WORLD ECONOMIC FORUM

Business Model, Ecosystem and Globalisation Shift

STRATEGIC INTELLIGENCE BRIEFING

Generated for Team Digoshen on 26 December 2023

Contents

3 Executive summary

4 1 Latest insights

4 1.1 Current perspectives

8 2 Strategic context

8 2.1 New Digital Business Models

9 2.2 Open Innovation

10 2.3 Digital and Sustainable Transformation of Industries

10 2.4 Building Future-Ready Business Models

11 2.5 Business Model Shifts

11 2.6 Business Model Innovation

13 3 Further exploration

14 References

16 About Strategic Intelligence

18 Acknowledgements

Executive summary

Explore the interactive version online

Business Model, Ecosystem and Globalisation Shift Intelligence Map - insights and perspectives curated by Digoshen via World Economic Forum Strategic insights and contextual intelligence.

The key issues shaping and influencing Business Model, Ecosystem and Globalisation Shift are as follows:

New Digital Business Models
Technology-enabled models can help companies provide value and build resilience

Open Innovation
Many talk about corporate venturing, relatively few know how to successfully implement it

Digital and Sustainable Transformation of Industries
The pandemic has accelerated both digital immersion and a digital transformation gap

Building Future-Ready Business Models
Business model choices and strategies will shape long-term growth and successell-being

Business Model Shifts
Shared and integrated mobility models are challenging the traditional car industry

Business Model Innovation
Developing new business models can rewrite the rules of an industry

Below is an excerpt from the transformation map for Business Model, Ecosystem and Globalisation Shift , with key issues shown at the centre and related topics around the perimeter. You can find the full map later in this briefing.

1 Latest insights

A synthesis of the most recent expert analysis.

Below are your latest updates on the topic of Business Model, Ecosystem and Globalisation Shift spanning 16 different sources.

1.1 Current perspectives

UN Women Georgia

Women in AI: BTU and UN Women launching new project

26 December 2023

UN Women and the Business and Technology University are launching a new project called "Women in Artificial Intelligence" (Women in AI) to increase the involvement of women in technology. The project aims to select and train 200 women from all over Georgia in artificial intelligence and web development over a nine-month period. It is part of the Women's Economic Empowerment component of the UN Women project "Good Governance for Gender Equality in Georgia". Anyone over the age of 16 can participate by filling out an online registration form and passing assessment tests. The project will begin implementation on February 1, 2024.

The Conversation (Spanish)

Es necesario redoblar los esfuerzos para cerrar las brechas digitales en América Latina

07 November 2023

Este artículo publicado originalmente en la revista Telos analiza por qué los avances en conectividad durante los últimos diez años en América Latina y el Caribe no han resuelto las desigualdades en el acceso a la tecnología e internet.

Try translating with Google

Frontiers in Computer Science

Techno-economic assessment of 5G infrastructure sharing business models in rural areas

20 October 2023

How cost-efficient are potential infrastructure sharing business models for the 5G era (and beyond)? This significant question needs to be addressed if we are to deliver universal affordable broadband in line with Target 9.1 of the UN Sustainable Development Goals. Although almost two-thirds of the global population is now connected, many users still lack access to high-speed and reliable broadband connectivity. Indeed, some of the largest connectivity issues are associated with those living in areas of low economic viability. Consequently, this assessment evaluates the cost implications of different infrastructure sharing business models using a techno-economic assessment framework. The results indicate that a rural 5G neutral host network (NHN) strategy helps to reduce total cost between 10 and 50% compared with other sharing strategies. We also find that, compared to a baseline strategy with No Sharing, the net present value of rural 5G sharing strategies can earn between 30 and 90% more profit. The network upgrades to 5G using various sharing strategies are most sensitive to changes in the average revenue per user, the adoption rate, and the amount of existing site infrastructure. For example, the results from this study show that a 20% variation in demand revenue is estimated to increase the net present value of the sharing strategies by 2–5 times compared to the No Sharing strategy. Similarly, a 10% increase in existing infrastructure lowers the net...

International Telecommunication Union

New focus group explores cost models for affordable data services

03 October 2023

ITU News The newest focus group formed by the

International Telecommunication Union (ITU) aims to build clarity around the best cost models to determine appropriate prices for data services. Success in this can help to boost digital inclusion, in line with ITU's mission to ensure that advances in technology benefit everyone, everywhere. Open to all […]

The post New focus group explores cost models for affordable data services appeared first on ITU Hub .

World Economic Forum

By 2028, just 9% of all payments will be made in physical currency – but we may miss it

26 September 2023

CBDC development is accelerating, but sceptics question the need for a digital cash replacement.

While current electronic payment systems work well, they do not provide the same personal freedom that cash offers.

A digital cash replacement should not enable criminality, but there should be some freedom to transact with complete privacy.

Cash is the only payment mechanism that doesn't require authorization from anyone to spend it. It's the only form of money that doesn't leave a trail.

