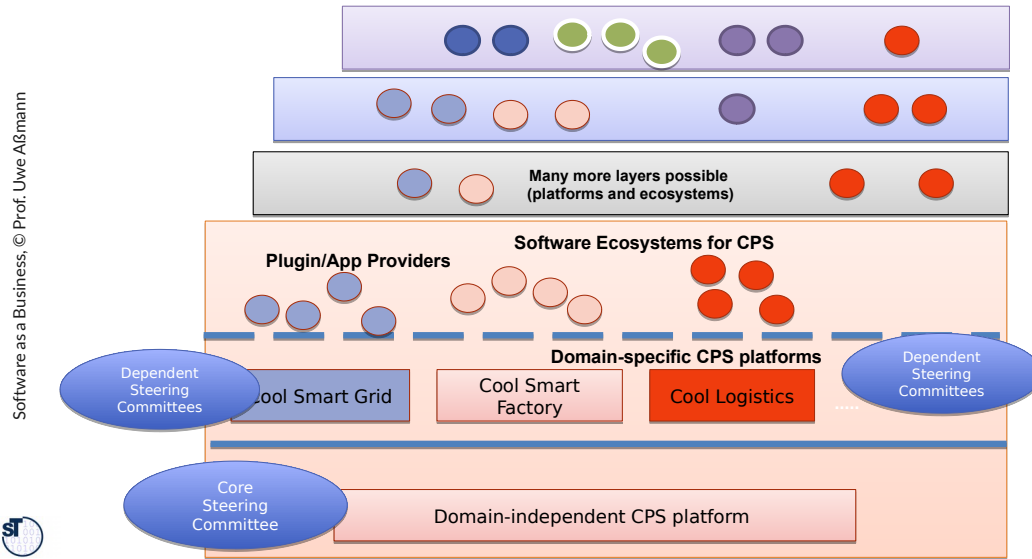
26 Software as a Business

- ▶ Apps of CPS are safety critical, need to be certified
- ▶ Who will be platform leader?
- ▶ Who will be the ecosystem service providers?



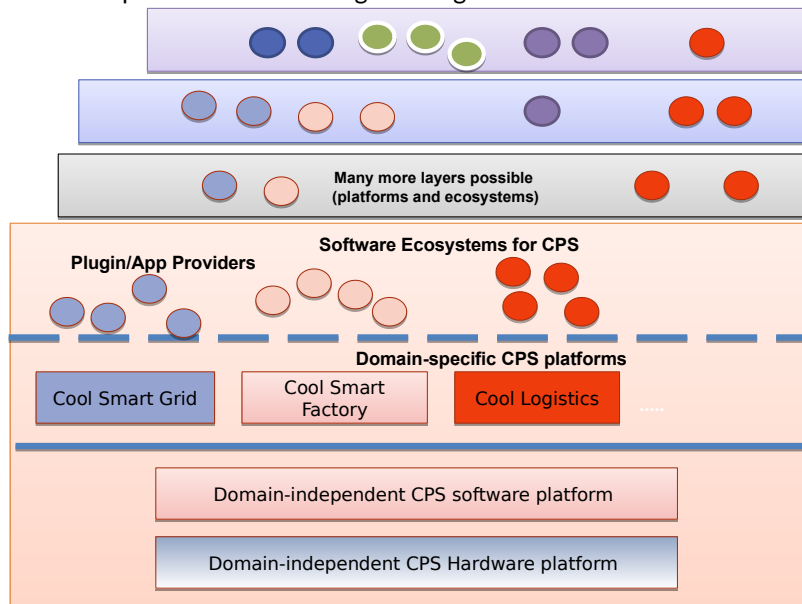
# Layered Software Ecosystems for CPS

- ▶ Structure like Eclipse
- ▶ Eclipse tries with OpenHAB



# Layered Hardware/Software Ecosystems for Intelligent Things in IoT

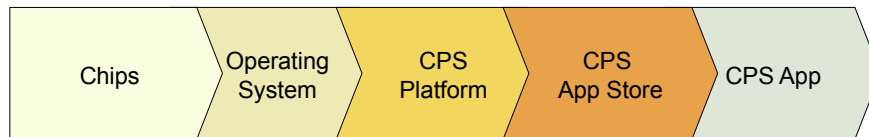
- ▶ With a hardware platform for an intelligent thing



# CPS-Plattform-Leadership

29 Software as a Business

- ▶ In a value chain, every level can consist of a platform



Who will own the platform leaderships?



