

» **EXPLODED VIEW WORKSHOP 3**
THE ROLE OF THE VALUE NETWORK IN SCALING



› **TABLE OF CONTENT**

- **INTRODUCTIE** **10.00-10.15**
- **CUSTOMER JOURNEY** **10.15-11.15**
- **PAUZE** **11.15-11.30**
- **BUSINESS MODEL RADAR** **11.30-12.30**
- **DISCUSSIE OF EXTRA TOPIC** **12.30-12.45**
- **NEXT STEPS** **12.45-13.00**

› THE TEAM



IR. MILOU DERKS

Strategic Business Analysis and
Innovation for Development (TNO)

PhD Student on business
ecosystem research (Tue)



JISCA VAN BOMMEL

Climate, Air and Sustainability
(TNO)



ANDREA KERSTENS

Strategic Business Analysis (TNO)

› INTRODUCTIE

KORTE WORKSHOP MET ALS DOEL AAN HET DENKEN TE ZETTEN EN TE INSPIREREN

- Hoe ga jij je impact vergroten?



› INTRODUCTIE

IMPACT MAKEN VEREIST EEN GOED BUSINESS MODEL

- Is jouw business model goed afgestemd op de behoefte van je klanten?
- Hoe is je netwerk georganiseerd?
- Kun je gaan schalen?



› INTRODUCTIE

EEN GOED BUSINESS MODEL IS NOG BELANGRIJKEER VOOR DUURZAAMHEIDSINNOVATIES

- Je wilt 'business-as-usual' vervangen
- Je biedt een oplossing voor een probleem wat nog niet door iedereen gevoeld (of erkend) wordt
- Je business model moet dit compenseren → **je hebt je waardeketen nodig!**



› **CONTENT**

WELKE ONDERWERPEN KUNNEN JE IMPACT VERGROTEN?


- Customer journey
- Business model radar


Optioneel:

- Business model types and strengths
- Organisation and collaboration types
- Board room decision making insights
- Scaling strategy and value network

› CUSTOMER JOURNEY


BUT FIRST SHARE US YOUR VALUE PROPOSITION STATEMENT


Our  Products and Services

help(s)  Customer Segment

who want to

Jobs to be done

by verb (e.g. reducing, avoiding)  and a customer pain

and verb (e.g. increasing, enabling)  and a customer gain ■

(unlike competing value proposition **)**

› CUSTOMER JOURNEY

UNDERSTAND THE SEQUENCE OF EVENTS THAT CUSTOMERS GO THROUGH WHEN INTERACTING WITH NEW SOLUTIONS

- How is value created for the customer?
- How are stakeholders involved to support the value creation process?
- Which actions and information are still needed? Other challenges?

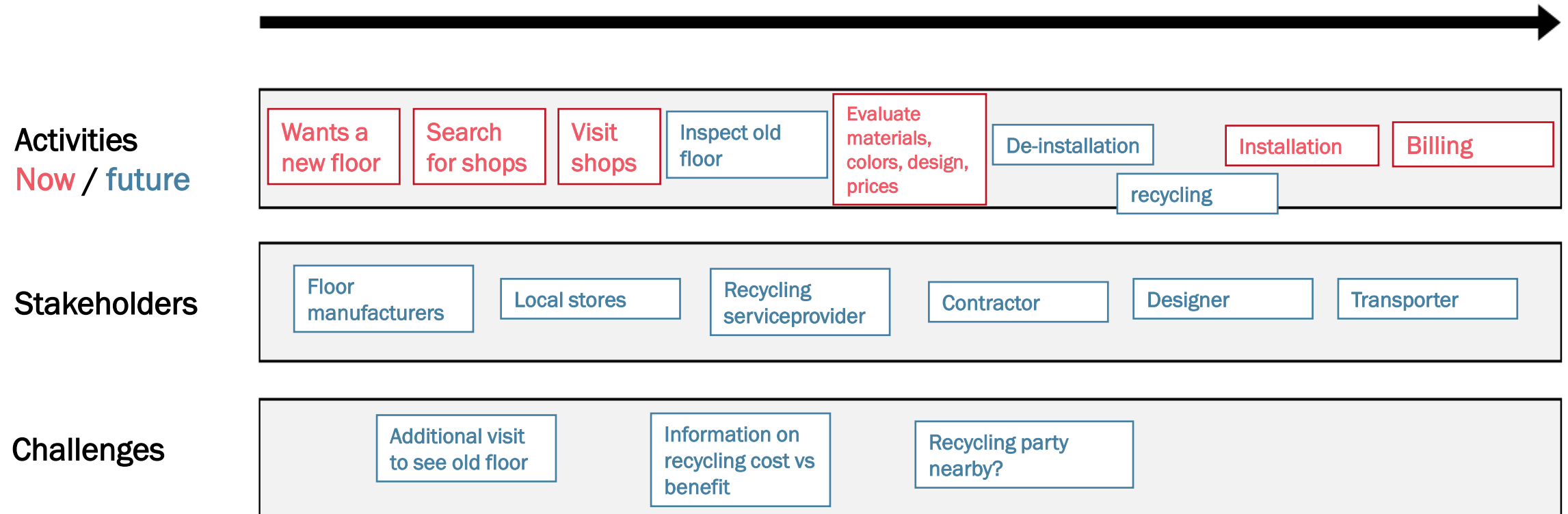
What activities are **currently**
and **to be** conducted as a result
of the solution?

What stakeholders are involved
to support this?

What information or action is
needed (delta as-is / to-be)?



› CUSTOMER JOURNEY



EXAMPLE CIRCULAR FLOORING





› CUSTOMER JOURNEY

VALUE PROPOSITION STATEMENT ANY CHANGES?

