

Time Machine



goaly.org

Travel to the future of your
business.

Lutz Kögler

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4th H&N Distributor Conference, Istanbul, October 25th 2023

How much are we willing to pay...
...for 1kg of coffee?



Goals for Today

What we will cover together:

- Overview of Goals, Strategy and Innovation
- Tool 1: Business Models and their Innovation
- Tool 2: Megatrends and Stakeholder Analysis
- Time Machine: Imagining the Future with the Help of our New Tools
- Ecosystems: A Broader Vision of the Future
- Tool: WOOP for Next Steps



Agenda

Our journey this morning:

9:00	10:00	60'	Introduction to Business Model Innovation
10:00	10:30	30'	Current Business Model Analysis
10:30	11:00	30'	Identifying Megatrends
11:00	11:30	30'	Break
11:30	12:15	45'	Time Machine Exercise
12:15	12:45	30'	Establishing Symbiotic Relationships
12:45	13:15	30'	Action Planning
13:15	13:30	15'	Check-Out and Feedback

Introduction

(9:00 - 9:15) 15 minutes



**No one can
predict the
future**

...but we can influence it with our goals.

Lutz Kögler

goaly.org

- Managing director of a goaly.org, a Zurich-based strategy and innovation consulting firm.
- It is my mission to connect groups of people with the options available to them to reach their goals.



Let's talk about strategy and goals

Strategy is the shared understanding of how to reach a common goal.



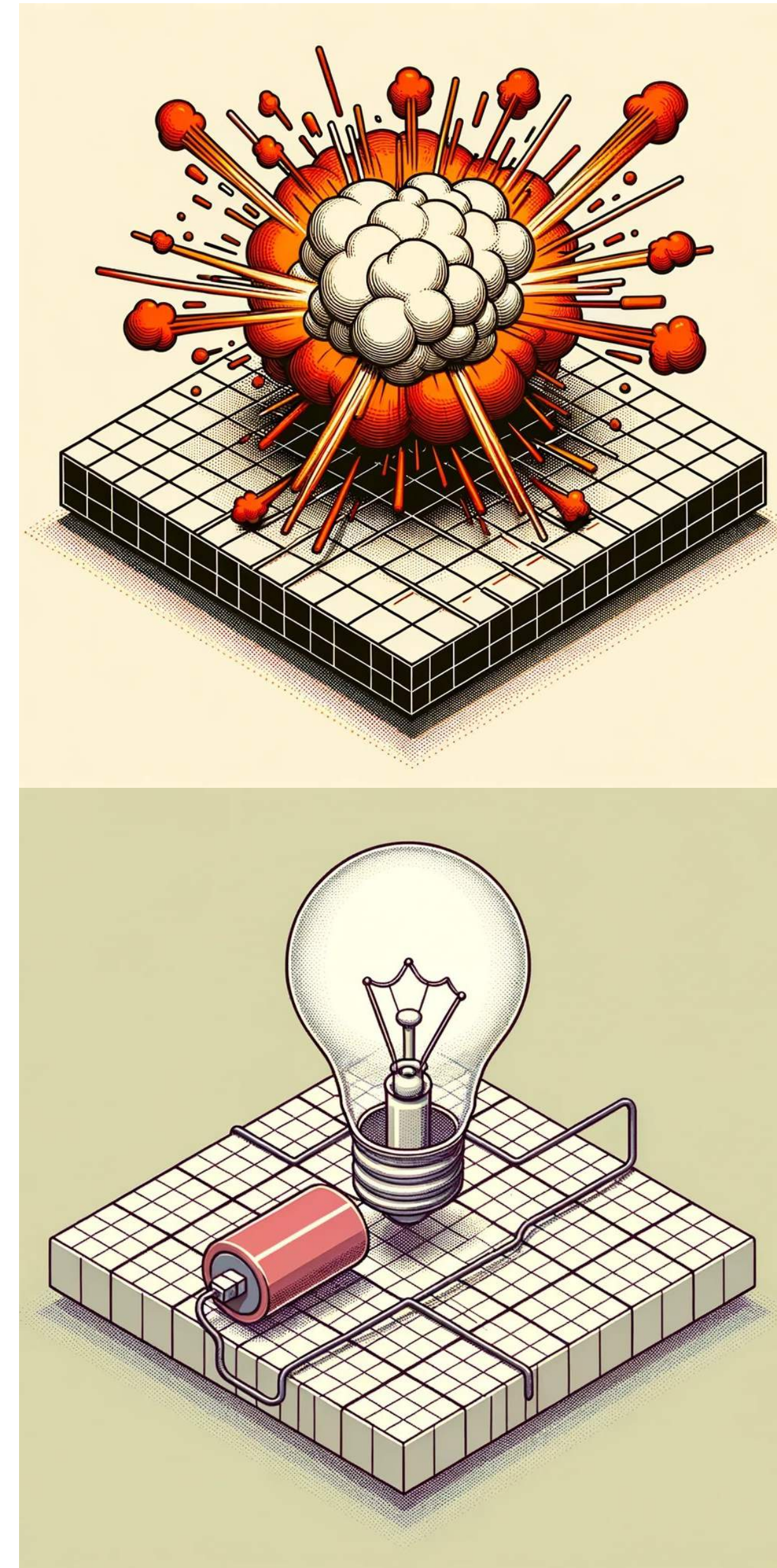
A goal without a strategy is just a dream.

