

Innovating Your Service Business Model: The Capabilities to Succeed

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Director, Cambridge Service Alliance

The Cambridge Service Alliance is a unique global partnership between businesses and universities. It brings together the world's leading firms and academics all of whom are devoted to delivering today the tools, education and insights needed for Complex Service Solutions tomorrow.

Some introductory remarks

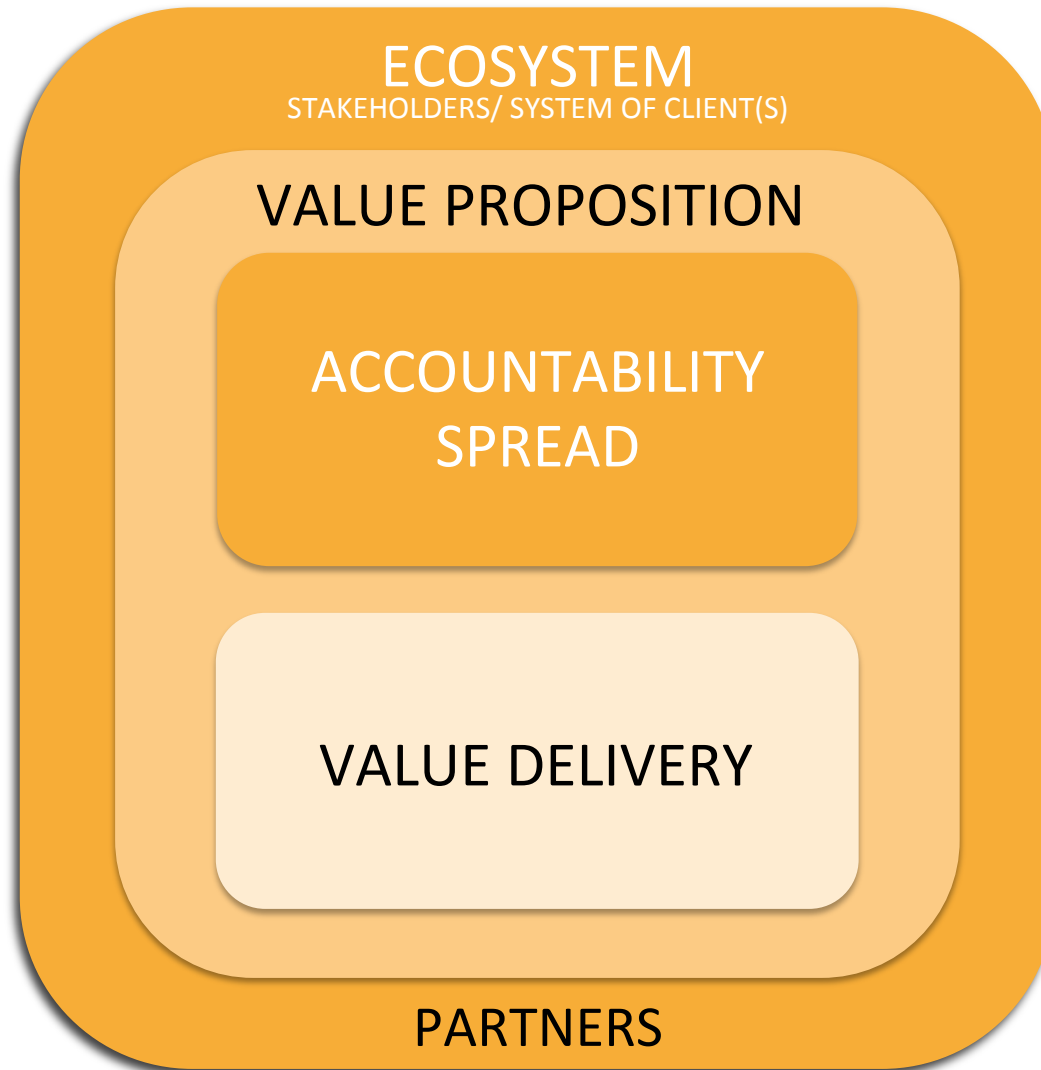
- Introducing the CSA “tools” webinars...
- Focus for today: business model capability audit...
- The original research...
- The structure of the audit...
- How the audit can be used...
- For more details...

