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# ***Mobile Business 1***

How Internet of Things  
enables innovative business  
models

27<sup>th</sup> of May 2015

# ***Introduction***

# ***1***

## ***Today's speaker***

***Digital  
Transformation***

***Digital Business  
Model***



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***Digital  
Culture***

## ***Today's speaker***

***Digital  
Transformation***

***Identification of  
Business & IT  
Capabilities***



***Dr. Carsten Hentrich***  
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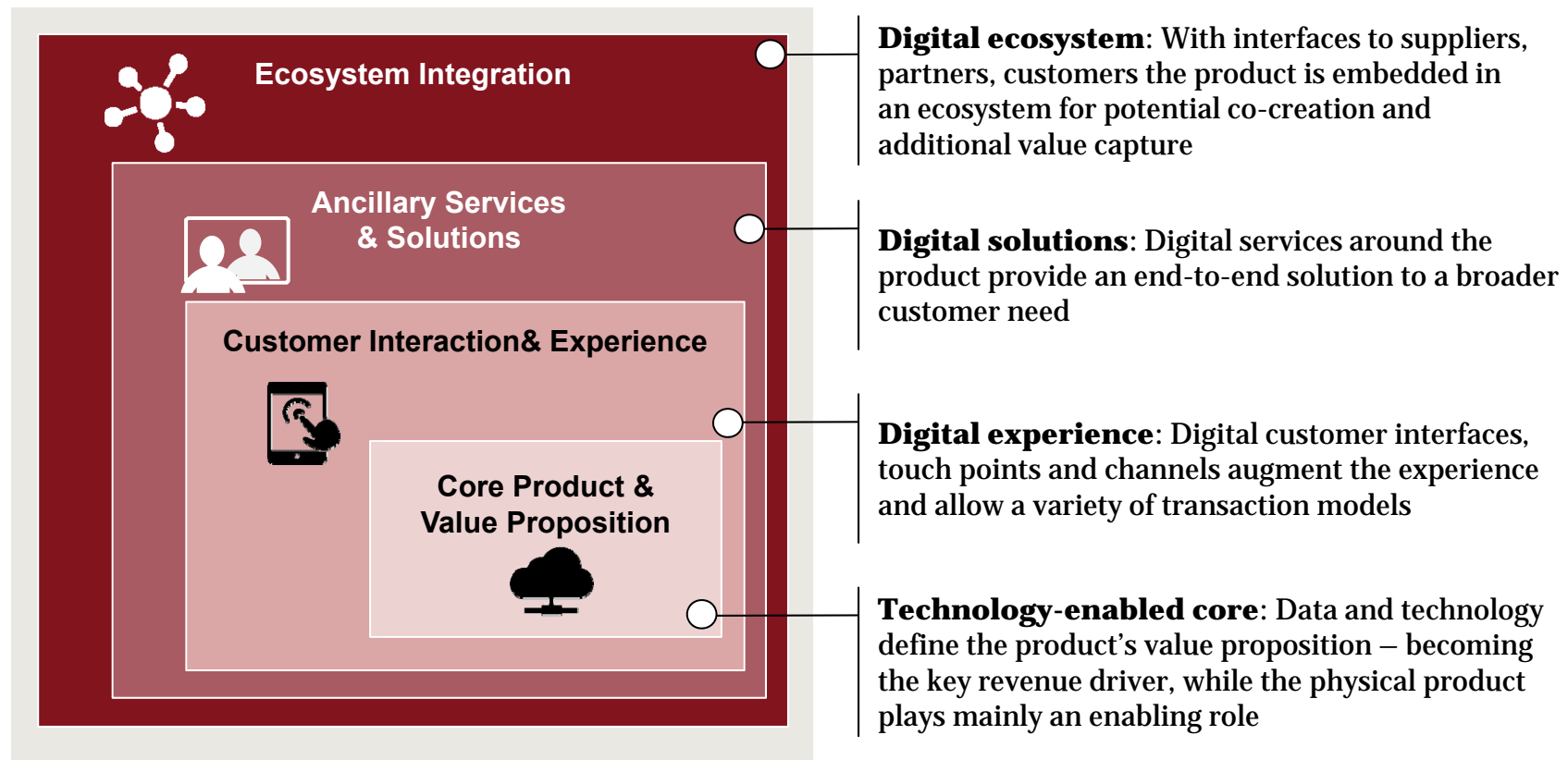
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***IT  
Architecture***

