

# PLATFORM INNOVATION FOR SMALL AND MEDIUM-SIZED BUSINESSES

**Obstacles and conditions of success for cooperative approaches by small and medium-sized enterprises in data-based markets and industries.**

Nicolas Friederici, Tina Krell, **Philip Meier**,  
Fabian Braesemann & Fabian Stephany

**On behalf of the  
Federal Ministry  
of Finance**

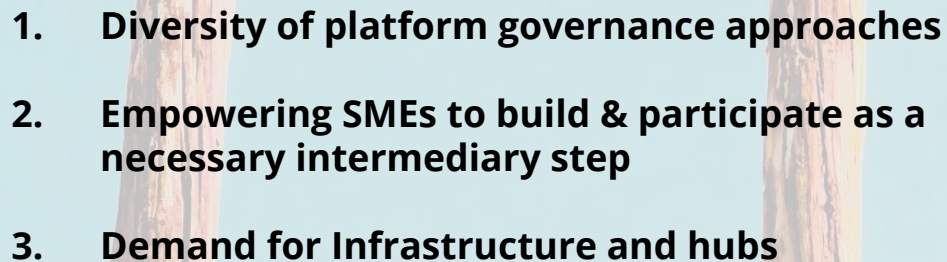


## **Target of the study**

Platformization in the German Mittelstand

>> Status Quo? Where does value generation remain?



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- 1. Diversity of platform governance approaches**
  - 2. Empowering SMEs to build & participate as a necessary intermediary step**
  - 3. Demand for Infrastructure and hubs**



## PLATFORM INNOVATION FOR SMALL AND MEDIUM-SIZED BUSINESSES

Desk Research

Scientific Network Analysis

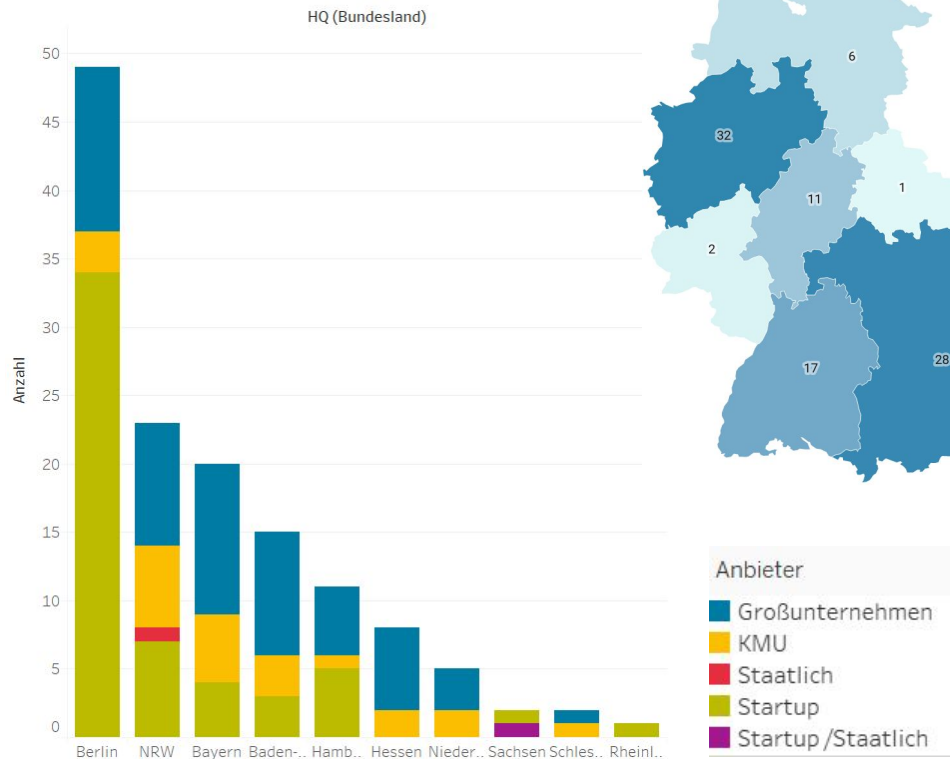
- 21** Expert Interviews
- 3** Case Studies and
- 1** Policy Co-Creation Workshop with Participants from Business, Politics und Academia