The original research...

Diversity across ecosystems/ sectors	Comparable companies within ecosystems/sectors
Rail ecosystem	<ul style="list-style-type: none">• 2 train solution providers
Defense ecosystem	<ul style="list-style-type: none">• 2 defense solution providers
Utility ecosystem	<ul style="list-style-type: none">• Water service provider• Energy service provider
Local public ecosystem (councils*)	<ul style="list-style-type: none">• 2 support service providers
IT sector (multiple ecosystems**)	<ul style="list-style-type: none">• 2 IT solutions provider
Professional service (multiple ecosystems)	<ul style="list-style-type: none">• Supply chain consultancy• Open innovation consultancy

Our question: what capabilities do firms need to successfully innovate their services and solutions business models?

What did we learn?

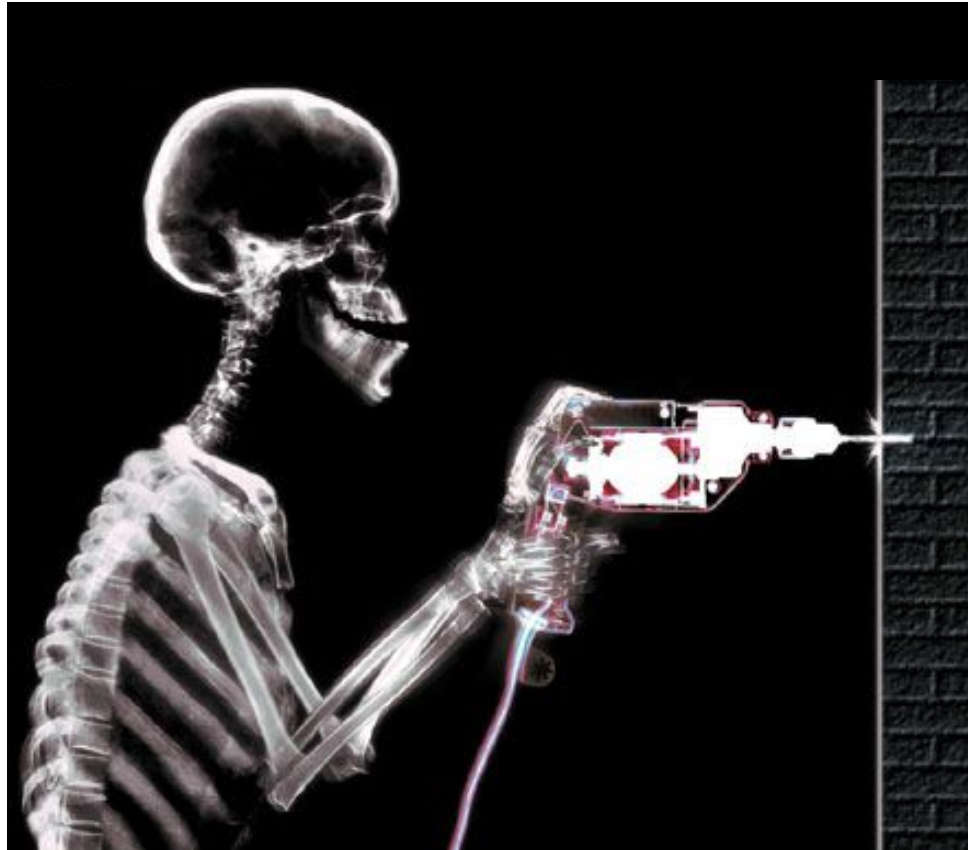


The new locus of competition is the ecosystem...



Theodore Levitt was wrong...