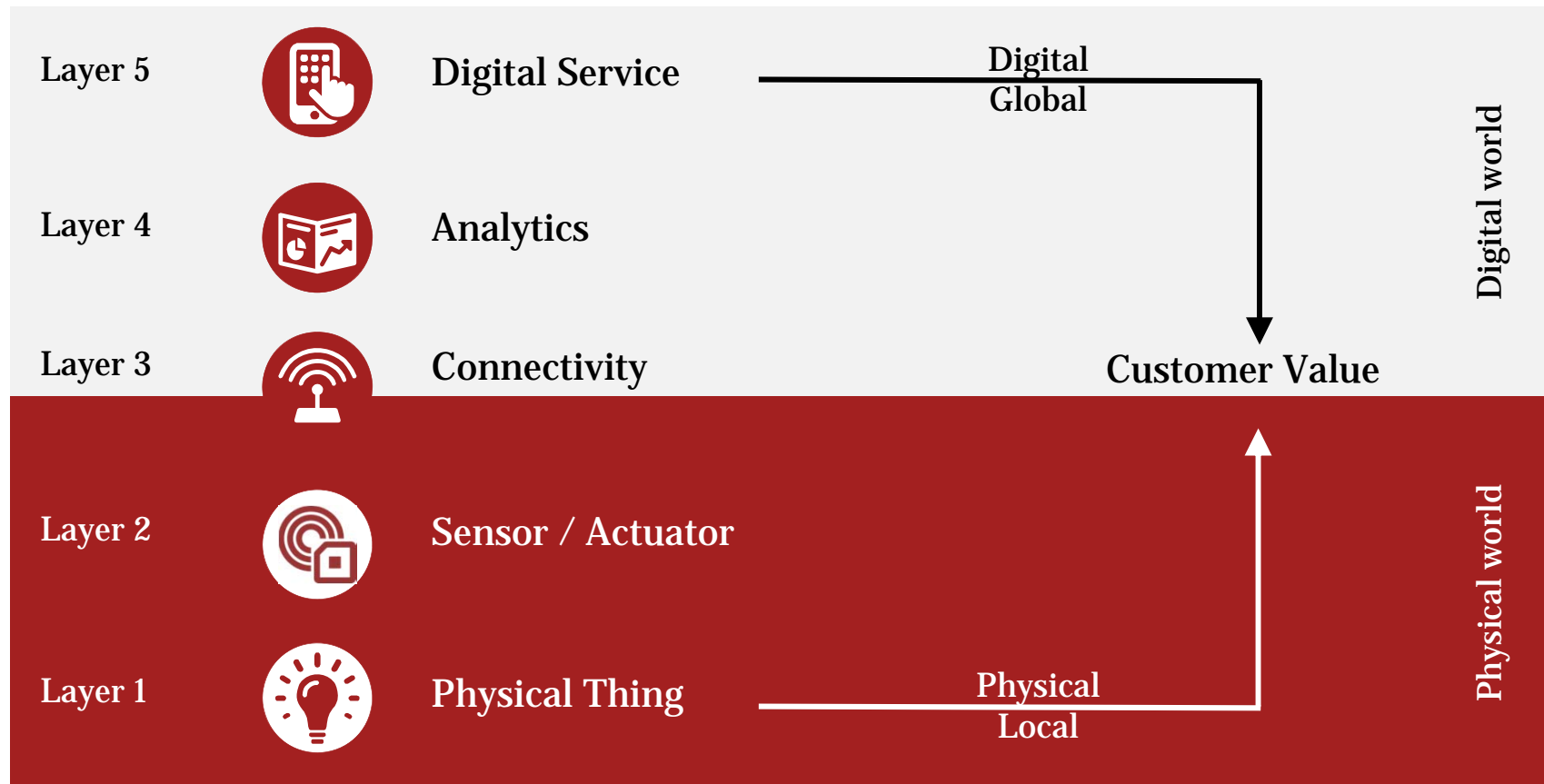
# ***The Internet of Things***

# 2

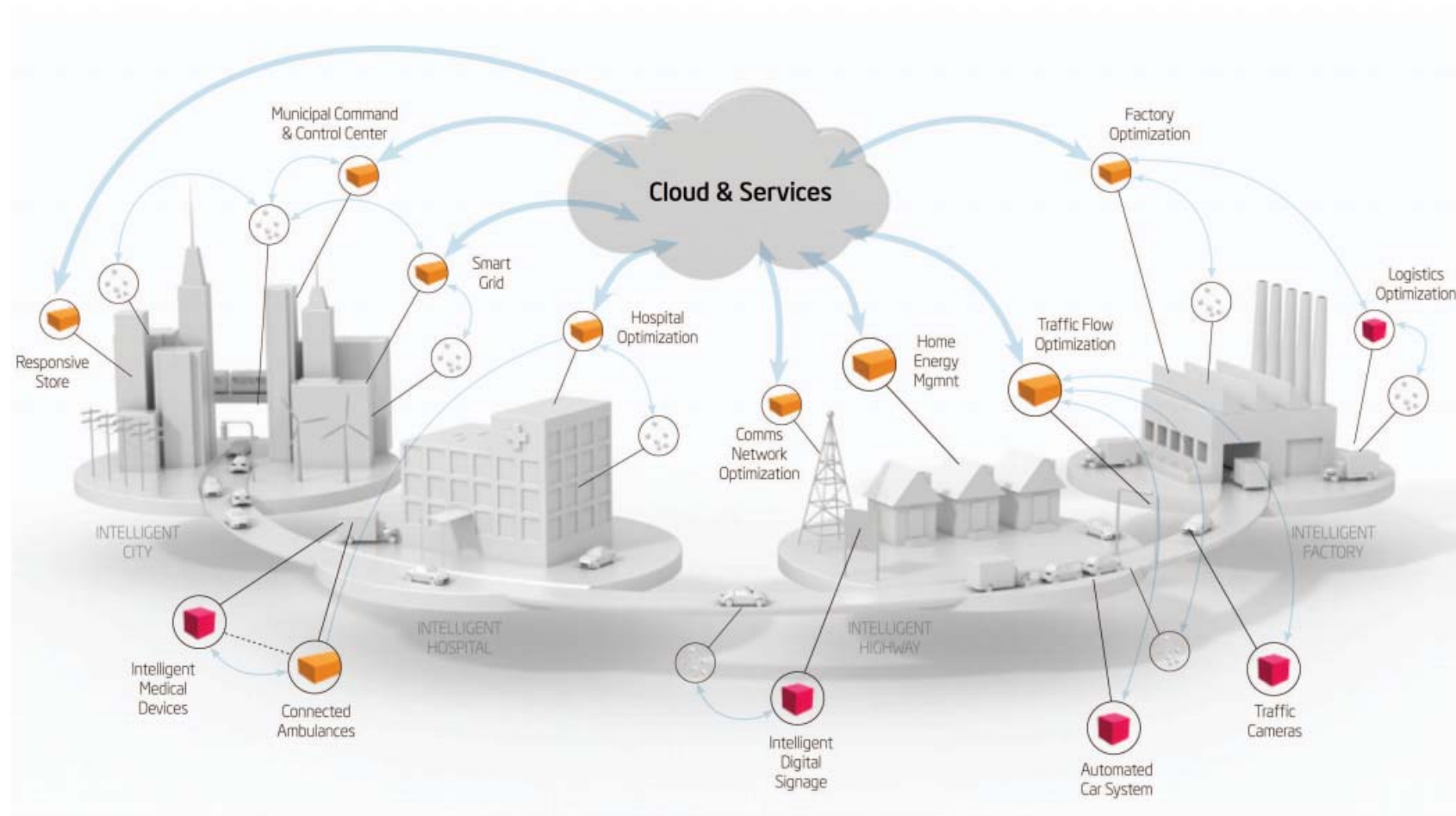
## ***Our “pure-tone” digital business model definition can serve as a starting point for digital growth opportunity discussions***



