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Incumbent-Born B2B Platforms: Organizational Boundary Dynamics in Platform Creation

Khaled Abed Alghani[1] | Rodrigo Rabetino[1] | Marko Kohtamäki[1,2]

[1]School of Management, University of Vaasa, Vaasa, Finland | [2]Luleå University of Technology, Luleå, Sweden

Correspondence: Marko Kohtamäki (marko.kohtamaki@uwasa.fi)

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ABSTRACT

This study examines the dynamics of organizational boundaries in B2B industry platform creation through an in-depth single-case study. Specifically, we address the question: How do B2B firms redefine their organizational boundaries when shifting from a pipeline model to an industry platform? This research question addresses two critical gaps in the platform literature. First, platform creation is a relatively underexplored topic, with limited attention given to organizational boundary choices in the pre-launch phase. Second, most insights stem from B2C settings, leaving the B2B context relatively overlooked. We examine the dynamics of organizational boundaries, drawing on the lenses of identity, power, competence, and efficiency, in a Finnish firm that began as a consulting firm, shifted to selling stand-alone software, and is now creating an industry platform, ultimately comprising three phases with two transitions in between. This article contributes to strategy discussions on industry platforms, specifically to boundary choices in B2B platform creation, by developing propositions that outline the dynamics of organizational boundaries in creating an industry platform through the intermediary step of offering a stand-alone product. Our study provides three key managerial takeaways for incumbents seeking to create industry platforms: phased challenge management, milestone-driven flexibility, and proactive harnessing of network externalities.

1 | Introduction

Digital transformation has significantly reshaped established industries and even created entirely new ones (Nambisan et al. 2019; Warner and Wäger 2019), driving changes in firms' business models and in the governance structures of their ecosystems (Cennamo et al. 2020). Within this broader transformation, industry platforms—defined as "products, services, or technologies developed by one or more firms, and which serve as foundations upon which a larger number of firms can build further complementary innovations and potentially generate network effects" (Gawer and Cusumano 2014, 420)—have emerged as a distinctive digital infrastructure (Hanseth and Lyytinen 2010; Modol and Eaton 2021; Tilson et al. 2010; Yoo et al. 2010), redefining the traditional pipeline model, which creates "value by controlling a linear series of activities – the classic value-chain model" (Van Alstyne et al. 2016, 57).

Since their advent, many incumbents have attempted to adopt this blockbuster model by creating platforms of their own (Lerch et al. 2024; Van Dyck et al. 2024; Wortmann et al. 2024). Their primary objective has often been to internalize network externalities and capture the economic benefits of network effects (Katz and Shapiro 1985; Liebowitz and Margolis 1994). While many firms have struggled to navigate the business and technological complexities involved (Gawer and Cusumano 2008; Gawer and Phillips 2013; Hanseth and Lyytinen 2010), successful adopters have grown significantly in size and scale, ultimately becoming among the most valuable companies by market capitalization (Gawer 2021; Jacobides and Lianos 2021; Ozalp et al. 2022).

Practitioner Points

- The shift from a traditional pipeline model of value creation toward ecosystem orchestration requires redefining organizational boundaries across multiple dimensions, particularly identity, power, competence, and efficiency. These boundaries should not be considered in isolation, as changes in one dimension inevitably affect the others.
- Platform creation is not a one-time strategic leap but an incremental journey that must be managed strategically over time. Accordingly, platform creation should be approached as a staged process, with each stage presenting distinct challenges that require targeted managerial attention.
- Clear milestones should anchor each stage, allowing the firm to build on prior progress rather than starting from scratch if a particular stage fails to gain traction.
- Assessment of power dynamics among potential actors allows incumbents to harness network externalities even before fully internalizing them and reaping the benefits of network effects, that is, before the platform is fully established.

Microsoft, for instance, redefined the organizational boundaries of its pipeline model to create an industry platform (Hagiu and Wright 2015). This shift played a significant role in its rise to becoming one of the most valuable companies in the world (Parker and Van Alstyne 2018). Consequently, the rise of industry platforms has attracted the attention of both practitioners and researchers, leading to a substantial and rapidly growing body of research (Abed Alghani, Kohtamäki, and Kraus 2024).

A common thread in this expanding body of research is its emphasis on topics that concern the post-creation phases of industry platforms (de Reuver et al. 2018; McIntyre and Srinivasan 2017; Rietveld and Schilling 2020). Perhaps this emphasis can be traced back to the two main pillars of industry platform literature (Gawer 2014): economics, which focuses on competition (Rochet and Tirole 2003, 2006), and engineering, which emphasizes innovation (Baldwin and Woodard 2009; Clark 1985). As these topics became foundational, subsequent research has progressively built upon them, ultimately steering scholarly attention toward platform competition (Chai et al. 2025), pricing strategies (Mardan and Tremblay 2025), platform architecture (Jovanovic et al. 2021), and governance mechanisms (Zhang et al. 2022), among others, often assuming the platform's existence as a given. Although relatively underexplored, platform creation has not been entirely neglected, with scholars examining platform creation strategies, such as coring and tipping (Gawer and Cusumano 2008), hosting rivals (Hagiu et al. 2020), and shifting leverage logics (Thomas et al. 2014), as well as exploring platform origins (Teece et al. 2022), including incumbent-born platforms (Anderson et al. 2022), platform-adjacent ventures (Ozalp et al. 2022), and born-platforms (Cennamo et al. 2022).

Nevertheless, compared to the more extensively studied post-creation topics, our understanding of platform creation remains relatively underdeveloped (Gawer and Cusumano 2014; Tan et al. 2015; de Reuver et al. 2018; Shi et al. 2021). Specifically, boundary choices are among the underexplored aspects of platform creation (Gawer 2021), mainly in terms of how these choices are defined and evolve during the creation of an industry platform. Prior research has primarily examined boundary dynamics in the context of established platforms, particularly between launch and maturity (Tan et al. 2015). For instance, Gawer (2021) identified three core dimensions of platform boundaries: the scope of the firm, the configuration and composition of platform sides, and the structure of digital interfaces. While this framework has been instrumental in shaping our understanding of platform boundaries, it addresses boundary choices made after the platform launch. On top of that, existing boundary frameworks are primarily rooted in B2C and C2C contexts (Gawer 2021), leaving boundary dynamics in B2B platforms, particularly in the pre-launch phase (Van Dyck et al. 2024), largely overlooked.

Boundary choices in B2B platform creation should be examined not only in the scope of the pre-launch phase but also in light of the structural distinctions that differentiate B2B from B2C and C2C contexts (Ritala and Jovanovic 2024). These differences stem from B2B relationships that are typically more complex, interdependent, and trust-based compared to consumer market relationships (Blackburn et al. 2023). Such features weaken the strength of network effects compared to B2C and C2C contexts (Filosa et al. 2025; Patrucco et al. 2024; Ritala and Jovanovic 2024; Springer et al. 2025), ultimately shaping how organizational boundaries are defined and managed during the creation of B2B industry platforms (Van Dyck et al. 2024).

As an example, when creating a B2B industry platform, the platform owner's identity (Santos and Eisenhardt 2005), which is reflected in the activities conducted by the firm (Kogut 2000), is no longer shaped by collective understanding within the organization but by the interplay of deliberate actions and communications at the ecosystem level (Thomas and Ritala 2022); this complexity intensifies in B2B settings as platform owners must engage in diverse activities to meet the different needs of business customers (Kohtamäki et al. 2019). In a similar vein, when creating an industry platform, the platform owner's power dynamics, defined as the sphere of organizational influence (Santos and Eisenhardt 2005), no longer focus only on external stakeholders but now also on ecosystem actors who will co-create value with the platform owner (Ceccagnoli et al. 2012). This complexity intensifies in B2B settings as the platform owner must not only influence these actors but also secure their affiliation (Loux et al. 2020). Consequently, this study aims to address the following research question: How do B2B firms redefine their organizational boundaries when shifting from a pipeline model to an industry platform?

Building on Santos and Eisenhardt's (2005) framework, which identifies four distinct yet interrelated lenses for examining organizational boundaries, namely identity, power, competence, and efficiency, we examine the creation of a B2B industry platform, specifically a transaction platform (Cusumano et al. 2019). The firm has undergone not just one but two pivotal transitions: first, from a consulting firm to a software enterprise, and second,

from a software enterprise to an industry platform. Therefore, the contributions of this study are threefold: (1) examine how a B2B firm redefines each of its organizational boundaries—identity, power, competence, and efficiency—during the creation of an industry platform that involves offering a stand-alone product as an intermediate phase; (2) explore the interplay among the diverse boundary choices and the outcomes that emerge in each of the two transitions; and (3) extend the current knowledge on firm boundary choices in the context of industry platforms through a series of propositions, particularly by uncovering the dynamics of these choices before the launch of a B2B industry platform.

2 | Theoretical Framework

2.1 | Industry Platforms

2.1.1 | Definition, Classification, and Contextual Application

Industry platforms (Gawer and Cusumano 2014), digital platforms (de Reuver et al. 2018), two-sided markets (Rochet and Tirole 2003), two-sided platforms (Belleflamme and Peitz 2019), and multi-sided platforms (Hagiu and Wright 2015), among others, are terms interchangeably used to refer to the same phenomenon (Abed Alghani, Kohtamäki, and Kraus 2024): technological platforms associated with network effects (Gawer 2014). Throughout this article, when mentioning the term "platforms", we specifically refer to "industry platforms", a term coined by Gawer and Cusumano (2014, 417). Besides, when mentioning "ecosystem" or "platform ecosystem", we refer to it as "the alignment structure of the multilateral set of partners that need to interact in order for a focal value proposition to materialize" (Adner 2017, 40). There are three main reasons for adopting "industry platforms" rather than other terms (Gawer and Cusumano 2014, 417): (1) its definition, as stated in the first paragraph of the Introduction, clearly highlights the essential presence of network effects, which is the main distinguishing feature between industry platforms and other types of platforms, namely internal, product, or supply chain platforms (Gawer 2014; Gawer and Cusumano 2014; Karhu et al. 2024; Katz and Shapiro 1985; Rochet and Tirole 2003); (2) this terminology is associated not only with a clear definition but also with a precise classification of the different types of technological platforms associated with network effects, namely transaction platforms and innovation platforms (Cusumano et al. 2019; Gawer 2021); and (3) the terminology, definition, and classification are used to refer to this phenomenon, regardless of the context in which the platform operates, whether B2C, C2C, or even B2B (Gawer 2021).

2.1.2 | Distinctive Criteria Across Diverse Contexts

While we acknowledge that platforms in B2B contexts have been relatively underexplored compared to those in B2C or C2C contexts (Abed Alghani, Kohtamäki, and Kuusniemi 2024; Jovanovic et al. 2021; Loux et al. 2020; Ritala and Jovanovic 2024), we are aware that a new stream of literature has recently emerged, referring to platforms in B2B contexts as "industrial digital platforms" (Jovanovic et al. 2021, 1; Madanaguli et al. 2023, 1). Nevertheless, not all industrial digital platforms are associated with network effects; only two out of the four identified types demonstrate these effects. To be more specific, the industrial platform ecosystem and the industrial transaction platform (Madanaguli et al. 2023), which correspond to innovation platforms and transaction platforms, respectively (Cusumano et al. 2019), are the types associated with network effects (Katz and Shapiro 1985). Thus, regardless of the context, to determine whether a firm qualifies as an industry platform, particularly a transaction platform or an industrial transaction platform (Gawer 2014; Madanaguli et al. 2023), which is the primary focus of this article, we rely on the criterion highlighted by Gawer (2014), specifically indirect network effects, complemented by insights from Hagiu and Wright (2015). In addition to network effects, industry platforms are characterized by two defining features: (1) "they enable direct interactions between two or more distinct sides", and (2) "each side is affiliated with the platform" (Hagiu and Wright 2015, 163).

