



**WE CONDENSE INNOVATION**

# DIFT

**DIGITAL INTRAPRENEURS FAST TRACK**

**EXPLORE**



SESSION 3

# Business Model

# Introduction to digital-enabled business models

# It's time to watch your Business model from different POVs

# From product creation to... ...something else

## UBER (2009)



UBER peer to peer solution is a Sharing Economy Platform, connecting drivers and people who need a ride.

## FACEBOOK (2004)



Facebook create value and revenues by delivering the right content information to the right target user, through analysis of a massive amount of data.

## ROLLS ROYCE (1906)



Rolls-Royce manufactures engines and, for some years, has offered a service package whereby customers pay by the hour according to the amount of time an engine is in flight.

# What is this something else?

## LESSONS LEARNED

- **It's not important if you own an asset**, or if you produce it, as long as you can **control it**.
- A platform is not a mobile app – it's a holistic business model that creates value by **bringing together consumers and producers**.
- Customers experience with your product and usage behaviour can be a helpful **source of competitive advantage**, if you can **understand and monetize these information**.

**Changing your company Business Model is difficult, it means re-discuss all of your organization.**

**Deep dive into digital-enabled business models (servitization, data monetization, platforms).**

# 3 definitions to share

## SERVITIZATION

Servitization is the increased offering of fuller market packages or 'bundles' of customer focused **combinations of goods, services, support, self-service and knowledge** in order to add value to core product offerings.

*(def. by Vandermerwe and Rada, 1988)*

## DATA MONETIZATION

Data Monetization is the use of data for **quantifiable economic benefit**.

*(def. by Gartner)*

"Like the oil industry, there will be those who make money through the raw materials and those that add value along the many steps in the value chain."

Zach Gemignani,  
CEO Juice Analytics

## PLATFORMS

Interfaces that serve to mediate transactions among **firms and/or individuals that may not be able to transact otherwise**, often two or more distinct "sides"; building blocks that serve as the foundation upon which other firms can build related products or services.

*(def. by McIntyre)*

# How to create a Data Monetization business model

# Data Monetization business models

There is no unique definition of Data Monetization business models, except the fact they are all based on **generating economic benefit** building upon the **use of data**, and the **ability to analyze and extract insightful information** from them.

## REPRESENTATIVE CASES



United Parcel Service (UPS) is an American multinational package delivery and supply chain management company.



Caterpillar Inc. (sometimes shortened to CAT) is an American Fortune 100 corporation manufacturing machinery and engines.

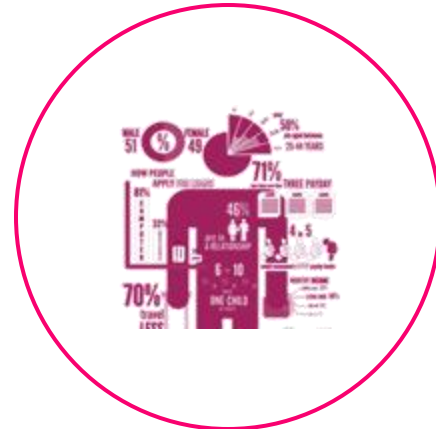


Target Corporation is an American retail corporation. It is the 8th-largest retailer in the United States and part of the S&P 500 Index.

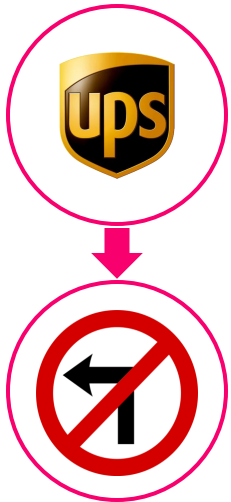


Sprint Corporation was an American telco and is a current brand of T-Mobile US for wireless and internet services.

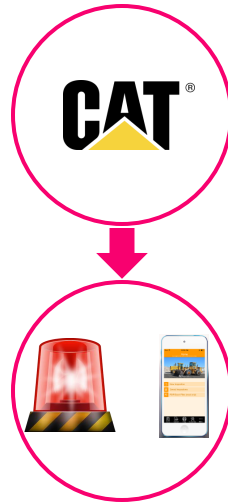
# Data Monetization cases



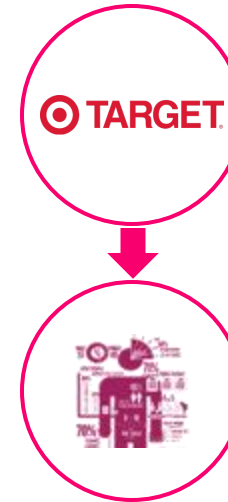
# Data Monetization cases



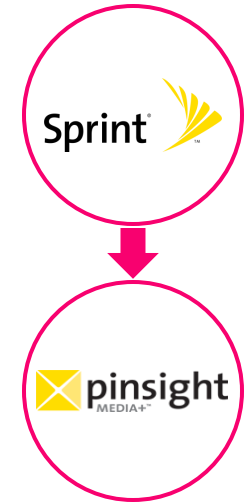
**UPS: Achieve cost leadership**  
Analyzing the routes data and correlating it with the efficiency of the driver, UPS discovered that the left turn was a waste of time and a factor of uncertainty. Key to the business is to arrive on time, not early.



