Transitioning to a Platform Business: A Resource-Based View Case Study of a South African Bank

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business

Johannesburg, 2022

ABSTRACT

Traditional incumbent banks have seen upstart digital-only banks and fintech, free of legacy systems, challenging their market share. In an effort to avoid disruption by fintechs, banks are embracing the platform strategy. Developing a platform makes it possible to interact with current communities and benefit from shared network effects that can hasten growth, save costs, and increase brand awareness.

This research report investigates the impact on a large incumbent bank's resources transitioning to a platform business. A case study was completed on one of South Africa’s big five banks, focusing on the corporate and investment banking(CIB) division. The division is considered a thought leader around platforms within the bank and is actively engaged in shaping and driving its transitional journey.

A qualitative study was conducted through semi-structured interviews with senior management and executive leadership. The study population comprised employees of the CIB division of Bank X, South Africa. The sample was selected based on seniority and exposure to the bank's platform business strategy formulation and implementation.

The study found that, despite the bank intentions to pursue the platform strategy, there was an internal misalignment in precisely what it meant at the various levels within the organisation, compounded by the lack of platform and technical skills in multiple areas to support the transition. As CIB is a high-touch banking model, there was little understanding of how the physical network would be impacted or could be leveraged/integrated into the platform model.

It also found that transitioning to a platform requires individuals with a platform thinking mindset, the ability to challenge the traditional linear pipeline business model, and an enabled and aligned culture with a new operating model that could blend the physical and digital worlds.

To address the emerging challenges, four recommendations were made, namely, a) addressing strategic alignment across divisions and business units, b) the realignment of the organisational culture, c) the acquirement and infusion of platform skills, and d) defining the strategy for integrating physical and platform operating models.

KEYWORDS

RBV, platform business, banking, resources, competitive advantage, transition, resource based view

DECLARATION

I, Kashil Ramrup , declare that this research report is my own work, except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management, in the field of Digital Business, at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this, or any other, university.

Name: Kashil Ramrup Signature:

Signed at ………Noordhang………………………………

On the …………29th……………….. day of ………April…………… 2023..

DEDICATION

To my late grandmothers who have always instilled in me the value of education.

ACKNOWLEDGEMENTS

A special thank you to my wife, Sherika Ramrup, for her understanding, love, patience, and for caring for the home, always ensuring that I had a warm meal, and encouraging me every step of the way. I would not have gotten this far without her.

Thank you to my friends and colleagues for all their understanding.

To my syndicate group, thank you for your efforts, the late nights and the arguments…we made it!

Finally, to my supervisor Professor Gregory Lee, thank you for the guidance every step of the way. I appreciate all the time, effort and support throughout the process.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ACRONYMS

ACRONYM	DESCRIPTION
RBV	Resource-based view
VRIO	Valuable, rare, inimitable, organised
MNE’s	Multinational enterprises
CIB	Corporate investment banking
SAS	Software as service
ATM	Automatic teller machine
CIO	Chief Information Officer

CHAPTER 1. INTRODUCTION

This chapter offers an outline of what this study aims to achieve and why it is of significance. It provides a context for the research problem being solved, the delimitations of the study are described, and the key terminology used in this study is provided.

1.1 Statement of purpose

This research is a case study to obtain insights into the impact on tangible, intangible and human resources and to identify potential sources of competitive advantage for a large South African bank transitioning to a digital platform business.

1.2 Background of the study

The South African banking sector comprises of 37 licensed banks (BASA, 2017). This is down from 43 in 2013 (Mishi & Alwyn Khumalo, 2022). Despite a relatively large number of participants, it is still dominated by "the big four" (Standard Bank, ABSA, FirstRand, and Nedbank) (Mishi & Alwyn Khumalo, 2022), with Capitec now becoming the fifth.

The banks have made significant progress in improving financial inclusion, with unbanked customers moving from 46% in 2006 to 77% in 2016 (BASA, 2017). The improvement in financial inclusion, coupled with the proliferation of smartphone technology, has seen shifts in user demographics. The younger demographic are more aware of banking fees and quicker to adopt mobile-based payment mechanisms. Today, most people utilise their computers or mobile phones to conduct a substantial proportion of banking transactions. The diversity of options, the time and cost savings, and the simplicity of use of these applications ensure that they maintain a share of traditional banking channels (Kitsios et al., 2021). The idea of lifestyle banking, where the bank becomes an integral part of human existence, is the natural conclusion of the digital economy's integration of financial services into people's everyday lives (Korobov, 2017).

The conventional banking paradigm has had to evolve in which banks served as infrastructural institutions, allocating financial resources and controlling the issuance and circulation of money (Korobov, 2017). This represented a significant opportunity for the banks and competitors alike. However, as banks have traditionally invested in large-scale infrastructure, legacy technology has hindered them from quickly responding to changing market conditions.

Quickly identifying the growing gap, small start-up companies began to bridge the gap between the client’s needs and available banking services. This paved the foundation for the fintech space known today. The introduction of fintech meant that banks now had to compete with other banks, smaller start-ups, and digital-first banks. Banks also found themselves disintermediated in some instances. A study by Slazus & Bick (2022) supports this as it determined that users in South Africa are more likely to use FinTech services if it makes their life simpler and more accessible, and if it meets a specific demand if it saves them time and allows them to access these services whilst on the move.

Whilst fintech companies can generally offer products and services more efficiently at a more cost-effective price than most banks, they need access to the large client base that the banks hold. It, therefore, becomes more beneficial for them to partner to augment the bank’s legacy system rather than trying to compete directly in most instances. (Gedye, 2018).

According to most analysts, this increase in financial technology adoption began shortly after the global financial crisis of 2008, which resulted in a loss of trust in banks, and significantly increased difficulty in accessibility to credit (Galazova & Magomaeva, 2019). The industry has grown over the past decade from approximately 8 billion (USD) dollars in 2010 to nearly 210 billion dollars invested globally in 2021 (Ruddenklau, 2022; Wintermeyer, 2019).

The advancement of digital technology and the rise of new technologies, such as big data and blockchain, have further paved the way for financial service delivery improvements (Khanchel, 2019). Banks embracing and incorporating digital technologies can save time, cut operational expenses, enhance monitoring, improve risk management and control procedures, and provide higher-quality goods and services to their customers at a more palatable price point (Kitsios et al., 2021). These advances have been supported by a hyper-taker customer eager to embrace digital solutions (Khanchel, 2019).

The development of competition is one of the main driving forces behind the transformation in banking, as it encourages banks to evolve and search for the optimal business model, as well as actively introduce innovations to broaden the range of banking products and services that improve service quality and take advantage of new information technology opportunities (Korobov, 2017).

The digital platform era has developed from an opportunity, and in just 20 years, digital technology platform enterprises have swiftly eclipsed traditional businesses as the world's richest companies. Regarding market value, Microsoft was the only "technology business" among the top five companies in the world in 2001. Two industrial companies, a bank, and a retailer accounted for the remaining five spots in the ranking. In 2006, a similar situation occurred: two oil and gas companies, Total and Exxon, and General Electric, a diverse industrial business, rounded out the top five. In 2011, similar conditions continued even after Apple overtook Microsoft in the top five. Every company from the so-called industrial age dropped out of the top five in 2016, a mere five years from 2011 to 2016, to be replaced by five companies from the so-called tech sector. (Armstrong & Lee, In Press)

By creating online experiences that consumers enjoy, offering speed and flexibility to enable traditional businesses to innovate at the same rate as fintechs, enabling hyper-personalized banking, removing legacy issues, and creating new value within the ecosystem in which they operate, platforms are able to deliver what matters to clients, when they need it without the heavy administrative overhead (7 Ways Platforms Help Banks Innovate at the Speed of Fintechs | Nucoro, n.d.).

Whilst banking institutions generally have financially solid positions, Galazova & Magomaeva (2019) noted that even the most substantial firms that choose to adopt a conservative approach may lose a significant portion of their clients if they adopt new technologies, and business models, that are not incorporated into the service mechanism. As a result, financial institutions must not only investigate the platform's concept but also determine how to integrate it into their current business models.

1.3 Research problem

As a result of the fourth industrial revolution (Industry 4.0), also known as the increased use of Internet technologies in production and services, banks are under more pressure to establish and maintain long-term relationships with their customers. This is because the nature of those relationships has shifted from the physical environment associated with bank branches to the virtual environment linked to the use of digital platforms and technologies.

Temelkov (2020) has identified that new business models have emerged as a result of causes such as globalisation, changing client preferences, the need to attain economies of scale, diversification of core business activities, and regulatory changes. Gatautis (2017) has also identified an increasing reliance on digital technology to attract customers' attention and build long-term relationships.

One such business model that has gained in popularity and is actively being pursued by many organisations is the concept of the platform business. Early adopters such as Google, Facebook, Amazon, Apple, and Microsoft, among other major firms in this field, have tremendous growth and attribute platforms as fundamental to their success in recent years (Gatautis, 2017).

Adapting an organisation's business model can be achieved through innovative value orchestration or reconfiguration, re-intermediation, and/or disintermediation (Choudary et al., 2021). Depending on the chosen platform, it can create new opportunities for value creation capture and value transfer (Gatautis, 2017; Choudary et al., 2021). While this theory sounds simple enough, the study by Berends et al. (2016) draws attention to the fact that business model transformation might be more challenging in established companies due to problems that might arise during the transition from the existing business model to the new one."

This paper's central research problem explores the impact on a South African bank's existing resources and competitive advantage transitioning to a platform business model.

1.4 Research Objectives

This study aimed to gain insight into the impact on resources and competitive advantage for a large incumbent bank transitioning into a platform business. The objectives of this study was the following:

Objective 1: To gain insights into the impact on a large incumbent bank's existing resources in transitioning to a platform business.
Objective 2: To determine which resources would be an enabler or resistance factor in transitioning to a platform business
Objective 3: To determine what resources might offer a competitive advantage to a large incumbent transitioning to a platform business.

1.5 Rationale

Studies focusing on large incumbent firms transitioning to a digital platform business are limited. As such, this research aims to contribute to the academic pool of knowledge on platform business transitions by providing deeper insights into the impact on an organisation's existing resources and relative competitive advantage. A case study based on a South African bank transition was utilised as the foundation for this research. The objective of this research was to add to the body of knowledge in the following research areas: platform business transitions, platform resources, banking resource models, and banking platform models, banking competitive advantage.

1.6 Delimitations of the study

This research report was limited to evaluating the impact on a South African bank's resources in transitioning to a platform business.

1. The research was focused on gaining deeper insights into the impact on resources and does not include a transitional path to a platform business.
2. It does not include the platform businesses or banks that operate in other countries. It is focused solely on the South African banking context.
3. The research does not take a position on the importance of any resource over another.
4. A market-based view was excluded as this research was focused on the internal resource model.
5. The study followed a case-study approach, focusing on a large traditional bank in South Africa.

1.7 Definition of terms

The following terms are utilised within the research without explanation in the definition.

Platform Business	Choudary et al., (2021) define a platform as a business that enables value-creating interactions between external producers and consumers. Platforms are predominantly debated observing the multi-sided markets and are frequently seen as innovations that provide users or business participants the possibility of immediate communication (Gawer and Cusumano, 2014). Accordingly, a platform business for the purposes of this study can be described as a multifaceted digital platform that unites corporate consumers and external producers of financial services products.
Fintech	The term FinTech, which is a compound word made up of the words "finance" and "technology," refers to the industrial change brought about by the convergence of IT and financial services (Slazus & Bick, 2022, as cited in Kim et al., 2016). It can also be broadly defined as "technologically enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services" (Slazus & Bick, 2022, as cited in financial stability board, 2017). For the purpose of this study, it refers to any technology company that provides financial service-related products or services to the bank or its clients.

Table 1 - Definition of Terms

1.8 Assumptions

It was assumed the participants would share accurate insights on their experience building platforms and ecosystems. However, the researcher anticipated that they would show bias based on the;

a) The number of years they have been in the role with preference to what they are comfortable with doing.
b) Individual strategies that are driving within the organisation.
c) The personal beliefs and attitudes towards platform businesses.

1.9 Chapter Outline

The study's goal, setting, research problem, objectives, questions, and significance are all outlined in Chapter 1. The study's literature review is included in Chapter 2, which provides detailed definitions of Resource-Based Views and Resources in the Banking Sector. This chapter also summarises previous research in resource-based perspective theory.

The technique employed in the study is outlined in Chapter 3 and includes the research design, research method, population and sample, validity and reliability, data collecting, limits, and ethical considerations. The results of the data analysis of the interviews are presented in Chapter 4. The study's conclusions and findings are discussed in Chapter 5 and compared to the current literature. Chapter 6 discusses the findings and results, draws conclusions, and offers recommendations.

CHAPTER 2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

The purpose of this chapter is to review the existing literature on the resource-based theory and introduce the concepts of platform business and resources. The chapter will focus on the key concepts and resources traditionally deployed within a traditional bank seeking a competitive advantage, contrasted against the prevailing platform business resource model.

2.2 Definition of topic or background discussion

A bank's core purpose is maturity transformation and liquidity provisioning; this includes accepting short-term deposits and distributing medium to/and long-term loans (Choudary et al., 2021). Maturity transformation is at the heart of a bank's operation. It oversees how depositors' money is best employed whilst maintaining liquidity to allow depositors to take their rightful riches as and when needed (Choudary et al., 2021). The transformation function also includes operations that attract depositors and creditors, such as obtaining a banking license, issuing debit/credit cards, and doing customer due diligence (Choudary et al., 2021).

2.3 Resources in Banking Context

2.3.1 *Tangible Resources*

Like traditional brick-and-mortar businesses, financial sectors seek to maximise shareholder funds through quality state-of-the-art tangible assets to service their clients. These tangibles, as an example, can be in the form of physical branches and Automatic Teller Machines (ATM). The study by Nwauzor & Chukwu (2018) in Nigeria, which evaluated the link between tangible resources and a firm's performance, supports this statement. Their findings also determined that when investments are made in land, buildings, furniture, and equipment, there is an increase in operating profit before tax. In contrast, investments in computers and accessories and different types of vehicles have an inverse profit relationship. This further implies that banking tangibles such as branch locations have been crucial to banking success due to client accessibility to services.

In contrast, however, a survey conducted by Khon et al. (2022) on balancing physical and digital channels in retail banking found that in developed countries, while retail banking sales declined in 2021, the growth in digital channels did not make up the difference. There was a distinct difference in the customer's willingness, preferences and utilisation of digital channels, necessitating actions to attempt to maintain the relationships. Despite the downsizing of physical channels, more than a third of the banks surveyed saw their branch activity grow by as much as 20%.

Louw & Nieuwenhuizen (2020) identified that "while the overall South African banking landscape may be moving towards digital-and mobile-first, the need for physical access to technology and services, whether because of circumstance (lack of funds or resources) or by choice (technology avoidance), may necessitate not only digital and mobile-first but accessible-foremost banking business models."

In South Africa, we have seen this trend follow a similar trajectory, with the big four banks shutting down close to 700 branches since 2010, with Capitec being the only bank to consistently invest in growing its footprint from 507 branches in 2011 to 807 branches in 2019 (Tarrant, 2021).

The significance of these studies illustrates that in developing countries, branches are an important factor for initial scalability, however, as digital channels, distribution, and accessibility become more mature, clients are willing to shift to online channels. However, shifting to digital-first technologies may not necessarily yield any tangible results without a strong supportive client relationship to improve willingness for adoption.

2.3.2 *Intangible Resources*

According to the International accounting standard (IAS) 38, as defined by the International Accounting Standards Board (IASB), which sets out the criteria for recognising and measuring intangible assets, an intangible asset is an identifiable non-monetary asset without physical substance. Such an asset can be identified when it can be divided up or when it results from a legal right, whether contractual or otherwise. A separable asset could be sold, given away, licensed, etc. The following are some examples of intangible assets: licenses, trademarks, patents, movies, copyrights, and import limits (IFRS - IAS 38 Intangible Assets, n.d.).

Intangible assets influence tangibles by adding value through internal bank network interactions, such as lowering transaction costs, improving the intermediation process, and risk management (Chen et al., 2014).

Banking technology systems have got progressively fragmented over the last decade, with data and information becoming dispersed among several methods, thereby increasing running expenses and the cost of completing transactions (Choudary et al., 2021).

Choudary et al. (2021) further identified that cloud computing and advancements in data management technology have allowed financial organisations to standardise their internal data and operations through cloud-hosted solutions that centrally manage data held across multiple functions.

The study by Chen et al. (2014) found that while improved performance can be achieved through individual intangible strengths, it was more the "interactions of intangible strengths in combination with other types of resources that could lead to an increase in deposits or loans and a reduction in cost and risk, which could result in better institutional performance."

The study conducted by Barjaktarović & Stefanović (2019) on the effect of intangible assets on the banking sector in Serbia concluded that, despite a number of banks shutting their doors during the period from 2011 to 2018, those that remained were actively investing in digital transformational strategies and realised increased gains in net positions. The study also concluded a direct relationship between intangible investments and net results, i.e., when the value of intangible assets rises, the net result increases, and vice versa. This is further supported by the study conducted by Mazzioni et al. (2014, as cited by Lopes & Carvalho, 2021), which determined that the degree of intangibility on the economic performance of public companies in Brazil, Russia, India, China and South African region (commonly known as BRICS), had a statistical correlation between intangibility and financial performance.

Whilst it can therefore be inferred that Investments in digitalisation, innovation, and IT technology are essential for survival, market success is still the result of a successful combination of supply of all bank products, established risk management procedures, asset and liability management systems, selling, and maintaining of business relationships, with both existing and new customers (Barjaktarović & Stefanović, 2019).

