

Why marketplace sits at the heart of thriving ecosystems

Webinar

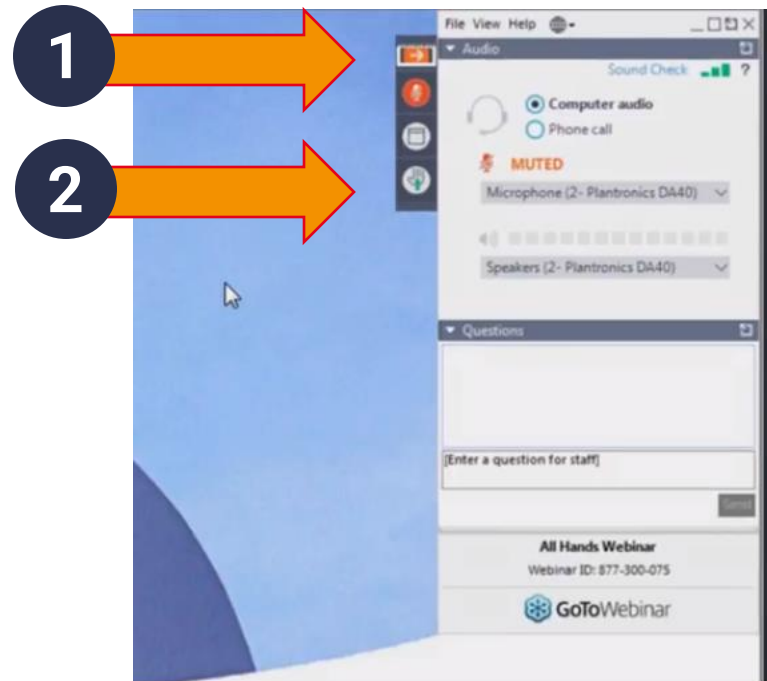
2022-05-24

Kindly supported
by



STL PARTNERS

GoToWebinar



- You're in listen only mode
- If you need us, please type a comment
- Feel free to type questions throughout the session for Q&A – if your question isn't addressed in the panel discussion, you will receive a Q&A document in our follow-up
- We'll send you the slides and a recording shortly after the session - do share with colleagues
- On Twitter? Tweet us @STLPartners

Introductions



Chris Barraclough
CEO



Darius Singh
Principal Consultant



Tim Otto
Consultant



We ran a research programme, looking to analyze how operators are approaching a marketplace strategy



Research programme:

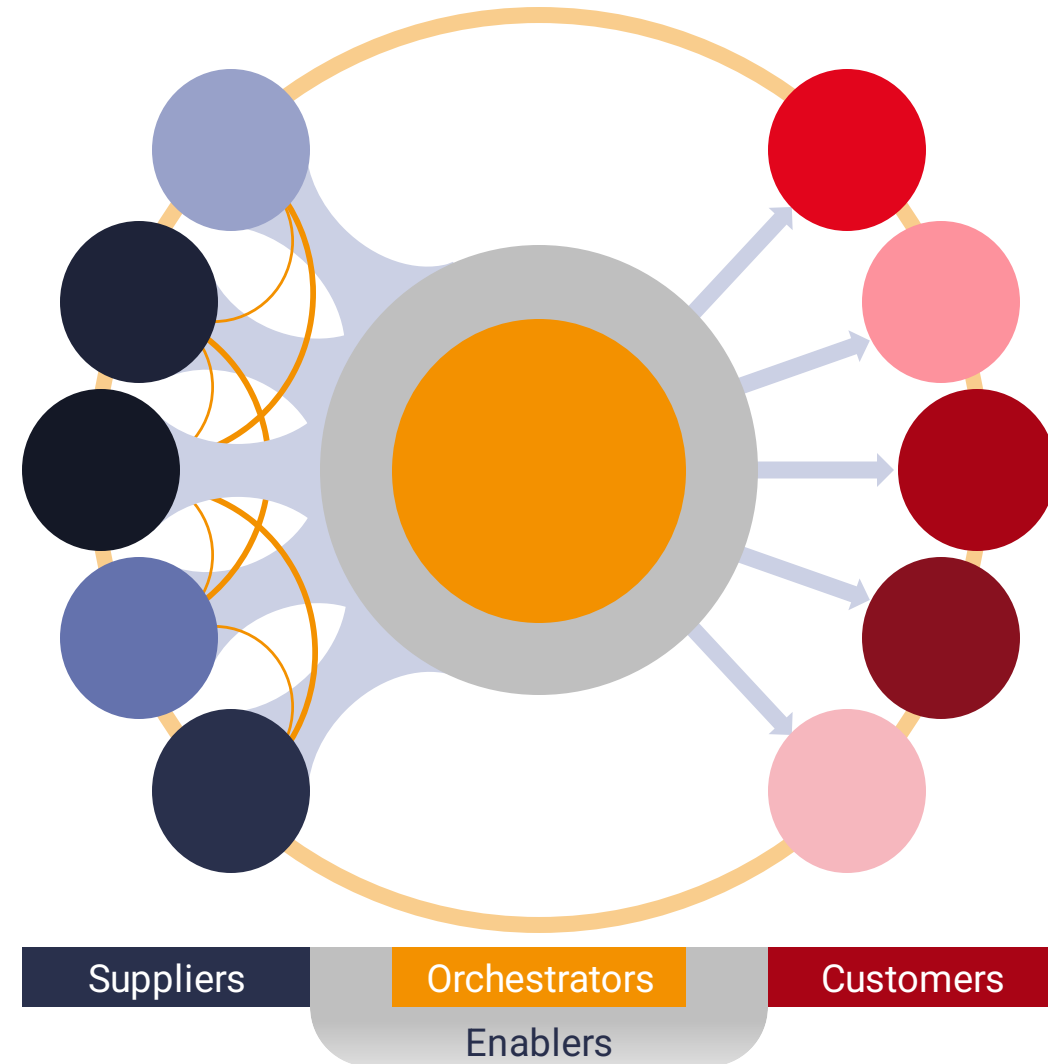
- 12 interviews with:
 - Operators
 - Hyperscalers

3 Key Questions:

- Define a marketplace;
- What are the benefits a marketplace can provide an operator?
- What approach should operators take?

What is a B2B marketplace?

- A marketplace is an entity through which **suppliers** and **customers** can effectively and efficiently transact
- This is facilitated by **marketplace orchestrators** and **enablers**
- There are therefore four main actors in the marketplace:
 - Customers
 - Suppliers
 - Orchestrators
 - Enablers



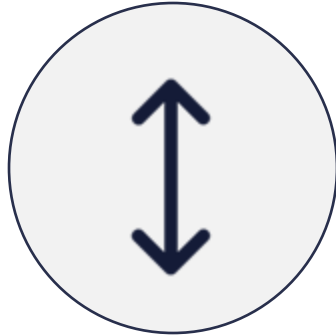
What are the benefits of the marketplace to the actors?

Customers	Suppliers	Orchestrators	Enablers
<ul style="list-style-type: none">• Simplified procurement journey• More innovative/competitive products• Balance ease, choice, and value	<ul style="list-style-type: none">• Wider customer base• Greater collaboration• Faster Go-To-Market• Additional customer insights	<ul style="list-style-type: none">• Opportunity for new monetization models• Co-create own solutions faster• Build brand and scale in B2B space	<ul style="list-style-type: none">• Ability to monetise horizontal capabilities• New opportunity for B2B growth• Revenues scale with marketplace growth



A marketplace helps galvanise a diverse and fragmented ecosystem around a tangible construct

Why is this relevant to telecoms operators?



