



BUSINESS MODEL INNOVATION SURVEY

2020

MAY

Corona Crisis Influence
on
Business Model
Innovation

STATUS

“
When leaders view technology as merely a source of answers and solutions, they miss opportunities to innovate in bigger, bolder ways (MIT Sloan, 2018).”

“
Digital Growth Depends More on Business Models than Technology (HBR.ORG, 2018).”

“
Product and service innovation are essential, but business model innovation can deliver more lasting competitive advantage, particularly in disruptive times (BCG 2019).”

2020

Crisis 危机

Danger &
Opportunity

SURVEY **FRAMEWORK**

Are you ready for the Post-Covid-19 Era?



SURVEY PERIOD:

May 5th till 19th, 2020 – 14 days.



SURVEY PARTICIPANTS:

Directly contacted C-Level or Head managers on business Social Media platforms LinkedIn and Xing.

Survey language: German and English

Responses n = 24

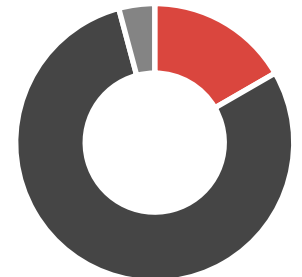
Response rate = 11.2%

Participants are working in

Austria 79.17%

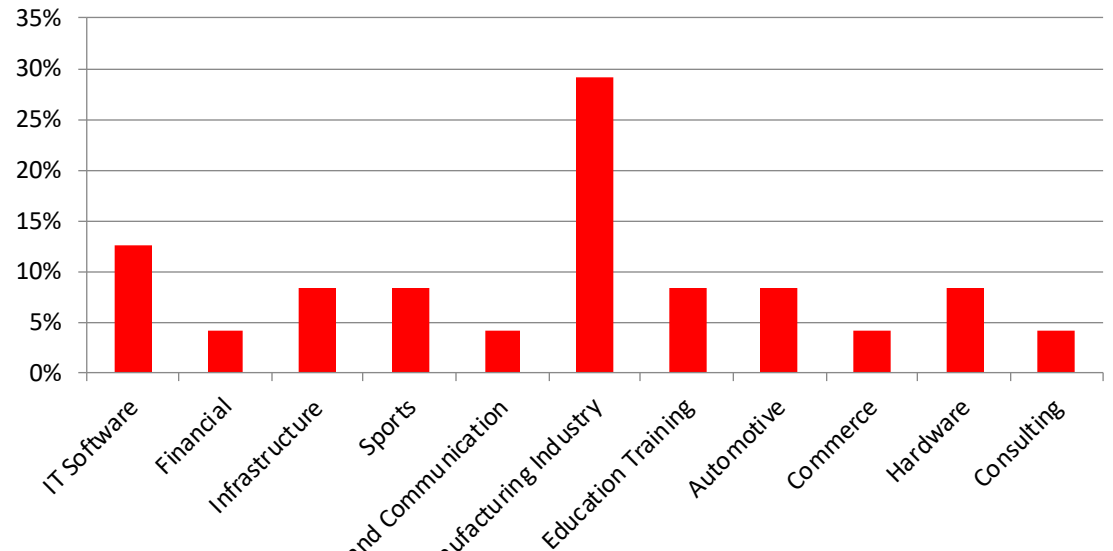
Germany 16.67%

Others 4.17%



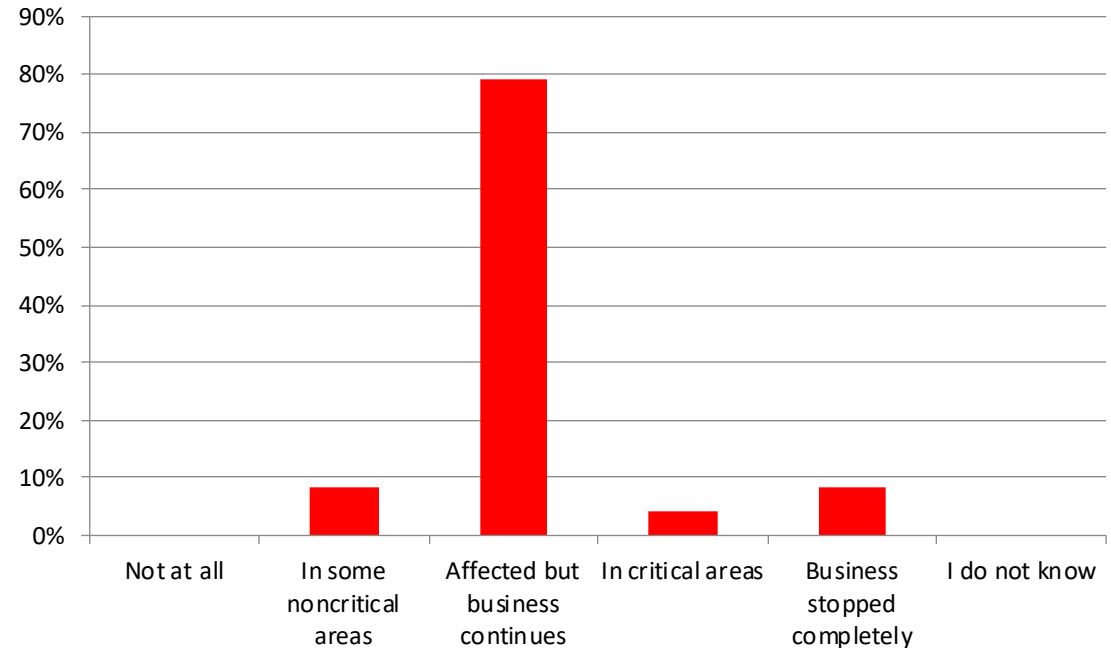
<http://dx.doi.org/10.13140/RG.2.2.18908.00640>

PARTICIPANT'S COMPANY BUSINESS AREA AND NO. OF EMPLOYEES



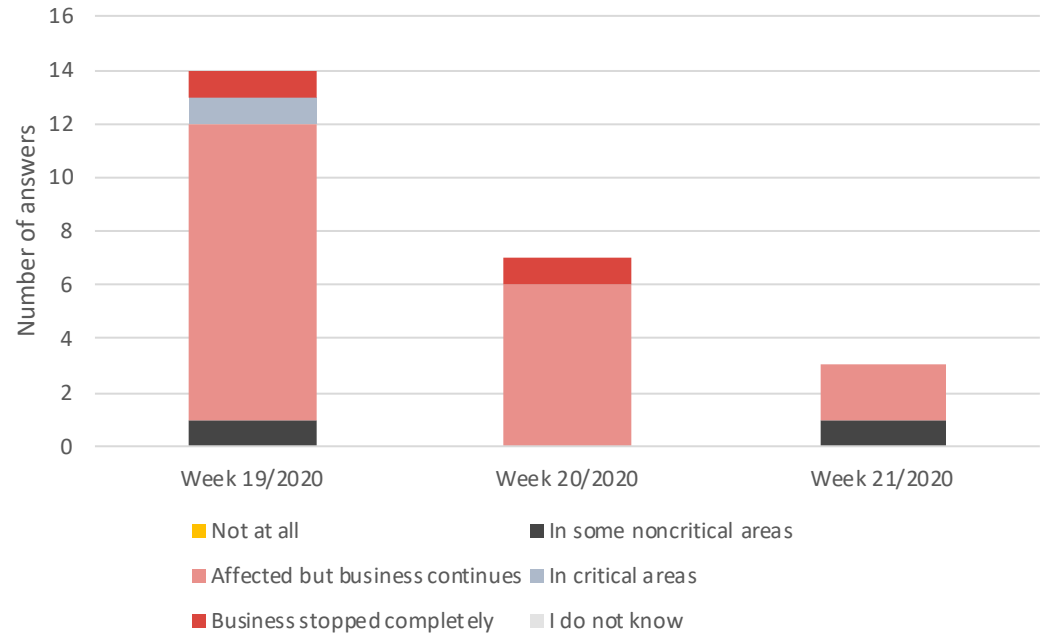
- 0 to 5
- 6 to 20
- 21 to 50
- 51 to 100
- 101 to 500
- 501 to 2500
- 2501 to 5000
- More than 5000