2.3.3 *Human Capital Resources*

According to Kuchciak & Warwas (2021), human resource management in banks aims to be adaptable, responsive, and able to learn and make use of employees' competencies. Based on what bank workers are aware of, human capital appears to be the most crucial component of intellectual capital. It serves as a crucial foundation for building a bank's relational, social, and organisational capital (including knowledge of specific standards that educate the other employees while still employed there).

The value of IT skills is rising, but so is the value of interpersonal skills (particularly communicativeness), cognitive abilities, and responsibility, which fosters knowledge transfer within the bank, and fosters interaction with consumers (Kuchciak & Warwas, 2021).

Peprah et al. (2018, as cited in Baron, 2011), "argue that human capital is not only about the knowledge, skills, and experience of individuals; it extends to their commitment and willingness to share their knowledge, skills, and experience to add value to the organisation."

The essential skills, knowledge, and abilities are critical for developing distinctive organisational competencies. Creating these competencies in a changing workplace could be challenging, as employees must learn on the job and manage difficulties as they arise (Muzam, 2022). Workplace challenges cannot be predicted, adding to the challenge.

The effectiveness and competence of a bank's employee base are therefore crucial to the organisation's success, and businesses must pay closer attention to their human capital as good human capital procedures help maximise employees' competencies (Saleem and Khurshid 2014).

Van Laar et al. (2017) research talks to this point as it identified seven crucial talents in modern organisations that create competitive advantage: technical, information management, communication, teamwork, creativity, critical thinking, and problem-solving. The study further identified five contextual skills that were deemed significant, namely, ethical awareness, cultural awareness, adaptability, self-direction, and lifelong learning.

Peprah et al. (2018) expanded upon the human capital theory to include that organisational culture and structures are essential enhancers of desirable behaviours that can improve human capital (knowledge, skills, and experience).

Combining the theoretical views of Van Laar (2017), Peprah et al. (2018), and Muzam (2021), we may derive a human capital model that provides us with a more holistic overview of traditional human capital resources.

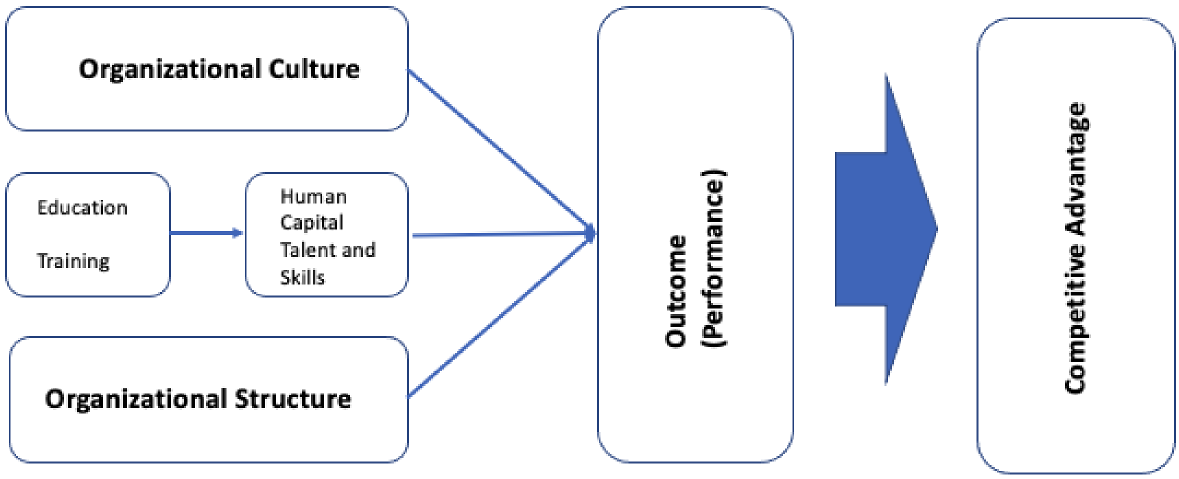

Figure 1 - Adapted Human Capital Model
(Van Laar, 2017; Peprah et al., 2018 & Muzam, 2021)

Kuchciak & Warwas (2021) highlight that, in today's highly competitive business environment, human capital management is extremely important to the survival of the banking sector. Employees in the banking industry must consistently acquire new skills or deepen their knowledge in areas such as data analysis, cybersecurity, new technologies, and process digitisation. Employees are also expected to become more interdisciplinary by developing critical competencies that include digital, analytical, and mathematical skills, strong sales and consulting skills, problem-solving, creativity, and openness, as well as honesty, responsibility, and dependability.

2.3.4 *Proposition 1*

Traditional bank resources (tangible, intangible, and human) will require extensive reconfiguration.

2.4 Platform Businesses

To remain relevant in the changing macro environment, organisations are embarking on large-scale digital transformation programs that can leverage new digital technologies to modify how they create value for clients. An increasing number of businesses are adopting platform business models to remain competitive (Chan et al., 2019).

As of 2016, the total market value of platform business was approximately $4.3 trillion, and had an employment base of at least 1.3 million direct employees, with millions of others being indirectly employed. Platforms have become an important economic force (Chan et al., 2019).

A platform business model can be defined as a business that enables value-creating interactions between external producers and consumers (Choudary et al., 2021; van Alstyne & Parker, 2017; Gatautis, 2017; Chan et al., 2019; Zhao et al., 2020).

Van Alstyne et al. (2016) highlighted that the platform is responsible for the infrastructure and establishing the rules to which producers and consumers must adhere. Participants in the platform fulfil multiple roles and may move between roles.

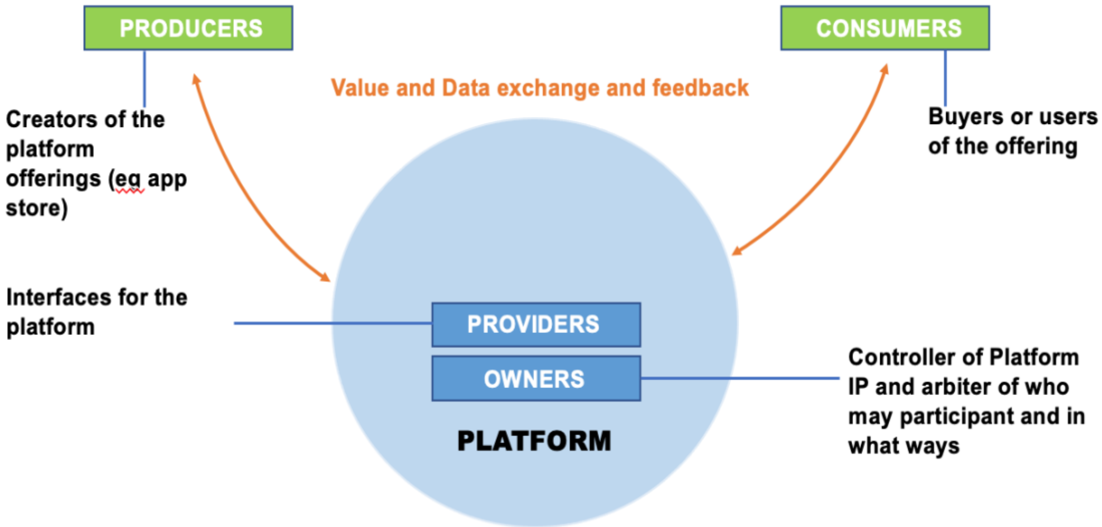

Figure 2 – Platform Business Model

Source: Van Alstyne et al. (2016)

Platform businesses, as per Figure 2, are structured differently from traditional pipeline businesses that focus solely on controlling valuable, scarce and inimitable resources in a value chain that is organised to capture value. Platforms are dependent on resources that might be owned and controlled by the external parties in the ecosystem, with value mainly derived from the dynamic interconnection of these resources and the network effects amongst them

(Choudary et al., 2021; van Alstyne & Parker, 2017; Gatautis, 2017; Chan et al., 2019; Zhao et al., 2020).

Nosova & Lypov (2021) highlighted that the primary resource for digital platforms is the data generated within its ecosystem. Data is gathered, prepared, structured, organised, systematised, examined, used for their own purposes, or provided in a practical format for potential customers. This continuous use of data insights enables producers to continually evolve/create new products that will allow clients to solve their daily challenges. The data gathered by platforms can also open doors to new markets for customers and open incumbents up to new competition (Van Alstyne et al., 2016).

Platforms are distinct in that they are frequently associated with "network effects". These are positive feedback loops, and they have the potential to expand exponentially as platform adoption and the number of complementors rise. When network effects are "direct" (sometimes referred to as "same-side") between the platform and the users of complementing innovations, like how Facebook attracts users, friends of users, and friends of friends of users, they can be quite potent. (Gawer & Cusumano, 2003, Gawer & Cusumano, 2014).

2.4.1 *Types of Platform Businesses*

Due to the substantial expenses associated with coordinating activities across organisational boundaries, organisations have historically grown in size through vertical integration. The price, however, of inter-firm collaboration is falling as digitalisation accelerates (Choudary et al., 2021). As a result, many companies are beginning to adopt the platform business model and its digital tactics to remain competitive. Online networks are being developed by businesses such as Airbnb, Uber, Amazon, Google, Salesforce, and Facebook to help individuals engage digitally (Chan et al., 2019). Despite business model variations per organisation, the four most profitable types of platforms are transaction, innovation, integrated and investment platforms (Chan et al., 2019).

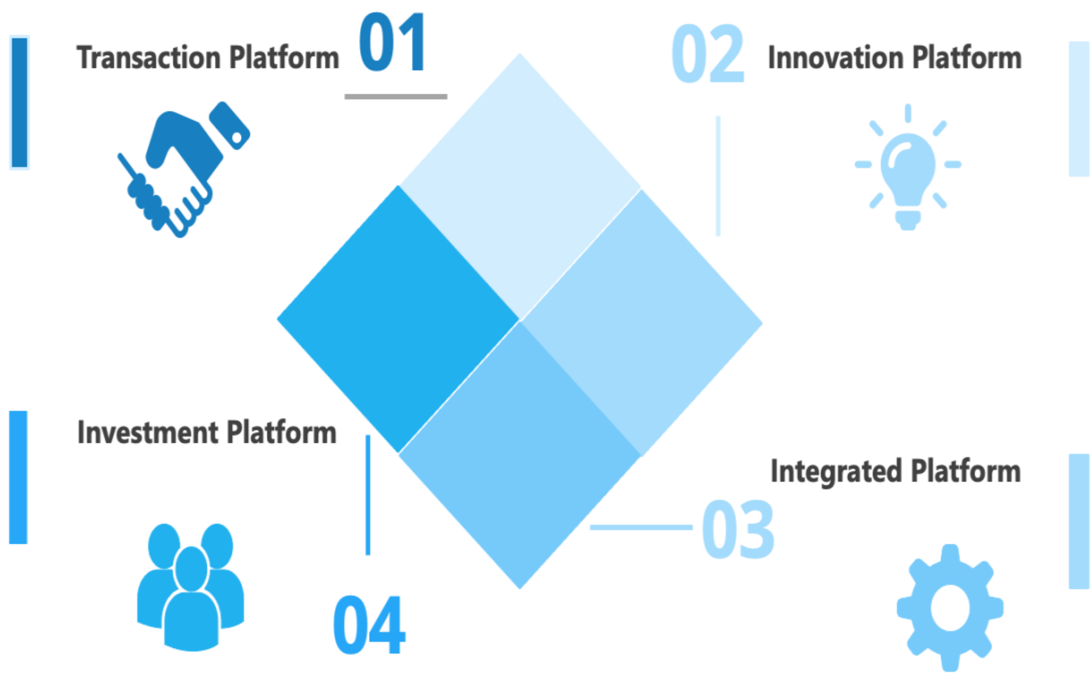

Figure 3 – Types of Platform Businesses

Source: Evans & Gawer (2016)

Transaction Platform: A transaction platform is a technology, product or service that acts as a conduit (or intermediary) facilitating exchange or transactions between different users, buyers or suppliers. Airbnb and Uber fall into this category (Evans & Gawer, 2016).

Innovation Platform: An innovation platform is a technology, product or service that serves as a foundation on top of which other firms, loosely organised into an innovative ecosystem, develop complementary technologies, products or services. Microsoft and Oracle are examples of such platforms (Evans & Gawer, 2016).

Integrated Platform: An integrated platform is a technology, product, or service that serves as a platform for transactions and innovation. Companies like Apple fall into this category as they have content production platforms like the 'App Store' and a sizable ecosystem of third-party developers (Evans & Gawer, 2016).

Investment Platform: Investment platforms include companies that have developed a platform portfolio strategy and act as holding companies, active platform investors, or both (Evans & Gawer, 2016). Allan Gray and Ninety-One are examples of investment platforms.

2.4.2 *Value Creation Multi-Sided Platforms*

According to Zhao et al. (2020), multi-sided platform business models have become an essential avenue for value creation and capture. When a company invests in generating innovation, it aspires to create and capture value (Gawer & Cusumano, 2003). Firms typically accomplish this by making it difficult for others to replicate their innovation through secrecy or patents, dominating important market suppliers, or having a solid brand that generates consumer loyalty (Gawer & Cusumano, 2003).

In addition to high-quality participation on the platform, policies must be developed to support and sustain value creation. This can take the form of giving away goods or services for free; whilst this is not the typical business model approach, platform-based analysis shows that such strategies can be very effective, particularly when one side of a market has to draw in the interest of another (Evans & Gawer, 2016).

Zhao et al. (2020) suggested that, for a multi-sided platform strategy to be successful, it must first create interdependencies between the many components of the business model by placing more emphasis on the entire design than on specific features or add-ons. Secondly, when creating the business model, successful platform designs consider how the model interacts with those of competitors utilising ever-improving data analytic tools. The data collected by platforms can also open doors to new markets and confront incumbents with new competition, at least in some of the segments they serve (Van Alstyne et al., 2017). Finally, platform leaders build complex business models using business model innovation and imitation; they produce a tightly connected system where multiple components interact with one another in complementary and predictable ways and scale the model quickly.

2.4.3 *Competitive Advantage in a Platform World*

The literature informs us that, traditionally, a firm's source of sustainable competitive advantage is generated from its resources; however, there are circumstances where enterprises do not control the help they require - as in the case of platform businesses (Kabue & Kilika, 2016).

Stoian & Tohanean (2021) state that “a platform requires continuous access to new technologies and complementary capabilities to establish a strong competitive advantage." This can result in a company gaining new strategic resources and tacit knowledge while improving its market position.

Armstrong & Lee (2021) highlight that from a strategic perspective, resources in a platform business are not considered valuable, rare, imitable, or organised (VRIO) as in a traditional business and that a platform owner does not need to own the resources but they have a responsibility to orchestrate them.

In the case of a conventional bank, however, the argument can still be made that for an existing business to transition to a platform business model, its established resource VRIO model should hold a significant advantage during the transition and may be modified to still serve as a source of competitive advantage.

2.4.4 *Transitioning to a Platform Business*

In contrast to current banking paradigms, the unique aspect of the platform business model is that competitive advantages do not depend primarily on physical infrastructure or control over valuable and rare resources. Despite the high practical significance, there is limited systematic understanding of why platform-based business models frequently outperform classic pipeline enterprises in many areas. (Rohn et al., 2021, Van Alstyne et al., 2016)

A firm, therefore, seeking to become a platform business will need to assess its configuration by unbundling and re-bundling itself. This will ensure that the components required for value creation, such as the activities, resources, partnerships, cost structure, customer segments, customer relationships, distribution channels, and revenue streams, create a compelling value proposition for clients. It should enable a definition of how value is created and how some of that value might be captured (Berends et al., 2016; Choudary et al., 2021; Gatautis, 2017).

Since business models are not static by nature, they are prone to change over time. A new business model is introduced into the firm when an existing, operational, and pre-eminent business model undergoes a transition process due to a change in design aspects of the existing business models or a reconfiguration of the current building blocks (Şimşek et al., 2022).

Van Alstyne et al. (2016) state that transitioning to a platform will require three key shifts in managing an organisation. Firstly, it must move from resource control, as in a traditional resource-based view, of owning tangible and intangible assets, to orchestrating the resources between a network of producers and customers. Secondly, it must move from looking to internally optimise its resources to create products and services that focus more on facilitating the interactions between producers and consumers. Thirdly, it must move from focusing on customer value, such as lifetime value, to maximising the total value of the ecosystem.

According to Armstrong & Lee (In Press), one of the critical conditions necessary to become a platform business is the externalisation of assets. Externalising assets makes scalability faster, easier, and potentially infinite. It also helps simplify the platform to an entirely software digital platform, which ideally makes the entire globe instantly available, thereby enhancing network effects and creating momentum.

Armstrong & Lee (In Press), defined a two-dimensional framework for assessing the extent to which assets could be externalised as part of the platform journey.