Customers don't **even** want ¼ inch holes...



...service providers
have to
understand the
underlying
customer need and
provide a solution

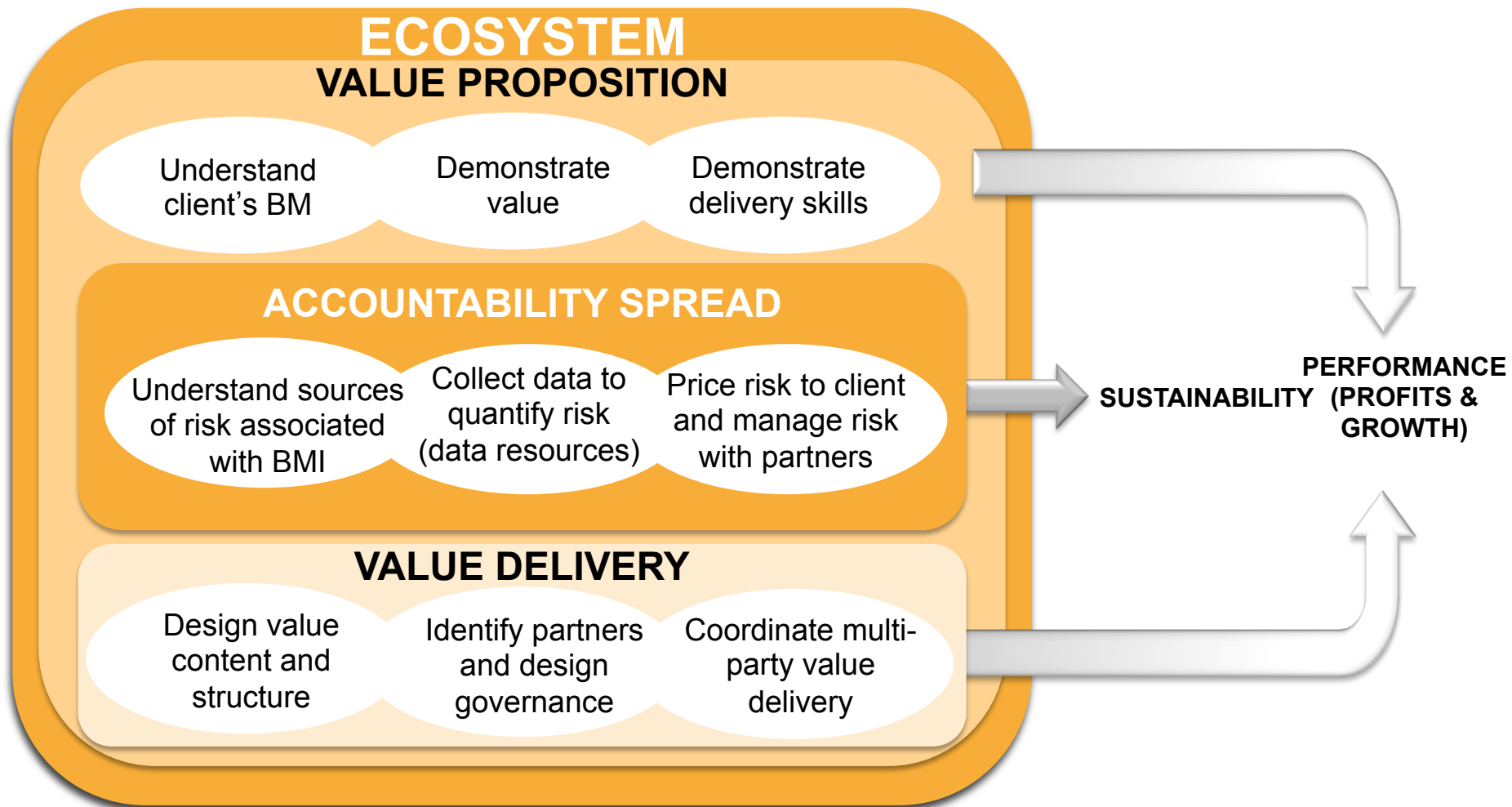
Value delivery through partners



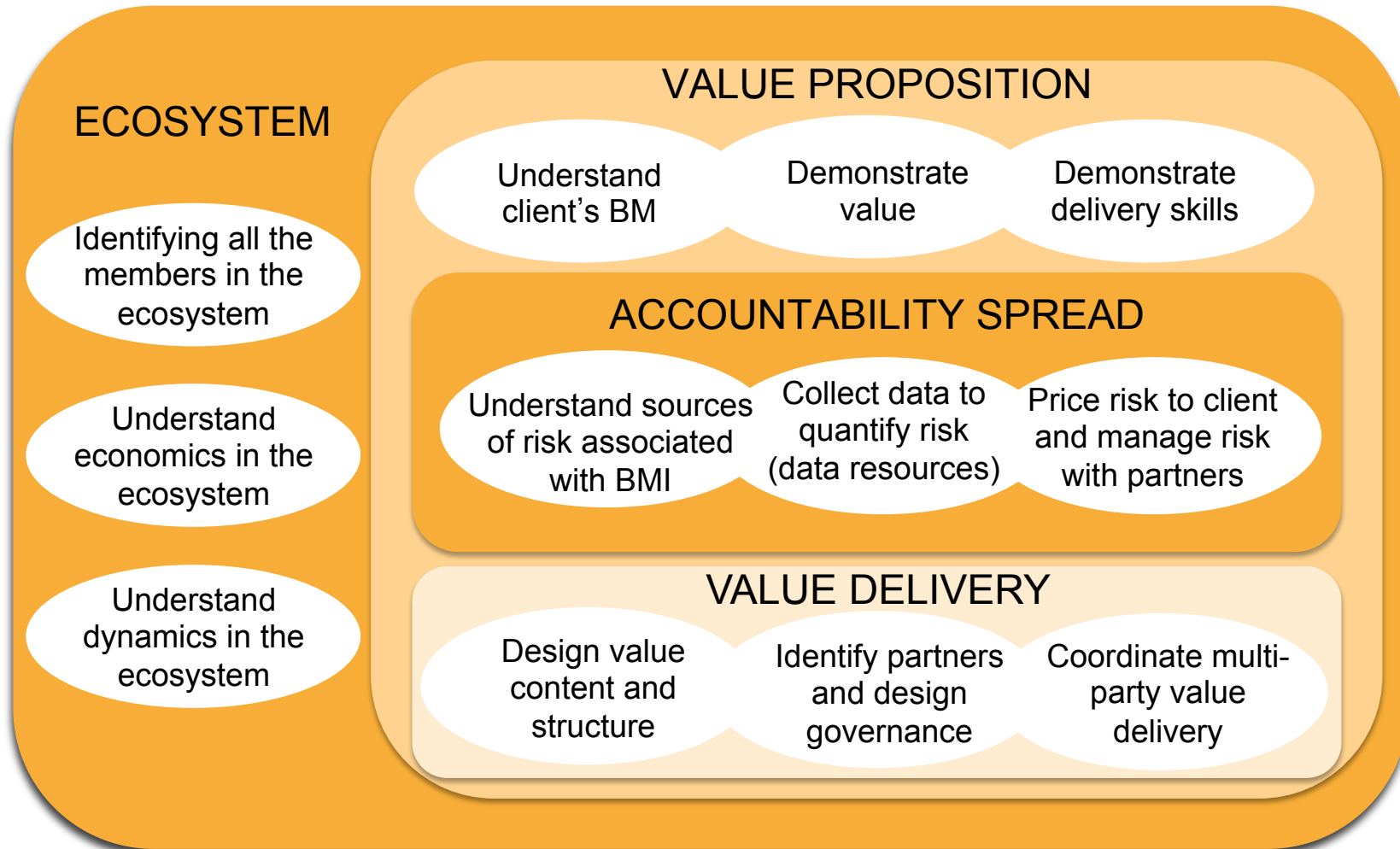
Accountability spread



What did we learn?