## ***Physical and digital stages in the Internet of Things merge together to a hybrid value-added construct***



***IoT provides data and services that creates an ecosystem that provides information and intelligence to you***





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## ***Find new smart product and service ideas for your customer***

### ***Your task***

- Establish 5 teams of 4 people
- Brainstorm as much **IoT-enabled** product and service ideas as possible
- Shortly present the most promising ideas to your co-students

### ***Time***

- 15 min. ideation
- 2 min. presentation

# ***Development of an IoT-enabled business model***

3

# ***Business models help to describe and classify businesses and to explore possibilities for future development***

## **Digital Business Model Creation**

## **Prototyping & Validation**

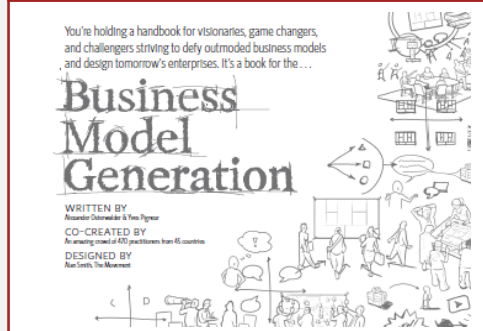
## **Scale-Up in Business**

### ***Definition of business model***

*“A business model describes the rationale of how an organization creates, delivers, and captures value (economic, social, cultural, or other forms of value).”*

Source: PwC; Business Model Generation, A. Osterwalder, Yves Pigneur, Alan Smith, et. al, self published, 2010

