



UNIVERSITÀ DI BRESCIA LABORATORIO RISE

Research & Innovation for Smart Enterprises

Service oriented business models: a framework and a toolkit for manufacturing companies

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BACKGROUND: Servitization, a business model innovation

- Evidences from literature show that extending the service business can lead to generate new, less imitable, competitive advantages and additional revenues
- Servitization is a Business Model innovation of organizations processes and capabilities wherein manufacturing companies make a shift from selling product to selling integrated products and services, with the aim to satisfy customer needs enhance the firm's performance and achieve competitive advances (Visjnic, 2010 and Ren&Gregory, 2007, Neely, 2008)
- Companies need to adjust the characteristics of their business models to take advantage of servitization entirely (Barquet, A.P.B., et al., 2011)
- New value propositions that address new customer needs, have to be developed by leveraging on a set of resources, competencies and techniques. In addition, new value propositions entail also integral changes in how partnerships, channels, customer relationships are configured.

To be successful in this transformation (servitization), a company needs to redesign its business model

(Baines et al., 2009; Slepniov et al., 2010; Kindström, 2010; Windhal & Lakemond, 2010)

Despite of its importance, the literature has little information about how a service oriented business model should be configured and how to move towards

Commond Madal



PROBLEM SETTING

Theory

- •Relatively little is known about service oriented business models (Kindström, 2010)
- •A better understanding of how service oriented Business models are configured and implemented is required (Kindstrom, 2010; Meier et al., 2010; Reim et al, 2014)
- •Lack of research related to the transformational needs in various business model dimensions (Kapletia & Probert, 2010; Storbacka, 2011; Storbacka et al. 2013)

Practice

- •Insights about how companies can adopt and implement service oriented business models is still very limited (Baines et al., 2007; Meier et al., 2010; Yoon et al., 2011; Gaiardelli et al., 2014; Reim et al 2014).
- •There is little previous work offering guidelines, tools or techniques that not only can be used by companies to servitize, but also that practitioners can apply to help in service design, organizational design and organizational transformation (Baines et al 2008)



Exploratory SurveyMain results



(95 EU companies)
Automation, Machinery and
Transportation sectors

Service oriented business models

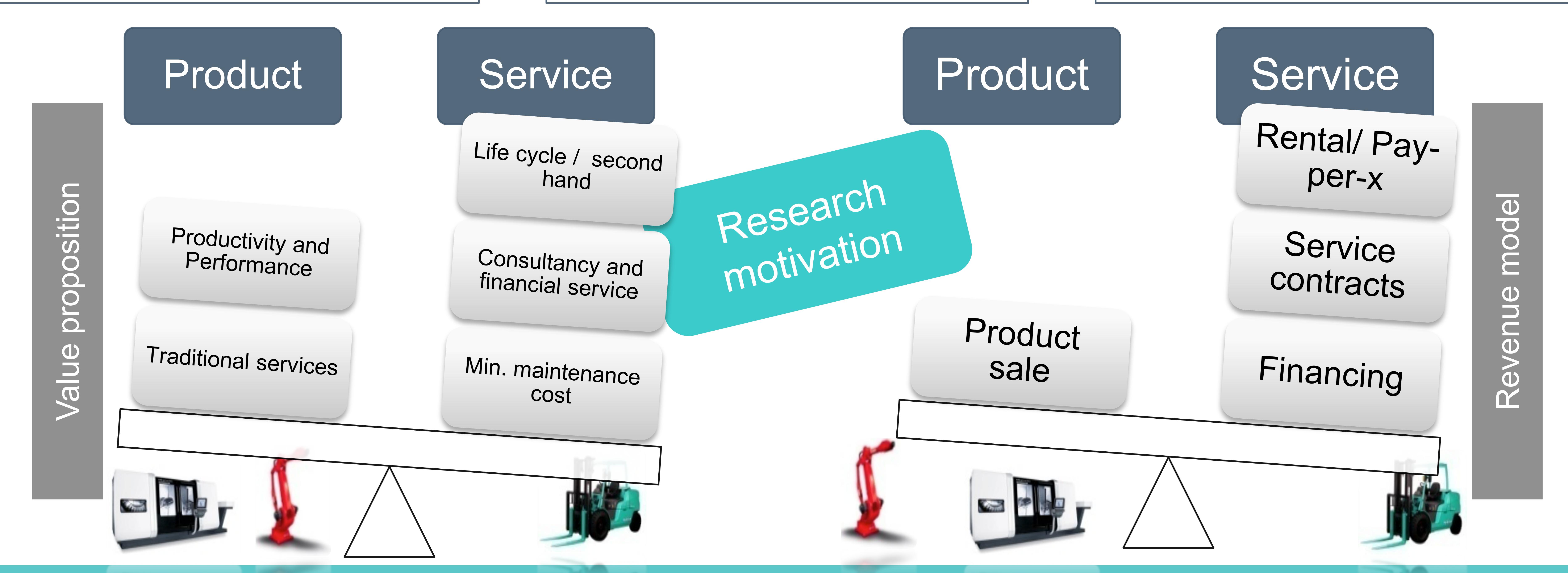
 The adoption of serviceoriented business models is low in the studied industries, in particular with regards to the machine tools and automation sectors.

Revenue models

•Are dominated by product sales, with a contribution of services close to 20% dominated by corrective maintenance and spare part sales. Rental or "Pay-per-x" contracts are an almost negligible revenue source.

Service

- •Service offerings are still mainly anchored to traditional services.
- •Service is an important part of company's business and its importance will increase in future.
- •However, most companies have not yet formalized the service development activities, with no explicit strategy, responsibilities, budget, formal processes and methods in place.





RESEARCH QUESTIONS

How the Business
Models of firms
moving from products
to solutions can be
characterized and
configured?



How product-centric companies that undertake the transition towards service oriented BM can be supported? To this end, which tools can be developed?



How the maturity level of resources and competences needed in this transition can be assessed?

