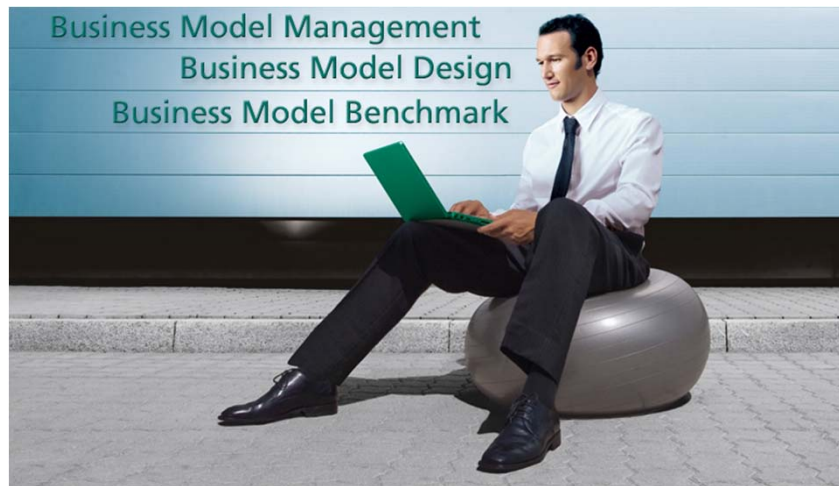

Creative Thinking about »Internet of Service Business Models«

Presentation of the contribution »A Framework for the Design and Evaluation of Business Models in the Internet of Services«
at the SRII Global Conference 2011



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Fraunhofer IAO, Stuttgart Germany
March 31st, 2011
San José, CA, USA

Supported by:



on the basis of a decision
by the German Bundestag

The »Internet of Services« - Vision

Hypothesis:

The Web of the future offers the infrastructural and organizational facilities to trade business-services over the internet as simple as we can trade products today.

Today, Cloud Computing- and Software-Services are the most significant aspects of this vision to become reality!



Agenda

- **The Internet of Services from a Business Model Perspective – A First Glance**
- The[moby]-Business Model Approach
- Web-based Business Model Design Demo
- Outlook on Business Model Management

Cloud Services – Excerpt of the Dimensions of a Business Model

Financials:

- costs for running a datacenter and server-infrastructure (inhouse or via partner); typically high-quality support with appropriate costs; a completely different pricing model in cases –various criteria do exist: OS, location of datacenter, instances, compute units, memory size, transfer, transactions, subscriptions ...

Partnership:

- Integration of a datacenter-partner; platform providers; ISV – independent software vendors which offer via a platform; integrators; resellers & value adding resellers and many other 3rd parties ...

Value Creation & Distribution:

- New questions of outsourcing of resources, capabilities to partners; development of software-offering itself + migration/ integration/ customization-services; support; infrastructure & service monitoring, hosting, SW/HW-appliances ...

Value Proposition => How do you describe the value for your customers?



»The Greater Picture«

Thinking of creative business model variants by keeping track of all aspects without information overload

