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Origin

Exploitation Strategies in the COIN Project



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Business Models in COIN

Identifying business models through value chain analysis

- » The COIN IP is typical of many large research projects:
 - » It is a collaboration of academia, industry and users
 - » It is multidisciplinary
 - » Different organizations have developed different technologies and components
 - » Each organization has a different perspective
 - » The value chain is large and complex and requires a collaboration to provide end to end

- » In order to identify possible business models a technique was used to help identify, contrast and compare different possible ideas.

The Starting Point

- » When starting the business modelling process there were diverse opinions as to the options: Software as a Service? Open Source?
- » There were different ideas as to what constituted the COIN system. Was it everything? Was it just the core platforms?
- » What was the value chain of the system? Each participant had a value chain based on their vision of the technology?
- » Amidst all the different viewpoints there was a unified base – just how to express it?

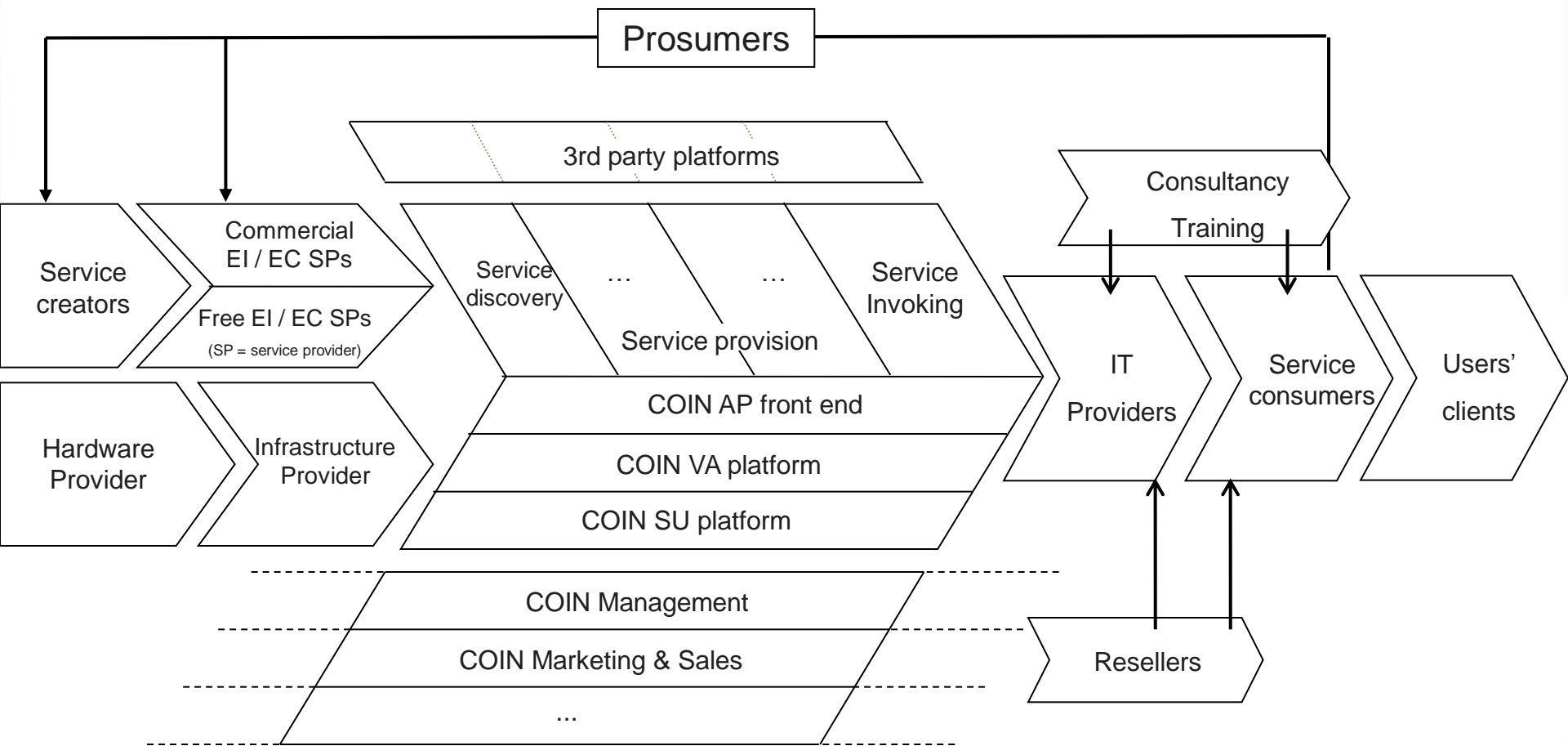
A Structured Approach

- » **Step 1: Discern the generic value chain for the system**
- » **Step 2: Elaborate business scenarios using the value chain**
- » Step 3: Develop each scenario to a working exploitation model
- » Step 4: Select and develop final model(s) into business plans

Step 1: Discern the generic value chain

- » Identify all the value activities in the system
- » Map them in parallel or in sequence
- » Consider major components as activities
- » Some rules:
 - » Don't prejudice the result by making a chain fit a business model or idea.
 - » Separate activities which can be delivered by different companies or to different actors.
 - » Separate activities which could be charged for under different models
 - » Stretch the value chain from end-to-end, one activity beyond the sphere of influence of the system.
 - » Be as detailed as possible – you can always simplify later

Step 1: Discern the generic value chain



Step 2: Elaborate business scenarios

- » What is a business scenario?
 - » Consider that a business scenario is an element, a subcomponent of a business model.
 - » A business model may be made up by multiple value propositions to multiple clients and therefore multiple scenarios:
 - » A traditional newspaper has one value proposition to readers: “*provision of news*” and another to advertisers: “*delivery of audiences*”.
 - » In our terminology each would be a distinct **business scenario** – although the final **business model** is a **combination**.

Step 2: Elaborate business scenarios

- » 1. Select a value activity and consider that this is your selling point. This is where your revenues are generated. This is what users – conceptually – at least are buying.

