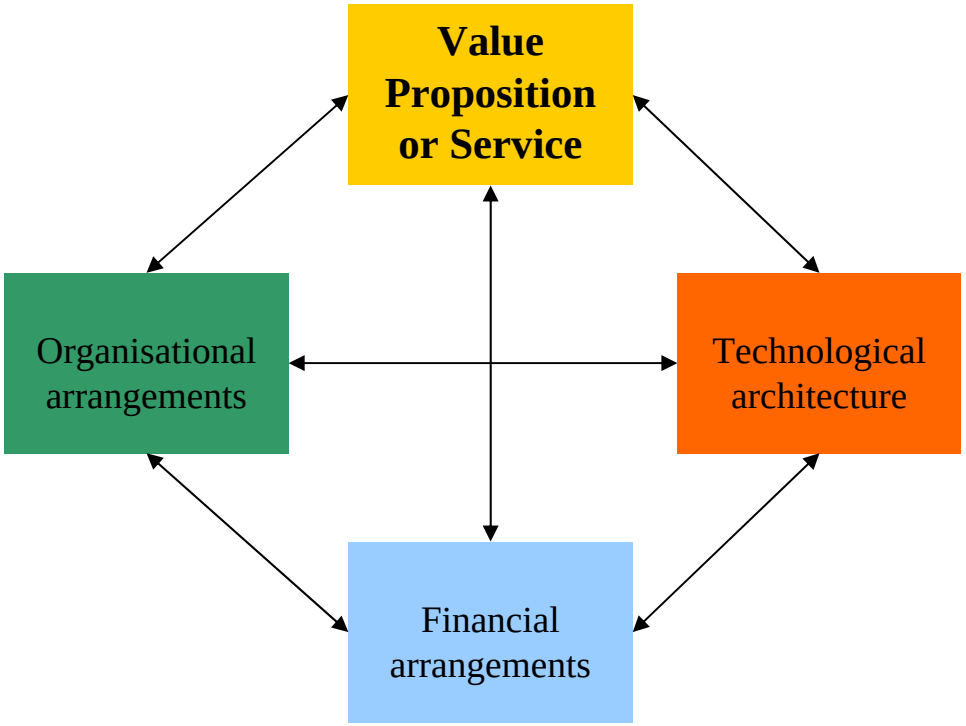
The value proposition from end-user perspective as main driver for creating complex business models



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Why?

Successful development and exploitation of ICT-based services depends on **cooperation** between organisations: sharing resources and capabilities in a *value web*

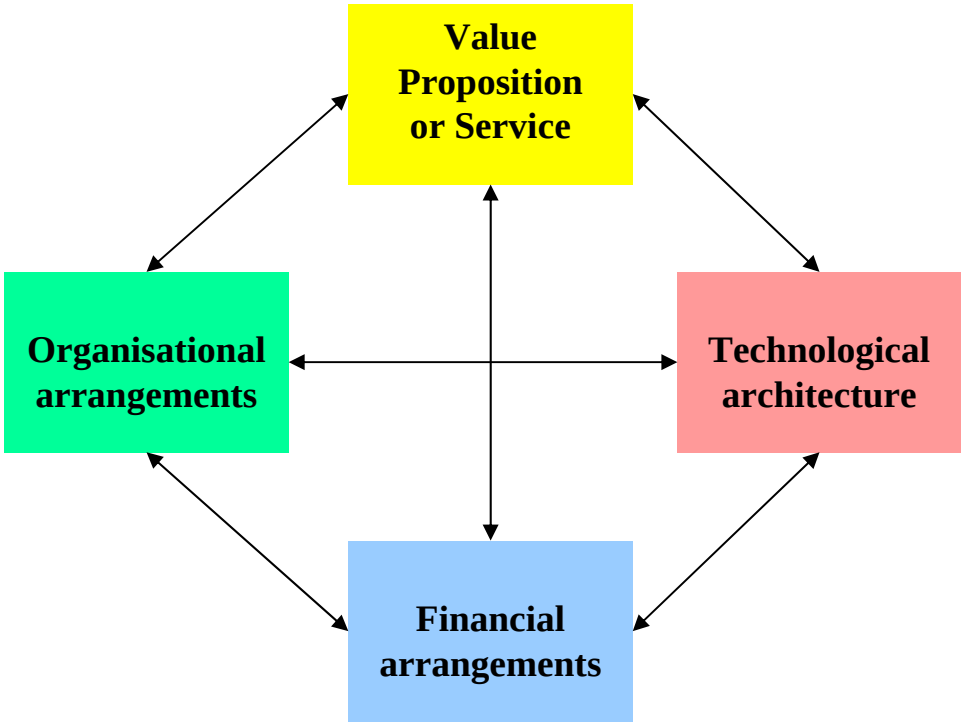
Organisations with different specialisations, different roles, and different backgrounds…

Research design of business models for ICT-based services delivered by *value webs*

Conceptual model

Complex business model or *value web*

Four perspectives or domains – interrelated



Example

Technology enables innovative service with (*assumed*) **customer value**. This service defines organisational arrangements, technological architecture and costs. Financial arrangements then redefine organisaional arrangements, technological architecture, and division of investments, costs, revenues and ownership in *value web*. This *value web* is supposed to deliver the service with (*perceived*) **customer value**.

Research

Literature and case studies -> Conceptual model

Qualitative method: *Business Blueprint* sessions were conducted, in which participants explore and develop complex business models

Question: How do these sessions contribute to creation of viable and feasible business models?

