

# *Strategic Business Innovation*

## **Digital Business Development Portfolio**



To transform means to bring (trans) something into a new form.

Bringing a currently successful business into another form is a risk, that we don't recommend thoughtless.

Therefore we recommend to prepare (more) additional business models in addition to the existing business.

... and will now present a concept to maintain transparency and to be able to manage this.

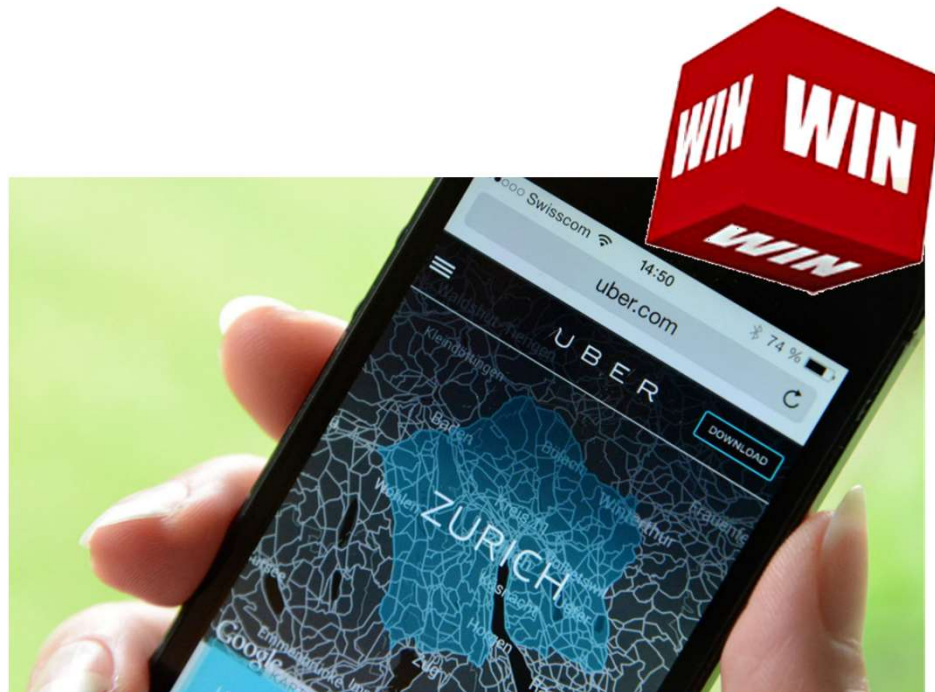


# Transformation into the Digital Age / Digital Economy & Business Agility



**NO** digital transformation is the limitation on technical issues !

So, maybe we have a need for another business model ???



p.es. : Uber launched a peer<sub>2</sub>peer business model with a disruptive impact on the business model of taxi driver.

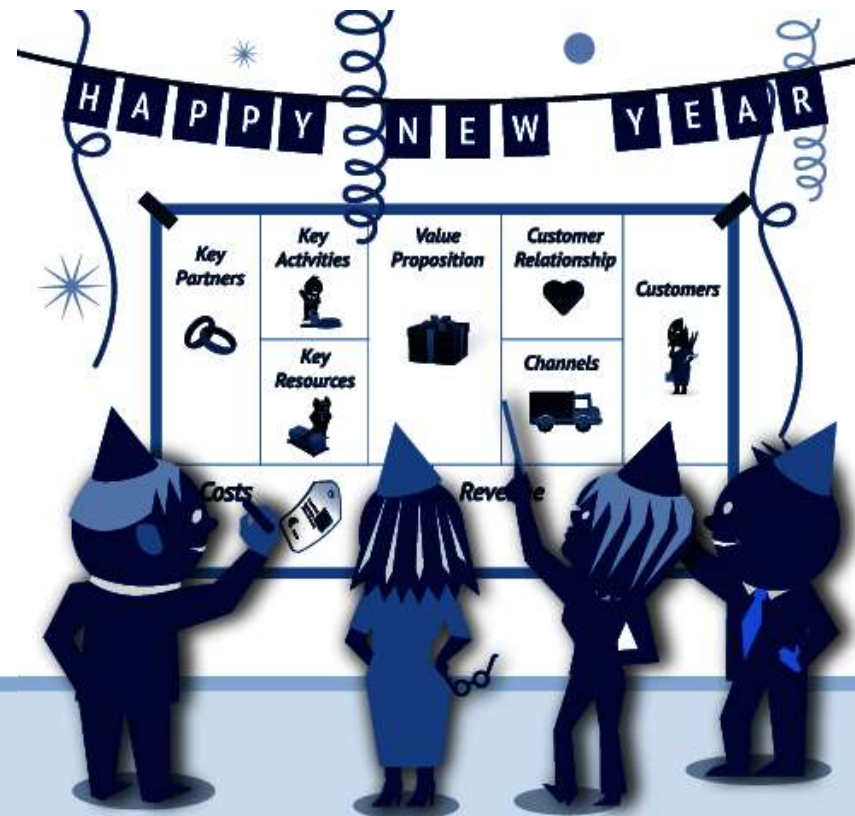


A taxi-driver that thinks, he is also digital innovative, because he bought a Tesla (digital car = digital way of operation ?) will most probably NOT survive !