Our  _____
help(s)  _____
who want to _____

 _____
by _____
verb (e.g. reducing, avoiding)  _____

and _____
verb (e.g. increasng, enabling)  _____

(unlike  _____ **)**

› PAUZE

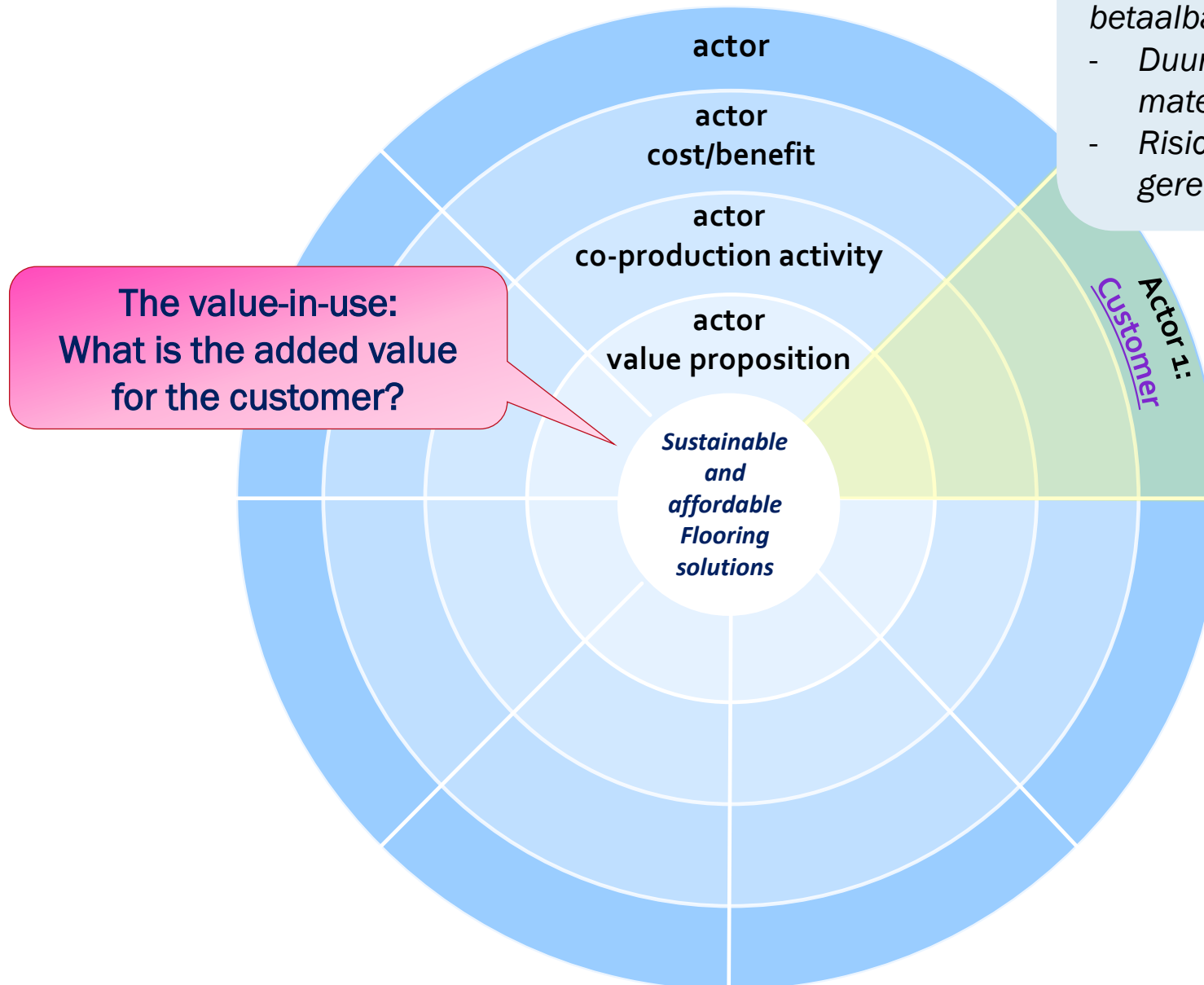


› OEFENING 2: BUSINESS MODEL RADAR

HOE WORDT DE CENTRALE WAARDEPROPOSITIE GEREALISEERD?

- › Nu je in kaart hebt gebracht wat voor propositie je aan consumenten kunt leveren kunnen we een stap verder gaan.
 - › Wat is er nodig voor het leveren van de deze waardepropositie naar de eindklant? Welke partijen zijn er bij betrokken en wat moeten deze partijen voor activiteiten doen?
 - › Zijn de kosten en baten van het leveren van de waardepropositie gelijk verdeeld, of is het belangrijk de waardepropositie te herontwerpen voor een betere balans? Wat is daarvoor nodig?
- › Het beantwoorden van deze vragen doen we door het invullen van de *Business Model Radar*, een raamwerk waarmee een gezamenlijke waardepropositie in kaart gebracht kan worden
 - › Anders dan bijvoorbeeld het BMC, wat rondom de individuele organisatie is ontworpen
 - › Helpt je vooraf na te denken over de mogelijke voors en tegens voor elke partij t.a.v. de waardepropositie

