

Collaboration: the new competitive advantage

Christine-Rita Abankwah

The increasing digitisation and globalisation of the business world have triggered new forms of interactive business models, known as platform models. Platform businesses such as Uber, Airbnb, Amazon and Apple's iTunes are gaining impressive market share and transforming the competitive landscape as we know it. They all have one thing in common: they create collaborative advantage by bringing consumers and providers together for highly valuable exchanges. The ability to generate mutually-beneficial business relationships is becoming a key corporate asset - and starts in the company itself. Management consultant Dr. Eva Bilhuber Galli explains why now, more than ever, companies must shift their strategic thinking and enhance a partnership company culture in order to tap into collaborative advantage. Dr. Bilhuber Galli recently delivered two public lectures on Coaching as a Leadership Skill, and hosted a breakfast session on Creating Collaborative Advantage, at the HP-GSB.



Dr. Eva Bilhuber Galli

matching the different needs of different stakeholders for value exchange, in that they raise their competitive advantage. In strategic management we are always looking out for what makes a company unique and its sources of competitiveness in the market. What we have seen over the last couple of years is that this is where today's business growth lies: being able to establish relationships across the market, and with multiple players - this is what we call collaborative advantage.

HP-GSB: How do companies collaborate?

EB: Any kind of traditional branch industry is actually

facing great headwinds from the new collaborative business models, the so-called 'platform business models'. They are gaining impressive market shares. Accordingly, traditional businesses are now starting to copy these models. However, this is rather shortsighted. What is needed is some feedforward strategic thinking in order to see how a company can profit from the new opportunities of a connected world. It's not only about copying platform models. It's about how you can transform and complement your business model towards creating collaborative advantage among your stakeholders. Take the example of Apple. With iTunes on their iPhones they opened up their market place so that any app-developer could introduce its app-products, not only Apple. They could have also decided that Apple apps would be the only ones on iTunes. But they decided for collaboration with competitors instead of competition. In essence it was a strategic decision for collaboration - instead of competition - that boosted impressive success for all: the iPhone users, the app-developers, and Apple itself.

HP-GSB: Whose responsibility is this forward-thinking task?

EB: The one who is responsible for the strategic direction of the firm: in some cases it's the CEO and the executive board together, in other cases it's the board of directors. It depends on how the firm is organised.

Those in charge of the direction of the company should make up their minds for the future. Knowing that what actually triggers competitive advantage today is the art of creating good relationships, I would encourage them to open up their strategic discussions to any kind of stakeholders.

HP-GSB: Can you highlight some of the advantages of using a platform model?

EB: It's more a sense of how the firm can take advantage of the opportunities of a connected world. In a connected world, the time where you could grow your business on the back of others has gone. Today, you only win if you manage to grow profit for a whole ecosystem or market. So in an interconnected world you need to think differently. You need to think: if all of us are doing better, then my company is going to do better as well. That's why all collaborative platforms, such as Uber and Airbnb, are so successful today. They create benefits for a whole ecosystem and by doing that, for themselves as well. They think about how they can maximise collaboration - not competition. And I guess that is what will shape our competitive landscape in the future.

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