

# Five steps to success in the sharing economy

We estimate that five sharing economy sectors: peer-to-peer accommodation, car sharing, peer-to-peer finance, music, TV and video streaming, and online staffing, will grow their global revenues to \$335bn by 2025.

So how can organisations position themselves to make the most from this opportunity?

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| <div>Step 1</div> <div>Understand sharing models and the potential role they could play in your sector</div>       | <p>Organisations should assess the impact of two fundamental business models:</p> <p><b>The access model:</b> renting, subscribing, reselling, swapping, investing, gifting or lending</p> <p><b>The peer-to-peer model:</b> for example car pooling and ridesharing, peer-to-peer accommodation and Wi-Fi hotspot sharing.</p> | <p><i>“New verticals [in the sharing economy] such as food and fashion are emerging to sit alongside accommodation, transport, finance and skills”</i></p> <p>Debbie Wosskow, CEO of Love Home Swap, Founder of Collaborative Consumption Europe network and Chair of the UK Government’s independent review of the sharing economy</p> |
| <div>Step 2</div> <div>Take action: protect, prepare or pivot</div>  | <p>We see three options for organisations:</p> <p><b>Protect the base:</b> Neutralise tactical threats</p> <p><b>Prepare for change:</b> Test new sharing ventures by developing strategic partnerships</p> <p><b>Pivot the organisation:</b> Build and promote a full-service ‘sharing’ model as a core business model.</p>    | <p><i>“In a sharing economy... organisations must become excellent at managing improvement and change. Like a start-up they should be hungry to try new things, supporting those that work and cutting those that don’t. Disruption will become a way of life for those that will thrive.”</i></p> <p>Mike Greig, Partner, PwC UK</p>   |
| <div>Step 3</div> <div>Focus on the consumer experience</div>  | <p>Sharing economy platforms help people get what they need without imposing the requirement of ownership.</p> <p>Companies should ask themselves whether their current business model is the optimal way to deliver to their customers.</p>  | <p><i>“I took out a loan from a peer-to-peer lending company and found the process faultless. I found the overall experience as a customer was better structured and thought through than the hours I would have spent with my existing bank.”</i></p> <p>Rowena, peer-to-peer lending customer</p>                                     |
| <div>Step 4</div> <div>Conduct a ‘sharing audit’ of your organisation’s asset base – tangible and intangible</div> | <p>Manufacturing facilities operate at an average of 20% below capacity.<sup>1</sup></p> <p>Intangibles such as intellectual property, knowledge and brand assets are starting to become more shareable through technology.</p>   | <p><i>“The sharing of knowledge is another area that will be transformational... more and more knowledge is being shared by companies and individual experts as part of either their marketing activity or personal reputation building efforts.”</i></p> <p>Matthew Tod, Partner, PwC UK</p>   |
| <div>Step 5</div> <div>Anticipate regulation and highlight the value of your organisation</div>                    | <p>Proactively conduct talks with local policy makers, demonstrating the impact of your organisation with credible evidence.</p> <p>Formalise your business models within existing regulatory frameworks through compromise.</p>  | <p><i>“There is no doubt that the sharing economy needs to be regulated. However, the laws need to be looked at from a fresh perspective. We can’t expect to use the laws that were designed ages ago today.”</i></p> <p>Richie Khandelwal, co-founder PriceLabs</p>  |

1 PwC analysis of Thomson Reuters Datastream data

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