

Business Model Innovation with Lego Serious Play

International Entrepreneurship Education Summit

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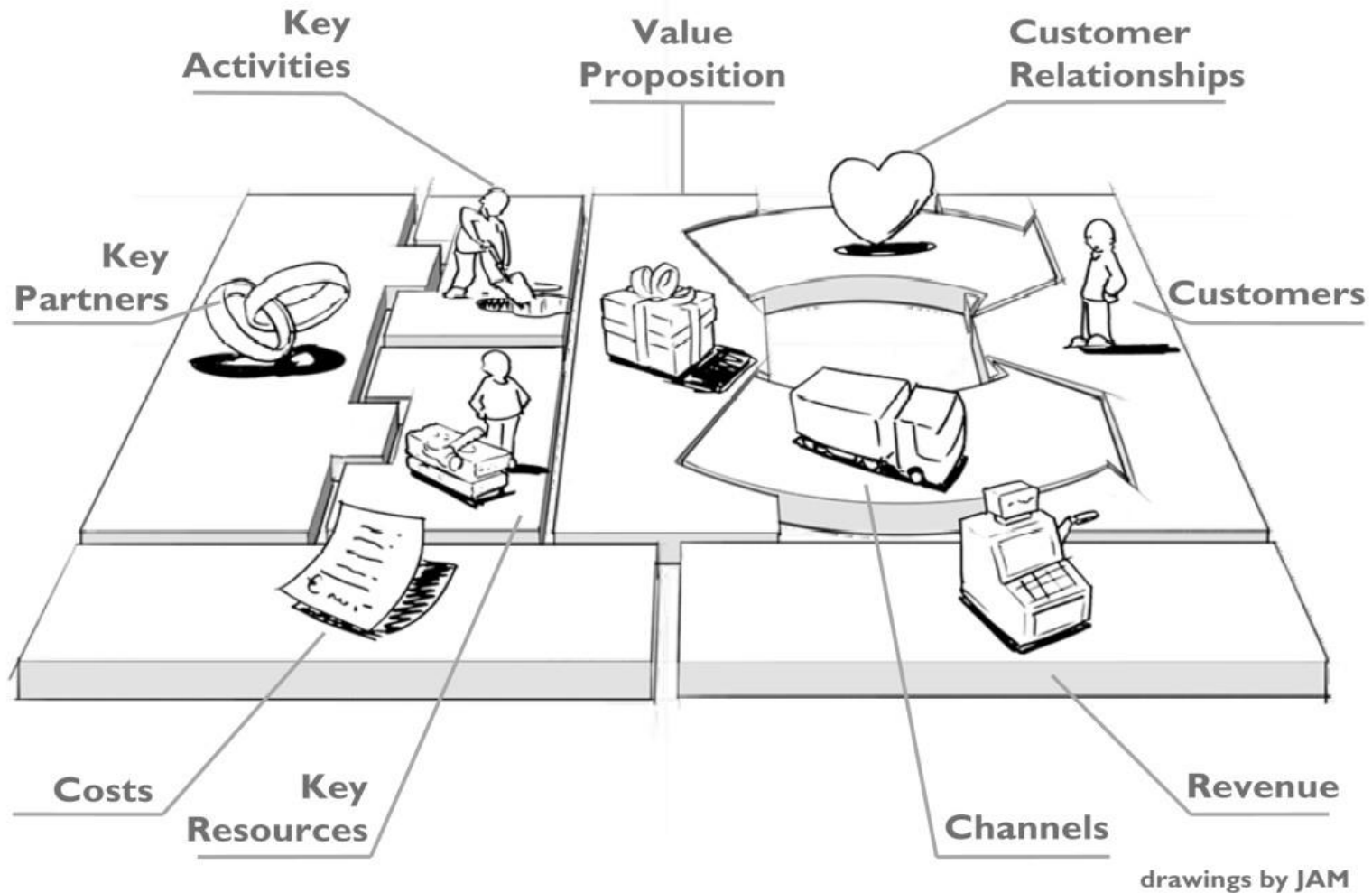
Your challenge

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 - Each table has access to a Lego Serious Play Starter Set
 - Take 30 minutes to design a business
 - Explain what the business is providing
 - Think of revenues streams, ressources and activites