### ***Business Modelling***

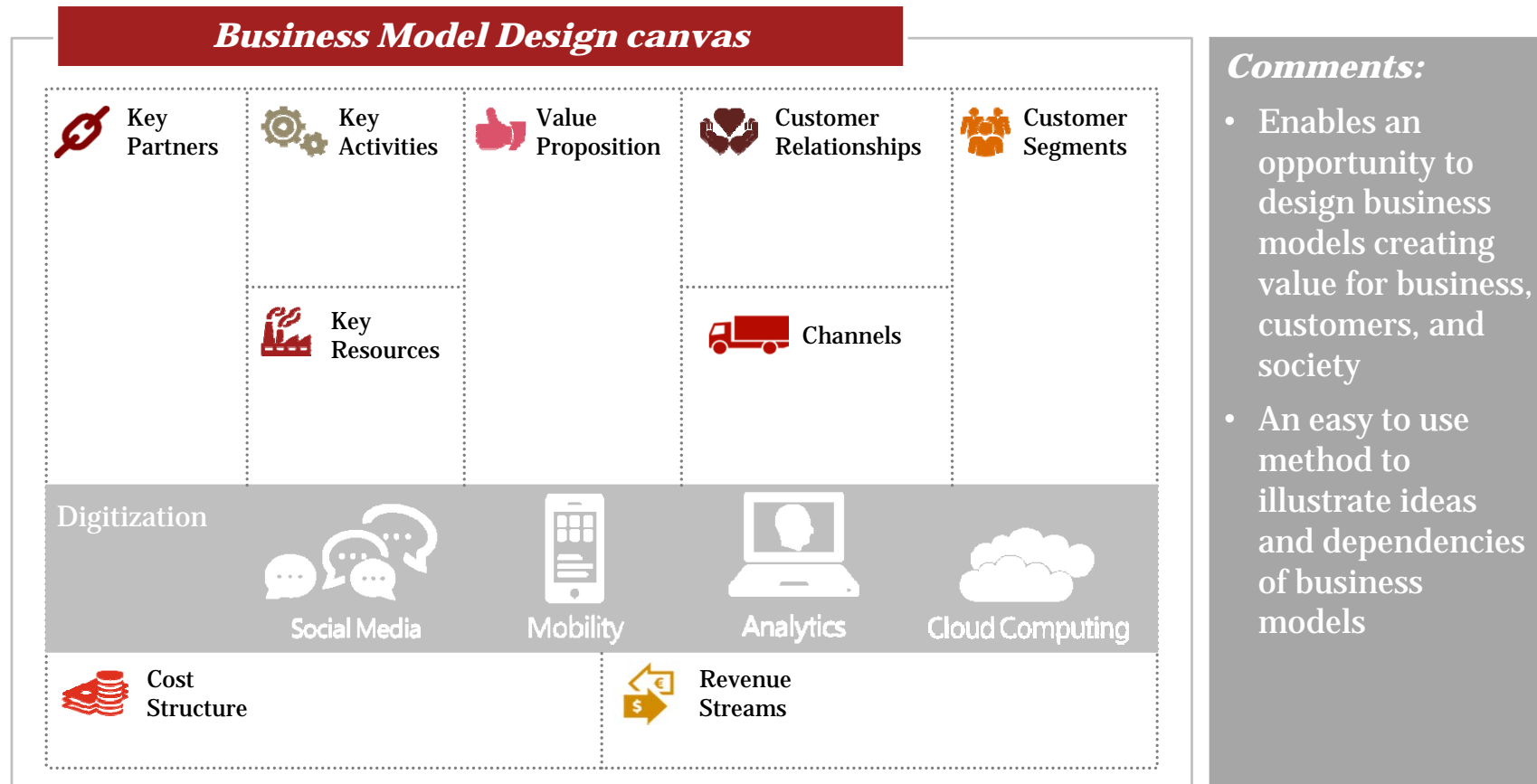


### ***Market & Tech trends***












- Widely used design framework
- Business Model Canvas is a visual chart
- Key trends for technology enabled innovations (IoT)
- New thinking and technological breakthroughs into existing ecosystems