NextBillion

Progress in Bridging the Digital Divide: Key Mobile Industry Innovations that are Bringing Internet Access to Developing Countries

25 September 2023

Guest Articles

September 25

Progress in Bridging the Digital Divide: Key Mobile Industry Innovations that are Bringing Internet Access to Developing Countries

In today's hyper-connected world, many people assume that everyone can surf the web and message their friends and family online — but this is not necessarily true. More than a third of the world's population still live in the digital dark, having never used the internet.

Frontiers

Identifying the need to institutionalize digital equity among faculty: the experience of the Kenya Medical Training College

10 November 2023

Background The use of digital tools and applications in health professions education is increasing exponentially, however this has the potential to increase the digital inequities with the resulting effect of vulnerable groups facing an increased risk of digital exclusion. It is therefore important to approach digitalization with contextual determinants of the intended and unintended impact in mind. We present a perspective paper on digital equity, informed by lessons learnt at the Kenya Medical Training College (KMTC). Methods Using a case description methodology, we examined routine educational data collected from faculty at KMTC in November 2022. This included quantitative and qualitative data on access, ownership, utilization, confidence and skills to create, share, and exchange knowledge on the institution's learning management system. We used these factors as the conceptual framework for understanding how faculty adopt digitalization in health professions education. Results 306 faculty responded to the survey (response rate 27.8%) of whom 90.8 and 75.2% had personal laptops at home and at work and 75.9% had internet at work. 53.4% (n = 163) knew they had accounts created on the institution's learning management system (LMS) majority of whom had basic skills and were able to perform skills such as logging in and accessing learning resources. However, a minority had advanced skills needed for teaching and learning in the LMS....

SpringerOpen

Design and development of multiband PIFA antenna for vehicular LTE/5G and V2X communication

10 October 2023

This paper aims to introduce a custom-designed multiband planar inverted-F antenna (PIFA) suitable for automotive applications in LTE/5G schemes operating under 6 GHz, as well as Vehicle-to-Everything (V2X) communications. The PIFA antenna has a broad bandwidth capability, resonating from 950 MHz to 6 GHz. The proposed PIFA antenna is divided into three parts: the top, front, and back, resulting in a unique and effective antenna structure. The antenna is fabricated using a substrate made of FR4 material with a dielectric constant of 4.4. The whole measurements of the antenna are 54 × 38 × 25 mm3.The proposed PIFA antenna has been tested and has achieved a voltage standing wave ratio (VSWR) of less than 2 across the entire frequency range of 950 MHz to 6 GHz. Additionally, the maximum gain achieved by the antenna is 7.08 dBi at a frequency of 5.5 GHz, 6.81 dBi at 5.2 GHz, and 6.65 dBi at 5.9 GHz. The antenna also achieved a gain of 6.67 dBi at 3.8 GHz and a gain of 3.31 dBi at 1.7 GHz. Overall, this paper presents a well-designed and effective multiband PIFA antenna that is appropriate for use in vehicular applications. The antenna ability to cover a wide range of bandwidth and achieve high gain makes it an excellent candidate for use in LTE/5G systems and V2X communications.

Electronic Frontier Foundation

Congress Shouldn't Limit The Public's Right To Fight Bad Patents

06 November 2023

The U.S. Senate Subcommittee on Intellectual Property will debate a bill this week that would dramatically limit the public's right to challenge bad granted patents. The PREVAIL Act, S. 2220 would bar most people from petitioning the U.S. Patent and Trademark Office (USPTO) to revoke patents that...

Cities Today

UK aims to boost 5G adoption with £36 million for 'innovation regions'

20 November 2023

Photo: Jian Fan | Dreamstime.com

UK aims to boost 5G adoption with £36 million for 'innovation regions'

20 November 2023

by Sarah Wray

Ten local authority areas across the UK will receive a share of £36 million (US$45 million) to become 5G Innovation Regions, the government has announced.

STAT

Patent buyouts could spur vital innovation in antibiotics, vaccines, and other medical fields

14 November 2023

The announcement by the Center for Medicare and Medicaid Services that ten drugs will be subject to price negotiation under the Inflation Adjustment Act has unleashed a storm of debate. Most observers agree that the negotiations will reduce spending for both consumers and taxpayers. The real dispute centers on whether the prospect of price negotiations will reduce future innovation by shrinking the expected future profits for patented drugs. This debate sidesteps the larger issue of whether the patent system delivers the value it should in health care.

There is little doubt, and much evidence, that innovators respond to expected future profit.

UNICEF

Advancing digital equality for children

06 October 2023

Advancing digital equality for children

Recommendations to address the inequalities in children's lives that lead to disparate experiences in seizing digital opportunities and avoiding digital risks

2 minute read

In a short 30 years, the number of people online has grown from just a few million to many billions – or two-thirds of the world's population. Digital inclusion approaches have also evolved: from bridging the digital divide between those who could access the internet and those who could not, to a more inclusive approach acknowledging the need for digital literacy and relevant content.