Operators are moving towards a verticalized strategy, which requires ecosystems

“telcos aren’t seen as vertical companies and they need to establish their right-to-play”

Tier 1 NAM operator

- Commoditisation of core communications revenues
- Opportunity to play across the value chain in specific verticals...
- ... but telcos generally lack vertical expertise and thus require partners

Telcos have been historically bad at playing in ecosystem models

“telcos are not natural ecosystem partners – but it’s time to learn how to play with others”

Tier 1 MENA operator

1. Desire for proven ROI
2. A walled garden mentality
3. Local, not global, scale
4. The ‘cost +’ model

A marketplace can help overcome some of those challenges

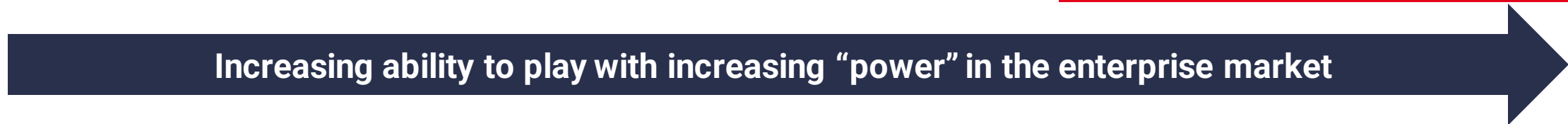
“marketplace allows smaller developers to go through online process to produce a priced solution”

Tier 1 global operator

- Exposure to ecosystem of customers and suppliers
- Possibility of new revenue models
- More standardized framework for working with partners
- Faster and cheaper solution development

Telcos can adopt different roles within the marketplace, based on their ambitions and strengths within enterprise

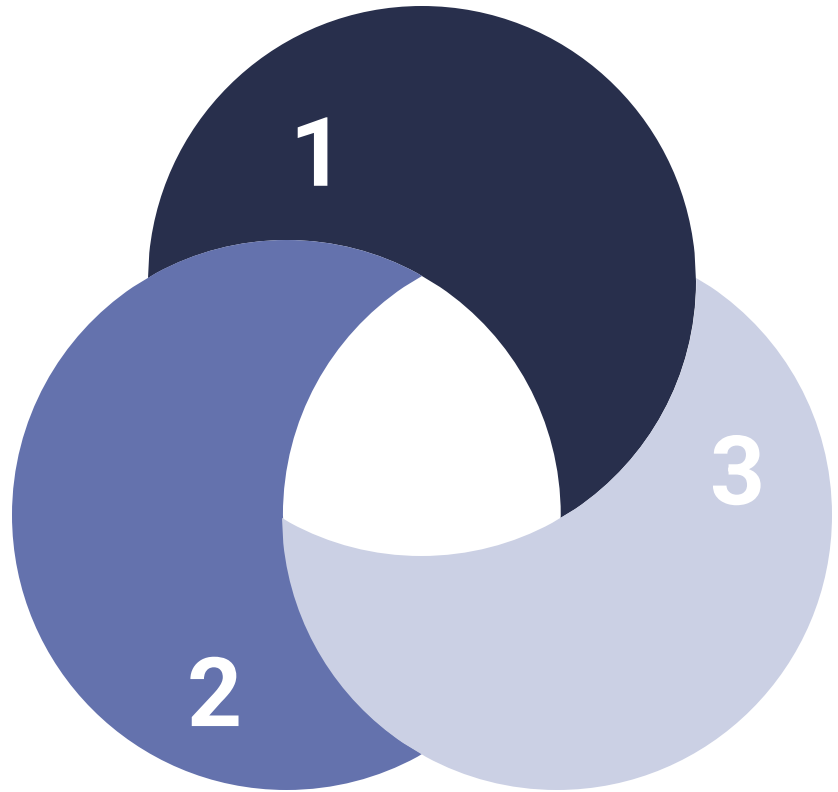
Telco as a supplier	Telco as an enabler	Telco as an orchestrator
<ul style="list-style-type: none">• Telco uses the marketplace to sell its own products and services• This can be as E2E solutions or as a solution components• Used to drive core comms within specific verticals or build verticalized propositions	<ul style="list-style-type: none">• Often offered by the orchestrator as a way to add more value to the marketplace• Existing core skills/capabilities (in-carrier billing, authentication, etc.)• Investment required in digital capabilities	<ul style="list-style-type: none">• Dependent on strength within industry and B2B objectives• Telco can leverage trusted brand & regulatory experience within more nationally bound markets• Multiple new routes to monetization (discussed later in the webinar)