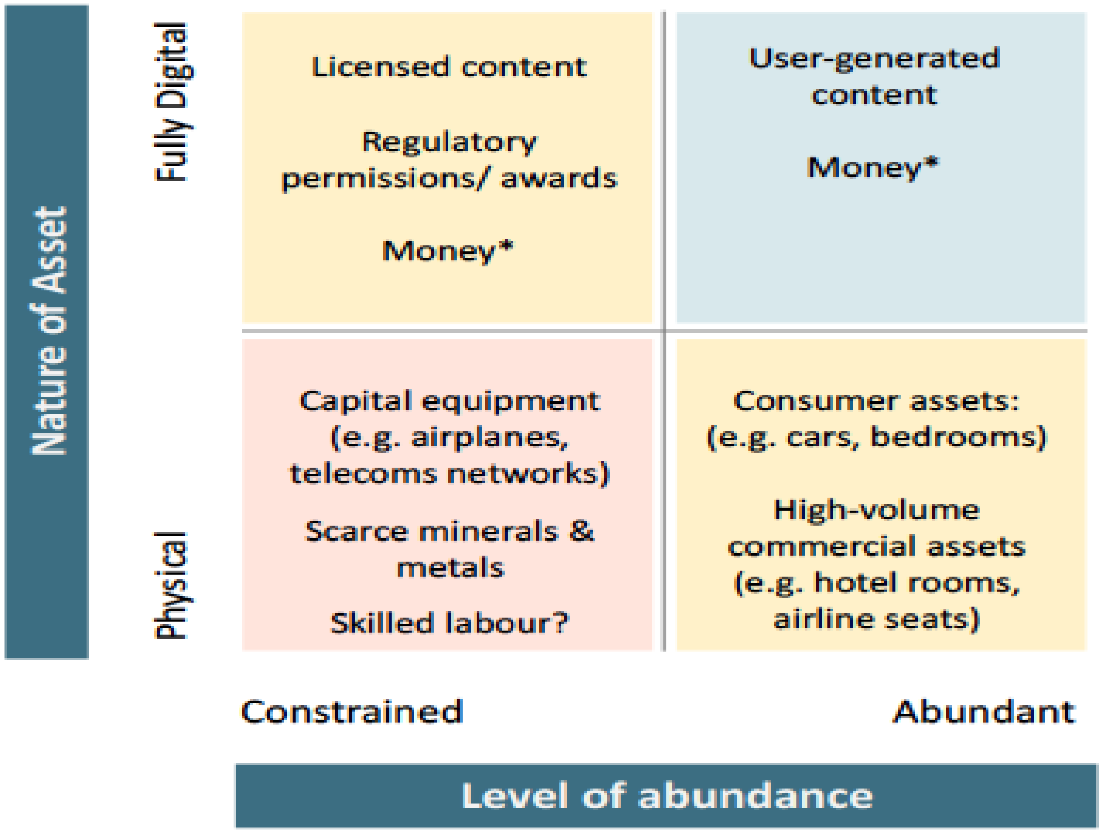

Figure 4 - Framework for platform potential of externalizing assets

Armstrong & Lee, (In Press)

Fully digital, constrained assets: Alternative digital platforms exist with purely digital assets that are externalisable, albeit with certain limitations. For instance, all of the content on Netflix is exclusively digital, but it must be created or purchased at a high cost.

Physical, abundant assets: Even though they are physical, there are a number of asset categories that are plentiful. Platforms such as Uber, Airbnb can exploit the relative abundance of these physical resources through a multi-sided platform approach.

Physical, constrained assets: Numerous resources are limited, scarce, and physical in nature. Scarcity can be man-made (e.g., regulatory restrictions; consider Uber's operating licences) or intrinsic (e.g., wireless spectrum or rare minerals).

The Prudential Authority, which oversees financial institutions and market infrastructures to support and improve their safety, soundness and financial stability, heavily regulates the contextual environment in the banking paradigm. The above framework overlayed against the heavily regulated environment infers that the transition to a platform business would require a move towards a more fully digital but constrained assets model that must still adhere to the required banking practises. A bank embarking on such a journey would have to concentrate on determining which assets (digital, physical or intangible) could be externalised, to what extent, and how they might capture value in the platform economy whilst adhering to the necessary banking regulations.

Evans & Gawer (2016), emphasise that this can present significant challenges for traditional asset-heavy hierarchal organisations with a large employee complement. This is often due to how the organisation is structured and incentivised around maximising product and service revenue versus maximising profits within a platform eco-system. Evans & Gawer (2016) highlight that only by making sizable adjustments to organisational culture, strategy and incentives would it be possible to prioritise more significant ecosystem revenues over those from particular goods and services.

A literature review conducted by Osmundsen et al. (2018) found that a successful business model transformation depends on a supportive organisational culture. A Delphi study conducted by Hartl and Hess (2017) identified that having a mindset open to change, along with corporate values such as trust, involvement, cooperation, and communication, readiness to learn, tolerance of failure, and risk affinity, and entrepreneurial attitude, is critical for the transition process. The data suggest that a corporate culture emphasising agility rather than control is essential for transformation.

Van Alstyne et al. (2016) contribute to this line of thinking by pointing out that the metrics used to measure pipeline organisation success would be different to that of the platform business, and this would need to be adjusted to include items such as engagement, negative network effects, or even interaction failures to name a few.

This is further supported by Berends et al. (2016), who determined that business model transformation may be more difficult in established organisations owing to issues that may occur during the transition from the present business model to the new one. A subsequent study by Rohn et al. (2021) on the critical success factors for digital platform business models supports Berends et al. (2016). It determined that culture alignment, staff motivation and consistent communication around the changes and benefits of adopting a platform business to internal and external stakeholders was critical. The study also determined that upon embarking on a platform transition, human and financial resources are often challenging at the beginning of the change until such time that the platform reaches a sufficient customer base.

Research by Rohn et al. (2021) determined that developing a platform-based business model from within an established organisation is often difficult and complex due to the lengthy and complex decision-making procedures and the extensive top-to-bottom communication required.

Therefore, realignment to the platform model requires a re-optimisation of existing processes, with executives from all divisions needing to identify new methodical skills and new ways of innovation throughout all hierarchical levels (Rohn et al., 2021). Organisations must consider various elements that can impede the execution of their transformation for this process to be successful and produce favourable results.

1.1.1 *Proposition 2*

Human resources are the most significant resistance to transitioning to a platform business over intangible resources.

1.1.2 *Proposition 3*

Existing Intangible resources within large incumbent bank provides a competitive advantage in a platform business.

2.5 ANALYTICAL FRAMEWORK

2.5.1 *Theoretical Framework*

The resource-based view (RBV) is defined as a distinct set of resources and competencies that may be used to gain a competitive advantage through strategy implementation. It looks within the organisation and down to the specific market conditions that it must deal with, to identify potential sources of long-term competitive advantage (Peteraf & Barney, 2003).

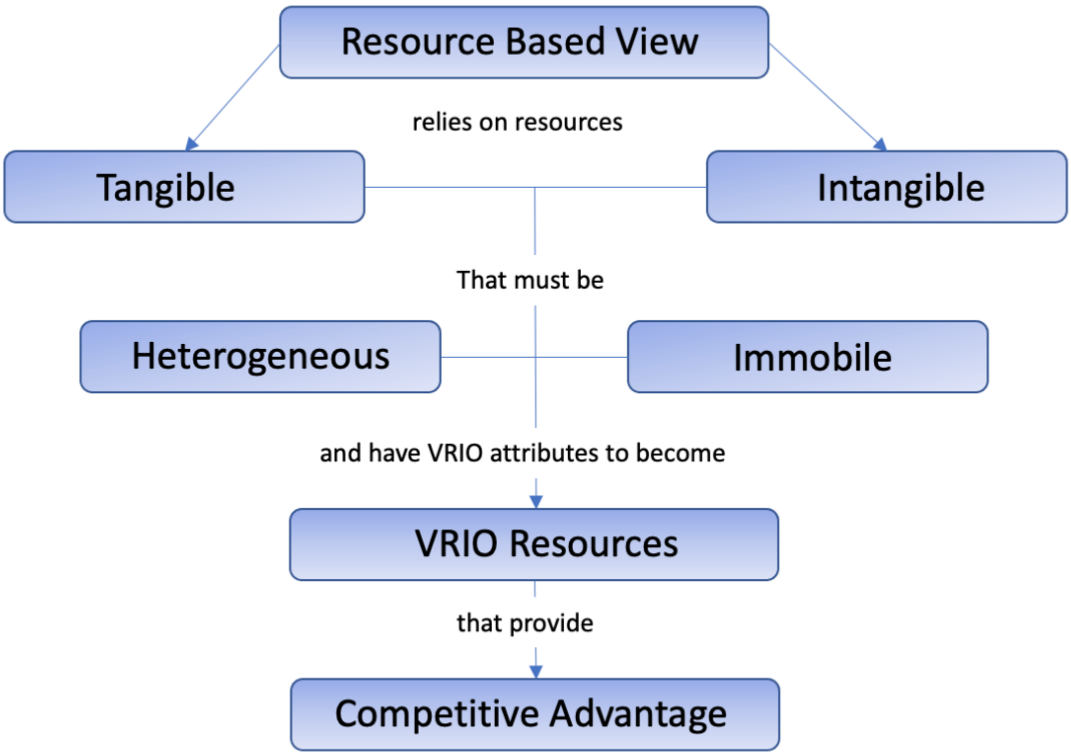

Figure 5 - Resource-based view and critical points

(Donnellan & Rutledge, 2019, as cited in Hitt et al., 2017)

The RBV model emphasises the importance of resources in assisting businesses to achieve improved organisational performance. Proponents of RBV advocate that it is far more practical to exploit external opportunities by repurposing existing resources rather than acquiring new skills for each opportunity. (Donnellan & Rutledge, 2019).

The RBV is based on two fundamental assumptions. The first assumption is that resources must be heterogeneous or immobile (Barney, 1991; Petraf, 1993; Donnellan & Rutledge, 2019). Heterogeneous resources imply that business skills, competencies, and other resources differ. If organisations had the same amount and mix of resources, they could not adopt different strategies to outcompete each other. The second assumption talks about immobility, whereby resources are immobile in that they are not movable, and do not migrate from company to company in the short run. Due to this immobility, companies must replicate rivals' resources and apply a different strategy.

According to Donnellan & Rutledge (2019), resources are more frequently common than rare, homogeneous than diverse, and mobile than immovable. This could indicate that enterprises must combine the resources to create uncommon and challenging-to-imitate processes that will serve as a source of long-term competitive advantage.

Barney (1991) classified resources into three categories: physical capital resources, human capital resources, and organisational capital resources. Armstrong & Lee (2021), who will be used as the basis for this resource definition, have utilised tangible, intangible and human resources.

Tangible	**Intangible**	**Human**
Cash	Trademarks, copyright, patents	Skills
Other Balance Sheet Items	Brands	Competencies
	Trade Secrets	Productivity
Physical	Know-How	Tenure
Buildings	Supplier and Partner relationships ('Network Resources')	Culture Alignment
Land	Organisational Culture	Motivation and Commitment
Machinery and Equipment	Data	
	Customer Relationships	

Figure 6 - Resource Types

Source: Armstrong & Lee, (2021)

2.5.2 *Competitive Advantage*

a. ***Value, Rare, Imitability, Organised***

Barney (1991) proposed that a resource must fulfil the valuable, rare, imitable and non-substitutive (VRIN) framework to provide a competitive advantage and sustained performance. He subsequently refined this to the 'VRIO' framework (Barney,1995). Donnellan & Rutledge (2019) further expanded upon this to add that the differences in a firm success over time are primarily due to their particular resources and talents rather than industry structural features.

Barney (1993) explained that resources are valuable if they add strategic importance to the organisation. Resources add value when they assist enterprises in capitalising on market opportunities or mitigating market dangers. There is no benefit to having a resource if it does not add or enhance the firm's value and can put the firm at a competitive disadvantage.

Regarding rarity, Barney (1995) explained that a company with significant and scarce resources, and competencies, can achieve a brief competitive edge. If rival firms have a cost disadvantage in replicating these resources and competencies, organisations with these unique qualities can gain a competitive edge. Resources possessed by several enterprises in the market cannot create a competitive advantage since they cannot plan and execute a distinct business strategy compared to other competitors.

Barney (1995) expanded that imitability, meaning copying or imitating the resources, would be impossible. Bottlenecks for imperfect imitability might be numerous, such as challenges in getting help, an uncertain relationship between competence and competitive advantage, or resource complexity. Only if enterprises lacking these resources cannot acquire them may resources be used to sustain competitive advantage.

Finally, Barney (1995) explains that within an organisation, the inability for resources to be substituted by another alternative resource is non-substitutability. In this case, the competitor cannot obtain the same performance by replacing other resources (Barney, 1995).

According to Barney (1991), competitive advantage can only be sustained whilst the likelihood of competitive duplication remains low. Barney (1995) further builds upon this theory to include that sustainability cannot be achieved by merely assessing environmental opportunities and dangers and then conducting business only in high-opportunity, low-threat environments. He posits that sustainable competitive advantage is dependent on a firm's particular resources and competencies that it offers to compete in its environmental context effectively.

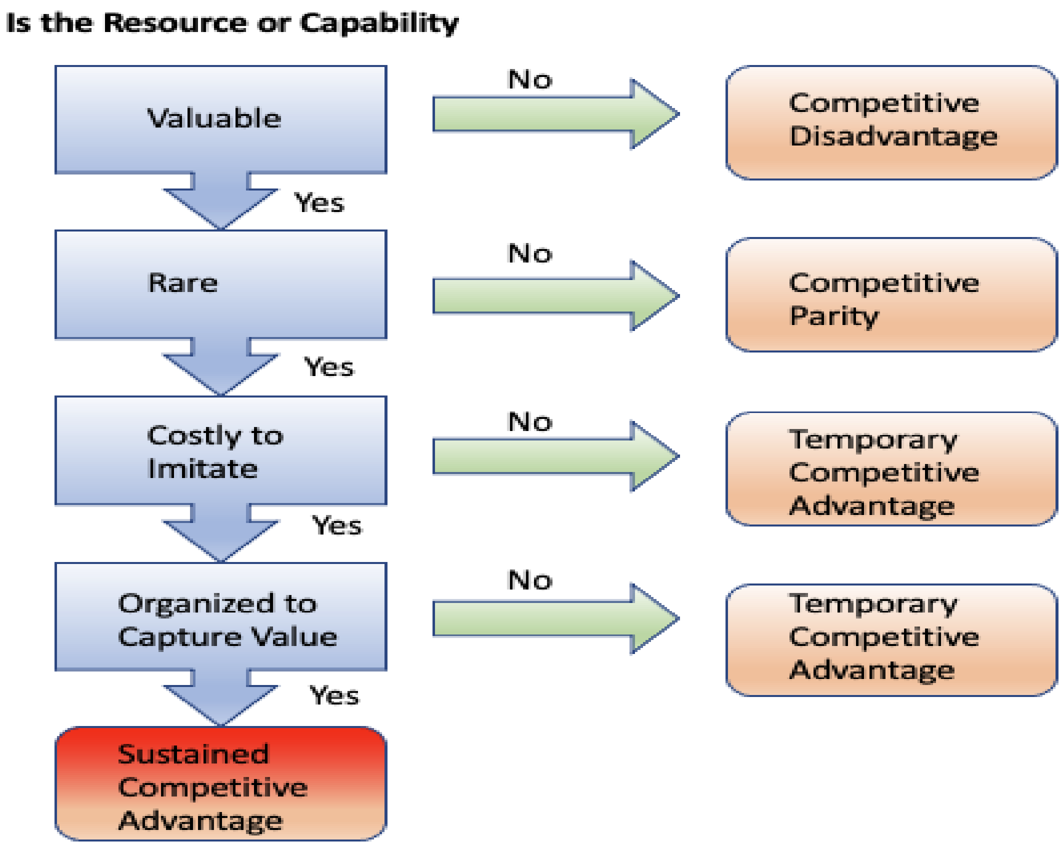

Figure 7 - VRIO & Competitive Advantage

Source: (Donnellan & Rutledge, 2019, as cited in Rothaermel, 2016)

A number of aspects are understood by applying the VRIO framework against resources or capabilities. Firstly, the organisation is at a competitive disadvantage when resources are valuable but not rare. Secondly, where resources are valuable and rare yet easy to replicate, there is competitive parity whereby other organisations can realise the same or similar benefits in a relatively short time. Thirdly, where resources are valuable, rare and difficult to imitate, there is a potential for a temporary competitive advantage as it would take other organisations some time to find a suitable alternative resource. Finally, where resources are valuable, rare, and difficult to imitate but the organisation cannot fully capitalise on the opportunity, only a temporary will be achieved as competitors are provided time to find suitable alternatives. It should be noted, however, where resources are valuable, rare, and difficult to replicate, and the organisation is fully mobilised to capitalise on the opportunity, it can lead to sustained competitive advantage as competitors will find it difficult to compete with the firm's entrenched market position.

2.5.3 *Conceptual Framework*

Change requires upsetting the equilibrium or status quo. This can be done by removing or introducing unfavourable conditions to the change. Based on this, it can be understood that before a change occurs, the forces favouring, and resisting it, are in equilibrium inside the force field (Connelly, 2020). Kurt Lewin asserts that the equilibrium will change whenever driving forces exceed restraining forces (Connelly, 2020).