2.1.3 | The Dynamics of Creating Industry Platforms

Despite existing studies on the creation of industry platforms (Eisenmann and Hagiu 2007; Pagani 2013), this topic, also referred to as coring (Gawer and Cusumano 2008), remains relatively underexplored in the literature (Gawer and Cusumano 2014; Tan et al. 2015; de Reuver et al. 2018; Shi et al. 2021). Scholars have primarily focused on processes that follow creation, such as attracting actors to the platform ecosystem (Dou and Wu 2021), governing their behavior (Foerderer et al. 2021), and maneuvering the competitive environment (Ansari et al. 2016), among other topics. However, creating industry platforms warrants further attention, particularly when shifting from a pipeline to a platform model, as it entails profound changes across organizational boundaries (Van Alstyne et al. 2016). For instance, as firms transition into platform models, they often reshape how they present their role and purpose to external stakeholders, which increasingly takes shape at the ecosystem level rather than within the firm itself (Thomas and Ritala 2022). This shift also changes the sphere of organizational influence as ecosystem actors become indispensable to value creation (Ceccagnoli et al. 2012), ultimately requiring firms to design appropriate governance mechanisms to orchestrate their behavior (Eaton et al. 2015). Furthermore, as incumbents transition toward creating industry platforms, they develop new capabilities essential for establishing the platform and orchestrating ecosystem interactions (Trabucchi and Buganza 2022). Simultaneously, the perceived source of competitive advantage shifts, with the ecosystem emerging as the primary source rather than assets or capabilities directly owned or controlled by the firm (Sun and Tse 2009). Besides, in transitioning toward industry platforms, firms shift from traditional make-versus-buy decisions at the organizational level to managing the trade-off between controlling versus enabling at the ecosystem level (Boudreau 2010; Hagiu and Wright 2018).

2.2 | Organizational Boundary Dynamics in Industry Platforms

The theory of the firm outlines how firms establish and redefine their organizational boundaries, as well as the activities involved in these boundary-shaping processes. Various factors drive firms to redefine organizational boundaries, particularly in transitioning from one business model to another, such as from a pipeline model to a platform model (Van Alstyne et al. 2016). Creating a holistic understanding of organizational boundary dynamics involves integrating multiple management theories and analytical lenses, ultimately allowing for a thorough exploration of the firm's diverse boundaries. One of the prominent frameworks is that of Santos and Eisenhardt (2005), which explores the dynamics of organizational boundaries through the lenses of identity (Albert and Whetten 1985), power (Pfeffer and Salancik 1978; Porter 1980), competence (Barney 1991; Peteraf 1993), and efficiency (Williamson 1975, 1985). Consequently, in the following four subsections, namely 2.2.1, 2.2.2, 2.2.3, and 2.2.4, we examine each of the four lenses, with Table 1 briefly describing each.

2.2.1 | Identity

The organizational identity of the firm revolves around the questions, "Who are we as an organization?" and "What kind of organization is this?" (Albert and Whetten 1985; Gioia and Thomas 1996). While organizational identity is constructed via collective sensemaking within organizations, it is reflected in the organizational strategy and materialized through the firm's activities (Kogut 2000). Concurrently, significant changes in organizational strategy, especially those that shift the company from one business logic to another, necessitate changes in organizational identity (Clark et al. 2010). For instance, the transition from a pipeline model (Van Alstyne et al. 2016), internal platform, or even a supply chain platform (Gawer 2014), to an industry platform involves drastic changes in organizational identity (Cusumano et al. 2019; Gawer and Cusumano 2014). This is mainly because value is co-created with diverse ecosystem actors in the latter business model rather than created independently by the platform owner (Ceccagnoli et al. 2012). Consequently, unlike other business models, the identity of industry platforms is not constructed through collective sensemaking within organizations. Instead, it is collectively constructed through an iterative process involving discursive legitimation, which shapes public perception and understanding through ongoing communication, and performative legitimation, which confirms its effectiveness through tangible actions, within the platform ecosystem (Thomas and Ritala 2022). However, understanding the diverse actors that constitute the industry platform ecosystem adds a layer of complexity (Adner 2017; Gawer and Cusumano 2014). Some studies claim that a platform ecosystem includes the platform owner, platform provider, producers, and consumers (Tiwana et al. 2010; Van Alstyne et al. 2016), while others consider external actors in addition to the previously mentioned ones (Thomas and Ritala 2022).

Regardless of the diverse actors within the platform ecosystem, it is certain that the identity of industry platforms is formed at the ecosystem level rather than at the organizational level. Further, the role of the platform owner is crucial, mainly because platform identity is highly influenced by "the strategic decisions that platform owners make when they design their business, design their value proposition for each side, and choose their platform sides" (Gawer 2021, 7). Considering the different types of industry platforms and acknowledging that they (1) enable interactions between various ecosystem actors and (2) facilitate the creation of complementary innovations (de Reuver et al. 2018; Eisenmann et al. 2006; Gawer and Cusumano 2014; Hagiu 2014), the primary identity of a transaction platform is that of an "intermediary" that facilitates transactions or interactions among different sides (Caillaud and Jullien 2003, 310), which is the fundamental way these platforms create value (Cusumano et al. 2019; Gawer 2021). Conversely, the identity of an innovation platform is that of an "extensible codebase" (de Reuver et al. 2018, 126), serving as a technological foundation where third-party complementors develop complementary innovations, which is how innovation platforms create value (Cusumano et al. 2019; Gawer 2021).

TABLE 1 | Theoretical framework: identity, power, competence, and efficiency.

Theoretical lens	Definition
Identity	It defines what the organization stands for and how it perceives itself, primarily influenced by its strategic choices and the understanding of its role and purpose in the market or industry.
Power	It reflects the firm's ability to influence or control its stakeholders and the external market and industry dynamics, which are crucial for effective strategic decision-making.
Competence	It relates to the essential resources, skills, and capabilities needed to maintain a competitive advantage in a specific market or industry.
Efficiency	It focuses on the strategic decision of whether to produce internally or outsource from the market to optimize resource utilization and operational efficiency.

2.2.2 | Power

Organizational boundaries "determine the sphere of organizational influence, including its degree of industry control and its power over the external forces" (Santos and Eisenhardt 2005, 491). The control that a firm exerts over its different stakeholders in a specific market or industry is a key determinant of its success, as it impacts power distribution (McGahan 2000), market governance (Adams and Brock 1982; Gereffi et al. 2005), division of labor (Gereffi 1994), and the processes of value creation and capture (Ivarsson and Alvstam 2010). Consequently, each firm strives to control the industry bottleneck where key decisions are made (Pil and Holweg 2006), gain bargaining power over different stakeholders (Porter 1980), and achieve

control over strategic relationships, knowledge, and resources (Pfeffer and Salancik 1978; Garud and Kumaraswamy 1993). When a firm attempts to create an industry platform, the power dynamics between the platform owner and the diverse stakeholders, specifically potential ecosystem actors, should be drastically transformed (Eisenmann et al. 2006). Perhaps this can also be attributed to the fact that in industry platforms, value is co-created rather than created by a single entity (Ceccagnoli et al. 2012), which impacts the power dynamics between the platform owner and the diverse stakeholders (Springer et al. 2025; Van Alstyne et al. 2016). In the industry platform literature, power dynamics are mainly examined at two levels: (1) the meso-level, or the level of the ecosystem, and (2) the macro-level, or the level of the external environment.

The first level, the ecosystem level, has two primary phases where power dynamics are relevant. The first phase unfolds as the platform owner attempts to attract and integrate various actors into the platform ecosystem. This can be achieved either through pricing approaches (Bolt and Tieman 2008; Economides and Katsamakas 2006; Rochet and Tirole 2003, 2006), such as cross-subsidization strategies (Caillaud and Jullien 2001) and designing the appropriate pricing structure (Kaiser and Wright 2006), or through non-pricing approaches (Eisenmann and Hagiu 2007), such as executing marketing investments (Sridhar et al. 2011) and utilizing first-party content (Hagiu and Spulber 2013). The second phase proceeds after onboarding the different actors. In other words, when orchestrating the already established ecosystem (Chen et al. 2022; Springer et al. 2025). This can be achieved either through resource provision and control exertion (Foerderer et al. 2021), such as utilizing boundary resources (Eaton et al. 2015; Ghazawneh and Henfridsson 2013) and entry into complementors' markets (Foerderer et al. 2018; Young Kang and Suarez 2022), or through non-monetary and non-control means (Foerderer et al. 2021), such as designing ratings and reviews (Chan et al. 2022) and implementing mechanisms that guide user attention, for example, hashtags (Reuber and Fischer 2022). At the macro level, or the level of the external environment, platform owners must navigate dynamics that impact the evolution of the platform and its ecosystem (Tan et al. 2015; Tiwana et al. 2010). For instance, rapid advancements in digital technologies, such as artificial intelligence (Kiron and Schrage 2019), significantly impact platform strategies (Frishammar et al. 2018). Therefore, platform owners should closely monitor technological trajectories, particularly given the rapid, uneven, and widespread emergence of complementary and substitutive technologies. Additionally, other macro-environmental factors, such as government regulations (Wang et al. 2019), exemplified by the European Union's new Directive on Copyright in the Digital Single Market for content platforms (Stähler and Stähler 2022), and policies and antitrust laws (Spinello 2005; Wang 2022), also influence the power dynamics of platform owners.

2.2.3 | Competence

Organizational boundaries are "dynamically determined by matching organizational resources with environmental opportunities" (Santos and Eisenhardt 2005, 497). When creating an industry platform (Gawer and Cusumano 2014), a firm must align business- and technology-related competencies with market entry strategies (Gawer and Cusumano 2008), namely, market deepening, market broadening, or market creation (Teece et al. 2022), to leverage external opportunities (Santos and Eisenhardt 2005). Market deepening, which is the strategy adopted by the case firm, involves utilizing novel business and technology competencies to create new products and services for the same customer base (Teece et al. 2022), often established by incumbent firms (Anderson et al. 2022). Market broadening relies on existing business and technology competencies to offer new products and services to new customers (Teece et al. 2022), typically adopted by big-tech firms (Ozalp et al. 2022). Market creation leverages new business and technology competencies to develop products and services for entirely new customer bases (Teece et al. 2022), often pioneered by startup firms (Cennamo et al. 2022). Different scholars highlight diverse business-related competencies essential for establishing an industry platform, including generative sensing, asset orchestration, and business model selection (Teece 2017); sensing the internal environment, capturing value through connectedness, orchestrating silos, and transforming organizational boundaries (Pundziene et al. 2022); and managing platform envelopment (Eisenmann et al. 2011), among others. In a similar vein, the literature identifies diverse technology-related competencies, including Information Systems (IS) capabilities, namely, outside-in, inside-out, and spanning IS capabilities (Tan et al. 2015); information technology (IT) capabilities (Hanseth and Lyytinen 2010), such as modular technological architecture (Gawer 2014); and data management, technological functionalities, and ecosystem integration (Alaimo et al. 2020), among others.

It is worth highlighting that the perception of competencies differs throughout the transition from a pipeline model to an industry platform (Van Alstyne et al. 2016). The firm's competitive advantage in traditional value chain businesses stems from owning valuable, rare, inimitable, and non-substitutable resources (Barney 1986, 1991; Dierickx 1989). However, after creating an industry platform, the platform ecosystem becomes a valuable, rare, inimitable, and non-substitutable resource. This distinction stems from what uniquely defines an industry platform compared to other types, namely indirect or cross-group network effects (Gawer 2014; Gawer and Cusumano 2014). "Cross-group network effects can turn network participants, who are customers of a two-sided network, into critical resources that bring sustained competitive advantages to the network" (Sun and Tse 2009, 47). Furthermore, new competencies, whether business- or technology-related, are required following the establishment of an industry platform; however, this falls outside the scope of this study. These competencies include innovation capabilities, environmental scanning and sensing capabilities, and integrative capabilities for ecosystem orchestration (Helfat and Raubitschek 2018); strategies for mitigating the risk of multihoming (Doganoglu and Wright 2006); and approaches to cope with winner-take-all competition (Eisenmann et al. 2006), among others.