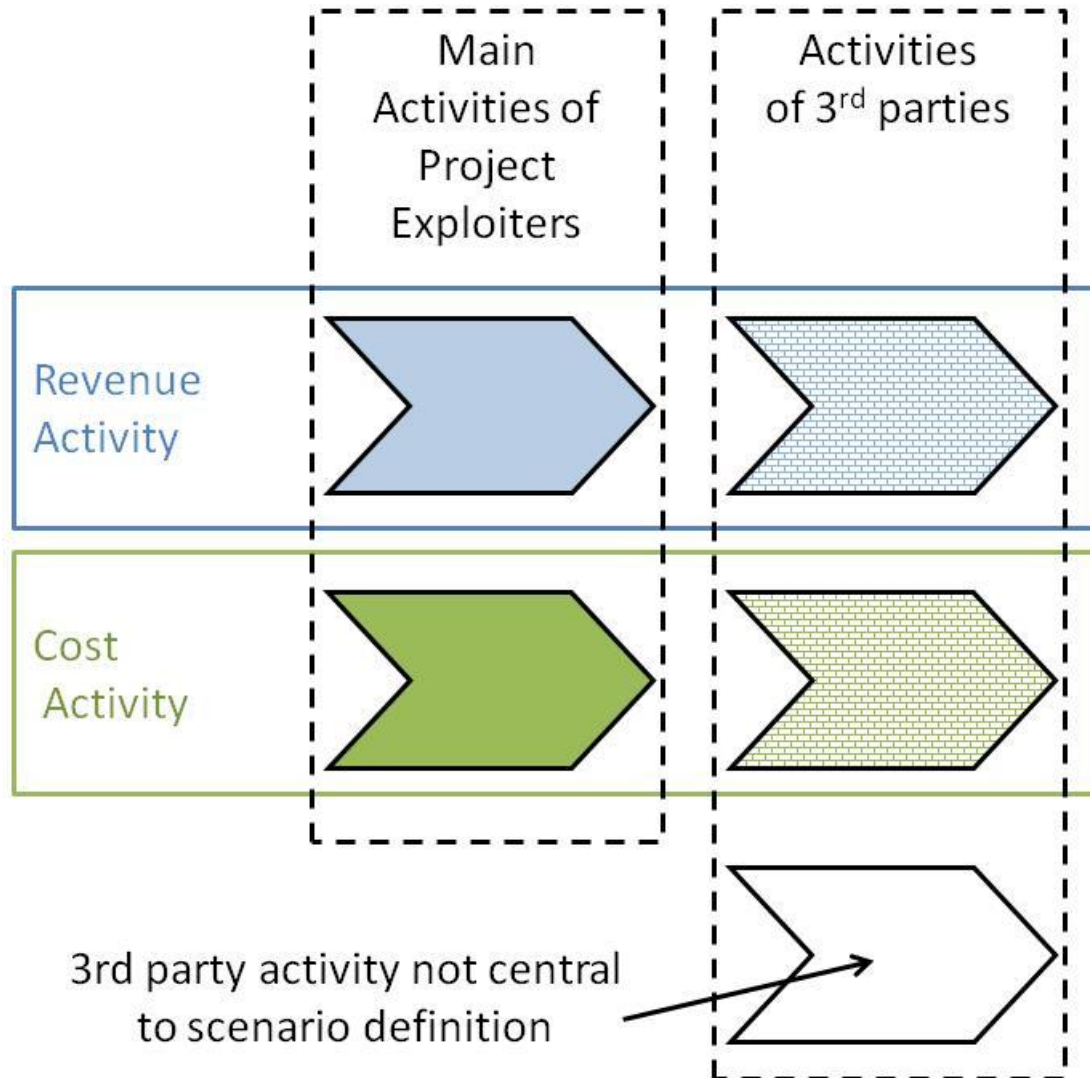
Call these **REVENUE ACTIVITIES**

- » 2. In order to provide this as the selling point, what else do you have to provide in order to fulfil the value proposition of the selected activity?