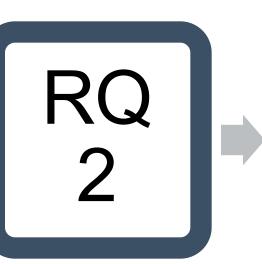
Theory

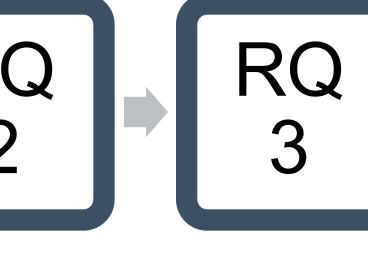
Practice



RQ1: Service oriented business models

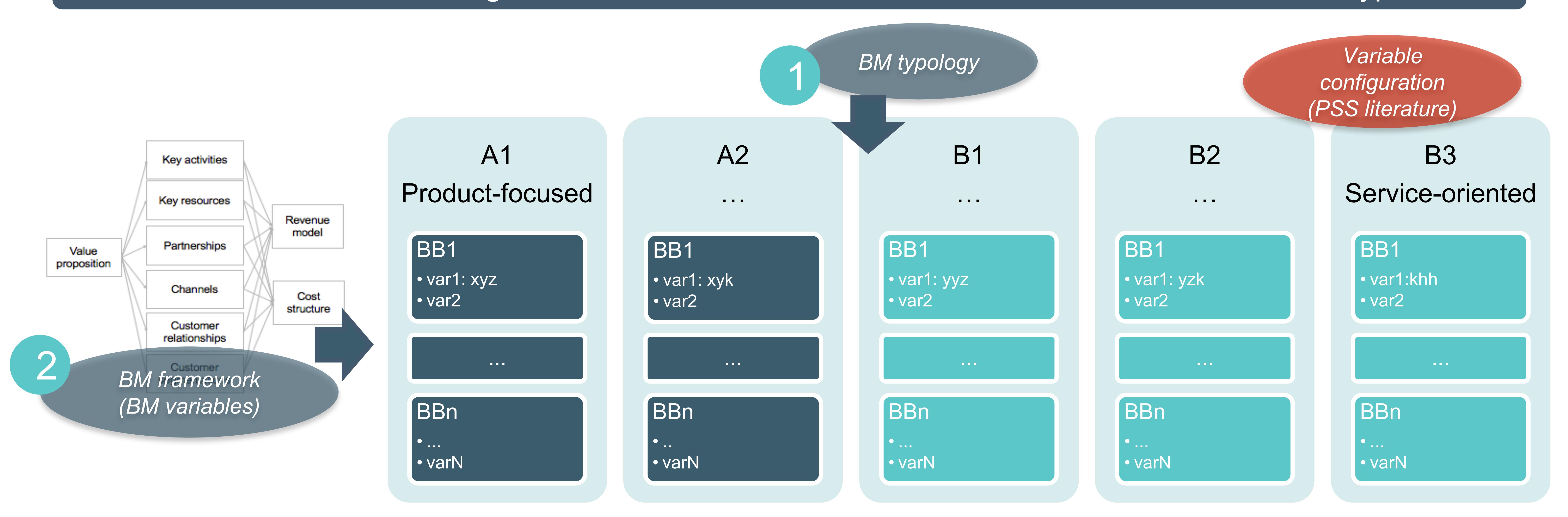






Develop a TYPOLOGY, that represents the range of BM options (5 archetypal Business models) for companies that move from product-centric offerings to services and solutions

- Develop a new service oriented business model FRAMEWORK for product-centric companies
- Identify the relevant variables that allow describing a service-oriented business model
- Identify a new detailed and structured BM typology, that can define how the BMs of product-centric companies that move from product to solutions should be shaped
 - Define the theoretical configuration of the BM elements and relevant variables in each BM types

