

DIH Süd
Digital Economy

Advanced

June 7, 2023

ufo.tugraz.at

Institut für Unternehmensführung und Organisation

Kopernikusgasse 24/IV
ufo.tugraz.at

Externe Vortragende:

- Michael Rächinger (Palmgroup)
- Wolfgang Danzer (Pewag)
- Christian Haas (Cryoshalter)
- Thomas Puchleitner (Knap IT Solutions)
- Roland Winkler (AI&S)
- Harald Wipfler (FH Joanneum)

Studienassistent:

- José Fernando Dardón Sandoval

Staff:

- Univ.-Prof. Stefan Vorbach (Head)
- Camilla Reis (Univ.-Ass.)
- Thomas Draschbacher (Univ.-Ass.)
- Elisabeth Stiegler (Univ.-Ass.)
- Sonja Seidnitzer (Secretary)
- Christiana Ropposch (Ass.-Prof.)
- Martin Glinik (Univ.-Proj.-Ass.)
- Florian Ratz (Univ.-Ass.)

Agenda

Zeit	Format	Inhalt
14:00-15:15	Impulsvortrag	Digital Economy – Implications & Frameworks
15:15-15:30	Pause	
15:30-16:30	Innovationsobjekt	Ecosystem Dynamics
16:30-17:00	Präsentationen	Ecosystem Dynamics

VORSTELLUNGSRUNDE

DIHSÜD Digital Innovation Hub TU Graz

UFO 5

Keynote Frameworks

June 7, 2023

UFG

DIHSÜD Digital Innovation Hub TU Graz

UFO 6

Practical relevance

„Since 2015, more than 300 ecosystem startups have reached unicorn status.“ **BCG**

„More than half of the S&P Global 100 Companies are already engaged in one or more ecosystems.“ **BCG**

„Six of the world's top seven companies in terms of market capitalization are ecosystem companies.“ **McKinsey & Company**

„By 2025, the world's industries will have collapsed into around a dozen ecosystems with ca. \$60 trillion revenue.“ **McKinsey & Company**

„The useage of the word „ecosystem“ in large companies' annual reports has grown 13-fold over the last decade – firms that use it grow faster.“ **BCG**

Text passages according to Jacobides et al., 2022, p. 100


June 7, 2023

UFG

DIHSÜD Digital Innovation Hub TU Graz

UFO 7

Innovation ecosystems



- Communities of actors that contribute to a central value proposition based on an innovative technical system
- Explicit consideration of interdependencies that arise from non-generic complementarity
- Some elements are combined by customers instead of central companies

Sources: Adner, 2006; Jacobides et al., 2018; Kapoor, 2018; Shipilov and Gawer, 2020

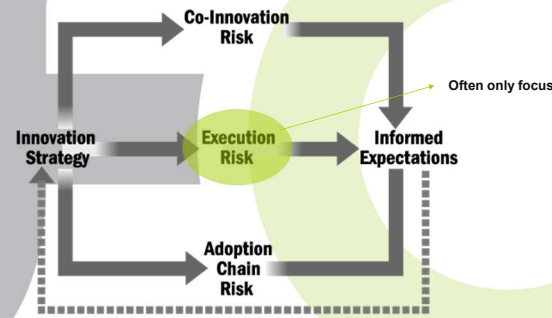
June 7, 2023

UFG

DIHSÜD Digital Innovation Hub TU Graz

UFO 8

The three risks of innovation



Execution Risk (Often only focus)

Adoption Chain Risk

Source: Adner, 2013

June 7, 2023

UFG

UFG 9

DIHSÜD Digital Innovation Hub TU Graz

Co-innovation risk

Innovation A
Probability of success: 85%

Innovation B
Probability of success: 85%

Innovation C
Probability of success: 85%

Innovation D
Probability of success: 85%

Source: Adner, 2013

UFG

June 7, 2023

UFG 10

DIHSÜD Digital Innovation Hub TU Graz

Co-innovation risk: Example

2G handsets:

3G handsets:

Source: Adner, 2013

UFG

June 7, 2023

UFG 11

DIHSÜD Digital Innovation Hub TU Graz

Adoption chains: Benefits versus costs

Innovator perspective:

Adopter perspective:

Source: Adner, 2013

UFG

June 7, 2023

UFG 12

DIHSÜD Digital Innovation Hub TU Graz

Adoption Chain Risk

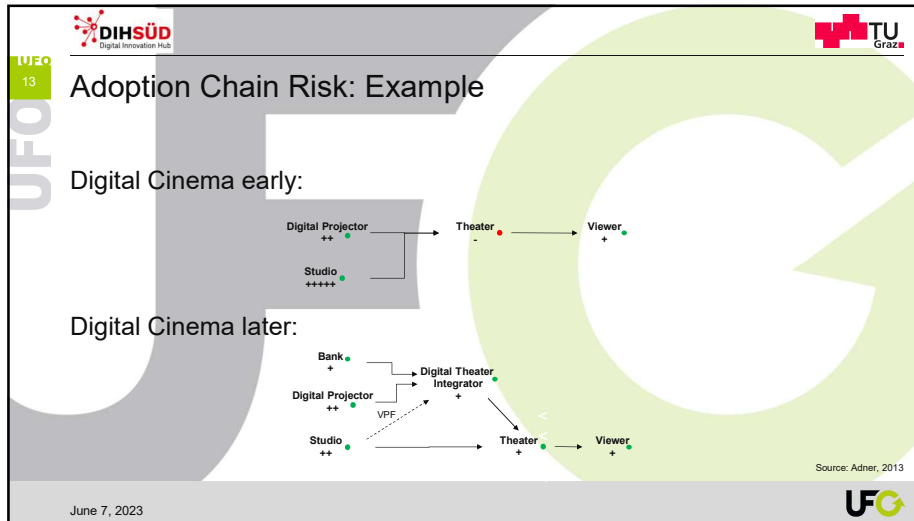
Assessment

Net: -11	Net: +4
Avg: +2.75	Avg: +1
Min: -1	Min: +1
FAILURE	SUCCESS

Source: Adner, 2013


UFG

June 7, 2023

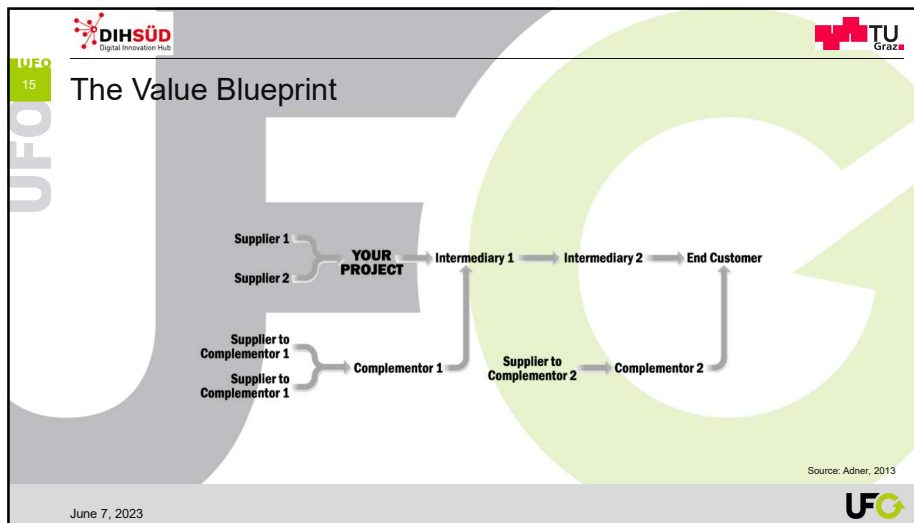


DIHSÜD Digital Innovation Hub TU Graz

The Value Proposition

- Definition: „A value proposition is defined by the benefit that the end consumer is supposed to receive from your efforts.“ (Adner, 2021, p.11)
- Does not need to be product or service centered!
- Example:
 