A strategy without a goal is a nightmare.

Peter Drucker

Effectiveness and Efficiency

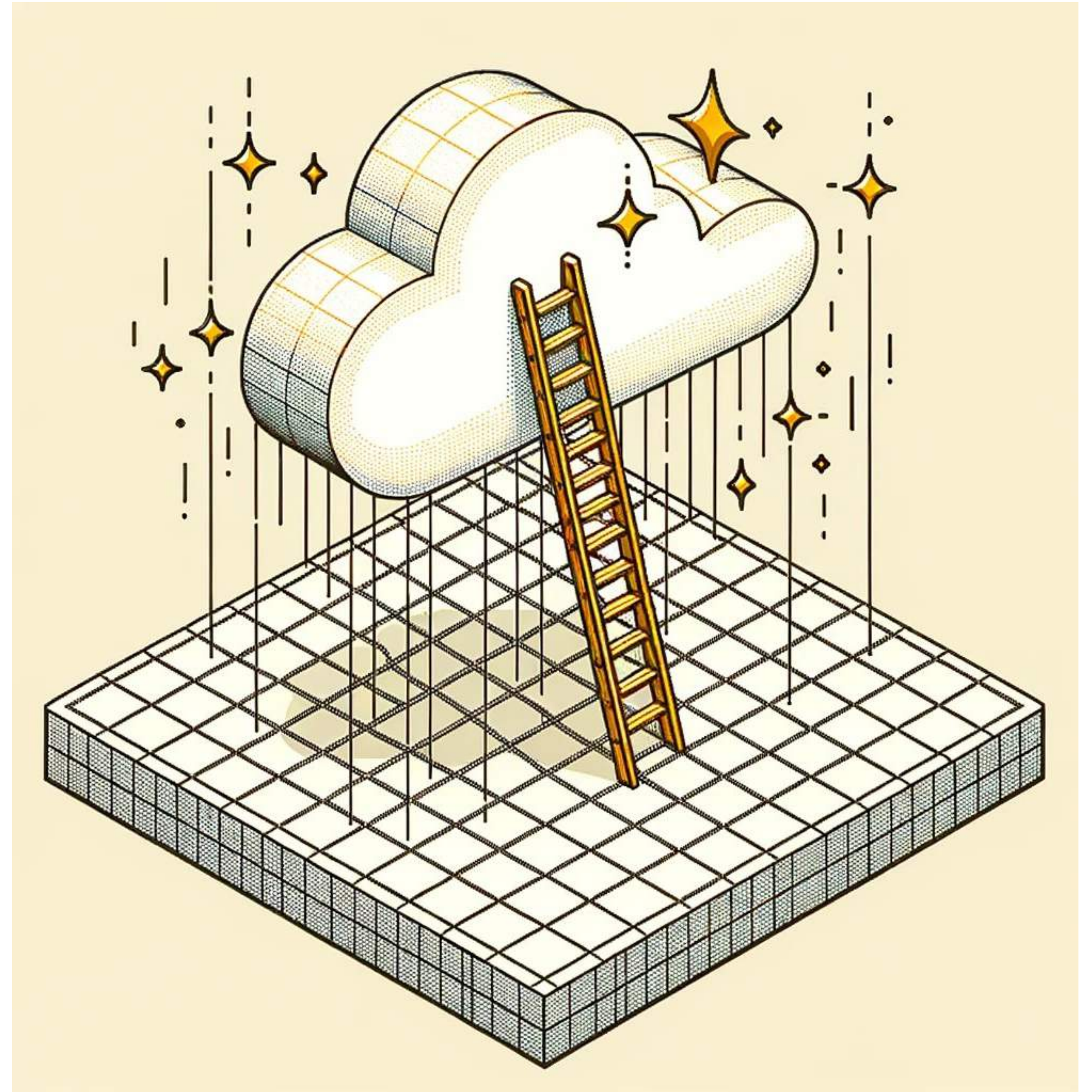
- Effectiveness describes the impact, the blast radius, the size of the step achieved in the pursuit of an activity towards a certain goal.
- Efficiency describes the consumption of resources, the economy of means, distance traveled per gallon during the activity towards a certain goal



Effectiveness and Efficiency

The role of the Goal:

- Both effectiveness and efficiency rely on the goal as defining component. Without a goal you can be neither effective nor efficient.