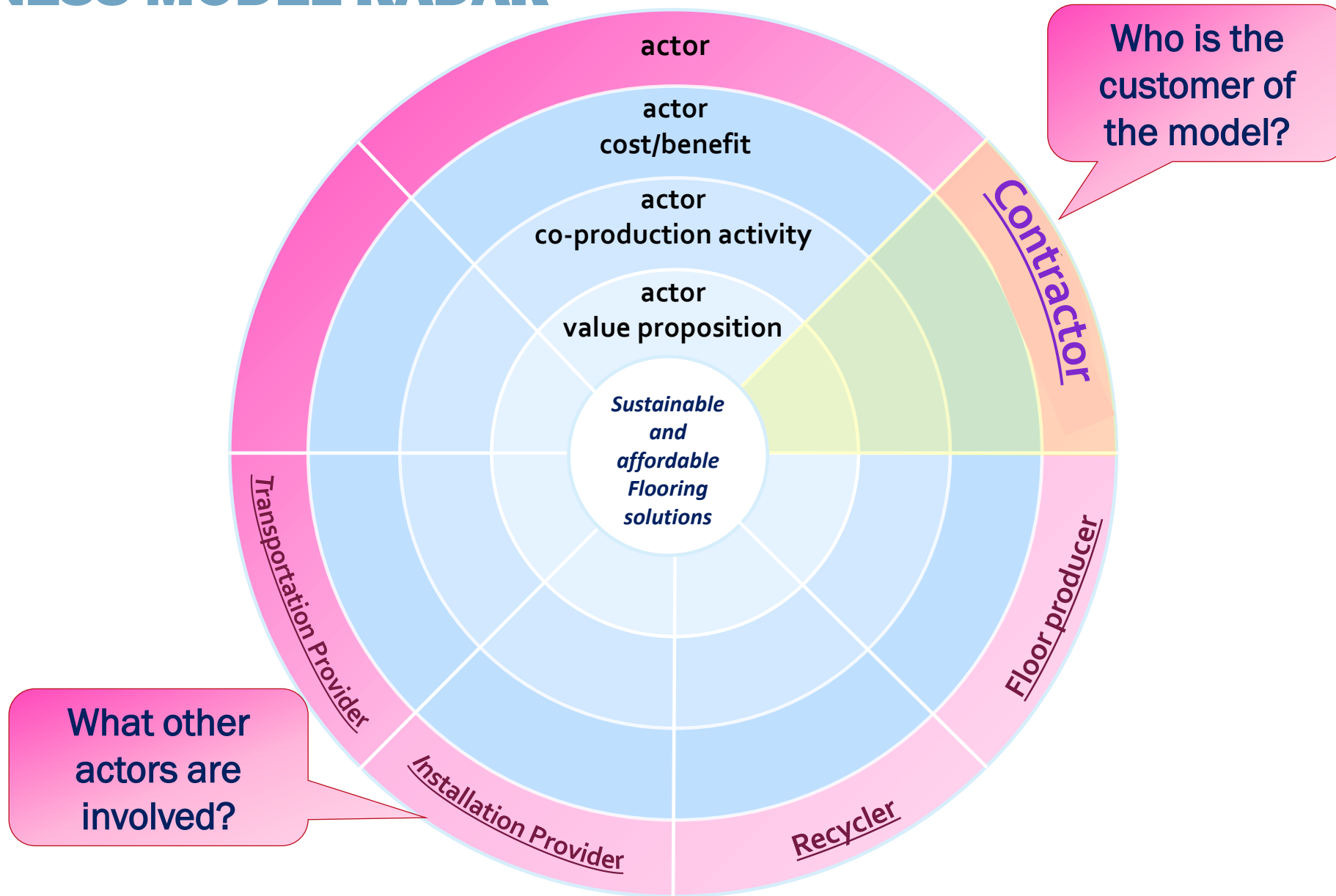
› BUSINESS MODEL RADAR



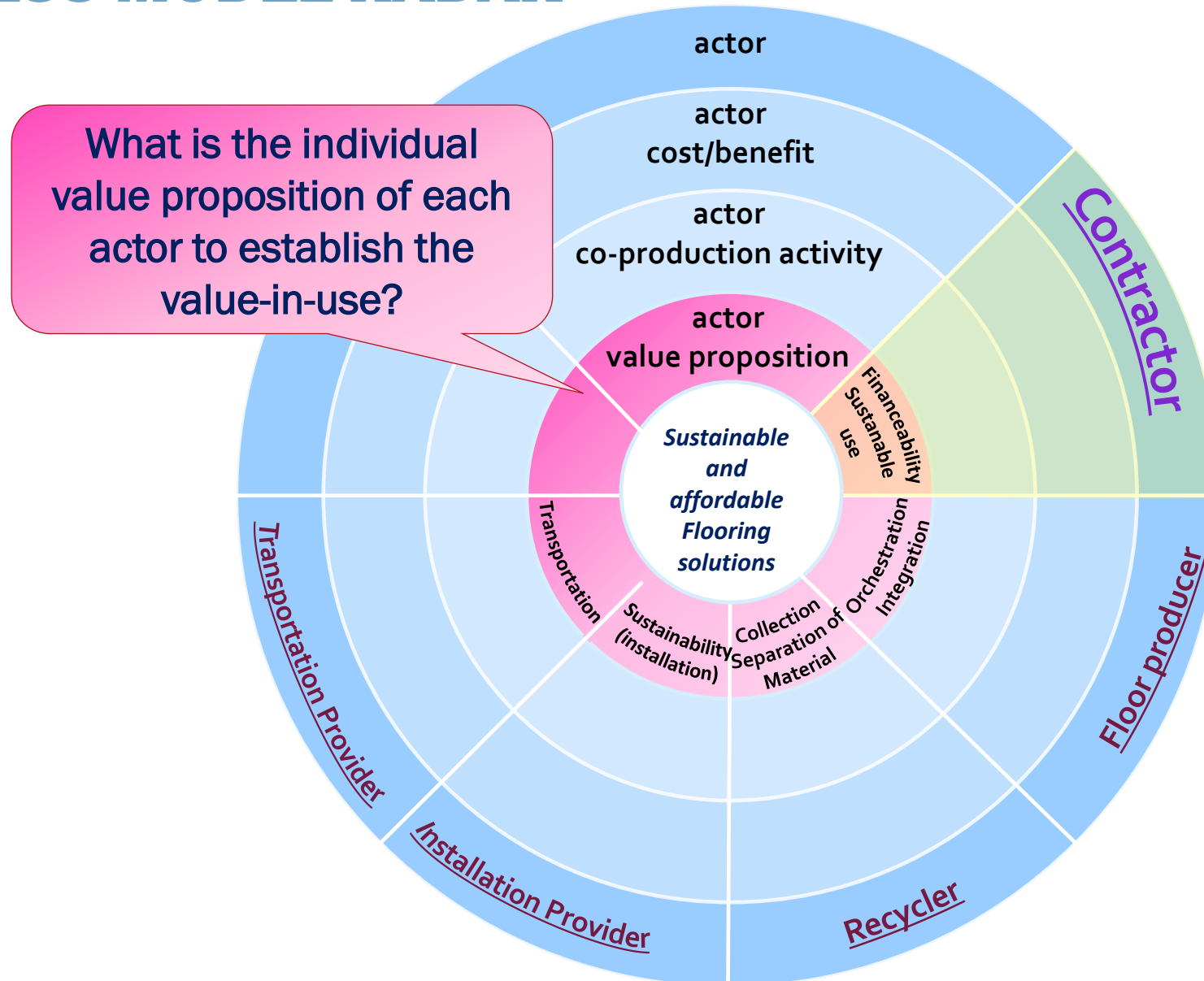
Case: Producent van vloeren wil duurzame vloeren leveren die wel betaalbaar zijn voor de eindconsument

- Duurzaamheid door meer gerecyclede materialen toe te voegen
- Risico: lage kwaliteit en kwantiteit gerecyclede materialen