2.2.4 | Efficiency

Efficiency considerations are inherently linked to the make-versus-buy choices a firm faces; in other words, should the firm conduct a specific activity internally, or should it outsource it from the market (Santos and Eisenhardt 2005)? When transaction costs of a specific activity are high due to complexities or uncertainties, firms tend to handle these activities internally rather than outsourcing them through the market (Williamson 1985). While this logic applies to pipeline businesses, in industry platforms, efficiency considerations center on the platform owner's choice between controlling ecosystem actors or enabling them by granting autonomy over customer-facing activities (Gawer 2021; Hagiu and Wright 2018). Therefore, the creation of industry platforms shifts efficiency considerations from the firm level to the ecosystem level, thereby raising new trade-offs between "openness-versus-control" (Boudreau 2017, 227), or "controlling versus enabling" (Hagiu and Wright 2018, 577). At the ecosystem level, efficiency considerations require platform owners to strategically balance these trade-offs rather than resolve them by choosing one side over the other (Boudreau 2017). "Control" in industry platforms is equivalent to the "make" decision in pipeline businesses, as the platform owner tightens governance within the ecosystem to exert greater influence over ecosystem actors (Boudreau 2010; Hagiu and Wright 2018). However, "openness," or "enabling," goes beyond the traditional "buy" decision, as the platform owner relies on ecosystem actors to co-create value and allows them to make key choices, such as setting prices (Ceccagnoli et al. 2012; Hagiu and Wright 2018; West 2003). Therefore, efficiency choices impact the firm's governance structure and the governance approach that a platform owner utilizes to orchestrate its ecosystem (Porter 1980; Tiwana et al. 2010).

In the platform literature, the trade-off between openness-versus-control is predominantly examined within the context of innovation platforms rather than transaction platforms (Boudreau 2010; Ghazawneh and Henfridsson 2015; Parker and Van Alstyne 2018; Zhang et al. 2022). Consider, for instance, the vast number of applications developed on Apple's iOS platform (Van Alstyne et al. 2016), which has approximately 1.5 million applications. Apple alone could never develop this many applications by itself; for this reason, the company shifted to opening up the platform to third-party complementors to develop the applications, as it proved to be more efficient than developing them internally (Ghazawneh and Henfridsson 2013). Accordingly, in the context of innovation platforms, the outsourcing concept has evolved beyond its traditional boundaries observed in pipeline businesses, as third-party complementors not only complement but also replace activities that were once conducted internally (Van Alstyne et al. 2016), ultimately attracting significant attention. Although less examined in transaction platforms compared to innovation platforms, the decision between openness-versus-control presents a significant trade-off for transaction platform owners as well, with different scholars using diverse terminologies to refer to this trade-off, such as "controlling versus enabling" (Hagiu and Wright 2018, 577).

To summarize, previous research on industry platforms has mainly examined boundary choices after the platform has been created (Van Dyck et al. 2024), or in other words, platform boundaries (Gawer 2021). However, not all platforms are "born-platforms", as many incumbents transition from a pipeline model to a platform model (Teece et al. 2022, 8). This transition becomes particularly complex in B2B contexts (Ritala and Jovanovic 2024), where interdependent and trust-based relationships weaken the strength of network effects (Blackburn et al. 2023; Filosa et al. 2025), which are the defining feature of industry platforms (Gawer 2014; Gawer and Cusumano 2014). This, in turn, shapes how the dynamics of identity, power, competence, and efficiency are defined and managed (Santos and Eisenhardt 2005; Van Dyck et al. 2024). Consequently, this study aims to examine boundary choices prior to the creation of industry platforms, with particular emphasis on the transition from a pipeline model to a platform model in a B2B setting.

3 | Methodology

3.1 | Research Strategy

This study falls under the qualitative research type, based on an in-depth examination of a single case study. Generally speaking, case studies are beneficial for exploring questions that have not been thoroughly addressed (Leonard-Barton 1990). This applies to this study, as the topic of platform creation is an underexplored field (de Reuver et al. 2018; Gawer and Cusumano 2014; Shi et al. 2021; Tan et al. 2015). Furthermore, single case studies are justified when deeply examining a specific phenomenon in exceptional and difficult-to-replicate circumstances (Eisenhardt 1989; Eisenhardt and Graebner 2007), precisely the case firm's situation. To further clarify, the focus extends beyond the broad B2B context to the mobile machinery manufacturing industry in Finland, which is characterized by a few large manufacturers and numerous small suppliers that have built strategic partnerships over the years based on trust. For this reason, the co-authors' aim is not to create theoretical generalizations; instead, their aim is to generate rich and holistic accounts for theory-building and theory-testing that are based on a compelling case study in exceptional and difficult-to-replicate circumstances (Dyer and Wilkins 1991; Siggelkow 2007).

3.2 | Case Selection and Description

When conducting qualitative research, particularly a single case study, the case firm's selection is critical and directly impacts the research outcome, which depends on the quality and adequacy of the case (Dubois and Araujo 2007; Eisenhardt and Graebner 2007). Therefore, this study adopted a purposeful, straightforward sampling approach (Patton 1990). The co-authors specifically sought a firm that (1) has been operating in the industry for a few years, (2) operates in a B2B context rather than a B2C or C2C context, (3) did not start as an industry platform but has redefined its organizational boundaries to create one, and lastly, (4) is accessible for the co-authors to examine the changes resulting from business development activities closely.

The case firm is a Finnish company that began as a consulting firm, providing services that helped manufacturers enhance relationships with their network of suppliers. Responding to a

market need, precisely the absence of a (digital) tool that enables manufacturers to connect with their network of suppliers, the co-founders established a software enterprise. They aimed to provide a digital tool that facilitates better collaboration between manufacturers and their network of suppliers, ultimately enhancing the productivity of the manufacturers' value chain. The company focused on manufacturers for several years, concentrating on four main modules: purchasing and sourcing, supplier quality, engineering and development, and supplier master data. More recently, the company has deliberately shifted its focus toward suppliers, positioning them at the forefront and labeling the platform as the "Supplier Experience Platform".

Specifically, the firm has begun enhancing supplier engagement through several strategic initiatives, including but not limited to providing scalable integration of electronic data interchange, automating specific tasks to reduce costs, fostering transparent and collaborative relationships with manufacturers, eliminating the hassle of software installations, and customizing the interface to be more user-friendly. With over 5000 businesses on board, including manufacturers and suppliers, indirect network externalities emerged within the ecosystem. To elaborate, as more suppliers join, the ecosystem becomes increasingly valuable for manufacturers, and vice versa. Consequently, the firm foresaw an opportunity to internalize these externalities and reap the economic benefits of network effects (Liebowitz and Margolis 1994). The company aims to shift its primary operations from selling software that connects manufacturers with their network of suppliers to facilitating interactions between potential manufacturers and suppliers, regardless of whether the latter belong to the former's existing network.

The case firm is compelling because it enabled the co-authors to examine organizational boundary dynamics across two transitions, each marked by the active implementation of growth strategies that reshaped organizational structures and boundaries. Therefore, the case firm is ideal for examining how B2B firms redefine their organizational boundaries when shifting from a pipeline model to an industry platform. The case firm can be classified as a "talking pig" (Siggelkow 2007, 20), a unique case that provides an appropriate context for illustrating and conceptualizing the phenomenon under examination, and helps to evaluate and question both novel and traditional conceptual insights (Dyer and Wilkins 1991; Siggelkow 2007). Moreover, the co-authors have a long history of collaboration with the case firm, as shown in Table 2, ultimately providing a unique opportunity for exceptional access to research data (Yin 1994; Eisenhardt and Graebner 2007). Consequently, the purposeful sampling strategy combines intensity, opportunism, and convenience (Patton 1990).

3.3 | Data Collection and Analysis

The data sources utilized in this article are categorized into primary, mainly interviews, and secondary, particularly in-class workshops, industry events, and archival records, as illustrated in Table 2. The secondary data sources provided the foundation for gaining firsthand knowledge about the firm and building the semi-structured questionnaire used in the interviews. This semi-structured approach allowed for structure and flexibility (Giddens 1979; Gioia and Petre 1990), ultimately leaving room to discuss topics that emerged during the interviews. The interviewees were not chosen randomly but based on predefined criteria agreed upon by the co-authors. These criteria primarily required that interviewees had worked in the company either throughout the entire case analysis period or for a substantial portion of it and held positions whose decisions directly impacted the firm's boundaries. Alternatively, interviewees could be external stakeholders, mainly board members, whose influence on business development decisions shapes the firm's organizational boundaries.

Two different rounds of interviews were conducted, as illustrated in Table 3. The first round, from June 2023 to December 2023, consisted of 13 interviews, and the second round, from November 2024 to February 2025, included seven additional interviews, totaling 20. The interviews were conducted through Microsoft Teams, recorded with the interviewees' permission, and automatically transcribed using the software's functionality. The co-authors concluded the second round of interviews when the additional evidence provided by the new interviewees reached a point of irrelevance, ultimately achieving saturation (Yin 1994). It is worth noting that, since both primary data and most secondary data were generated by or closely linked to the platform owner, the analysis reflects the perspective of the platform owner as the focal actor.

After finalizing the interview process, the co-authors employed a descriptive strategy, incorporating content and thematic analysis, to analyze the data generated from these interviews (Yin 1994; Braun and Clarke 2006). One co-author coded the interviews using NVivo 14 to ensure consistency, while the other co-authors assisted through ongoing discussions and revisions to the coding structure. The coding process was iterative, involving continuous coding and recoding; it was consistently revisited as the analysis progressed, allowing for comparison of the emerging findings with the conceptual framework. Once the coding process was completed, the finalized data structure was generated (Corley and Gioia 2004; Gioia et al. 2013), mainly through an abductive approach (Dubois and Gadde 2002), which combines deductive and inductive methods. As depicted in Figure 1, the aggregate dimensions represent the four lenses that can be utilized to examine organizational boundaries (Santos and Eisenhardt 2005); the second-order themes capture the boundary choices within each of the four organizational boundaries; and the first-order concepts reflect the firm's actions that shaped these choices.

3.4 | Research Quality and Trustworthiness

The quality and trustworthiness of qualitative research primarily depend on the study's contextual validity (Ryan et al. 2002), which, in the context of a single case study, means demonstrating that the "researcher fully understands the case" (Ihantola and Kihn 2011, 42). Consequently, several steps were taken to ensure a thorough understanding of the case firm. In addition to employing a detailed data collection protocol, which is explained in the previous section, we deliberately engaged diverse interviewees, including both internal staff and external stakeholders, to create a holistic understanding of the complex

TABLE 2 | Primary and secondary data sources.