Poll: what do you think the role of a telco could be within a vertical marketplace

- As a supplier
- As an enabler
- As an orchestrator
- None of the above

The three key considerations for telco orchestrators



1

The models for monetising the marketplace

2

The dimensions of the marketplace within specific industries/segments

3

The guiding principles to start building

There are five routes to monetisation for the orchestrator

Supplying



Leverage own marketplace as a supplier

This can be for core comms as well as vertical solutions (developed with partners)

Enablement



Provide enablement services to the marketplace (e.g. onboarding)

Add more value to actors by reducing friction

Advertising



Sell advertising space on the marketplace

Promote certain vendors over others for a fee

Supply-side fees



Charge supply side fees (per transaction, for access)

Carefully consider how this impacts scale

Data monetization

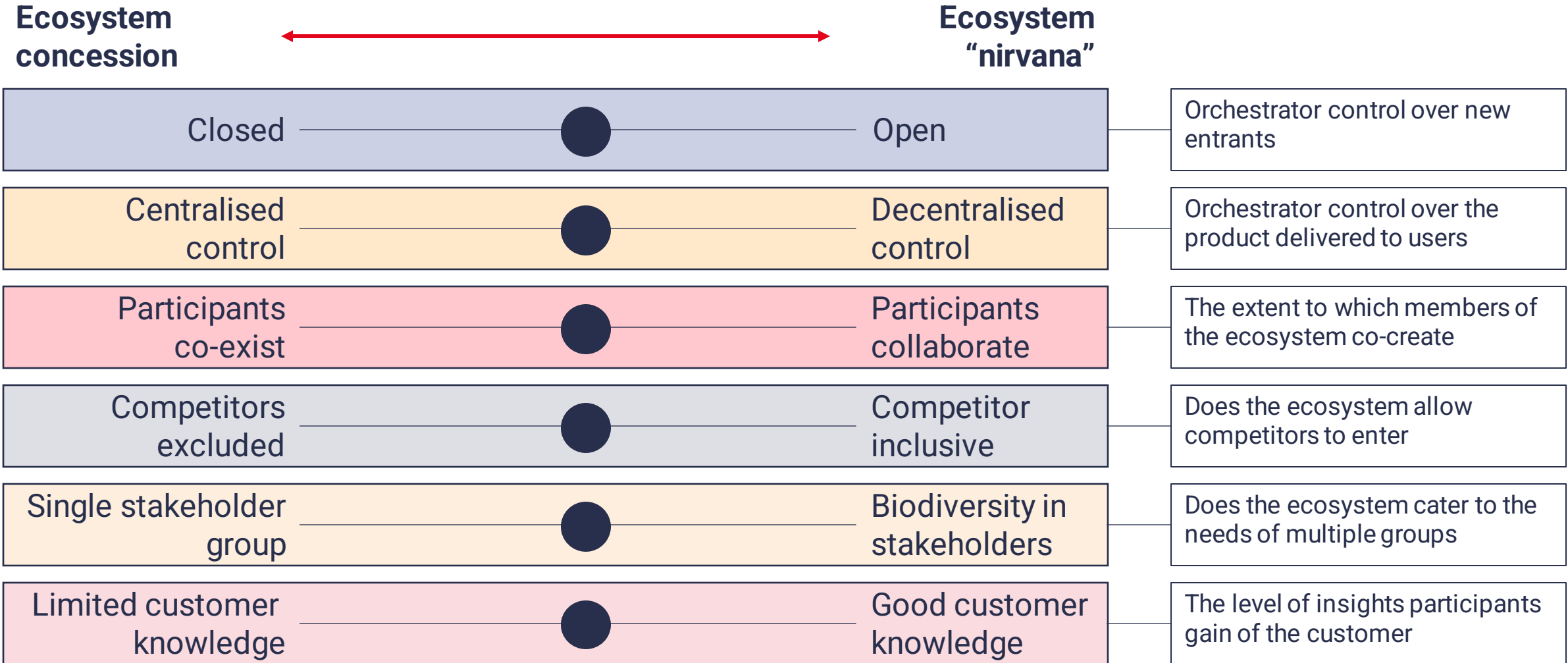


Monetize data insights

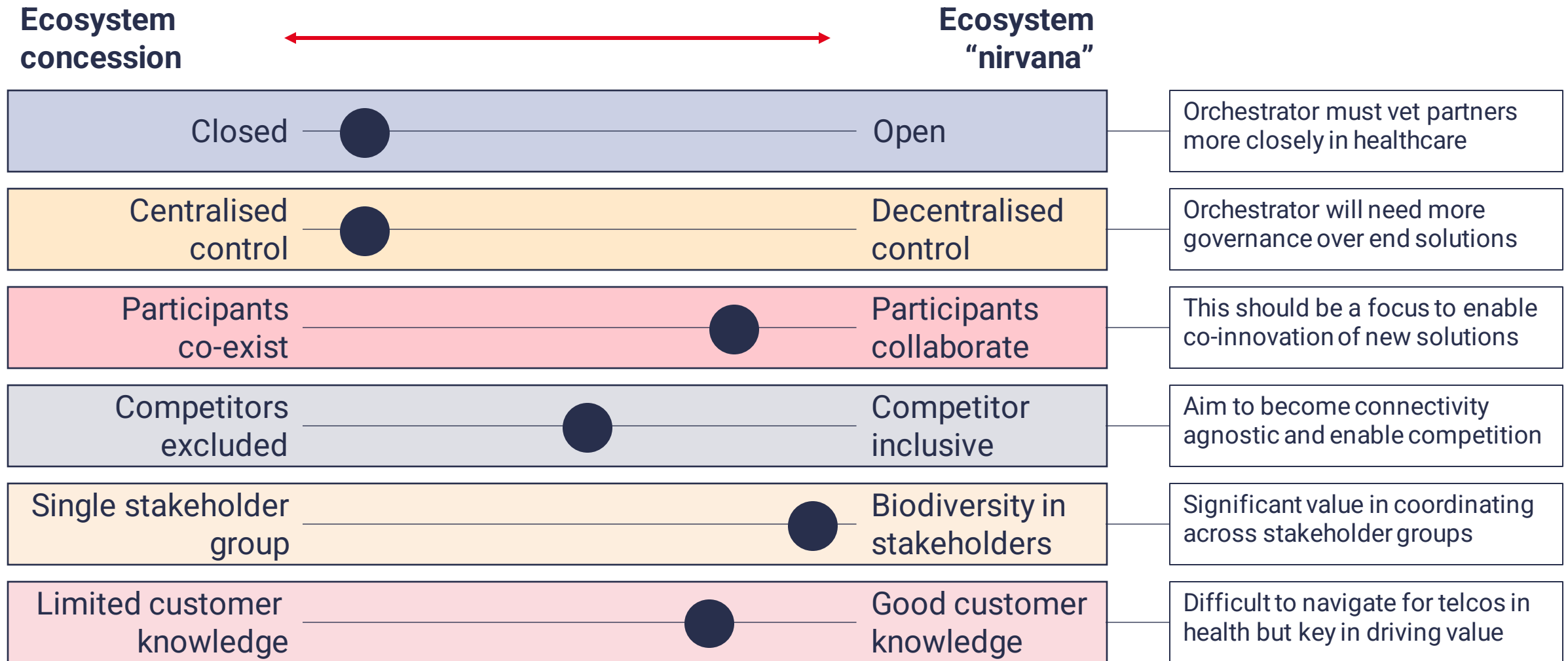
Historically challenging for telcos

Need to learn to use their own data first

STL Partners identified six key dimensions to define marketplace characteristics



A marketplace in healthcare must balance a closed , centrally controlled marketplace with the need to innovate across stakeholders



6 key guiding principles to build a successful marketplace



Q&A