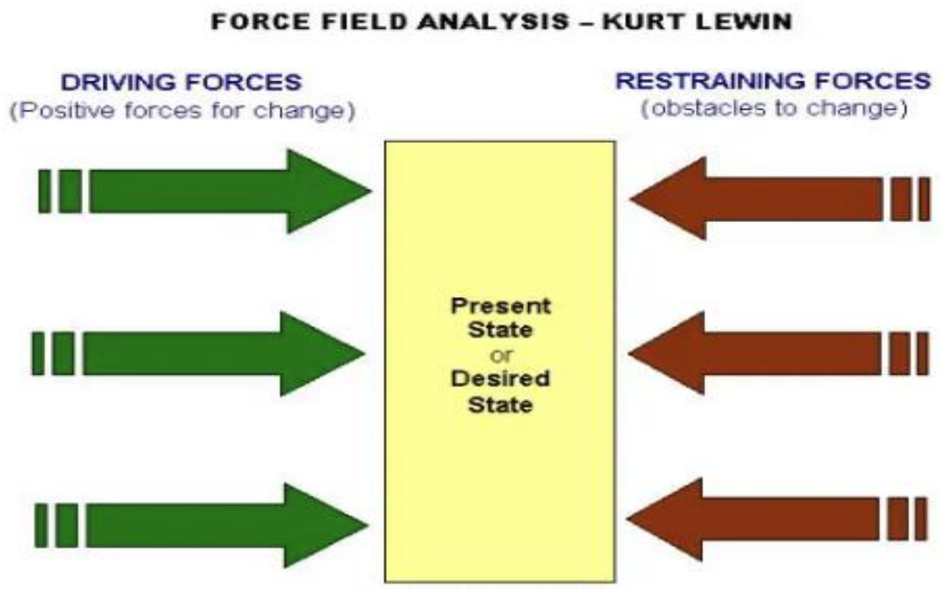

Figure 8 - Force Field Analysis

Source: (Connelly, 2020)

Kurt Lewin's Force Field Analysis depicted in Figure 7, is applied as a guiding framework for this model. It is enhanced by replacing the drivers of change with the enablers as the organisation has already embarked on the journey. Adapting the framework provides a powerful strategic perspective to identify what is required for change in corporate and personal situations.

The proposed research model in Figure 8 adapts Kurt Lewin’s force field analysis theoretical framework, utilised by Şimşek et al. (2022), in understanding the dynamics of business model transformations and the impact on the bank's resources. The model would provide the necessary insights into the impact on the existing resources transitioning into a platform world and a deeper understanding of possible factors that may support or hinder this transition. While it is understood that a large incumbent bank has an existing resource model that is configured around extracting value in its current form, the adapted model goes a step further to gain insights into understanding what might be seen as a competitive advantage for a large incumbent bank in the platform business model.

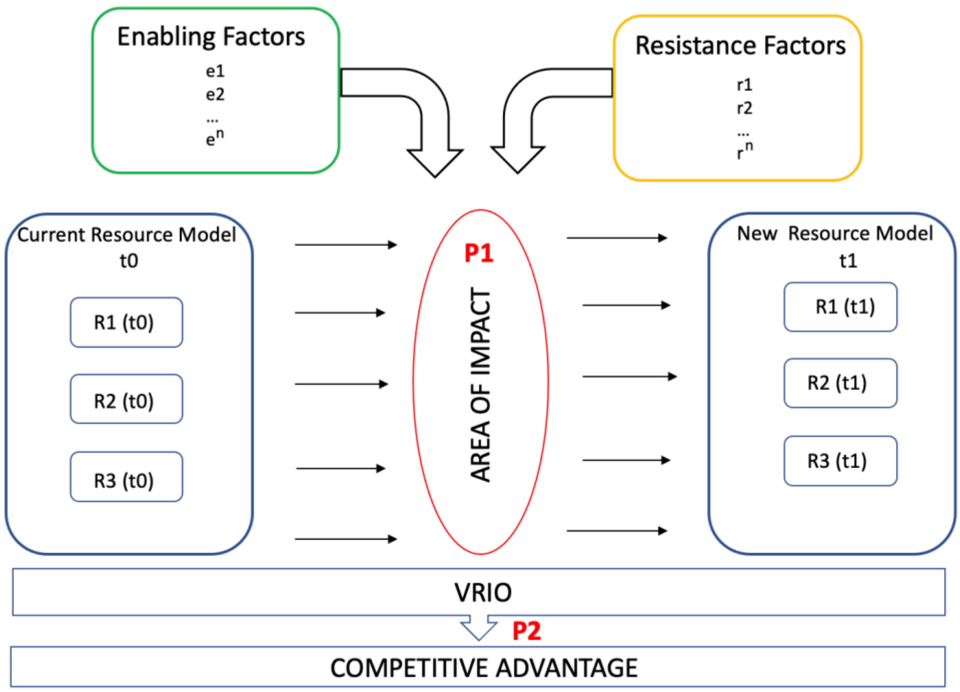

Figure 9 - Conceptual Framework

Source: Adapted from Şimşek et al. (2022)

The model comprises three main components that are R1: Tangible Resources, R2: Intangible Resources, and R3: Human Resources. R1(t0) to R3 (t0) refers to the existing resource business model, whereas R1 (t1) to R3(t1) denotes the resource model - once the transition has been completed. The area of impact indicates the resource types that are impacted due to the transition, with P1: Proposition 1 referring to what resources will be affected. P2 – Proposition 2 relates to the resources that will be seen to offer a competitive advantage as part of the transition.

The recommended model provides a contextual view of the existing resources, their impact during the transition and an idea of how this will look in the new model. The VRIO framework can be applied to this new model to gain insights into how competitive advantage would be shaped in the new model.

2.6 Conclusion of Literature Review

Platform businesses have steadily grown in popularity over the past decade, and it is clear that it has the potential to reshape an organisation – depending on how it is configured and operated. It is also evident that traditional business models are designed around core resources combined in unique ways to provide a competitive advantage. Alternatively, in the platform model, the company does not own resources. As postulated previously, in the case of a traditional bank that wishes to transition, limited research has been conducted on the impact on existing banking resourcing models, including the impact on what potential competitive advantage would look like once transitioned.

2.6.1 *Proposition* 1

To operate in a platform business model, traditional bank resources (tangible, intangible, and human) will require extensive reconfiguration.

2.6.2 *Proposition 2*

Human resources are the most significant resistance to transitioning to a platform business over intangible resources.

2.6.3 *Proposition 3*

Existing Intangible resources within large incumbent bank provides a competitive advantage in a platform business.

CHAPTER 3. RESEARCH METHODOLOGY

This chapter describes how the research questions established in Chapter 1 and the propositions developed in Chapter 2 will be addressed through data gathering. It also discusses the significance of the study design, methodology, case site, sample size, and sampling procedures. Finally, it specified the research data gathering methodologies and data analysis strategies. Ethical issues were mentioned, as well as completion dates.

3.1 Research approach

This research aimed to gain insights into the impact on resources transitioning to a platform business and the potential sources of competitive advantage for a large established bank, as understood by senior managers and executives actively shaping the transitional journey. As there is no empirical quantitative data available about a large incumbent bank performing such a transition and the objective is to understand this transition whilst in progress from stakeholders actively shaping and defining this unstructured, unconventional banking strategy, a qualitative study was then selected as it would enable a large variety of unstructured data to be gathered without restricting the feedback provided. Qualitative research is beneficial for obtaining insights into regular or problematic experiences and the meaning attached to these experiences of selected individuals (Leech & Onwuegbuzie, 2007).

According to Leech & Onwuegbuzie (2007), qualitative data allows researchers to improve their understanding of the phenomena. Secondly, understand the influence of the local context as the data is collected in close proximity through face-to-face interviews and observations. Thirdly, obtain a more profound richness of the data that can reveal the complexities of the phenomenon.

3.2 Research design

The study adopted a cross-sectional research design, utilising a qualitative approach to data gathering. The study had to be conducted on-site at one of the institutions to assess the impact on a large incumbent bank's resources transitioning to a platform. A case study was chosen as the optimal design to explore a research topic or phenomenon within its context (Saunders et al., 2012).

The study utilised a deductive approach by evaluating the existing literature to define theoretical propositions for testing. Saunders et al. (2012) noted that an inductive approach is adopted when your research project is theory-driven with a defined theoretical viewpoint that is testable by gathering evidence.

The research would utilise triangulation as part of the research to ensure consistency between the data from the interviews and the questions. Triangulation is the process of using multiple data collection methods in a single study to confirm the results (Saunders et al., 2012).

3.3 Data collection methods

A primary data collection method was applied to this research with data collection, a combination of semi-structured interviews and a questionnaire.

As part of the recorded interview, all participants were asked to provide consent to participate in this research. The participants were informed that their data would be recorded and used anonymously for this research. All interviews were recorded utilising the MS Teams audio recording and transcription function.

The semi-structured interview was conducted as one-on-one interviews with identified participants. The sample was selected based on seniority and exposure to the bank's platform business strategy, formulation and implementation.

Interviews took an average of thirty-two minutes to complete, with questions derived from the previous literature, while others were self-formulated based on the propositions. Advice was sought from the academic supervisor to evaluate the questions before the commencement of the interviews to ensure the validity of the questions and alignment with the research.

All participants were given an interview guide for reference and all necessary questions for preparation. The semi-structured interview allowed participants to provide a more comprehensive response that allowed for further probing where necessary.

Despite an interview guide being shared before the interview, some questions were slightly modified, where participants responded to multiple questions in their responses. There were some occasions when participants requested additional clarification on the questions. This had no impact on bias within the research process.

3.4 Case Site and Sampling Method

3.4.1 *Case Site*

The case site for this study was one of the top 5 banks in South Africa, hereon referred to as Bank X. As with most banks in South Africa, Bank X is consistently searching for new ways to remain competitive in the challenging South African climate. The bank is on a five-year transformational journey to redesign its core banking services around a platform business model and redefine its operating model around client value.

Whilst most South African banks are experimenting with platforms in some manner, Bank X can be considered at the forefront. Based on this, it would be a suitable case study, especially as it is amidst this transition; therefore, the maturity of this implementation could be monitored and recorded for future research. The case site was focused on the CIB business unit with interviews conducted with stakeholders who designed and shaped the overall bank platform strategy or actively participated in establishing a platform business model.

3.4.2 *Sample*

The sample group was limited to senior managers and executives actively defining and shaping the platform business strategy and operationally building upon the platform ecosystem.

In semi-structured or in-depth interviews, a sample size of 5-25 was considered acceptable (Saunders et al., 2012). For this study, a sample size of 10 was chosen depicted in table 2. Whilst this could be viewed as a small sample size, the impact would be significant as the participants in this research have deep insight into Bank X's strategic formulation in transitioning to a platform business. The job titles associated with the sample sizes included executive leaders across various departments, including chief information officers and other senior managers working on platform businesses.

Description of Participant	**Ideal Sample Size**
Executives	3
Chief Information Officer	2
Senior Managers	5
Total number of participants	**10**

Table 2 – Sample Size

3.4.3 *Sampling method*

As noted, a purposeful sampling method was utilised to identify initial colleagues within the existing network to offer necessary insights. Snowball sampling was then applied, whereby additional research participants were sought. Participants were asked at the end of the interview to refer anyone beneficial to the research.

Purposeful sampling was chosen as it is frequently employed when initiating smaller sample groups - such as in the case study research approach, and when selecting very instructive instances (Neuman, 2005). Snowball sampling was identified as a complementing sampling method. This was utilised when it was difficult to secure interviews with stakeholders, as is the case of working within a large bank (Saunders et al., 2012).

3.5 The research instruments

A personal interview was used as the primary instrument for data collection to address objectives 1,2, and 3, represented through sections A and B of the interview guide highlighted below. Before the interview, the participants were given a breakdown of the question structure for preparation.

Section C represents the sample questionnaire created using google forms to evaluate the VRIO model pre- and post-transition. The questionnaire was in the form of 'yes' or 'no' responses. Whilst it could have been incorporated into the interview, it was deemed more efficient to utilise a questionnaire for this data collection portion.

The questionnaire was sent out post the interview to all participants for completion; however, the responses received from the participants were unsuitable for use in this research due to the low response rates and inaccurate completion of the data. The academic professor was engaged and agreed to eliminate this portion of the study as it was only meant to supplement section B of the research where possible. Furthermore, as this was a point-in-time study, amid the transition, participants would only have been able to provide a response based on their immediate understanding without any supportive empirical evidence.

3.5.1 *Qualitative Instrument*

a. *Introduction & Context of Interview*

Hi [Name],

Trust you are keeping well today.

Thank you for taking the time to meet with me.

The time is xx on the [date]; we will start the interview and activate the recording and transcript function.

As discussed, I am currently conducting interviews for my master's research. As we know, the bank is on a transitional path to becoming a platform business. As such, my research is to take a resource-based view in understanding the impact of those resources to determine what competitive advantage would look like for a traditional bank transitioning to a platform.

Please note that this is entirely voluntary, and should you not feel comfortable at any point, you may request that the interview be stopped.

Disclaimer: Also, just a note, while I will collect some employment information, it will not be used in the final research report. Your details will be anonymised, and you will be referred to as a "Participant". All copies of transcripts will be made available to you upon request.

Are you comfortable with me continuing with the interview?

b. ***Interview Guide***

3.5.2 *Employment Information:*

1. What is your role in the organisation?
    a. Please elaborate on your job title and description.
2. How long have you been in the position?
3. How long have you been in the bank?

Tangible Cash Other Balance Sheet Items **Physical** Buildings Land Machinery and Equipment	**Intangible** Trademarks, copyright, patents Brands Trade Secrets Know-How Supplier and Partner relationships ('Network Resources') Organisational Culture Data Customer Relationships	**Human** Skills Competencies Productivity Tenure Culture Alignment Motivation and Commitment

Referenced Resources

3.5.3 *Section A – Resource-Based View Questions*

1. In the bank embarking on the transition to platform-based business, what does that mean for the bank?
2. Banks are traditionally known for having a large branch footprint; what would impact the branch network?
    a. Prompt: If there is no impact, how would the branch and platform business work together?
3. Which resources might be impacted by transitioning to a platform business?
    a. Prompt: How will they be impacted?
4. What would be the most significant challenges to resources in transitioning to a platform business, and how are they being addressed?
5. How would the transition impact the bank's technology departments?
6. What resources would be considered critical in transitioning to a platform business?
    a. Prompt 1: Why are these resources deemed critical?

    b. Prompt 2: What value would they offer in the transitioning process?
7. What resources would be considered complementors in transitioning to a platform business?
    a. Prompt 1: how would these resources complement the transition?
8. What resources would you consider a hindrance/resistance factor to transitioning to a platform business?
    a. Prompt 1: how would these resources hinder the transition?
    b. Prompt 2: how would you manage this as part of the transition?
9. Are there any identifiable resource gaps in transiting to a platform business?
    a. Prompt 1: How are these being mitigated?
10. Are there any resources that would become redundant as part of this transition, and why?
11. What skills will be required as part of the transition?
    a. Follow up: Will these be required post-transition?
12. Which resources would you feel would become more critical in the transitioned platform business as opposed to the existing and why?

3.5.4 *Section B - Competitive Advantage*

1. Based on the literature, it has been noted that banks have to unbundle and re-bundle themselves around creating customer value, so what does this mean for the bank?
    a. Prompt: How would the bank add value in the platform business model
2. As mentioned, the bank's competitive advantage was traditionally based on the branch network and client accessibility. However, with moving to the platform business, what would be seen as the bank's new sources of competitive advantage?
3. How will moving to a platform business position the bank among its competitors?
4. In the bank's transitioned platform world, what resources would be deemed a source of competitive advantage, and why do you believe that?

5. Platform business models emphasise less/no control over platform resources. However, the banks are traditionally known for large resource pools with products sold directly to clients via structured channels, how would this be impacted in the new platform business world?
6. Banks have long competed/partnered with fintech to offer banking solutions; however, with the platform business, fintech's can surface their solutions directly to clients; how would this impact the bank's competitive offering?

3.5.5 *Section C – Sample Questionnaire*

Note: Responses were elicited via Google forms

Resource Type	Resource	Is the resource considered to have strategic value? i.e can it assist in exploiting opportunities or reducing risk?	Are these resources rare amongst competitors/difficult to find?	Is the resource difficult for competitors to copy or substitute?	Does your company have organized management systems, processes, structures, and culture to capitalize on resources and capabilities?
Tangible	Cash				
Tangible	Other Balance Sheet Items				
Tangible	Buildings				
Tangible	Land				
Tangible	Machinary and Equipment				
Intangible	Trademarks, copyrights, Patents				
Intangible	Brand				
Intangible	Trade Secrets				
Intangible	Know How				
Intangible	Supplier and Partner Relationships				
Intangible	Organisational Culture				
Intangible	Data				
Intangible	Customer Relationships				
Human	Skills				
Human	Competencies				
Human	Productivity				
Human	Tenure				
Human	Culture Alignment				
Human	Motivation and Commiment				

Figure 10 - Example Questionnaire

3.6 Procedure for data collection

Initial participants were identified within the peer network group, including senior management and executives with whom relationships have already been established. The snowballing technique will then be applied, requiring a referral request and introduction to other suitable participants.

The data collection process was as follows;

1. The sample was identified based on job function, seniority and role in progressing the platform strategy in the organisation.
2. Identified individuals were approached after meetings or in common areas at the Johannesburg offices to explain the intent and request their participation in the study.
3. Where participants agreed to be interviewed, meetings were scheduled directly with them or through their personal assistants.
    a. The interviews were scheduled for 60 minutes.
    b. This was a combination of in-person/Microsoft teams calls, as some participants were in other provinces/countries at the time of the engagement.
4. Before the interview, the interview guide was sent out to the participant to familiarise themselves with the topic and questions being addressed.
5. At the beginning of each interview, the research context was provided, outlining why the study was being done; the participants were allowed to ask questions before the interview. The participants were also requested to consent and allow the interview to be recorded.
6. Post the interview, the recordings and transcripts were downloaded from Office365 and stored in multiple off-site locations, and the research questionnaire link was sent out.
7. Participant consent forms were collected and reviewed for completeness.

The interview took the format of open-ended questions; however, as part of the interview process, it was noticed that some participants required additional clarification on the question and had to be probed deeper on their responses to obtain the necessary insights.

3.7 Data analysis strategies and Interpretation

The thematic analysis research method was utilised as the qualitative tool. This was the preferred method as this research strategy is designed to identify trends and discern patterns from the data to be grouped into core themes (Braun & Clark, 2006).