Data	Type of data	Main topics covered in the data source	Data usage in the analysis process
Interviews	First round: 13 semi-structured interviews, all recorded and transcribed, with co-founders, C-level executives, and board members who shape the firm's strategic direction. Second round: 7 semi-structured interviews, all recorded and transcribed, with co-founders, C-level executives, and board members who shape the firm's strategic direction.	First round: 2023/2024: The first round of interviews was structured chronologically, starting with questions about the company's establishment and progressing through subsequent developments, mainly reflecting the different phases identified in this study. The co-authors explored each phase's drivers, outcomes, and challenges. Furthermore, the role of pricing was extensively discussed, particularly in the final two phases. Second round: 2024/2025: Unlike the first round of revisions, which focused equally on the three different phases, the last round was primarily directed toward the final phase, which is the phase of creating an industry platform. The co-authors explored the current governance mechanisms, mainly those that the firm is currently developing, and the challenges the firm is currently facing. Furthermore, the topic of the firm's current identity had a significant share of the discussion, along with the evolution in power dynamics.	The semi-structured interviews were the primary data source, enabling the co-authors to understand the firm and its evolution process deeply. Interviews with various co-founders and board members were highly beneficial, as some had been involved since the firm's consulting phase, while others joined at later stages. This diversity of perspectives allowed the co-authors to develop a comprehensive understanding of the firm's evolution, ultimately leading to the creation of the industry platform. The data structure that was developed was mainly built based on the 20 interviews that were conducted.
In-class workshops	Notes from four workshops conducted by the case firm's co-founders as part of a course taught by one of the co-authors. The course focuses on business model innovation, with the firm acting as the primary case study and being incorporated into its assignments.	The discussions mainly revolved around business models and business model innovation, with the co-founders addressing the diverse business models the company has adopted over the past years. Furthermore, they explored the different components of the business model canvas during each of the company's significant transitions.	These insights were invaluable as they helped acquaint the other co-authors with the case firm, develop semi-structured interviews for the first and second rounds of the interview process, and assist in the coding process.
Industry events	Notes from two industry events attended by one of the co-authors. The case firm extended an invitation due to the close relationship between one of the co-authors and the firm. Both events were organized by the case firm and included both manufacturers and suppliers.	The discussions mainly revolved around industry trends, the case firm's market positioning, its future vision, and ways to enhance the supplier experience through the adoption of the software created by the case firm. Keynote speakers from the case firm, manufacturers, and suppliers also contributed to the event.	These insights primarily helped the co-author who attended these workshops to assist the other co-authors in developing a comprehensive understanding that extends beyond the borders of the case firm and includes ecosystem actors. Furthermore, the insights from this co-author were instrumental in challenging and further refining the data structure and the study's findings.
Archival records	Press releases, media articles, company websites, company social media pages (mainly LinkedIn), manufacturers' and suppliers' websites, other public documents, and companies' public presentations.	These different sources mainly covered the major events conducted by the case firm over the years, such as launching the software, collaborating with other software firms, and onboarding large manufacturers, among others. Furthermore, these sources provided the essential knowledge to familiarize oneself with the mobile machinery manufacturing industry dynamics.	These insights allowed the co-authors to develop a preliminary timeline highlighting the major events conducted by the company, ultimately identifying the three different phases discussed in this study. Furthermore, these secondary data sources enabled the triangulation of information, particularly when interpreting the interview material.

TABLE 3 | Summary of the two rounds of interviews.

	Interview	Interviewee's position	Duration (minutes)	Pages
Round 1	1	Chief Creative Officer, Co-founder	67	48
	2	Chief Operating Officer	34	37
	3	Senior Software Architect	54	61
	4	Sales Executive (Fin, Eng)	55	51
	5	Chief Business Design Officer, Co-founder	61	52
	6	Account Executive	47	48
	7	Customer Success Manager	51	56
	8	Chief Executive Officer, Co-founder	63	51
	9	Chief Creative Officer, Co-founder	57	53
	10	Chairman of the Board	57	46
	11	Chief Creative Officer, Co-founder	27	31
	12	Board Member, Co-founder, Professor	61	47
	13	Board Member, Co-founder, Professor	47	45
Round 2	14	Sales Executive (Fin, Eng)	61	40
	15	Senior Software Architect	53	39
	16	Chief Executive Officer, Co-founder	54	38
	17	Chief Technology Officer	51	42
	18	Chief Business Design Officer, Co-founder	54	41
	19	Board Member, Co-founder, Professor	48	43
	20	Chief Product Officer, Co-Founder	46	33
Total			1048	902

business development process and organizational boundary transformation (Dubois and Araujo 2007), ultimately ensuring the study's reliability (Yin 1994). Besides, on several occasions, we contacted some of the interviewees again to ask for clarification on specific topics or to request that they expand on others.

Furthermore, the co-authors reached out to two of the co-founders to review a draft version of the manuscript before each submission, ultimately reinforcing the study's validity (Yin 1994; Gibbert et al. 2008; Gibbert and Ruigrok 2010). Besides, multiple data sources, both primary and secondary, allowed for the triangulation of results to ensure data accuracy, thereby enhancing the study's reliability and validity (Yin 1994; Beverland and Lindgreen 2010). Consequently, the interplay between these different measures allowed the co-authors to examine diverse aspects of the examined phenomenon (Dubois and Gadde 2002), mainly in terms of capturing the changes in organizational boundaries, ultimately demonstrating a deep understanding of the case firm (Ihantola and Kihn 2011).

4 | Findings

Starting as a consulting firm and redefining its organizational boundaries to create an industry platform, the case firm went through an intermediate phase as a software enterprise offering a stand-alone product, ultimately resulting in three distinct phases. Within these three phases lie two significant transitions: first, from a consulting firm to a software enterprise, and second, from a software enterprise to an industry platform, each involving significant changes in the firm's organizational boundaries, as shown in Figures 2 and 4. Sections 4.1 and 4.2 depict these dynamics, with subsections 4.1.1 and 4.2.1 examining the changes in identity, power, competence, and efficiency (Santos and Eisenhardt 2005), and subsections 4.1.2 and 4.2.2 exploring the interplay among these boundary choices within each transition. Besides, Table 4 presents power quotes extracted from the interviews (Pratt 2008, 2009), with each quote corresponding to a specific transition and providing evidence of a particular organizational boundary change.

4.1 | The First Transition: From a Consulting Firm to a Software Enterprise

During this transition, the firm prioritized manufacturers as the primary target customers, who would later represent one side of the market. While the target group stayed the same in this first transition, the firm redefined its organizational boundaries

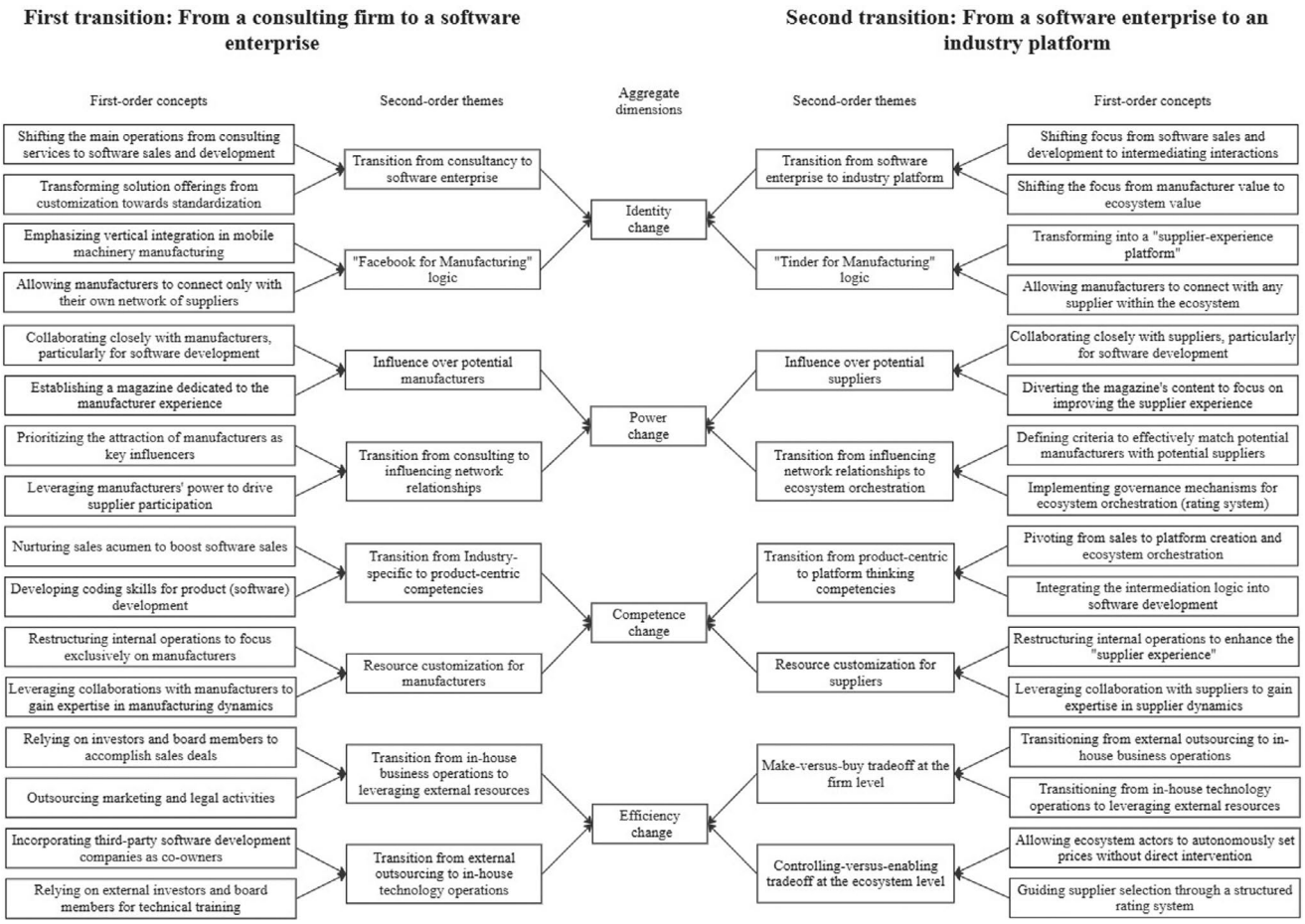

FIGURE 1 | Data structure.

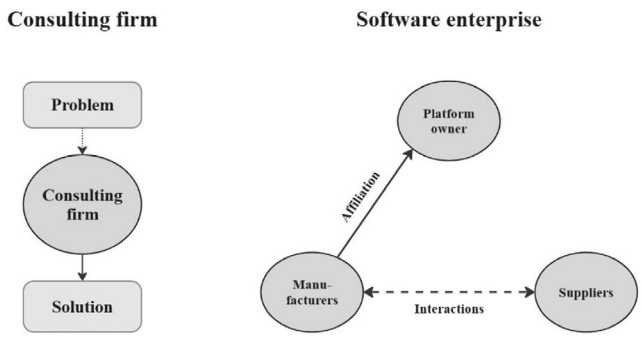

FIGURE 2 | The first transition: From a consulting firm to a software enterprise.

as its primary activity shifted from offering consulting services to providing a stand-alone product, the software, as depicted in Figure 2.

4.1.1 | Redefining Organizational Boundary Choices

The firm's identity shifted from that of a consulting firm to a software enterprise offering software as a service (SaaS). It described itself as the "Facebook for manufacturing" to highlight that its software enables manufacturers to connect with their "close friends", their suppliers. This identity was further refined by targeting a niche segment, manufacturers of wheeled machinery, ultimately becoming the "Facebook for mobile machinery manufacturers". Similarly, the firm redefined its power dynamics with manufacturers by shifting from evaluating manufacturers' supplier relationships to influencing their decisions to join the platform and leveraging their power over suppliers. It attracted influential investors and board members with significant influence over manufacturers and launched a magazine featuring manufacturer-related content. These moves paved the way for affiliations after onboarding, as the firm collaborated closely with manufacturers to meet their needs, ultimately elevating their switching costs.

This transition required a significant shift in the competencies sustaining the firm's competitive advantage, thereby bringing product-centric competencies, specifically software sales and software development, to the forefront. With a consulting background, the firm lacked sales-oriented expertise, particularly in software sales, and therefore had to both develop this competence and adapt existing skills to meet manufacturers' needs. In software development, it drew on collaborations with manufacturers to understand their dynamics but lacked the coding skills needed to build the product. Moreover, the firm redefined its efficiency choices by shifting business-related operations to external stakeholders while bringing technology-related ones in-house. It relied on investors and

TABLE 4 | Power quotes reflecting organizational boundary changes across the two transitions.