# Transformation into the Digital Age / Digital Economy & Business Agility



**But**, in most cases, we DON'T recommend a transition from an existing business model to a digitalized one !



# Digital Transformation : Impact on the Management und Employees



The Swiss culture and society is different from the one in the USA.  
We can not recommend a company to assume the risk, just to change a profitable business model !

**Don't be afraid to fail !**

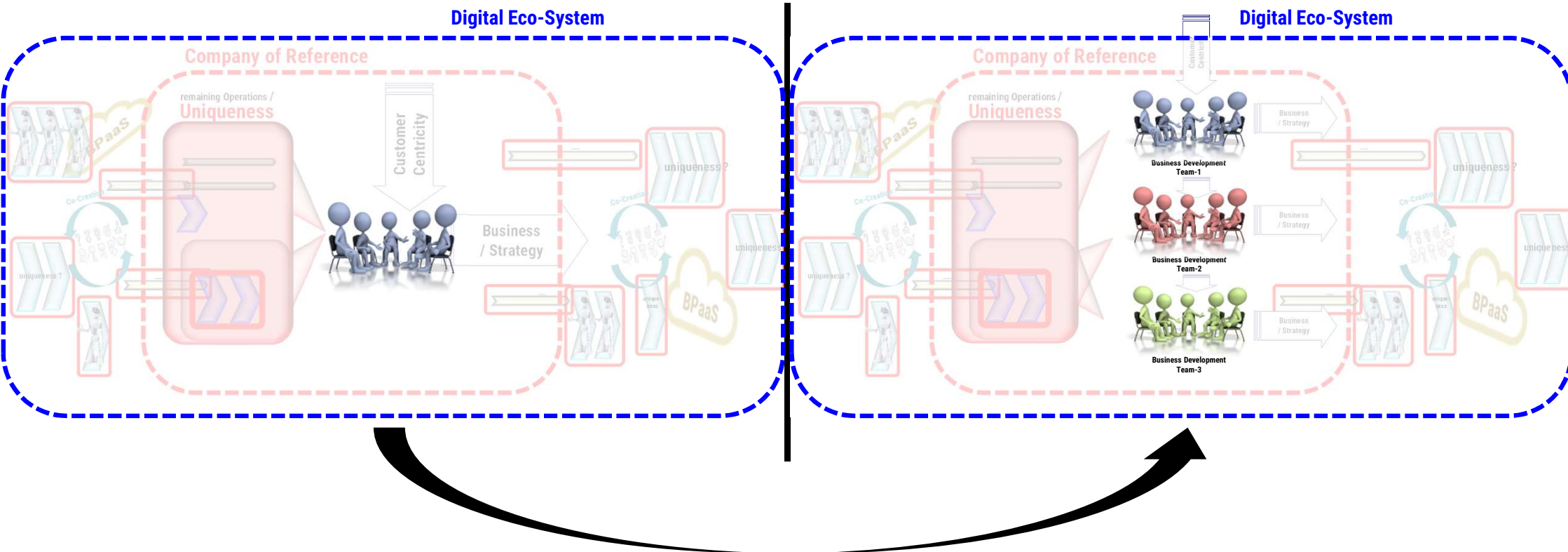
**We know our responsibility !**



# Digital Transformation : Impact on the Management und Employees



We can not recommend a company to assume the risk, just to change a profitable business model !  
To limit the risk, we can recommend to develop **additional** business models.

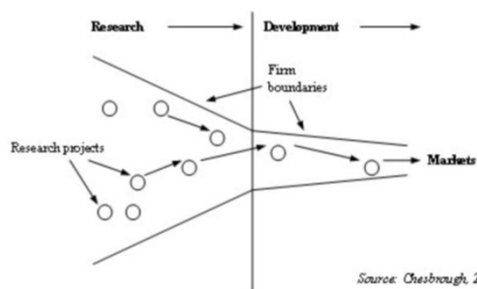


# Digital Transformation : Impact on the Management und Employees

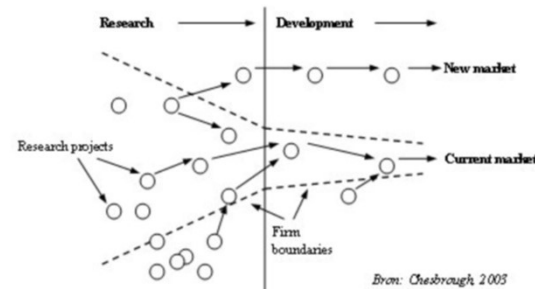


please remember : From closed to open innovation, Marcel Bogers, Henry Chesbrough, and Carlos Moedas (2018)  
(see part from Prof. Dr. Barbara Eisenbart)