**CAT: Product/service differentiation**  
Caterpillar's suite of digital offerings, known as Cat Connect, includes services such as asset health monitoring and automated grade assist.



**TARGET: Next generation CRM**  
By analyzing consumer purchases and product bundles, Target is able to anticipate the customer demand and offer coupons about the most probable items the customer might want.



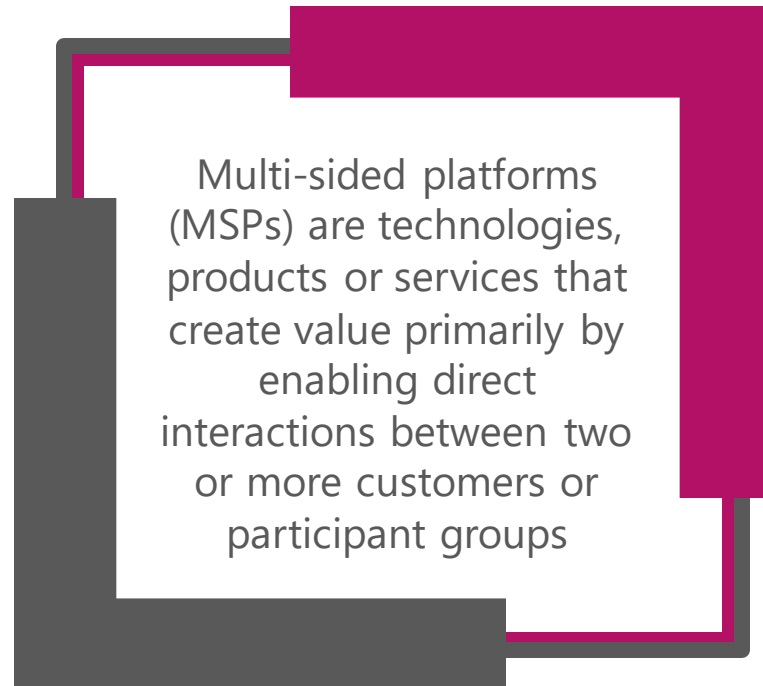
**SPRINT: Monetization & new businesses**  
Pinsight was a Sprint solution (now sold to InMobi) able to use location data collected from mobile network to target personalized ads.

# Focus on Platform business model

# Platform

Platformization is a business model that promotes match between suppliers and customers or facilitates the creation of goods/services in the ecosystem so that participants can capture value. Platformization businesses are all built around a **Multi-sided Platform connecting Supply and Demand**.

- Supply side**
- seller
  - service provider
  - host
  - content creator
  - etc.



**Demand side**

- buyer
- service seeker
- guest
- consumer
- etc.

# Types of Platform

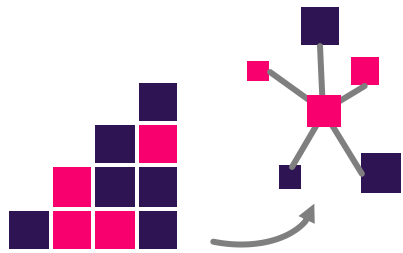
**Aggregation platform** bring together demand and supply of a broad array of relevant resources and help users to connect with the most appropriate ones. These platforms tend to be very transaction- or task-focused: express a need, get a response, do the deal, and move on. Marketplace and broker platforms like eBay and Etsy are well-known examples. Aggregation platforms tend to operate on a **hub-and-spoke model**, whereby the platform owner and organizer brokers all of the transactions.

**Social platform** are similar in that they also **aggregate people**—Facebook and Twitter are leading examples—but rather than supporting the completion of a transaction or a task, they support engagement among people with common interests. They also tend to foster **networks of relationships** rather than hub-and-spoke interactions—people connect with each other over time in ways that usually do not involve the platform organizer or owner.

**Mobilisation platforms** encourage people to work together to accomplish something beyond the capabilities of any individual participant. They tend to foster longer-term relationships rather than focus on isolated and short-term transactions or tasks. In a business context, the most common form of these platforms brings together participants in extended business processes like supply networks or distribution operations.