What did we learn?



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The structure of the audit...

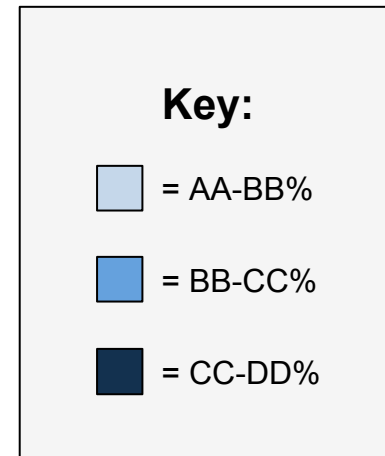
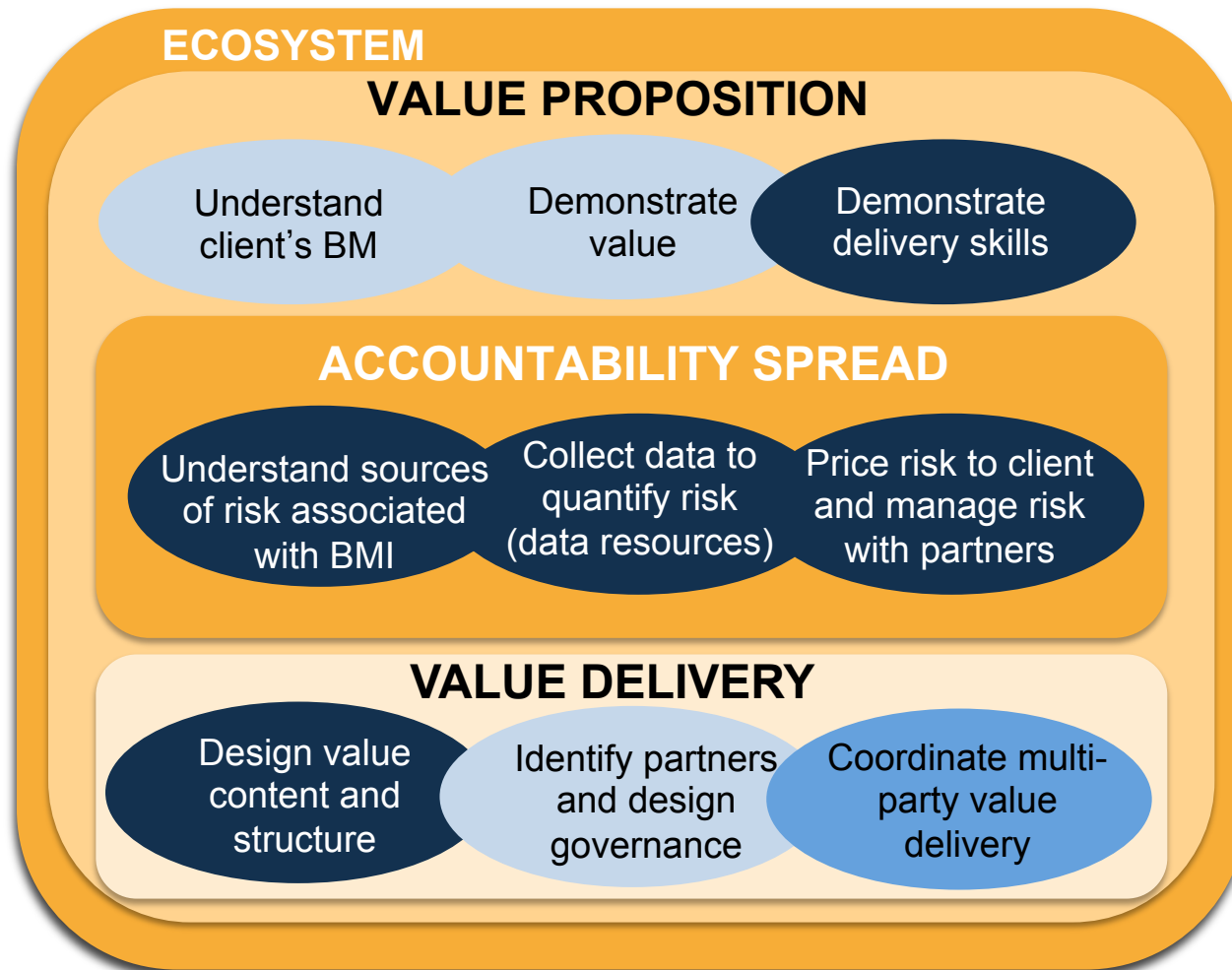
- The core of the capability audit is a capability maturity model structured in an excel template.
- A maturity scale for each sub-capability (ranging from nascent to excellent) forms the basis of the scoring methodology.