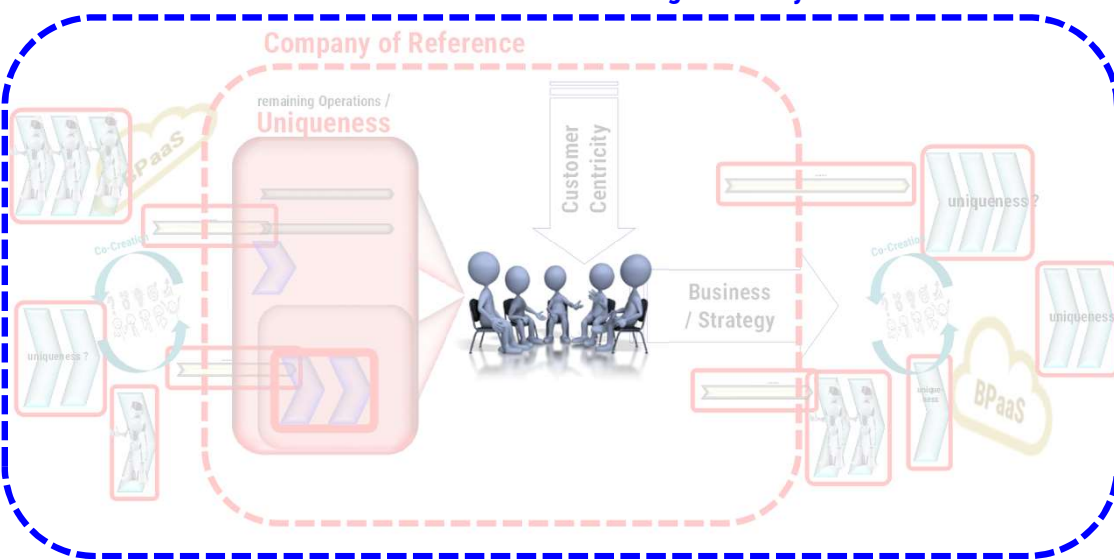
## Closed Innovation



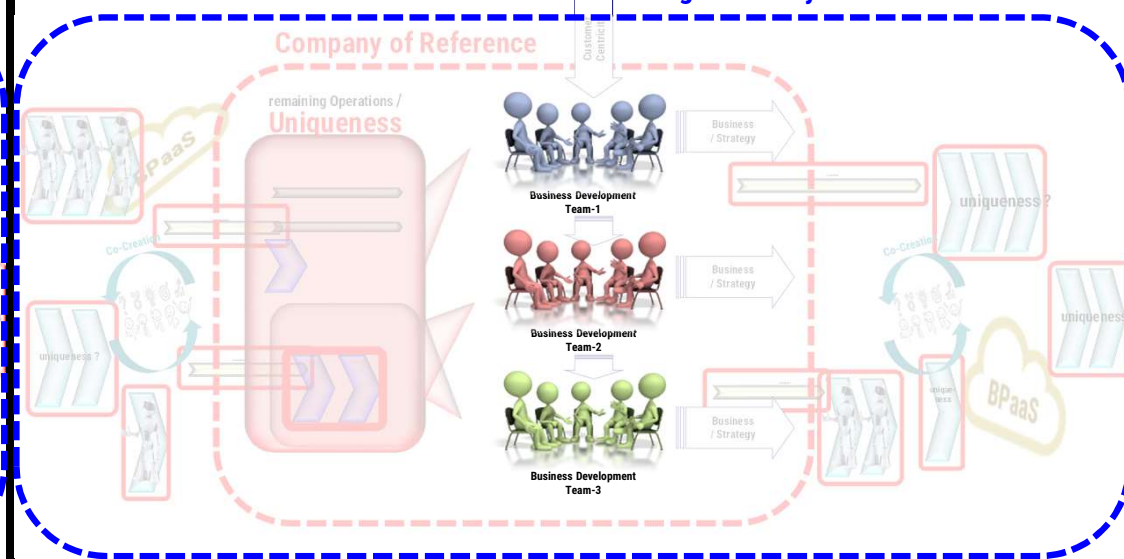
## Open Innovation



## Digital Eco-System



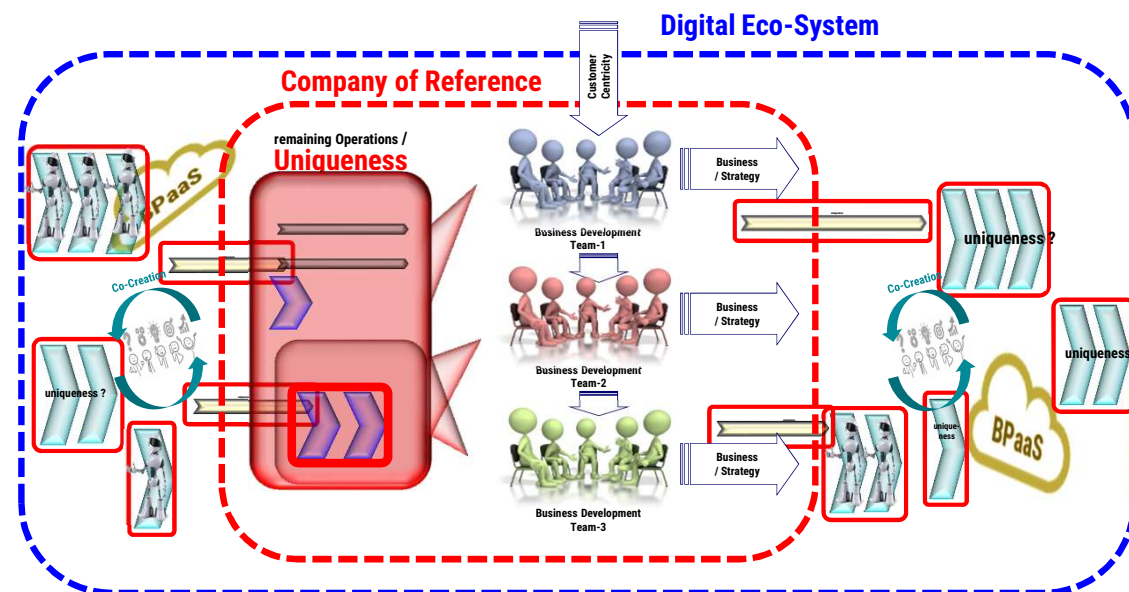
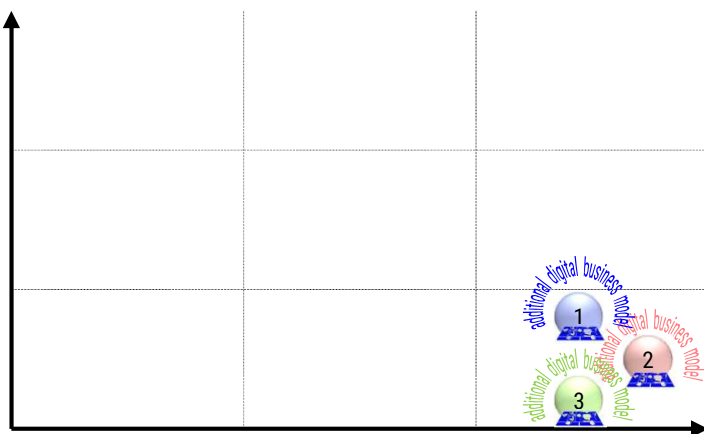
## Digital Eco-System



# Digital Transformation : Impact