WHAT IT IS?

The current state-of-the-art view of business model levers that, in combination, can transform industries

An agile and adaptive organisation

- Using technology to make decisions that better reflect market needs, allowing real-time adaptation to changes in those needs
- Often results in greater value for customers and lower costs for companies
- Originating from the software industry, ‘agile’ is widely associated with having a ‘start-up’ mentality, and the ability for organizations to ‘pivot’ itself
- According to Eric Ries (entrepreneur and author of The Lean Startup), “Lean manufacturing has been driving productivity for decades. But what if you are efficient at making something that nobody wants? What creates value for a startup is learning if we are on path to a sustainable business”

An expanded view of each lever, with Breakthrough Innovation and the UN Sustainable Development Goals in mind

....That is resilient to failures in trialing breakthrough business models

- Achieving the SDGs will require intense cycles of trial and error of new business models.
- Given the scale of the SDGs, and the increasing complexity of businesses’ operating environments, internally, organizations need to nurture the mindsets and cultures to stimulate innovation, while building-in levels of redundancy to accommodate necessary failures

RELEVANT DISRUPTIVE TECHNOLOGIES

- Additive Manufacture
- Artificial Intelligence
- Internet of Things (IoT) and Big Data
- Collaborative Robots / Assistants

CHARACTERISTICS OF RELEVANT BUSINESS MODELS

- Auction: Selling a product or service to the highest bidder.
- Crowdsourcing: Solutions to tasks or problems is generated via an anonymous crowd, with contributors receiving some incentives. Interaction with contributors/customers fosters a positive relationship with the company and can subsequently result in increased sales.
- From push to pull: Decentralization, adding flexibility to a company’s processes in order to be more customer-focused.

- Leverage customer data: Creating new value by collecting customer data and preparing it in beneficial ways for internal or external usage.
- Produce on Demand: Producing a product only when a customer order is made.
- User design: Where a company supports customers to apply their creativity and preferences through services such as an online shop, or design software – resulting in the customer being also the manufacturer.

EXAMPLES OF THE KEY IN USE

GE (United States; multinational company)

GE, which calls itself “The Biggest Startup”, launched FastWorks as a way of constantly experimenting, learning, and iterating its work, with the customer being at the centre of everything it does. Rather than an annualized strategic planning process, small cross-functional teams within GE now work using a more continuous process of checking on the environment and context, pivoting where necessary, and with a much smaller budget and shortened project timescale. GE has also had to involve its suppliers sooner in the product development process in return for more flexibility. In GE Appliance for example, where FastWorks was first applied, it is currently selling over two times the normal sales rate at half the programme cost and twice the programme speed. The company now has more than 100 FastWorks projects globally which range from building disruptive healthcare solutions, to designing new gas turbines.

X (United States; multinational company)

Part of the Alphabet group of companies, X (formerly known as Google X) was founded with a mission to invent and launch “moonshot” technologies that have the potential to solve real problems in the world. Its projects include drone delivery, driverless cars, high-altitude Wi-Fi balloons and glucose-monitoring contact lenses. X employs a culture that embraces failure and complexity, reconfiguring the way corporate labs traditionally work - in the case of X, it takes incredible risks across a wide variety of technological domains, and does not hesitate to stray from its parent company’s business. At a practical level, X’s corporate mantra is to ‘fail fast’ - its in-house Rapid Evaluation Team vets and tests the most promising ideas with the aim of “doing everything humanly and technologically possible to make them fall apart”.

AGILITY/RESILIENCE

6 Project Breakthrough

- Internet of Things (IoT) and Big Data
- Collaborative Robots / Assistants