Your business model

The Business Modell Canvas by Osterwalder and Pigneur as the new standard



A quick quiz: the business of coffee

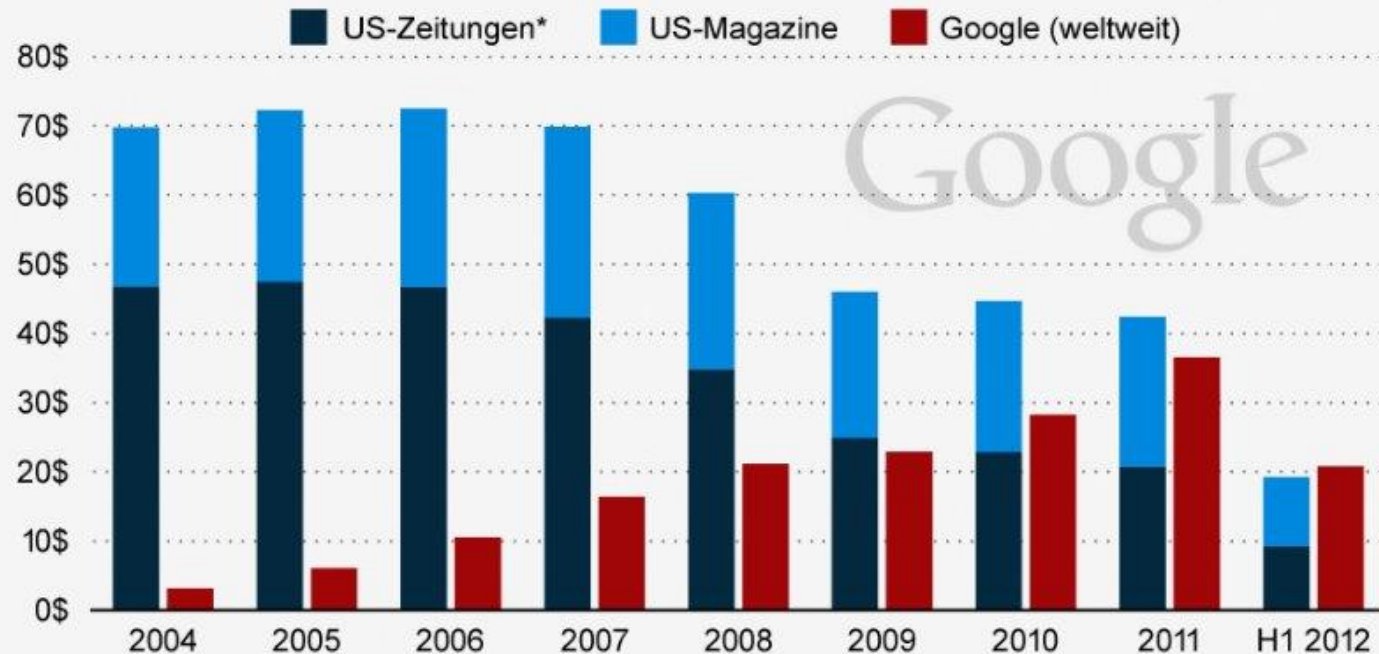
- Question: by what percentage did the annual spending on coffee increase over that past 15 years?

Sie sind **der Grund**, weshalb sich ungeachtet der Bohne, die letztlich in die Tasse kommt, **der Preis, den viele hierzulande pro Tasse zahlen, in den wenigen Jahren locker versechsfacht hat**, weil die einzeln verpackten Miniportionen viel teurer sind als das herkömmliche Pfund Bohnen. Das lässt die Gewinne von Kaffeeunternehmen wie Nespresso sprudeln. Und deswegen wächst der Umsatz der Branche insgesamt auch in traditionellen Kaffeeländern weiter, selbst wenn der Pulverabsatz ganz leicht sinkt. Mehr als jeder dritte Haushalt hat laut Erhebungen des Kaffeerösters Tchibo bereits eine Pad-Maschine, fast jeder achte einen Kapselautomaten.

Print as a business model?

Google übertrifft Print in den USA

Werbeumsätze von 2004 bis 2012 in Milliarden US-Dollar



* ohne Werbung auf Zeitungs-Webseiten

Examples for Business Models

- What is the business of the following companies:
 - Apple
 - Google
 - Facebook
 - Your trusted local newspaper
- Keep the following questions in mind
 - What is the value created for clients and partners?
 - How is the value generated and what is the „packaging“ for various partners?
 - Where are the revenues coming from?