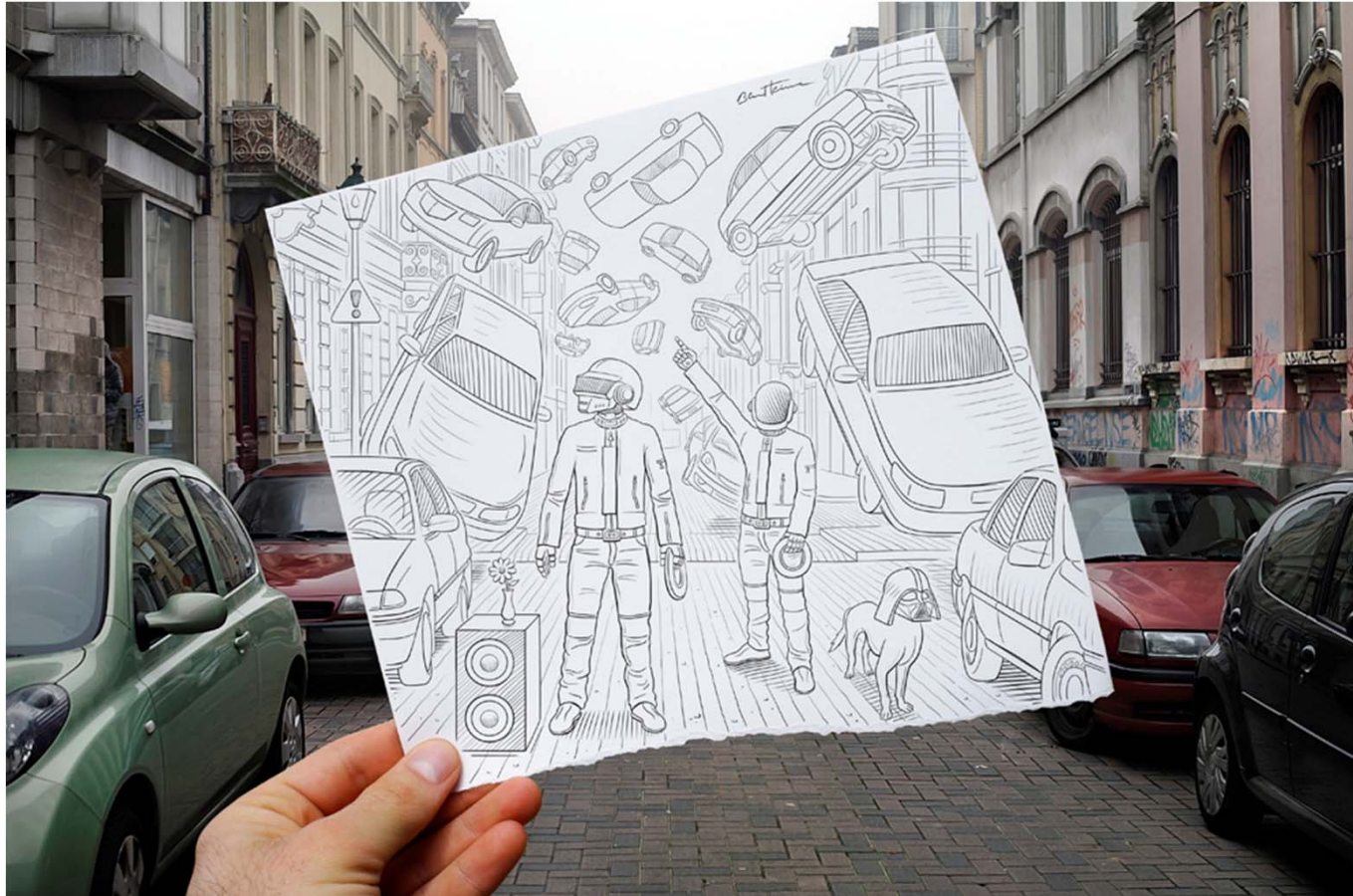


Image by Ben Heine © Ben Heine 2011 - www.benheine.com BLOG: <http://benjaminheine.blogspot.com>

Solution – Think about business models, not business plans

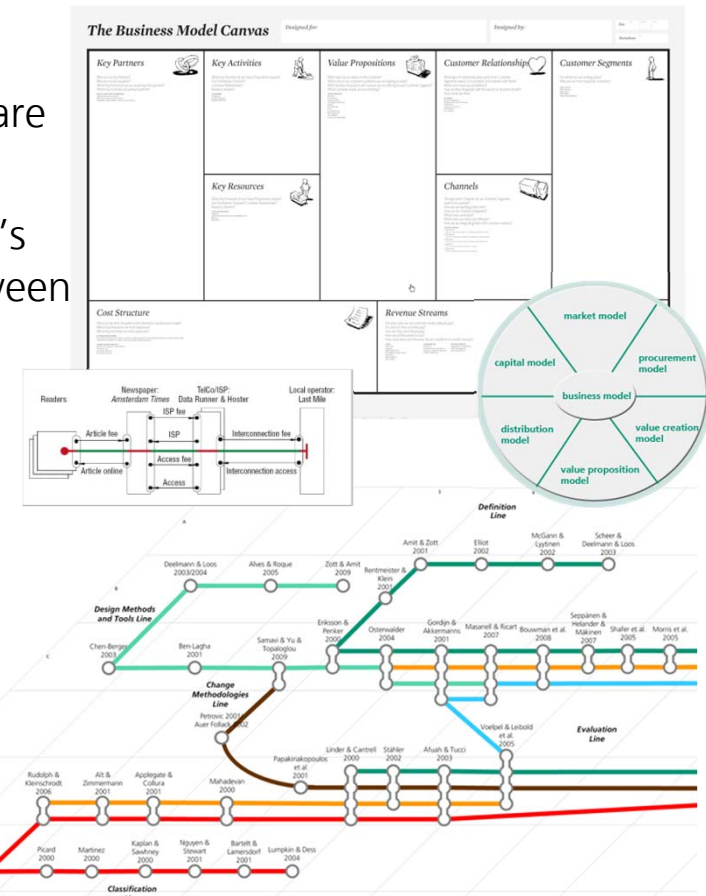
Business Model: A simple model of the business logic (main aspects of value exchange) of a company. Business Models are (far) more than financials!

