Impact of Covid 19:
Recovery through
Business Model Shift and Open Innovation

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1. Business Model

2. Open Innovation

3. Managing Crises
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Business Model
What is a Business model?
Business model tells a good Story ...
HOW TO MAKE MONEY IN THIS BUSINESS?

HOW TO TAKE CUSTOMER RELATIONSHIP?

HOW TO LOCK IN CUSTOMERS?

HOW TO DELIVER THE VALUE TO THE CUSTOMER?

WHAT DOES CUSTOMER VALUE?

HOW TO BECOME HARD TO COPY?

HOW TO UNLOCK NEW MARKET POTENTIAL?

HOW TO MANAGE CRISES?

HOW TO MAKE USE OF OPEN INNOVATION?

WHO IS THE CUSTOMER?

HOW TO SCALE IN NEW WAYS?

HOW TO DIFFERENTIATE WITH INNOVATIONS?

it tells...
Undifferentiated

Type 1

- Is there anything that differentiates this business from its competitors?
- Why do customers buy from us?
- Why do customers leave us?

Examples: Mom & Pop, Restaurants
Differentiated

Type 2

- Do we earn a price premium?
- Can we sustain our differentiation over time?
  - For how long?
- Are we likely to develop a second successful offerings? When?

Example: Startup technological companies
Segmented

Type 3

- Are we engineering driven company?
- Have we created new market segments, or our customers find us?
- Can we further segment our market?
- Can we extend our market?

Example: Technology push companies
Type 4

- Do we look outside regularly for new ideas and technologies?
- Do our key customers and suppliers know about our future road maps?
- Is marketing an equal partner in the innovation process?

Example: Mature industrial R & D firms
Integrated with Business Model

Type 5

- Is our business model more widely understood within our company?
- Do our key customers and suppliers share their road maps with us?
- Is innovation managed as a business or as a technology function?

Example: Leading financial firms
Platform player shapes the markets

Type 6

- Can we direct the future evolution of our markets?
- Will customers and suppliers fit their business models to ours?
- Do other companies routinely invest in projects that require our technology as a platform?

Example: Intel, Wal-Mart, Dell
Business Model Canvas
an areal view of the business
By Osterwalder, A.
**DESIRABILITY**
Do customers want it?

**FEASIBILITY**
Can we deliver it?

**VIABILITY**
Is it profitable enough?
From product innovation to Business model innovation

Business Model Mechanics

- **RESOURCE-DRIVEN EPICENTER**
  - business scalability

- **OFFER-DRIVEN EPICENTER**
  - offer-driven epicenter

- **CUSTOMER-DRIVEN EPICENTER**
  - customer attractiveness

- **FINANCE-DRIVEN EPICENTER**
  - value differentiation
BACK STAGE DRIVEN SHIFTS

FRONT STAGE DRIVEN SHIFTS

PROFIT FORMULA DRIVEN SHIFTS
From (as-in)

To (to-be)
RESOURCE-DRIVEN EPICENTER

Asset Heavy Asset Light

Closed Innovation
Open Innovation

Dedicated usage
Multi usage
**FINANCE-DRIVEN EPICENTER**

- High Cost
- Low Cost

**OFFER-DRIVEN EPICENTER**

- Standardization
- Customization
- B2B
- B2C Direct Access

**CUSTOMER-DRIVEN EPICENTER**

- Niche-market
- Mass-Market

**RESOURCE-DRIVEN EPICENTER**

- Asset Heavy
- Asset Light
- Closed Innovation
- Open Innovation
- Dedicated usage
- Multi usage

**Product**

- Low tech
- High tech

**Sales Platform**

- Sales
- Platform
Open Innovation
3
Managing
Crises
Existing Business Model

High expected impact

Low expected impact

High innovation risk

Low innovation risk
Existing Business Model

High expected impact

High innovation risk

Low innovation risk

Low expected impact
A radical shift of how value is created and how profits are made
Example:
- Nespresso
- Tesla Motors
- Ikea
- Hilti
References


References


Thank you