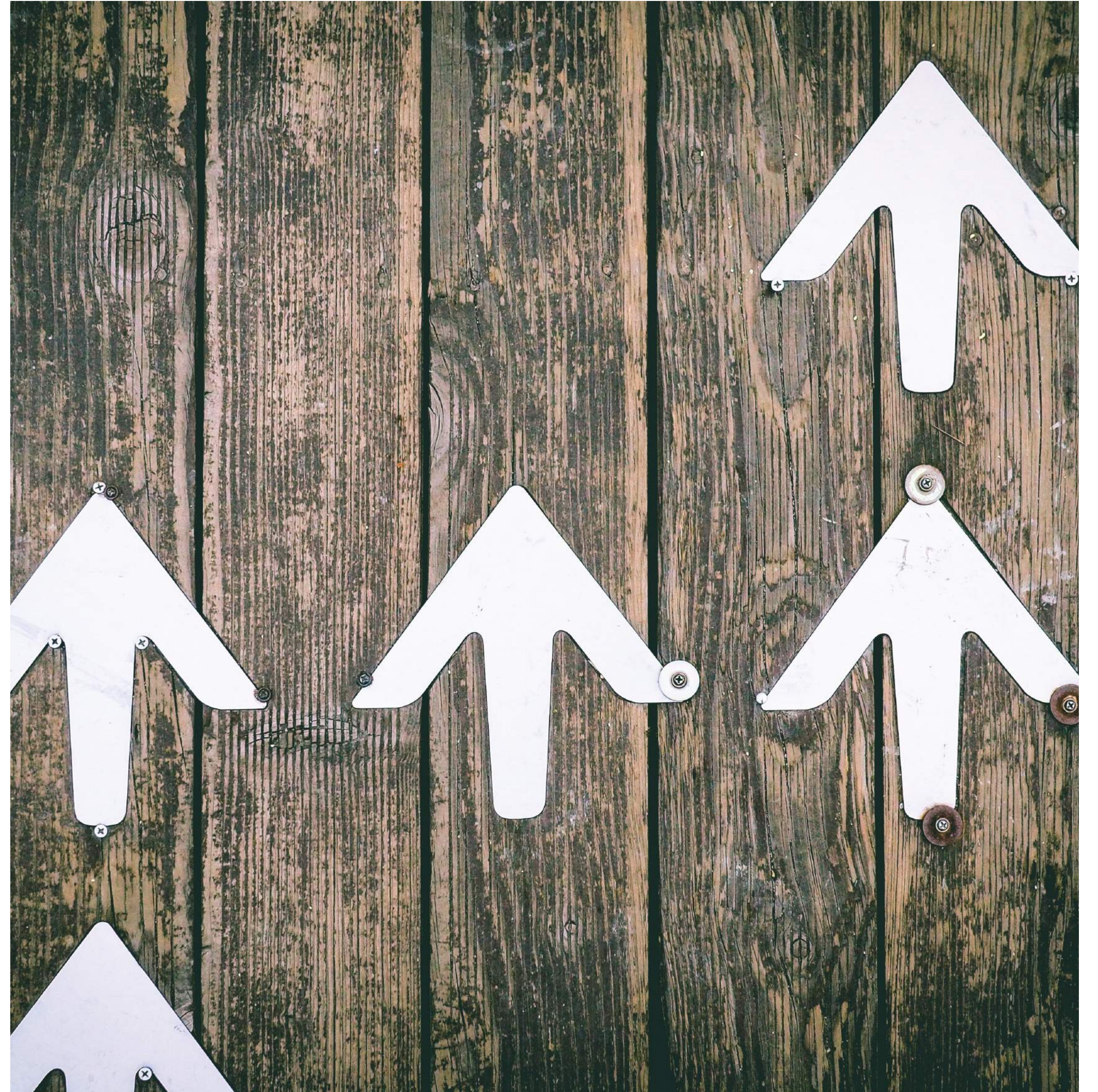


I would like to invite you in the coming 4
hours
to join me on an expedition.

I would like to invite you to explore the
future with me.

The future of your business.

What makes a
good goal?
Is continuous improvement
already a goal?



What makes a good goal?

Innovation

- Current State Extrapolation
 - Relying solely on improving the current state is a gamble.
 - Your competition is doing the same; success becomes a matter of luck.
- Divergence is Key
 - Merely optimising? You're blending in.
 - Innovating? You're standing out.
- Call to Action
 - Rethink, don't just refine.
 - Aim for innovation, not just optimization.



“Innovation is the specific instrument of entrepreneurship...