Hypothesis: Starting with **value proposition** will lead to more viable and feasible business models

Business Blueprint session

Service idea: ‘mobile, location based tourist guide’

Different target groups (‘manipulation’ for research)

Formulate value proposition: service and ‘slogan’

Sketch and discuss value web and organisational arrangements: roles, actors, and relations

Sketch and discuss technical architecture (less focus)

Sketch and discuss financial arrangements: revenue sources and revenue streams

Evaluation and analysis

Results: Participants and experts evaluated the resulting business model in terms of viability and feasibility (*would I invest in this service?*),

Process: Participants and facilitators evaluated the method and process in terms of effectiveness and efficiency (*how did the method help us?*)

Findings – Results

Different target groups -> different and adequate value propositions and adequate *value webs*

- *Active seniors* -> value proposition and value network leading -> straightforward service, few actors in *value web*, *low-tech*, simple financial arrangements
- *Families with children* -> value proposition and the technical architecture -> complex interactive service, many actors, *high tech*, complex financial arrangements

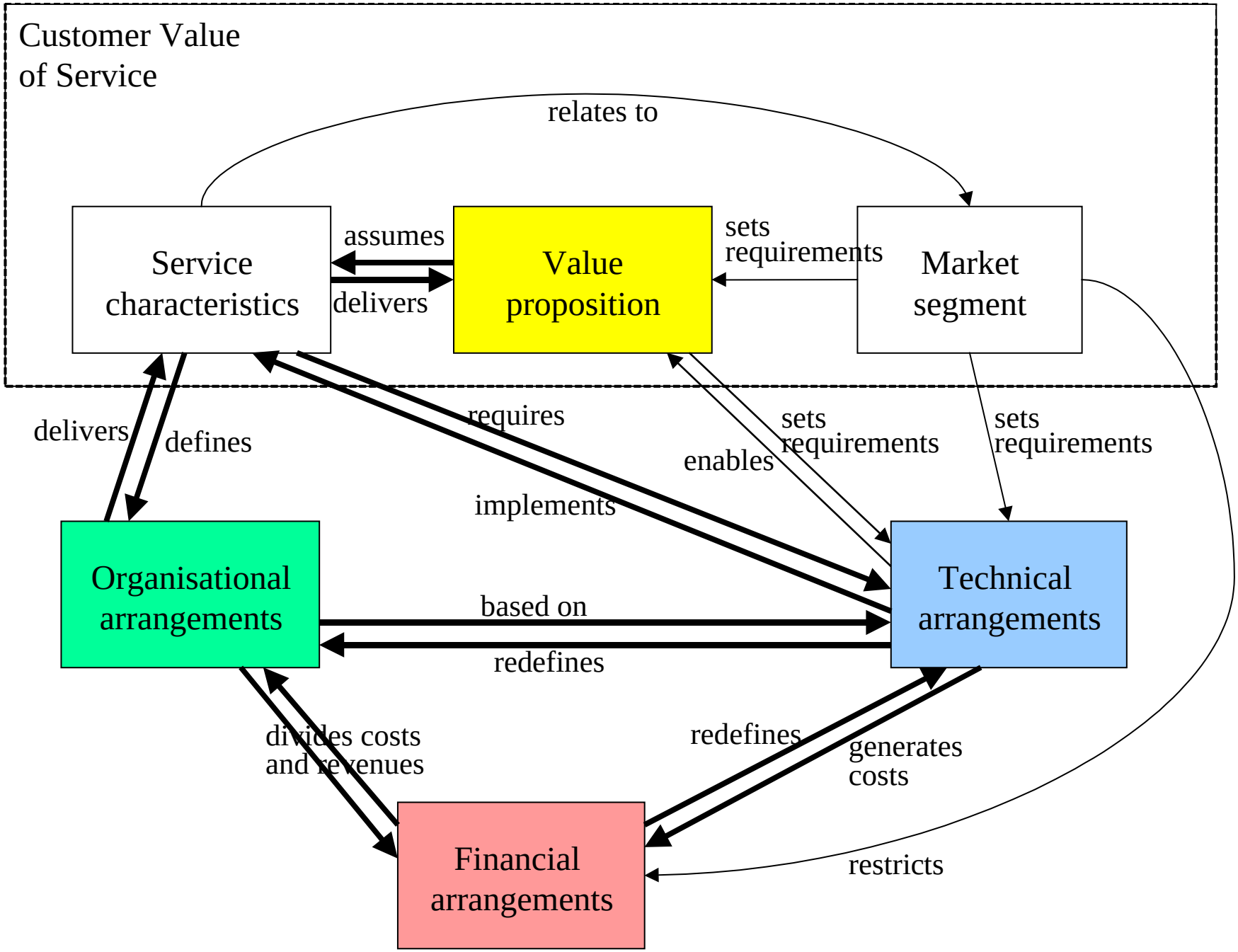
Results: viable and feasible business models

Findings – Process

Efficient and effective method and order: value proposition and *value web*, then technology, then finance, and re(de)fine technology or organisation

Helped to understand critical relations between these four perspectives or domains – *eye openers* about complexity and interrelatedness of issues

Mix of (free) exploration, discussion of options and priorities, many levels of detail – and: shared vision and viable and feasible business models


Customer Value
of Service
relates to
Service characteristics
assumes
delivers
Value proposition
sets requirements
Market segment
delivers
defines
requires
implements
enables
sets requirements
sets requirements
Organisational arrangements
based on
redefines
Technical arrangements
divides costs and revenues
redefines
generates costs
Financial arrangements
restricts

Next steps

Business Blueprint sessions are useful for exploration

Currently developing a **method** and **game** for application in commercial contexts – aimed at actually developing workable solutions

Relation between *assumed* and *perceived* value proposition, and market research

Conference questions

In what ways and to degree are scenarios and model-building exercises useful for predicting possible future use?

Starting with value proposition (end-user perspective) is delivers viable and feasible *value web* – successful future providing and using of service