Elements of a business model description depend on author's focus – most of them see building blocks and relations between them

- => An Ontology is particularly suitable to describe a business model

Why no business plan? A business model

- is an early-stage tool to be fast
- is a visual way to speak about ideas
- targets a wider audience (internal and external decision makers, business developers but maybe also partners and other external parties)



Images: small versions of the canvas by Osterwalder, Gordijn's e3-value and Wirtz's model; Business Model Research Map by Fraunhofer IAO

Business Model Design is a Creative & Visual Task

»Much of the thinking done in formal education emphasizes the skills of analysis – teaching students how to understand claims, follow or create a logical argument, figure out the answer, eliminate the incorrect paths and focus on the correct one.

However, there is another kind of thinking, one that focuses on exploring ideas, generating possibilities, looking for many right answers rather than just one.«

(Robert Harris)



Critical vs. Creative Thinking

analytic vs. generative

probability vs. possibility

answer vs. an answer

left brain vs. right brain

verbal vs. visual

linear vs. associative

reasoning vs. richness,
novelty

Excerpt from Robert Harris,
Introduction into Creative Thinking 1998
<http://www.virtualsalt.com> (1998)

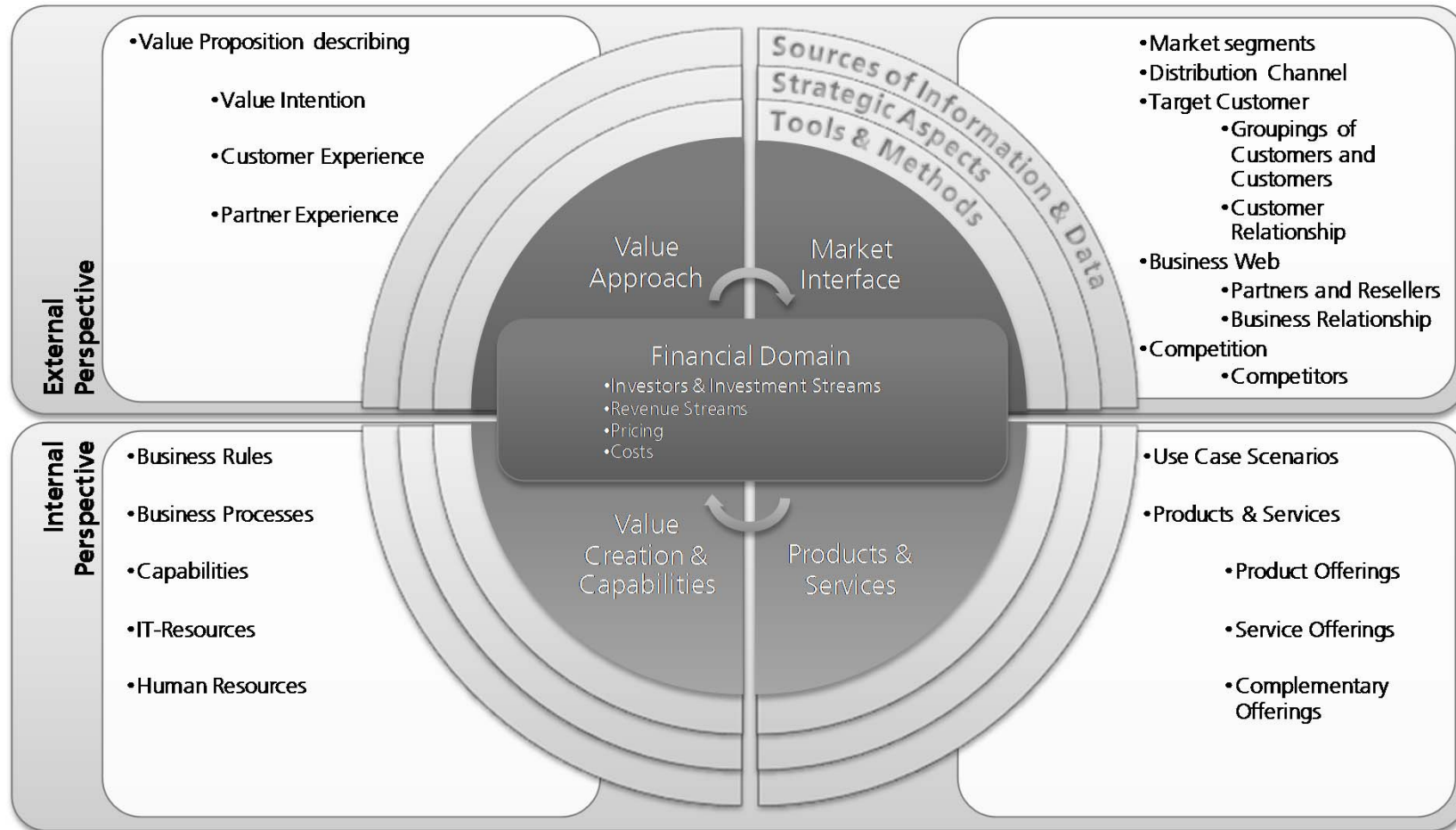
Image: photostock / FreeDigitalPhotos.net