 „Reliving and sharing memories through images“

June 7, 2023

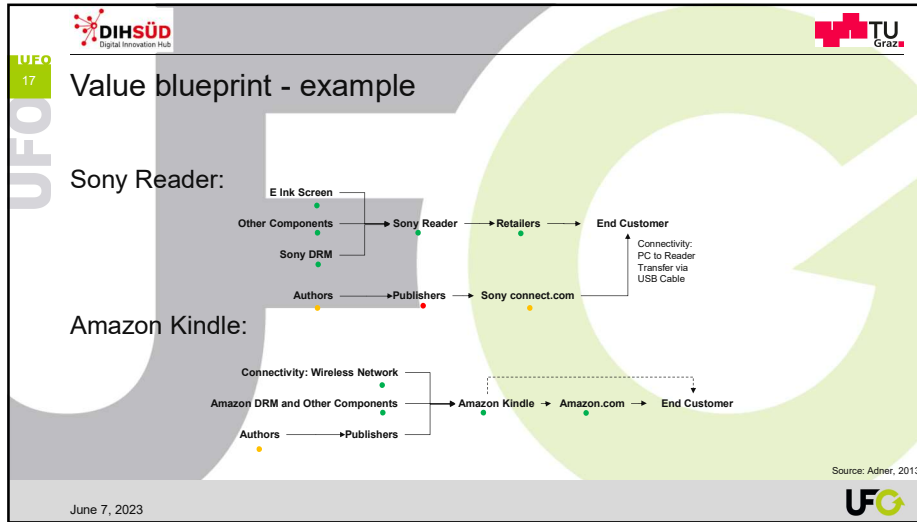


DIHSÜD Digital Innovation Hub TU Graz

Steps to construct a value blueprint

- Identify your end customer
 - Who is the final target of the value proposition?
 - Who ultimately needs to adopt our innovation for us to claim success?
- Identify your own project
 - What is it that we need to deliver?
- Identify your suppliers
 - What inputs will we need to construct our offer?
- Identify your intermediaries
 - Who stands between us and the customer?
 - Who touches our innovation after us, and to whom do they pass it on the way to the end customer?
- Identify your complementors
 - Does anyone else need to happen before this intermediary can adopt the offer and move it forward to the end customer?
- Identify the risks in the ecosystem
 - What is the level of co-innovation risk this element presents – how able are they to undertake the required activity?
 - What is the level of the adoption risk this element presents – how willing are they to undertake the required activity?
- For every partner whose status is not green:
 - What is the problem?
 - What could be solutions?
- Update regularly

June 7, 2023



The Value Architecture

Definition: „A value architecture is defined by the elements that are brought together to create the value proposition.“ (Adner, 2021, p.14)

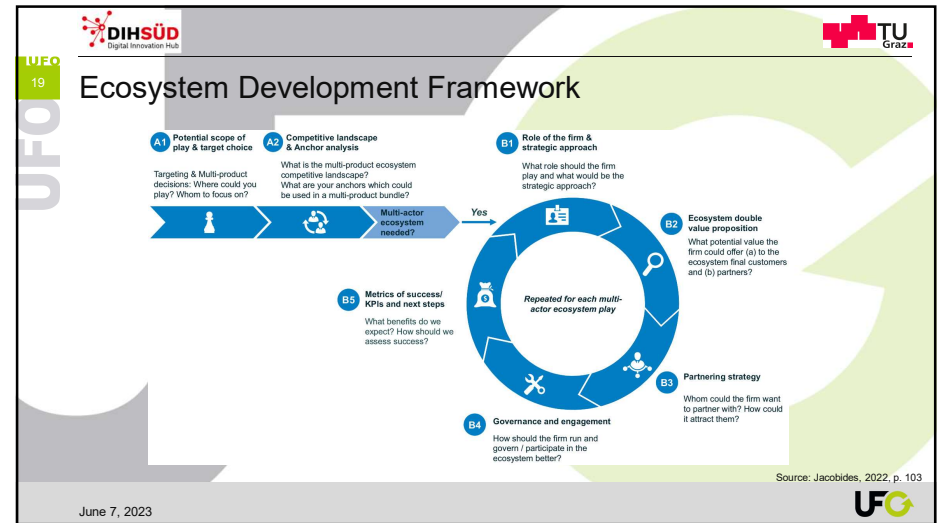
Example:

[Capture image](#)
[Produce image](#)
[View image](#)
[Share image](#)

Changes in the Value Architecture

	Capture image	Produce image	View image	Share image
First Generation	Lens-based optical camera, film	Photo lab, chemical developers	Photo paper, prints	Photo paper, duplicates
Second Generation	Sensor-based digital camera, memory card	Digital printer, ink cartridge	Unchanged	Photo paper duplicates, email delivery
Third Generation	Camera integrated into phone	Unchanged	Unchanged	Unchanged
Fourth Generation	10x improvement in screen and memory	Eliminated	Screen-based	Screen-based