on the Management und Employees



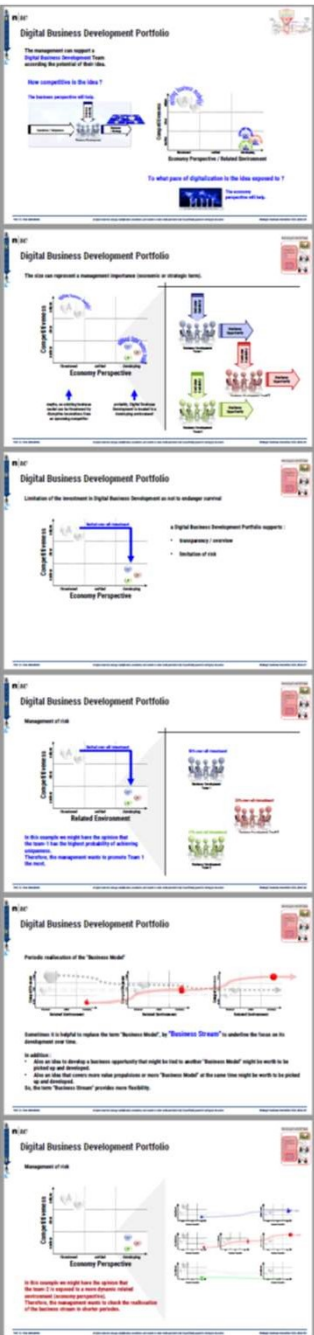
We can not recommend a company to assume the risk, just to change a profitable business model !  
To limit the risk, we can recommend to develop **additional "Business Models"** (we will discuss the term later on).