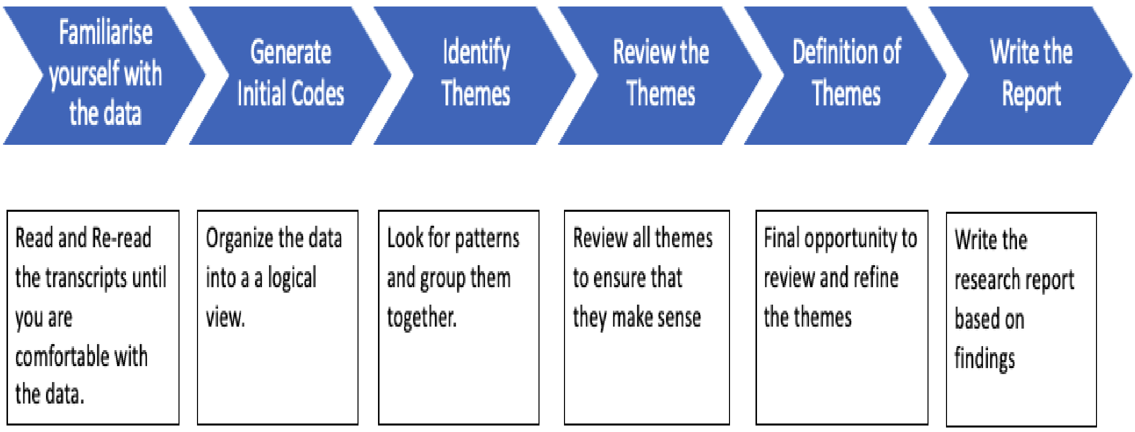

Figure 11 - The Thematic Analysis Process

Step 1 - Familiarity with the data

This entailed listening to interview recordings and transcribing them into an orthographic transcript (Braun & Clarke, 2006). The interviews were transcribed using MS Teams built-in recording and transcription functions. Discourse markers were removed, along with punctuation, and annotations were added for easier analysis. Timestamps were added for easier referencing, and all sensitive participant information was removed from the transcripts. Following the transcription, initial impressions were captured.

Step 2 - Generation of initial codes

Quirkos software was used to formulate the initial codes for the qualitative data. An inductive approach was used to analyse the data, allowing themes or codes to emerge from the data collected (Saunders et al., 2009).

Step 3 – Identification of themes

The identified codes were grouped into themes based on the research questions.

Step 4 – Reviewing of themes

The themes were then refined; in some instances, they were renamed/combined with other themes. The software allowed for the linking of sub-themes to the main themes together.

Step 5 – Definition and final refinement of themes.

The data within the themes were then analysed to ensure validity and alignment with the referenced list of resources.

Step 6 – Write the research report based on the findings.

A write-up of the emerging information was completed with supporting verbatim participant comments.

3.8 Possible limitations and challenges of the study

The limitations of this study are as follows:

- The bank is only in year one of its five-year journey, inferring that the outcome of this research would be a point in time view that may change as the journey develops.
- The semi-structured interview approach can lead to data inconsistency challenges due to interviewer bias and reliability. Responses are not standardised, which can lead to different researchers interpreting the data differently, which is further impacted by the researcher's internal bias.
- The sample size is very focused and targeted, achieving data saturation much more quicker.

- The sample included only senior leaders, and it did not consider the perspectives of lower-level staff in the organisation.

3.9 Quality Assurance

Transferability, reliability, and trustworthiness all contribute to the validity of a qualitative research study.

3.9.1 *Transferability*

Transferability is the extent to which qualitative research findings may be translated to other contexts or settings with different respondents (Korstjens & Moser, 2018). The research conducted was standardised, and considered repeatable, therefore could be applied to other financial institutions and/or other significant financial service organisations.

3.9.2 *Credibility*

Credibility determines if the study findings represent believable information derived from the original data of the participants and whether there is a correct assessment of the participant's actual opinions (Korstjens & Moser, 2018). The study maintained credibility by ensuring that a standardised interview guide was utilised and each session was recorded, with transcripts, to ensure verbatim answers were captured and for the sampled participant's review.

3.9.3 *Dependability*

Dependability entails participants' judgment of the research's findings, interpretation, and suggestions, all backed by data collected from study participants (Korstjens & Moser, 2018). The study maintained dependability by stringently following the thematic analysis process, which can be repeatable in other studies.

3.9.4 *Conformability*

Confirmability is concerned with establishing that the data and interpretations of the findings are not figments of the enquirer's imagination and, rather, that they are drawn from the gathered data. (Korstjens & Moser, 2018). The study maintained conformability by ensuring that all source data and subsequent analysis and findings through the thematic process were, and continue to be, available for review. All relevant data was backed up to multiple drives for storage and easy retrieval. As per the ethical standards, only the author and their supervisor could access this data.

3.10 Ethical considerations

To ensure that ethical practices were adhered to, ethics clearance was sought from Witwatersrand University before data was collected. Once approval was provided, participants were identified per the sample plan and contacted for interviews.

The following ethical considerations was identified with the subsequent controls enacted.

Ethical Consideration	Control
Informed consent	• A signed letter of permission was obtained from the organisation to conduct research to comply with university guidelines and requirements. • All identified participants were informed of the research and requested to provide their consent at the beginning of the interview recording process before the research was conducted. • Consent letters from the interviewees were obtained post the interview process.

Anonymity	• All participants information was anonymised and interviewees were referred to only as participant 1, participant 2 etc. during the research process.
Confidentiality	• All data was stored and backed up to a private server with access limited only to the researcher.
Potential for harm	• No potential for harm was identified as no sensitive information was utilised as part of the research process.
Communication of Results	• To ensure no plagiarism has occurred, a Turnitin report was generated post the finalisation of this report. •

CHAPTER 4. PRESENTATION OF FINDINGS

4.1 Introduction

The preceding chapter focused on the research methodology used in Chapter 3 to obtain findings. The purpose of this chapter is to present the results of the qualitative research conducted. The chapter will elaborate on the background of the participants and the bank utilised in the case study, referred to as Bank X. The analysis was conducted using thematic analysis, and the data was presented through quotes that were interpreted from the interviews.

4.2 Background Information

4.2.1 *Background on Bank X*

The case company is one of the four major banks in South Africa. Bank X is a traditional bank institution that is undergoing digital transformation. The institution is listed on the Johannesburg Stock Exchange, with its head office situated in Johannesburg, South Africa. Bank X is a full-service bank, but this study focused on the bank's CIB division.

This division was chosen for the research as it was the first to launch a client-facing business-to-business (B2B) platform business. It is actively defining and shaping the bank's corporate platform strategy. The division engages at various levels of the organisation, including working with internal and external partners, to define the appropriate policies and procedures to enable and support the bank's vision of becoming a platform business.

A high-level representation of the CIB structure is presented in Figure 11, briefly describing each department.

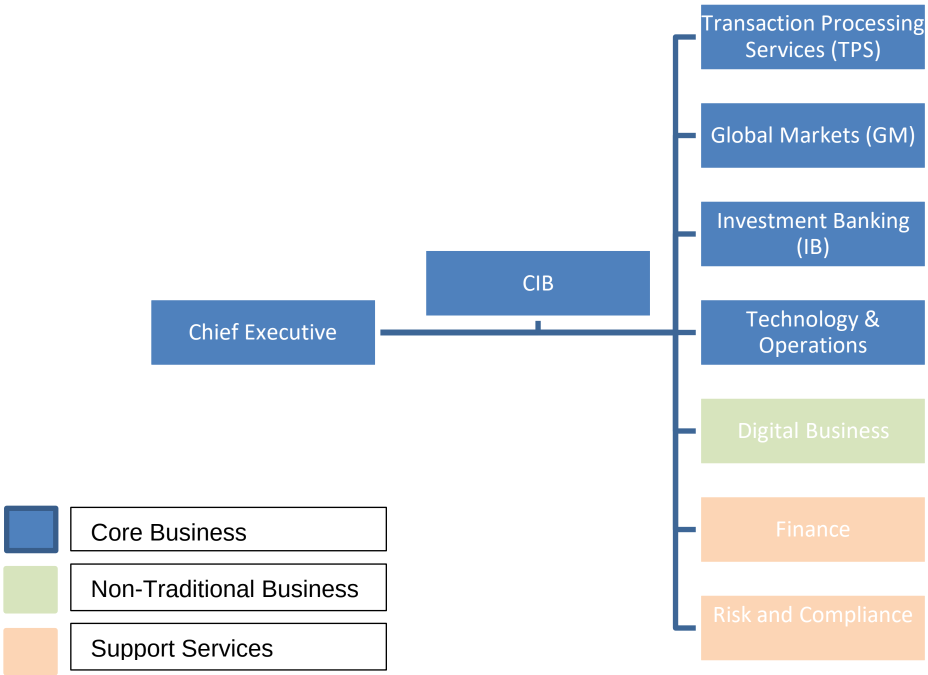

Figure 12 - High-Level Bank X CIB Organisational Structure

The divisions are specific and have definitions attributed to them. The Transactional Processing Services business unit services transactional services for large corporates, such as cash management, payments, and trade finance. The Global Markets department focuses on foreign exchange services (FX), equity derivatives, money market instruments and securities.

The Investment Banking unit provides advisory services for mergers and acquisitions, debt solutions, and capital markets. Bank X's Technology and Operations division is a shared service capability that provides back-office sand technology operational support for common CIB platforms and services. The Digital Business is a relatively new entity of CIB that focuses on innovation and experimentation of new non-traditional revenue streams.

The more common divisions included Finance, Risk and Compliance. The former division focuses on financial management and reporting, whilst the latter manages and leads governance and controls for all divisions.

As part of Bank X's divisional strategy, each technology division is embedded into the business units, and as such, there is no separate technology department other than shared operational capabilities. This gives each business full autonomy over its value chain and accountability for its outcomes. Each Business unit has its own business executive structures supported by technology CIOs.

4.2.2 *Background on Participants*

This section presents background information on the participants and the case company. All interviews took place at Bank X's corporate headquarters. Due to the agreed confidentiality between the participants and the case organisation, the participants' identities are referred to as participant 1, participant 2, etc.

Table 3 reflects information on the participants of the survey. It has been noted that participants ranged from senior management to executives with direct experience and exposure in shaping and supporting the platform's business strategy. The ideal sample would have consisted of two CIOs. However, they were unavailable for interviews. The impact on the study was minimal as alternate resources were sought. This did not negatively impact the research and its findings, as the alternative participants were aligned with the case sample in terms of their exposure to the platform strategy.

The participants ranged from self-identified race groups, namely African, White (Caucasian), and 'Coloured' – a legal reference used within South Africa that defines mixed race. The majority of the participants were male employees. The average tenure of the respondents ranged from less than a year to thirty years. This provided a wide variety of expertise and perspectives on the bank's platform business strategy.

Coding	Gender	Race	Tenure	Job Grade
P1	Male	White	10 years	Senior Manager
P2	Male	White	14 years	Senior Manager
P3	Male	White	0.5 years	Senior Manager
P4	Male	White	11 years	Executive
P5	Male	White	12 years	Executive
P6	Male	White	8 years	Senior Manager
P7	Male	White	30 years	Executive
P8	Male	Coloured	11 years	Executive
P9	Male	White	15 years	Executive
P10	Female	Black	1.5 years	Senior Manager

Table 3 – Participant List

4.2.3 *Initial Impressions of the Data*

1. Initial Impressions - Resource-Based View Questions

The platform business model is a digital-led strategy that impacts how the bank is configured. The data suggested that, while resources must be reconfigured to support a platform model, the extent to which the impact would be felt depends on how the organisation leverages its existing resources and capabilities. The data further revealed a misalignment in terms of the platform business strategy and its understanding at various levels of the organisation, which directly impacts how resources are configured and aligned.

2. Initial Impressions – Competitive Advantage

The data analysed suggests that competitive advantage, in the banking context, lies in its brand and relationships that the bank itself has established over the decades. This does not mean that the bank's traditional competitive advantage has become obsolete. Instead, it can be augmented to improve the bank's service offering, adding value to clients and redefining the conventional banking-client relationship.

4.3 Results pertaining to Proposition 1

This sub-section presents the findings on the impact of resources, enabling and resisting factors, along with which resources offer the bank a competitive advantage, as identified by the participants. The categories and themes are presented in this section, as well as the views expressed on the proposition below:

Proposition 1 postulates that, to operate in a platform business model, traditional bank resources (tangible, intangible, and human) will require extensive reconfiguration.

4.3.1 *Tangible Resources*

Cash & Other Balance Sheet Items

Cash was highlighted as a critical advantage as it can mitigate most challenges by simply paying for the services needed. This was also highlighted as one of the essential shortcomings of a small start-up attempting to become a platform business due to limited operating budgets

> *"Cash is gonna be extremely important because there's a significant investment required to transform from traditional business to a platform organisation" - Participant 4*

A participant highlighted that people trust Bank X to hold their money. As South Africa is still a cash-heavy society, physical cash must be serviced through the existing branch network. This, however, might diminish over time with the adoption of digital technology and currencies.

> *"Businesses still cash is still quite prevalent, they still need sometimes to go into branch, but they're less relevant in my mind going forward for financial service" - Participant 9*

It was noted that adopting digital technologies, such as the cloud, would lead to lower operating costs for the organisation, thus lowering the cost of client acquisition and servicing the client, possibly leading to an increase in revenue and cash reserves.

“the more profitable your bank is going to run, digital attraction of capital is cheaper that way and so yeah, so you know so that by nature also makes the bank form more profitable” - Participant 7

Physical

Land and Buildings

Branches and buildings have long been a key client interaction, and engagement point, for all client segments. However, based on the responses, it was clear that there was no consensus regarding how the branch network strategy will co-exist with the platform business. Some participants believe that, from a distribution and engagement model, branches and buildings are still key for most traditional banking services. Considering that Bank X has a large African footprint, this might serve as a source of competitive advantage and could necessitate the expansion of branches to support the platform business.

“The bank strategy is to provide a digital online marketplace; the branches are, however, important from a distribution perspective where clients still engage in the bank through the normal financial services and products we offer.” - Participant 4

“In a platform based with the platform-based mindset, you branching away from just financial services, which means having physical footprint on the ground in 20 countries becomes a competitive advantage. If you're selling more than just financial services, you may end up selling physical product to your clients, and physical product needs a distribution point, and a branch in a major location with a known brand could be a competitive advantage” - Participant 9

Alternatively, some participants believe that adopting digital technologies and platforms would reduce the number of branches and buildings required to support clients or even eliminate them entirely in their traditional sense in more digitalised environments. It was also highlighted that where branches existed, it would become more focused towards creating a blended ecosystem for client engagements.

"Definitely the physical buildings and that obviously being the branches themselves that start to disappear and probably only become more available in places where they are needed and less, you know, less of them in the more digitised environments." - Participant 10

"Most branches will close as more digital online functionality becomes available. So smaller physical footprint and a bigger online footprint" - Participant 3

"So I think what we need to do is they're still gonna be a whole host of traditional banking products we offer, but we need to create sort of an ecosystem that adopts platform thinking and what they do." - Participant 5

Machinery and Equipment

Participants indicated that they associated machinery and equipment with the equipment utilised in the branch locations. Responses indicated that machinery and equipment would also be reduced as land and buildings are downsized in favour of digital platforms.

"I mean, if you look at platform organisations, it's mostly digital, less physical branches that would be required and buildings. So that talks to land and machinery equipment as well" - Participant 4

"Physical presence is certainly like you just mentioned, with the branch network that is going to be impacted adversely because there's no need for those sorts of things anymore. The same goes for land and machinery and equipment" - Participant 8

4.3.2 *Intangible Resources*

Trademarks, Copyright, patents

Most participants did not reference the trademarks, copyrights and patents in the interview. Those that did highlighted that this was previously a source of Bank X's competitive advantage. However, in the platform business model, some questions about ownership of trademarks, copyrights and patents still need to be addressed.

> *"I think reputation, obviously, has been our, and that would probably go with something like trademark, copyright patents and brands has been our biggest call it the competitive advantage" - Participant 10*

> *"That, for me is one aspect of it. There's also another aspect around trademarks, copyright patents. You know, the platform business, sort of, it greys the lines of, you know, who actually owns IP and who owns capabilities to be on-sold the platform" - Participant 2*

Brands

Most participants highlighted the importance of the brand aiding in platform adoption. It was highlighted that Bank X had created a trusted brand in the market. This has directly impacted the client's willingness to engage with the organisation for additional non-traditional products and services. It was highlighted that a successful platform transition hinges on successfully managing the brand whilst offering new services in the ecosystem

> *"It's important to ensure that we at least retain what is in place and the reputation that we've got associated with our brand at current and, at minimum, increase our visibility in the ecosystems that we play in to ensure that that the brand is recognised as a digital leader in this space." - Participant 2*

> *"You know, fundamentally, I think the key essential resource that the bank has a Bank of our nature is 160 years of trust, and trust, for me, is the key*

intangible that needs to come up. So using that trust, looking after that trust, making sure we manage that trust in an efficient way is key because that ultimately in platform businesses is one of the key enablers that you need" - Participant 5

Whilst participants unanimously agreed with the brand's impact on the success of the platform business, 1 participant highlighted that they are constantly fielding clients' questions about why they should trust a bank to provide them with non-traditional banking products.

"I think it's still a question that we all asking ourselves, with us, with the bank transforming into a platform organisation. Clients trust us as a bank offering them financial services; why would they trust us? Why would they buy non-traditional solutions from us? Do they trust us enough to buy solar panels from us or any other third-party solution" - Participant 4

Trade Secrets

Similarly, to trademarks, copyrights, and patents, there were very few respondents on the research for trade secrets. Participants who responded highlighted that the shift to a platform business deviates from the traditional banking model. As such, they are finding themselves at the forefront of attempting to understand how intellectual property (IP) and trade secrets will need to be managed.