	The first transition	The second transition
Identity	"We made this kind of pivot when we decided that we are an enterprise software. We need to focus on enterprise sales and concentrate on business-critical processes, such as purchase orders" (Chief Creative Officer, Co-founder) "We are the Facebook for a manufacturing company" (Chief Creative Officer, Co-founder)	"We call ourselves the supplier experience platform because we think that our job is to deliver the kind of place where customers can serve their suppliers perfectly and smoothly" (Chief Creative Officer, Co-founder) "We are developing and planning how to make this kind of Tinder application. If you start using (the name of the platform), you can search for suppliers and establish relationships there, just as you can do individually on LinkedIn or Facebook. We couldn't do it before because there were not enough suppliers. With them inside and the platform expanding, it's possible to create features that help you find new suppliers" (Chief Creative Officer, Co-founder).
Power	"Suppliers do not have the power in a network to dictate to their customers what system to use. So, the key to marketing and selling (the name of the platform) still lies with those bigger customers who have started using (the name of the platform) in their network management" (Board Member Co-founder, Professor) "We were listening closely to our potential and existing customers, conducting workshops, and through this process, we managed to find visionary customers who wanted to start using [*the platform's name intentionally removed*]" (Chief Creative Officer, Co-founder)	"We need to develop (the name of the platform) in a way that suppliers also want to use (the name of the platform), ensuring that it not only serves customers but also meets the needs of suppliers. We need to understand what suppliers want and identify the pain points they currently face when using (the name of the platform). Additionally, we should offer various ways they can utilize the platform with their customers, whether manually, through integration, or something in between. There can be many different technical solutions on how to use (the name of the platform), and we need to find the best one for the supplier" (Customer Success Manager) "We have now built quite a good network of companies or an ecosystem using (the name of the platform). Now, we can see that some of our customers have heard about (the name of the platform) from their suppliers. Their suppliers tell them, 'Hey, we are using this system with our other customers. You should also look into this because it will bring you this and this value'" (Chairman of the Board).
Competence	"We had the idea and concept, but we lacked coding knowledge. We are a software company, and our latest acquired capability was in software development" (Chief Creative Officer, Co-founder) "We were lost with sales then because we had no background there. We did not have a CSO profile type in our founding team, so we used external advisers" (Chief Business Design Officer, Co-founder)	"From a technical standpoint, the Tinder logic might not be a walk in the park; it could take some serious development. We do not know what each supplier is selling, so we don't have a way to connect the right suppliers from other networks to one customer. I think that's quite a big challenge, but if we knew what the supplier is supplying, then it might be easier" (Chief Operating Officer)
Efficiency	"We tried to create the product with outsourced software development services. So, we were buying development work from a third-party company. However, it was really expensive, and the result was not what we hoped for" (Chief Executive Officer, Co-founder) "Our product is in good shape. It has been developed rapidly, with a dedicated team of around ten people consistently working on product development" (Chief Business Design Officer Co-founder) "Those board members have been opening doors for some publicly listed companies, making introductions, and even accompanying us in early meetings" (Chief Business Design Officer, Co-founder)	"It has evolved a lot, and since we started to hire people in sales and marketing, we used to handle it just with me and the other founders. But now we have four full-time people dedicated to sales, including one marketing person" (Chief Business Design Officer, Co-founder) "We changed the platform to (a major cloud computing service provider). We knew that (the provider) was a major player in this market. So, every manufacturing company has (the provider's) product in it. It was also this kind of credibility thing. We relied on (the provider) as we were confident in them. And because when you are running a business-critical process, it needs to be up and running all the time, around the clock" (Chief Creative Officer, Co-founder)

board members to secure sales deals instead of creating its own sales department and engaged external marketing agencies rather than building an in-house marketing team. In contrast, the firm established an internal product development unit to manage software development, which proved more efficient and effective than its previous unsuccessful outsourcing attempt.

4.1.2 | Interplay Among Organizational Boundary Choices

These individual boundary choices unfolded in an interdependent manner, with their interplay illustrated in Figure 3. After identifying a gap in the market for a digital tool to connect manufacturers with suppliers, the firm chose to reposition itself around a redefined organizational identity. Instead of remaining a consulting firm examining manufacturer-supplier relationships, it positioned itself as a software enterprise offering a stand-alone product that connects manufacturers with their network of suppliers. This shift required redefining power dynamics with stakeholders, particularly manufacturers, to secure their adoption of the platform and long-term affiliation. The firm also leveraged manufacturers' influence to drive supplier adoption. In line with the new identity and evolving power dynamics, novel business and technological competencies, particularly in software sales and software development, became central to the firm's activities. These shifts shaped efficiency choices, thereby leading to divergent make-versus-buy decisions for business- and technology-related operations.

Given its lack of credibility and the challenges of being a small new entrant, the firm leveraged external resources to attract manufacturers. It extended power through influential external stakeholders, mainly investors and board members, which proved more efficient and effective in influencing manufacturers' adoption decisions than relying only on internal competencies. This approach reinforced the firm's identity as a software enterprise, particularly as software sales became a key activity during this transition. However, securing sales required more than sales competencies; it also needed a reliable product supported by strong software development capabilities. Therefore, technological competencies emerged as another critical success factor alongside software sales. Acknowledging the limitations of outsourcing its core competencies, specifically software development, the firm brought these activities in-house after an initial outsourcing attempt that proved less efficient and less effective. Internalizing software development enabled tailored customization to meet manufacturers' specific needs, strengthened their commitment, and increased switching costs, ultimately reinforcing the firm's identity as a software enterprise.

As a result of the interplay among the boundary choices, the firm established a bounded ecosystem by focusing on a single side: manufacturers. This was achieved by accumulating

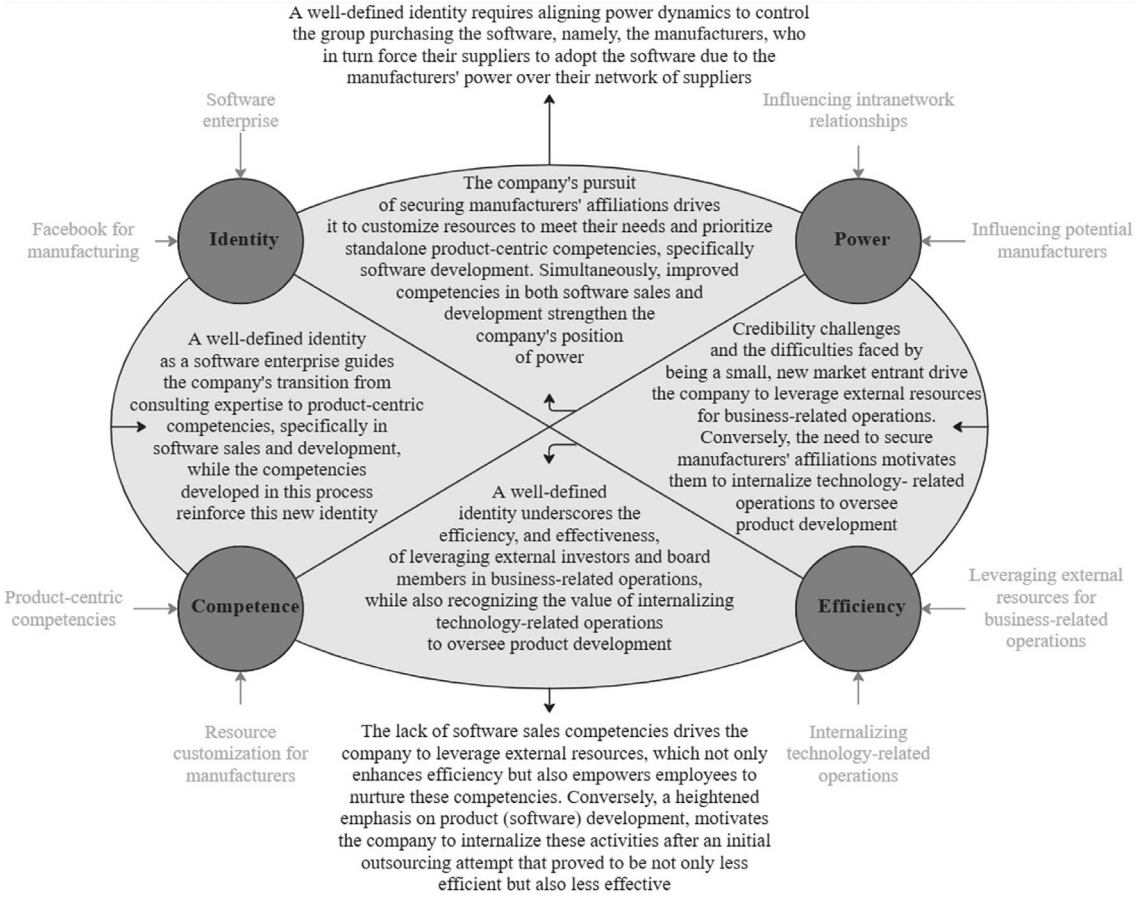

FIGURE 3 | The first transition: The interplay among the diverse organizational boundaries.

overlapping manufacturer-supplier networks, as shown in Figure 4. To illustrate, at T1, the first manufacturer brought its entire supplier network to the software. By T2, the second manufacturer needed to onboard only 95% of its suppliers, as 5% were already connected through the first manufacturer. This effect was reinforced by the firm's niche strategy, targeting mobile machinery manufacturers. By T20, the 20th manufacturer onboarded 50% of its suppliers, with the other 50% already connected through the preceding 19 manufacturers. Therefore, as more manufacturers adopt the software, the number of suppliers grows accordingly, ultimately reducing the onboarding burden for new manufacturers and making the software more attractive.

4.2 | The Second Transition: From a Software Enterprise to an Industry Platform

During the second transition, the firm redirected its primary focus from manufacturers to suppliers, who represent the other side of the market. This change did not mean overlooking manufacturers; instead, it marked the emergence of new activities dedicated to suppliers and the broader ecosystem. Consequently, the firm is redefining its organizational boundaries as its primary activity shifts from providing a stand-alone product to intermediating interactions between potential manufacturers and potential suppliers, as depicted in Figure 5.

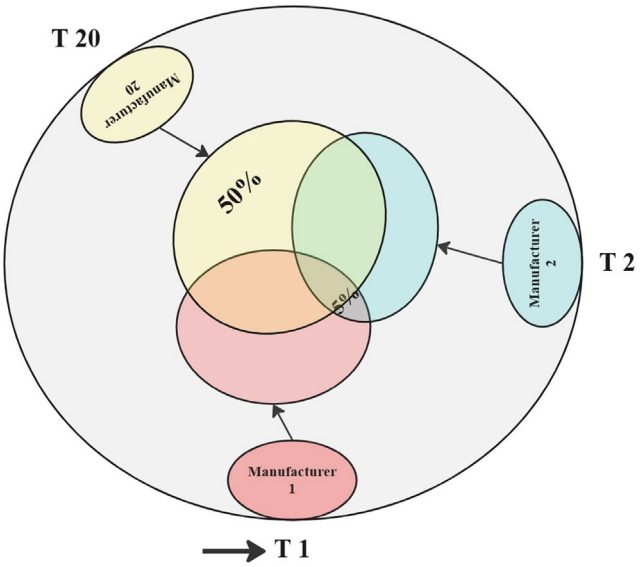

FIGURE 4 | Overlapping manufacturers' networks.