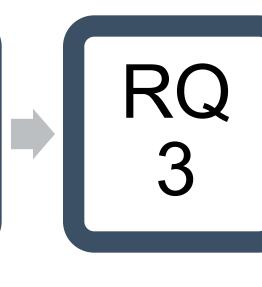


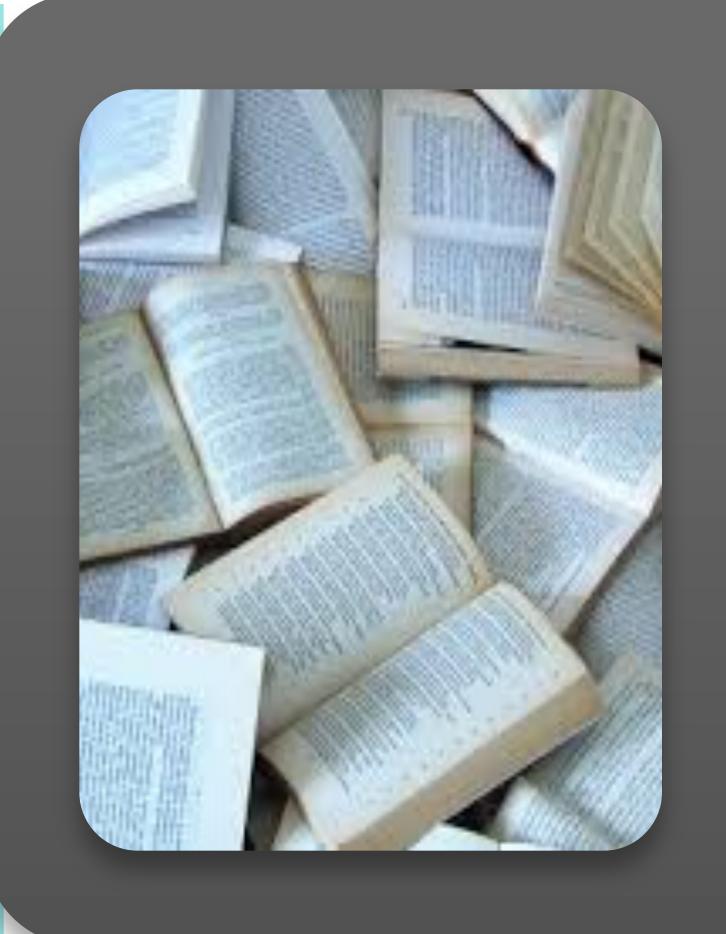


RQ1: main activities and methodology

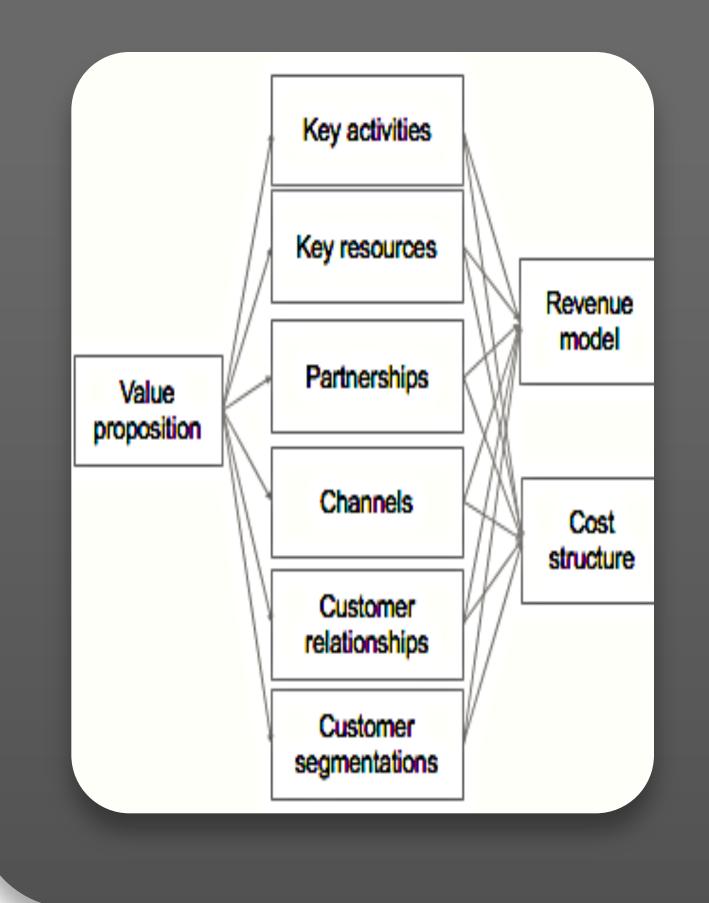




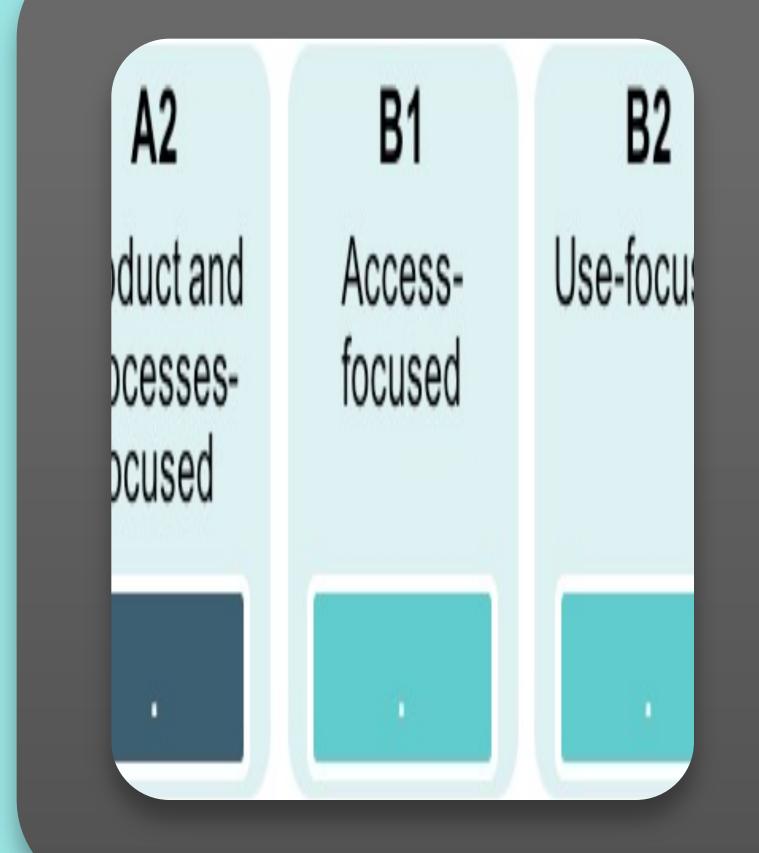




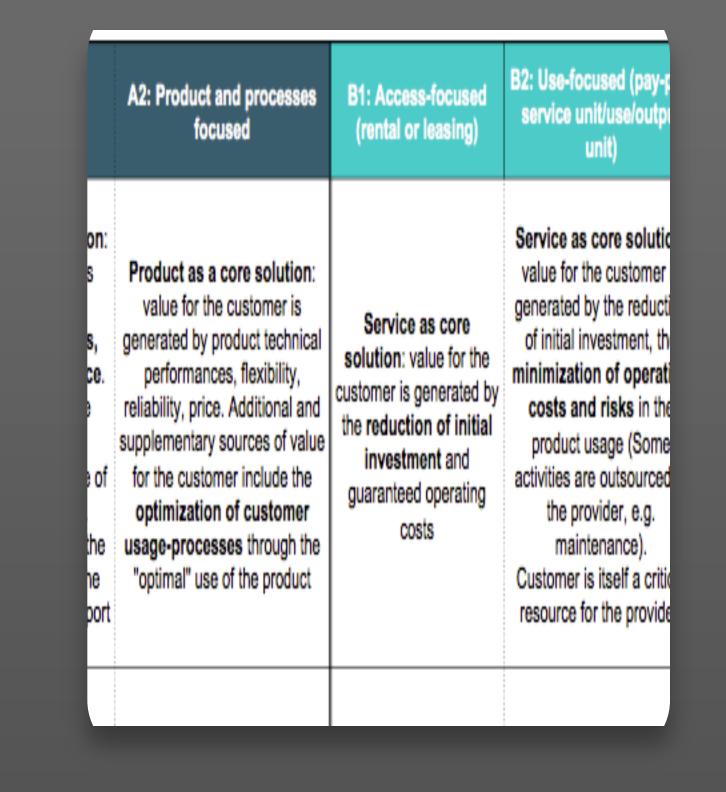
Literature review



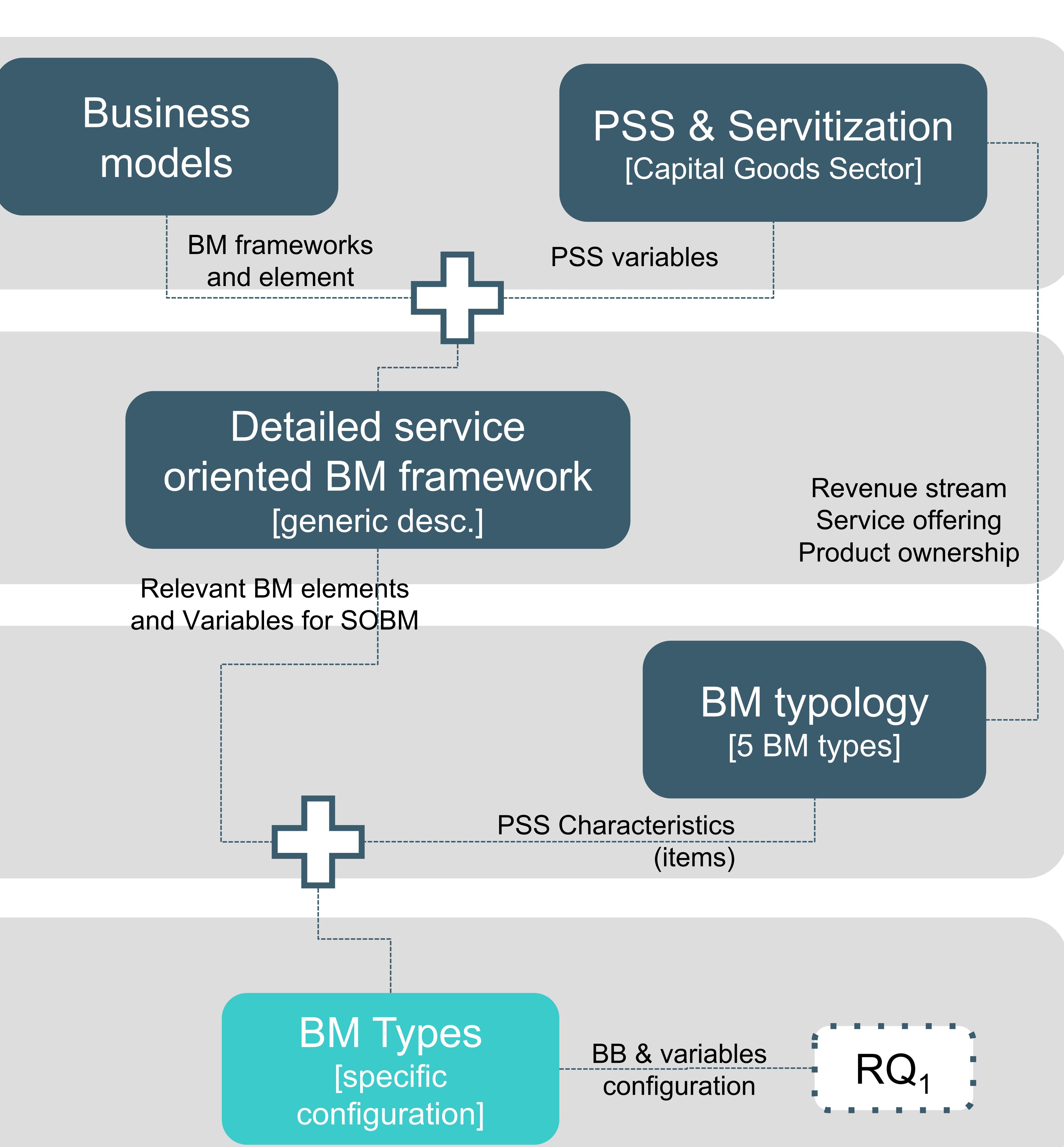
