### Key 4: Usage-Based Pricing / Incentivizing Positive, Lean Access

#### What It Is?

<table>
<thead>
<tr>
<th>The current state-of-the-art view of business model levers that, in combination, can transform industries</th>
<th>An expanded view of each lever, with Breakthrough Innovation and the UN Sustainable Development Goals in mind</th>
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<tbody>
<tr>
<td><strong>Usage-based pricing...</strong></td>
<td><strong>That incentivizes positive, lean access</strong></td>
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<tr>
<td>- Benefits customers by charging them only when they use a product or service, rather than buying something outright</td>
<td>- Ensuring affordability and accessibility to essential products and services</td>
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<td>- And at the same time, incentivizing positive behaviours and less wastage</td>
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#### Relevant Disruptive Technologies

- Internet of Things (IoT) and Big Data
- Additive Manufacture
- Autonomous Vehicles
- Collaborative Robots / Assistants
- Blockchain

#### Characteristics of Relevant Business Models

- **Barter:** Exchanging goods or services with no transfer of money.
- **Differential Pricing:** Charging more to those able to afford, and subsidizing those who cannot. Also known as Robin Hood.
- **Flat Rate:** A single fixed fee is charged for a product or service, regardless of actual usage.
- **Freemium:** Allowing users to access a proprietary product or service for free, but charging a premium to access advanced functionalities.
- **Hidden Revenue:** Abandoning the logic that the businesses’ income depends on users. Instead, the main source of revenue comes from a third party who cross-finances any free or low-priced offering that attracts users. Advertising is a common application.
- **Innovative Product Financing:** Involves leasing or renting products to customers.
- **Localization:** Favoring local and/or community-based production and consumption.
- **Microfinance:** Providing low-income, financially excluded, customers with small loans, and at times access to other financial services.

#### Examples of the Key in Use

**Rolls Royce (United Kingdom; multinational corporation)**

Its ‘Power by the Hour’ (CorporateCare) Engine Maintenance Programme allows customers reliable access to ‘power’ on a 10-year subscription basis, without the need to stockpile spare parts or suffer disruption during breakdowns. Real-time data monitoring of engines also offers agility to both Rolls Royce and its customers.

**Rent the Runway (United States, small/medium enterprise)**

Instead of owning designer dresses, Rent the Runway allows people to pay to access a dress for a limited time, or pay a subscription to access a number of items each month. Using a combination of technology and efficient reverse logistics, the company is winning customers by making dress rental a pleasant and convenient process.