"I think our trade secrets and our know-how are gonna be absolutely vital to making the platform business work" - Participant 1

"We challenging the status quo, and you know. IP and intellectual property as a whole will be seen differently with this platform constructed going forward" - Participant 2

Further, as the platform business model is a digital model, a participant highlighted that security could no longer be an afterthought and needed to be at the forefront of all engagements in the future.

> *"…trade secrets. Because I mean, security becomes a front-of-mind conversation when we come to when it comes to platform." - Participant 6*

Know-How

Participants highlighted that transitioning to platform business requires significant know-how, which is currently a gap for Bank X. Most resources come from a highly specialised banking background, with a limited understanding of digital platforms. Whilst this IP still needs to be retained for its traditional product lines, it is less critical from a platform perspective. Participant 4 mentioned that even upskilling employees would not always yield the desired results. It requires practical know-how on what it takes to enable a platform business, resulting in employees being fixated on how they operate today.

> *"We still coming from an environment that it's very much high-touch face-to-face engagement we talking through a branch or the way that we engage with you know our corporate customers now we want you to transform into a platform organisation which is very digital in nature, so we don't know how to do that" - Participant 4*

> *"…so we really need to change the know-how of the way we do things."*

- *Participant 10*

> *"So I think resource gaps is know-how" - Participant 5*

To address this shortcoming, it was highlighted that it was necessary to find the right people with the right skills and know-how to support the transition at all levels of the organisation and, where possible, partner with industry experts with the necessary experience.

“It's important not to get the traditional bankers in to, transform into a platform organisation, you have to get right people that is done this before that is worked in a platform organisation that's digitally-led with the right skill set” - Participant 4

“We've appointed senior stakeholders coming from outside of traditional financial sector or outside of the bank, and that helps us to challenge the way we traditionally think and how we would have traditionally approached it” - Participant 2

Supplier and Partner Relationships

It was highlighted that partnerships with fintech offer large incumbents an opportunity to leverage new technologies and unlock agility. At the same time, the bank provides a trusted well-known brand with solid regulatory oversight, creating creditability for a fintech. It was further stated that managing partner and supplier relationships is a skill in its own right that is challenging for most bankers.

“Rather than only ever building and selling solutions that we own ourselves as the bank, we're now entering into these partnerships with third parties, often fintech. So there's a level of skill and management required just to manage these partnerships, which again is a learning curve for a banker” - Participant 9

“I think the days of us seen fintechs and them as just total the enemy has changed. I think we realised they bring value to the party. They bring agility, they bring innovation. They bring a whole host of capabilities that large organisations don't necessarily have, and I think that fintechs realised that big organisations bring scale, bring trust, bring control, and so I think the world's moving towards how do you create collaboration, how do you create a co-opetition in stages” - Participant 5

It was also clear that shifting from vendor supplier to vendor partners model needed to be better understood. Suppliers and partners currently offer services to Bank X, but within the platform business model, they can provide their services directly to Bank X clients on behalf of or via the bank's platform. It was mentioned that solid legal contracts and processes would need to be established to govern these new engagements.

> *“The challenge that we're gonna have is to change the model where they not acting as vendors anymore that they actually becoming partners, and that's difficult. I mean, it's not easy because we used to them being suppliers, and they are already relationship in the way of doing business is different than and becoming the actual client or partner for us”*
> *- Participant 4*

> *“For me key thing is how do you embrace partnerships? How do you work with external providers and producers? How do you move away from trying to do everything yourself to, you know, participating with partners in a collaborative way, but sometimes they might also be competitors” - Participant 5*

It was further mentioned that the more you onboard partners into your ecosystem, the stronger the platform business offering becomes. Concerns around fintechs competing for the share of the bank's revenue were less of a problem as fintechs have a different level of engagement with the large MNEs than the bank. This was a competitive advantage for the bank and an opportunity for the fintechs to leverage.

> *“The more partners you have on your roster, the more comprehensive the value proposition becomes” - Participant 8*

> *“So, what fintech don't have is access into as many boardrooms as we do, as quickly as we do. And so again, in the B2B space, the relationship, the fact that we can phone up probably 90% of all the listed companies in every country where we operate and get into their office in the next week.*

That is something that a fintech will take many years, if not decades, to achieve. So, the benefit of combining forces with them is we get their tech, their innovative capability and ability to change quickly with our brand and ability to get into the right client base" - Participant 9

Organisational Culture

Participants highlighted culture as one of the key internal factors of platform transition success. Bank X has a very specialised service offering. With this being said, the concept of collaboration within the bank primarily focuses on the product and service offered to the client. Participants highlighted that changing the existing culture and mindset to become more platform orientated is the most challenging aspect. Most banking processes are designed around financial products, and the platform model often challenges these established processes.

"You know, we still very siloed in the way that we operate and for us to be effective in sort of the creating a platform around the business, we need to create platforms internally and what I mean by that is we need to enable our feature teams to deliver" - Participant 1

"If we think about the way we embark on projects, the way we do governance and risk, the way we allocate funds for projects, as an example, each one of these dimensions are being challenged by building out on a platform business" - Participant 2

"People still want control, they still want to engage customers and suppliers, in a certain way, they still setting up contracts and doing governance and compliance, you know all of those type of things in the old way, not the new way. We need to change that, even the way that we price, and that's all about culture. You know our culture needs to change" - Participant 4

Participants further highlighted that culture could become a critical strategic enabler and a potential competitive advantage. Solutions should no longer be built around a financial need but rather around the customer's needs - supported by the financial product to enable them. Participants highlighted that the organisation needs to become more digitally led by utilising data to define and develop client experience-led products and services.

> *"We're now what we're doing is we're offering products and services to the clients that are not necessarily banking related. So, we might go pair a customer with a solar provider in the hope of attracting the financing requirements of that. So, we're solving a customer need first and providing, for example, financial opportunity second" - Participant 1*
>
> *"We need to change that mindset, and you know the term is quite accurate to say we need to unbundle that, to divorce ourselves from necessarily being the only provider of services to the client."*
> *- Participant 2*

Data

It was stated that measuring key data points in the platform would enable Bank X to test its initial hypotheses, refine its platform journey as necessary, and evolve its product and service offerings. It was highlighted that data allows the bank to provide more personalised and direct engagements with their clients, empowering the banks to be in a position to anticipate the client's evolving needs. A participant highlighted that the bank has significant amounts of data that smaller organisations need help to acquire. This is seen as a positive. However, building on this success in the platform business model will be challenging if the bank does not become more data-centric.

> *"The platform business is a completely different approach, and we're not following a recipe, we're starting something new, and you know we're pioneering in some regards what it is that we're trying to achieve, and the only way to actually measure is to actually have the data points to be able to measure, so data for me is gonna be critical."*
> *- Participant 2*

You know, whether it's providing recommendations to clients with its personalising offering, whether it is using those type of things for next best offer and those type of things, I think you know data is the oil of the platform economy, and you need to use it in such a way to continually evolve.”
- Participant 5

Despite Bank X’s sizeable African footprint, there are some challenges regarding how data is managed and shared. This is due to each country having their own legislative requirements that could prevent the utilisation of information across countries.

“Data specifically there’s a spotlight and data because there's a massive opportunity, we’re sitting on gold in our databases” - Participant 9

Customer Relationships

The CIB division of Bank X is a high-touch environment and very much a relationship-managed business. Participants did not see this fundamentally changing in the near term. Having those strong relationships was an advantage to the bank. It can offer a degree of flexibility in terms of experimentation as those customers would be more tolerant of teething issues.

“I mean, one of the key points in our strategy is to deepen our client relationships, to shift from traditional financial engagements to more technology or innovative type engagements, and that will that will give us a competitive advantage” - Participant 2

“Customer relationships are going to be required for your sort of trial-and-error phase because you're going to need to identify partners and friends of your programs to go through the change journey with you while it's imperfect, and they would need to be tolerant to whatever issues may arise along the way in exchange for the benefits that the journey would yield” - Participant 8

A participant also mentioned that transitioning to a platform model does not negate the high-touch model that Bank X has with its clients. It's more about increasing the bank's value proposition by offering various services and supporting the clients when they experience challenges.

> *"Now, that's not to say that you are forgoing that high touch customer engagement on a human connection level, which CIB is renowned for; it simply means that what we are giving to our customers is more of the things that they need to run their lives with at their fingertips" - Participant 8*

4.3.3 *Human*

Skills

One participant stated that there are some skills internally; however, it is about how the skills are leveraged and transitioned, and less around redundancy of skills. It was also stated that managing the platform relationships is a learning curve for most bankers. It is considered a skill on its own. One participant mentioned that we have bankers attempting to sell non-traditional products to clients and that these bankers need to be upskilled to be effective. In the technology space, participant 6 mentioned that having a platform skills mindset is entirely different from traditional information technology (IT) skills. Participant 4 stated that Bank X should employ people with the right skills who have done this before.

> *"Biggest gap for me is skill set, and that spans across the board from, you know, on the business side where we define a strategy to, you know, where we architect and design some of these platform" - Participant 2*

> *"It's important not to get the traditional bankers in to, transform into a platform organisation, you have to get right people that is done this before that is worked in a platform organisation that's digitally-led with the right skill set" - Participant 4*

Despite the skills challenge, the skills are believed to be available in the market and reside primarily in fintechs who have built the skills. It was also mentioned that Bank X has sufficient cash to purchase the needed skills.

> *"We've got massive capital, and the capital is not only for new technology, it's the new skill set we require, it's the marketing that we would require, to inform people that we can now offer all of these additional services to them" - Participant 4*

> *"The ability to push this out and non-traditional product management. These skills are required; they sit in big techs and Fintech, often from founders who have built these things up. We need to get those; those guys are there's a spotlight on them at the moment" - Participant 9*

Competencies

Sales and product management disciplines were identified as a shortcoming. Bank X's competencies are centred on financial services products and services - shifting to a platform model is a departure from the traditional banking model.

> *"Our product management disciplines also need work. You know, at the moment, there's not a real common practice of product management across the organisation, and there's no real sort of enterprise-wide methodology" - Participant 5*

> *"Skills and competencies are gonna have to be addressed, and it's gonna have to be some kind of change management process in place to deal that" - Participant 6*

While some participants highlighted the shortcomings, others stated that they have focused on building the correct enablement practices to drive platform adoption.

“I can tell you that we have been investing in building the capabilities and the teams that are proficient at those capabilities for quite some time now” - Participant 8

“We’ve created, we’ve focused on sales enablement. That’s a very different approach to selling. We’ve built a sales enablement practice, we’ve worked with frontline salespeople that do get it and do want to help us to try and spread the word, and we’ve proven it.” - Participant 9

Productivity

Participants stated that platforming the organisation can bring about a level of productivity where teams are empowered to deliver new features, products and services faster and more efficiently instead of having to fall behind on old, established processes.

“If I’ve got skills in my team to do an end-to-end implementation of something, enable them to do the end implementation, don’t have them sitting behind a remedy process or and another team that needs to execute, give them the tools and capabilities required to actually execute” - Participant 1

“Platforming should be able to give us the ability to deliver features faster and more secure and more reliably” - Participant 6

Whilst an increase is expected in productivity, *how* productivity is measured in relation to the traditional ways of working was cited as an area that would need to be investigated. Automation and understanding the underlying data elements were cited as something that would need to be interrogated to define performance data and metrics.

“I think the metrics in which we measure our success is also challenged. I think you know success in a new environment or a new business unit cannot be measured in exactly the same way as some of the traditional business units that have existed for decades” - Participant 2

"Central components of platforming is automation, and you would automate around the flow of your system metadata or your platform metadata so being able to understand that the impact of changes through actually interrogating the data that comes out of the system in terms of performance data and metrics" - Participant 6

Tenure

Tenure in the bank was not highlighted by any participant as impacting the transition.

Culture Alignment

Participants agreed that realigning the bank's culture would be necessary for the success of the platform business. It was, however, also highlighted to be the most challenging part of the transition considering the bank has an established 160-year-old banking culture.

"It's probably, if I look through all of these resources, the most difficult because you can buy tech, you know, you can get cash, you can get rid of, your physical infrastructure, you can buy skills or up-skill. But the problem is culture is difficult to change" - Participant 4

A participant highlighted that a critical enabler for them is that strategic leadership has provided them with the licence to freely utilise the platform thinking in the marketplace, enabling them to engage with clients and partners in new ways. Two participants mentioned that the bank has developed numerous awareness mechanisms, and undertaken change management activities, to assist employees with understanding this transition; however, this is still in the infancy stage.

"I think we're still very nascent in our adoption of this model; I think we are creating awareness, we creating education programs, we are communicating internally hugely with creative toolsets to help the

organisation try and design and think about platform businesses, but we've still got a long journey to go" - Participant 5

"Lots of change management activities, lots of knowledge sharing sessions, lots of training, both online and instructor LED. Lots of speaker series events, you know, so bringing in industry experts to talk about their experiences and what the change is actually meant for people and lots of reassurances" - Participant 8

Despite the tools becoming available, another participant mentioned that while there are numerous PowerPoint presentations on the platform business, there needs to be a clearer roadmap and alignment at all levels of the organisation to visibly indicate what is required at the various levels to realise the vision of the platform strategy.

"So, I think whilst we have said in theory that we want to become a platform business, I think it needs to become thinking that strategy and operationalising it or breaking it down into truly what does it mean and how does this actually become a thing has not necessarily been done. So, we're attempting bits and pieces of it, in pockets around the bank, but no one is saying, OK, this is what it means" - Participant 10

Motivation and Commitment

A participant highlighted that to motivate employees about the transition, their role and place in the organisation must be made clear to employees. Another participant mentioned that some employees might not want to transition their skills and may exit the organisation entirely.

"People want to feel like they are not only part of the journey, but they also going to have a place in the New World wants it's once it's done" - Participant 8

“I think in terms of people and kind of what they do is, is you’re gonna find that that you’re gonna lose some people, right, because they just not gonna be up, just not gonna be into this platform game, right? They didn’t say no; I’d rather go somewhere else where I know what’s happening. So, you might find other kind of low motivation or low-performance skills going well; I can’t make this change so they would leave” - Participant 6

One participant mentioned that the bank was using PowerPoint slides to attempt to motivate employees and needed to adequately leverage the internal reward and incentive programs to incentivise or disincentivise the outcomes Bank X wanted. Another participant mentioned that work had already commenced to identify and retain critical skills within the organisation to identify motivation factors that would improve platform adoption.

“I think that we might be bit light on the cultural alignment, I think. We’re using PowerPoints we not using, we’re not using rewards, and we not using incentives and disincentives. We’re actually just; we’re just boring people with more slide decks.” - Participant 6

“We, kind of actively going through a staff retention policy. So really identifying the people that are important to the business, identifying what makes them tick, and really trying to pair them up through our people in the organisation so that we can facilitate their future growth within the organisation - Participant 1

4.4 Results Pertaining to Proposition 2

Proposition 2 postulates that human resources are the most significant resistance to transitioning to a platform business over tangible and intangible resources.

4.4.1 *Resource Enablers*

Cash and other balance sheet items

While numerous respondents noted that cash is a critical resource for transitioning, it was seen to offer less value as the platform begins to generate revenue, supplement its operating costs and potentially provide a net positive impact on the cash flow.

> *"Cash actually is a critical resource during the transition, right? But potentially, I mean because it may become a lesser of importance as a platform is running because when now it's trying to generate revenue potentially" - Participant 4*

Brand

Participants acknowledged the organisation's brand as the critical enabling resource to transition to a platform. It was highlighted that the brand provides clients and partners with a sense of trust in the ecosystem, knowing that a large brand behind the platform with enough scale could drive down transactional costing.

> *"Brand, I think, is probably one of our biggest assets and extremely important to transform into a platform organisation because platforms is all about trust. You are matching consumers or users on the platform to producers, so that trust element is probably one of the most important factors of being a successful platform organisation" - Participant 4*

> *"I think the success of a platform business is very much centred in the brand power and the attraction of a brand" - Participant 8*

Partner and Supplier Relationships

Most participants acknowledged that the success of the platform business model is based on embracing supplier and partner relationships as opposed to attempting to build everything yourself or competing directly with all competitors. A participant mentioned it was more about working with 3rd parties to co-create value ventures and solutions. Participant 5 highlighted that partnering with the fintech enables them to provide new capabilities that the large incumbents cannot offer.

> *"The whole construct revolves around partnerships. It's around leveraging existing partnerships as well as establishing new ones and ensuring that those partnerships are beneficial to all parties in both from a bank that manages the ecosystem" - Participant 2*

> *"We've got suppliers on the one side, we just need to get them on the platform now as partners, and we've already got a massive customer base with great relationship" - Participant 4*

Data

Most participants highlighted data as a fundamental enabler in understanding how their clients and partners utilise the platform. It was mentioned that the data could guide and shape the platform journey.

> *"I think data is going to be absolutely fundamental." - Participant 1*

> *"For me data is absolutely critical, everything around data how we use, how it informs our decisions, how we could make connect users on the platform using data to ensure that we can provide them with the right service and products" - Participant 4*

Client Relationships

Participant 6 highlighted that customer relationships are essential for success, with Participant 8 mentioning that Bank X has established trust with a substantial portion of the client base. Participant 2 said the CIB division of Bank X is all about relationships and that shifting some of these engagements online would be vital as they advance.