Nepal Economic Forum

Central Bank Digital Currency: The World and Nepal

26 September 2023

Introduction

In recent years, a noteworthy trend in the financial world has been the remarkable rise in the popularity of cryptocurrencies. Cryptocurrencies, characterized by their decentralized nature and lack of government regulation, have presented unique challenges in terms of oversight and security. In response to these challenges, governments have begun exploring the creation of their own digital currencies .

Central Bank Digital Currencies (CBDCs) represent digital versions of a nation's official currency, issued and guaranteed by the central bank.

Frontiers

Digital inclusion for social inclusion. Case study on digital literacy

19 October 2023

The aim of this research is to identify the differences in access to technologies and digital skills of the population according to their socioeconomic characteristics and to analyse the opportunities offered by new emerging learning environments to promote the social inclusion of vulnerable groups. The digital divide is defined as inequality in the access, use, or impact of information and communication technologies (ICT), and, to address it, it is necessary to build on the conceptual frameworks developed in research to date. This study seeks to 1) identify the main difficulties in digital access and skills and 2) explore what the adoption, design, development, and adaptation of emerging learning technologies mean for the most disadvantaged groups. A quantitative, research design was used. The results obtained show that there are differences in digital skills and access according to education and income level. Different statistical analyses were used, such as non-parametric tests and tests of association between variables. The survey was carried out on a proportional sample of 400 people in La Rioja (Spain). Data was collected through online and

face-to-face surveys. A quantitative approach was implemented in the first phase. In the second phase, students of the Social Work degree programme, social work professionals, and users of the Senior Citizens' Center (older adults) were included. The qualitative research is based on the development of digital literacy, which...

Electronic Frontier Foundation

Is Landmark Technology's Two-Decade Patent Assault On E-Commerce Finally Over?

13 October 2023

Landmark Technology's U.S. Patent No. 7,010,508, and its predecessor, are very likely two of the most-abused patents in U.S. history. These patents, under two different owners, have been used to threaten thousands of small businesses since 2001. In just one 18-month period, the '508 patent was the...

GSMA - Public Policy

Key takeaways from GSMA EMF Forum 2023

26 October 2023

The GSMA EMF Forum 2023 returned to Brussels on 26 September with a mix of hybrid and in person only sessions. Plans to update the European Union recommendations for public electromagnetic field (EMF) exposure limits; publication in 2024 of a new World Health Organization (WHO) health risk assessment for radio waves; and moves by countries […]

The post Key takeaways from GSMA EMF Forum 2023 appeared first on Public Policy .

London School of Economics and Political Science

Diversification can mean cities and regions are more resilient in times of crisis

08 September 2023

Recent economic downturns have led to renewed interest in ways regions can overcome crises. In new research, Mathieu Steijn, Pierre-Alexandre Balland, Ron Boschma and David Rigby evaluate the capabilities of regions to diversify into new activities during crises and how this may help to mitigate their impact. They find that crises tend to restrict the development … Continued

Cities Today

Cities and telecoms industry seek common ground on digital infrastructure

24 October 2023

Innovative approaches to deployment, new business models, and promising use cases were among the topics on the agenda at the City Telecoms Association event which took place in Westminster, London earlier this month. It was the first formal meeting of the EMEA chapter of the group and was attended by around 20 cities, including Barcelona,

Scientific American

New 6G Networks Are in the Works. Can They Destroy Dead Zones for Good?

03 October 2023

High-speed Internet access has become crucial in a world where school, business, personal life and emergency communications increasingly take place through a handheld device. Surprisingly large swaths of the u.s. still lack a speedy-enough broadband or cellular connection. One potential solution could be a sixth-generation cellular network, which experts say will add a space-based system to ground-based coverage options. This 6G network could eventually connect the entire nation to high-speed data—but its development is still in the early stages.

Activities such as attending video meetings and streaming high-definition video can require download speeds of 25 megabits per second.

SpringerOpen

Regional economic analysis of major areas in South Korea: using 2005–2010–2015 multi-regional input–output tables