## ***The business model canvas is a template for developing new or documenting existing business models***

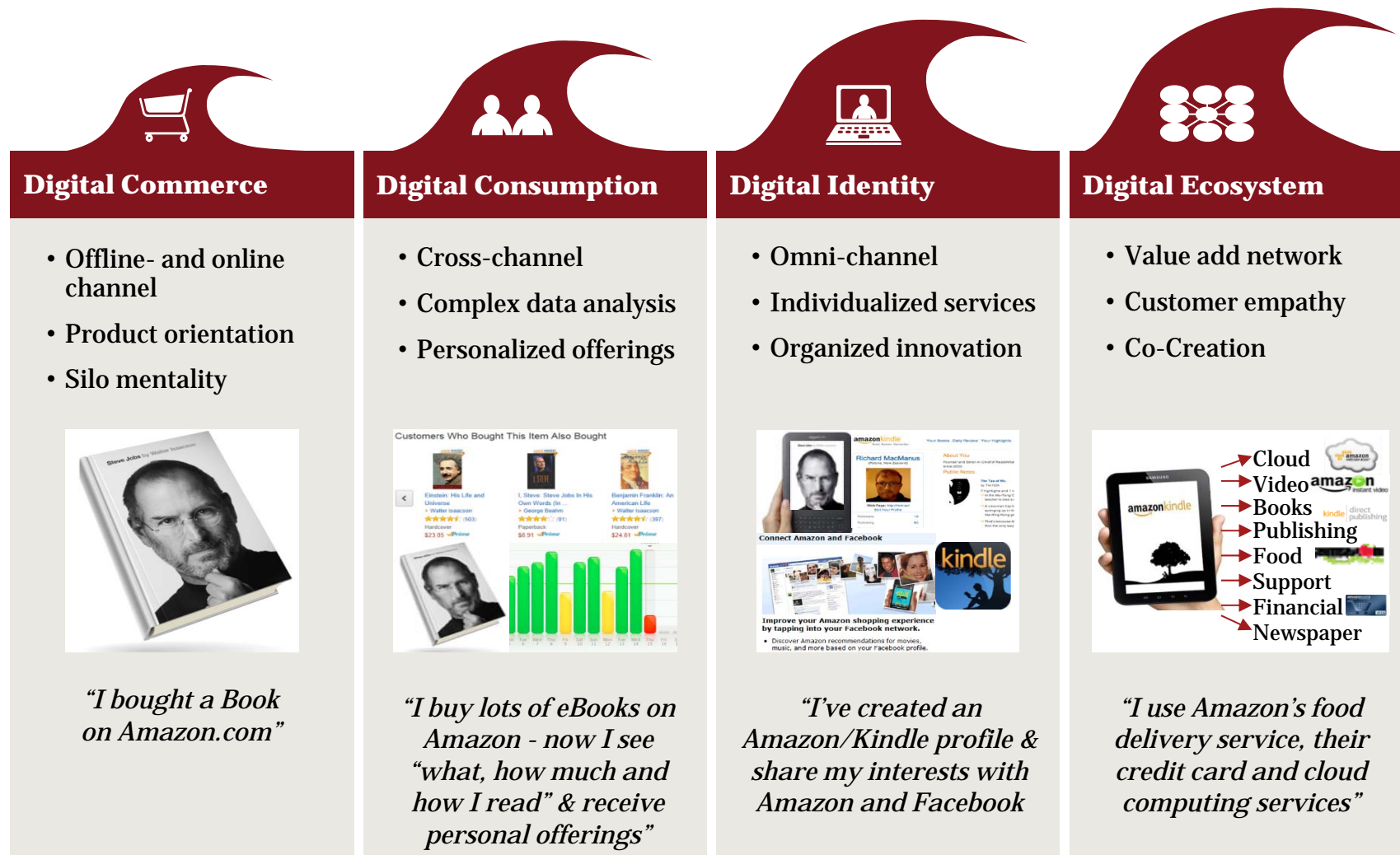


Source: PwC; Business Model Generation, A. Osterwalder, Yves Pigneur, Alan Smith, et. al, self published, 2010

# Key questions guides you to a new business model

<div><b>Key Partners</b></div> <div><ul style="list-style-type: none"><li>▪ Who are our Key partners?</li><li>▪ Who are our key suppliers?</li><li>▪ Which key resources are we acquiring from partners?</li><li>▪ Which Key Activities do partners perform?</li></ul></div> <div><b>Motivations for Partnerships</b> Optimization and economy Reduction of risk and uncertainty Acquisition of particular resources and activities</div>	<div><b>Key Activities</b></div> <div><ul style="list-style-type: none"><li>▪ What key activities needed to deliver:<ul style="list-style-type: none"><li>▪ our Value Propositions?</li><li>▪ Our Distribution Channels?</li><li>▪ Customer Relationships?</li><li>▪ Revenue streams?</li></ul></li></ul></div>	<div><b>Value Proposition</b></div> <div><ul style="list-style-type: none"><li>▪ What value do we deliver to the customer?</li><li>▪ Which one of our customer's problems are we helping to solve?</li><li>▪ What bundles of products and services are we offering to each Customer Segment?</li><li>▪ Which customer needs are we satisfying?</li></ul></div>	<div><b>Customer Relationships</b></div> <div><ul style="list-style-type: none"><li>▪ What type of relationships does each of our Customer Segments expect us to establish and maintain with them?</li><li>▪ Which ones have we established?</li></ul></div>	<div><b>Customer Segments</b></div> <div><ul style="list-style-type: none"><li>▪ For whom are we creating value?</li><li>▪ Who are our most important customers?</li></ul></div>
	<div><b>Key Resources</b></div> <div><ul style="list-style-type: none"><li>▪ What key resources do our Value Propositions require?</li></ul></div> <div><b>Types of Resources</b> Physical, Intellectual (brand patents, copyrights etc.), Human</div>		<div><b>Channels</b></div> <div><ul style="list-style-type: none"><li>▪ Through which Channels do our customer (segments) want to be reached (store, online, etc)?</li><li>▪ How are our Channels integrated?</li></ul></div>	
<div><b>Cost Structure</b></div> <div><ul style="list-style-type: none"><li>▪ What are the most important costs inherent in our business model?</li><li>▪ Which Key Resources cause which expenses?</li><li>▪ Which Key Activities cause which expenses?</li></ul></div>		<div><b>Revenue Streams</b></div> <div><ul style="list-style-type: none"><li>▪ For what value are our customers really willing to pay?</li><li>▪ For what do they currently pay?</li></ul></div>		

