

Contributo “Nuovi Modelli di Business nel settore dei beni strumentali”
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Business Model Innovation in the manufacturing sector: trends, contexts and processes

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Contents

- Introduction on BM
- Innovation and technology trends:
impact on manufacturing
- BMI in machine tool: services,
networks and knowledge

Why such a fuss on Business Models?

- A business model articulates the logic and provides data and other evidence that demonstrates how a business creates and delivers value to customers. (Teece, 2010)
- “*Business Model Innovation (BMI) can provide significant **opportunities** both during periods of rapid economic **growth** and at times of **turmoil***” (Giesen et. al. 2010 - IBM)
- “*BMI can provide companies a way to **break out of intense competition** ... product and processes are easily imitated, sustained advantage is elusive [...] BMI can be **more challenging** than product or process innovation*” (Lindgardt et. al, 2009 – BCG)

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3

New Business Models in Manufacturing

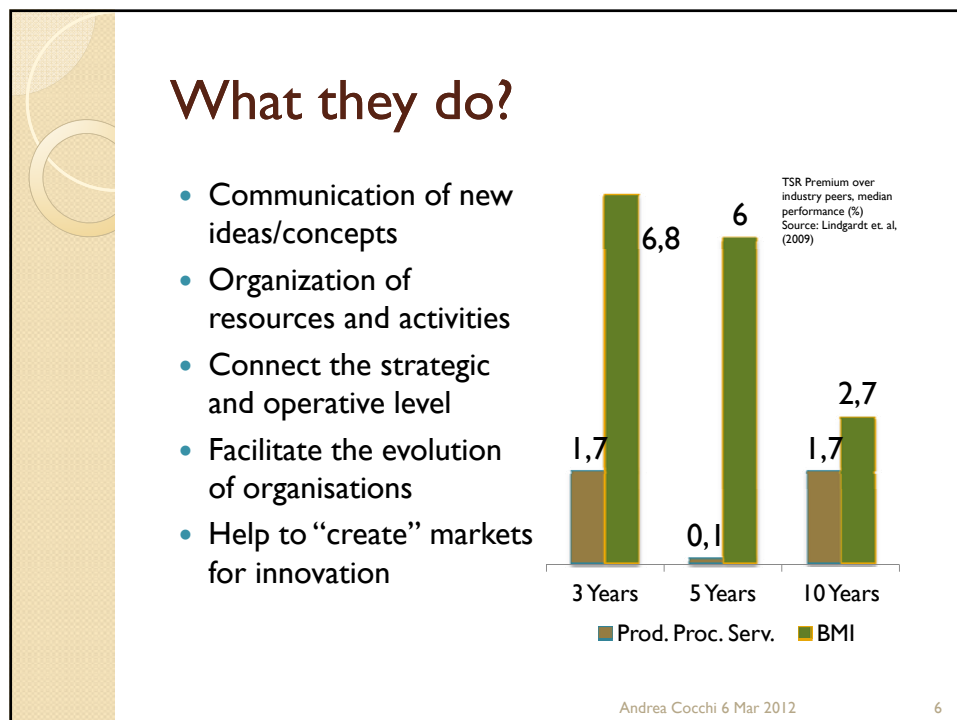
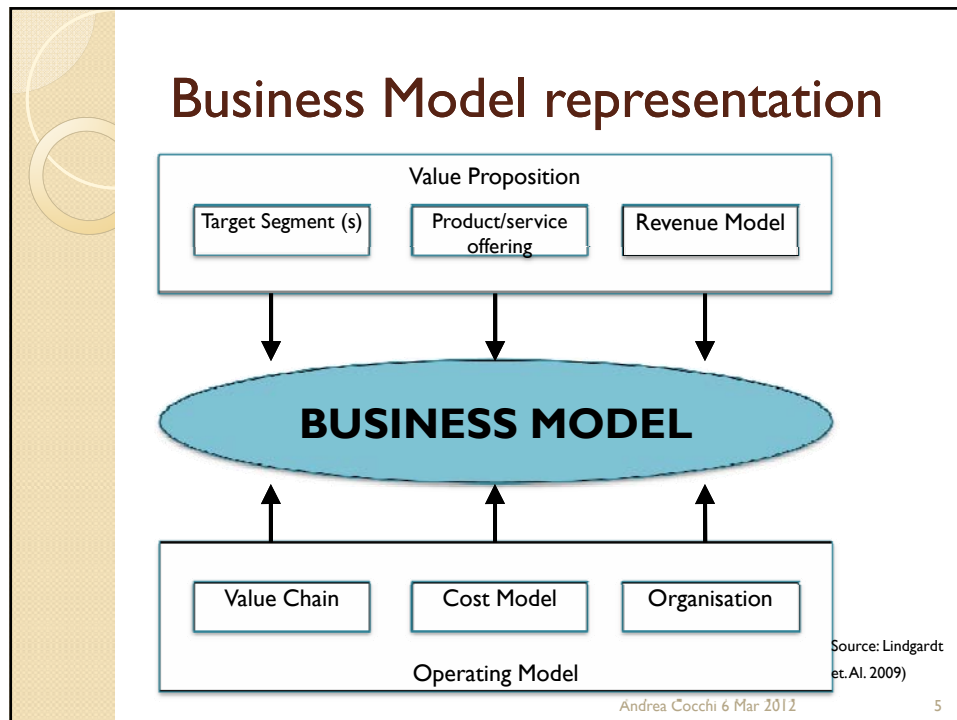
- | | |
|---|---|
| • Client/Users | • Process/Users |
| Business Models | Business Concepts (1990s) |
| Who: Practitioners, Scholars | Who: Engineers, Designers |
| What: Cooperation and evolution | What: time to market, use of technologies |
| How: Sharing, Outsourcing, Value Proposition | How: process modelling /reorganisation, service design (i.e. Service Blueprint) |
| Selling Points: Innovation, Adaptation, Profitability | Selling Points: Finance, flexibility, costs, environmental impacts |