09 September 2023

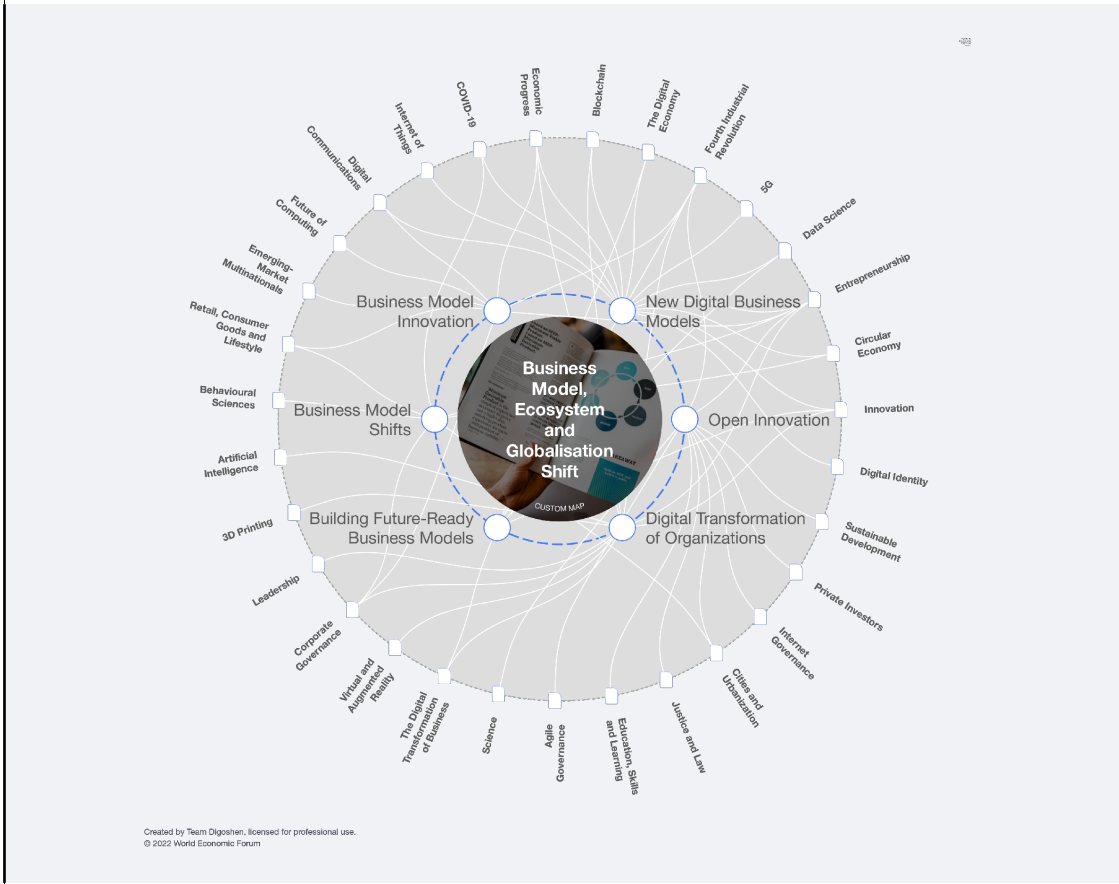
South Korea's Seoul metropolitan area accounts for more than half of the country's GDP and population. This phenomenon is exacerbating annually. Regions outside the metropolitan area of Korea are not only decreasing in terms of economic size, but are also becoming more dependent on the metropolitan area in terms of economic structure. Earlier, the metropolitan area was based on the service industry, while other regions had a large manufacturing sector; however, the size of the latter also increased in the metropolitan area over time. To analyze dependence on the Seoul Metropolitan area, this study conducts regional production inducement effects, regional division of labor, and three regional structural decomposition analyses using Korea's 2005–2010–2015 multi-regional input–output table (MRIO) to further analyze dependence on the metropolitan area. Furthermore, this research integrates industry classification and realizes the price level of input–output tables to link 3 years of MRIO in three industries: wholesale and retail trade and product brokerage services, motor vehicles, semiconductors, and other electronic components. From the inter-regional production inducement effect, the relation between the metropolitan area and each region is calculated using the regional export and import effects of each region. Furthermore, the proportion of metropolitan areas in major...

2 Strategic context

The key issues shaping Business Model, Ecosystem and Globalisation Shift .

The following key issues represent the most strategic trends shaping the topic of Business Model, Ecosystem and Globalisation Shift . These key issues are also influenced by the other topics depicted on the outer ring of the transformation map.

FIGURE 1 **Transformation map for Business Model, Ecosystem and Globalisation Shift**



2.1 New Digital Business Models

Technology-enabled models can help companies provide value and build resilience

Most executives see innovation as critical for their business. And, according to the McKinsey Global Innovation Survey, 80% think their current business models are at risk of disruption. COVID-19 has only accelerated the shift to online and touchless experiences, and spurred innovative uses of technology and data that will increasingly underpin business models. Digital subscription models, like Dollar Shave Club or

Netflix, have already risen to prominence, as have on demand models like Uber or TaskRabbit - while technology has made it increasingly easy to adopt platform models upon which users and even other companies can build their own presence (examples include Facebook or YouTube). The World Economic Forum estimates that 70% of the value created over the coming decade will be based on digitally-enabled platform business models, due to the rapid digitalization of economies around the world. Collaboration can also unlock value - research shows that digital "ecosystems" are expected to account for more than 30% of global corporate revenue by 2025. One example is Project Connected Home, a joint effort led by Amazon, Apple, Google and the Zigbee Alliance to set standards for smart home technology.

"As-a-service" business models are an increasingly prevalent and effective way for companies to turn what might otherwise be one-off purchases into more predictable, longer-term, and typically larger revenue streams. Microsoft, for example, now offers its Office 365 product through software-as-a-service subscriptions, as an alternative to purchasing an entirely new version of Office version every few years. Meanwhile Amazon offers its AWS product in a way that provides infrastructure as a service (IaaS) on a subscription basis. Thanks to increased digital connectivity and internet use, there has been a surge of data that can potentially provide value not just to companies but to society in general. Many companies are exploring innovative ways to unlock the value of this data in a responsible way by embedding trust, privacy, and security into their models. A company called Points Technology has for example used a confidential computing framework based on TEE (trusted execution environment) and other encryption technology to make data usable but not visible - in order to ensure privacy, security, and compliance when it comes to banking, government-led data-sharing initiatives, and marketing campaigns.