The act that endows resources with a new capacity to create wealth.”

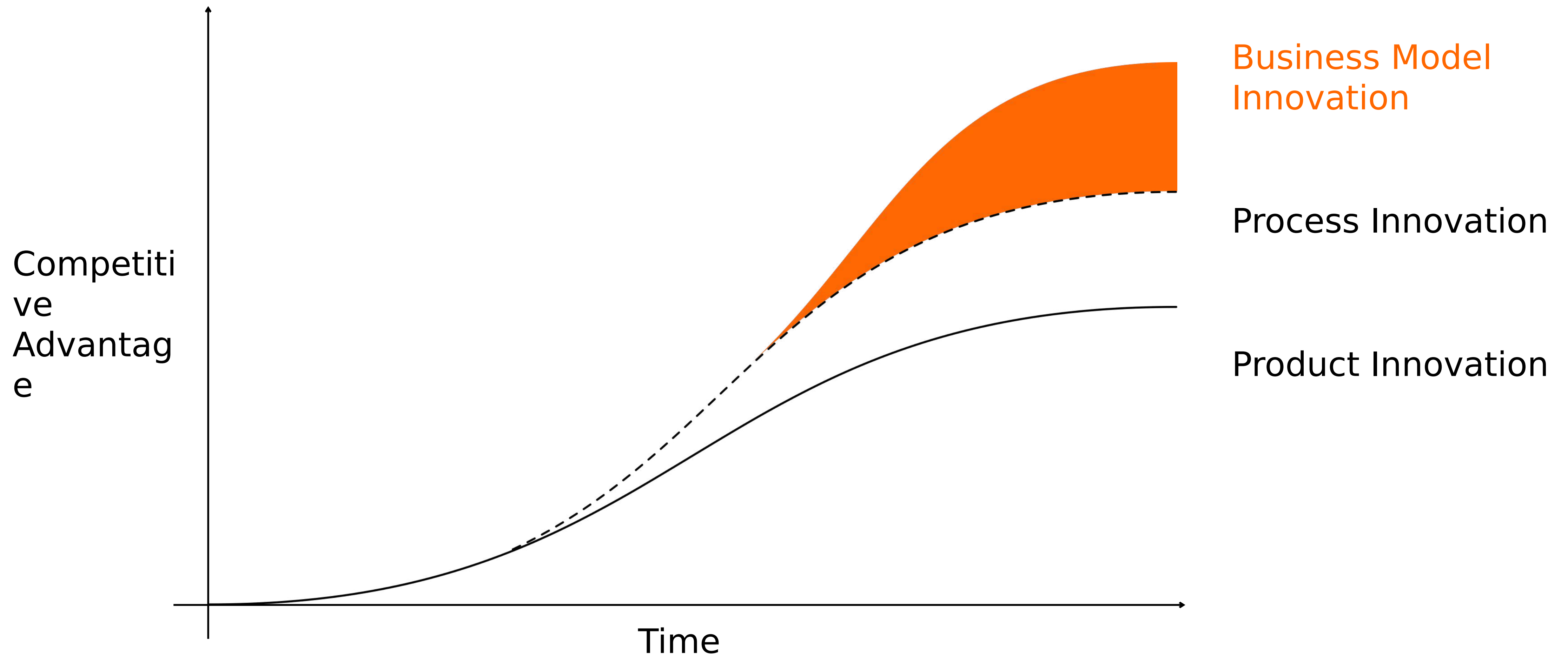
Peter Drucker

Tool 1: Business Models and their Innovation

(9:15 - 10:00) 45 minutes



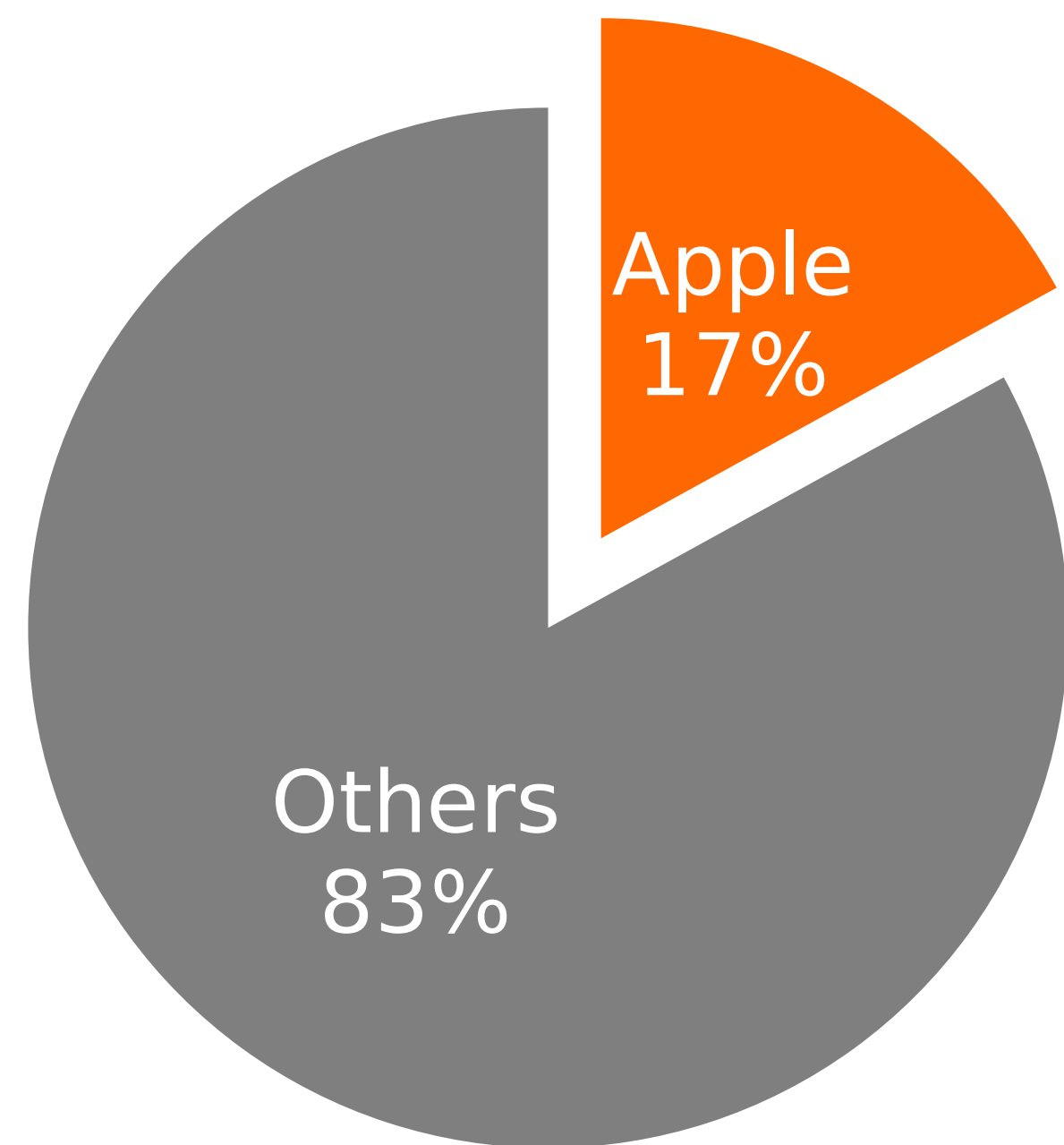
Sustainable Competitive Advantage through Business Model Innovation



How high was Apple's global market share for mobile phone handsets (iPhones) in 2022?