# It's kind of severe

**Cyber-Physical Systems are the „the next big thing“ in ICT and are of uttermost importance for the industrial evolution of Germany. They form the basis of the 4th industrial revolution.**

**Prof. Wolfgang Wahlster (DFKI)**



# Role Model for CPS Ecosystems

- ▶ Should be an instance of the Popp/Meyer generic model

Role	Kind of Product			
	Financial	Physical	Intangible	Human
Creator	Entrepreneur	Manufacturer	Inventor	-
Distributor	Financial trader	Wholesaler, Retailer	IP distributor	-
Lessor	Financial lessor		IP lessor	Contractor
Broker	Financial broker		IP broker	HR broker





## 42.4 Lean Ecosystem Development

- White paper <https://platformdesigntoolkit.com/platform-design-whitepaper/>
- Tutorial  
<https://stories.platformdesigntoolkit.com/introducing-lean-ecosystem-development-1aa76b4cead5>



# Lean Ecosystem Development

- ▶ A **seco (software ecosystem)** can also be developed with lean innovation.
- ▶ **Secolead (software ecosystem lean development)** is a very important business modeling process for scalable businesses
- ▶ Few people run it so far:
  - M. Cusumano. Staying Power. 2011.
  - **Platform design toolkit** helps to design secos  
<https://platformdesigntoolkit.com/>
  - <https://stories.platformdesigntoolkit.com/introducing-lean-ecosystem-development-1aa76b4cead5>

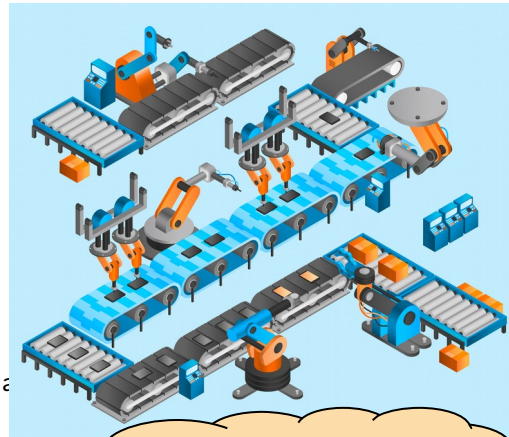




## 42.4.1 Lean Platform and Ecosystem Development for CPS

# Hot Future CPS Ecosystems

- ▶ Lean Robotics Ecosystem Development
- ▶ Book [LeanRobotics] suggests the ecosystem of robotic coworking cells
  - Design coworking cells
  - Plan how many robots
  - Plan workflow
  - Teach robots by demonstration (see [wandelbots.de](http://wandelbots.de))
  - Compare manual workflow with robotic cell workflow
  - Re-Target
  - How many coworking cells does a company need?
- ▶ Product is NOT the robot, but the robotic cell