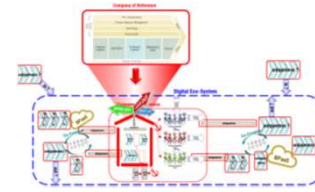


We use a matrix, similar, to the matrix of the BCG

- transparency
- risk limitation
- proportional allocation of willingness to invest
- We repeat the proportional allocation of willingness to invest.
- The time when we repeat it depends on the dynamic.



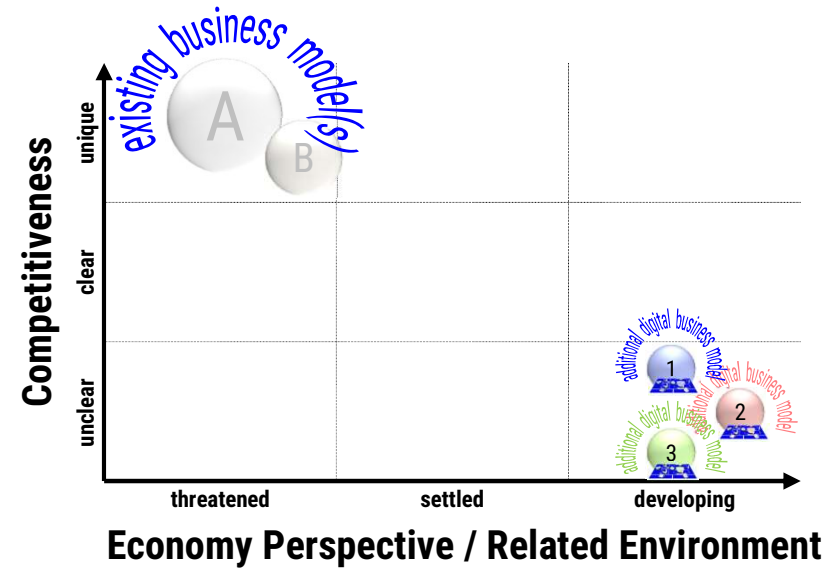
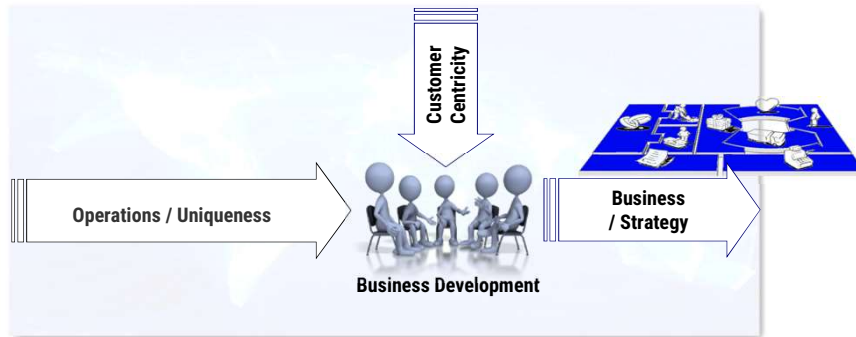
# Digital Business Development Portfolio



The management can support a **Digital Business Development Team** according the potential of their idea.

## How competitive is the idea ?

The business perspective will help.