BUSINESS MODEL CRISIS IMPACT



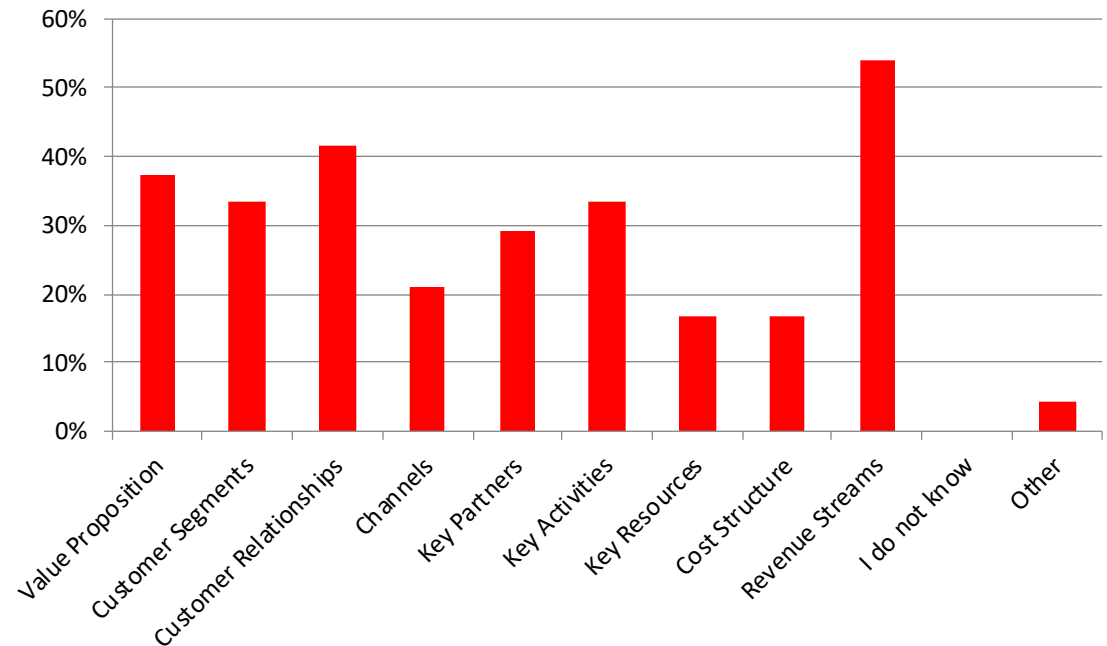
Company's business model hit by the current Corona virus crisis. **Almost 80%** of the participants' companies are affected, but their **business continues**. The business **stopped completely for over 8%** of the participants' companies.

BUSINESS MODEL CRISIS IMPACT



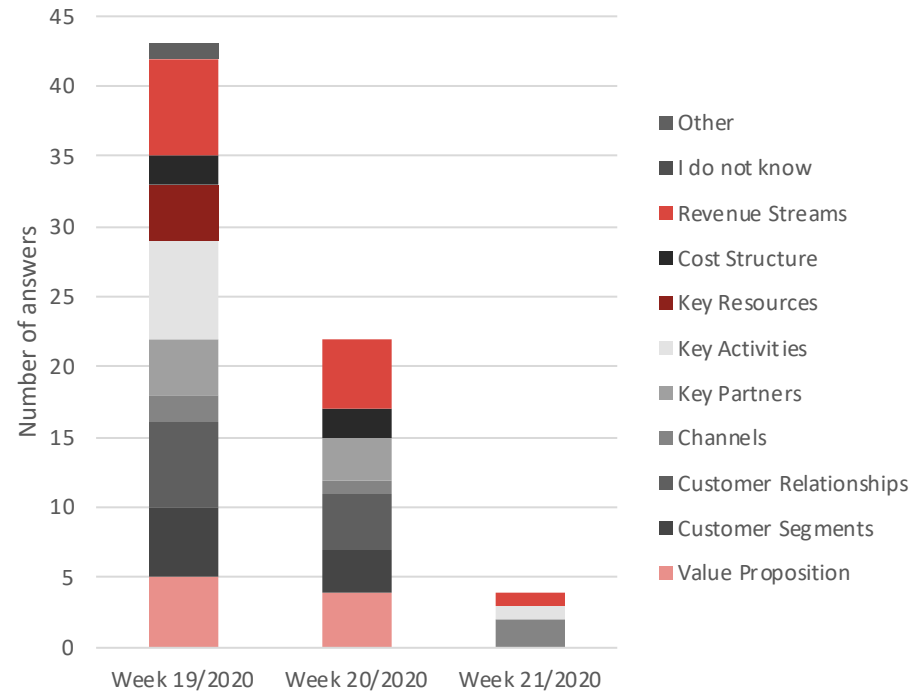
Company's business model hit by the current Corona virus crisis. The consideration of the *relative frequency per calendar week* for the “Affected but business continues” responses shows an **increase and decrease trend**: week 19 (79%), week 20 (86%) and week 21 (67%).