Related topics: Entrepreneurship, Circular Economy, Internet of Things, The Digital Economy, Economic Progress, Innovation, Data Science, Digital Communications, Digital Identity, Fourth Industrial Revolution, 5G, Blockchain

2.2 Open Innovation

Many talk about corporate venturing, relatively few know how to successfully implement it

Established companies innovating together with startups, often called "corporate venturing" or "CV," is a fast-growing phenomenon that takes many forms. These include corporate venture capital, corporate accelerators, venture clients, venture builders, and joint proofs of concept, to name a few. Since 2016, corporate venture capital investment has increased four-fold globally; this is a part of open innovation, a growing paradigm that assumes firms can and should use external ideas and paths to market as they look to advance their technology. These external inputs may come from startups, governments, universities, venture capital investors, or accelerator programs. The South Korean multinational Samsung, for example, gained a foothold in next-generation quantum computers by directly investing in the startup IonQ, which later went public, and German athletic apparel company Adidas partnered with the California-based startup Carbon to develop a 3D-printed shoe. On average, nearly 69% of corporate-startup innovations fail, however, according to a report published in MIT Sloan Management Review. So, what is the remaining roughly 31% doing differently? What is the right structure, degree of autonomy, and sources of deal-flow for the teams running corporate venturing and startups, for example?

Some popular myths include the notion that corporate venturing is only for large corporations (many small- and medium-sized enterprises are pursuing it), and that it is just corporate venture capital (it encompasses other mechanisms such as the "venture client," where the corporation is the first client of the startup). Some also mistakenly think CV is just about intuition; abundant data are available to drive it forward strategically. Looking ahead, there are two predominant trends. The first is a growing number of corporations innovating with deep-tech startups, or those with emerging technologies based on scientific discoveries and offering a substantial advance over established technologies (illustrated by the expansion of the American chipmaker Intel's deep-tech startup accelerator Ignite). The second is a growing number of corporations forming small groups to innovate with startups - so called "CV squads" - to share costs, anticipate opportunities, and strengthen value propositions. The carmaker Volvo, for example, did this by teaming up with telecommunications firm Ericsson and others. To capture the true value of corporate venturing, in terms of fielding innovative new products and services, chief innovation officers should make a point of reviewing their existing CV strategies.

Related topics: Entrepreneurship, Sustainable Development, Education, Fourth Industrial Revolution, Agile Governance, Science, Cities and Urbanization, Internet Governance, Justice and Law

2.3 Digital and Sustainable Transformation of Industries

The pandemic has accelerated both digital immersion and a digital transformation gap

COVID-19 catapulted organizations everywhere into the digital-first world. Greater access to connectivity and digital services had already been reshaping industries, business models, and supply chains; the pandemic accelerated these trends, requiring organizations of all types to rely more heavily on digital operations and business models to create new value and experiences. But while some organizations are making progress on their digital transformation goals, others have not. The pandemic widened this digital transformation gap; as some speed ahead, others struggle to survive, let alone thrive. Without a comprehensive government approach to digitally equipping an economy, including sustainable investment in connectivity infrastructure and services, inequalities widen. A complete and responsible digital transformation of industries requires careful consideration of digital infrastructure investments and related policies, to enable a transition across an entire economy - in ways that benefit society as a whole, and not just now but for years to come.

Governments have an opportunity to make step changes in terms of technological advancement across industries and in their own operations, through sound policy and investments in digital skills and infrastructure. Research shows that digital transformation could help reduce emissions in hard-to-abate sectors by as much as 20% by 2050. In addition, the World Bank estimates that the digital economy is equivalent to 15.5% of global GDP, having grown two-and-a-half times faster than global GDP over the past 15 years. Low productivity and scaled back growth, coupled with an inability to fully (and responsibly) benefit from technologies such as cloud computing, 5G, artificial intelligence, and high-performance computing will lead to a deteriorating quality of essential services - and block the transition to a more advanced economy. Interoperability will be vital for ensuring information exchange, and enabling collaboration.

Priorities for collaboration:

-Encourage a cross-sector, public-private dialogue on value creation to design new frameworks around sustainable investments in connectivity infrastructure and services.

-Stimulate growth through digitally enabled collaboration models that enable transformation of industries.

Related topics: Artificial Intelligence, Innovation, Leadership, Economic Progress, The Digital Transformation of Business, Blockchain, Entrepreneurship, Corporate Governance, Fourth Industrial Revolution, 3D Printing, Virtual and Augmented Reality

2.4 Building Future-Ready Business Models

Business model choices and strategies will shape long-term growth and successell-being

Successful companies look beyond linear value chains and industry boundaries, to create dynamic value “maps.” They use technology to encourage collaboration, and create shared value in broader digital ecosystems. Instead of well-defined value pools and homogenous competitors, these companies thrive in networked, overlapping value pools with heterogeneous competitors. They invest in creating value that delivers for both the business and all of its stakeholders.