> *"A platform business model because a platform business model by nature work on the relationship between things rather than things themselves and by implication the network effects between things are scalable" – Participant 7*

> *"Customer relationships is pivotal because that is the core of having your business. So those things are going to be important in terms of transitioning" – Participant 10*

4.4.2 *Resource Resistors*

Organisation Culture

Organisational culture was highlighted as a critical resistance factor. Employees still operate in a very siloed manner. Participants highlighted that the bank operates with a very traditional bank mindset. Participant 2 mentioned that the bank needs to adopt a modern thinking approach and unbundle itself from conventional working methods. Participant 4 highlighted that the culture approach to compliance, governance and even pricing is still a traditional banking approach that must change. Participant 4 further highlighted the use of data in driving decisions.

> *"These micro cultures are generally developed bottom up, and they are associated with what is needed to be successful in that particular dimension, so to run the bank as a platform business, you almost need to break all those things down and let people freely collaborate" - Participant 7*

> *"People still want control, they still want to engage customers and suppliers, in a certain way, they still setting up contracts and doing governance and compliance, you know all of those type of things in the old*

way, not the new way. We need to change that, even the way that we price, and that's all about culture. You know our culture needs to change" - Participant 4

Skills

Most participants highlighted skills, at various levels in the organisation, as the most significant challenge - from business to technology, partly due to resource mobility and resource competition. It was also mentioned that the bank is established around specialised and traditional banking skills, different from what is needed to transition to a platform successfully.

> *"So digital resources, so skills are becoming fewer, and there's going to become a lot more people who are not skilled enough but are available from a banking perspective" - Participant 10*

> *"I think the advent of cloud computing globally has created tough competition in that space for everybody. The same applies to data AI, ML and it's the proficient ones are, you know, is rare as unicorns, almost, and then the bank also uses quite a few niche vendor platforms for very critical parts of the business, and the competition for those resources in the market is also extremely stiff" - Participant 8*

> *"I think we really struggling within sort of our geographic region to retain and attract the best talent. You know, we get good people on board, and then we lose them to international companies, or we lose them to our local cloud vendors" - Participant 1*

Competencies

Participants highlighted that having the right competencies to support the transition is an area of concern and that there is resistance to effectively driving the platform strategy. It was stated that Bank X has specialised resources, different from what is needed to transition to a platform.

“The bank is highly specialised in certain areas. I think that our relative strength of that resource is not good at the moment because we’re transforming” - Participant 4

“Skills and competence, like I mentioned, that's a challenge also because you can't really build something if you don't have the skills for it. Those are probably the two biggest hindrances” - Participant 8

Motivation and Commitment

Participant 6 highlighted that not everyone would be interested in transitioning to a platform business due to low motivation or commitment to the change. Participant 8 supported this statement and added that employees need to be brought along on the journey.

“I think more personalities will be made redundant, so you know if you are resistant to change. If you are resistant to collaborative community-driven initiatives, I think that's where the redundancy will come from more so than a particular skill set” - Participant 1

“It's those people that are defiant, or they don't want to change, or they're happy with where they are, it could be quite a big blocker because you won't change” - Participant 3

Culture Alignment

It was noted that Bank X has a traditional bank culture rather than a platform one. A participant mentioned a need for clarity on the bank's transition journey or the plan to become a platform business.

So, I think whilst we have said in theory that we want to become a platform business, I think it needs to become thinking that strategy and operationalising it or breaking it down into truly what does it mean and how *does this actually become a thing has not necessarily been done - Participant 10*

"Any form of transition has a massive cultural alignment issue, right? So, you have to drive the culture quite extensively" - Participant 6

4.5 Results Pertaining to Proposition 3

Proposition 3 considers existing and intangible resources within large incumbent banks and whether these provide a competitive advantage to transitioning to a platform business.

4.5.1 *Resource Competitive Advantage*

Brand

It was noted that Bank X has a trusted, well-known, established brand. This was seen as a source of competitive advantage for the bank.

"We've got a trusted brand in the market; it's a massive advantage for us. You need trust on both sides, so you need to trust from the producers to know that it's a trusted platform and trusted brand, and trusted consumers and the consumers need to trust you to know that you've vetted all of the producers on the platform that's gonna offer the services to the users" - Participant 4

"Bank X's competitive advantage is it's a trusted brand with a huge obviously the biggest balance sheet in Africa and the biggest network in Africa" - Participant 7

Customer Relationships

Customer relationships were highlighted as a competitive advantage source, especially within Africa. Participants mentioned that as part of the strategy, it would begin shifting some interactions towards more digital engagements so that Bank X can move away from only providing services. This can enable Bank X to become a workspace, directly in the client's ecosystem, for their day-to-day interactions. This could strengthen and deepen the customer relationship with the bank.

> *"So, in the business-to-business space big B to B where we are, the bank's competitive advantages are relationships with corporate Africa, simple as that which is not through a branch, It's through our relationship"- Participant 9*

> *"Customer relationships big advantage to us today. This is one thing that you need" - Participant 4*

Supplier and Partner Relationships

Participants highlighted that embracing supplier and partner relationships was critical for success. This was a key advantage for Bank X, as it already has numerous suppliers directly providing services. Participant 8 highlighted that the more partners you have on the platform, the more significant the client value proposition.

> *"Supplier the partner relationships, absolutely critical. I think this is actually a strength for us, definitely, so, because we have many, many, many vendors that are already providing products and services to the bank in the market, and we've got great relationships there." - Participant 4*

> *"So, the competitive advantage we get there is that we can leverage these other systems when we have the right kind of agreements in place. So, Fintech is not competition, I think being able to leverage Fintech is our competitive advantage." - Participant 6*

Data

Participants highlighted that the bank has a deep set of client transactional data that could be leveraged to provide new insights. Participant 1 highlighted that the richness of the data enabled them to provide much more personalised directed engagement. This is further supported by Participant 10, who stressed that leveraging data can improve its competitiveness compared to its competitors.

> *"Data is an interesting one because I think, and I know we said it's a weakness, but it's also an advantage because which organisation, there are very few organisations, especially in our market, that has got more data than a bank. We've got the transactional data right. I mean, so even if you think about the big tech companies, I don't even think the big tech companies have got so much data on their consumers that we do." - Participant 4*

> *"The fundamental new source of advantage is going to be the data that we gather on our clients and the ability to use that data to continue the evolve our services and offering" - Participant 5*

4.6 Summary of Findings

Participants generally agree that transitioning to a platform business is still unknown and is being understood as they progress. It was also highlighted that despite the senior leadership affirming this as a strategy, there still needs to be more alignment in how this needs to align at various levels of the organisation - owing more to the lack of know-how and skills internally to navigate through the transition successfully.

CHAPTER 5. DISCUSSION OF THE FINDINGS

This chapter discusses the findings of the study discussed in Chapter 4. These findings are contrasted against the literature outlined in Chapter 2 to discuss any consistencies or differences between them.

5.1 Introduction

This chapter is an analysis of the research results presented in Chapter 4. The chapter will consist of the main insights derived from Chapter 2 and overlay the results from the empirical study. The results are presented in relation to the propositions which consider the research questions.

5.2 Discussion Pertaining to Proposition 1 & 2

5.2.1 *Cash and other balance sheet items*

It is already understood that digital platform businesses are less about the physical resources and more about the orchestration of them between producers and consumers**.** (Choudary et al., 2021; van Alstyne & Parker, 2017; Gatautis, 2017; Chan et al., 2019; Zhao et al., 2020). However, as a bank already has an established value chain, it becomes a question of how it reconfigures itself to become a platform business (Choudary et al., 2021; Van Alstyne et al., 2016; Berends et al., 2016). This can include anything from new investments in technology to hiring additional staff, upskilling/reskilling existing employees, and implementing change management activities. This often requires an organisation to have sufficient cash reserves to embark on such a journey.

Participants mentioned that cash is a crucial enabler for platform transition. This would allow a large organisation to utilise their cash reserves to address resource challenges in the short term whilst building/acquiring the necessary resources. With this being said, it becomes less important as the platform begins to generate revenue. This aligns with the work by Rohn et al., (2022), in that financial resources can be limited at the beginning of the transition until the platform reaches sufficient market penetration.

5.2.2 *Physical Resources*

Based on the participant feedback, It was clear that there needs to be more alignment in the strategy around the branch network. The literature indicated that branches are critical for initial growth and scalability (Nwauzor & Chukwu, 2018) in developing countries and potentially less so in developed countries with a more robust digital presence (Khon et al., 2022). As Bank X has a large African footprint, questions remain on how the branch network might be leveraged to support the platform's business strategy. Khon et al. (2022) highlighted that the changing interdependencies between channels must be considered throughout the banking distribution network. The physical branch network will always be a part of the bank's strategy, and it is up to them to speed up digital activities and transform physical experiences into "phygital," a blend of the physical and digital worlds (Khon et al., 2022). This is because the digital platform model is less about an infrastructure solution and more about the connectivity of producers and consumers in a shared environment, whether physical or digital.

5.2.3 *Brand*

The strength of the brand was cited by numerous participants as a critical enabler for the success of the platform business, owing to the trust it creates in the ecosystem. Participants highlighted the power of the brand in that it attracts customers and producers to utilise the platform of a trusted and well-established brand. Unfortunately, there needs to be more literature to substantiate this. Traditional linear business models already have a strong brand which fosters consumer loyalty or makes it difficult for others to copy the product invention via secrecy or patents (Gawer & Cusumano, 2003); this is less important in the platform model as the value of the platform increases as there are more producers on the platform which in attracts new customers and vice versa (Gawer & Cusumano, 2003). It was also evident from the participant feedback that clients trust the bank as a bank but are questioning their role in the platform model.

Fintechs, on the other hand, may find the brand alluring since it gives them a level of credibility backed by a well-known market name.

5.2.4 *Client Relationships*

The B2B model portion of Bank X focuses very much on client relationships - offering a high engagement and support model. Participants highlighted that these relationships would make transiting to a platform easier as these relationships can be leveraged to engage senior leaders in many MNEs around the platform model. According to the literature, we understand that the key to the platform business is the interaction of both producers and consumers. (Gawer & Cusumano, 2003, Gawer & Cusumano, 2014, Choudary et al., 2021; van Alstyne & Parker, 2017; Gatautis, 2017; Chan et al., 2019; Zhao et al., 2020). The challenge to the bank remains that clients are unsure of its role in this platform model and trust them first as a bank. Bank X might need to subsidise clients in the short term to drive their adoption, making the platform more attractive to solution producers. Ultimately, whilst the relationships are essential for potential adoption, it is not a guarantee for success.

5.2.5 *Organisational Culture*

Organisational culture was highlighted as an enabler if managed correctly or an inhibiting factor if poorly managed. Participants mentioned that Bank X still has a siloed banking culture designed around financial products and services. Shifting to a platform model will necessitate changes in the organisation’s functions, which could become a resistance factor should the transition be managed poorly. This aligns well with the existing literature in that successful business model transformation depends on a supportive organisational culture (Peprah et al., 2018; Osmundsen et al., 2018). Transitioning to a platform model requires a bank to relook at its value chain, service offering, policies and procedures to determine what values are essential in a platform model and establish mechanisms to address the changes. Employees must be open and willing to change and tolerate ambiguity as the transition unfolds.

5.2.6 *Culture Alignment*

Berends et al. (2016) determined that business model transformation may be more difficult in established organisations owing to issues that may occur during the transition from the present business model to the new one. This is evident from the feedback of participants who mentioned that the bank has a 160-year-old banking culture, and changing this only occurs after some time.

According to Rohn et al. (2021), all employees must be informed of the shift internally. Externally, all customers, distributors, and suppliers must also be advised. For instance, experts have frequently cited eradicating fear among corporate staff members as one internal component for success. Bank X has done this through its numerous online publications and internal presentations about its intent to transition. Internal campaigns designed to create awareness have also been embarked upon. Despite the initial attention created, it was noted that more transparency was needed on where the bank was in its platform journey, along with clear expectations of what was required from the various departments necessary to support the transition.

Realigning the organisational culture will require an extensive ongoing change management plan to create a shared sense of values, break down the traditional banking siloes and create a shared set of organisational goals that can be aligned at various levels.

5.2.7 *Data*

Part of the organisational change highlighted by participants was that the bank should become more data-centric. Most participants cited data as a critical enabler for the platform business, which aligns with literature that highlights data is one of the vital resources within a platform to drive innovation as it is utilised to gather insights into client challenges so that new solutions can be developed and published back onto the platform for resolution (Gawer & Cusumano, 2003; Nosova & Lypov, 2021). Despite Bank X having a large volume and variety of client data, they need help finding the right resources to exploit it. Despite this, it has sufficient cash reserves to acquire the skills in the short term; while not sustainable over the long term, it can assist with initial scale.

Data regulations from country to country remain an ongoing concern. This disables the Bank from gathering rich, more profound insights on MNE's cross-country platform usage, which impacts understanding the client's needs and ultimately impacts potential provider solutions. It is, therefore, imperative as part of the scaling strategy that Bank X works closely with the various regulatory bodies to determine how to comply with local data standards while overcoming cross-country data governance hurdles.

5.2.8 *Trade Secrets/ trademarks, copyrights and patents*

According to Gawer & Cusumano (2003), typically, businesses make it challenging for competitors to replicate their success by dominating key market providers and making it impossible for others to copy their innovation through secrecy or patents. In the platform model, platform owners are responsible for their intellectual property (IP) governance and ownership. For example, Google focuses on the IP and allows others to offer the smartphone, whereas Apple supplies both the handset and the IP for the iPhone (van Alstyne & Parker, 2017). The participant feedback demonstrated that, as a traditional bank, Bank X's trademarks, copyrights and patents had been a source of its competitive advantage. However, in the platform context, the boundaries still need to be clearly defined, to which IP is owned and controlled by providers of solutions on the platform and the capabilities offered by the platform. This has been highlighted as an area of discovery that must be further investigated.

5.2.9 *Skills*

Skills were highlighted as a particular concern for Bank X. The current skills complement is structured around financial services and banking products. This needs to be suitably aligned with the needs of a platform business. According to the literature on the skills required in modern organisations, Var Laar et al. (2017) highlighted several talents(technical, information management, communication, teamwork, creativity, critical thinking, and problem-solving) and five contextual skills(ethical awareness, cultural awareness, adaptability, self-direction, and lifelong learning) necessary for the modern organisation. Kuchciak & Warwas (2021) highlighted that employees in the banking industry must consistently acquire new skills or deepen their knowledge in areas such as data analysis, cybersecurity, new technologies, and process digitisation and are also expected to become more interdisciplinary. Unfortunately, the literature does not align with the participant's feedback as it was highlighted that speciality technology and platform skills were absent in the organisation, making the transition challenging. Despite a lack of clarity on what platform skills are exactly, Bank X is in a fortunate position to utilise their cash reserves to hire or purchase the necessary skills from the market.

5.2.10 *Competencies*

Kuchciak & Warwas (2021) highlight that in the highly competitive business environment of today, employees must embrace a culture of lifelong learning by developing critical competencies that include digital, analytical, and mathematical skills, strong sales and consulting skills, problem-solving, creativity, and openness, as well as honesty, responsibility, and dependability. Muzam (2022) further highlighted that creating these competencies in a changing workplace is often challenging. Workers must learn on the job and handle difficulties as they arise because workplace challenges cannot be predicted. This aligns with the data received from participants. It was highlighted that the bank has highly specialised competencies; however, shifting to a platform model necessitates changing how it engages and offers clients products.

5.2.11 *Productivity*

According to Van Alstyne et al. (2016), pipelines grow by optimising processes and opening bottlenecks; one standard metric, inventory turnover, tracks the flow of goods and services through them, and as pipeline businesses launch platforms, the metrics that should be measured change. As platforms strive to maximise the overall value of the growing ecosystem through a circular, iterative, feedback-driven process, monitoring and improving the performance of core interactions becomes increasingly essential. In some cases, this entails subsidising one type of consumer to draw another (Van Alstyne et al., 2016; Van Alstyne & Parker, 2017).

This aligns with the feedback received from the participants in that Bank X is still very much tracking metrics associated with a pipeline business model and would need to redefine productivity measurements that are more aligned with a platform model. Van Alstyne et al. (2016) recommend metrics such as interaction failure rates, engagements, match quality and even negative network options. Ultimately metrics should be defined based on the design of the platform model in use.

5.2.12 *Motivation and Commitment*

Any change in an existing business model and way of working is often met with scepticism and resistance due to the people being comfortable with their current way of working and needing more incentive to change. Without the commitment from the employees, transitioning to any new form of work can often fail. Evans & Gawer (2016) noted that organisations structured and incentivised around maximising revenue per product instead of maximising profits within an ecosystem would only be successful with sizeable adjustments in culture, strategy and incentives. Feedback from participants shares a similar sentiment - that Bank X should utilise an appropriate reward mechanism to encourage the behaviours they want to drive whilst showcasing to others the value and rewards associated with acceptance of the changes. Even with attempting to provide the proper motivational components, there is still a risk of losing human resources as part of the transition, which participants noted.

5.3 Discussion Pertaining to Proposition 3

According to the resource-based view theory, a firm's resources are its only sources of competitive advantage. It also outlines the attributes and traits these resources must have to be a source of competitive advantage in the first place and a sustainable source of competitive advantage (Barney, 1991; Barney, 1995). In the traditional pipeline business of Bank X, this supports the literature of resource-based theory as the bank is constructed around exploiting its internal resources to deliver products and services.

In contrast to the current banking paradigm, a platform business does not depend primarily on physical infrastructure or control over valuable and rare resources (Choudary et al., 2021; van Alstyne & Parker, 2017; Gatautis, 2017; Chan et al., 2019; Zhao et al., 2020). Participants highlighted that the source of the bank's competitive advantage in transitioning to a platform business lies in its brand, client relationships, supplier and partner network, and the data it holds.