**Find the Report online (in German only):**

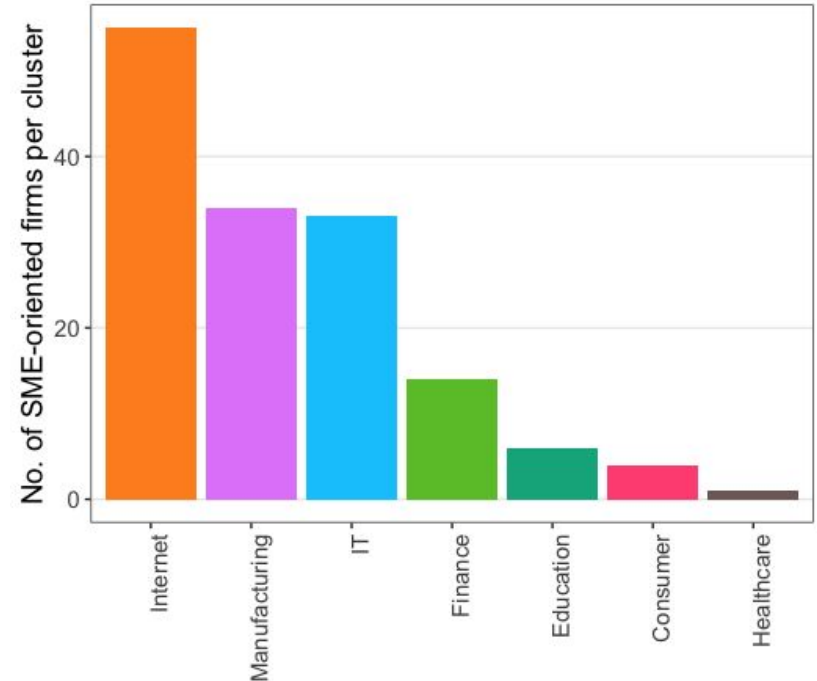
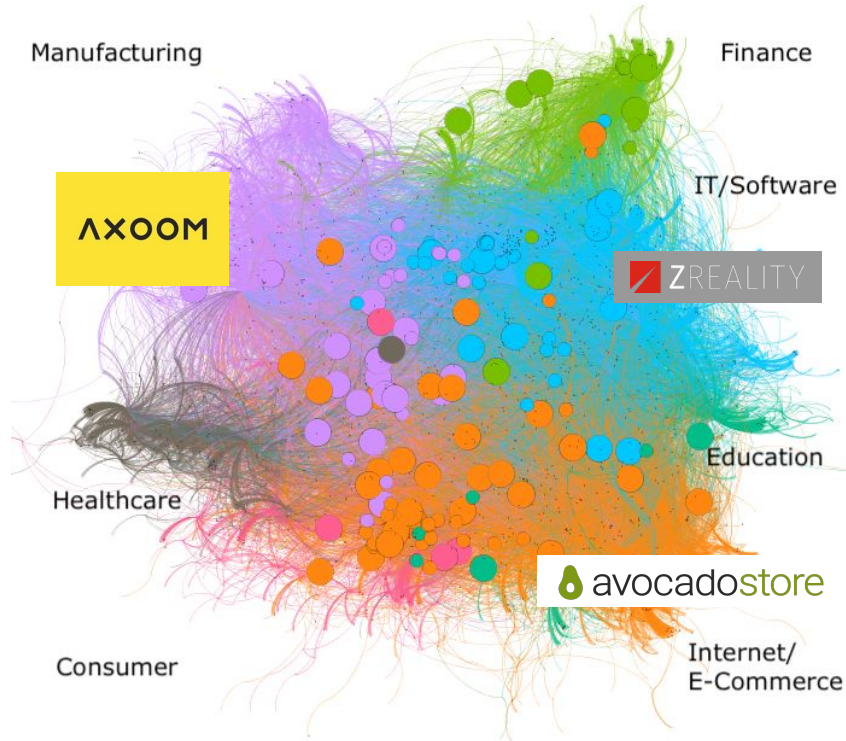
**<https://graphite.page/hiig-dapla>**

## SME-oriented Platforms (MOP) - mostly built by large corporates & startups

- **160+ SME-oriented Platforms**
- **60** Corporates, **38** SMEs, **61** Startups, **1** state-supported (Gaia-X)
- **5** Data-kooperations, 3 of them by SMEs (SPOCC GmbH & Co., AIR Supply, ADAMOS); 2 of them non-SME owned (Free Now, Gaia-X)
- **2** in the former East Germany region (PRISMA European Capacity Platform GmbH, Dregeno eG)