› BUSINESS MODEL RADAR

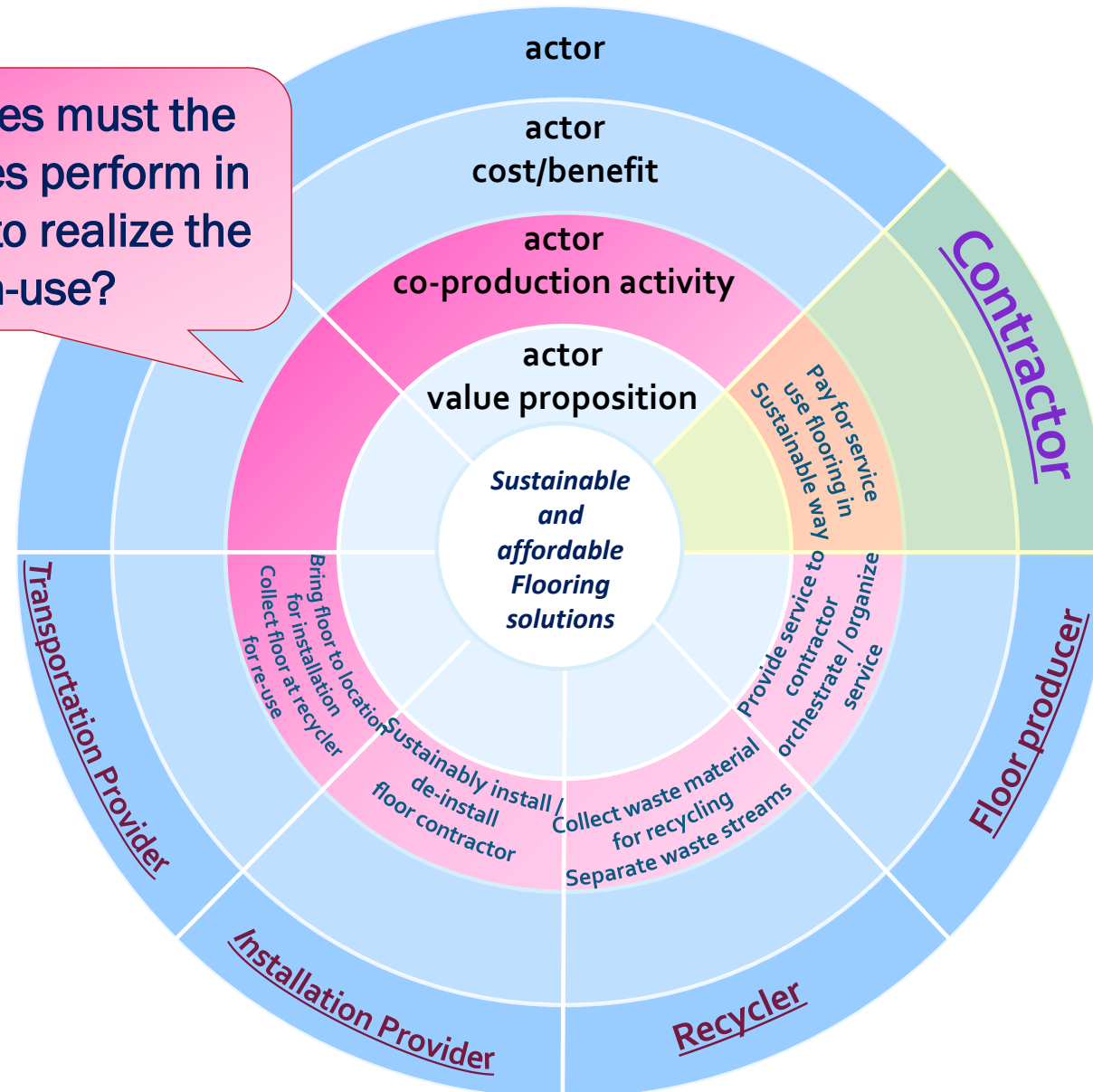


› BUSINESS MODEL RADAR



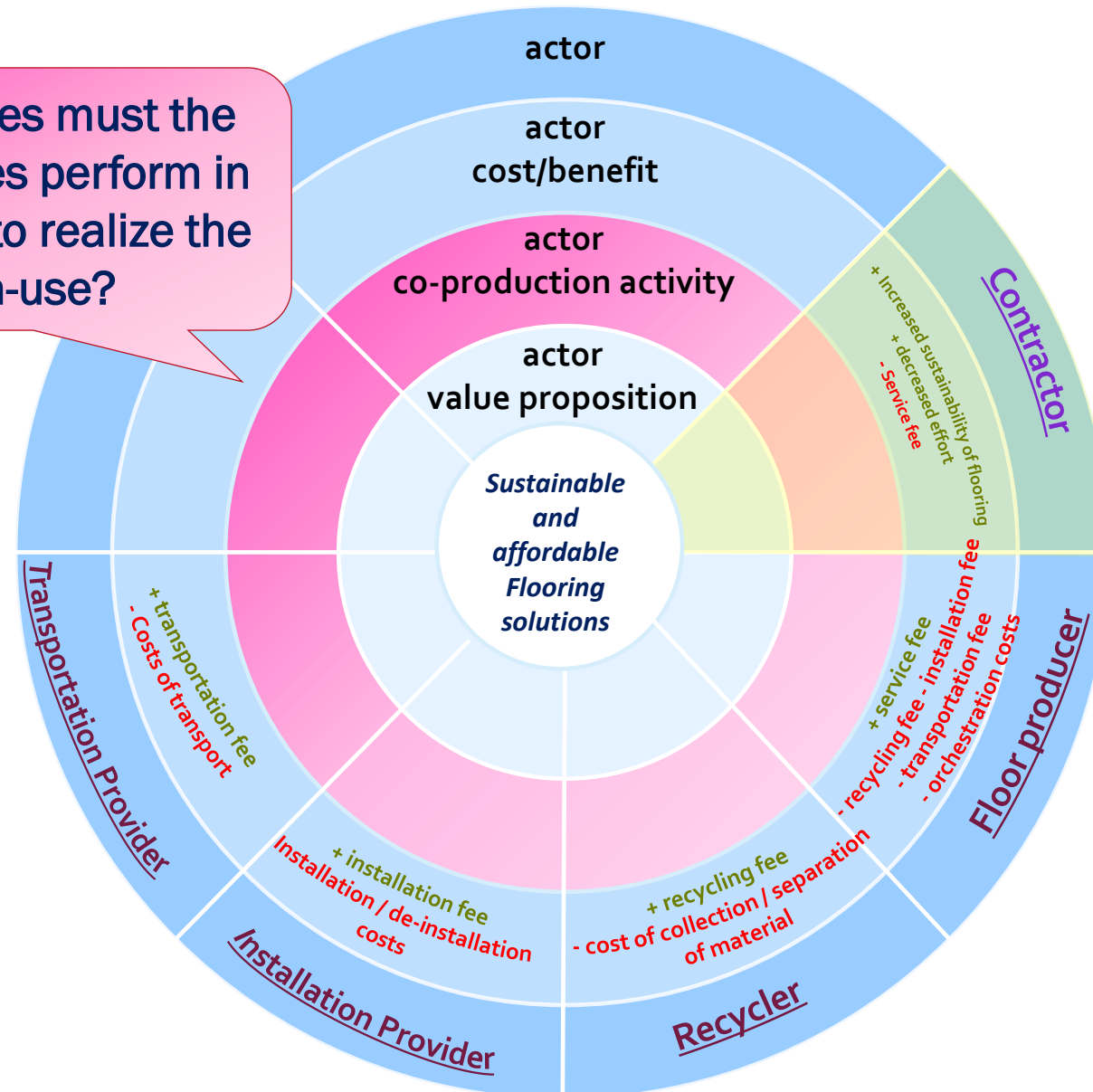
› BUSINESS MODEL RADAR

Which activities must the network parties perform in collaboration to realize the value-in-use?

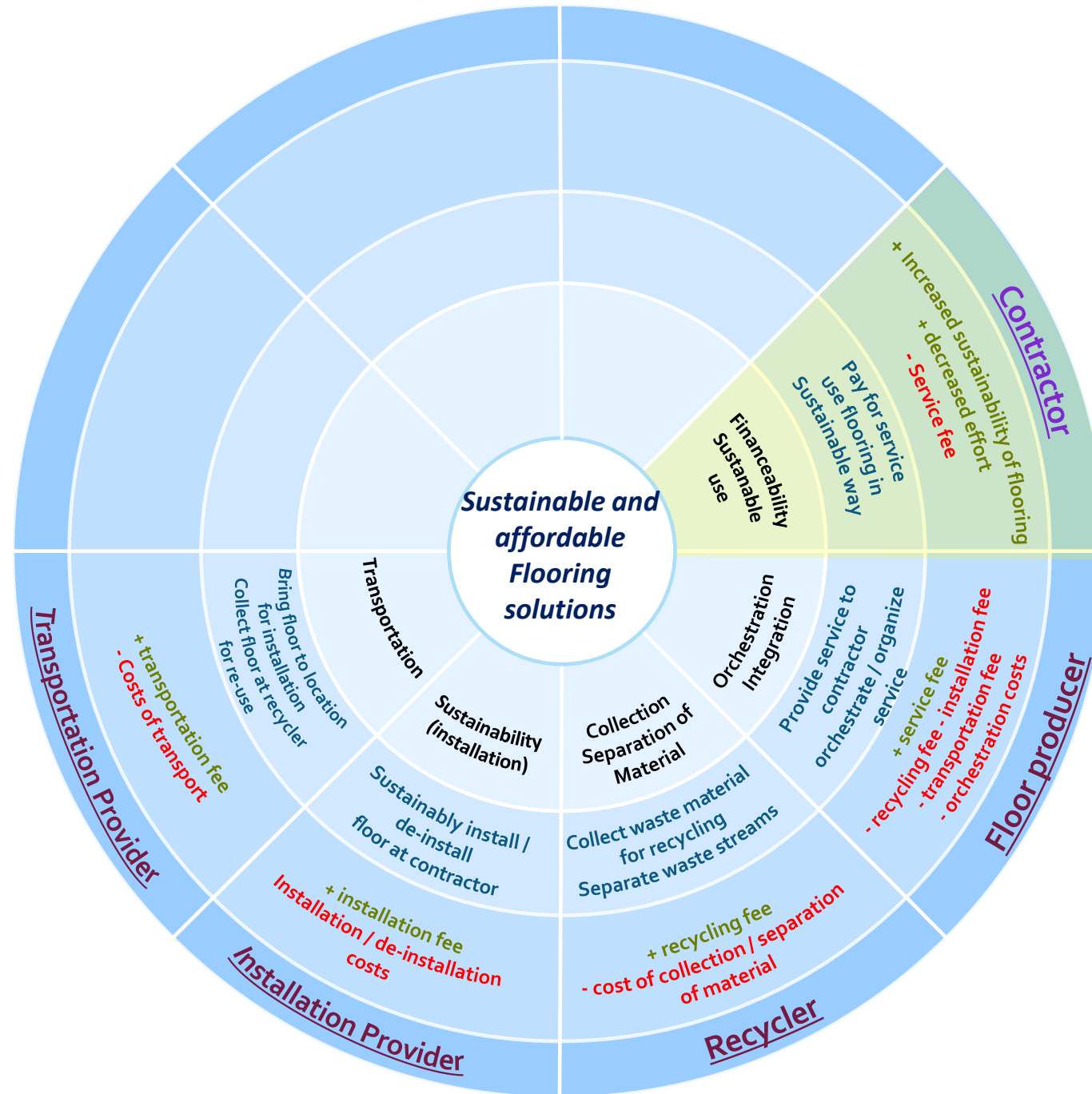


› BUSINESS MODEL RADAR

Which activities must the network parties perform in collaboration to realize the value-in-use?