Based on the literature, it was determined that network effects and data generated by the platform are critical for platform success (van Alstyne & Parker, 2017). It has been noted that Bank X has strong client relationships and partnerships with numerous vendors and fintech that already supply services that can be leveraged to stimulate network effects on the platform. However, this is only a temporary competitive advantage as most large banks already have well-established relationships that they can leverage to replicate this strategy.

The ability to achieve sustainable competitive advantage would be to capitalise on the network effects generated from the platform and leverage the underlying data to continuously innovate the platform, thereby stimulating the demand and supply side to drive the scale of adoption. Once the platform begins to achieve scale at pace, it can move from a temporary competitive advantage to a more sustainable one.

Given that the other major incumbent banks already have their own well-known brands, the brand can be seen as being competitive parity; however, the brand's relevance becomes much more important for producers and consumers when deciding whether to partner with small market players or major incumbents.

Intangible resources, therefore, offer a sense of competitive advantage in transitioning, however only in a temporary perspective unless the incumbent makes use of the first mover advantage and aggressively focuses on their platform scalability strategies.

5.4 Reflection on Conceptual Framework

To summarise the key findings per proposition based on the research questions, the conceptual model is utilised to provide an illustrative view of Bank X's transitional model as it appears at this point. Shifting from resource model t0 to resource model t1 is evolving as Bank X continues its transitional journey. The impact on P1 is summarised through Proposition 1, while the resistance and enabling factors are addressed through Proposition 2, and P2 is addressed through Proposition 3.

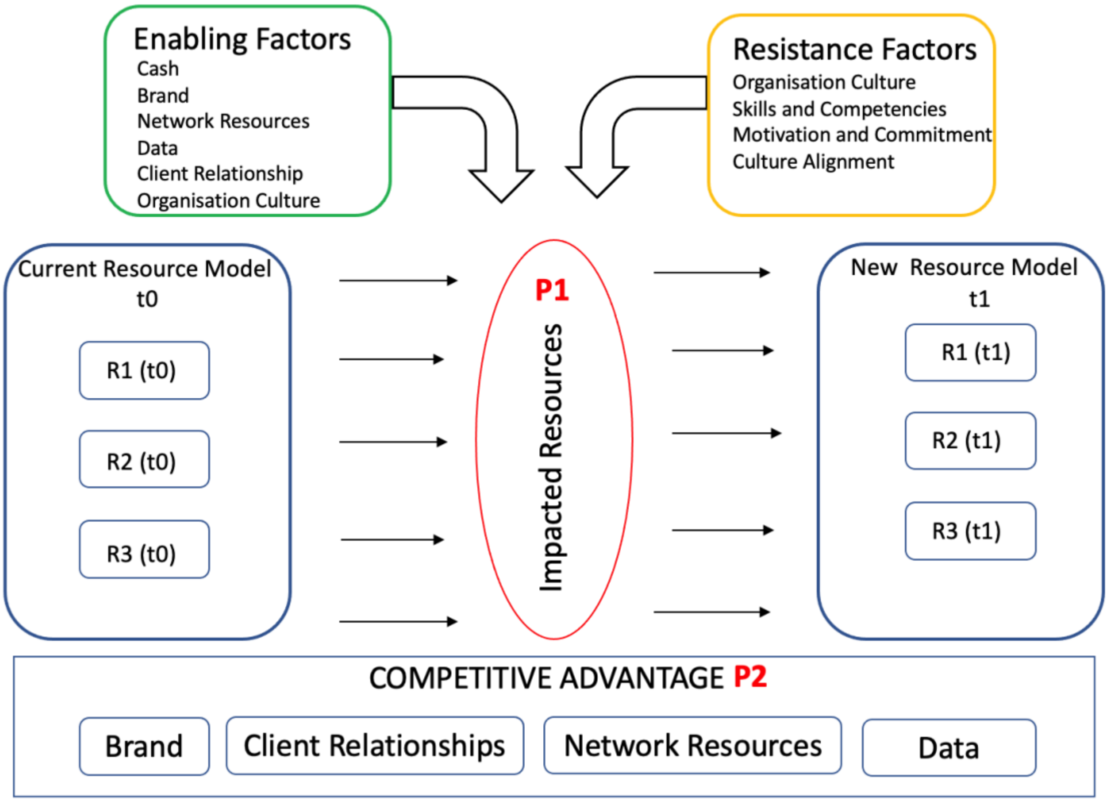

Figure **13 –** Conceptual Model Findings

Proposition 1: To operate in a platform business model, traditional bank resources (tangible, intangible, and human) will require extensive reconfiguration.

Participants affirmed that the bank has a 160-year-old culture and is used to operating in a pipeline-type business model. A fundamental shift is required at all levels of the organisation across most resource groups to facilitate the transition.

Participants noted that Bank X has an extensive branch network, yet no strategic alignment exists between its existing distribution network and the platform business. It was pointed out that the bank had a limited understanding of platform business models resulting in a trial-and-error approach to items. Whilst there is some consensus that trade secrets, trademarks, copyrights and patents are still believed to be necessary, there was a need for more clarity on how this is managed and protected in the platform model. It was also noted that there are vast amounts of client data available though limited resources and skills to exploit it and that deep client relationships, owing to the high-touch banking model, afford a degree of flexibility. This means that even though there is flexibility in making mistakes, more needs to be understood about maintaining this high-touch model in the platform world.

A critique highlighted that strong supplier and partner relationships serving the bank’s needs must pivot to a more platform-producer management model. Additionally, skills and competencies are aligned to financial products and services, but more investment was required to develop a platform skillset. The research further highlighted that pivoting requires the organisation's culture to change as it still operates in a siloed manner. Underpinning this transformation is the need to use the right metrics and measures of success based on a platform model.

Proposition 2: Human resources are the most significant resistance to transitioning to a platform business over tangible and intangible resources.

Despite some internal resource challenges it would need to overcome, participants acknowledged that they have most of the key platform resources necessary. It is more about how they utilise or reconfigure the resources to succeed.

To enable the transition, various aspects need to be considered. Cash and other balance sheet items were noted as critical enablers as they can deploy their cash reserves to address transitional challenges that they may encounter, such as skills shortages. The brand has been seen as a key enabler for overall platform success. Bank X has a strong market presence in Africa with a strong, trusted local brand, inspiring confidence in participants of their platform ecosystem, e.g., MNEs across Africa. A strength of Bank X is that it has a strong network of suppliers and partners that already provide the bank services and a large data repository within the bank that they can leverage to gain insights. The bank has robust operational processes and know-how around financial products, which could be leveraged into a platform model.

Human resource elements, however, remained the most significant challenge that needed to be addressed as part of the transition. This included the realignment of the bank’s culture – noting that this could enable or disenable the transition. It would also be essential to improve limited skills, platform competencies, and know-how around platform management. Finally, it was identified that influencing and managing employee motivation is essential. As per proposition 1, measuring the changes is fundamental to the transition.

Proposition 3: Existing intangible resources within large incumbent banks provide a competitive advantage in a platform business.

Participants highlighted the brand, client relationships, network resources and data management as its key to competitive advantage. Participants noted that Bank X’s competitive advantage lies in its market brand, which holds a level of trust in the market, along with the deep client relationships with numerous MNEs they can leverage to encourage platform adoption. It was also noted that a substantial network of resources was willing to partner to offer their products on the platform. Lastly, the volume and variety of data at its disposal offered a potential competitive advantage that required exploitation.

CHAPTER 6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter presents the conclusions based on the research questions introduced in Chapter 1. It includes some preliminary recommendations for future research. The study's primary objective was to gain insights into the impact on banks' resources transitioning to a platform business.

6.1.1 *Summary of Findings*

<table>
<tr>
<td>Objective 1: To gain insights into the impact on a large incumbent bank's existing resources in transitioning to a platform business.</td>
<td>The findings indicated that a significant internal shift is needed to transition from a solution provider model centred around the core business to a platform producer and partner model.

• Sufficient cash on hand was highlighted as a critical enabler as it allows the bank to address short-term deficiencies.
• It was unclear as to how the branch network strategy would be aligned with the platform strategy.
• Clients trust the bank as a bank but are unsure of their role in the platform model.
• Siloed banking culture does not lend itself to the platform economy and significant work needs to be done here to reconfigure and align the organisation.
• Data regulation and key skills remain an ongoing concern, especially with MNE cross-country platform usage.</td>
</tr>
</table>

	• Trade secrets, trademark and copyrights boundaries still need to be firmly established and this is still an area of discovery • Skills and competencies was a fundamental concern as most resources are bankers and not familiar with the concept of a platform business or the requirements to shift more towards a digital first banker. • Organisational refinements are necessary to track the appropriate platform metrics. • Incentive and remuneration structures need to be adjusted in line with the appropriate platform metrics.
Objective 2: To understand which resources would be considered an enabler or resistors to the platform transition	Cash, company brand, network resources, data and client relationships were seen to be key enablers however skills and competencies, motivations and commitment and culture alignment were seen as resistors with organisational culture being potentially positive or negative depending on how it is shaped.
Objective 3: To determine what resources might offer a competitive advantage to a large incumbent transitioning to a platform business	The bank's competitive edge was emphasised as being derived from its brand, client relationships, network resources, and data management. While these intangibles give a huge incumbent a sense of competitive advantage during transition, at most they may only offer a short-term benefit as competing banks have similar capabilities. Whilst the exact route to a sustained competitive advantage is unknown, prevailing literature indicated that the platform's network effects and

	utilisation of the underlying data would critical for ongoing innovation.

6.2 Conclusion on Objectives 1 & 2

Any bank attempting to transition to a platform should have a clearly defined strategy on how the existing model will be impacted at various organisations and how they will need to be unbundled and reconfigured for the platform model without compromising the ongoing business concern.

Despite transitioning to a more digital-led approach, the study revealed that not all clients are ready for such a transition. As such, it is imperative to understand the socio-economic impact of the transition to ensure seamless integration between the digital and physical worlds, offering customers more engagement options instead of a one size fits all approach. It was mentioned numerous times that CIB in Bank X is a high-touch banking model predicated more on the relationship rather than a digital interaction. It would be interesting to determine how these two models will co-exist. Bank X is still a Bank at the end of the day, and with cash still being a very prevalent medium of exchange for goods and services in South Africa and even more so in Africa, there is a need to service clients through physical channels; however, there is a need determine the level of integration necessary to support both business models adequately.

Large cash reserves enabled the organisation to hire external resources to address the internal lack of know-how about what needed to be done. The execution component, however, still requires extensive refinement as the bank still very much operates in a siloed product approach. This means that all policies, procedures and regulations are geared towards financial services products, as opposed to platform governance and partnership models, between producers and consumers. This often hinders internal progress of transition as the platform way of working is new and poorly understood by employees within the organisation.

Data was seen as a significant challenge for the large incumbent. Despite having a large data repository, data currently tends to be more operational-led, in support of a traditional approach to banking, and not set up for cross-functional utilisation that can aid in the platform journey. It was highlighted that there are pockets of excellence; however, since the majority of platform models rely on the underlying data created, an organisation undergoing this change must establish a coherent platform data strategy that can be integrated into all organisational levels and business units to bridge the cross-functional gap.

The study identified skills and competencies as an existing gap in the organisation. Participants highlighted that they require platform skills in various levels of management to support the transition. Still, more clarity is needed on what platform skills are or the exact skills required at the different management levels. Whilst still in its infancy, Bank X has attempted to address some of these challenges by creating enablement practises within the organisation to improve the understanding of platform models. This is still primarily a pipeline business approach, as it was noted that they are attempting to upskill bankers and leverage existing client relationships to on-sell SAS-based solutions.

Ultimately for any large incumbent to transition would require extensive investment in reorganising its resources and internal capabilities in order to find the right combination that would allow it to continue focusing on its core products while still utilising the platform business model.

6.3 Conclusion on Objective 3

The study found that participants understanding of a successful platform business is aligned with the prevailing literature; however, what it means to gain a competitive advantage in a platform business for a large incumbent bank will require further research.

The resource-based theory indicates that having resources is not enough, but the unique combination of those resources leads to a competitive advantage. This is very different in the platform model when you don't physically own all resources and are merely expected to facilitate the interactions between the producers and clients.

The data suggests that the resources held by Bank X offer them a temporary competitive advantage at best. There was a strong belief that the organisation's brand gives Bank X a distinct advantage over its competitors. Based on the research conducted, there was little literature evidence to support this belief. As clients have directly questioned the bank’s role in the platform model, this indicated that the willingness to engage on the platform was less about the brand and more about the established relationship. In this regard, Bank X has a distinct advantage over smaller organisations due to their existing client relationships and an extensive network of suppliers; however, compared to other large incumbents, this is more of a competitive parity.

Client relationships, partner and supplier networks, the brand and data highlighted by participants as a source of competitive advantage will only aid whilst transitioning. The actual source, however, of sustainable competitive advantage might be closer to leveraging their first mover advantage principal to aggressively build out on the platform capabilities, developing the rights skills and competencies, establishing the right governance frameworks and ultimately re-organising themselves to capture value within the platform, as quickly as possible, in an attempt to achieve a winner takes all scenario.

6.4 Recommendations

6.4.1 Strategic Alignment

There is a need for strategic alignment within the organisation. This is related to understanding what a platform business model means for the various departments within the organisation and what is required of them to support this transition. Therefore, transitioning to a platform business needs to be connected to the strategic intent and aligned with the transformation agenda, creating a connection between the business model, business operation, and the digitisation agenda.

6.4.2 Organisation Culture

It was evident from the study that Bank X's policies, procedures, risk and governance processes are designed around owning and managing financial products and services. Transitioning to a platform business requires a different mindset and perspective on how Bank X should partner and offer 3rd party solutions through the platform; ultimately, this would entail a complete redesign of existing processes, policies and procedures to support a platform approach to governance in relation to its banking regulations.

6.4.3 Physical and Digital Integration

The study suggested that, whilst Bank X has a large African footprint with a vast branch network, there needs to be a consensus on the impact on the branch network or how the branch network would be integrated into the platform strategy. Senior leadership should therefore define how they would leverage the branch network to seamlessly integrate the physical and digital worlds whilst maintaining their high-touch B2B business model.

6.4.4 Motivation and Commitment

It was noted in the study that senior leadership within the bank was committed to the transition; however, there needs to be more motivation or incentive within the various departments to make this transition a reality as they still very much operate in a siloed product-led manner. Senior leadership should therefore look at realigning the various departments' goals and invest in bank-wide change management activities to drive model adoption and address key concerns arising from the transition.

6.5 Suggestions for Future Research

A number of areas have been identified for further research.

a) The study highlighted that Bank X had specialised financial skills and limited platform skills. Whilst studies have been conducted on digital skills, there needs to be more understanding of platform skills. A study could be undertaken to define these skills in relation to digital and traditional banking skills.
b) It was further highlighted that platform skills are required at various organisational levels to succeed. This results in an opportunity to determine what platform skills are needed at the various levels of management to drive a platform strategy successfully.
c) Banking institutions have varying differences in their branch and digital strategies. There is an opportunity to study the impact of a bank's platform business model on its physical distribution network.
d) Finally, a study can be undertaken to understand how a high-touch B2B business model might leverage the power of a platform business to service the clients' needs.

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APPENDIX A Ethics Approval

Graduate School of Business Administration
University of the Witwatersrand, Johannesburg

Wits Business School

Wits Business School Ethics Committee
Constituted under the University Human Research Ethics Committee (Non-Medical)

Ethics Clearance Certificate

Ethics protocol number: WBS/DB2442025/579
This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).

Project title	Transitioning to a Platform Business: A resource based view case study of a South African Bank
Investigator / Researcher	Mr Kashil Ramrup
Nature of Project	MM (Digital Business)
Decision of the Committee	Approved, provided stakeholders and participants are guaranteed confidentiality.
Issue Date of Certificate	2022-09-02
Expiry date	Date of submission of the project / research report
Chairperson	Prof Anthony Stacey +27 11 717 3587 +27 82 880 4531 anthony.stacey@wits.ac.za

Declaration by Researcher

One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

Signature

06 /11/2022

Date:

APPENDIX B – Consistency Matrix

RQ #	Research Objective	Prop #	Proposition	Data collection detail	Data analysis method
1	Objective 1: To gain insights into the impact on a large incumbent bank's existing resources in transitioning to a platform business.	1	To operate in a platform business model, traditional bank resources (tangible, intangible, and human) will require extensive reconfiguration.	Interview guide questions Section A	Thematic analysis
2	Objective 2: To understand which resources would be considered an enabler or resistors to the platform transition	2	Human resources are the most significant resistance to transitioning to a platform business over intangible resources.	Interview guide questions Section A	Thematic analysis
3	Objective 3: To determine what resources might offer a competitive advantage to a large incumbent	3	Existing Intangible resources within large incumbent bank provides a competitive advantage in a platform business.	Interview guide questions Section B	Thematic analysis

RQ #	Research Objective	Prop #	Proposition	Data collection detail	Data analysis method
	transitioning to a platform business.				

APPENDIX C – Participant Consent Form

Participant Consent Form

Research Topic: Transitioning to a Platform Business: A RBV case study of a South African Bank.

By Kashil Ramrup

I…….……………………………………..……….. agree to participate in this research

project. The research has been explained to me and I understand what my participation will involve.

I agree that my participation will remain anonymous YES NO (please

circle)

I agree that the researcher may use anonymous quotes

in his research report YES NO

I agree that the interview may be audio recorded YES NO

I agree that the information I provide may be used YES NO

anonymously by other researchers following this study

…………………………………… (signature)

…………………………………… (name of participant)

…………………………………… (date)