

# *Alignment of Business and IT on Business Model Level*

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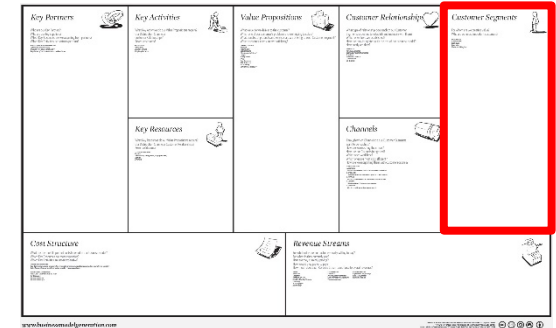
## *Business-IT Alignment for Business Models*

- IT and Information Systems can have an influence on all building blocks of a business model
- In particular: IT enables new business models by allowing
  - ◆ New Value Proposition for Specific Customer Segments
  - ◆ New Profit Formulas
  - ◆ Providing Key Resources
  - ◆ Digitalizing Key Activities

## *Discussion*

- For each Building Block provide examples how IT influences it
- Think of ...
  - ◆ Business models for Easyjet and Uber

## *Influence of IT on ...*



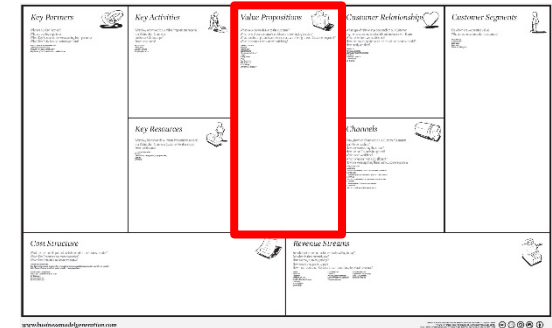
### **... Customer Segments:**

- ◆ Scaling of the business
  - overcome geographical restrictions, e.g.
  - creating a large enough market even for niche products
- ◆ more focused segmentations (interests, special needs ...)
- ◆ multisided businesses are easier to handle and scale (network effect)

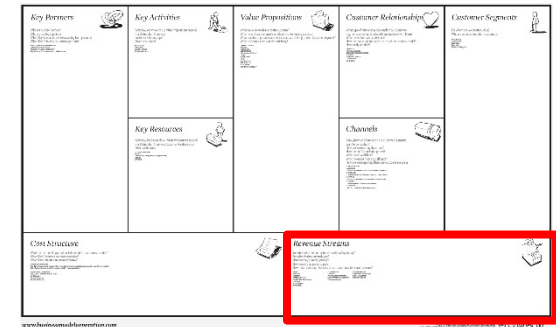
# *Influence of IT on ...*

## **... Value Proposition:**

- ◆ New Sources of Value Creation
  - Data
  - Platform Business
- ◆ Digitalization of Products and Services for ...  
...new opportunities, customization, cost reduction, risk reduction, accessibility (e.g. for customers with handicaps), convenience/usability
- ◆ Customization of products and services
- ◆ Cross-selling opportunities
- ◆ New offers/values, e.g. IT-Security



## *Influence of IT on ...*



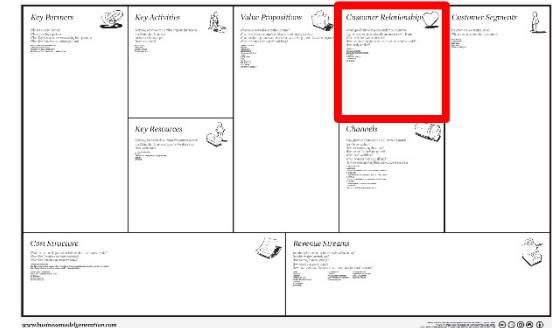
### **... Revenue Stream:**

- ◆ Selling Data
- ◆ Revenue for non-physical services
- ◆ Brokerage (multi-sided business)
- ◆ Subscription/pay per use instead of asset sales (XaaS)
- ◆ Advertisement
- ◆ Licences: Digitalization of (tangible) products (e.g. photos, e-books, 3D printing)