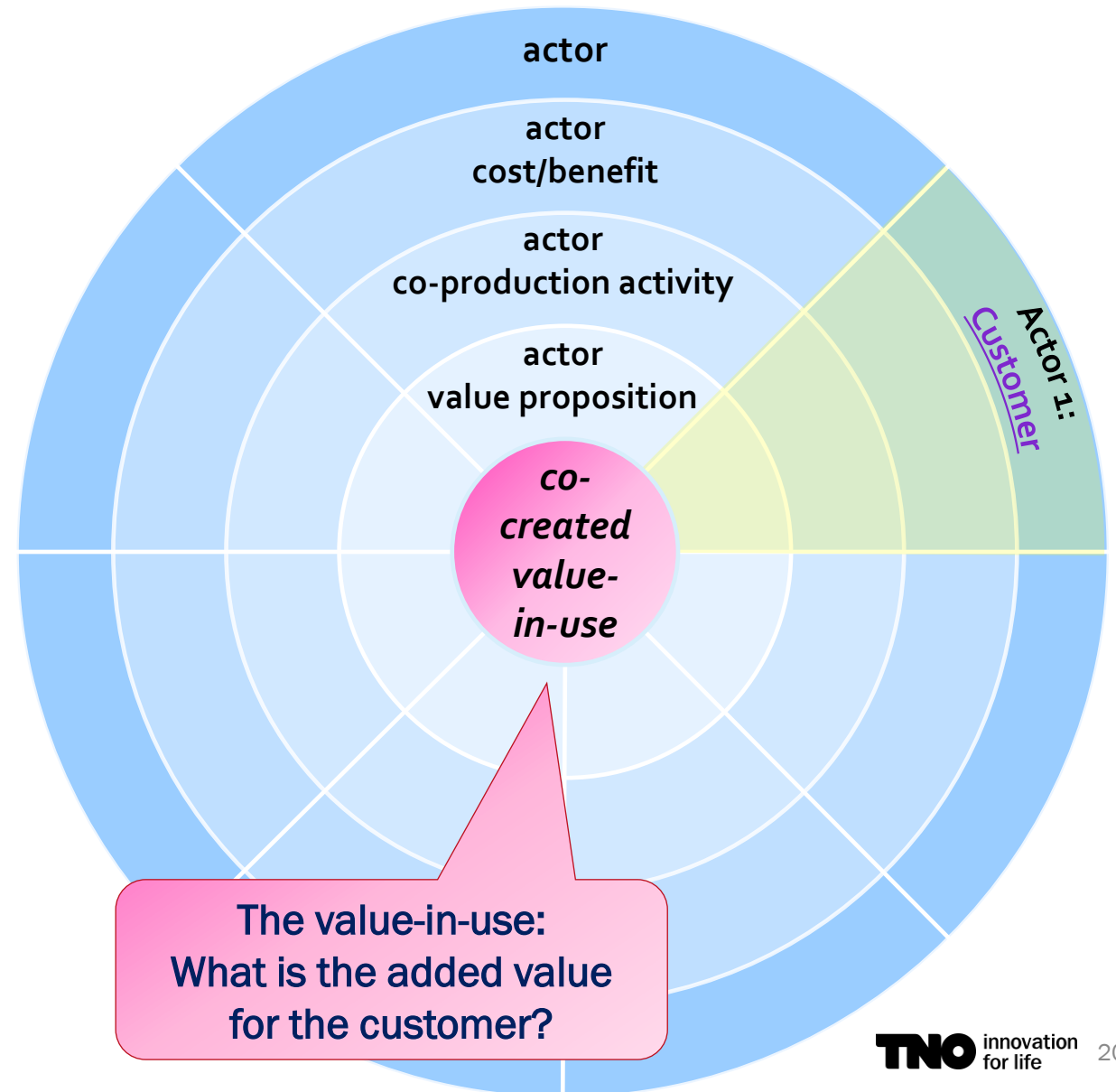
EXAMPLE



› OEFENING

BUSINESS MODEL RADAR

- › Gebruik de actoren en de geïdentificeerde activiteiten uit de vorige oefening
- › Formuleer een antwoord op de volgende vragen:
 - › Welke actoren zijn er nodig om de gezamenlijke waardepropositie naar de eindklant te brengen, en wat betekent dat voor elke betrokken partij (incl eindklant)?
 - › Zijn de kosten en baten van het leveren van de waardepropositie goed genoeg verdeeld, of is het belangrijk de waardepropositie/ het netwerk te herontwerpen voor een betere balans?
 - › Zo ja, wat is daarvoor nodig?



› **NEXT STEPS**

WAT HEB JE NOG MEER NODIG OM IMPACT TE KUNNEN MAKEN?

WAT WE KUNNEN BIEDEN:

- 1-op-1 follow-up (online) meetings voor verder support op specifieke onderwerpen
- Additionele workshops over schaling en collaboratie in de keten
-



› **BEDANKT VOOR
UW AANDACHT**

TNO innovation
for life

› TO DO / REGELEN

› **VISUAL OVERVIEW OF THE VALUE CHAIN**

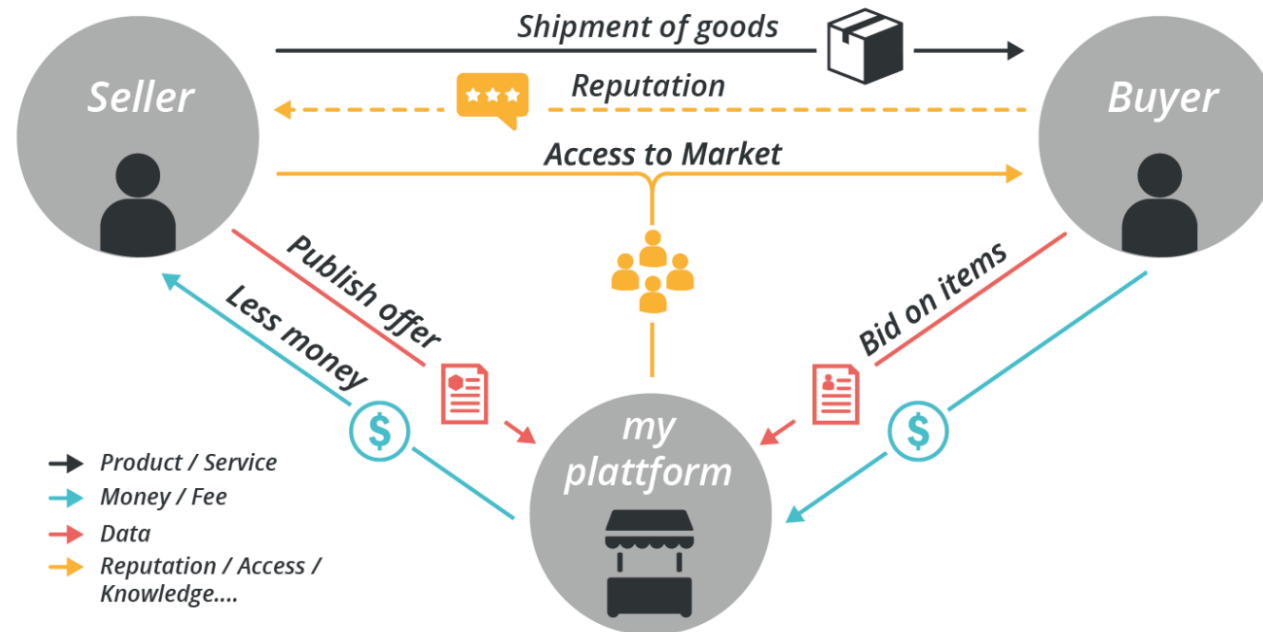
WITH WHOM DO WE CREATE VALUE AND HOW IS THE VALUE DISTRIBUTED?

- › For constructive and structural collaboration it is key to have insights on:
 - › Which other actors are in your value chain – and with whom is collaboration important?
 - › Which transactions take place between the actors in this supply chain (which values are created)
- › Two exercises to visualize the supply chain



› EXERCISE 1: VISUALIZE THE VALUE CHAIN

- › First visualize the actors in your supply chain
- › Secondly, draw the transactions between the identified actors, transactions can be in the form of products, money, knowledge, market access, other equipment, etc.



› **EXERCISE 2: BUSINESS MODEL RADAR**

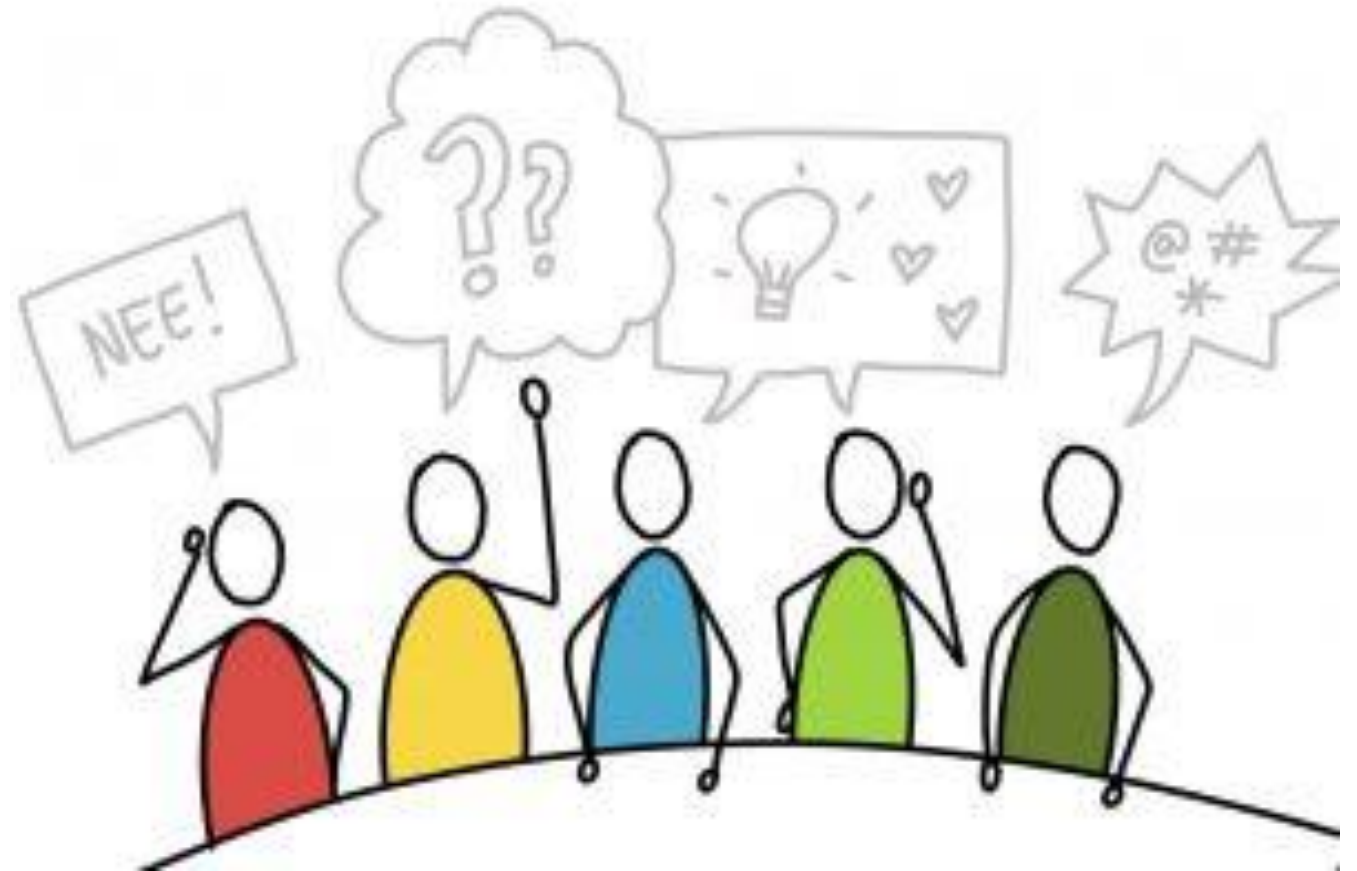
HOW IS THE VALUE PROPOSITION REALIZED?