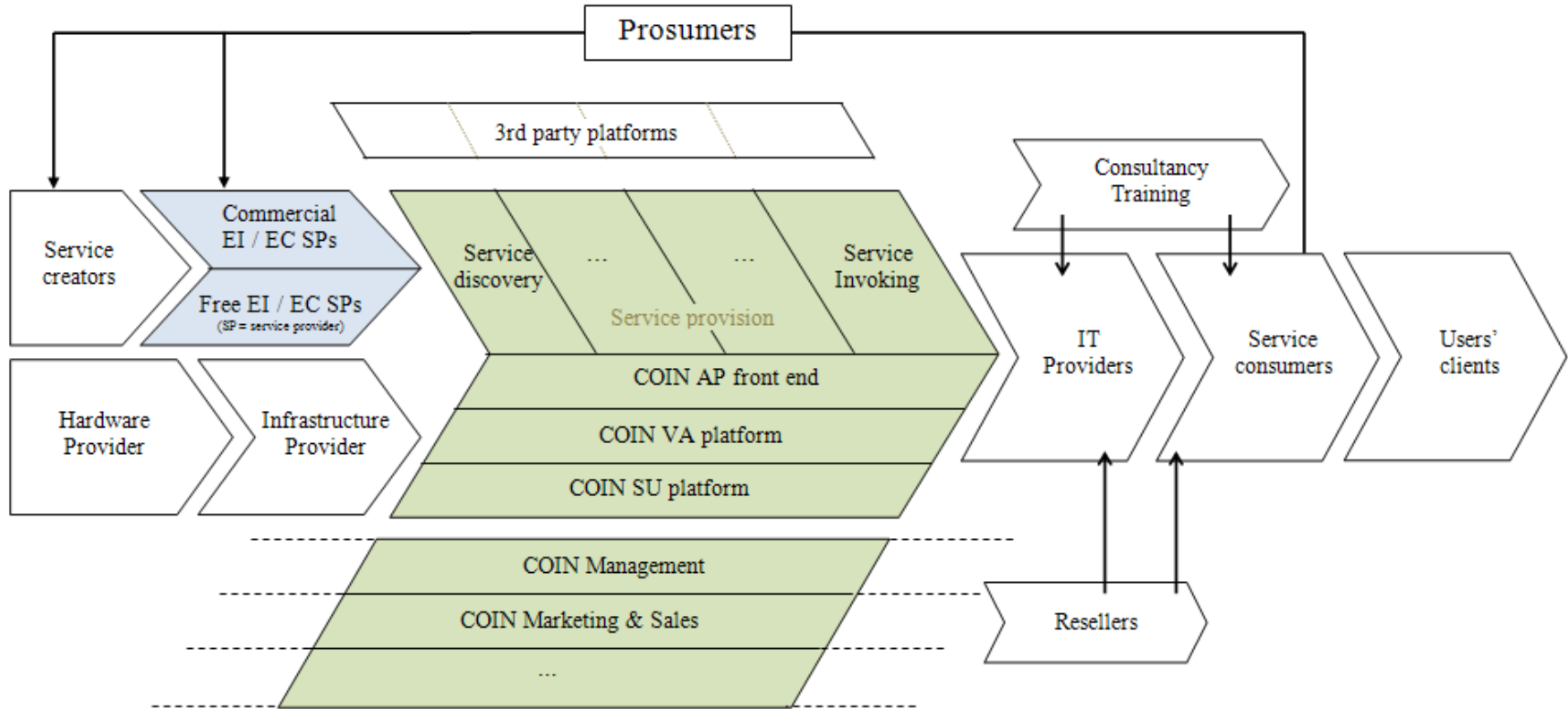
Call these **COST ACTIVITIES**

- » 3. Does the business scenario place rest on 3rd parties providing other