# ***PwC 4-wave-model describes the digital maturity of client's business model (Amazon example)***



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## ***Describe your new business idea for your customer***

### ***Your task***

- Use business model canvas to design the most promising business idea of your first task
- Prepare an investor call meeting to present your business idea

### ***Time***

- 30 min. business model design
- 2 min. presentation per group

# *Prototyping and validation*

# 4



# ***Prototyping is done in a new, agile and iterative way of closely collaborating with the customer***

Digital Business Model  
Creation

**Prototyping & Validation**

Scale-Up in Business

## **1. Define**



- Bringing it all together in one room & finalize business model
- Document relevant customer/user journeys
- Understand key customer touch points

## **2. Test Low-Tech Prototypes**



- Create low-tech prototype of “minimum viable product”
- Engage customers and test ideas
- Iterate, iterate, decide

## **3. Develop Prototype**



- Design and develop physical prototype
- Rapidly build prototype and bring to customers
- Deploy physical prototype

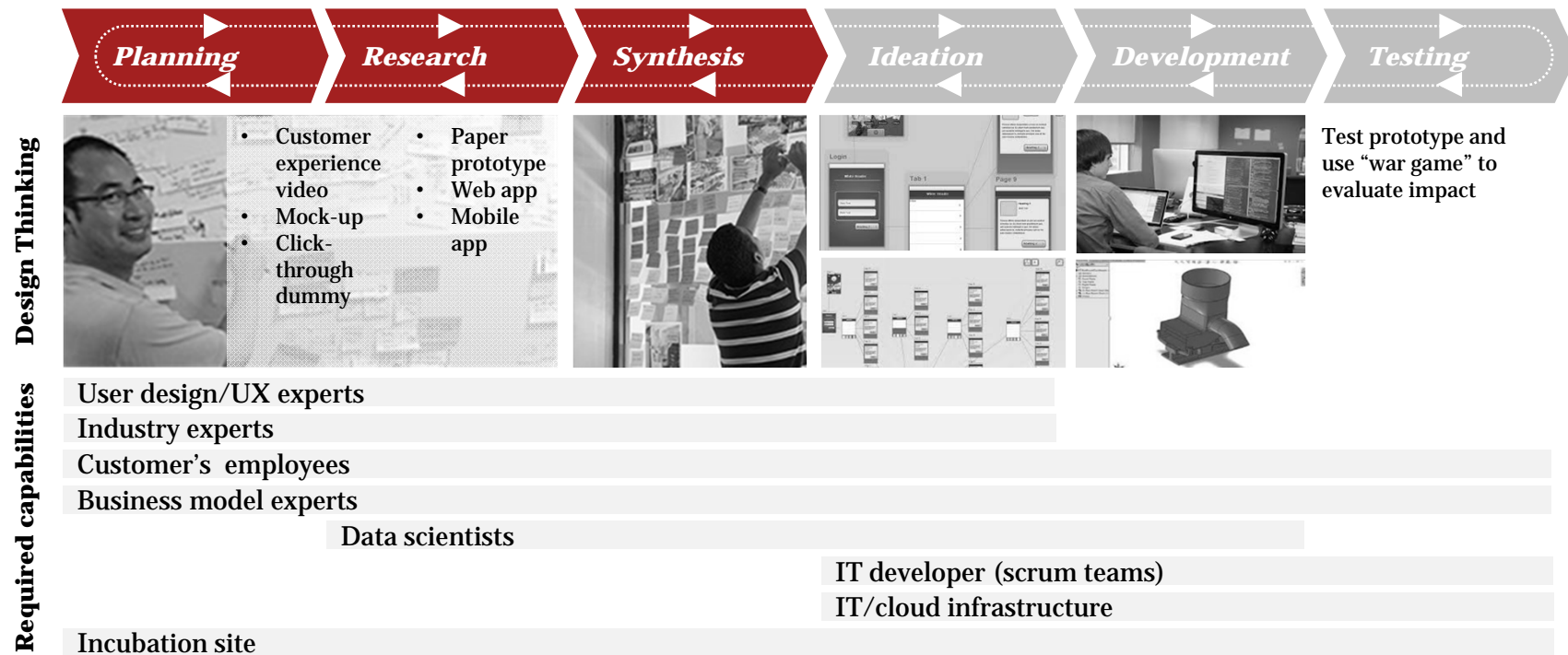
## **4. Measure & Evaluate**



- Rigorously capture performance metrics
- Use dashboard & graphics to document results
- Sketch benefit case and milestones for scale-up

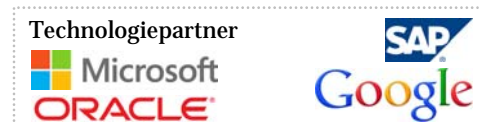
# ***We design and prototype new service ideas together with our clients using the design thinking approach***

## ***Development of new prototypes***



PwC's *Accelerator*

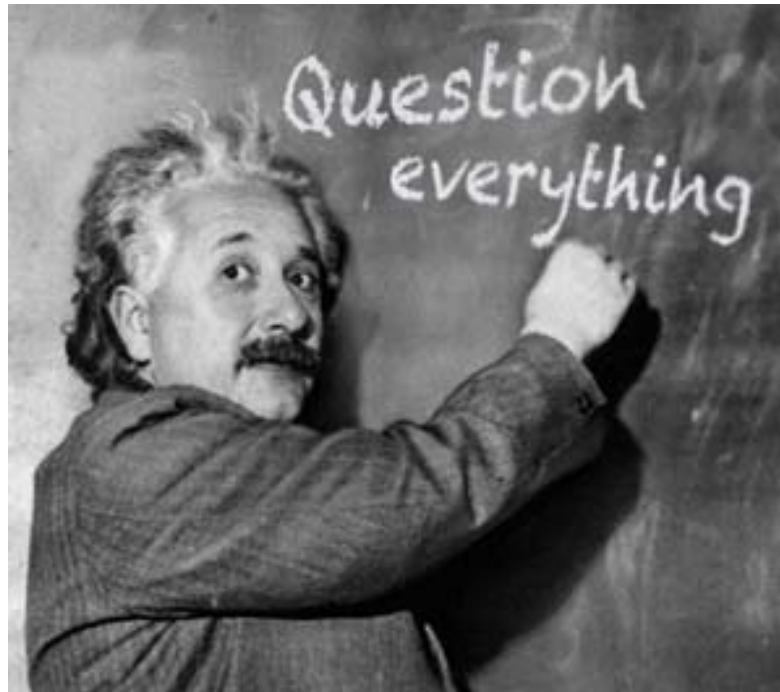
**strategy&**



## ***Wrap up of the day***

***Comments?***

***Questions?***



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# ***Thank you.***