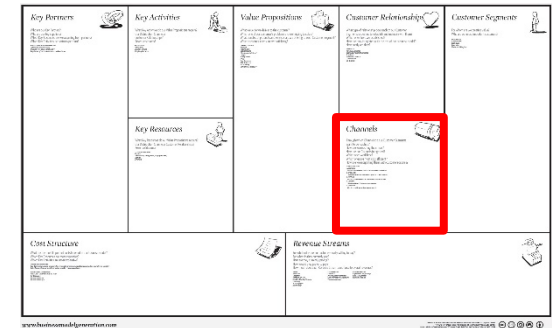
# *Influence of IT on ...*

## **... Customer Relationship:**

- ◆ Automated services
- ◆ Self-service at home and mobile
- ◆ Location- and time-independent interaction
- ◆ Instant reaction (e.g. bots)
- ◆ Dedicated personal assistance based on customer data, personalization of offers (bots, recommenders)
- ◆ Feedback, rating (two-way interaction)
- ◆ Communities (general social media and branch-specific like tripadvisor)
- ◆ Co-creation, open innovation



## *Influence of IT on ...*

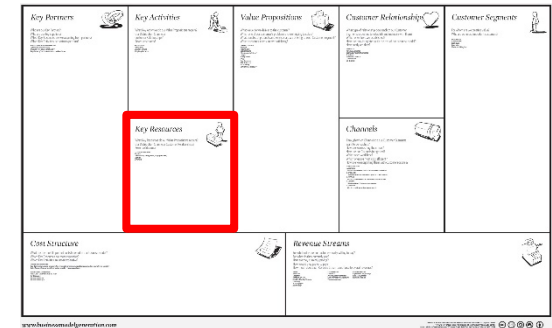


### **... Channels:**

- ◆ Reaching more customers or new customers
- ◆ Reaching customers location or time independent
- ◆ Variety of media: apps, website, cashless payment, social media, platform
- ◆ Omnichannel / multichannel



## *Influence of IT on ...*



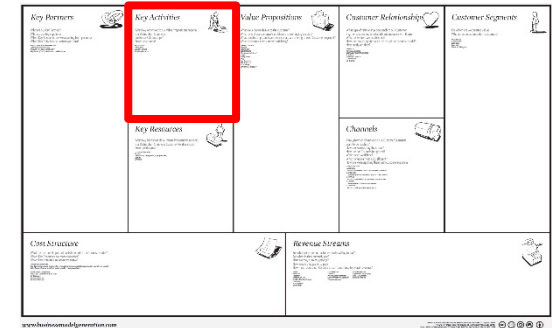
### **... Key Resources:**

- ◆ Data:
  - Internal, e.g. data about customers, sales, production, finance
  - external, e.g. big data, IoT
- ◆ IT infrastructure
- ◆ Software applications, e.g. platforms, apps, algorithms
- ◆ International workforce (off-shoring, global collaboration)
- ◆ Humans with IT skills

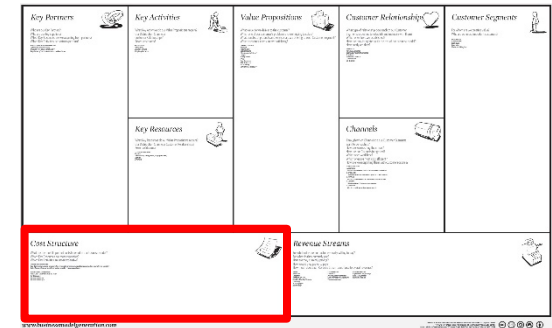
# *Influence of IT on ...*

## **... Key Activities:**

- ◆ Automation
- ◆ Data analysis, machine learning
- ◆ Software development and maintenance
- ◆ Data management
- ◆ Cyber security, e.g. data protection
- ◆ IT Management



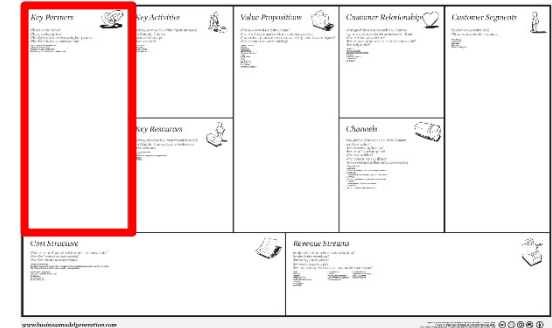
## *Influence of IT on ...*



### **... Cost Structure:**

- ◆ Low transaction costs (because of getting rid of intermediates)
- ◆ Reduction of fix costs
  - Reduction of HR costs (automation, self-service)
  - Shift from investments to operational costs (e.g. cloud)
    - Less investment in IT
    - Pay for what you need (scaling with flexible licencing models)

## *Influence of IT on ...*



### **... Key Partners:**

- ◆ Integrated supply chain / value chain
- ◆ Outsourcing partners
  - IT outsourcing (cloud)
  - process outsourcing (collaboration, co-creation, ecosystems)
- ◆ Providers of Software
- ◆ Digital ecosystems, alliances
- ◆ Overcome geographical boundaries