Development of the new BM Framework (element and variables)



Identify the BM Typology

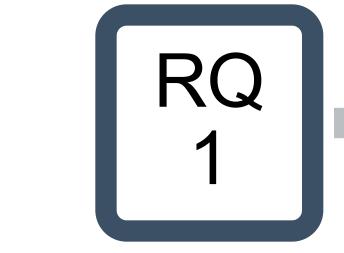


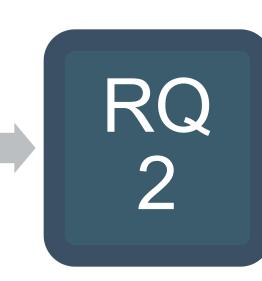
Configure the new BM Types

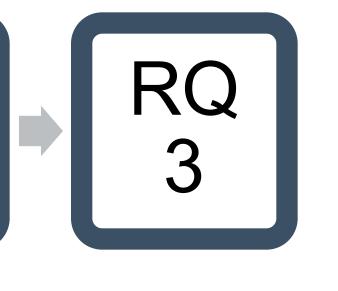




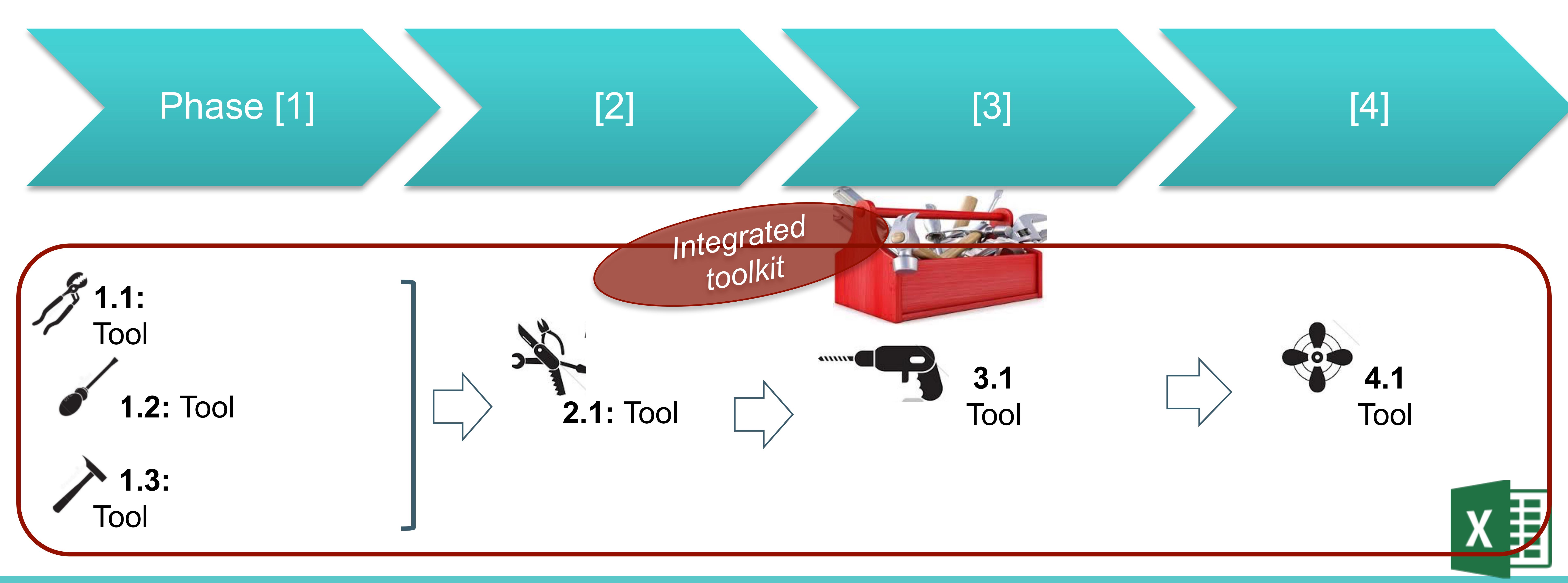
RQ2: support the transition towards service oriented BM