Common Points & Trends:

From Product to Service Logic, Systemic Logic, Customer as profit driver (TCO)

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4



Our Starting point in 2009

1. Emerging Economies (i.e. China, India, Su America): increasing demand for goods
2. Credit Crunch: substitution of machinery plant renewal
3. Machine Operating life: longer than the average product life
4. Lessons learnt form other sectors: renting and leasing for critical components (i.e. power by the hour, Oil&Gas)

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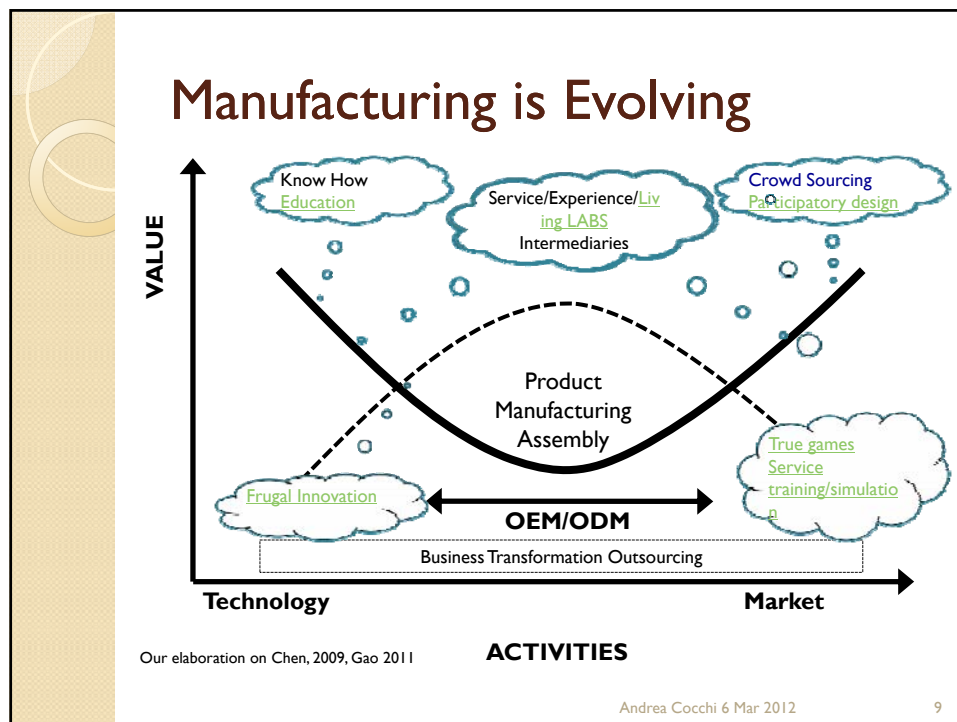
7

Innovation and Market trends

- Rapid increase of wages and energy prices (outsourcing/offshoring under duress) (crf. Sirkin et. al. 2011)
- Evolution in the consumption models: the dawn of the middle class - creativity more than technology
- Public programs for Key technologies: focus on M&A (crf. Orr, Roth 2012; Wale et. al. 2012, Dutta 2011)
- Innovation leded by commercialisation: commercial innovation, frugal Innovation, time to market, TT Centres (Wale et. al. 2012, AA.VV, 2011)

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8



How to manage such idea?