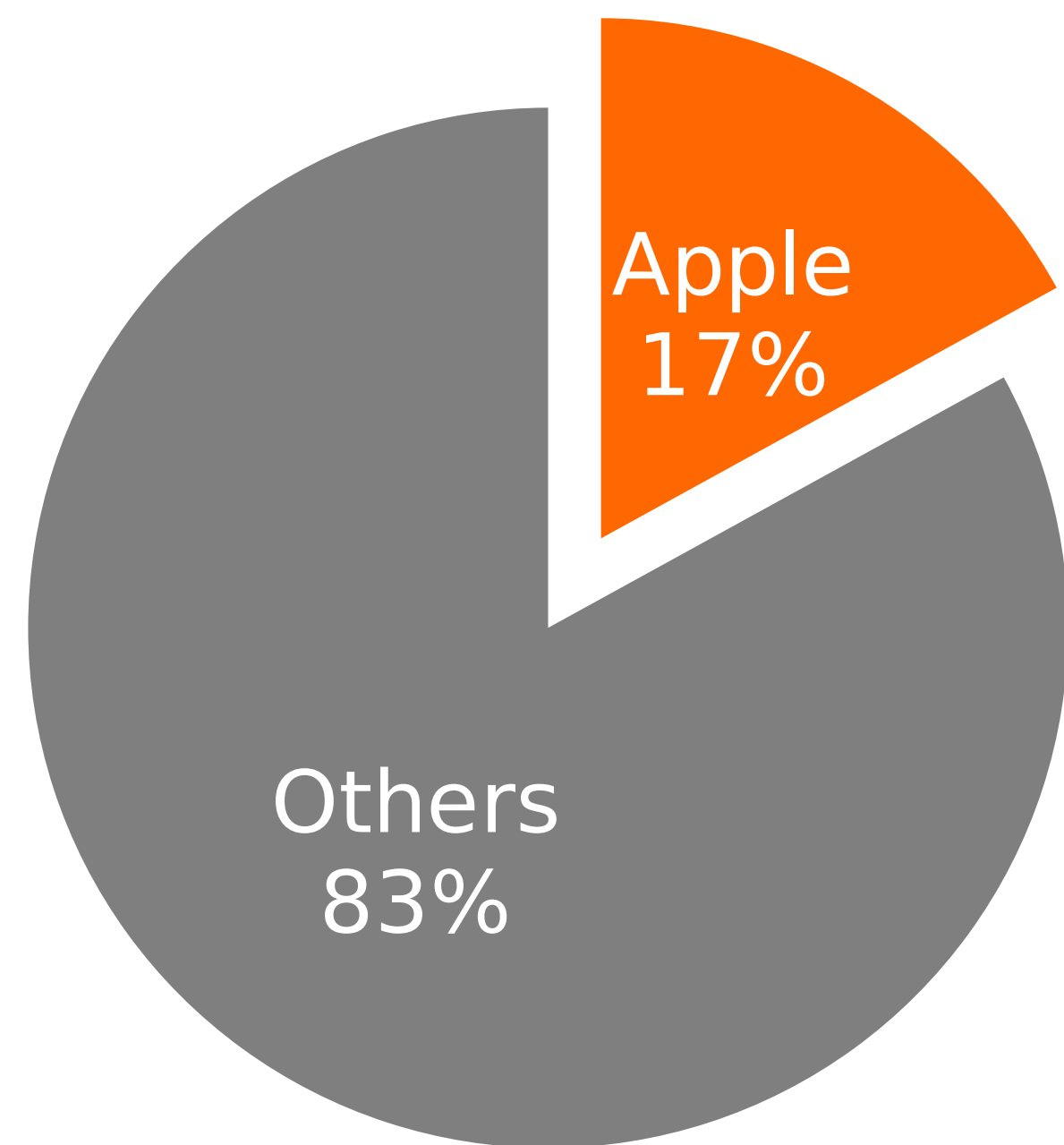


Apple's global market share in Q3 2022 was (only) 17%