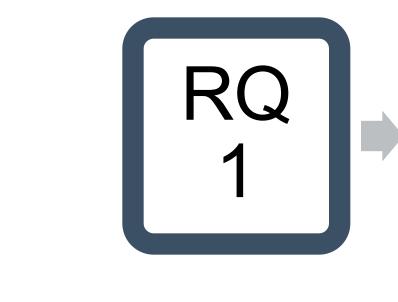


- Develop a new **Business Model Innovation Process**, that offers sequential steps and guidelines for the choice and the implementation of the new BM Types
- Develop an ad-hoc integrated methodology and toolkit that rely on the new service oriented BM framework and typology, to address the BM innovation process steps

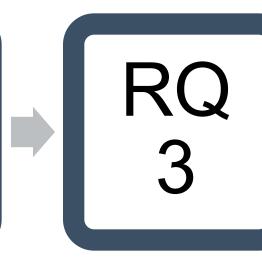


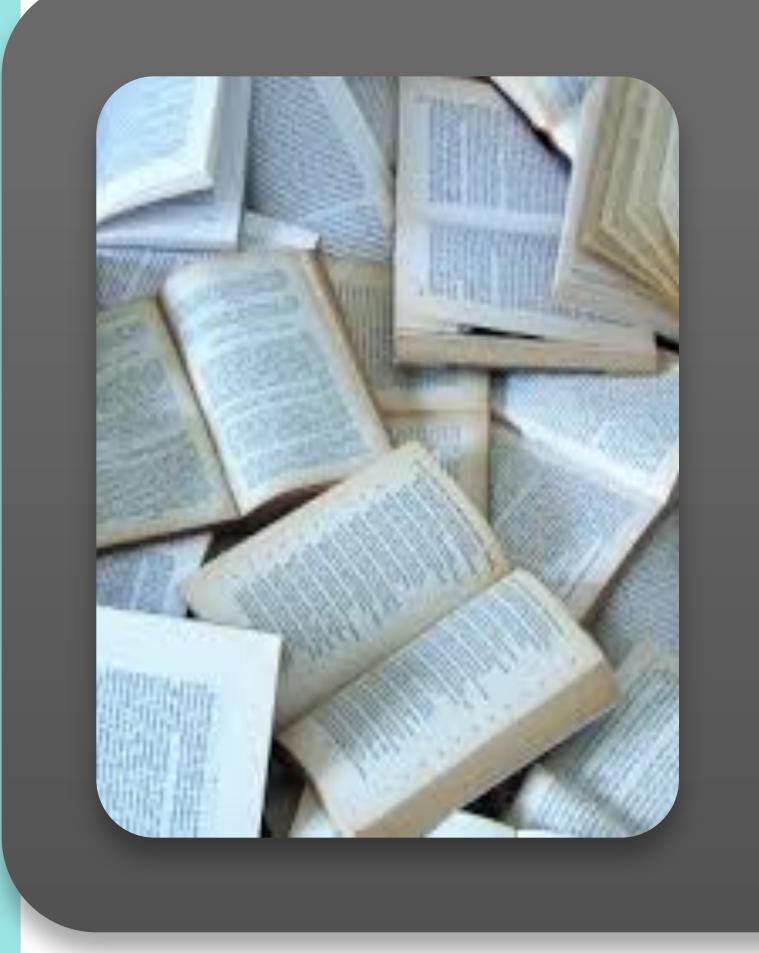


RQ2: main activities and methodology

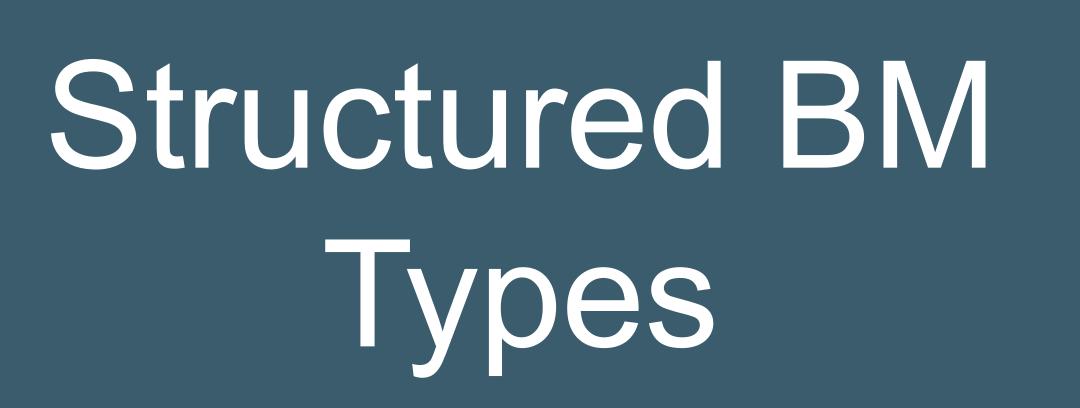








RQ1 findings

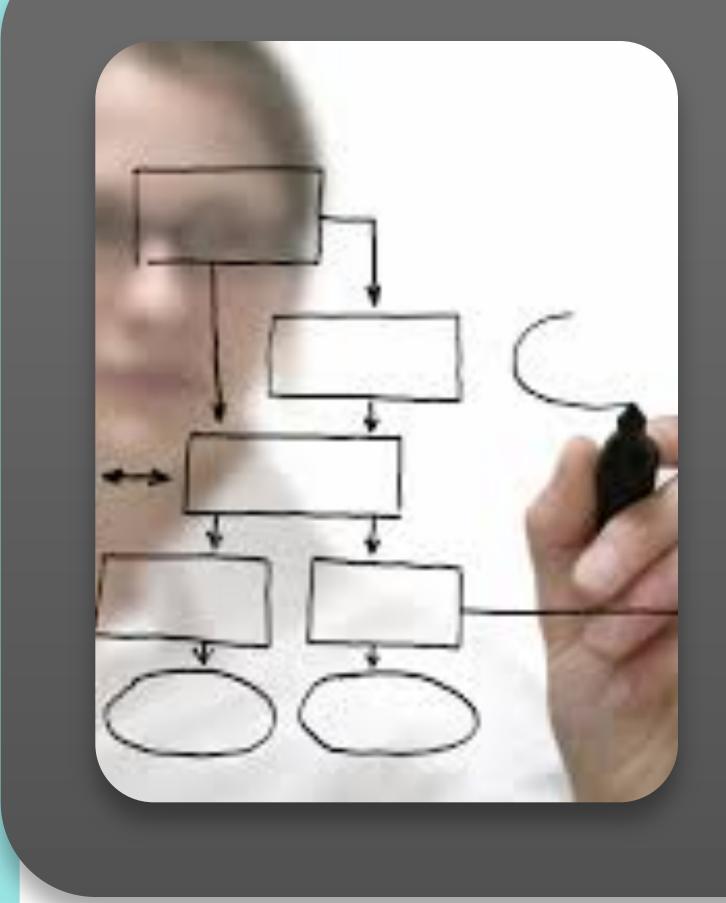


BB & variables configuration

Analysis of existing "general" models

Case studies

Guidelines



Conceptual development of the process model and tool

BM innovation process and toolset [generic description]

Relevant BM elements and Variables for SOBM



Empirical application

Validation and Fine tuning

BM innovation process and toolset

RQ₂

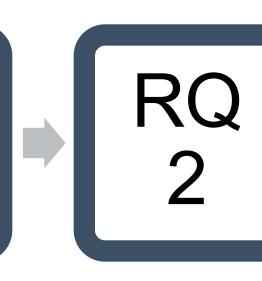


New methodology and toolkit



RQ3: evaluate the service orientation of the company's BM