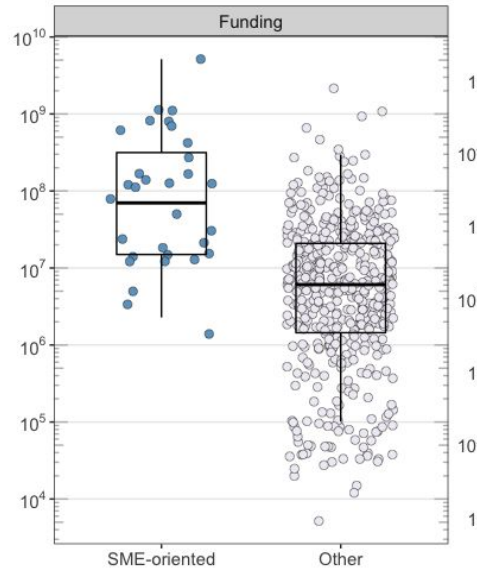


**MOPs exist across the network of German technology companies, but above average in clusters around e-commerce, manufacturing and IT/software.**

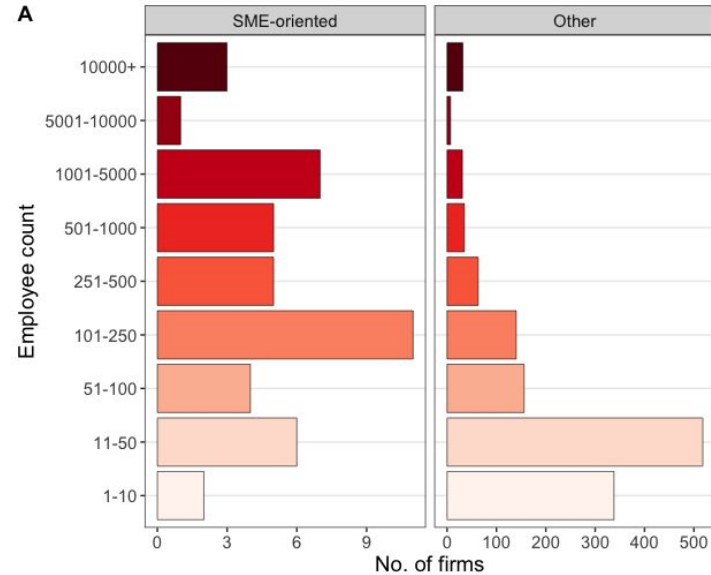


## MOP...

obtain higher funding than  
other technology  
companies



tend to have a larger number of  
employees



## Three central factors turned out to be particularly hindering the development and expansion of SME-oriented platforms:

INDEPENDENCE AND  
SELF-IMAGE OF THE  
MITTELSTAND



**Security concerns**



**Stand-alone  
Solutions**



**Self-Image and  
Conflicting Values**



**Openness and  
Transparency**

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LACK OF RESOURCES



**Platform  
Knowledge**



**Standards and Skills  
Shortages**



**Financial Resources**

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MARKET CONDITIONS IN  
THE B2B SECTOR



**Markets and Supply  
Chains**



**Sales cycles and  
Marketing**



## Excuse on: market conditions in the B2B sector and how it might affect platform-strategy implementation

### Themes

**Specialization instead of Generalization**

**Optimization instead of Disruption**

**Relationship-building instead of Anonymization**

### Conditions

**Symmetric Actors** (Koenen & Falck, 2020)

**Actor Enablement** (Björkdahl, 2020)

**Trust Requirements** (Otto & Jarke, 2019)

**Heterogeneous Demand** (Hein et al., 2019; Kapoor et al., 2021)

**Existing Business** (Reinartz et al., 2019)

**Negative Network-Effects** (Afuah, 2013; McIntyre, 2019)

**Diversity of Strategy and Interests** (Kenney et al., 2019; Hannah & Eisenhardt, 2018)

**Cost of Failure** (Petrik & Herzwurm, 2020)

**Local Availability** (Hein et al., 2019)

## Exploratory case studies of three MOPs



Single Owner

Collective

Transaction

Innovation

Startup

Incumbent

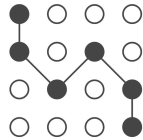
Partnership

## Core Results: Strategic Patterns

**Community building independent of the platform**



**Personal interactions between actors**



**Substantial role of middlemen**



**Highly specialized platform sponsors**



# Policy Ideas for supporting Platform Innovation in SMEs

## CONCRETE ACTIONS



### Platform Innovation on site

Expansion of locally existing services and strengthening of their links across the board