A Forum report published in 2020 highlighted the accelerating shift to “digital-at-the-core” business models - adaptive, data-led, asset-light, and based on services rather than products. Instead of extending traditional models and channels (such as brick-and-mortar stores) while enabling digital channels, companies are orchestrating entirely digitally-enabled platforms and marketplaces.

KEY INSIGHTS FROM THE DISCUSSIONS

For many firms, there has been more change over the past 12 months than over the previous decade. What has occurred is an acceleration of trends that were already underway, rather than entirely new concepts. Organizations that were already planning for the future were well positioned to quickly adapt.

Platform or ecosystem approaches to value creation require a mindset shift for most firms, which were not built to collaborate and share. At the same time, the speed of digital transformation during the pandemic has highlighted the importance of organizational cultures that foster innovation, and education on new tech and business models across organizations - especially at senior levels.

Future-ready organizations are enabling greater flexibility and upskilling across workforces. For example, Publicis launched an internal "gig marketplace" that has enabled greater mobility for the organization and cross-skilling for employees.

In order to avoid disruption, one approach is to view compliance as an opportunity for innovation. NatWest , for example, has seen complying with open banking data-sharing requirements as a strategic opportunity to rethink how products are designed and delivered.

Increasingly, countries will need to bridge the digital divide to build inclusive economies (through initiatives like the EDISON Alliance). They will also need policy and regulatory frameworks that can quickly adapt to new technologies and business realities.

Across industries there is a desire to retain cultural habits that have emerged over the past year, such as greater collaboration and moving at speed. ESG and purpose have also come to the forefront and the hope is for them to remain there. Additionally, there is a strong sentiment that this is the time to double down on investments, not the time to withdraw, in order to properly invest in the future.

When asked about business model opportunities, more than 63% of participants selected "alignment with environmental sustainability goals," 56% selected both "increased value from digital platforms and marketplaces" and "value from data-sharing and collaboration," 53% selected "expanding digital ecosystem and partnerships," and 34% chose "data/AI-driven customer insights and personalization."

Related topics: The Digital Economy, The Digital Transformation of Business, Innovation, Fourth Industrial Revolution, Data Science

2.5 Business Model Shifts

Shared and integrated mobility models are challenging the traditional car industry

The increasing pace of life, technology innovation, and evolving customer expectations are creating demand for new business models that provide access to cars, rather than ownership - and this is already having an impact on vehicle sales volumes. Millennials, for example, have proven to be more pragmatic about car buying than previous generations, and have a relatively lower rate of car ownership. It is possible that we may have even reached peak auto sales, at least in developed markets. Sharing economy-related mobility services include e-hailing (US-based Uber, or China-based Didi), carpooling (France-based BlaBlaCar), and parking and fleet management (US-based Luxe or Netherlands-based LeasePlan). The technologies underpinning these services are empowering consumers, and challenging the traditional sales and servicing model relied upon by car dealerships.

As urban populations expand - 66% of the world's population will be living in cities by 2050, compared with 54% in 2014, according to a United Nations estimate - demand for urban transport and automobile access (if not automobile purchases) will only increase. That will present a new set of social and environmental challenges, which can be addressed with an intelligent mix of new operating models that are based on sharing and increased asset utilization. Relatively young companies are also applying technology innovation in order to revamp traditional auto industry models. The website TrueCar, for example, is bringing transparency to the new car-buying process by showing people how much others have paid for a car they are interesting in purchasing. Meanwhile a new generation of automotive insurers are offering peer-to-peer products that leverage social media in order to enable group purchasing of policies, thereby reducing administrative costs and dividing up risk.

Related topics: Behavioural Sciences, Circular Economy, Corporate Governance, Entrepreneurship, Cities and Urbanization, Retail, Consumer Goods and Lifestyle

2.6 Business Model Innovation

Developing new business models can rewrite the rules of an industry

The internet spawned Airbnb, Amazon, Netflix, Uber and many other companies that have used business model innovation to rewrite the rules of their industry. That means they managed to change accepted ways of doing business, challenged the status quo, and served new customer needs while meeting existing needs in new ways. In doing so, they created enormous wealth for shareholders while providing useful services for

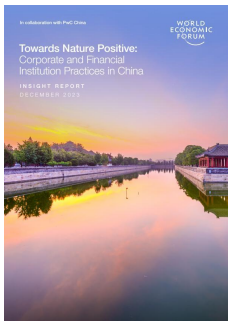
customers. They have also been sources of inspiration for more established firms like Bosch, IKEA, or Philips as they assess and update their own business models. To better understand business model innovation, it helps to define what a business model is. As noted in the 2021 book Business Model Innovation Strategy, these core elements characterize a business model: what, how, who and why. More specifically, what activities does a business model encompass; how are these activities linked (for example, in terms of sequencing or exchange mechanisms), who performs the activities (which are performed by the focal firm versus those performed by partners, suppliers, or customers), and lastly why does the business model create value and enhance value appropriation for the focal firm?