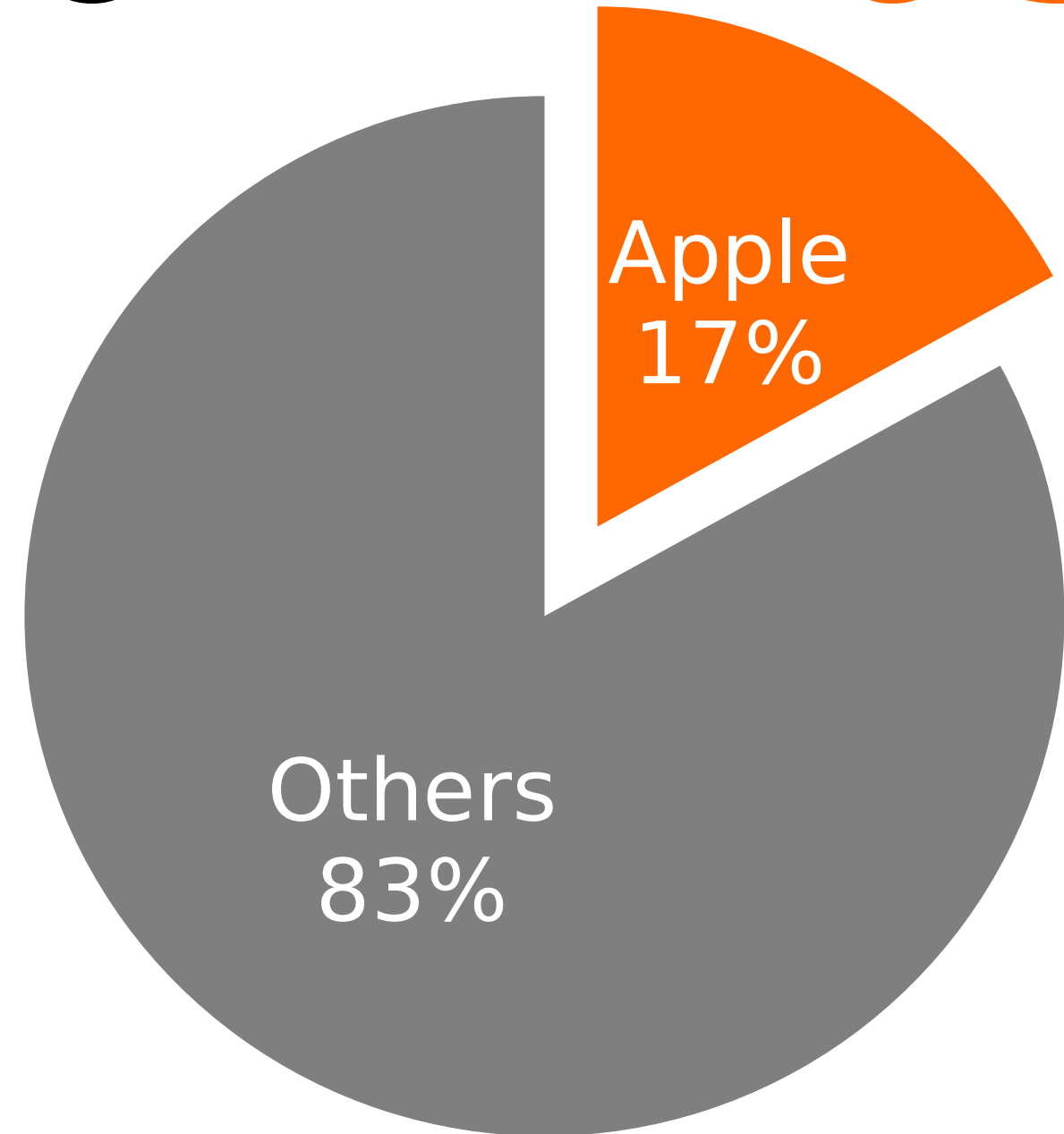
Market share of the worldwide smartphone market by vendor, Q3 2022