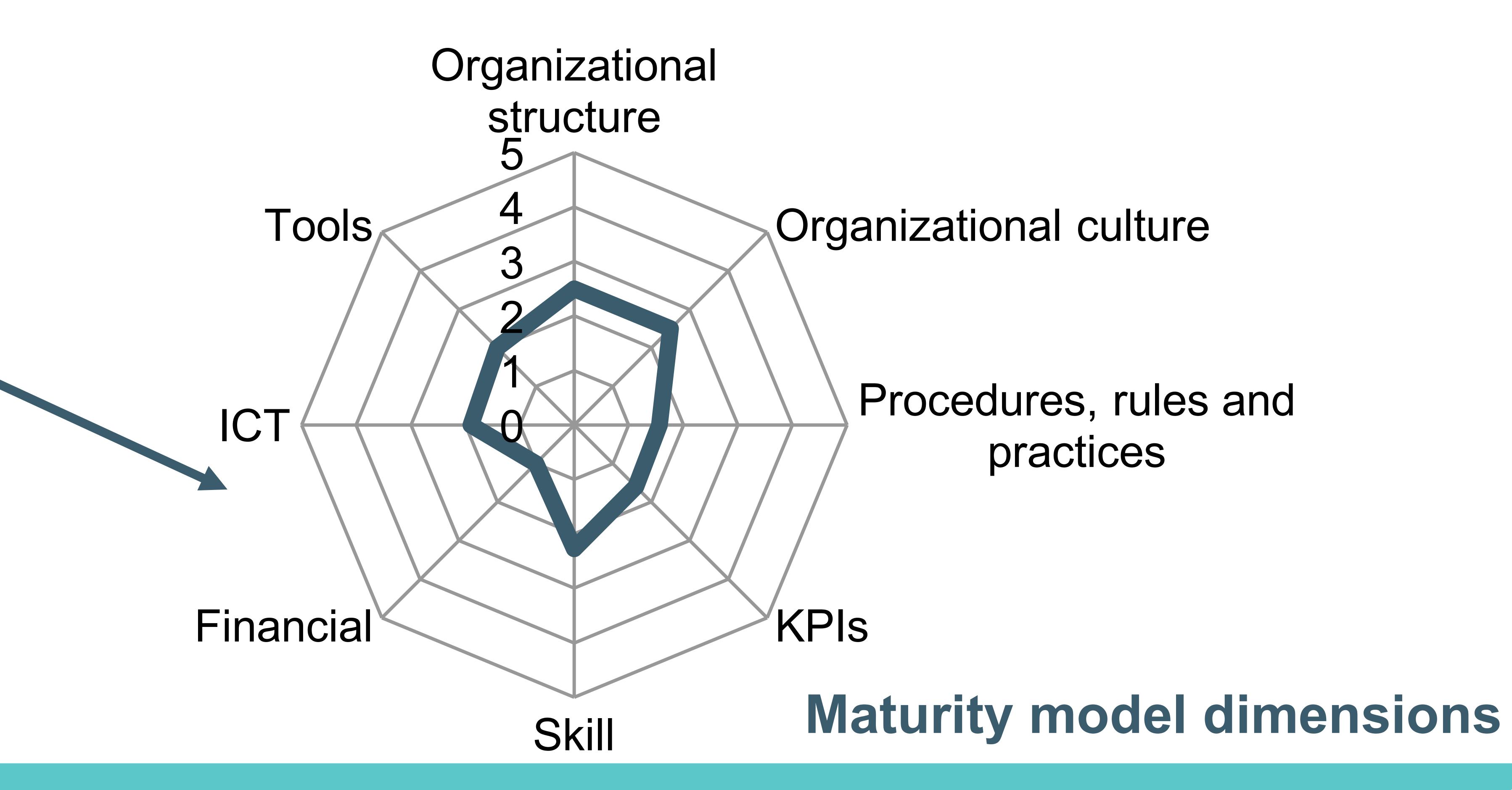


Develop a Maturity Model to assess the maturity of resources, capabilities, organization and process management, in each area of the Business Model Framework

MM struct.	Application in the PhD. thesis
Levels	Maturity is represented as a number of stages where higher stages are often build on the requirements of lower stages with 5 representing high maturity and 1 low.
	A maturity level is defined for each area/variable and represents the achievement of a more service-oriented configuration of the specific aspect that can support the implementation of a new more service oriented BM.
	Measure the service orientation (degree) of key business model areas/aspects that can support the development and implementation of service oriented BM
	The maturity of each identified BM area/ key aspects is evaluated along a set of common maturity dimensions and elements (sub-dimensions) and is operationalized through specific variables/items
Description	A detailed description of each variables as it might be performed at each level of maturity is provided.