4.2.1 | Redefining Organizational Boundary Choices

The firm's identity shifted from a software enterprise to an industry platform, specifically a transaction platform. This marked a shift from valuing only manufacturers to valuing the entire ecosystem, with particular emphasis on suppliers by placing them at the core and branding the platform as the "Supplier Experience Platform". In informal discussions, the firm described itself as the "Tinder for manufacturing" to highlight that manufacturers can now connect with any supplier in the ecosystem. Similarly, the firm deliberately redefined power dynamics within the platform ecosystem by shifting from leveraging manufacturers' influence to directly engaging potential suppliers and orchestrating interactions between both sides. To secure supplier affiliation, it collaborated with them to customize the software to their needs and redirected the magazine's focus toward supplier-related content. In parallel, the firm has established criteria for matching manufacturers with suppliers, such as services offered, delivery times, and sustainability requirements, and has developed governance mechanisms to orchestrate ecosystem interactions.

The transition toward an industry platform brought platform-thinking competencies, particularly platform creation and ecosystem orchestration, to the forefront. While software sales remain essential for attracting more manufacturers and, increasingly, suppliers, they are no longer the primary focus, and despite strengthening its coding skills during the previous transition, the firm lacked the mindset to embed intermediation logic into software development. To build the new competencies, the firm restructured internal operations to enhance supplier experience and leverage close collaboration, ultimately deepening its understanding of supplier dynamics and developing a holistic view of the ecosystem. Moreover, the firm redefined its efficiency choices by moving business-related operations in-house while leveraging external partnerships to align technology-related ones with a platform-thinking mindset, particularly intermediation. The role of investors and board members in attracting manufacturers diminished as the firm internalized this activity by creating a sales department for both manufacturers and suppliers, while it externalized specific technology-related projects through partnerships with universities and research

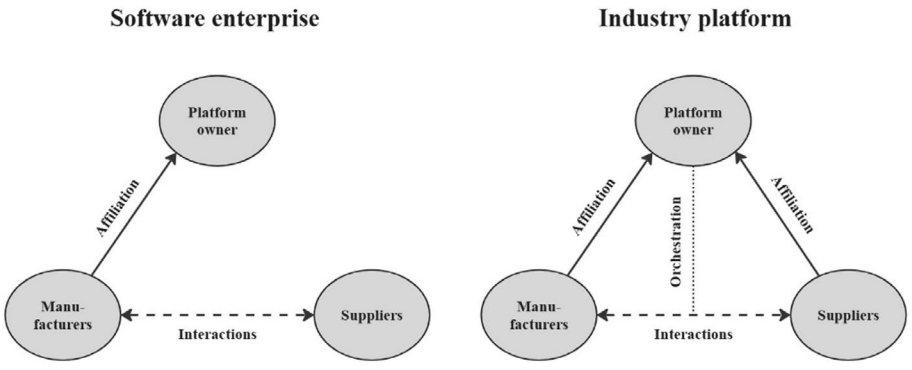

FIGURE 5 | The second transition: From a software enterprise to an industry platform.

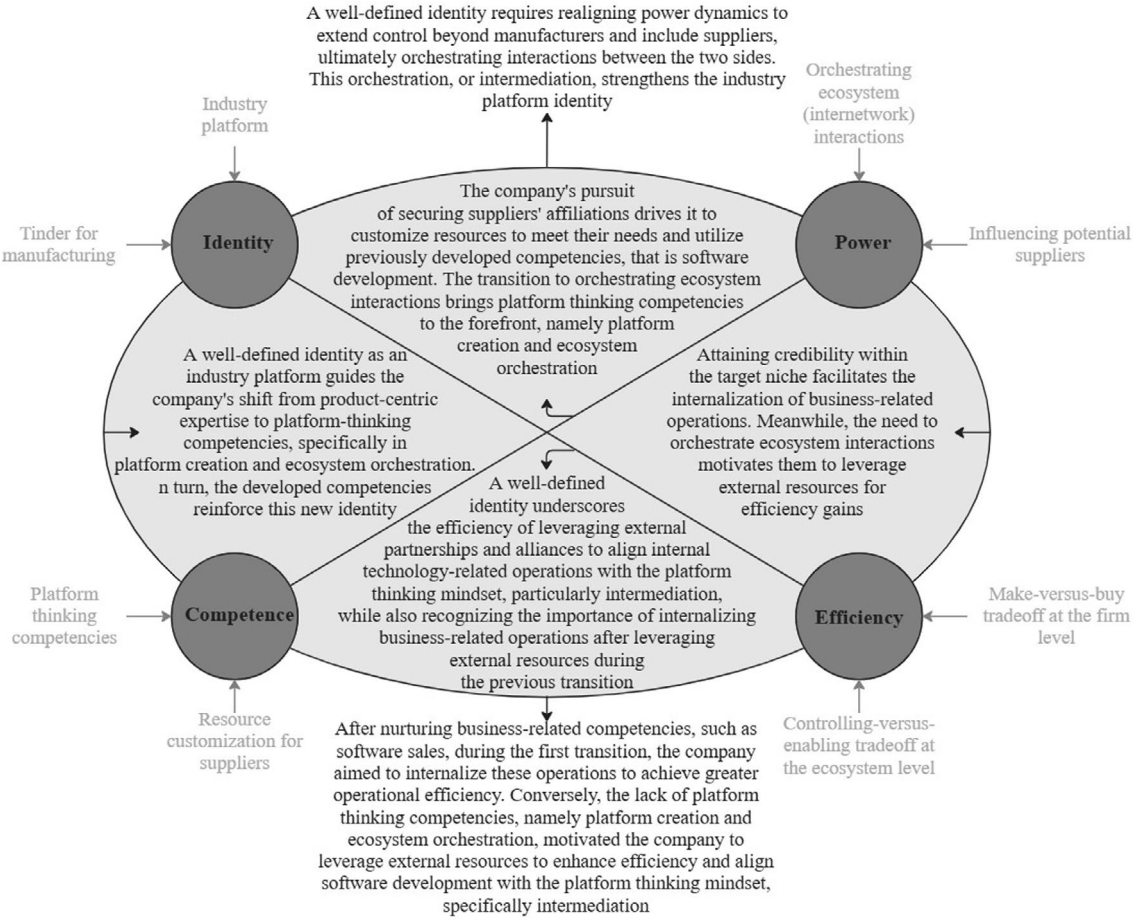

FIGURE 6 | The second transition: The interplay among the diverse organizational boundaries.

centers to design matching foundations and governance mechanisms. Efficiency considerations began to extend beyond the firm to the ecosystem level, as it aims to balance exerting control with granting autonomy to actors, exemplified by enabling manufacturer-supplier matching through a rating system while allowing them to set their own prices.

4.2.2 | Interplay Among Organizational Boundary Choices

During the second transition, the boundary choices likewise evolved in an interdependent manner, with their interplay illustrated in Figure 6. After onboarding a critical mass of actors, mainly manufacturers, along with suppliers who joined through their manufacturer relationships, indirect network externalities intensified within the ecosystem. In response, the firm is repositioning itself around a new organizational identity, shifting from a software enterprise that serves manufacturers to an industry platform that matches manufacturers with suppliers. This shift required redefining power dynamics with ecosystem actors, particularly suppliers, by transitioning from indirect influence toward direct engagement to secure their affiliation before orchestrating broader ecosystem interactions. In line with the new identity and evolving power dynamics, the firm began broadening its competencies to embrace a platform-thinking mindset. While software sales and software development remained important for attracting actors, they are insufficient to drive this transition; platform creation and ecosystem orchestration emerged as the critical competencies for this phase. Efficiency considerations drove make-versus-buy decisions for business- and technology-related operations along paths opposite to those in the previous transition. Furthermore, the focus of efficiency is shifting from the firm to the broader ecosystem, mainly manifesting as a controlling-versus-enabling trade-off.

The firm internalized sales through a dedicated department, building on the strong sales competencies developed in the first transition, and brought marketing and legal functions in-house. Consequently, attracting additional manufacturers has become less challenging, while the primary challenge now lies in attracting suppliers whose manufacturers are not yet on the platform. Recognizing that supplier acquisition requires more than sales expertise, the firm shifted its focus from customizing resources for manufacturers to tailoring them for suppliers, and rebranded the platform as the "Supplier Experience Platform". Consequently, this paved the way for a marketplace that connects potential manufacturers with potential suppliers. In line with this new identity and the shift toward a platform-thinking mindset, the firm relied on external partnerships to align its technological competencies with those needed for platform creation and ecosystem orchestration. This approach proved more efficient than hiring new platform specialists and somewhat mirrored the strategy adopted for software sales in the previous transition.

As a result of the interplay among the boundary choices, the firm has established an industry platform by expanding its focus beyond manufacturers. Specifically, this was achieved by extending affiliations from one side of the ecosystem, manufacturers, to the other, suppliers, ultimately orchestrating interactions between the two, as depicted in Figure 5. Consequently, suppliers whose affiliated manufacturers are not part of the platform ecosystem are incentivized to join to access potential manufacturer partners. Simultaneously, manufacturers whose associated suppliers are not in the platform ecosystem are encouraged to join to connect with potential suppliers.

5 | Discussion

Our analysis traced the progressive transition of a firm operating in the B2B context toward creating an industry platform, which was characterized by an intermediate phase in which a stand-alone product was offered. This progression unfolded across two main transitions, each marked by redefining diverse organizational boundaries (Santos and Eisenhardt 2005). To enrich theoretical understanding, we present a set of propositions that delineate boundary choices within each transition and their interplay across the two transitions, as shown in Table 5. These propositions clarify how the reconfiguration of boundary choices related to identity, power, competence, and efficiency, along with their interplay, enabled the emergence of a B2B industry platform.

The identity of a platform owner is closely tied not only to the firm's main activity (Kogut 2000) but also to the product or service it offers, as well as to the potential ecosystem actors who utilize that product or service (Van Alstyne et al. 2016). Perhaps the primary reason for involving ecosystem actors is that, in industry platforms, the platform owner cannot create value alone; therefore, its identity cannot be constructed only through collective sensemaking within the organization (Thomas and Ritala 2022). Instead, as value is co-created with diverse actors in the platform ecosystem (Ceccagnoli et al. 2012; Gawer 2014), identity is crafted at the ecosystem level through discursive and performative legitimation (Thomas and Ritala 2022).

When the firm transitioned to offering a stand-alone product, it positioned itself as a software enterprise through both internal narratives and formal communication channels. Informally, it compared its role to that of Facebook, highlighting how it enabled manufacturers to connect with their network of suppliers. Thereafter, as it shifted toward creating an industry platform, the firm revisited its identity. It presented itself as the "Supplier Experience Platform" in formal communication and workshops, aiming to shift the focus toward suppliers who had been overlooked in the first transition. Informally, it compared its role to that of Tinder, as it facilitated connections between potential manufacturers and potential suppliers. This evolving identity not only reflected the company's main activity and addressed the questions "Who are we as an organization?" and "What kind of organization is this?" (Albert and Whetten 1985; Gioia and Thomas 1996) but also clarified "Who are we currently serving?" and "What is our main value proposition for them?" (Gawer 2021). Consequently, we propose the following:

Proposition 1a. *When a platform owner initiates the development of a stand-alone product, it redefines its identity to emphasize the main activity and product over direct users and constructs this identity through shared understanding at the organizational level, which reduces internal ambiguity about the firm's evolving role.*

Proposition 1b. *When both sides are on board, the platform owner redefines their identity to emphasize ecosystem actors, specifically the subordinate side, over the main activity and product, and constructs this identity through deliberate communication and actions at the ecosystem level, which strengthens the subordinate side's willingness to collaborate.*

Organizational identity has always been linked to the firm's primary activity (Kogut 2000); however, when creating an industry platform, identity dynamics are linked not only to the firm's main activity but also to the products or services offered and the sides being served. Despite existing research into the identity dynamics of industry platforms, both innovation and transaction ones (Caillaud and Jullien 2003; de Reuver et al. 2018), the dynamics preceding the actual creation of the platform remain relatively overlooked. With these propositions, we not only extend existing research by exploring how the identity of industry platforms emerges but also connect and integrate different studies that engage in the identity discourse within the platform context (Cusumano et al. 2019; Gawer 2014, 2021; Thomas and Ritala 2022).