Firms can innovate the ”what” by adding or eliminating activities (for example, when Apple began selling and distributing content for electronic devices in addition to designing and manufacturing those devices). They can innovate the ”how” by linking activities in new ways (Netflix first competed against video-rental stores through postal distribution, then via online streaming). Firms can also innovate the ”who” by changing who performs certain activities (Tesla performs the sales function in-house instead of outsourcing it to dealers). Lastly, firms can innovate the ”why” by adopting new revenue models and value logic (for example, Dropbox makes basic file storage free but charges for additional capacity). Much business model innovation has been driven by advanced information and communication technologies that enable new ways of doing business, though it is distinct from technology and product innovation. Business model innovation often flows from a unique take on customer needs and the best ways to satisfy them. The idea of software-as-a-service, for example, represented by firms like Salesforce, was driven by a realization that customers do not necessarily care about owning software outright. Such business model innovation can be a powerful source of competitive advantage, though it requires astute implementation and simultaneous change in multiple parts of the organization.

Related topics: Entrepreneurship, Economic Progress, Fourth Industrial Revolution, Corporate Governance, Retail, Consumer Goods and Lifestyle, Digital Communications, Future of Computing, Emerging-Market Multinationals

3 Further exploration

Explore the latest World Economic Forum reports related to Business Model, Ecosystem and Globalisation Shift .



11 December 2023

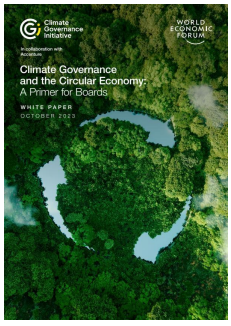
Towards Nature Positive: Corporate and Financial Institution Practices in China

05 December 2023

Circularity in the Built Environment: Maximizing CO2 Abatement and Business Opportunities

04 December 2023

Fuelling the Future of Shipping: Key Barriers to Scaling Zero-Emission Fuel Supply



03 October 2023

Climate Governance and the Circular Economy: A Primer for Boards

References

1. UN Women Georgia, *"Women in AI: BTU and UN Women launching new project"*: georgia.unwomen.org
2. The Conversation (Spanish), *"Es necesario redoblar los esfuerzos para cerrar las brechas digitales en América Latina"*: theconversation.com
3. Frontiers in Computer Science, *"Techno-economic assessment of 5G infrastructure sharing business models in rural areas"*: www.frontiersin.org
4. International Telecommunication Union, *"New focus group explores cost models for affordable data services"*: www.itu.int
5. World Economic Forum, *"By 2028, just 9% of all payments will be made in physical currency – but we may miss it"*: www.weforum.org
6. NextBillion, *"Progress in Bridging the Digital Divide: Key Mobile Industry Innovations that are Bringing Internet Access to Developing Countries"*: nextbillion.net
7. Frontiers, *"Identifying the need to institutionalize digital equity among faculty: the experience of the Kenya Medical Training College"*: www.frontiersin.org
8. SpringerOpen, *"Design and development of multiband PIFA antenna for vehicular LTE/5G and V2X communication"*: jwcn-eurasipjournals.springeropen.com
9. Electronic Frontier Foundation, *"Congress Shouldn't Limit The Public's Right To Fight Bad Patents"*: www.eff.org
10. Cities Today, *"UK aims to boost 5G adoption with £36 million for 'innovation regions'"*: cities-today.com
11. STAT, *"Patent buyouts could spur vital innovation in antibiotics, vaccines, and other medical fields"*: www.statnews.com
12. UNICEF, *"Advancing digital equality for children"*: www.unicef.org
13. Nepal Economic Forum, *"Central Bank Digital Currency: The World and Nepal"*: nepaleconomicforum.org
14. Frontiers, *"Digital inclusion for social inclusion. Case study on digital literacy"*: www.frontiersin.org
15. Electronic Frontier Foundation, *"Is Landmark Technology's Two-Decade Patent Assault On E-Commerce Finally Over?"*: www.eff.org
16. GSMA - Public Policy , *"Key takeaways from GSMA EMF Forum 2023"*: www.gsma.com
17. London School of Economics and Political Science, *"Diversification can mean cities and regions are more resilient in times of crisis"*: blogs.lse.ac.uk
18. Cities Today, *"Cities and telecoms industry seek common ground on digital infrastructure"*: cities-today.com

19. Scientific American, *"New 6G Networks Are in the Works. Can They Destroy Dead Zones for Good?"*: www.scientificamerican.com

20. SpringerOpen, *"Regional economic analysis of major areas in South Korea: using 2005–2010–2015 multi-regional input–output tables"*: journalofeconomicstructures.springeropen.com

21. World Economic Forum, *"What the GDPR can teach us about AI regulation"*: www.weforum.org

22. Kellogg School of Management, *"Why U.S. Regional Banks Are Still in Crisis"*: insight.kellogg.northwestern.edu

23. World Economic Forum, *"Is your industry at risk of a cyberattack?"*: www.weforum.org

24. The New Humanitarian, *"A troubling turn in Darfur violence, Ethiopia food aid suspension fallout, and the EU's deadly borders: The Cheat Sheet"*: www.thenewhumanitarian.org