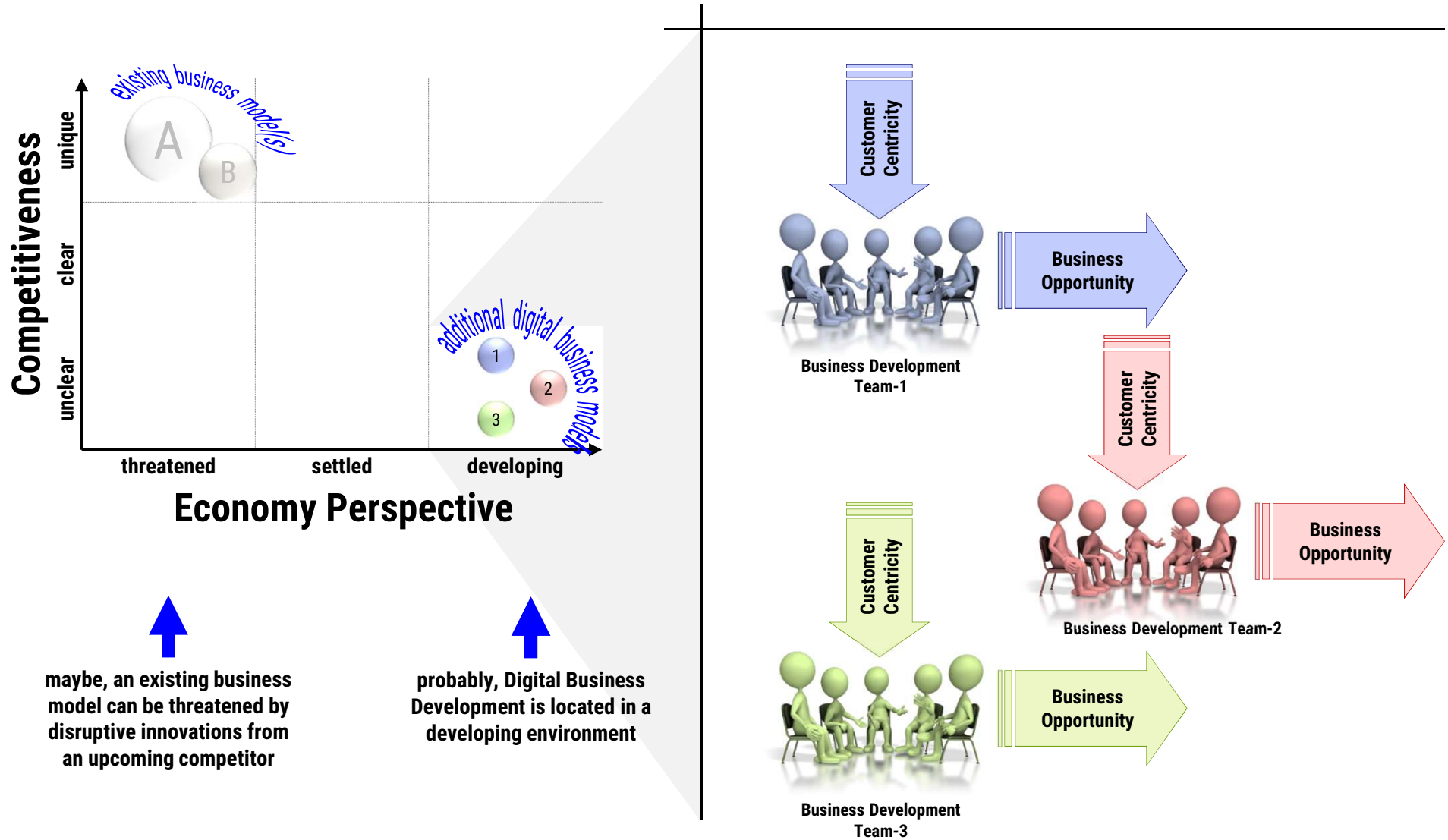
## To what pace of digitalization is the idea exposed to ?



The economy perspective will help.

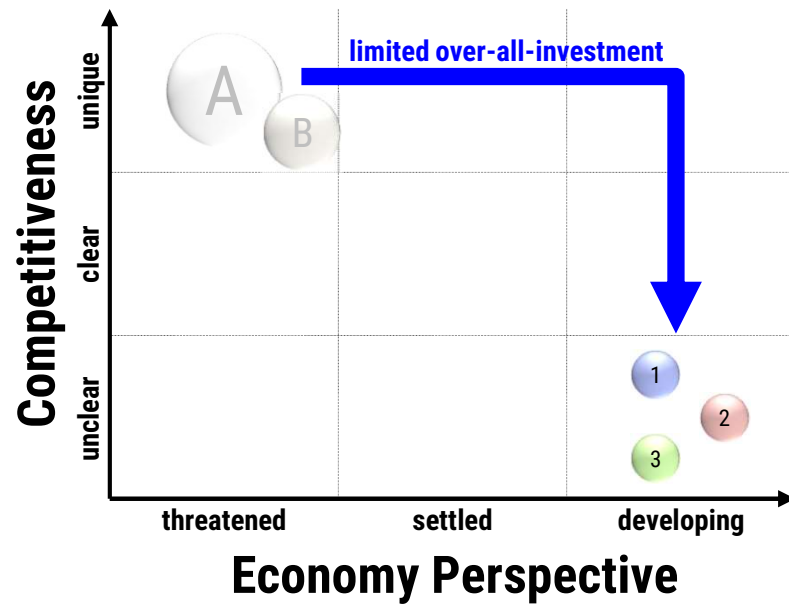
# Digital Business Development Portfolio

The size can represent a management importance (economic or strategic term).