The power dynamics between a B2B platform owner and diverse stakeholders, particularly potential ecosystem actors, involve a gradual progression toward securing their affiliation (Eisenmann and Hagiu 2007; Hagiu and Wright 2015; Loux et al. 2020), ultimately orchestrating their interactions (Chen et al. 2022). Unlike in B2C and C2C contexts, where pricing plays a vital role in overcoming the chicken-and-egg dilemma (Bolt and Tieman 2008; Rochet and Tirole 2003, 2006), in B2B contexts, non-pricing approaches take precedence, with pricing serving only as a supplementary component. Perhaps this can be attributed to the fact that B2B relationships are generally longer-term, with parties being less willing to take risks and more rational in their decision-making processes (Luoto et al. 2017), thereby requiring more customized non-pricing approaches to secure their affiliation. Moreover, akin to B2C and C2C contexts, a B2B platform owner utilizes soft and hard governance approaches simultaneously to ensure effective ecosystem orchestration once actors are affiliated (Chen et al. 2022; Foerderer et al. 2021).

When the firm transitioned to offering a stand-alone product, it focused on attracting and integrating the dominant market side, manufacturers, through non-pricing approaches to secure their affiliation. Simultaneously, it leveraged manufacturers' influence over their supplier networks and complemented this by offering the product to suppliers for free to stimulate their software adoption. Despite overcoming the chicken-and-egg dilemma, that is, bringing both sides on board, the industry platform had not yet been established, as affiliation was secured only with manufacturers. Therefore, in transitioning toward an industry platform, the firm employed non-pricing approaches to secure affiliation with suppliers, ultimately setting the stage for

orchestrating interactions between manufacturers and suppliers. Therefore, we propose the following:

Proposition 2a. *When affiliation from both sides is absent, the platform owner employs non-pricing approaches to engage the dominant side while leveraging power dynamics and pricing to attract the subordinate side, which leads to affiliation of the dominant side and onboarding of the subordinate one.*

Proposition 2b. *When affiliation from the dominant side is secured, the platform owner employs non-pricing approaches with the subordinate side, who had not been directly engaged in the previous transition, which leads to the subordinate side's affiliation and enables the orchestration of interactions between ecosystem actors.*

The power dynamics of an organization typically revolve around its influence over external forces (Santos and Eisenhardt 2005). However, when these forces include diverse actors who collaborate with the organization to create value, power dynamics shift from only exerting influence to securing affiliations with those actors. This is precisely the case in industry platforms (Ceccagnoli et al. 2012), where affiliations must be secured with diverse ecosystem actors (Hagiu and Wright 2015). These propositions demonstrate that pricing alone cannot attract and integrate diverse actors into a B2B platform ecosystem or secure their affiliation. Instead, non-pricing approaches take precedence, while pricing serves only a supplementary role. Besides, overcoming the chicken-and-egg dilemma (Caillaud and Jullien 2003; Rochet and Tirole 2003), if not linked to securing affiliations (Hagiu and Wright 2015; Loux et al. 2020), does not necessarily result in the creation of an industry platform. Consequently, this calls for a reassessment of the features that distinguish an industry platform from other types. These features include (1) the presence of indirect network externalities (Gawer and Cusumano 2014; Katz and Shapiro 1985), (2) the establishment of affiliations between different sides and the platform owner (Hagiu and Wright 2015; Loux et al. 2020), (3) the facilitation of direct interactions between these sides (Gawer 2014; Hagiu and Wright 2015), and (4) the orchestration of these interactions by the platform owner (Gawer 2014; Tiwana et al. 2010).

The ability of an organization to compete effectively depends on developing competencies that align with emerging opportunities in a specific market or industry (Barney 1991; Santos and Eisenhardt 2005; Teece et al. 2022). When offering a stand-alone product, the firm operates within the boundaries of a conventional pipeline model (Van Alstyne et al. 2016), where value is created and delivered through the firm's value chain (Porter 1985). Consequently, the competencies developed are typically product-centric, focusing on the development, delivery, and ongoing support of that offering (Van Alstyne et al. 2016). However, as the firm shifts toward creating an industry platform, the pipeline logic no longer holds, and a platform-thinking mindset begins to take precedence (Trabucchi and Buganza 2022). Therefore, the firm develops competencies that extend beyond the product itself to support the creation of the platform and the orchestration of ecosystem interactions (Helfat and Raubitschek 2018).

In the first transition, the firm shifted from industry-specific competencies, mainly related to its consulting work in the manufacturing sector, to product-centric competencies focused on software sales and software development. In the second transition, the firm prioritized platform-thinking competencies, namely platform creation and ecosystem orchestration, to establish criteria for matching manufacturers with suppliers and to orchestrate ecosystem interactions. However, the previously developed competencies in software sales and software development were not discarded; instead, they were leveraged to customize the software to meet the needs of the other side of the market, specifically suppliers. Thus, while the first transition marked a focus on developing software-related competencies, the second transition emphasized platform-thinking competencies, with the platform ecosystem becoming the source of competitive advantage and software-related competencies providing complementary support. Thus, we propose the following:

Proposition 3a. *When product-related expertise is absent, the platform owner develops competencies directly tied to the stand-alone product to serve the targeted side, thereby shifting the source of competitive advantage toward these product-centric competencies.*

Proposition 3b. *When a platform-thinking mindset is absent, the platform owner leverages product-centric competencies to serve the other market side while developing platform-thinking competencies, thereby shifting the source of competitive advantage to the broader platform ecosystem.*

In pipeline businesses (Van Alstyne et al. 2016), a competitive advantage typically arises from a specific resource, a developed competence, or, more often, from the interplay between resources and competencies (Santos and Eisenhardt 2005). From the resource-based view, resources include the assets, capabilities, processes, information, and knowledge that a company controls and can strategically leverage to secure a competitive advantage (Barney 1986, 1991). However, based on the propositions presented, the competitive advantage of a platform owner does not stem from specific resources as traditionally understood, nor from platform-thinking competencies per se. Instead, when creating an industry platform through the intermediate step of offering a stand-alone product, competitive advantage initially emerges from product-centric competencies and resources, before later shifting to the ecosystem (Sun and Tse 2009). This ecosystem is neither owned nor controlled by the company but orchestrated by it, and it is where diverse actors interact to co-create value (Ceccagnoli et al. 2012; Tiwana et al. 2010; Van Alstyne et al. 2016). This highlights the need for further exploration of how the platform ecosystem can be conceptualized as a resource and under what conditions it can generate (sustainable) competitive advantage, akin to the VRIO framework in the resource-based view (Barney 1991).

Efficiency choices mainly concern whether the firm should conduct an activity internally or outsource it. However, the perception of efficiency evolves as a firm transitions from a pipeline model (Van Alstyne et al. 2016), exemplified by offering a stand-alone product (Wortmann et al. 2024), to creating an industry platform (Gawer and Cusumano 2014). In a pipeline model, the

make-versus-buy decision determines for each primary or supporting activity whether it should be internalized or outsourced (Williamson 1985). However, as a company transitions toward an industry platform, the scope of efficiency decisions broadens, reflecting the shift from selling a specific product or service to orchestrating ecosystem interactions (Eisenmann and Hagiu 2007, 200; Gawer 2014; Gawer and Cusumano 2014). More specifically, efficiency considerations shift from make-versus-buy decisions to determining whether to tightly govern the behavior of ecosystem actors (control) or grant them autonomy for independent decision-making (enable/openness) (Boudreau 2017; Santos and Eisenhardt 2005), such as setting their own prices (Hagiu and Wright 2018).

In the first transition, the firm faced a trade-off between internalizing business-related activities tied to the stand-alone product, namely software sales, or outsourcing them; a similar trade-off applied to technology-related activities, specifically software development. However, in the second transition, the make-versus-buy trade-off no longer centered on product-related activities but instead on platform-thinking activities. At the same time, a control-versus-enable trade-off emerged regarding the extent of control over interactions between manufacturers and suppliers. To address this, the firm has established a rating system to connect potential manufacturers and suppliers (control), while stepping back from intervening in pricing (enable), thereby seeking a balance between controlling and enabling. Accordingly, we propose the following:

Proposition 4a. *When value is created within the organization, the platform owner faces make-*versus*-buy trade-offs concerning whether business and technology activities tied to the stand-alone product are performed internally or outsourced, thereby keeping efficiency considerations confined to the organizational level.*

Proposition 4b. *When value is co-created within the ecosystem, the platform owner's focus shifts from make-*versus*-buy trade-offs tied to stand-alone product activities to those associated with platform-thinking activities, while managing a control-*versus*-enable trade-off, thereby redefining efficiency considerations at the organizational level and extending them to the ecosystem level.*

These propositions extend the industry platform literature not by highlighting that efficiency involves a control-versus-enable trade-off rather than a make-versus-buy trade-off, which is already an established argument (Boudreau 2017; Hagiu and Wright 2018), but by showing that both trade-offs co-occur, albeit at different levels. The make-versus-buy decision still exists within the firm's value chain (Gawer and Cusumano 2014; Porter 1985), particularly at the organizational level; however, the conventional value chain no longer serves as the primary pathway for value creation. Instead, value is primarily (co-)created through activities at the ecosystem level (Adner 2017; Ceccagnoli et al. 2012), mainly orchestration (Foerderer et al. 2021; Tiwana et al. 2010), which involves managing a control-versus-enable trade-off and is reinforced by activities at the organizational level, such as hiring (Ge et al. 2020). Accordingly, this redefines primary activities as those occurring at the ecosystem level, complemented by supporting activities managed at the organizational level, with the former involving a control-versus-enable trade-off and the latter a make-versus-buy trade-off.

The above eight propositions explain how choices related to each organizational boundary evolve during the creation of an industry platform. In practice, these boundary choices do not change in isolation; instead, they evolve concurrently (Santos and Eisenhardt 2005), with changes in one boundary simultaneously reshaping and being reshaped by the others (Huikkola et al. 2020). To capture this dynamic within and across the two transitions, we formulate two propositions, 5a and 5b, that conceptualize the interplay among boundary choices related to identity, power, competence, and efficiency.

In the first transition, addressing the need for a digital tool to connect manufacturers with their supplier networks, which was a clear market gap at the time, triggered an identity shift toward becoming a software enterprise offering a stand-alone product. This new identity, in turn, redefined the firm's power dynamics by exerting influence over manufacturers and leveraging their power over suppliers, required the development of software sales and software development competencies, and shaped efficiency considerations that favored outsourcing business operations while internalizing technology-related ones. Consequently, the firm deepened manufacturers' dependence on its software, which increased their switching costs and locked them in, ultimately securing their affiliation. Therefore, we propose the following:

Proposition 5a. *When a market gap is addressed by developing a stand-alone product for an existing customer base that serves as a gateway to broader participation, it triggers an identity shift toward the new product; this shift reconfigures power, competence, and efficiency dynamics within the logic of a pipeline model and in a mutually reinforcing manner, ultimately securing the affiliation of that customer base.*

In the second transition, securing the affiliation of manufacturers and onboarding suppliers sparked network externalities, which consequently triggered an identity shift toward the unaffiliated side, ultimately paving the way for orchestrating ecosystem interactions. This new identity, in turn, redefined the firm's power dynamics by extending its influence beyond manufacturers to include suppliers, required the development of platform-thinking competencies, and reshaped efficiency considerations by prioritizing the internalization of core business operations, the selective outsourcing of technological activities, and the extension of efficiency concerns to the ecosystem level. Consequently, the firm deepened its understanding of suppliers and secured their affiliation, thereby orchestrating interactions between the affiliated sides. Thus, we propose the following:

Proposition 5b. *When affiliations with the initial customer base are secured and network externalities emerge with the onboarding of additional sides, it triggers an identity shift toward the newly integrated side; this shift reconfigures power dynamics to secure further affiliations, redirects competencies toward platform-thinking, and extends efficiency considerations to the*

TABLE 5 | Research propositions on organizational boundary dynamics in B2B industry platform creation.