- › In exercise 1 the actors and transactions in the value chain are visualized, this allows to go a step further
 - › What is the value proposition that the actors can deliver together to the end-consumer, and what does that mean for every individual actor?
 - › How are the costs and benefits of this joint value proposition distributed among the actors? Is this distribution balanced or how should this change to become more balanced?
- › To get insights in these questions we will work with the *Business Model Radar*, a framework that helps to identify a joint value proposition.
 - › This differs from e.g. the BMC which has a focus on one individual company
 - › It helps to think in advance of the pros and cons every actor faces with respect to the joint value proposition

› COLLABORATION

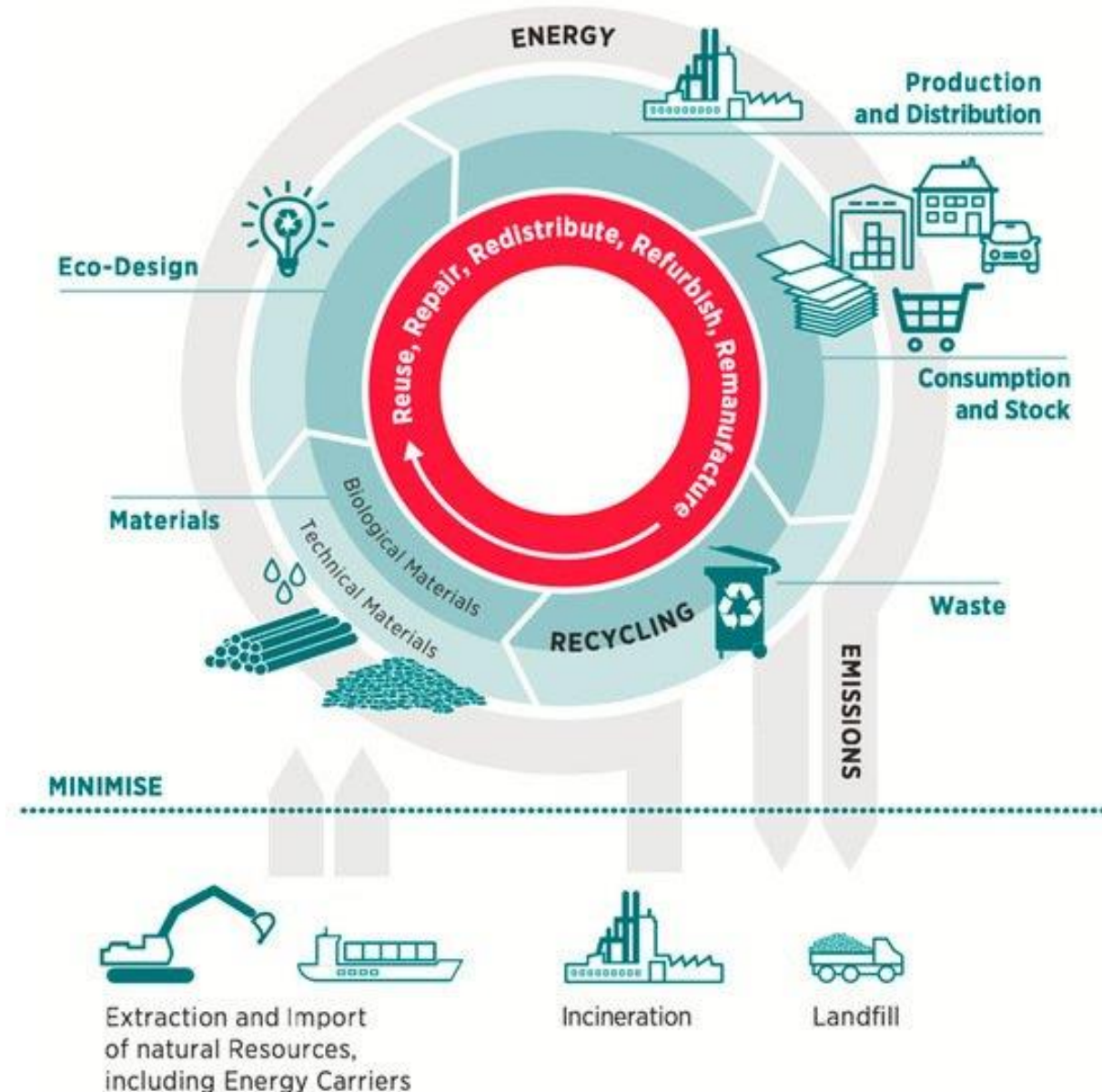
HOW TO ORGANIZE COLLABORATIONS IN YOUR VALUE NETWORK THAT HELP TO CREATE IMPACT

- Business model types and strengths
- Types of collaborations
- Types of organizations



› CIRCULAR BUSINESS MODELS MORE THAN BIOBASED MATERIALS

- Replacing conventional materials with biobased materials still requires considering the impact that your company has
- How well does your customer maintain the product in order to expand the lifetime?
- What happens after end-of-life?
- There are various types of business model types available!



TYPES OF CIRCULAR BUSINESSMODELS

› In the built environment most common types of business models are product-oriented

DESIGN

- Design-for-dissassembly
- Substitute (different resources; biobased, etc.)

OPTIMAL USE

- Pro-long life-time (repair, provide services)
- Product-as-a-service
- Sharing platforms
- Market places

VALUE RECOVERY

- Repurpose (second hand markets)
- Refurbish
- Re-/upcyclen waste streams, materials or products

STRENGTHS OF BUSINESS MODELS



1. Switching Costs.

How easy or difficult is it for customers to switch to another company?



2. Recurring Revenues.

Is every sale a new effort or will it result in quasi-guaranteed follow-up revenues and purchases?



3. Earnings vs. Spending.

Are you earning revenues before you are incurring costs?



4. Game-changing Cost Structure.

Is your cost structure substantially different and better than those of your competitors?



5. Others Who Do the Work.

How much does your business model get customers or third parties to create value for you for free?



6. Scalability.

How easily can you grow without facing roadblocks (e.g., infrastructure, customer support, hiring)?



7. Protection from Competition.

How much is your business model protecting you from your competition?



