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Invisible Engines: How Software Platforms Drive Innovation and Transform Industries (MIT Press)

David S. Evans, Andrei Hagiu, Richard Schmalensee
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#923835 in eBooks 2008-02-15 2008-02-15 File Name: B002R0DR8I | File size: 21.Mb

David S. Evans, Andrei Hagiu, Richard Schmalensee : Invisible Engines: How Software Platforms Drive Innovation and Transform Industries (MIT Press) before purchasing it in order to gauge whether or not it would be worth my time, and all praised Invisible Engines: How Software Platforms Drive Innovation and Transform Industries (MIT Press):

0 of 0 people found the following review helpful. partly usefulBy AnnieHas a large section that explains some basics

about software. This material was useless to me, an engineer trying to understand the business end of the business, and probably will be to anyone who's well enough informed to be investing in the software industry. The material that's actually about software platforms is useful, though it lacks a certain amount of rigor. I kept wanting to hear either evidence presented that they weren't just blowing smoke, or see a cite. 0 of 0 people found the following review helpful. Pre-2006 case studies of software platform business models By Olaf Published in 2006, one year before the introduction of the iPhone and two years after the founding of Facebook, this book looks at software platforms through an economic lens. The early chapters of the book contain a description of programming languages, operating systems, networks, computers in general, APIs, and Open Source. The next few chapters are dedicated to case histories of 1970's to early 2000's computer industry history including programming languages, operating systems, mobile phones, personal computers, digital music players, and digital music platforms. These case studies feature Palm Pilot, iPod, RealNetworks, Microsoft, Apple, and DoCoMo. The last section of the book discusses key decisions that platform owners need to make. First is the scope and level of integration that the business undertakes. Second is pricing, enticing all parties to participate, and overall business model. Finally, features and functionality for the platform must be selected. Invisible Engines was one of the first books on platforms and contains analysis and models that are still relevant. Although the examples are all pre-2006, there's a lot of history to enjoy and compare to today's landscape. It is limited in scope relative to books like Platform Scale by Sangeet Paul Choudary and Platform Ecosystems by Amrit Tiwana, but it's an interesting portrayal of early platform pioneers. Invisible Engines focuses on economics, business models, and industry case studies. Platform Scale covers the dynamics of platforms, their underlying models, and how to achieve growth. Platform Ecosystems is a vast textbook that covers all aspects of platforms from technology through governance. 0 of 0 people found the following review helpful. Slightly Dated, but many concepts still hold By Joel R. I like this book. The author has made portions of it available as a PDF if you want to see if it's for you. The book was written in 2006 and the concept of platforms has really evolved since then. Some of the prime examples in the book don't hold up anymore, but it's pretty easy to extend the concept to other platforms, such as iPhones/iPads or set top boxes like Roku. I found it was well written and a fairly easy read. Not for everybody, but it's a well written explanation of the economics of platforms

Software platforms are the invisible engines that have created, touched, or transformed nearly every major industry for the past quarter century. They power everything from mobile phones and automobile navigation systems to search engines and web portals. They have been the source of enormous value to consumers and helped some entrepreneurs build great fortunes. And they are likely to drive change that will dwarf the business and technology revolution we have seen to this point. Invisible Engines examines the business dynamics and strategies used by firms that recognize the transformative power unleashed by this new revolution -- a revolution that will change both new and old industries. The authors argue that in order to understand the successes of software platforms, we must first understand their role as a technological meeting ground where application developers and end users converge. Apple, Microsoft, and Google, for example, charge developers little or nothing for using their platforms and make most of their money from end users; Sony PlayStation and other game consoles, by contrast, subsidize users and make more money from developers, who pay royalties for access to the code they need to write games. More applications attract more users, and more users attract more applications. And more applications and more users lead to more profits. Invisible Engines explores this story through the lens of the companies that have mastered this platform-balancing act. It offers detailed studies of the personal computer, video game console, personal digital assistant, smart mobile phone, and digital media software platform industries, focusing on the business decisions made by industry players to drive profits and stay a step ahead of the competition. Shorter discussions of Internet-based software platforms provide an important glimpse into a future in which the way we buy, pay, watch, listen, learn, and communicate will change forever. An electronic version of this book is available under a Creative Commons license.

"As the power behind every kind of digital device, software platforms truly are the invisible engines of the information age. In their absorbing and comprehensive account of the evolution and economics of platform technologies, Evans, Hagi, and Schmalensee essentially map out the still-evolving history of the third industrial revolution." --Craig Mundie, Chief Technical Officer, Microsoft "Google, eBay, mobile phones, and the Xbox have a lot more in common that you might suspect. Invisible Engines builds on recent thinking about two-sided platforms, including the authors' substantial contributions to it. Evans, Hagi and Schmalensee beautifully blend economics, history, and business analysis to shed light on how businesses and policy makers should design their strategies. This exciting book will be a key resource for practitioners and academics interested in knowing how software platforms work and where information technologies are heading." Jean Tirole, Institut d'Economie Industrielle, University of Toulouse " Invisible Engines describes the economics of operating systems, those fiendishly complex pieces of software that provide the nervous system for computers, cell phones, game consoles, and a host of other devices. It is a must-read for anyone who wants to understand the economic forces that drive high-tech industries." Hal Varian, Haas School of Business and Department of Economics, University of California, Berkeley " Invisible Engines is a highly

sophisticated yet readable exploration of how companies do, can, and should deliver great value through software platforms. By combining economics and management, the authors deliver deep insights into the multifaceted world of software." David B. Yoffie, Max and Doris Starr Professor of International Business Administration, Harvard Business School "Most high-tech markets today revolve around software and are 'two-sided' they require end-users as well as producers of complementary products such as software applications or digital content to support one platform over another. Invisible Engines is by far the broadest study of this subject to date. The authors probe expertly into the economics and technology underlying these markets as well as what business models and pricing strategies seem most likely to work. A very impressive book." Michael A. Cusumano, author of *The Business of Software* and coauthor of *Platform Leadership* "The prose is accessible, even engaging. And the shrewd analysis backed up by a great deal of research and a precise narrative of recent business history more than makes up for the lack of office politics and entrepreneur heroics. Any executive looking to turn his company's product into an engine of growth will want to consult *Invisible Engines*." Om Malik Wall Street Journal "Most high-tech markets today revolve around software and are 'two-sided' ?- they require end-users as well as producers of complementary products such as software applications or digital content to support one platform over another. *Invisible Engines* is by far the broadest study of this subject to date. The authors probe expertly into the economics and technology underlying these markets as well as what business models and pricing strategies seem most likely to work. A very impressive book."--Michael A. Cusumano, Sloan Management Distinguished Professor, MIT, author of *The Business of Software* and coauthor of *Platform Leadership* " *Invisible Engines* is a highly sophisticated yet readable exploration of how companies do, can, and should deliver great value through software platforms. By combining economics and management, the authors deliver deep insights into the multifaceted world of software."--David B. Yoffie, Max and Doris Starr Professor of International Business Administration, Harvard Business School About the Author David S. Evans is Managing Director of the Global Competition Policy Practice at LECG LLC and part of Market Platform Dynamics, a management consulting firm that focuses on strategic analysis and product design for platform-based firms. Richard L. Schmalensee is John C. Head III Dean and Professor of Management and Economics at the MIT Sloan School of Management. He is co-editor of *Management: Inventing and Delivering Its Future* (MIT Press, 2003).