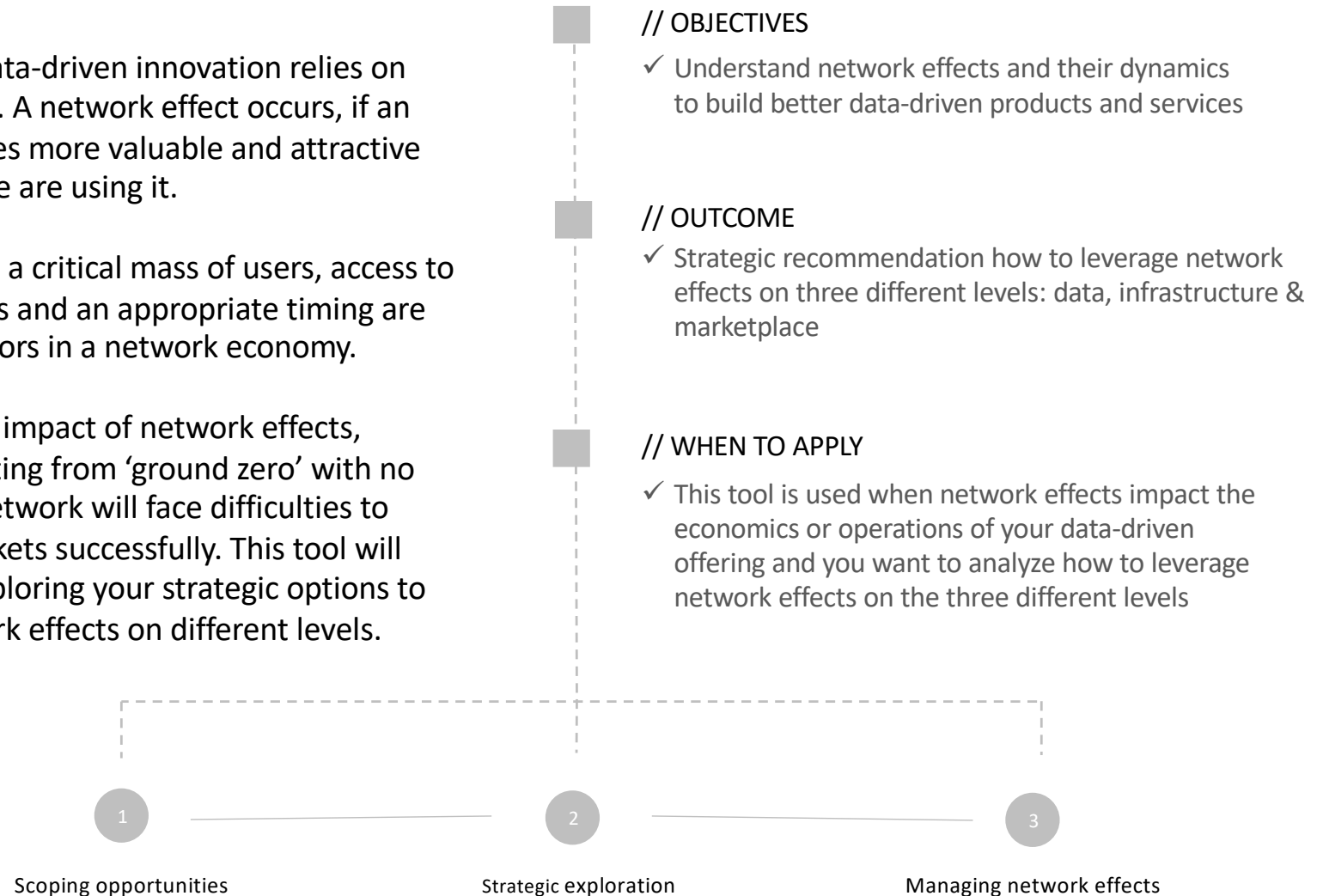


NETWORK EFFECTS NAVIGATOR

Every second data-driven innovation relies on network effects. A network effect occurs, if an offering becomes more valuable and attractive the more people are using it.

For that reason, a critical mass of users, access to unique data sets and an appropriate timing are key success factors in a network economy.

Due to the high impact of network effects, companies starting from 'ground zero' with no users in their network will face difficulties to enter their markets successfully. This tool will guide you in exploring your strategic options to leverage network effects on different levels.