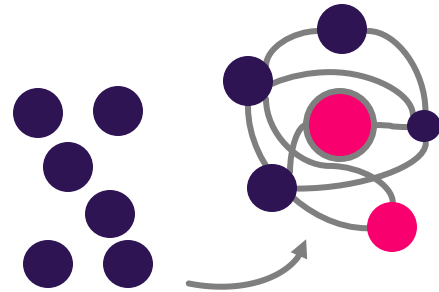
**Learning platforms** facilitate learning by bringing participants together to share insights over time. They tend to foster deep, trust-based relationships, as participants can realize more potential by working together. Business leaders who understand this will likely increasingly seek out platforms that not only make work lighter for their participants, but also grow their knowledge, accelerate performance improvement, and hone their capabilities in the process.

# Types of Platform



## Aggregation platforms

Revenue Model:  
Transaction fee



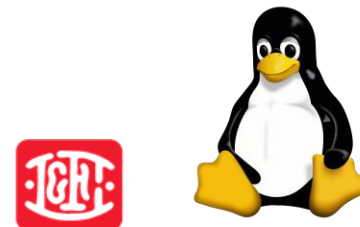
## Social platforms

Revenue Model:  
Targeted advertising

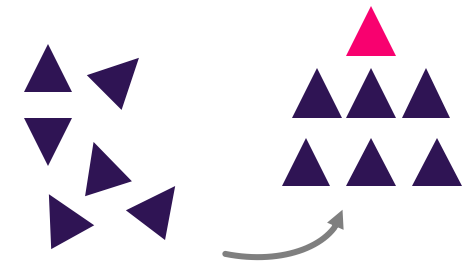


## Mobilisation platforms

Revenue Model:  
Cost Saving



LI & FUNG LIMITED



## Learning platforms

Revenue Model:  
Subscription  
Transaction fee

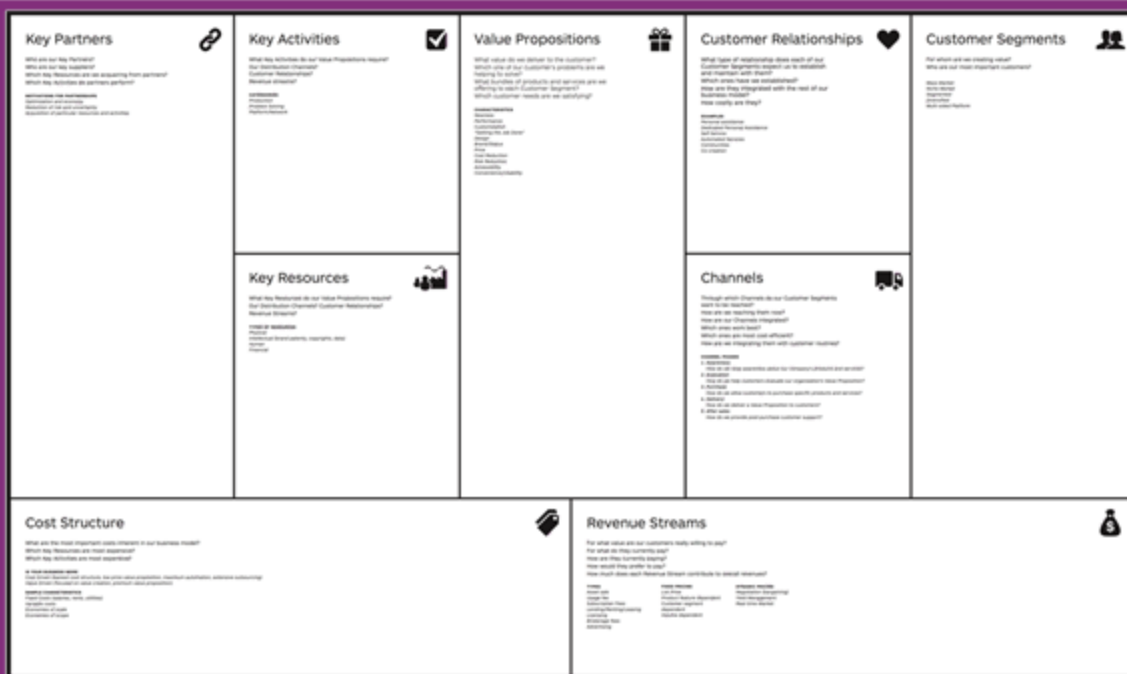


# Next steps & offline activities

ACTIVITY OFFLINE

# BUSINESS MODEL

## 1 week



### Digital Business Model Canvas:

- Think about the digital enabled business models presented today.
- Try to understand how they are applicable to your idea.
- Review your Business Model Canvas implementing the necessary modifications.

SESSION 3

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