› COLLABORATION

DIFFERENT REASONS TO COLLABORATE

Joint Learning

- Learn from each other to strengthen the own position
- Collaboration without strict obligations

Resource Sharing

- Resource sharing, e.g. infrastructure, data, materials
- Allows to strengthen each other without having to reinvent everything yourselves

Finance Alignment

- When you need help to have a proper business case or when you need each other to be able to make an investment
- Intensive form of collaboration and formalisation is required

› COLLABORATION

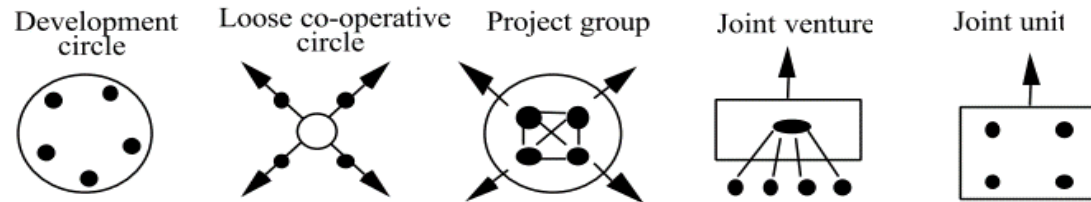
INTENSITY OF COLLABORATIONS

WHAT TYPE OF COLLABORATIONS SUITS WITH WHICH PARTNER? YOU CAN HAVE DIFFERENT COLLABORATION TYPES WITH DIFFERENT PARTNERS

- **Networking** is limited to exchanging experiences and exchange information which is of mutual benefit;
- **Coordination** includes sharing experiences and information for mutual benefit and coordinating activities to work in a more efficient way;
- **Cooperation** besides sharing experiences, knowledge and coordinating activities, it further includes sharing resources to reach aligned targets;
- **Collaboration** entities share information, resources and responsibilities to together plan activities, execute them and evaluate them and aiming to achieve a joint goal.

› SAMENWERKING

VERSCHILLENDE VORMEN VAN SAMENWERKING



| | |
|--|--|
| development circle | Regular and purposeful meetings are held between entrepreneurs, meant for learning and knowledge transfer. In this form there are no strategic aims, and there is no financial commitment required. |
| loose cooperative circle | Firms share a common resource, but do not run a joint business (contract bonds are loose). |
| project group | A project group, usually build for one occasion, aims at developing a joint business by combining the complementary resources and skills of partners. Activities take place on a higher strategic level. |
| joint venture (special purpose vehicle) | A jointly owned company, which allows for firms to find and seize new business opportunities together and share risks. |
| joint unit | The most formal and tight form in which participants set up a new company, place themselves inside it and allow their own images as independent companies to fade |

› COLLABORATION EXERCISE

THINK ABOUT THE FOLLOWING QUESTIONS:

- Are there other business model types suiting your business?
- In what way do you collaborate with different actors? With whom would you have to enforce collaboration in terms of scaling?
- How would you like to organize such a collaboration? Freely or very formal, what does your product/service needs?

› **DECISION MAKERS**

- › Interaction between large companies and start-ups
- › Large companies acknowledge the importance of start-ups as innovative and important actors
- › But: collaboration between start-ups and large companies is not easy

› DECISION MAKERS



Large companies have access to a large market and can work on large scale

- Making decisions takes a long time
- Large companies have to work with a reputation and established way of operating
- Large companies think in larger scale

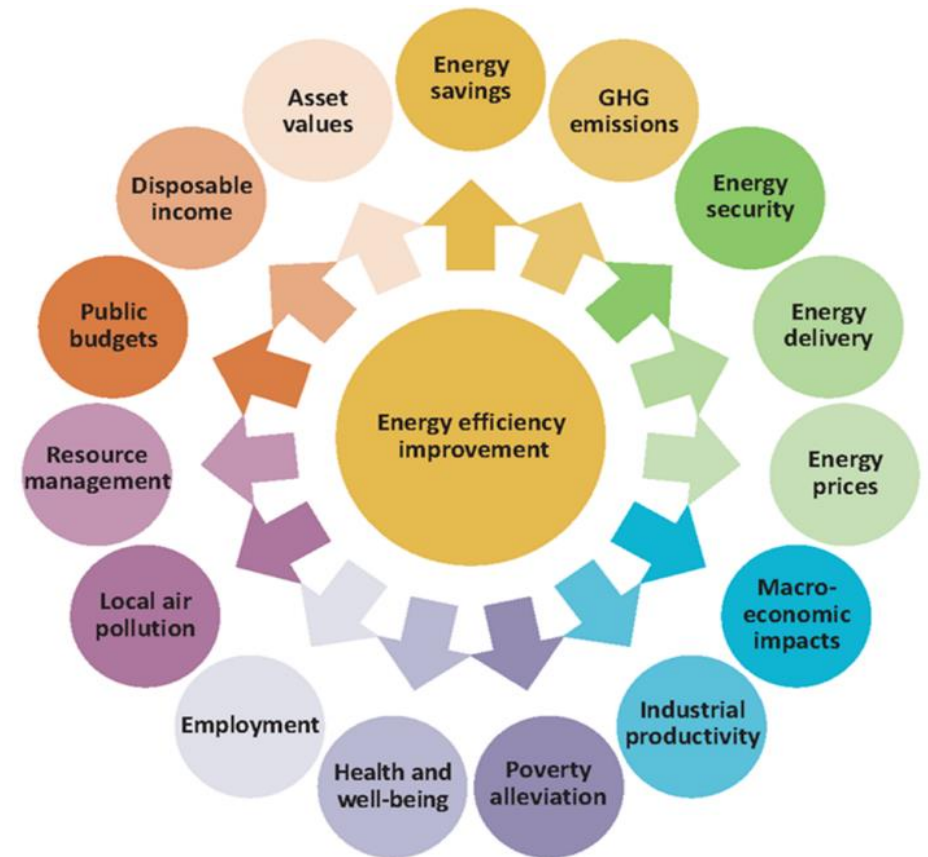


Startups are flexibel en bring new innovations

- Startups decide fast and do often not yet have a clear vision
- Startups are fast and not scared, there is little/nothing to loose
- Startups want to scale and not be committed to one party only too soon

› MULTIPLE BENEFITS

- Be aware that the solutions you are providing is in competition with all startups that provide similar solutions
- It is important to be aware of what the 'pains' of the large companies are and to see if your solutions solves that
- Which benefits can be derived from my value proposition?

