

Digital Business Models

01_ Initial Situation

The world is constantly changing. Again and again extreme changes occur through one of the three trend initiators:

- Technology
- Companies
- Customers

Companies must permanently verify, if their competitiveness and market sustainability is given by the current business model and, if necessary adapt it regardless of the causative trend.

Currently, the digitalization has led to vast changes in the business world across many industries. A fast reaction and the adaptation of the company strategy and the business models is necessary.

At the beginning the goals that are to be achieved must be defined, followed by various development and evaluation methods, in order to work out the ideal business model form a broad selection of many options.

During the implementation, three areas are in focus.

- Increase of customer value
- Development and streamlining of the business processes
- Sustainable improvement of the finance

Often, companies think of a transformation too late. This can mean that the competition has implemented and established a new business model beforehand.

The company, that can successfully transform itself first, can sustain its position and strengthen it further.

Through the formed market entry barriers, it becomes more difficult for latecomers to penetrate the market sustainably.

Based on Ansoff's product-market matrix, four main transformation paths have been formed for companies, which are caused by digital enabler. The enabler are categorized in software enabler and hardware enabler. The software enabler are classified into: platforms/clouds, applications and analytic systems. The hardware enabler are classified into: transmitter and sensors and new technologies, like for example VR technology or communication technology.



02_ Transformation Paths

1. TRANSFORMATION PATH: Standardization

Goal: With an existing product into a new market

Example for Digitalization: An existing product or a service is provided through a standardized distribution channel (e.g. cloud-platform), in order to access new customer segments. This way the distribution channel is standardized and the new customer interface can be utilized with reoccurring revenues (subscription and maintenance models).

2. TRANSFORMATION PATH: Transformation

Goal: With a new product into an existing market

Example for Digitalization: An existing offering to the market such as the car renting concept is detached from a fixed site and made accessible for the customer through a platform.

3. TRANSFORMATION PATH: Innovation

Goal: With a new product into a new market

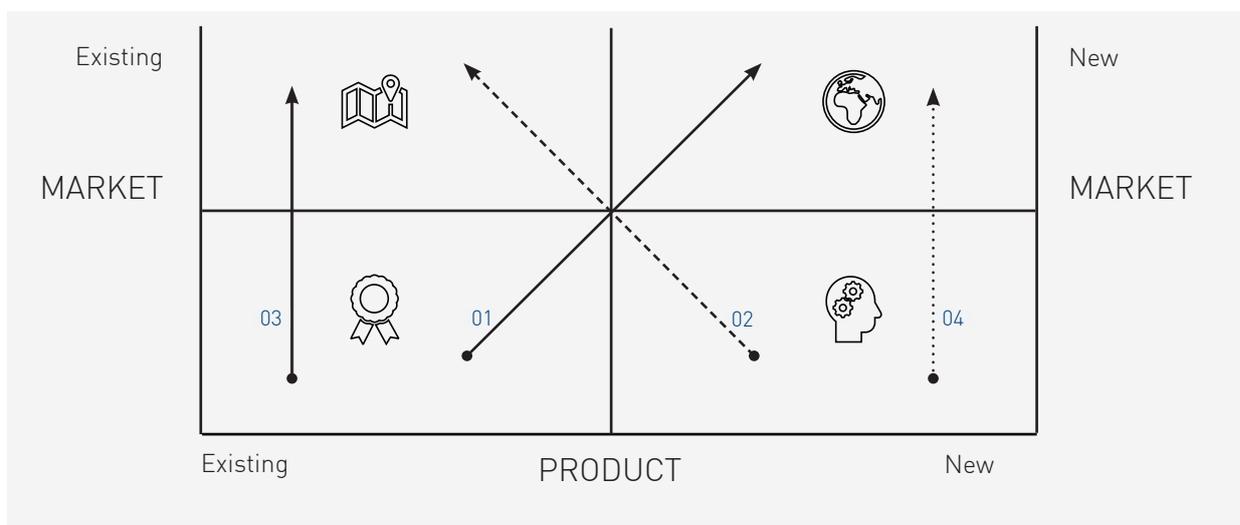
Example for Digitalization: Triggered by market-ready technology or service innovation, new customer demands and markets arise. The first mover advantage leads to above average revenues and margins. A new technology is developed, for example a Smart Phone.

4. TRANSFORMATION PATH: Specialization

Goal: Seize a existing market with and existing product

Example for Digitalization: The holistic digitalization of the process chain enables a more efficient production with equal or better quality. The resulting cost advantages create more competitiveness.

TRANSFORMATION PATH



03_ Need for Change

A successful business model transformation, through a strong cooperation with all involved parties, requires strategic leadership. The executives accompany their employees actively during the adaption to the new situation through the creation of transparency and the establishment of an open information and communication culture throughout all hierarchic structures.

We, the i-tec Consulting GmbH, a valued partner of companies in the field of digitalization, adaption of business processes and innovative business models in the field of service and production, would gladly support you with your transformation.