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Business Model Concept

moby – methodology for business dynamics



Four Stages of Business Model Design

0.) Business Model Ideas

Brainstorming about innovative ideas

1.) Configuration of the model

Introduction into the available building blocks

Selection of the required building blocks together with the partner

2.) Prioritization and design of the business model alternatives

Criteria-based identification of the promising alternatives

Design of the alternatives together with the partner (Software-supported)

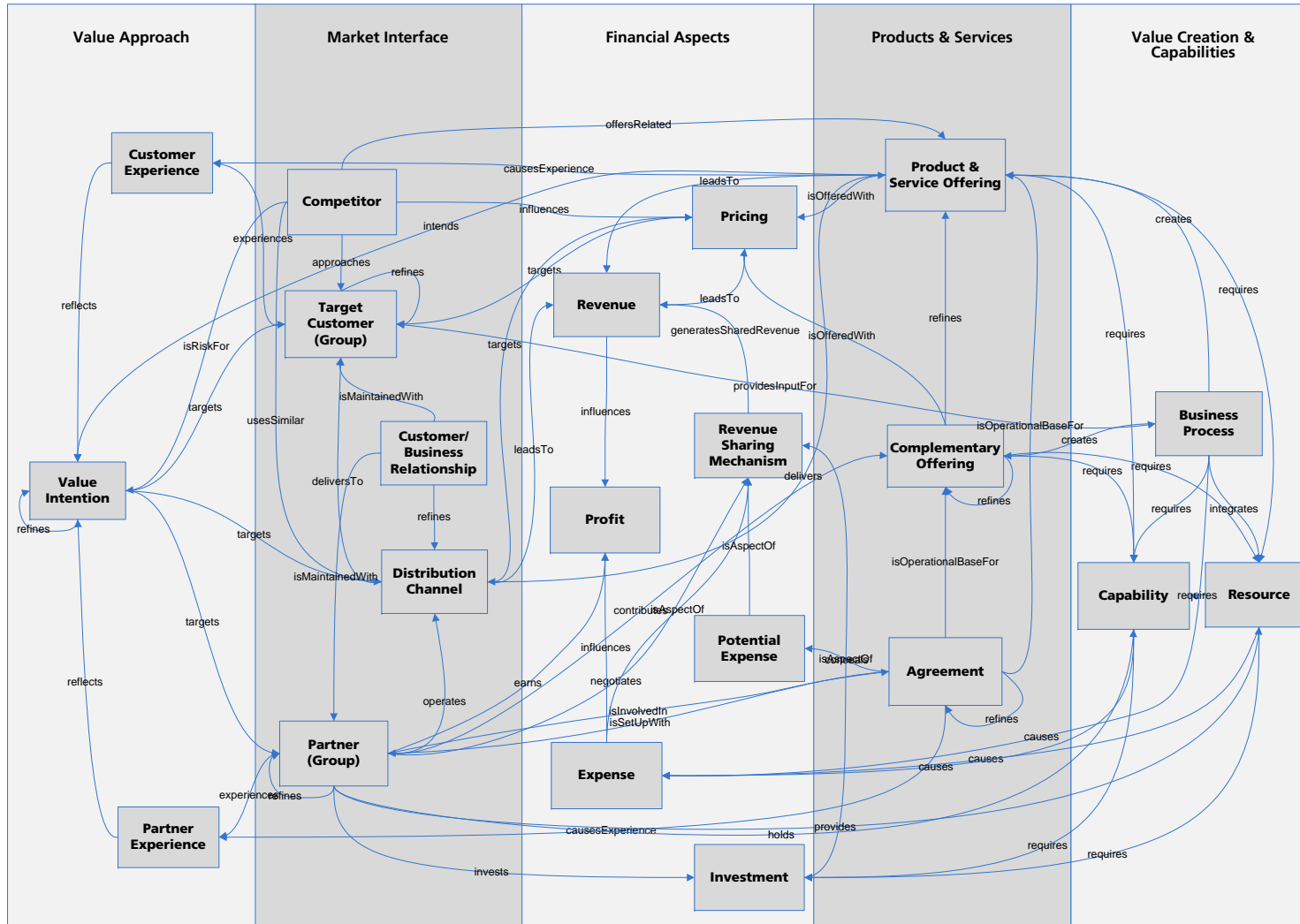
3.) Business Model Evaluation

Comparison and validation of the modeled alternatives

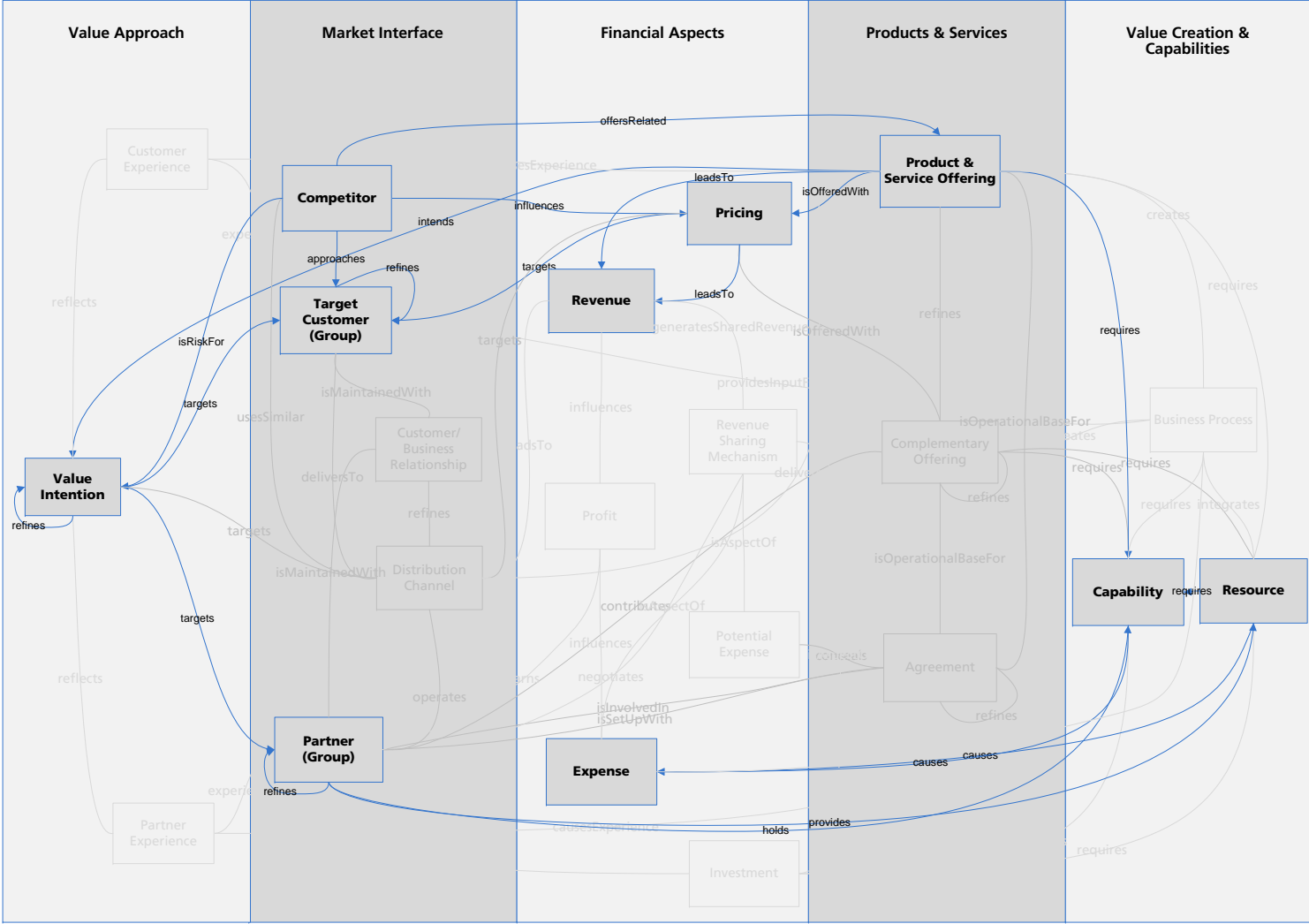
4.) Business Model Dynamics & Management