	Capability	Importance	Maturity	Nascent	Ad hoc	Basic	Emerging
<i>How well do you know the members of your eco-system?</i>							
<i>The supplier perspective</i>	EA1			↔	We have identified and understand all of our suppliers.	↔	We have a good underst suppliers and our potent
<i>The customer perspective</i>	EA2			↔	We have identified and understand all of our current direct (internal and external) customers.	↔	We have a good underst current and potential di external) customers.
	EA3			↔	We have identified and understand all of our current end user customers.	↔	We have a good underst current and potential en
<i>The Supplier perspective</i>	EA1			↔	We have identified and understand all of our suppliers.		
<i>The customer perspective</i>	EA2			↔	We have identified and understand all of our current direct (internal and external) customers.		
	EA3			↔	We have identified and understand all of our current end user customers.		

Applying the capability audit...

Activity	Purpose	Time req'd	Responsibility
Initial briefing	To ensure those completing the assessment understand the background and the capability assessment framework.	30 mins	<ul style="list-style-type: none"> • XXX to arrange conf call. • XXX to prepare briefing materials.
Complete capability assessment	To complete initial capability assessments – individuals complete and return the assessment.	60 mins/person	<ul style="list-style-type: none"> • XXX to identify respondents. • XXX to issue survey. • Team members to complete assessment individually.
Analyse capability assessment data	To analyse the capability assessment data, seeking to identify differences of opinion.	4 hours	<ul style="list-style-type: none"> • XXX to analyse data.
Workshop 1: agreeing coordinated assessment	To discuss differences of opinion about the individual views on capability and to develop an agreed assessment.	4 hours	<ul style="list-style-type: none"> • XXX to invite participants. • XXX to facilitate discussion.
Analyse workshop data	To analyse and summarise the discussions during workshop 1.	2 hours	<ul style="list-style-type: none"> • XXX to analyse data.
Workshop 2: agreeing improvement priorities	To use the outcomes from Workshop 1 to inform a discussion about capability improvement priorities. Two scenarios to be considered: (i) business as usual, (ii) significant growth.	6 hours	<ul style="list-style-type: none"> • XXX to invite participants. • XXX to facilitate discussion.

Illustrative output from the audit...



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For more details please contact...



From Processes to Promise:
How complex service providers use business model innovation to deliver sustainable growth



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Forthcoming Webinars

The Cambridge Service Alliance

Date 14:30hr GMT	Topic	Invited speaker
2016 Webinars		
Jan. 11th 2016	Innovating Your Business Model: The Capability Assessment Tool	Prof Andy Neely
Feb 8 th 2016	Critical success factors on the shift to services	Dr. Veronica Martinez
Mar 14 th 2016	A Small-scale Analysis of Health Service Stakeholder Networks: Insights from Social Media	Dr Mohamed Zaki et al
April 11 th 2016	Mapping Ecosystems: Identifying Service Innovations	Prof Andy Neely