BUSINESS MODEL CRISIS IMPACT



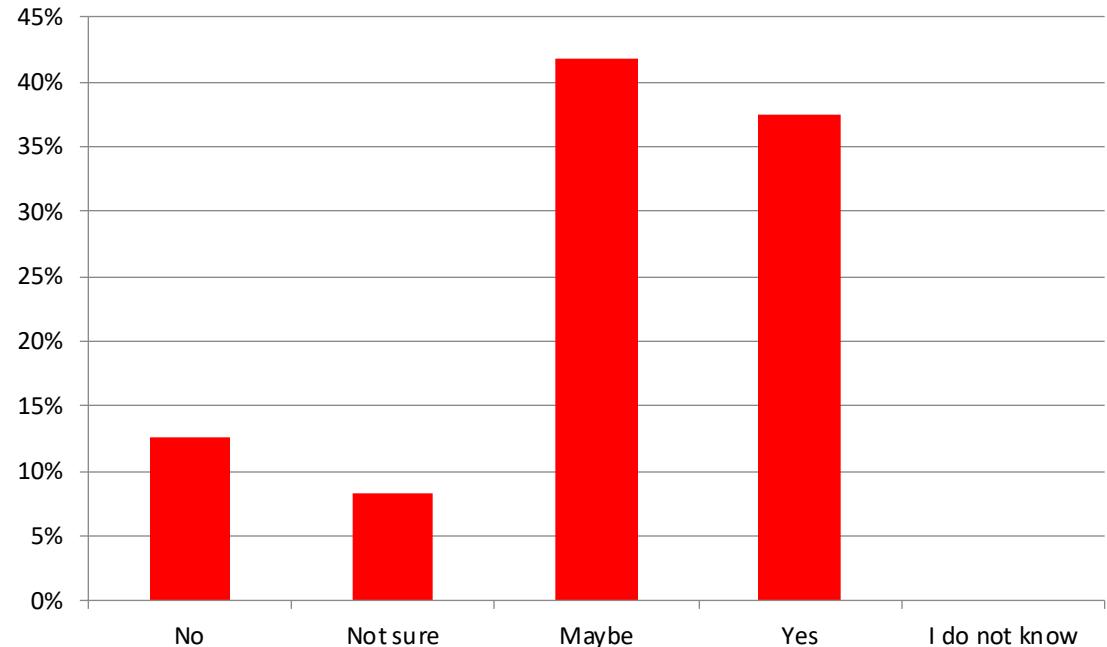
Business model elements that are **negatively affected or threatened**. The elements are based on the nine building blocks from Osterwalder & Pigneur (2010). The most three negatively influenced elements are: **Revenue Streams** (54%), **Customer Relationships** (42%) and the **Value Proposition** (38%).

