Business Model Innovations for Competing on IoT Platform Battleground

Growth Paths for Overcoming the Digitalization Paradox

1. Commercialize Digital Solutions
2. Utilize Product Connectivity
3. Establish an IoT Platform Based Application Business

Physical World

Product

Service

Digital World

Overcoming the Digitalization Paradox

IoT Platform Ecosystem

IoT Infrastructure Provider
Amazon Web Services, Microsoft Azure, Alibaba Cloud

IoT Platform Provider
ADAMOS, AXOOM, MindSphere, Bosch IoT Suite

App & Software Developer
iTAC Software, BSQUARE, KONUX

Equipment Manufacturer & Service Provider
KUKA, Bosch Rexroth, TRUMPF

Plant Operator
BASF, Daimler, Henkel

Implications for the Business Model

Value Proposition
Combining data and digital technologies to create solutions for customer problems, fewer upfront costs

Value Creation
Creating value through a digital ecosystem of various collaborating players exchanging data and capabilities

Profit Equation
Combining products with digital and traditional services, new pricing and payment models

References:

 Alexandar Arzt, Heiko Gebauer, Sebastian Haugk, Lino Markfort (Fraunhofer IMW)