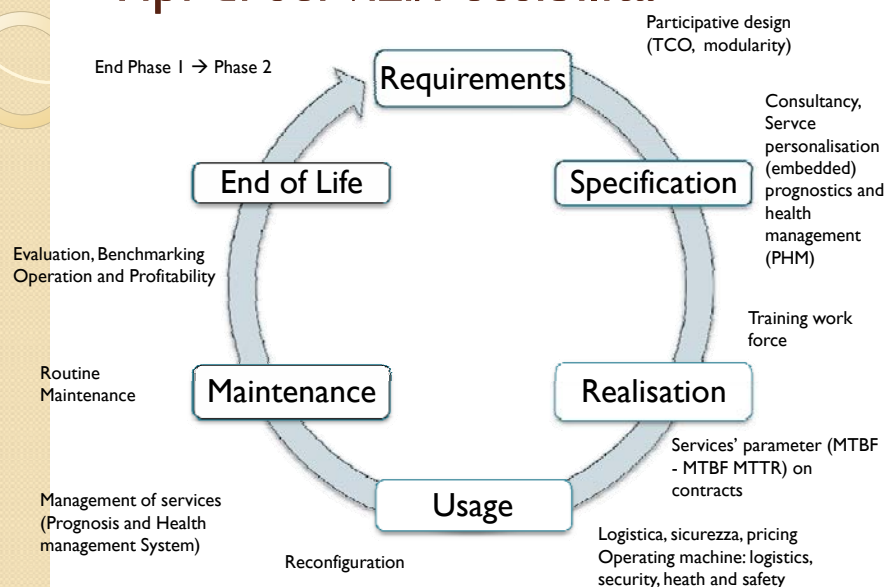
- Creation of an independent unit (New.Co.)
- Aiming at define, penetrate, develop and exploit new markets, need and technologies
- Definition of a stable network in specific contexts: machine tool, engineering services, service design and implementation

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11

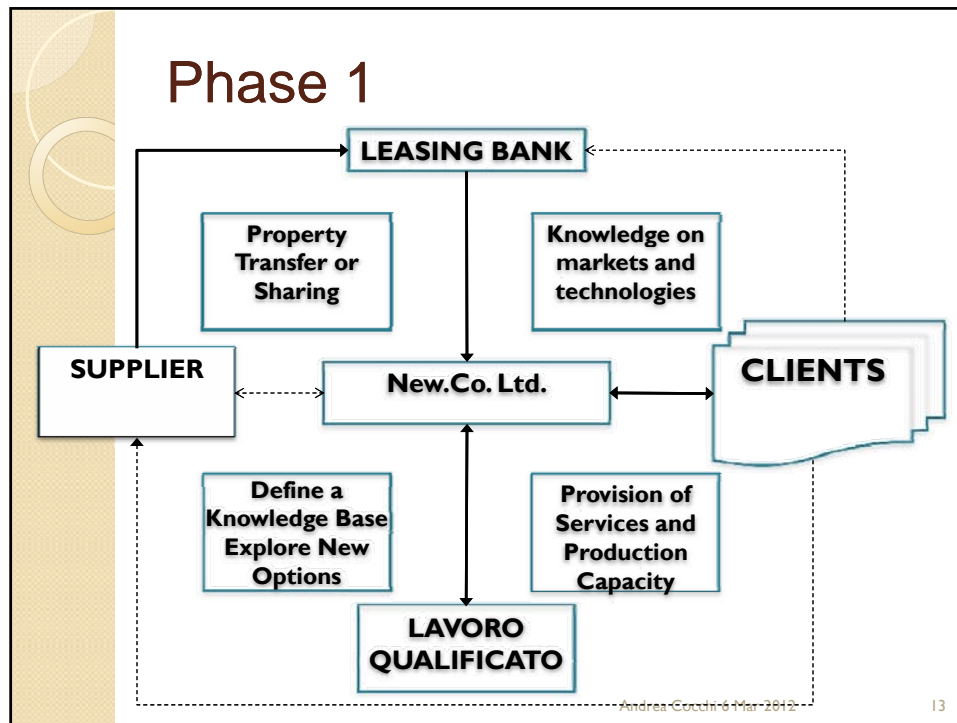
Tipi di servizi/Possibilita'

Sources: Greenough, Grubic 2011; Gebauer, 2008; Lanza et. Al, 2011, Chen, 2009



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12



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