### Platform Agency for Digital Building Blocks

Building digital infrastructures and promoting knowledge sharing and transfer

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## OTHER FIELDS OF INTEREST



**Broadband  
Network expansion**



**Regulation suitable  
for B2B**



**Portability and  
Centralized Accounts**



**Government  
Funding**



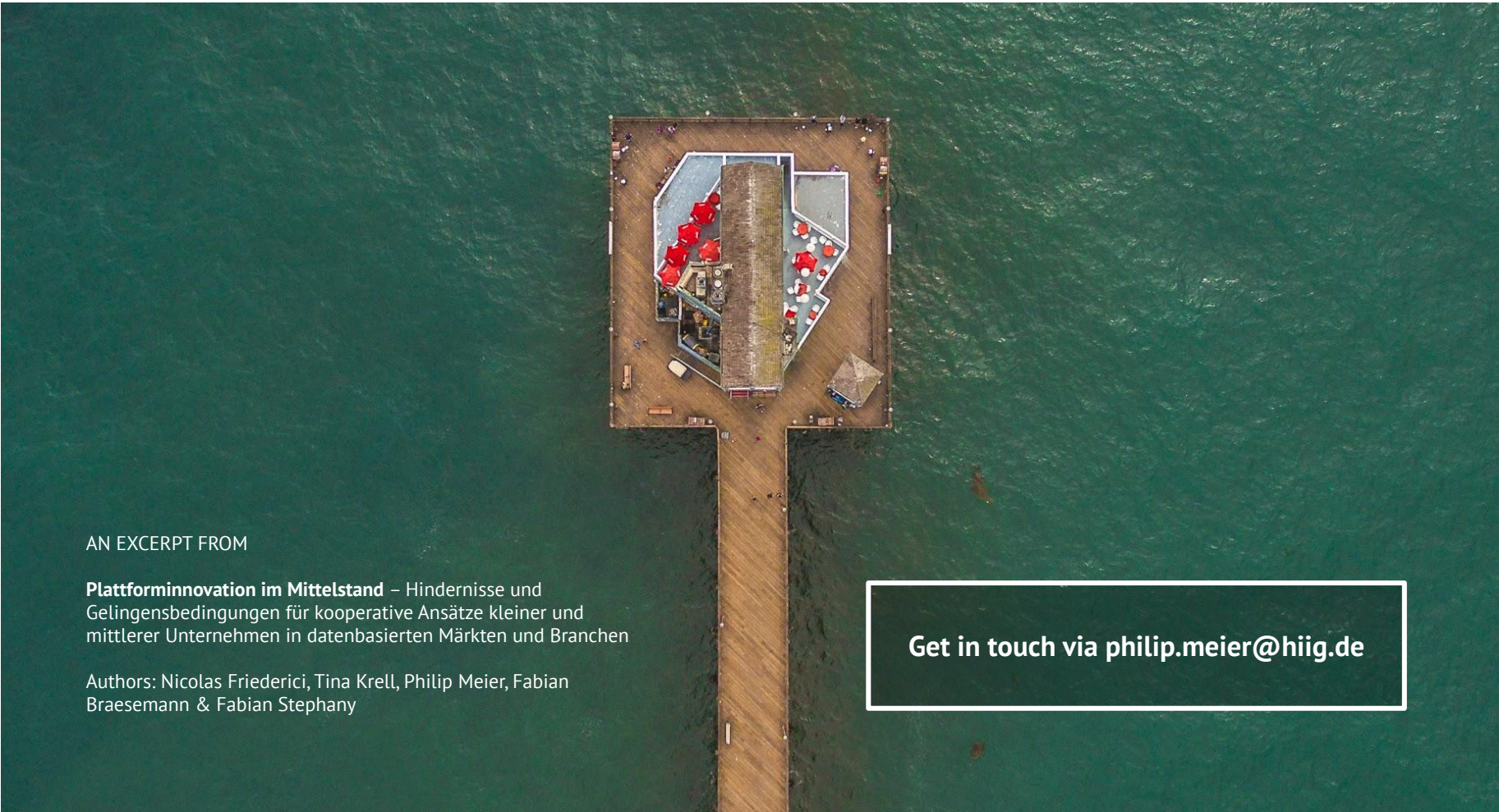
**Quality Seal for  
Transparency**





# Outlook

1. Systematization & Categorization
2. Value creation / capture
3. Standards & Ecosystems



AN EXCERPT FROM

**Plattforminnovation im Mittelstand** – Hindernisse und Gelingensbedingungen für kooperative Ansätze kleiner und mittlerer Unternehmen in datenbasierten Märkten und Branchen

Authors: Nicolas Friederici, Tina Krell, Philip Meier, Fabian Braesemann & Fabian Stephany

Get in touch via [philip.meier@hiig.de](mailto:philip.meier@hiig.de)

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