How high was Apple's profit share in the same time?

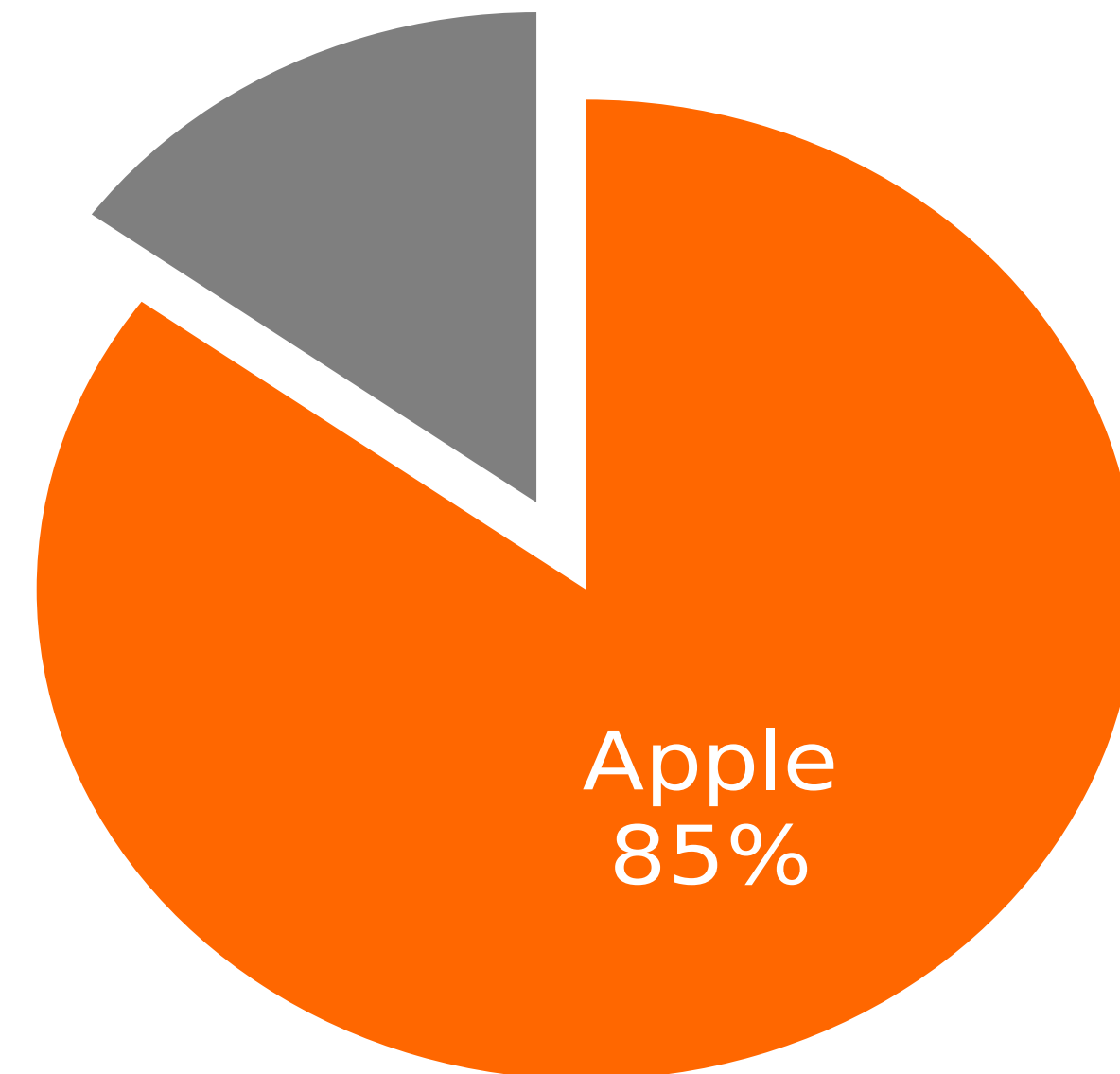


Market share of the worldwide smartphone market by vendor, Q3 2022

Apple's profit share of the worldwide smartphone market in 2022 was 85%