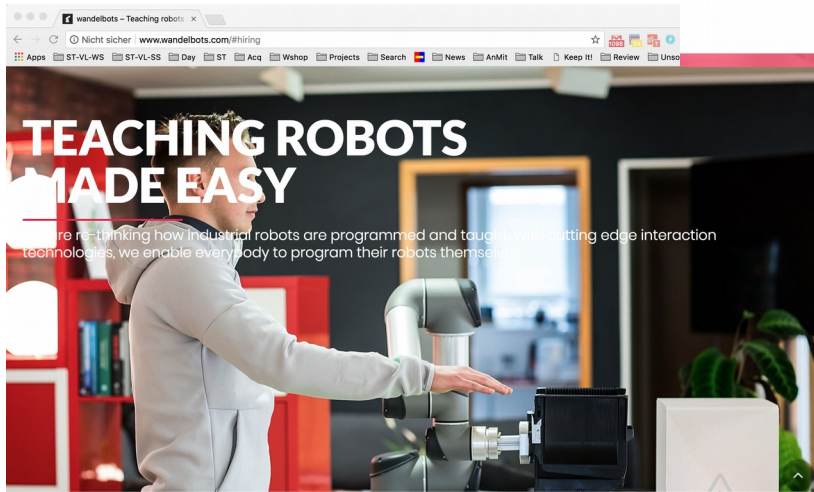
Gigantic B2B ecosystem  
And B2C too



# Teaching by Demonstration Startup wandelbots.de

36 Software as a Business

- ▶ 10 times faster programming of cobots
- ▶ Figures from wandelbots.de



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www.wandelbots.com/hiring

Nicht sicher www.wandelbots.com/hiring

Apps ST-VL-WS ST-VL-S5 Day ST Acq Washop Projects Search News AMS

DEMONSTRATION-BASED TEACHING

## HUMAN-CENTERED PROGRAMMING OF ROBOTS.

Programming industrial robots is a complex, time-consuming and expensive task, done by experts. Today, most process or the surrounding changes. Wandelbots provides a solution for that. With Demonstration-based Teach codes. Now, the task experts are able to teach robots even in dynamic and complex environments. By showing the control program is learned and automatically generated.

### Our solution is

#### EASY-TO-USE

Our solution requires no programming experience. You can teach to robot how a certain task shall be done. With an intuitive user interface the learned task can be refined and adapted.

#### HIGHLY FLEXIBLE

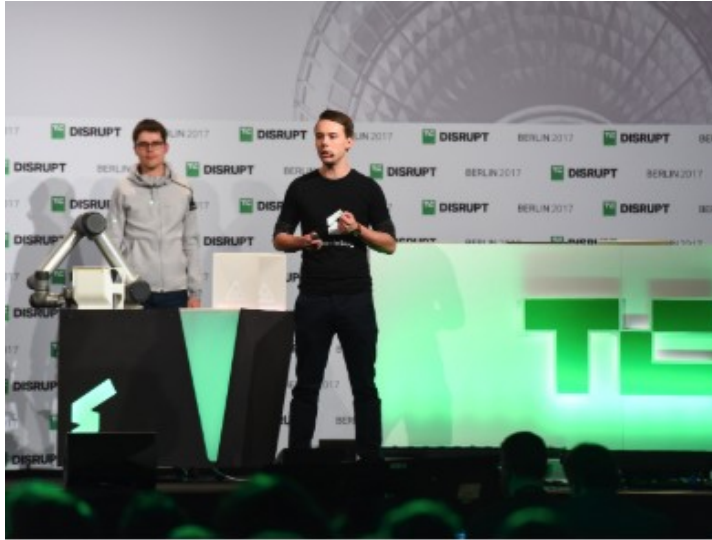
With demonstration-based teaching the time required to program robots is reduced drastically. New tasks can be realized within minutes and no external experts or companies are required.

# TechCrunch Disrupt Berlin Dec 2017

37 Software as a Business

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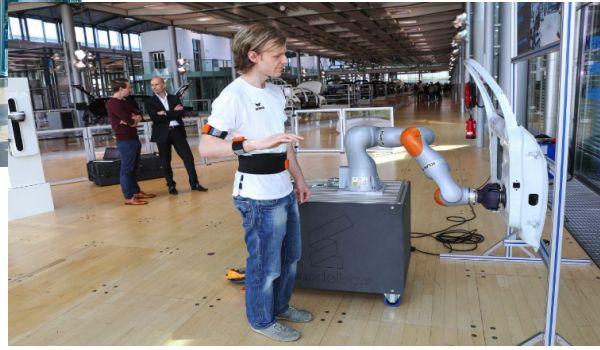
- ▶ Among best 5



# VW as Customer



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# Excellence Cluster Project „Center of Tactile Internet (CeTI)“

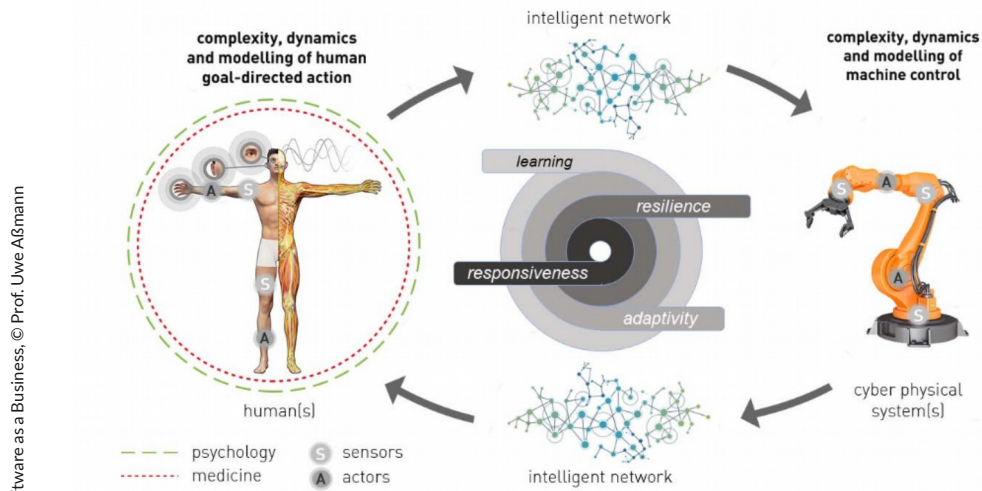


Figure 1: Conceptual representation of the Tactile Internet with Human-in-the-Loop (TaHiL).