# Digital Business Development Portfolio

Limitation of the investment in Digital Business Development as not to endanger survival

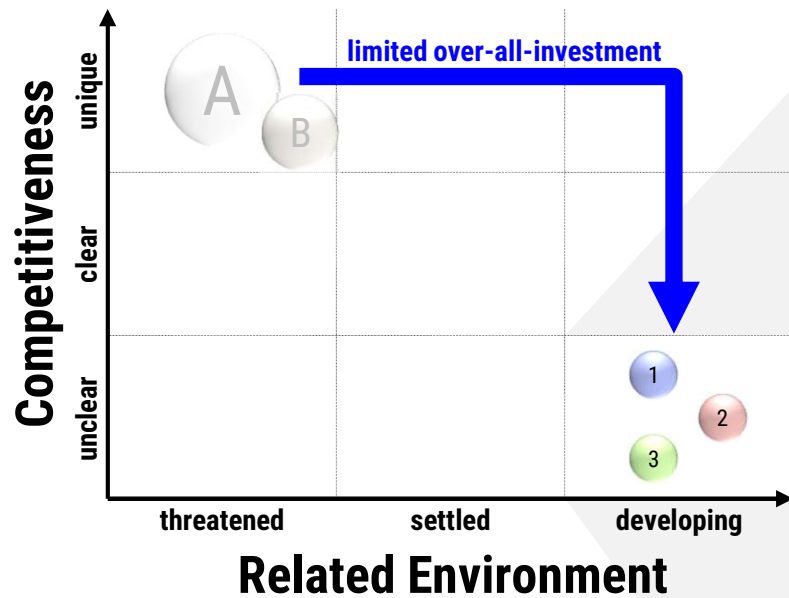


a Digital Business Development Portfolio supports :

- transparency / overview
- limitation of risk

# Digital Business Development Portfolio

## Management of risk



In this example we might have the opinion that the team-1 has the highest probability of achieving uniqueness. Therefore, the management wants to promote Team 1 the most.

50% over-all-investment



Business Development Team-1

33% over-all-investment



Business Development Team-2

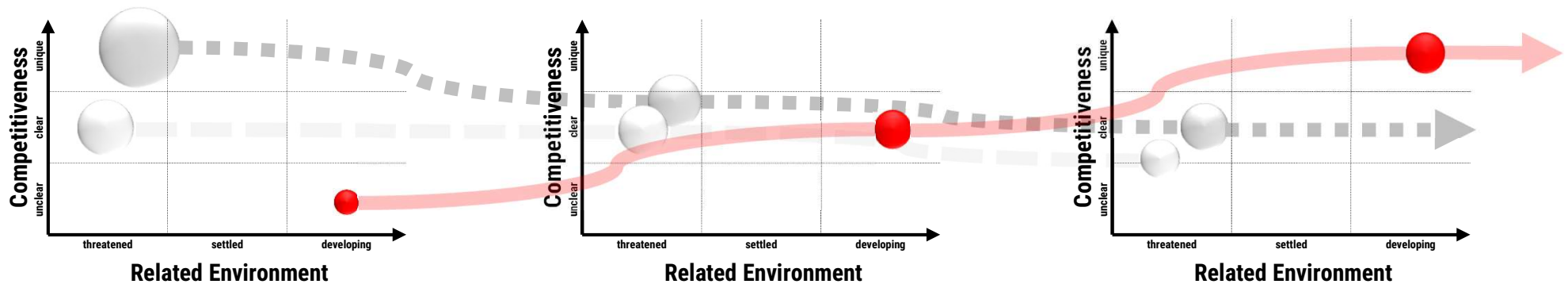
17% over-all-investment



Business Development Team-3

# Digital Business Development Portfolio

## Periodic reallocation of the "Business Model"



Sometimes it is helpful to replace the term "Business Model", by **"Business Stream"** to underline the focus on its development over time.

