Business model innovation opportunities for Swedish industry

Vinit Parida, Professor
David Sjödin, Associate Professor
Entrepreneurship and Innovation
Luleå University of Technology
Examples of prior/current projects and partners

- **Faste Excellence Center** (Vinnova 2006-2016)
  - Functional products, Win-Win relationship, risk management, business models

- **CiiR Centre for Interorganizational Innovation Research** (Vinnova 2010-2016)
  - Regional development, ICT, internationalization and SMEs

- **Global Product Service System** (Vinnova 2014-2016)
  - Global markets, delivery network, value co-creation

- **Circular Business Models** (Vinnova 2015-2017)
  - Sustainability, circular economy, eco-system actors, advanced services, business models

- **Advanced Service Business Models for SMEs in Process industry** (Interreg Nord 2016-2019)
  - SMEs, Business models, digitalization, advanced services, multi-actor network, international market,

- **DigIn – Digital innovation of business models** (Vinnova, 2016-2019)
  - Business model innovation, digitalization, advanced services, industrial ecosystems
Societal Challenges as Opportunities

Digitalization as Enabler

Business Model Innovation

Sustainable Industry

Industrial Ecosystem
What is digitalization?

Smart and connected products

Sensors collects operational data

Connectivity shares data effectively among units

Analysis, optimization and storage in the cloud provided increased knowledge

“The use of digital technologies to change a business model and provide new revenue and value-producing opportunities”

(Gartner report 2015)
What is a business model?

A business model describe how a firm creates, delivers and captures value

A powerful business model ensures that all elements work together
Value creation challenge

Komatsu Forest: Performance based contract (Example)

Under which conditions is it relevant to offer outcome based services?

Framework for classifying customer operations for value co-creation

Rönnberg Sjödin et al, 2017
Value delivery challenge

Lindbäcks: Smart and sustainable housing solutions (Example)

How can we build digital capabilities to support delivery of advanced services?

Framework for development of digital capabilities

<table>
<thead>
<tr>
<th>DIGITALIZATION CAPABILITIES DEVELOPMENT</th>
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<tbody>
<tr>
<td><strong>STEP 1</strong></td>
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<tr>
<td>- Invest in building of intelligent and</td>
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<td>connected functionalities</td>
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<td>- Automated basic data analysis and</td>
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<td>support for service innovation</td>
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<td>- Train local front-end units to use</td>
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<td>the information for generating</td>
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<td>customer value</td>
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Parida et al, 2015
How can risk be managed for outcome based services?

Volvo CE: Electrified equipment with uptime guarantees (Example)

Value capturing challenge

Risk management framework

Reim et al, 2016
Opportunities for regional growth

From a world of...
- Products
- Transactions
- Suppliers/Customers
- Local/regional

Key questions
- How can business models innovation leverage the value of digitalization?
- What capabilities are needed to be developed for new digital business models?
- How to establish a “win-win” relationships between ecosystem partners?
- How can global commercialization of these business models be supported?

To a world of...
- Solutions
- Relationships
- Partners
- Global

Servitization

Adapted from Visnijc & Neely, 2016
Thank You!

For more information contact:

**Vinit Parida**, Professor
Tel: +46 920 492469; Email: vinit.parida@ltu.se

**David Sjödin**, Associate Professor
Tel: +46 920 491819; email: david.rönnberg.sjodin@ltu.se

Entrepreneurship and Innovation
Luleå University of Technology