NETWORK EFFECTS NAVIGATOR

Name of DDI: _____

Date: / /

1

2

3

Scoping opportunities

Strategic exploration

Summary of strategy

| Network Strategy | Focus of your innovation | Applies fully (5) Does not apply (1) | Comments | Strategic Exploration? |
|---------------------------------------|---|---|----------|---|
| <p>On Data Level</p> | <ul style="list-style-type: none"> Scale: Your offering improves with increasing amount and larger set of data sources Scope: Your offering improves by linking increasing number of different data sets | | | <input type="checkbox"/> Y <input type="checkbox"/> N |
| <p>On Infrastructure Level</p> | <ul style="list-style-type: none"> You empower others in creating new products and offerings by providing a layer of common components and functionalities (product platform) The more tools and infrastructure you provide for others, the more attractive it will be for your offering | | | <input type="checkbox"/> Y <input type="checkbox"/> N |
| <p>On Marketplace Level</p> | <ul style="list-style-type: none"> You connect two sides of your market, e.g. fragmented consumers and producers, or buyers and sellers, by providing a way of matchmaking Balanced growth of both side of the market, e.g. growth of buyers and consumers, makes the marketplace more attractive | | | <input type="checkbox"/> Y <input type="checkbox"/> N |

1

Scoping opportunities

2

Strategic exploration

3

Summary of strategy

On Data-Level

Scale of Data

My application improves with increasing amount of data sources

Generate more data

- How are the required data sources generated?
- Who is generating the data (i.e. sensors, user interaction, operations, etc.) How can you increase the amount of data generated?
- What is the critical amount of data required for your offering?

Generate data by partnering

- Can others help in generating those data sets?
- How to set-up partnerships with them?
- How to engage them?

Setup human-interaction

- The more user are interacting the more data can be generated. How can you setup the underlying human-interaction?
- How to attract more user?
- How to engage users in a way that valuable data sets can be generated?

Attract more users

- Can you attract additional users to generate the needed data while using your application?
- What could be a value proposition that makes them happy and will attract them to use your offering?

Scope of Data

My application improves by linking more data sources

.. to develop your offering / application

- What is the minimal set of data sources that needs to be aligned to develop a value creating offering?

.. to link data sources

- What are related data sources that could be linked to your existing data source?

.. to extract relevant metadata

- Can you extract or link related meta information that can lead to new insights?
- Can you link open data sources that provide such information?

.. to enrich data with domain knowhow

- Can you use domain knowhow to semantically enrich your data sources?
- Can you use analytical methods to extract meaning and knowledge out of the data?

Summary of insights

Strategic Options

1

Scoping opportunities

2

Strategic exploration

3

Summary of strategy

On Infrastructure Level

Supporting product development

- What type of products are your user (product builder) planning to build?
- What is the core tool you are providing for them to enhance their product?

Customization and personalization

- How can your users (product builder) benefit from customization and personalization?
- How is their offering / competence different from yours?

Adding functionalities

- What are additional functionalities / tools that many of your users would benefit from?
- Could those tools eventually attract even more users?

Support others to create and capture value

- How to empower your users to create and capture value for themselves?
 - Why is it attractive for them to use your tools instead of developing them alone?
 - What are critical features that bring a competitive advantage for them, e.g. more security, more reliability, etc.?
 - How can you ensure that users can easily connect to your system?

Summary of insights

Strategic Options

1

Scoping opportunities

2

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Summary of strategy

On Marketplace Level

Finding your core value

- What is the core value to be exchanged?
- Goods, standardized or non-standardized services?
- How do you communicate it?

Ensuring growth

- How to ensure balanced / self-enforcing growth among all participants / user groups?

Enhancing matchmaking

- How does your matchmaking mechanism work?
- How will you set up / implement this mechanism?
- Can you improve already existing ways of matchmaking?

Attracting users

- What are your strategies to attract users from involved communities?
- Can you provide additional value to engage new user groups?
- Can you build an vivid user community, e.g. via events, etc.?
- Are there other incentives that will attract people to use your offering?

Summary of insights

Strategic Options

NETWORK EFFECTS NAVIGATOR – Summary

Name of DDI: _____

Date: / /

1

Scoping opportunities

2

Strategic exploration

3

Summary of strategy

Summary of strategy

| My strategic priorities are | List all planned activities | Phase 1 | Phase 2 | Phase 3 | How to measure (KPI) |
|--|-----------------------------|---------|---------|---------|----------------------|
| On Data Level <input type="checkbox"/> | | | | | |
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| On Infrastructure Level <input type="checkbox"/> | | | | | |
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| On Marketplace Level <input type="checkbox"/> | | | | | |
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