Exploitation and revision of the business model information

Basic reference model (full)



Configured Reference Model (example)

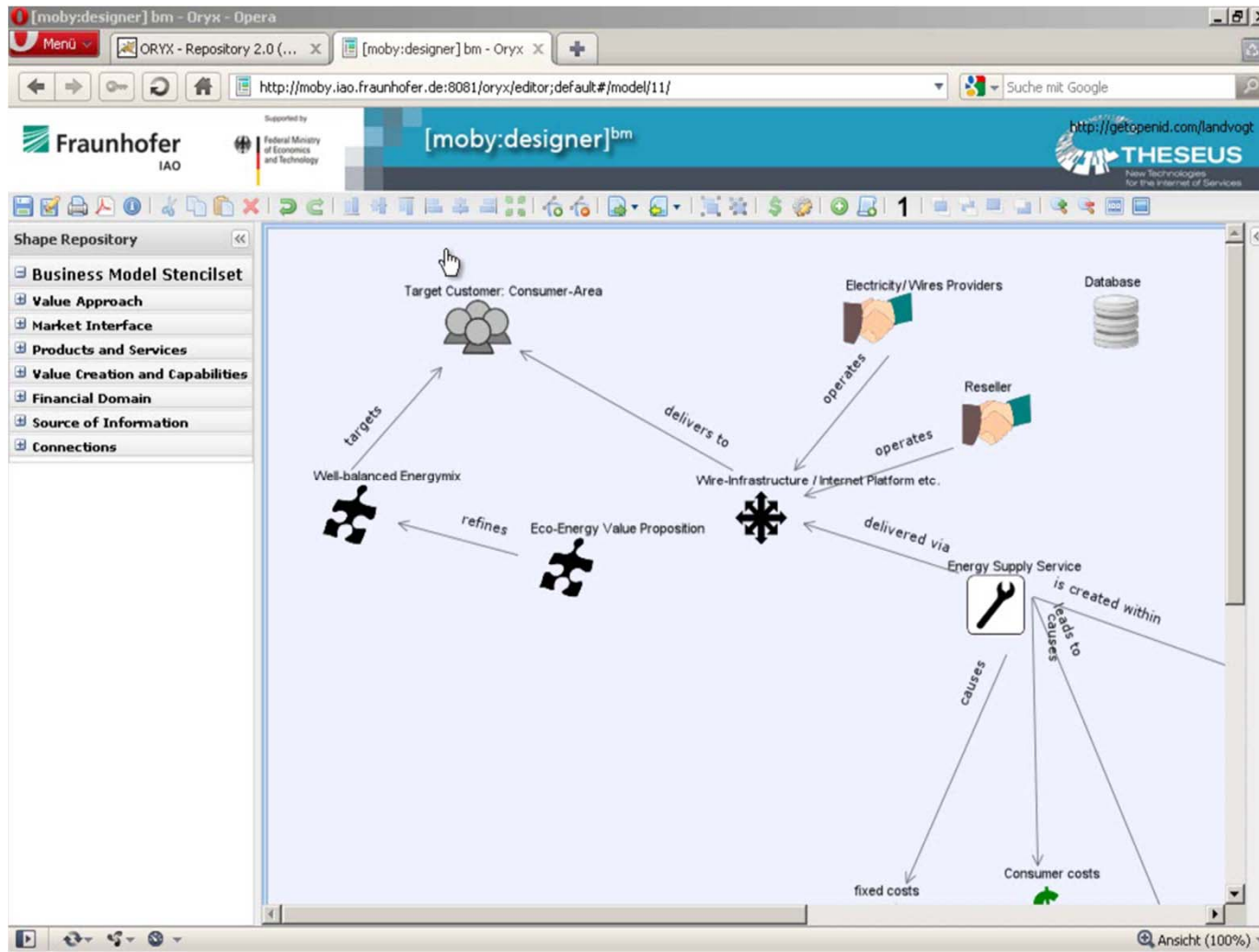


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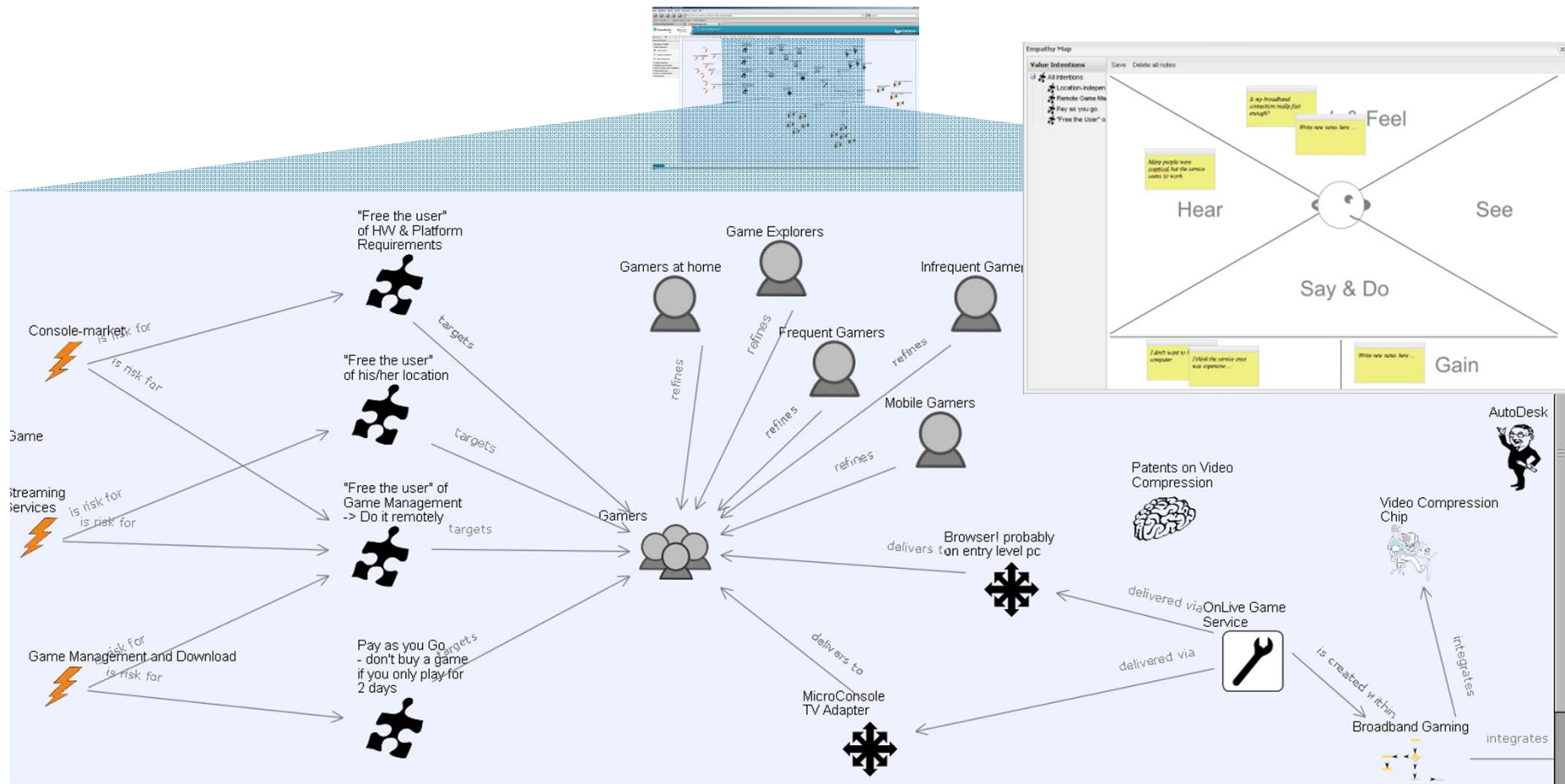
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Software-supported Business Model Design & Management



OnLive – A Cloud-Service for High-End Gaming

Please note: this an external view on a business model excerpt based on publicly available information