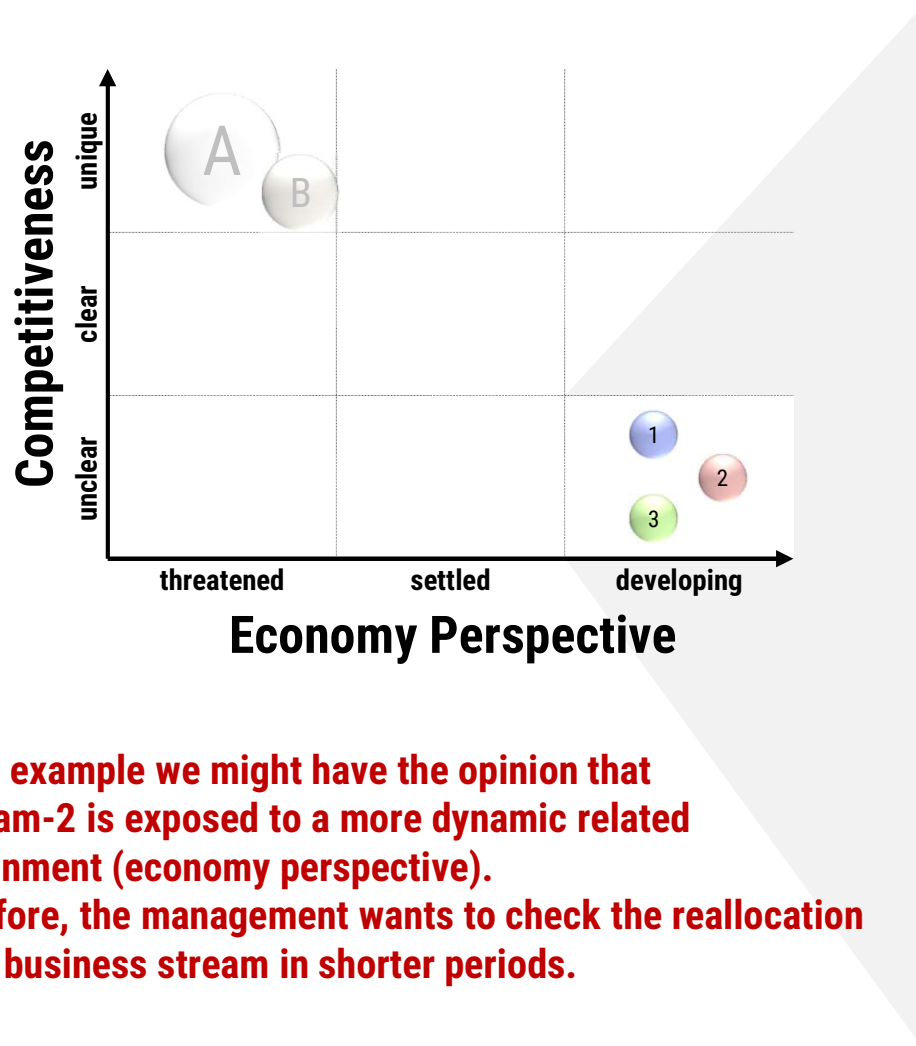
In addition :

- Also an idea to develop a business opportunity that might be tied to another "Business Model" might be worth to be picked up and developed.
- Also an idea that covers more value propulsions or more "Business Model" at the same time might be worth to be picked up and developed.

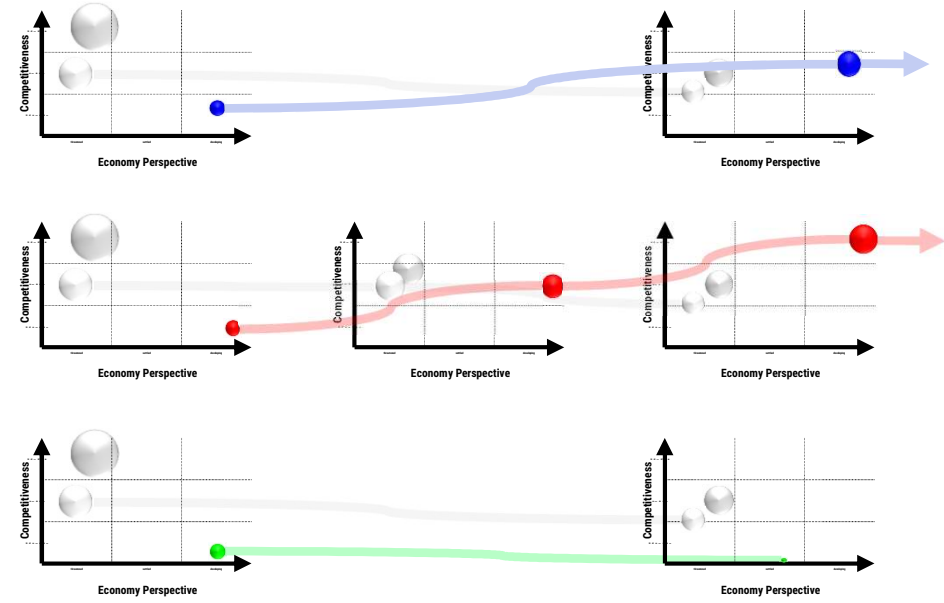
So, the term "Business Stream" provides more flexibility.

# Digital Business Development Portfolio

## Management of risk

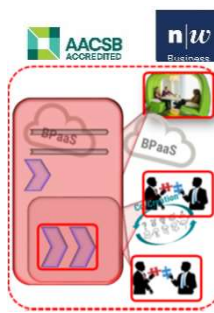


**In this example we might have the opinion that the team-2 is exposed to a more dynamic related environment (economy perspective). Therefore, the management wants to check the reallocation of the business stream in shorter periods.**



# Digital Business Development Portfolio

Google's X-Lab is an example for Digital Business Development in Portfolio Structure



<https://www.youtube.com/watch?v=uCCVaEMN8To>  
<https://www.youtube.com/watch?v=24ZVvqtAprU>