	Transitioning toward offering a stand-alone product	Transitioning toward creating an industry platform
Identity	When a platform owner initiates the development of a stand-alone product, it redefines its identity to emphasize the main activity and product over direct users and constructs this identity through shared understanding at the organizational level, which reduces internal ambiguity about the firm's evolving role.	When both sides are on board, the platform owner redefines their identity to emphasize ecosystem actors, specifically the subordinate side, over the main activity and product, and constructs this identity through deliberate communication and actions at the ecosystem level, which strengthens the subordinate side's willingness to collaborate.
Power	When affiliation from both sides is absent, the platform owner employs non-pricing approaches to engage the dominant side while leveraging power dynamics and pricing to attract the subordinate side, which leads to affiliation of the dominant side and onboarding of the subordinate one.	When affiliation from the dominant side is secured, the platform owner employs non-pricing approaches with the subordinate side, who had not been directly engaged in the previous transition, which leads to the subordinate side's affiliation and enables the orchestration of interactions between ecosystem actors.
Competence	When product-related expertise is absent, the platform owner develops competencies directly tied to the stand-alone product to serve the targeted side, thereby shifting the source of competitive advantage toward these product-centric competencies.	When a platform-thinking mindset is absent, the platform owner leverages product-centric competencies to serve the other market side while developing platform-thinking competencies, thereby shifting the source of competitive advantage to the broader platform ecosystem.
Efficiency	When value is created within the organization, the platform owner faces make-versus-buy trade-offs concerning whether business and technology activities tied to the stand-alone product are performed internally or outsourced, thereby keeping efficiency considerations confined to the organizational level.	When value is co-created within the ecosystem, the platform owner's focus shifts from make-versus-buy trade-offs tied to stand-alone product activities to those associated with platform-thinking activities, while managing a control-versus-enable trade-off, thereby redefining efficiency considerations at the organizational level and extending them to the ecosystem level.
The interplay between organizational boundary choices	When a market gap is addressed by developing a stand-alone product for an existing customer base that serves as a gateway to broader participation, it triggers an identity shift toward the new product; this shift reconfigures power, competence, and efficiency dynamics within the logic of a pipeline model and in a mutually reinforcing manner, ultimately securing the affiliation of that customer base.	When affiliations with the initial customer base are secured and network externalities emerge with the onboarding of additional sides, it triggers an identity shift toward the newly integrated side; this shift reconfigures power dynamics to secure further affiliations, redirects competencies toward platform-thinking, and extends efficiency considerations to the ecosystem level, eventually enabling the orchestration of interactions across affiliated sides.

ecosystem level, eventually enabling the orchestration of interactions across affiliated sides.

Together, these propositions demonstrate that the creation of an industry platform is not the result of a single organizational boundary change, but of interdependent shifts across multiple boundaries that progressively build over time (Santos and Eisenhardt 2005; Thomas et al. 2014). In the first transition, boundary reconfigurations establish the foundations for securing initial affiliations and enabling broader participation, whereas in the second, they co-evolve to secure the affiliation of additional sides and orchestrate ecosystem interactions. Therefore, the co-evolution of identity, power, competence, and efficiency choices internalizes emerging network externalities and converts them into self-reinforcing network effects, ultimately paving the way for industry platform creation (Gawer and Cusumano 2014; Katz and Shapiro 1985; Liebowitz and Margolis 1994; Santos and Eisenhardt 2005).

6 | Conclusion

The creation of industry platforms has received relatively limited attention (Gawer and Cusumano 2014; Shi et al. 2021; Tan et al. 2015), especially when compared to mainstream topics that have been extensively discussed in the literature (de Reuver et al. 2018; McIntyre and Srinivasan 2017; Rietveld and Schilling 2020). Discussions on platform creation typically distinguish between platforms developed by entrepreneurs and those initiated by incumbent firms (Teece et al. 2022). In entrepreneurial-led platforms (Cennamo et al. 2022), the platform and its boundaries are shaped simultaneously (Trabucchi and Buganza 2022), with early attention given to defining the scope, identifying the sides to be served, and designing the governance mechanisms (Gawer 2021). In contrast, when an incumbent creates an industry platform (Pundziene et al. 2022), it must first redefine its existing organizational boundaries

to transition from a pipeline model to a platform model (Van Alstyne et al. 2016).

Although many pipeline businesses have made this shift, the dynamics of their organizational boundary choices prior to platform creation have been largely overlooked in the literature (Van Dyck et al. 2024), which has been shaped predominantly by insights from B2C and C2C contexts. Understanding boundary dynamics before platform creation becomes even more complex in B2B settings (Van Dyck et al. 2024), not only because knowledge of this setting remains limited (Jovanovic et al. 2021; Madanaguli et al. 2023; Ritala and Jovanovic 2024) but also because network effects tend to be weaker compared to B2C and C2C settings (Filosa et al. 2025; Ritala and Jovanovic 2024; Springer et al. 2025). Consequently, this study contributes to a deeper understanding of platform creation by drawing on a single case study to examine how B2B incumbent firms redefine their organizational boundaries when creating an industry platform. We conducted an in-depth examination of each organizational boundary (Santos and Eisenhardt 2005), followed by an exploration of how the associated boundary choices interact and the outcomes that arise from their interplay. Consequently, we present 10 propositions that advance understanding of organizational boundary dynamics during the creation of an industry platform, particularly when a stand-alone product is offered as an intermediate phase.

6.1 | Implications for Research

This study mainly contributes to the strategic management discussions on platform creation by focusing on incumbent-born platforms (Gawer 2014; Gawer and Cusumano 2014; Teece et al. 2022), with particular attention to the underexplored and emerging B2B context (Jovanovic et al. 2021; Madanaguli et al. 2023; Ritala and Jovanovic 2024). More specifically, this study advances the organizational boundary framework within the context of industry platforms and challenges prevailing assumptions surrounding the chicken-and-egg dilemma. First, considering that most empirical studies take the presence of the platform as a given and focus on post-launch phases (Tan et al. 2015; Van Dyck et al. 2024), this study shifts attention to the pre-launch phase, thereby complementing the insights of Gawer (2021). In particular, it extends the platform boundaries framework by examining how (incumbent) firms redefine their organizational boundaries prior to creating an industry platform and defining their (platform) boundaries.

Second, by shedding light on the outcomes of the interplay among the diverse boundary choices, this study challenges some of the fundamental assumptions in one of the two main pillars of industry platform literature (Gawer 2014), specifically, economics (Rochet and Tirole 2003, 2006). Considering the outcomes of the first transition, namely the accumulation of overlapping networks, the interplay among the diverse boundary choices demonstrates that non-pricing approaches play the primary role in overcoming the chicken-and-egg dilemma. In contrast, pricing approaches serve only a supplementary role. These insights challenge the dominant view that pricing approaches are the primary means of addressing the chicken-and-egg dilemma (Armstrong 2006; Caillaud and Jullien 2003; Rochet and Tirole 2006). Regarding the outcomes of the second transition, namely the creation of the platform, the interplay among the diverse boundary choices suggests that having both market sides on board, that is, overcoming the chicken-and-egg dilemma (Caillaud and Jullien 2003), does not necessarily mean that an industry platform has been created. These insights challenge the common assumption that equates overcoming the chicken-and-egg dilemma with the creation of an industry platform (Caillaud and Jullien 2001, 2003; Rochet and Tirole 2003, 2006). In this study, the platform was considered created only when the firm (1) secured the affiliation of both sides (Loux et al. 2020), (2) enabled their interaction (Hagiu and Wright 2015), and (3) actively orchestrated these interactions (Tiwana et al. 2010).

6.2 | Implications for Practitioners

Our study offers concrete guidance for practitioners, particularly managers in incumbent firms seeking to create industry platforms. Alongside the detailed examination of various boundary choices and the potential outcomes from their interplay, we propose three managerial takeaways. First, platform creation should be treated as an incremental process, where managers are advised to break it down into distinct phases to ensure effective alignment of business- and technology-related activities in each. By focusing on the specific challenge of each phase, firms can avoid overextending their operations, which, in turn, enables them to engage one side at a time rather than all sides simultaneously. This staged approach was evident in the case firm, which first addressed the challenge of securing manufacturer affiliation by dedicating business and technology efforts to them, and later, in the second transition, tackled the challenge of securing supplier affiliation by redirecting those efforts toward their needs.

Second, managers should consider treating the outcomes of each phase as critical milestones, which provide the firm with the agility to pivot back to a previous phase in the event of setbacks rather than restarting the entire process. This approach is particularly relevant for incumbents that are hesitant to shift their entire operations toward an industry platform model. This flexibility was evident in the case firm, which could have reverted to its original consulting business had the software enterprise failed, and which can pivot back to being a software provider if the marketplace does not gain sufficient momentum. Lastly, managers are recommended to harness the power of network externalities even before fully internalizing them and reaping the benefits of network effects. This requires early assessment of power dynamics among the diverse actors expected to join the platform ecosystem, as failing to do so may slow ecosystem evolution and limit opportunities for value capture. The case firm illustrates this approach by attracting both sides well before the creation of an industry platform.

6.3 | Limitations and Future Research

This research is based on a qualitative single case study, drawing mainly on primary and secondary data collected from the

platform owner. Consequently, a key limitation concerns the perspective adopted in the study, specifically, that of the platform owner. In industry platforms, value is not created but co-created (Ceccagnoli et al. 2012), and the platform owner is not the only actor within the ecosystem (Van Alstyne et al. 2016). Therefore, future studies are encouraged to examine boundary dynamics from perspectives beyond that of the platform owner, as redefining boundaries is not a one-sided process. Furthermore, while single case studies provide rich and in-depth insights (Yin 1994), they are limited in capturing variation across different settings, as they do not allow for comparisons across cases. Consequently, future research should move beyond single case studies and adopt multiple case study approaches to refine and strengthen analytical generalizations about the creation of industry platforms (Eisenhardt 1989). Such initiatives would ultimately contribute to the development of a clear and robust framework for understanding how pipeline businesses can create industry platforms.

Beyond the limitations of the single case study, the case firm itself also presents certain constraints. To elaborate, the case firm is an industry platform, specifically a transaction platform (Cusumano et al. 2019). On top of that, the platform connects only two actor groups, ultimately representing a two-sided market rather than a multi-sided one (Hagiu and Wright 2015; Rochet and Tirole 2003). Thus, future research should investigate whether the insights from this study can be extended beyond two-sided transaction platforms to include multi-sided transaction platforms, as well as innovation and hybrid platforms. Lastly, another limitation concerns the contextual dynamics of the case firm, particularly within the mobile machinery manufacturing industry in Finland. The dynamics of this specific industry in this particular country may be unique and not directly comparable to those of other industries or regions. For this reason, it would be valuable to test the propositions developed in this study and assess their applicability across diverse contexts.

This study examines the mobile machinery manufacturing context, where the case firm operated a traditional pipeline model before transitioning toward a platform model. Such contexts are characterized by interdependencies among firms and asymmetric power relations between customers and suppliers, depending on their position within the value system. Consequently, the findings are expected to be relevant to other B2B settings, such as manufacturing-based ecosystems, energy, and construction industries. More broadly, as many industries undergo digital transformation and firms increasingly adopt platform-based models, these findings may also be relevant to contexts where firms shift their primary activity from controlling a sequence of activities to orchestrating interactions among diverse ecosystem actors.

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Conflicts of Interest

The authors declare no conflicts of interest.

Data Availability Statement

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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