activities or are these fairly trivial to the scenario?

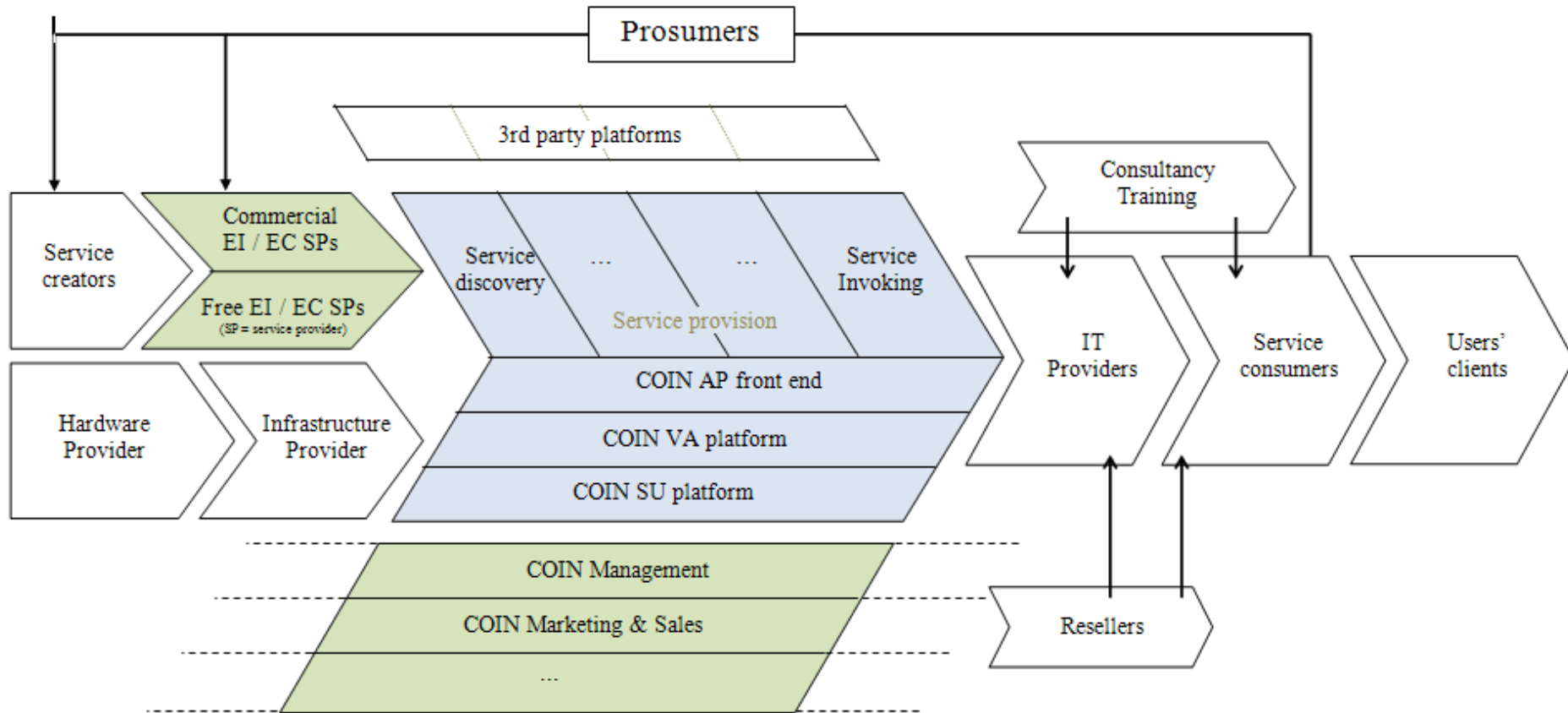
Step 2: Elaborate business scenarios (key)