BUSINESS MODEL CRISIS IMPACT



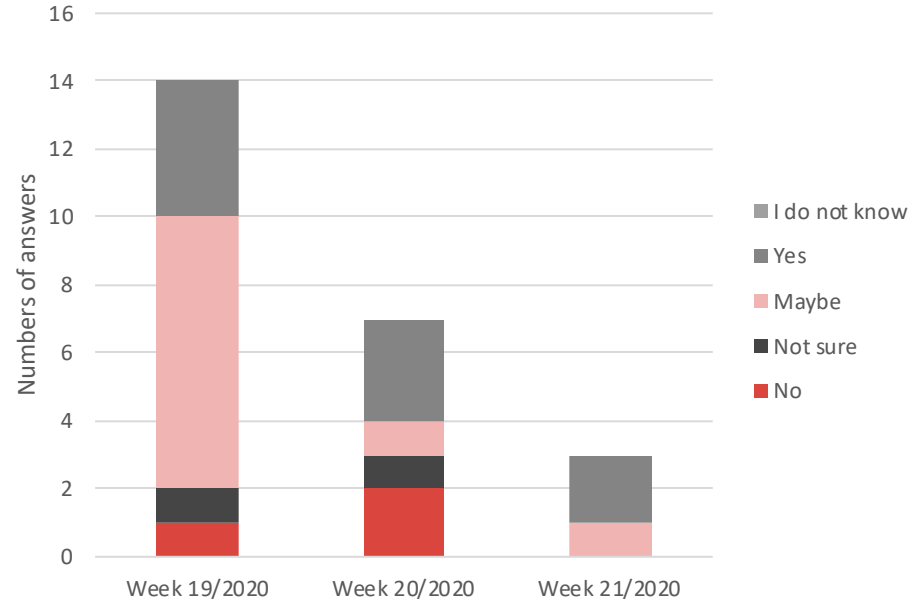
Company's business model elements hit by the current Corona virus crisis. The consideration of the *relative frequency per calendar week* for the most negatively influenced element “Revenue Streams” shows an **increase per week trend**: week 19 (16%), week 20 (23%) and week 21 (25%).

BUSINESS MODEL OPPORTUNITIES



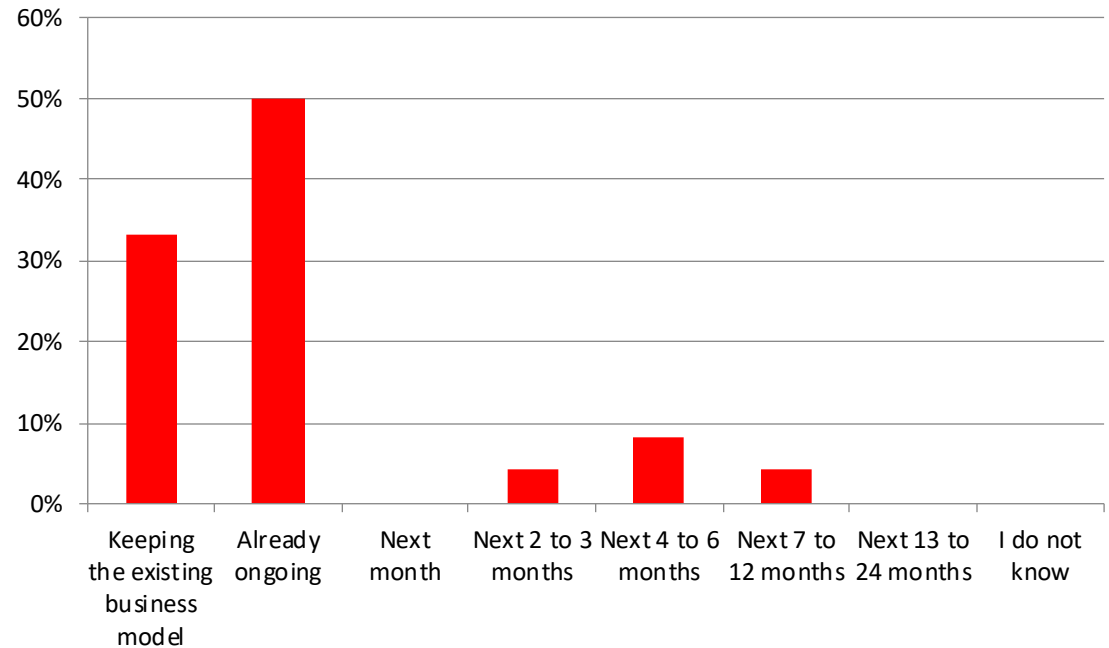
Are there **new/future opportunities or potentialities** for your company's business model based on the current crisis? **42% of the participants are uncertain**, if there are future potentialities for their companies, but **38% agree about future opportunities** for their business.