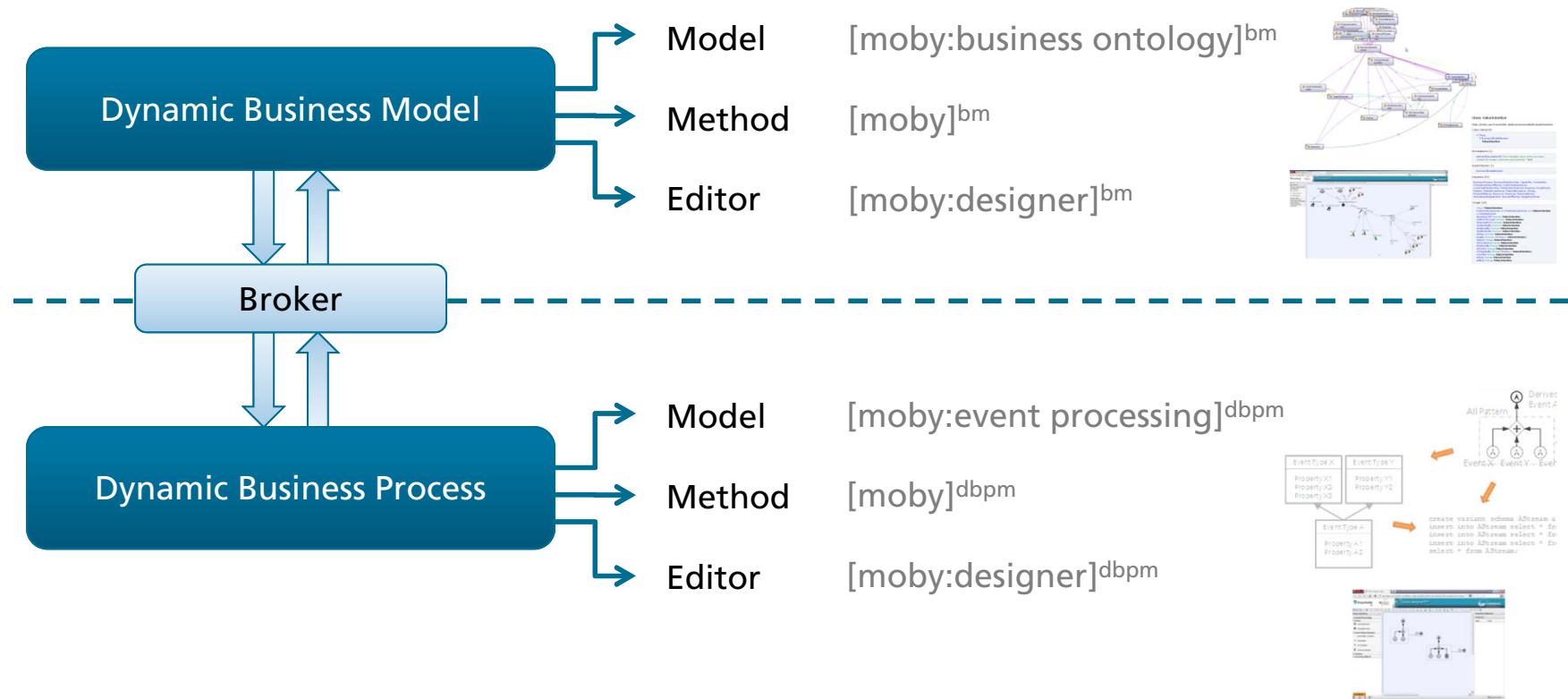


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Possible Extensions of the [moby]-Framework

moby – methodology for business dynamics



Thanks for your time & see you at the forum!



Download of publications and presentations:

www.itbusinessmodels.org

More information on the THESEUS Research Program:

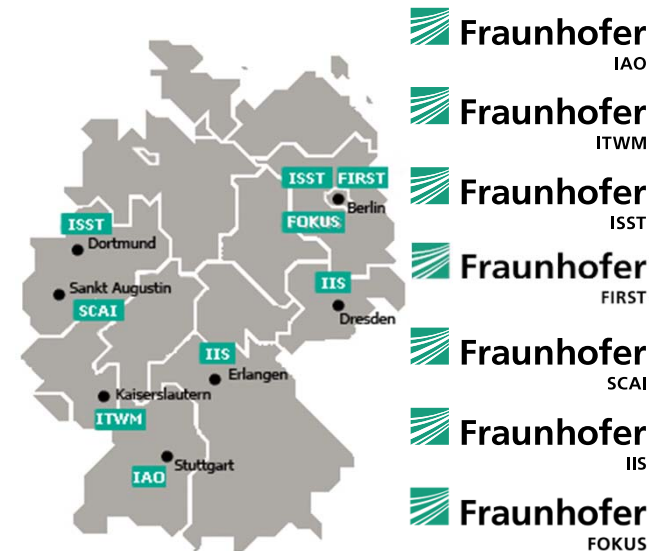
www.theseus-programm.de/en-US/home/

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Fraunhofer-Alliance Cloud Computing is led by Fraunhofer IAO

- 7 Fraunhofer-institutes steering the Cloud-activities of Fraunhofer
- <http://www.cloud.fraunhofer.de> (German)



The project underlying this report was funded by the German Federal Ministry of Economics and Technology under project funding reference number 01MQ07017. The responsibility for the content of this publication lies with the author.