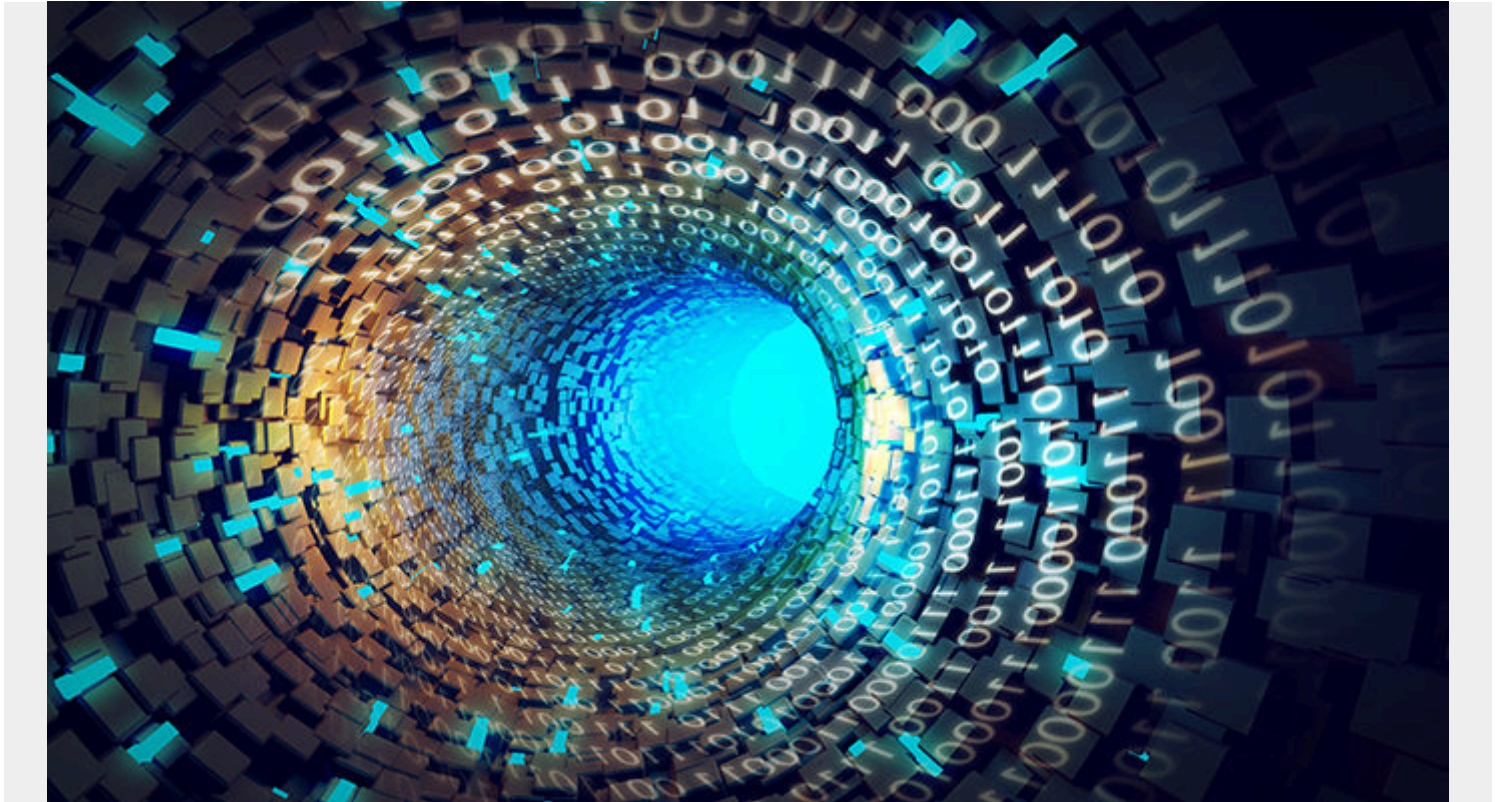# DIGITAL PLATFORMS: A BRIEF INTRODUCTION

Throw a rock and you'll hit an organization that is undergoing their "digital transformation" nine times out of ten these days. This is true for good reason as the entire world has been undergoing its own digital transformation over the past few decades as technology has advanced in leaps and bounds. Embracing the digital world is all but mandatory for organizations of all shapes and sizes.