BUSINESS MODEL OPPORTUNITIES



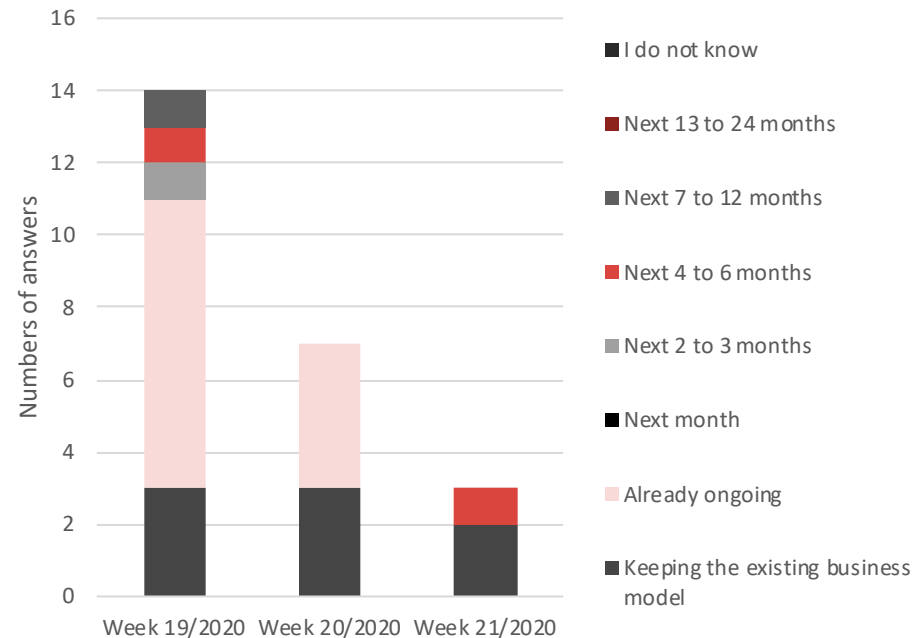
Company's business model opportunities by the current Corona virus crisis. The consideration of the *relative frequency per calendar week* for the answer “No” shows an **increase decrease trend**: week 19 (7%), week 20 (29%) and week 21 (0%) and “Yes” shows a **clear increase**: week 19 (29%), week 20 (43%) and week 21 (67%).

BUSINESS MODEL START POINT



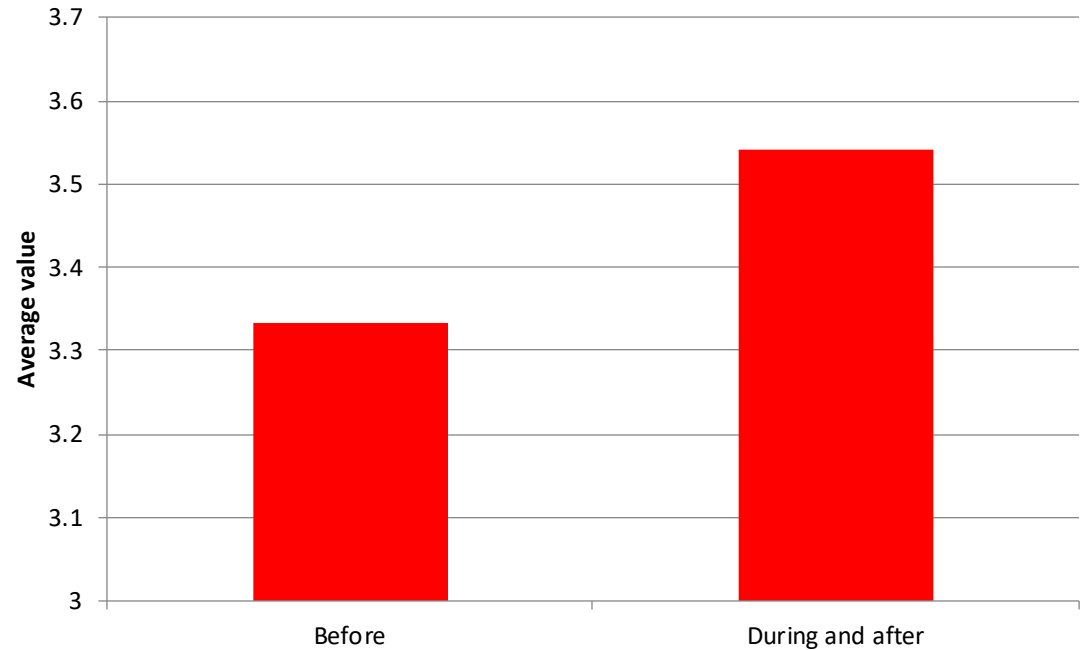
Company's **start point to innovate** the existing business model. **33%** of the participants' companies **will keep their existing business model** without doing any adaption. **50%** of the companies have **already started** to innovate their existing business model.