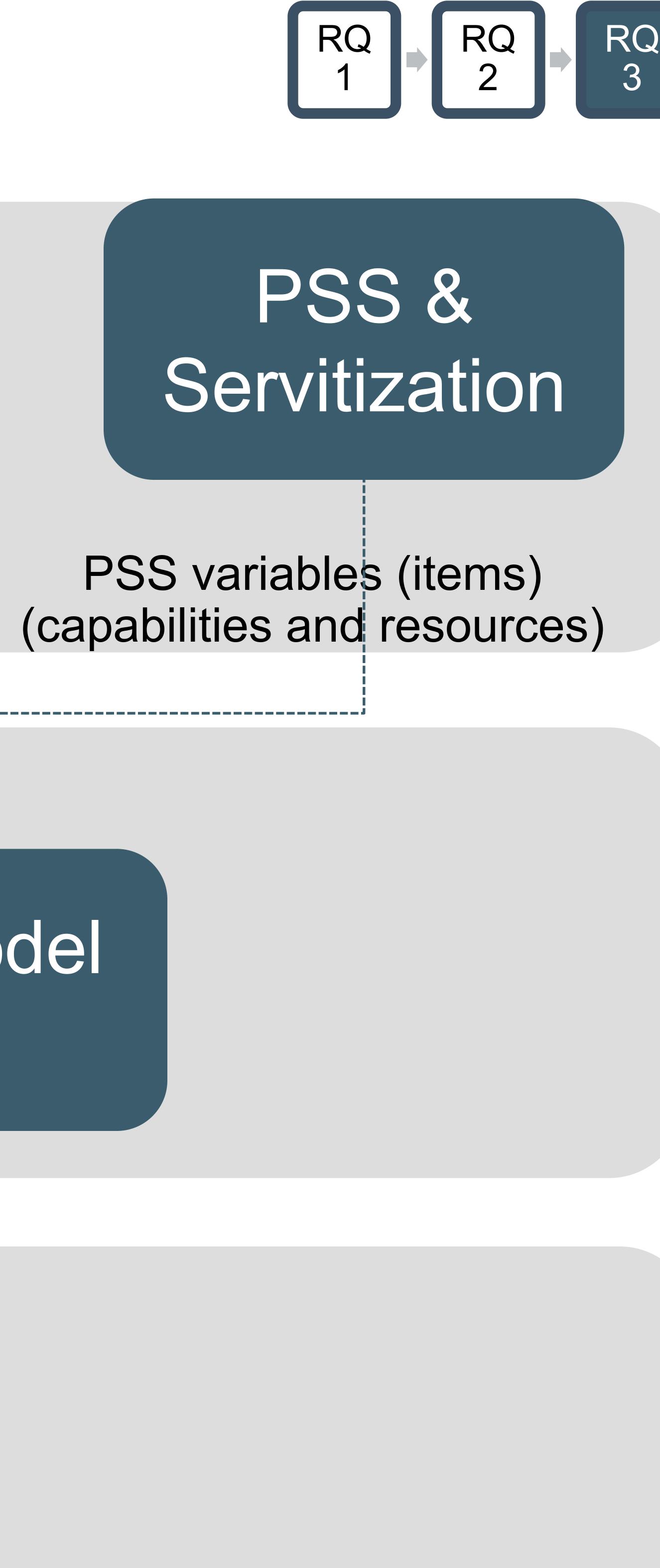
The Maturity Model tool that can be used by companies in order to understand the actual configuration of their key competences, resources and practices needed to implement the chosen BM Types

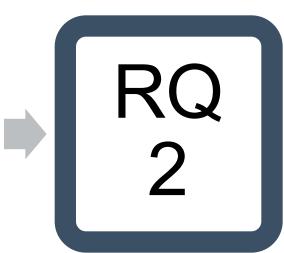
for each BM types a theoretical maturity level of each BM area and dimension is identified (target)