Source: Adner, 2021



DIHSÜD Digital Innovation Hub TU Graz

UFG 20

Ecosystem Development Framework

Stage	Potential scope of play within the Ecosystem?	Competitive Landscape / Anchor analysis	Role of the firm in the BE	Ecosystem double value proposition	Partnering Strategy	Implementation & Governance	Objectives, KPI & organization alignment
Description	Understand Ecosystem dynamics and where the firm could play	Understand the Ecosystem competitive landscape	Analyse what role should the firm play and what is its strategic approach	Analyse the potential value the firm could offer the Ecosystem	Whom could the firm want to partner with and how could it attract them—or, for partners, become attractive	How should the firm launch, run and govern the Ecosystem—or, participate in it better as a partner	What benefits we should expect; how to track success; how to align the firm
Outputs	<ul style="list-style-type: none"> End use profile and needs "Problems solved" & "jobs to be done" mapping BE role and type assessment Stakeholder profile and needs analysis 	<ul style="list-style-type: none"> Ecosystem competitive assessment Topography dynamics analysis Anchor analysis Ecosystem creation approach plan 	<ul style="list-style-type: none"> Ecosystem role assessment-orchestrator, partner, complementor Capability assessment and feasibility test Investment / return scenario comparisons 	<ul style="list-style-type: none"> Target end user segment assessment End user friction points evaluation Stakeholder value prop, strengths and weakness, stickiness assessments Firms' value add to partners 	<ul style="list-style-type: none"> Capability requirement assessment Partner selection process Partner incentive plan (For partners): Desirability plan 	<ul style="list-style-type: none"> Stakeholder trust evaluation study Governance and management plan Ecosystem Management Benchmarking High level Ecosystem monetization 	<ul style="list-style-type: none"> Confirm benefits and business case KPI creation and tracking Organization structure and culture alignment

Source: Jacobides, 2022, p. 116

June 7, 2023 UFG

DIHSÜD Digital Innovation Hub TU Graz

UFG 21

Strategic approaches in ecosystems

Strategic approach	Before	After	Examples
A Tabula rasa			Apple iOS, Nespresso, Nest
B Head-on			SAP Cloud Platform vs lightning platform
C Unbundling			craigslist → Uber, Spotify, WeChat
D Enveloping			Grab, WeChat

Legend: ● = new player, ● = incumbents

Source: Jacobides, 2022, p. 105

June 7, 2023 UFG

DIHSÜD Digital Innovation Hub TU Graz

UFG 22

Roles in Multi-Actor Ecosystems

Roles in ecosystems	Role objectives
Orchestrator	<ul style="list-style-type: none"> Fulfills the end-user's central need & is the primary end-user contact point in the ecosystem Provides core (essential) products & services Arranges provision of further products and services from ecosystem's participants, sets rules of participation and governance
Partner	<ul style="list-style-type: none"> Fulfills specific end-user needs from core business Clearly differentiates products, services, and brand Secures own end-user contact point
Complementor	<ul style="list-style-type: none"> Contributes to the fulfillment of a specific end-user need related to core business with a component Designs product and services for different ecosystems, products easily integrated by different orchestrators and partners

Source: Jacobides, 2022, p. 113

June 7, 2023 UFG

DIHSÜD Digital Innovation Hub TU Graz

UFG 24

Break

15 minutes

June 7, 2023 UFG

UFG 25

DIHSÜD Digital Innovation Hub

TU Graz

Working Phase

Frameworks for the Digital Economy

Application of Frameworks

June 7, 2023

UFG

UFG 26

DIHSÜD Digital Innovation Hub

TU Graz

Steps

- 1. Choose an example** of an ecosystem that you are familiar with from your professional life. If you do not want to take an example from your professional life, take an example given by the instructors.
- 2. Try to develop a value blueprint** as presented in the keynote speech and apply it to your chosen example.
- 3. Prepare the results** of your application of this framework on your example as a short 10 minute presentation.

June 7, 2023

UFG

UFG 27

DIHSÜD Digital Innovation Hub

TU Graz

Schedule

Time	Task
15:30-16:30	Working phase
16:30-17:00	Presentation phase

June 7, 2023

UFG

UFG 28

DIHSÜD Digital Innovation Hub

TU Graz

Working Phase

Frameworks for the Digital Economy

Presentation time

June 7, 2023

UFG

The slide features a background illustration of a classical building with a dome and a modern architectural structure, possibly representing the transition from traditional to digital. The text and logos are overlaid on this background.

UFO
DIHSÜD
Digital Innovation Hub

TU
Graz
SCIENCE
PASSION
TECHNOLOGY

DIH Süd Digital Economy

June 7, 2023

ufo.tugraz.at

UFG