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# Business Model Innovations: Lessons Learnt for Policy Makers

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# Why is the discussion about BMI relevant?

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- The goal is to strengthen Europe's competitiveness and we believe, strengthening Europe's innovation capacities will be crucial to achieve this goal.
- Studies show that outperformers are more aggressively pursuing BMI than underperformers! (IBM)
- Thus, BMI is relevant in view of Europe's competitiveness.
- ➔ RD&I policies as well as public funding should take this into account.

# Some striking examples for BMI

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- **Music:** The shift from CD -> down load -> streaming has been a major BMI.
- **Mobility:** More and more people want to buy mobility instead of cars.
- **Personalized medicine** has the potential to work around large pharmazeutical companies.
- **Products and services:** Linking products and services impacts BMI.

# The concept of BMI is not yet clear.

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- Is BMI a specific type of innovation or is it a combination of various types of innovation? How do we capture the overall systematic effect of BMI?
  - Industry / Revenue / Enterprise model innovation
  - Value creation / capture / business system
- BMI changes the interface of supply and demand; the partners have to be involved. That's why partnerships and networks are so important.
- In view of economic growth industry model innovation appears as the most important single aspect of BMI.
- ➔ Up to now academic knowledge on BMI has almost no relevance for BMI in practice.

# Where are drivers and barriers?

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- «Political conditions», «collaborations» as well as «leadership» have been identified as being key factors impacting BMI. They have the potential to be both: the most important drivers and the most important barriers as well.
- BMI usually depends on massive investments upfront (venture capital, equity not depth).
- ➔ Working on the ecosystem and environment of RD&I is crucial and removing barriers, appears to be even more urgent than fostering drivers.
- ➔ Awareness rising for BMI issues is important.

# How business models develop

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- BM models may be conceptualized strategically – but often they develop step by step following opportunities. The challenge is to cease the right moment to take decisions regarding a distinctive and sustainable business model.
- ➔ BMI should be looked at as a dynamic process.
- ➔ The issue of BMI should be taken into account in management curricula for scientists and engineers.
- ➔ Moreover, BMI aspects should be included in technology transfer activities; strengthening mutual exchange between academia and industry.

# Questions for future discussions

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- What will be the impact of science 2.0 and manufacturing 2.0 on BMI? Will the «maker movement» become relevant on a large scale?
- What kind of BMI do we need in policies impacting RD&I indirectly?
- What «BMI» do we need in the public sector in order to enhance the competitiveness of Europe?
- What «BMI» do we need in academia in order to enhance the contribution of science to solving grand challenges and to the competitiveness of Europe?