25. Harvard Business Review, *"How to Scale Local Innovations in Big Companies"*: hbr.org

26. Brookings, *"Key enforcement issues of the AI Act should lead EU trilogue debate"*: www.brookings.edu

27. Brookings, *"States are leading the way in tearing the 'paper ceiling' and making good jobs available to workers without degrees"*: www.brookings.edu

28. World Economic Forum, *"Central banks' rate push a risk to growth, and other economy stories to read this week"*: www.weforum.org

29. Pembina Institute, *"Zero-Emission Vehicle Awareness & Education"*: www.pembina.org

30. World Economic Forum, *"What makes China so attractive to manufacturers?"*: www.weforum.org

31. Wired, *"A Fight Over the Right to Repair Cars Takes a Wild Turn"*: www.wired.com

32. The Brookings Institutions – Center for Universal Education, *"Research on improving teaching and learning often lacks a holistic focus—a new collaborative research project hopes to change this"*: www.brookings.edu

About Strategic Intelligence

Our approach

In today's world, it can be difficult to keep up with the latest trends or to make sense of the countless transformations taking place. How can you decipher the potential impact of rapidly unfolding changes when you're flooded with information - some of it misleading or unreliable? How do you continuously adapt your vision and strategy within a fast-evolving global context? We need new tools to help us make better strategic decisions in an increasingly complex and uncertain environment.

This live briefing on Business Model, Ecosystem and Globalisation Shift , harnesses the World Economic Forum's Strategic Intelligence platform to bring you the very latest knowledge, data and context from our 300+ high quality knowledge sources. Its aim is to help you understand the global forces at play in relation to Business Model, Ecosystem and Globalisation Shift and make more informed decisions in the future.

Each day, our Strategic Intelligence platform aggregates, distills and synthesizes thousands of articles from around the world. We blend the best of human curation with the power of machine learning to surface high-quality content on over two hundred global issues to our one million users globally. Our hand-picked network of content partners from around the world means that we automatically exclude much of the noisy clickbait, fake news, and poor quality content that plague the Internet at large. We work with hundreds of think tanks, universities, research institutions and independent publishers in all major regions of the world to provide a truly global perspective and we are confident that our data are well positioned when it comes to the intrinsic biases inherent to open text analysis on uncurated content from the Internet. For further context on our approach, you may be interested to read Strategic trend forecasting: anticipating the future with artificial intelligence and These Are The 3 Ways Knowledge Can Provide Strategic Advantage.

↓ A leading expert presenting a transformation map at our Davos Annual Meeting

Transformation maps

Our Transformation Maps are dynamic knowledge visualisations. They help users to explore and make sense of the complex and interlinked forces that are transforming economies, industries and global issues. The maps present insights written by experts along with machine-curated content. Together, this allows users to visualise and understand more than 250 topics and the connections and inter-dependencies between them, helping in turn to support more informed decision-making by leaders.

The maps harness the Forum network's collective intelligence as well as the knowledge and insights generated through our activities, communities and events. And because the Transformation Maps are interlinked, they provide a single place for users to understand each topic from multiple perspectives. Each of the maps has a feed with the latest research and analysis drawn from leading research institutions and media outlets around the world.

At the centre of each map is the topic itself. This is surrounded by its "key issues", the forces which are driving transformation in relation to the topic. Surrounding the key issues are the related topics which are also affected by them. By surfacing these connections, the map facilitates exploration of the topic and the landscape within which it sits.

Continue online

Our suite of Strategic Intelligence tools are available to help you keep up to date across over 300 topics.

On the web

Visit Strategic Intelligence on your desktop or laptop. All modern browsers supported.

In the app stores

You can find our Strategic IQ app on the Apple App Store, Google Play Store or Huawei App Gallery.

Download on the App Store

GET IT ON Google Play

You can also follow Strategic Intelligence on Twitter.

Acknowledgements

Content Providers featured in this briefing

Cities Today

Electronic Frontier Foundation

Frontiers

Frontiers in Computer Science

GSMA - Public Policy

International Telecommunication Union

London School of Economics and Political Science

Nepal Economic Forum

NextBillion

STAT

Scientific American

SpringerOpen

The Conversation (Spanish)

UN Women Georgia

UNICEF

World Economic Forum

WORLD ECONOMIC FORUM

COMMITTED TO IMPROVING THE STATE OF THE WORLD

The World Economic Forum, committed to improving the state of the world, is the International Organization for Public-Private Cooperation.

The Forum engages the foremost political, business and other leaders of society to shape global, regional and industry agendas.

World Economic Forum
91–93 route de la Capite
CH-1223 Cologny/Geneva
Switzerland
Tel.: +41 (0) 22 869 1212
Fax: +41 (0) 22 786 2744
contact@weforum.org
www.weforum.org