The pace of technological advancement shows no signs of slowing, and we certainly won't be returning to simpler times barring catastrophic turns of events. Going digital is the only way to keep up with the rapid pace of the modern world. Achieving the speed and agility necessary for competing in today's business environment requires that organizations undergo a digital transformation.

But what does a digital transformation entail and how do you actively work towards it?

What is Digital Transformation?

Per Wikipedia, digital transformation can be defined as "the use of new, fast and frequently changing digital technology to solve problems." This idea of digital transformation is apt in terms of *what* it is but it fails to provide any real guidance on *how* digital transformation is achieved.

While digital transformation does involve the application of new technology, bringing all your operations onto the cloud won't magically empower your organization with some sort of digital wizarding powers. While moving to the cloud may be a great idea for your organization (or adopting any other new technologies), you won't reap the rewards of a digital transformation without enacting

actual change within your organization.

The most important aspect of digital transformation isn't really the technology itself, but the transformation of culture and practices of the organization itself. Undergoing digital transformation requires the organization to change its approach to virtually everything they do. Truly embracing digital transformation requires that organizations and their members challenge the status quo and learn to experiment and implement changes frequently. Experimentation and willingness to fail are essential for adopting the digital mindset.

The reality is that digital transformation looks different for every organization, and this reality makes describing the steps necessary for a digital transformation tricky at best. But digital transformations can be better defined by talking in terms of what the end goal of a digital transformation is: the creation of a digital platform.

What is a Digital Platform?

In business enterprise terms, a digital platform can be thought of as the sum total of a place for exchanges of information, goods, or services to occur between producers and consumers as well as the community that interacts with said platform. It's imperative to understand that the community itself is an essential piece of the digital platform and that without that community, the digital platform has very little inherent value.

We interact with digital platforms on a constant basis thanks to the success of the digital platform approach. Digital platforms take a lot of different forms depending on the business model they employ and the specific purposes they seek to serve. Examples of successful digital platforms are:

- Social media platforms like Facebook, Twitter, Instagram, and LinkedIn
- Knowledge platforms like StackOverflow, Quora, and Yahoo! Answers
- Media sharing platforms like YouTube, Spotify, and Vimeo
- Service-oriented platforms like Uber, Airbnb, and GrubHub

As you can see, digital platforms are by no means a new approach nor are they narrowly used in terms of their particular use cases. Digital platforms provide value to everyone within the ecosystem of the platform while turning a profit for the organization that created and maintains it through various business models such as advertising, subscriptions, pay as you go, or any combination of these and other profit-turning methods.

Another way to describe digital platforms is by talking about the essential pieces necessary to create a successful digital platform. The key aspects of a digital platform are:

- Ease of use and immediate appeal for users
- Trustworthiness and [security](#) (clear terms and conditions are necessary as well as privacy protection and assurances for intellectual property and data ownership)
- Connectivity through the use of APIs that allow 3rd parties to extend the ecosystem of the platform and its capabilities
- Facilitation of exchanges between users (producers and consumers)
- Providing value to the community and as a function of the size of the community (the bigger the community, the more value the platform can provide to all parties involved)
- Ability to scale without causing performance degradation

Digital transformations look different for each company because every organization has different

goals in mind, but a tangible goal to seek through digital transformation is the creation of a digital platform. While there is no shortage of digital platforms, there is still plenty of room for innovation and niche services that have audiences waiting for the day when their needs are finally met.

Many digital platforms compete for similar audiences but leverage their competitive advantages and unique aspects to reach their particular audience as they seek to grow. While some digital platforms like Facebook and YouTube have a chokehold on the [largest portions of market share](), they are by no means fixed on their seats of power as new competitors vie for domination. Furthermore, unseating the giants at the table isn't a necessary step for finding your own success.

Creating a digital platform for your organization will provide you with a competitive advantage over your rivals by ensuring you service your niche with the massive value proposition of not only the services, but also your platform's community. A successful digital platform facilitates exchanges or goods, services, or information while also leveraging the community itself to provide enhanced value to everyone within the ecosystem.

Embracing digital transformation by empowering your organization to challenge the status quo and experiment without fear of failure is essential for innovation that will allow you to carve out your own niche. Creating a powerful digital platform that provides ease of use, trustworthy transactions, and protections for users from bad actors on the platform is a delicate balancing act that has the ability to provide incredible levels of success for those who can manage it.