

New business models for new architectures: FISE contribution

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■ Key messages

1. From one to many internets → the importance of a **generic, extendable and adaptable core architecture**
2. New horizontal business models = new generic BM representations → the importance of **ontologies**
3. From vertical to horizontal models, but not just dumb/smart pipes → the importance of **platforms**
4. Complex architectures require adherence → the importance (and business impact) of **trust and certification**
5. Business models do not exist in a vacuum → the importance of **socio-economic experimentation**

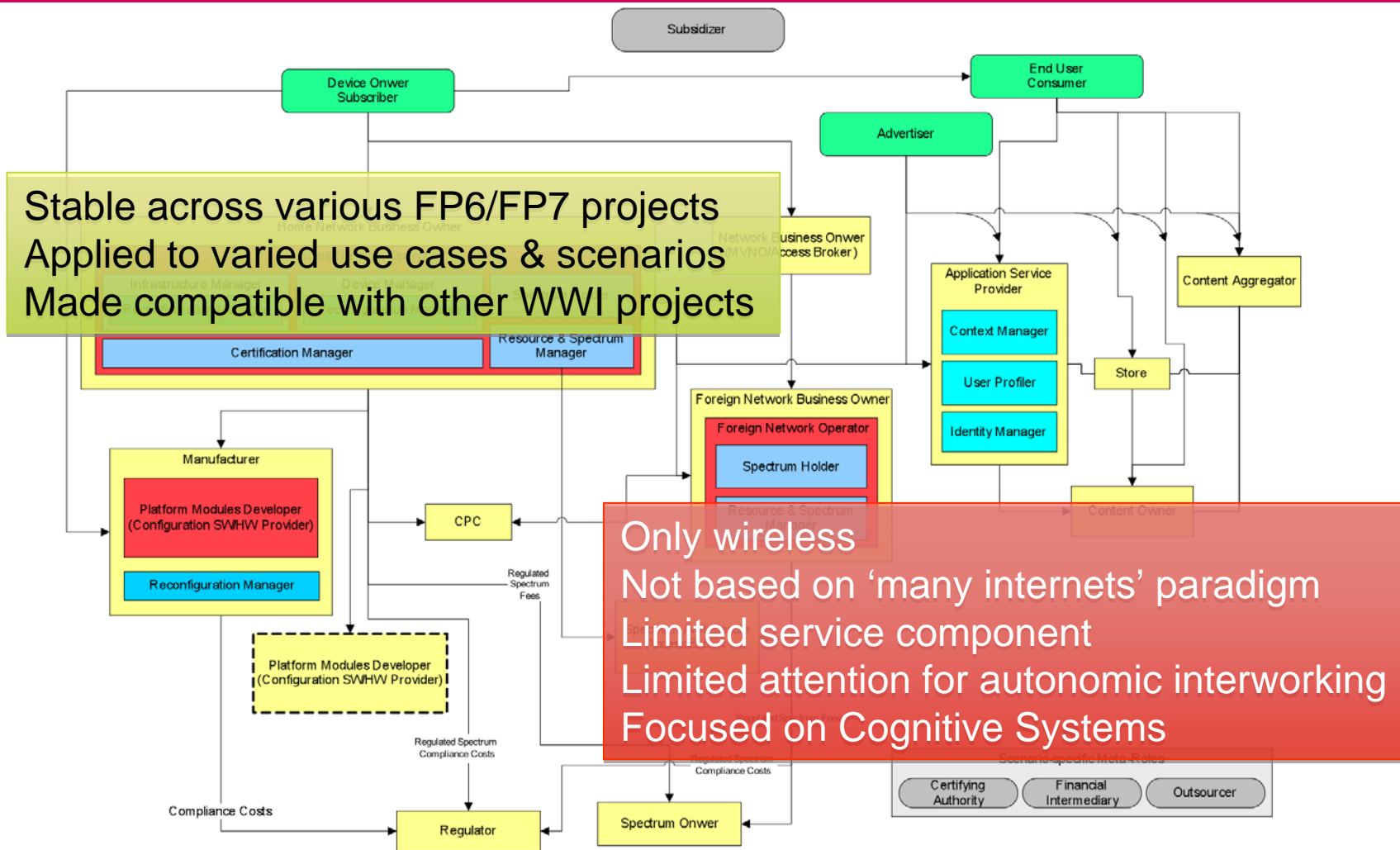
1. Towards a generic core architecture

- Dynamic service composition and provision + variety of business models → *many internets*
- Requires a generic core architecture that is
 - Configurable
 - (Self-)manageable
 - Extendable
 - Scalable
 - Open
 - Moving intelligence to the edge
- Implications for business modelling
 - Generic technical architecture with flexible combination of business roles (point 2)
 - Adherence to the core architecture is crucial (point 4)

2. Towards a generic business architecture

- New technical architectures mean new business architectures
- Roles of such business architecture need to be
 - Generic: well-understood and applicable across heterogeneous network and service domains
 - Flexible: combinations of roles need to be interchangeable → no fixed business relationships!
- Current ontologies are already complex, but too horizontal for the FI
 - Merging wired and wireless infrastructures
 - Merging user-provider, M2M (in specific sectors, using sensor networks) and home contexts
 - Merging dynamic connectivity and service provision as well as intermediary platforms
 - Including central control nodes while moving intelligence to the edges