BUSINESS MODEL START POINT



Company's business model start points by the current Corona virus crisis. The consideration of the *relative frequency per calendar week* for the answer “**Keeping the existing BM**” shows an **increased trend**: week 19 (21%), week 20 (43%) and week 21 (67%) and “**Already ongoing**” stays constant for the first two weeks: week 19 (57%), week 20 (57%).

BUSINESS MODEL INVESTMENTS



Resources (money, time, focus) companies are **investing in innovation** (product, service and business model) before and during/after the crisis. The survey outcome shows a **slightly increase** of 0.21 of the average value comparing **before with during/after** the crisis.

BUSINESS MODEL SUMMARY



As a first step, it will support companies to **visualize their existing business model**. One visualization approach is the Business Model Canvas (cf. Osterwalder & Pigneur 2010).

Based on the business model elements, the top three negatively affected components are: **Revenue Streams, Customer Relationships and Value Proposition**. Those elements are **strongest hit** and need most focus during the crisis time.

One approach can be to **experiment with the 55 business model patterns** (cf. Gassmann, Frankenberger & Csik 2014). Next step is to analyze the **dependencies of the elements** and to consider the **internal and external impact**. As all participant's companies are, in any way, negatively affected by the Corona crisis, to work on **business model innovation actions** will be a key success factor (cf. Baker-Brunnbauer 2019).

BUSINESS MODEL SUMMARY



Besides the management focus, the **customer perspective and needs** should drive the innovation as the crisis also **changes the customer (consumer) behaviour**. As an example, the strong increase of online meetings or the reduction of public transport can be mentioned. Companies that are **proactively working** on their business model, will have competition advantage.

As 62.50% of the participants **do not see direct future opportunities** for their existing business model after the crisis, this can result based on a traditional mindset. Therefore, a successful approach is to **positively influence the corporate culture** (breaking up silos or mindsets) and to trigger innovation thinking under consideration of new business model approaches (cf. Baker-Brunnbauer 2019). As the survey outcome shows a **slightly increase** in business model investments during and (expected) after the Corona crisis, the success of these companies can be positively influenced.

Baker-Brunnbauer, J. (2019): Business Model Innovation in a Paradoxical Area of Conflict (Executive Summary), <https://dx.doi.org/10.13140/RG.2.2.24272.66566>

Gassmann, O., Frankenberger, K., Csik, M. (2014): The Business Model Navigator. Harlow: Pearson Education Limited.

Osterwalder, A., Pigneur, Y. (2010): Business Model Generation. New Jersey: Wiley.

READY FOR THE FUTURE?

Crisis and transformation opens new questions, new problems to solve and generates new market leaders.

56%

BCG 2009

Similarly, 14 of the 25 most innovative companies in the world are business model innovators.

90%

O. GASSMANN

"... we discovered that over 90 per cent of all business model innovations simply recombine existing ideas and concepts from other industries."

15-5

BCG 2019

In the past 50 years, the average business model lifespan has fallen from about 15 years to less than five.



PRODUCT-XYZ **BUSINESS FIELDS**

Are you ready for the Post-Covid-19 Era?



DIGITAL PRODUCT INNOVATION & STRATEGY

Ideation, Design Thinking, Innovation, MVP, Proof of Concept, Digitalization, Prototyping, Trends, Technology.



DIGITAL BUSINESS MODEL INNOVATION

Business Model Canvas, Customer Experience and Journey, Navigator.



MANAGEMENT COACHING

Digital Change, Digital Transformation, Culture, Vision.

LET'S CREATE THE FUTURE **NOW!**

WANT TO BOOST YOUR BUSINESS? **CONTACT ME.**
ASK FOR MY PUBLICATIONS, FREE WHITE PAPERS AND

THE BOOK "THE SECRET KEY: BUSINESS MODEL INNOVATION
FOR ESTABLISHED COMPANIES".

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WWW.PRODUCT-XYZ.COM/THESECRETKEY



CONTACT

JOSEF BAKER-BRUNNBAUER
DIGITAL PRODUCT CONSULTANT

JOSEF@PRODUCT-XYZ.COM
+43 660 65 73 000
KRUMBACHWEG 5
4060 LEONDING
AUSTRIA