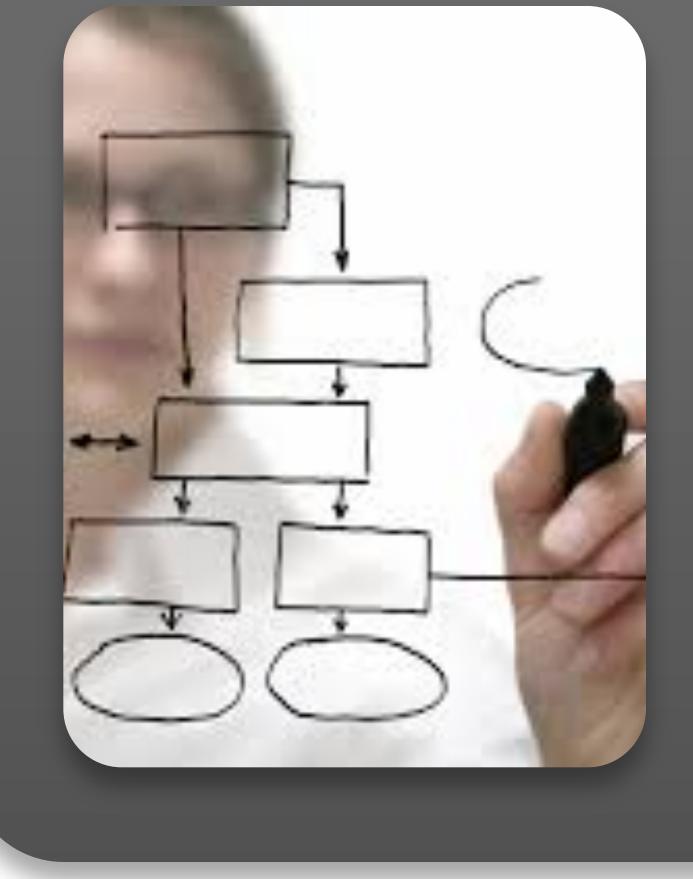
RQ3: main activities and methodology







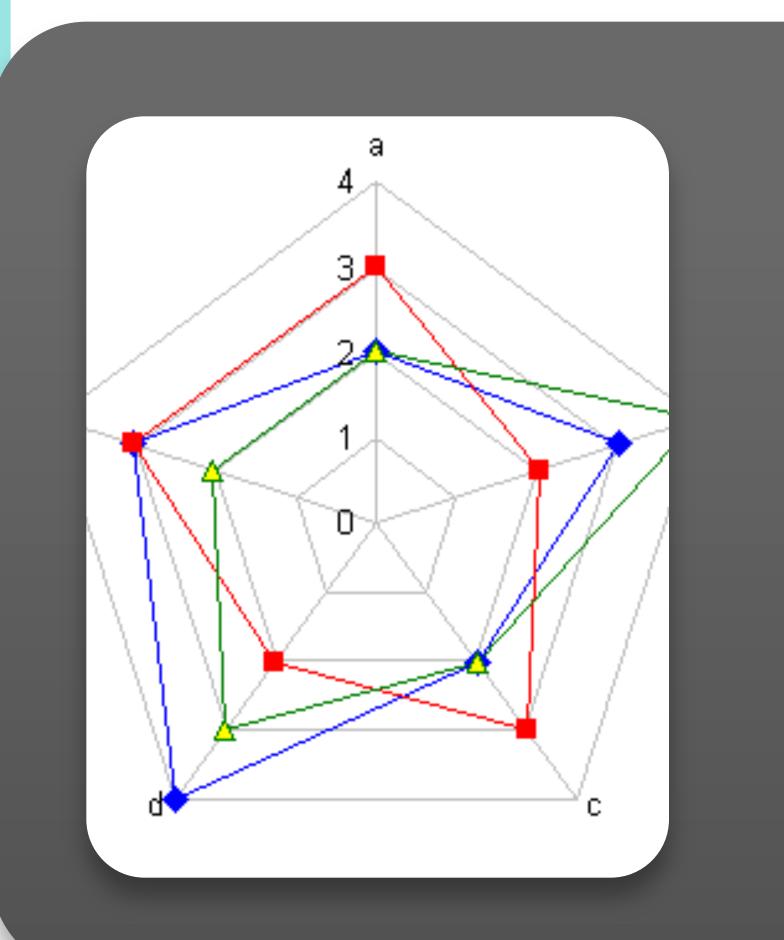
Analysis of literature



Conceptual development of the maturity model



Empirical application



Maturity model tool

Maturity Model RQ₁ MM dimensions Service SOBM var. oriented BMs BM Types BM innovation process Application

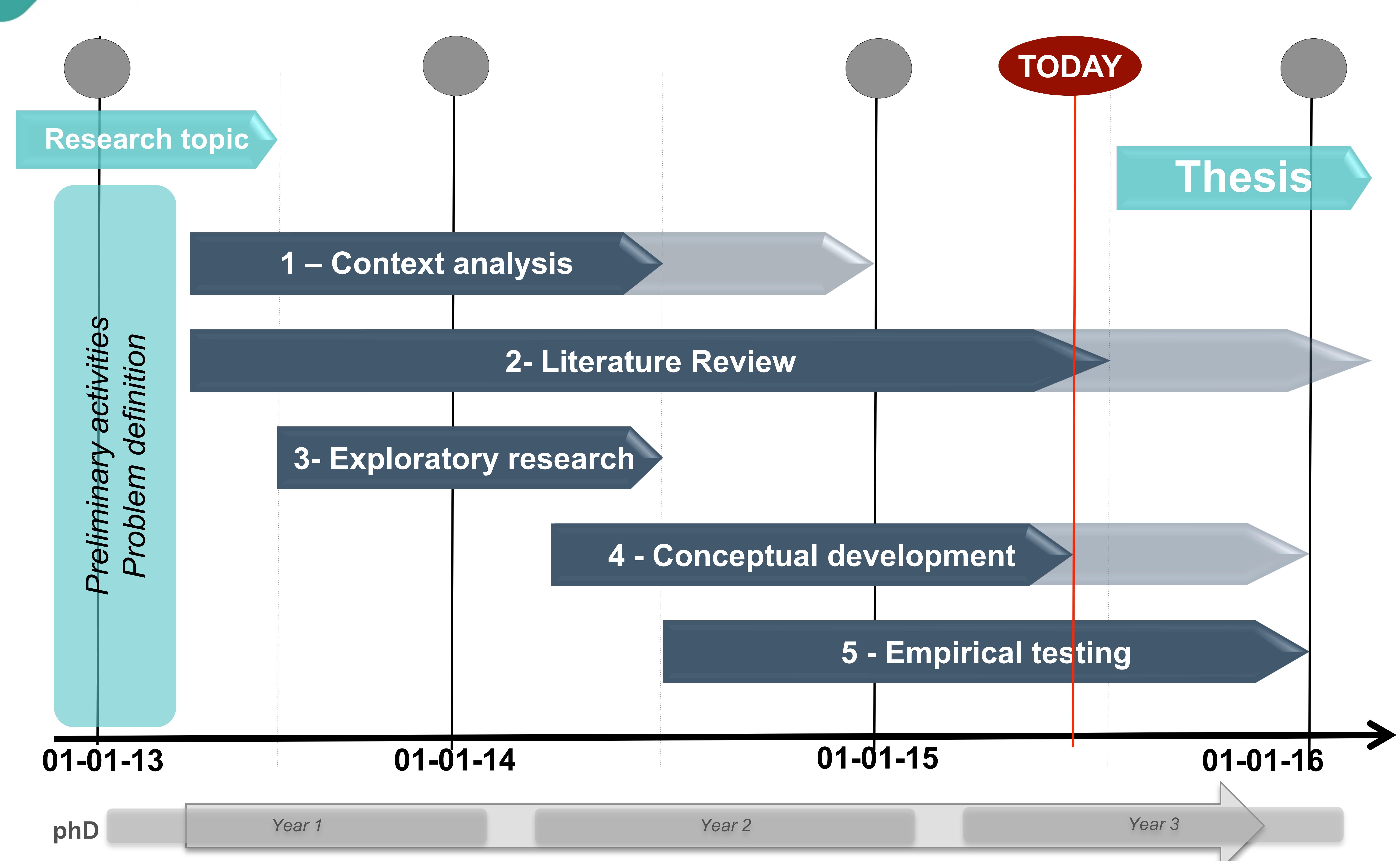
Maturity Model tool

Maturity Model

tool



PROJECT PLAN





CONTACT





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He graduated in February 2011 in management engineering at the University of Brescia, with a thesis on the implementation of an IT tool to optimize the spare parts management in a large Italian household appliances manufacturing company. Since April 2011 he is a member of the Supply Chain and Service Management Research Centre (University of Brescia), where he conducts research mainly related to service management, product-service systems and servitization process, with focus on companies operating in machinery context. He started his PhD in January 2013. He is also owner of ASAP Machinery section, a division of ASAP SMF initiative (www.asapsmf.org), where he carries out research and company transfer projects. Over the years, he has participated in funded projects and technology transfer projects with companies.