Example: Unified Business Model for wireless services



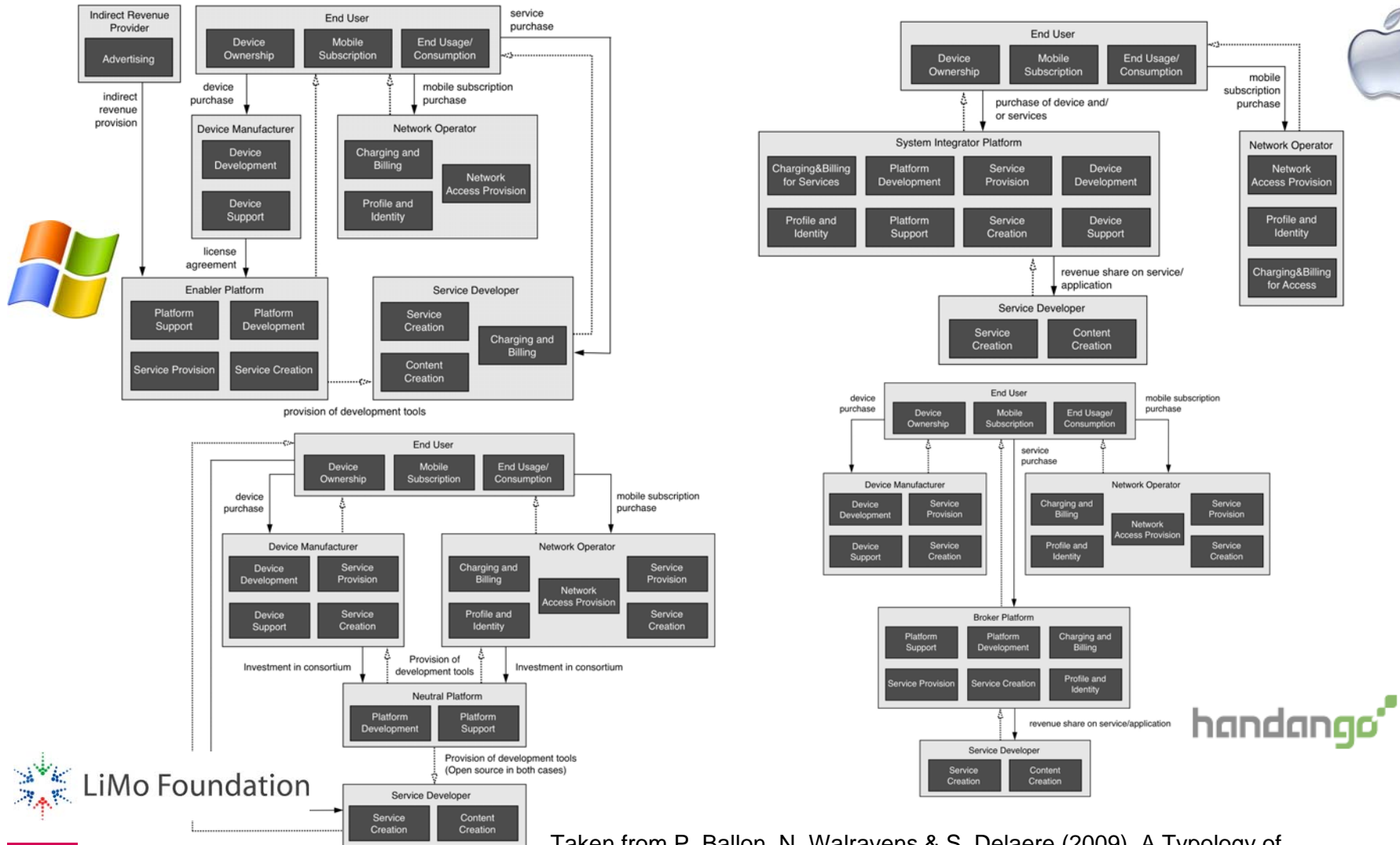
3. Towards understanding platforms

- Need to evolve from vertical to horizontal business models
- For some this means smart, or even dumb, bit pipes
- But: separation on this level is not the Holy Grail
 - A variety of business models is still possible
 - Bottlenecks may still emerge at other points in the ecosystem
 - 'open' (US internet?) vs 'closed' (EU telcos?) is false juxtaposition
- Operators will need to enhance business understanding of platforms
 - Offering incentives to gain as many customers as possible on both ends of the 2-sided market by offering true value-added services
 - Internalising the externalities produced on different sides of the market
- Platform not a given, not a black box, not static
 - What are the components of platforms?
 - What are different types of platforms?
 - → Business models vary greatly, little work done on this so far

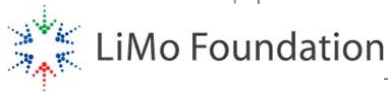
Platform business models explored

	No Control over Customers	Control over Customers
Control over Assets	Enabler Platform	System Integrator Platform
	The platform owner controls many of the necessary assets to ensure the value proposition, but does not control the customer relationship	The platform owner controls many of the assets to ensure the value proposition, and establishes a relationship with end-users. Entry of 'third-party' service providers is actively encouraged
No Control over Assets	Neutral Platform	Broker Platform
	The platform owner is strongly reliant on the assets of other actors to create the value proposition, and does not control the customer relationship	The platform owner is strongly reliant on the assets of other actors to create the value proposition, but does control the customer relationship

Example: mobile service platforms typology



Taken from P. Ballon, N. Walravens & S. Delaere (2009). A Typology of Business Models for Mobile Service Platforms. Global Mobility Roundtable, Cairo, Egypt, 1-3 Nov 2009.



■ 4. Towards understanding trust

- Complex technical and business architectures described
 - Many, heterogeneous stakeholders
 - Plethora of diverging, interworking systems
- Successful business models will require **trust** in the robustness of the solutions provided, through **adherence** to pre-set procedures
- This implies a need for standardization and certification of interfaces and general processes between business roles
- Impact of such mechanisms on business models as well as on wider socio-economic impacts is unclear

■ 5. Towards socio-economic experimenting

- Business Models do not exist in a vacuum
 - Generic business roles translate into real actors
 - End users have rational and irrational behaviours
- Consequence: real life experiments are not just for technical and user related research, but could also be instrumental to conceiving and validating BM
- But:
 - Methodologies and tools to set up and implement socio-economic experiments do not exist
 - Integration with existing Test Beds and Living Labs required

■ Wrap-up

1. Towards a generic core architecture
2. Towards a generic business architecture
3. Towards understanding platforms
4. Towards understanding business impact of trust
5. Towards socio-economic experimenting

■ Thank you!

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