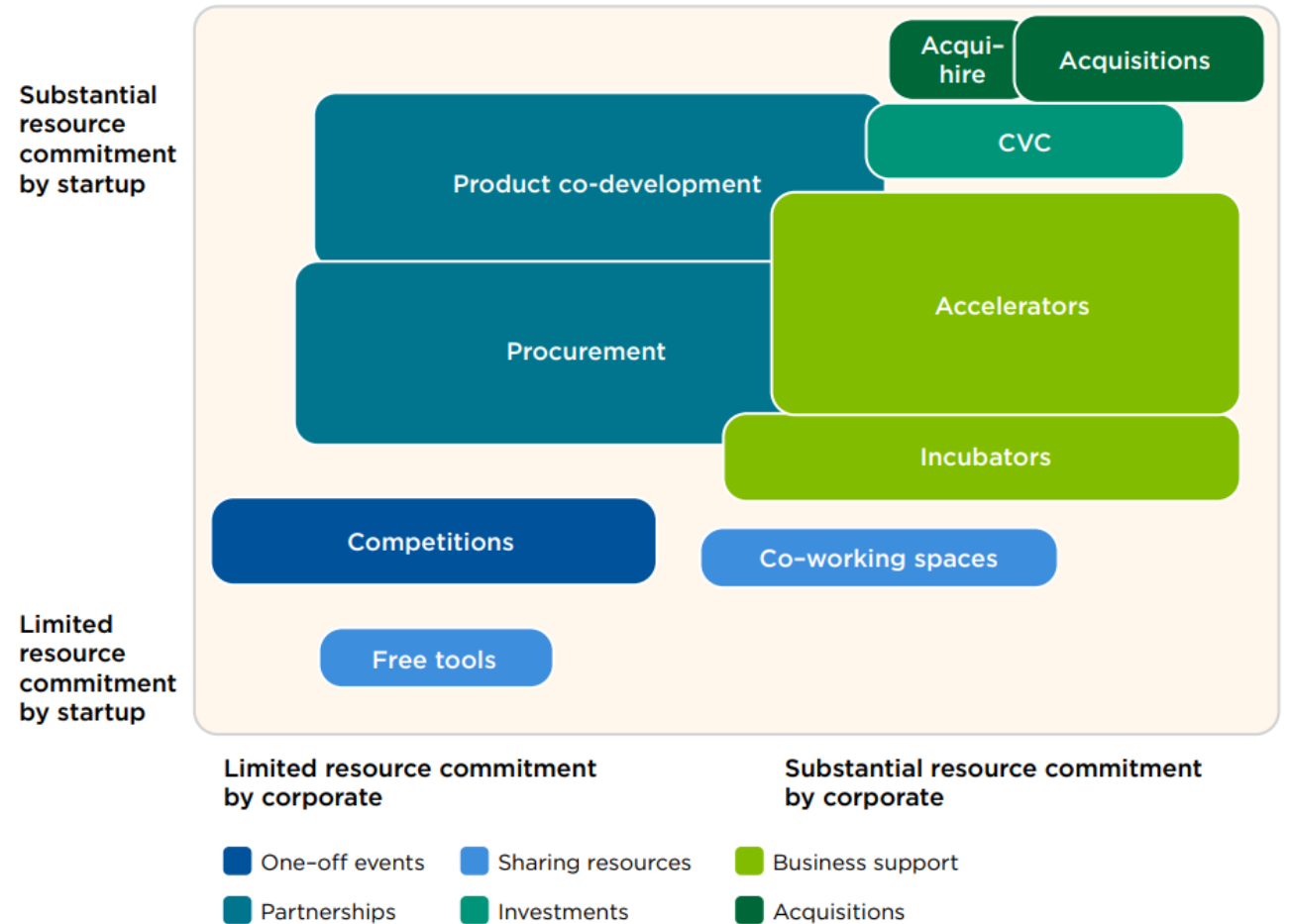


Ryan, L., & Campbell, N. (2012). Spreading the net: the multiple benefits of energy efficiency improvements.

› INTERACTION

Different types of resources you could offer or desire

- Financing
- Time
- Products
- Others, like market access



Mocker, V., Bielli, S. & Haley, C. WINNING TOGETHER A GUIDE TO SUCCESSFUL CORPORATE-STARTUP COLLABORATIONS

› **NEXT STEPS**

WAT HEBBEN JULLIE VAN ONS NODIG OM VERDER TE GROEIEN?

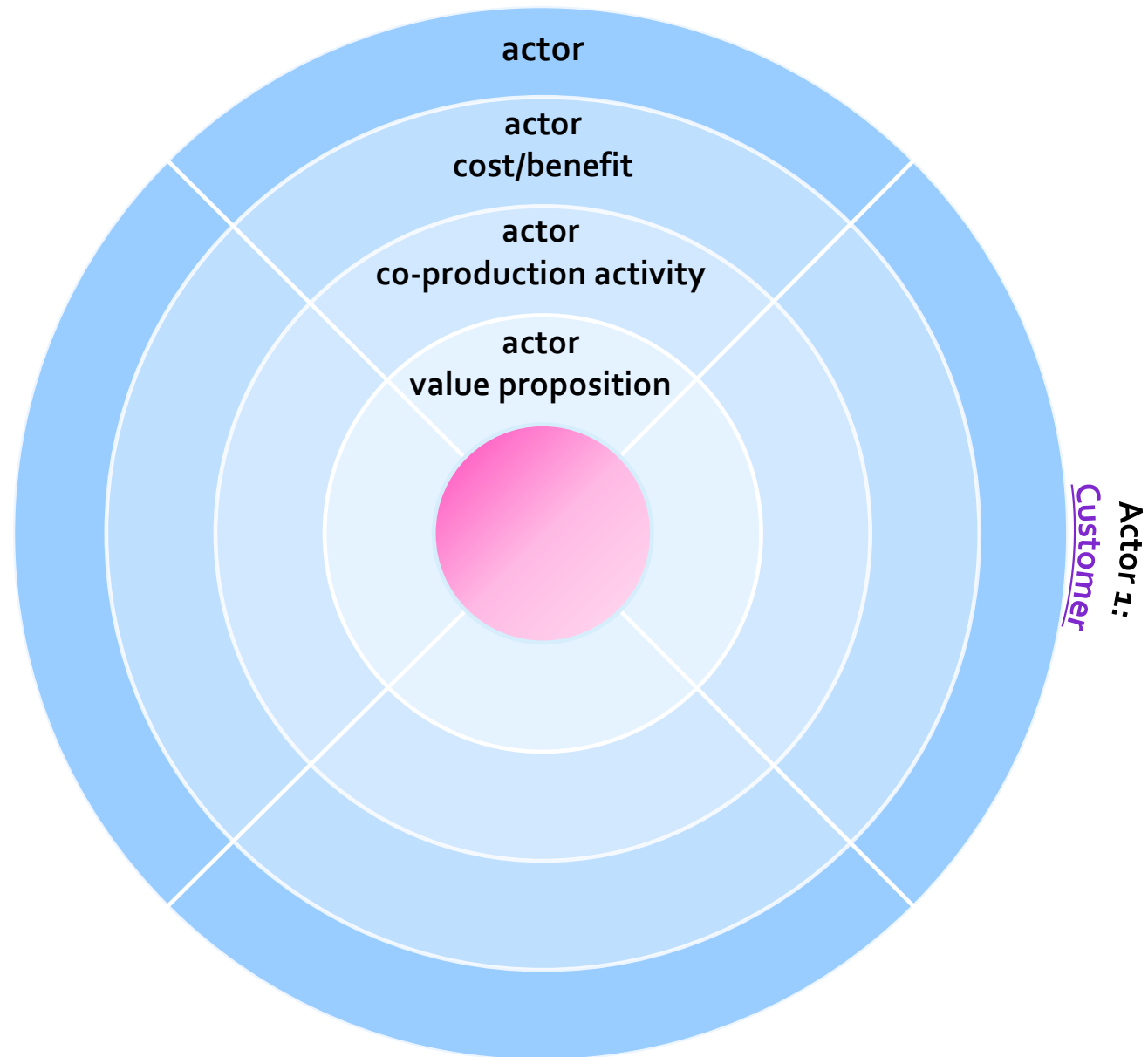
WAT WE KUNNEN BIEDEN:

- Een-op-een follow-up (online) gesprekken voor verder ondersteuning
- Volgen van de andere workshops rondom 'business-as-usual' en product vermarkting
-

› **BENODIGDHEDEN**

REGELEN:

- Post-its, stiften
- Business Model Radar op A3 printen



› SHORT EXERCISE

SCALING AMBITION AND STRATEGIES

- › Define your **scaling ambition** as precise as possible
 - › Use questions as a guide

| | |
|-----------|--|
| What? | |
| For whom? | |
| Where? | |
| How many? | |
| By whom? | |
| When? | |
| Why? | |

- › Identify your current and future **scaling strategies**
 - › What strategies do you apply now
 - › What strategies do you want to implement in the future

| Increasing the offering's number of beneficiaries | | Expanding the offering's social impact | | Increase income generated | |
|---|--------------------------|--|----------------------------|------------------------------------|--|
| Market penetration | Market development | Product development | Diversification | Increase income per revenue stream | Diversifying revenue streams |
| Replication | Geographical expansion | Continuous improvement | New activities | Efficiency of organization | Diversifying sources of grants |
| Diffusion model | Partnerships | Technology introduction | New services | Increasing productivity | Strategy for different levels of poverty |
| Increasing operations | New customer market | Incremental improvements | Horizontal diversification | Monetizing outputs | Two streams of customers |
| Driving demand | Community outreach | | New products | | Integrating services and research |
| Franchising | Umbrella-brand marketing | | | | |

› SHORT EXERCISE

VALUE NETWORK TO SCALE

- › Map your **value network** and identify changes to scale
 - › First, list the actors active in your value network AS IS NOW
 - › Draw arrows between actors and write down the value exchange
 - › Identify key resources, activities, interest and influence of each actor (optional)
 - › Identify how your network will change after implementation of a certain scaling strategy (e.g. do you need more or other suppliers, off-takers, customers)