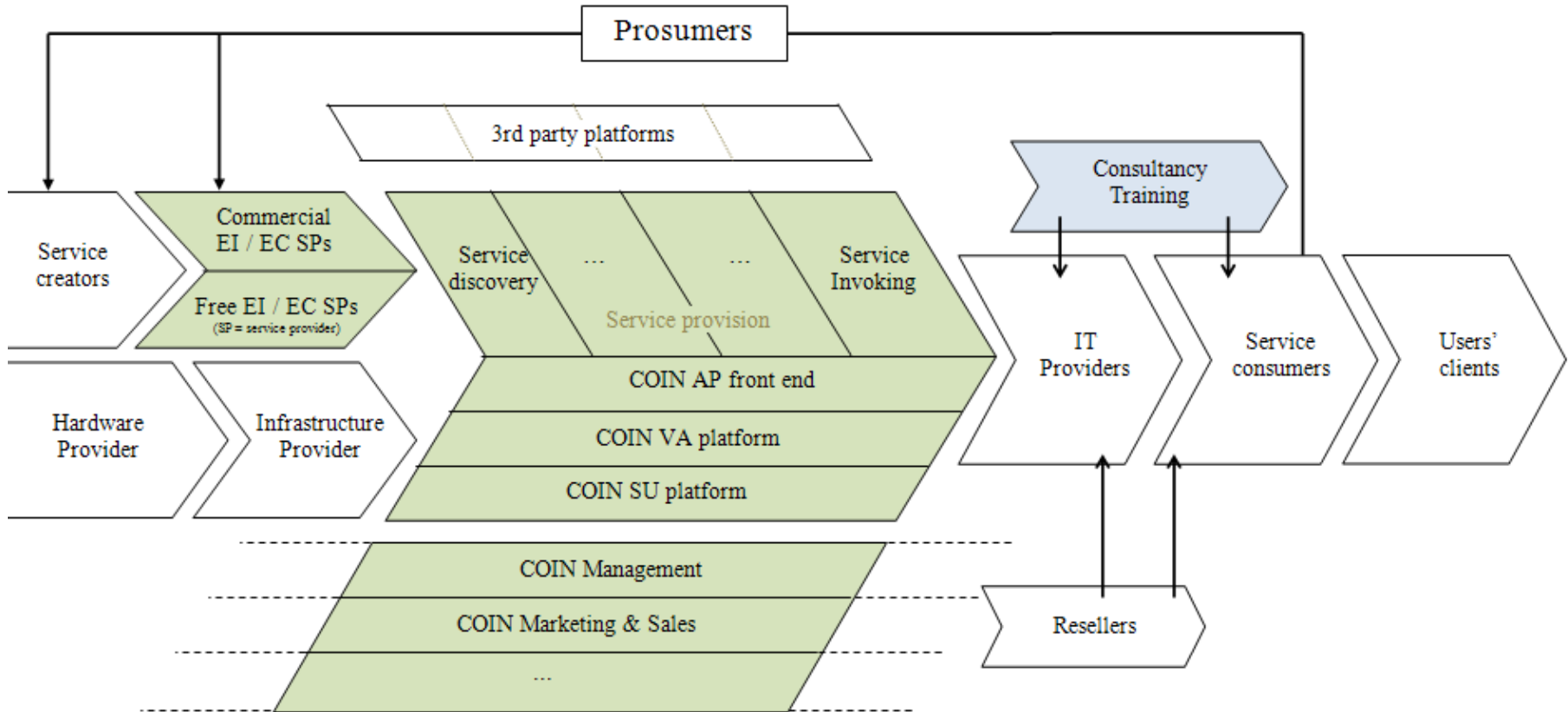
Step 2: Scenario 1



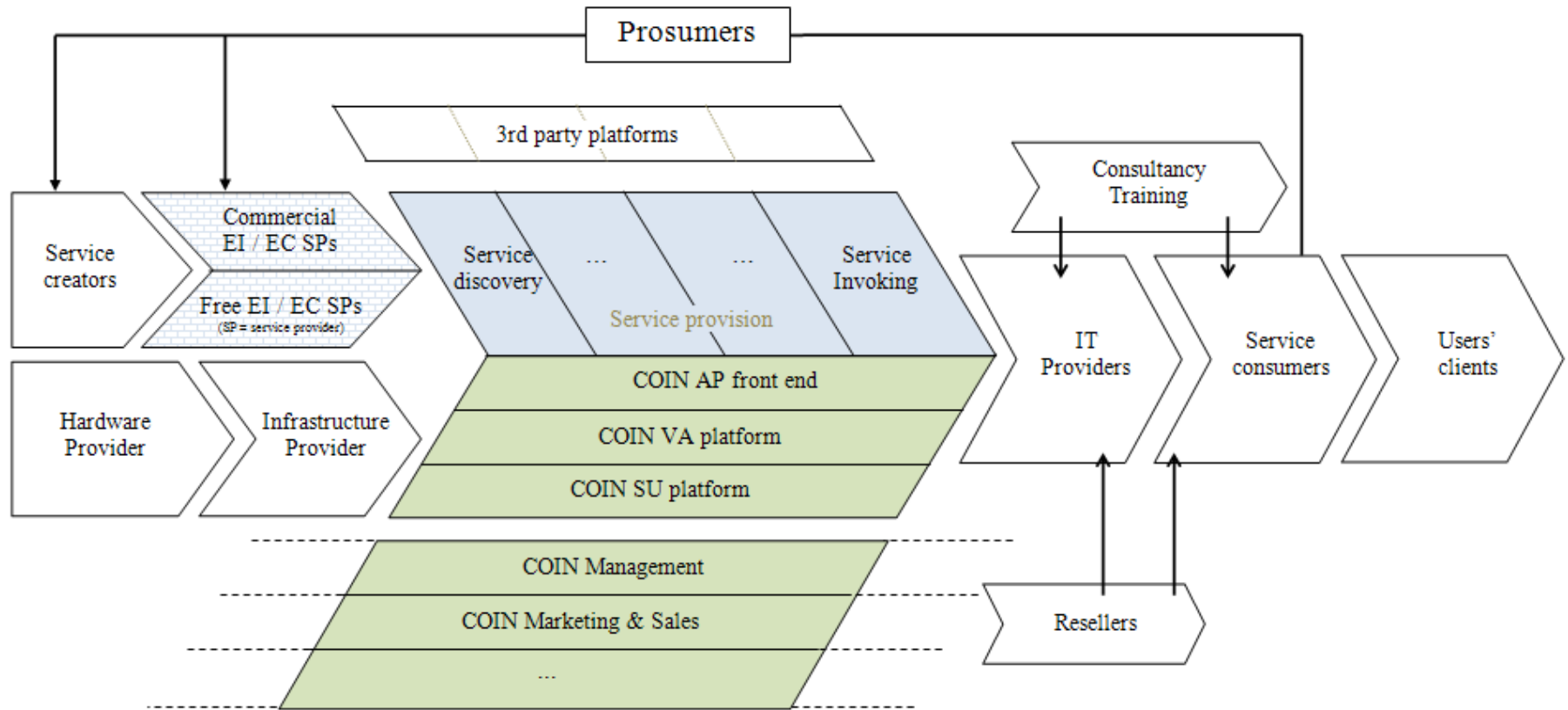
Step 2: Scenario 2



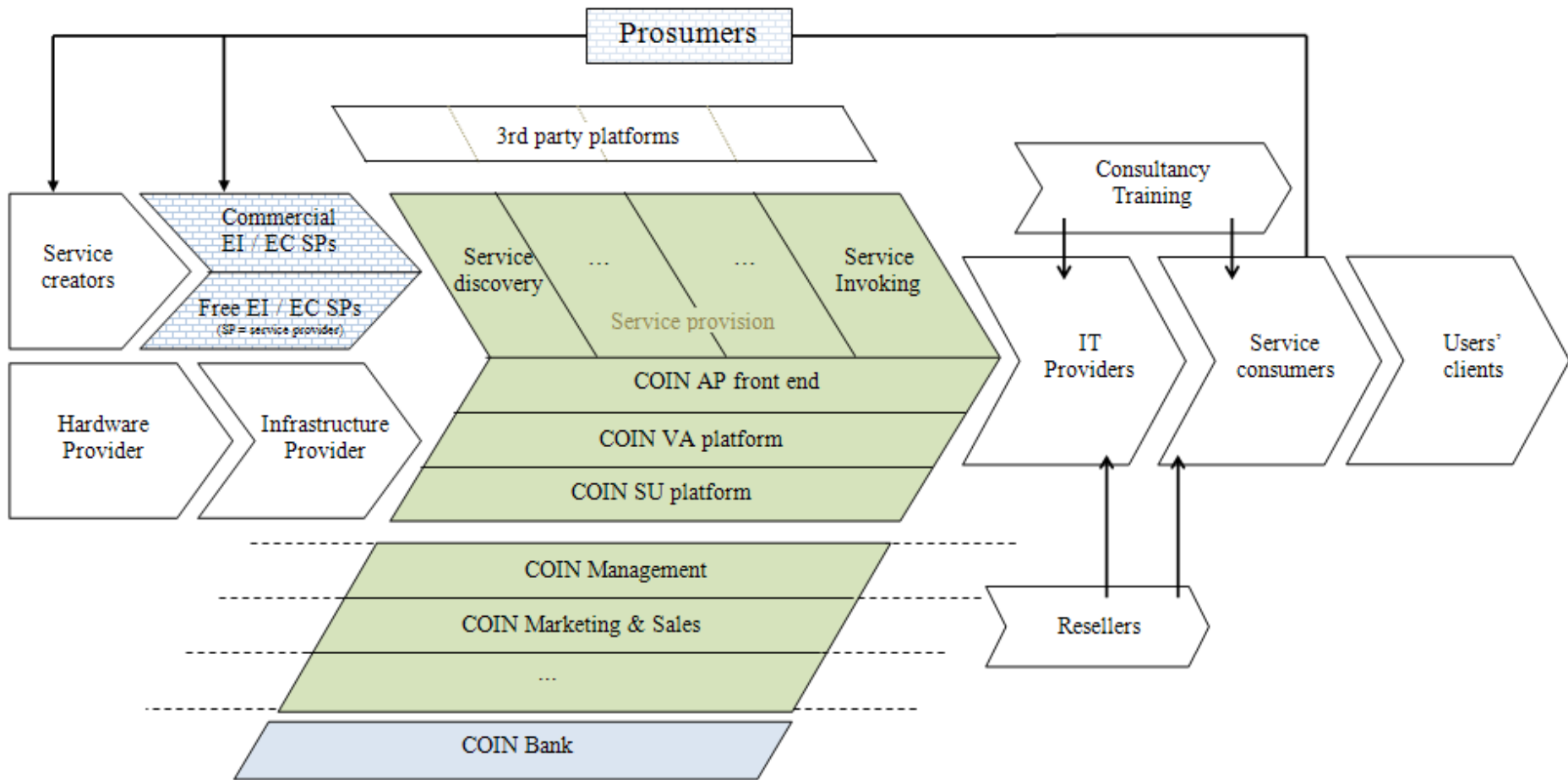
Step 2: Scenario 3



Step 2: Scenario 4



Step 2: Scenario 5



Steps 3&4: Towards a Business Plan

- » As can be seen from the previous few slides, this structured approach resulted in several business scenarios which merited more investigation.
- » In total 8 scenarios were identified, to pass through to step three where they were developed further using standard exploitation tools and methods.
- » A final model, incorporating two business scenario elements is being considered as the optimal solution for a COIN ecosystem in the 2020 vision and the project is developing a formal business model description for this.



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