A little more: the 55 patterns

4. The 55 business model patterns

http://www.im.ethz.ch/education/HS13/MIS13/Business_Model_Navigator.pdf

No	Pattern name	Affected BM components	Exemplary companies	Pattern description
1	ADD-ON	What Value	Ryanair (1985), SAP (1992), Sega (1998)	The core offering is priced competitively, but there are numerous extras that drive the final price up. In the end, the customer pays more than he or she initially assumed. Customers benefit from a variable offer, which they can adapt to their specific needs.
2	AFFILIATION	How Value	Amazon Store (1995), Cybererotica (1994), CDnow (1994), Pinterest (2010)	The focus lies in supporting others to successfully sell products and directly benefit from successful transactions. Affiliates usually profit from some kind of pay-per-sale or pay-per-display compensation. The company, on the other hand, is able to gain access to a more diverse potential customer base without additional active sales or marketing efforts.
3	AIKIDO	Who What Value	Six Flags (1961), The Body Shop (1976), Swatch (1983), Cirque du Soleil (1984), Nintendo (2006)	Aikido is a Japanese martial art in which the strength of an attacker is used against him or her. As a business model, Aikido allows a company to offer something diametrically opposed to the image and mindset of the competition. This new value proposition attracts customers who prefer ideas or concepts opposed to the mainstream.
4	AUCTION	What Value	eBay (1995), Winebid (1996), Priceline (1997), Google (1998), Elance (2006), Zopa (2005), MyHammer (2005)	Auctioning means selling a product or service to the highest bidder. The final price is achieved when a particular end time of the auction is reached or when no higher offers are received. This allows the company to sell at the highest price acceptable to the customer. The customer benefits

ed?

All the 55 patterns :-)

Add-On (Model 1)	Direct Selling (Model 12)	Integrator (Model 23)	Orchestrator (Model 34)	Self-Service (Model 45)
Affiliation (Model 2)	E-Commerce (Model 13)	Layer Player (Model 24)	Pay Per Use (Model 35)	Shop-In-Shop (Model 46)
Aikido (Model 3)	Experience Selling (Model 14)	Leverage Customer Data (Model 25)	Pay What You Want (Model 36)	Solution Provider (Model 47)
Auction (Model 4)	Flatrate (Model 15)	License (Model 26)	Peer-To-Peer (Model 37)	Subscription (Model 48)
Barter (Model 5)	Fractionalized Ownership (Model 16)	Lock-In (Model 27)	Performance-Based Contracting (Model 38)	Supermarket (Model 49)
Cash Machine (Model 6)	Franchising (Model 17)	Long Tail (Model 28)	Razor and Blade (Model 39)	Target The Poor (Model 50)
Cross Selling (Model 7)	Freemium (Model 18)	Make More Of It (Model 29)	Rent Instead of Buy (Model 40)	Trash-To-Cash (Model 51)
Crowdfunding (Model 8)	From Push-To-Pull (Model 19)	Mass Customization (Model 30)	Revenue Sharing (Model 41)	Two-Sided Market (Model 52)
Crowdsourcing (Model 9)	Guaranteed Availability (Model 20)	No Frills (Model 31)	Reverse Engineering (Model 42)	Ultimate Luxury (Model 53)
Customer Loyalty (Model 10)	Hidden Revenue (Model 21)	Open Business Model (Model 32)	Reverse Innovation (Model 43)	User Designed (Model 54)
Digitalization (Model 11)	Ingredient Branding (Model 22)	Open Source (Model 33)	Robin Hood (Model 44)	White Label (Model 55)

Example of revenue streams

- Products
 - Upfront payment
 - Leasing / Rent
 - Pay-per-Use
- Services
 - Pay per use
 - Contract, Bundles, Product as a service
 - Revenue Sharing / Cost Saving
- IP
 - License
 - Rent
 - Freemium
- ...

The Business Modell as the new holy grale

Incremental innovation has been and continues to be main performance engine, but business model innovation expected to play a bigger role moving forward

	In the past	Going forward	Change
The improvement of existing products or services	83%	79%	-4pts
The development of entirely new products or services	63%	66%	+3pts
The development of new business processes to improve profitability	61%	63%	=
The development of more affordable new products and services	56%	56%	=
The development or improvement of products customized to local needs	55%	53%	=
The development of new business models	46%	52%	+6pts
The development of more sustainable processes, products or services	44%	48%	+4pts
The development of new customer services	39%	42%	+3pts



The improvement of existing products or services



The development of new business models

Source:
http://www.ge.com/sites/default/files/Innovation_Overview.pdf