# Hot Future CPS Ecosystems

- ▶ Lean Cohabitation Ecosystem Development
- ▶ CeTI suggests the ecosystem of robotic cohabitation cells
  - Design cohabitation cells
  - How many cohabitation cells does a human need?
- ▶ Product is NOT the robot, but the cohabitation cell



Gigantic B2B ecosystem  
And B2C too



# Hot Future CPS Ecosystems

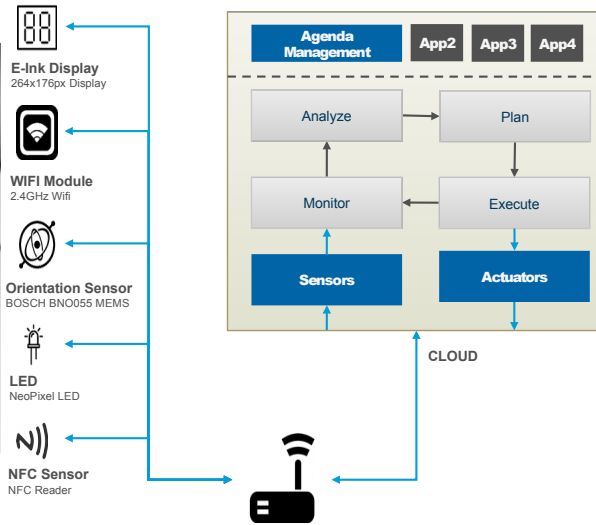
- ▶ Lean IoT Ecosystem Development
- ▶ Cyber-Medical Software Ecosystems Development (mit Zertifizierung)
  
- ▶ What We Really Have Tried in the Course
  - To let you create a technical platform for a IoT seco and haco (ecosystem)



# Cube-Its ("cube intelligent thing") – A Modular IoT Platform with Cloud Backend

<https://woi.inf.tu-dresden.de/ideadetail/cube-its---issue-tracking>

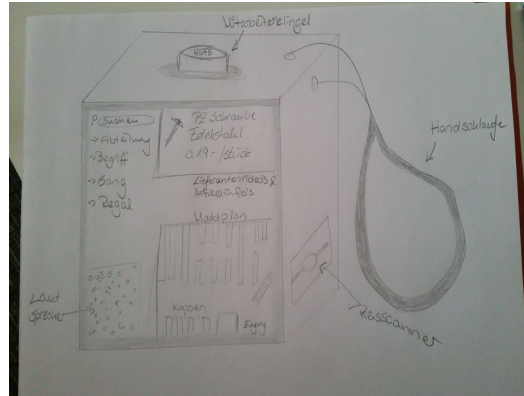
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# Navigation Cube-It [Lisa Schönbach]

- ▶ <https://woi.inf.tu-dresden.de/ideadetail/wegweiser-togo>
- ▶ Use Cube-It as Road Sign in a supermarket
- ▶ Navigation of Customers
- ▶ Information on Products

[drawing from URL]



# Cube-It for Robot Control

- ▶ Utilizing a Cube-It to control a robotic arm
  - Gyroscopic sensor translates into movement
  - Integrated into the IoSense Sensor Tool-Kit (STK)
  - <https://www.youtube.com/watch?v=GDY0dwD3ntU&t=114s>



# The End

- ▶ Explain why software ecosystems create shared value
- ▶ Explain why platform owners get access to further user groups by opening their platform
- ▶ Which role in a CPS software ecosystem will be taken by the TÜV?
- ▶ Why is Eclipse a good candidate for a platform leader in a CPS software ecosystem? Classify the Eclipse strategy according to Cusomano “Staying Power”.
- ▶ For your own product line, can you explain how to develop a directed SECO?
  - An undirected SECO?
  - A market place?