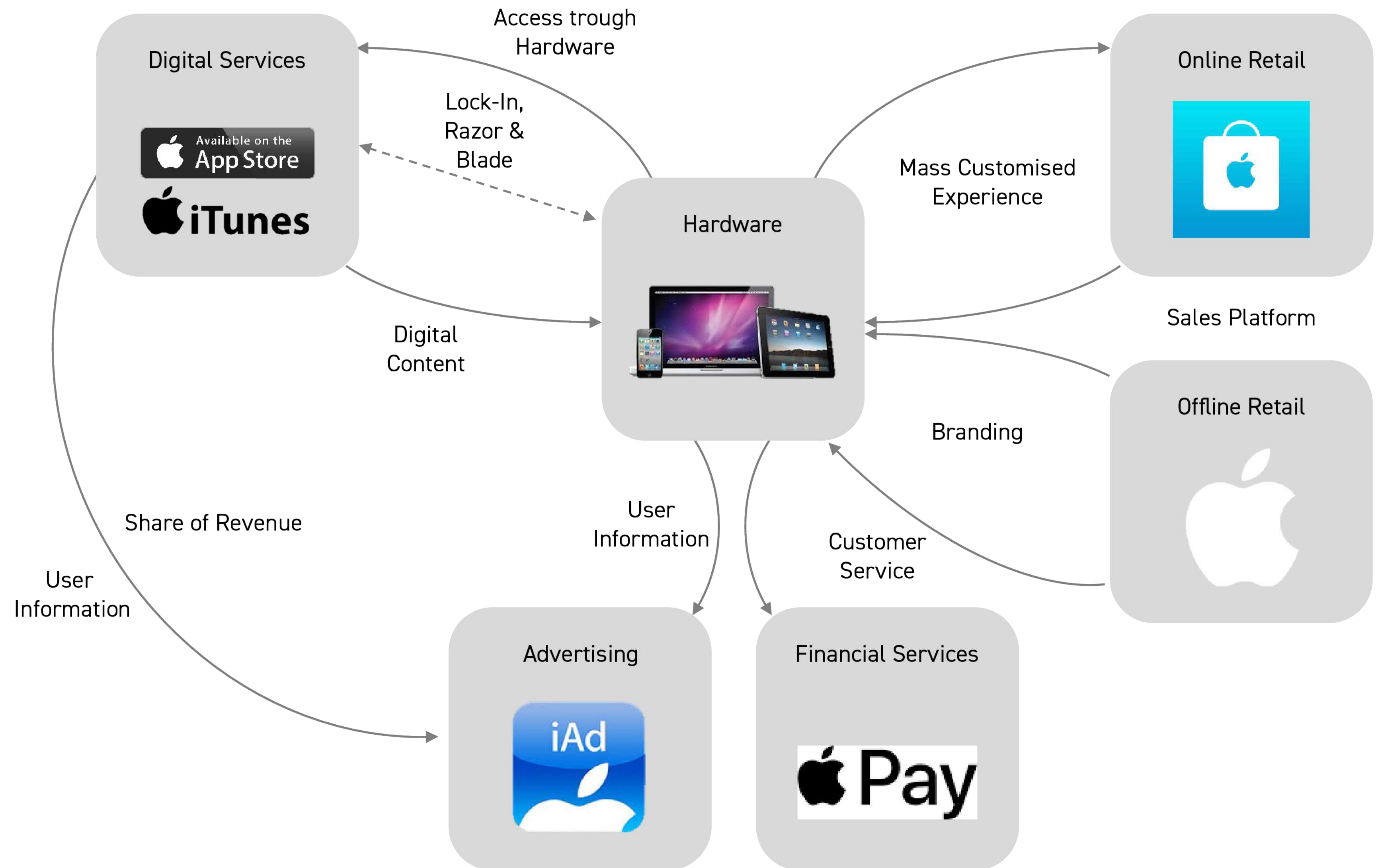
Market share of the worldwide smartphone market by vendor, Q3 2022



Operating profit share of the worldwide smartphone market by vendor

So how do they do it?

The Power of Ecosystems

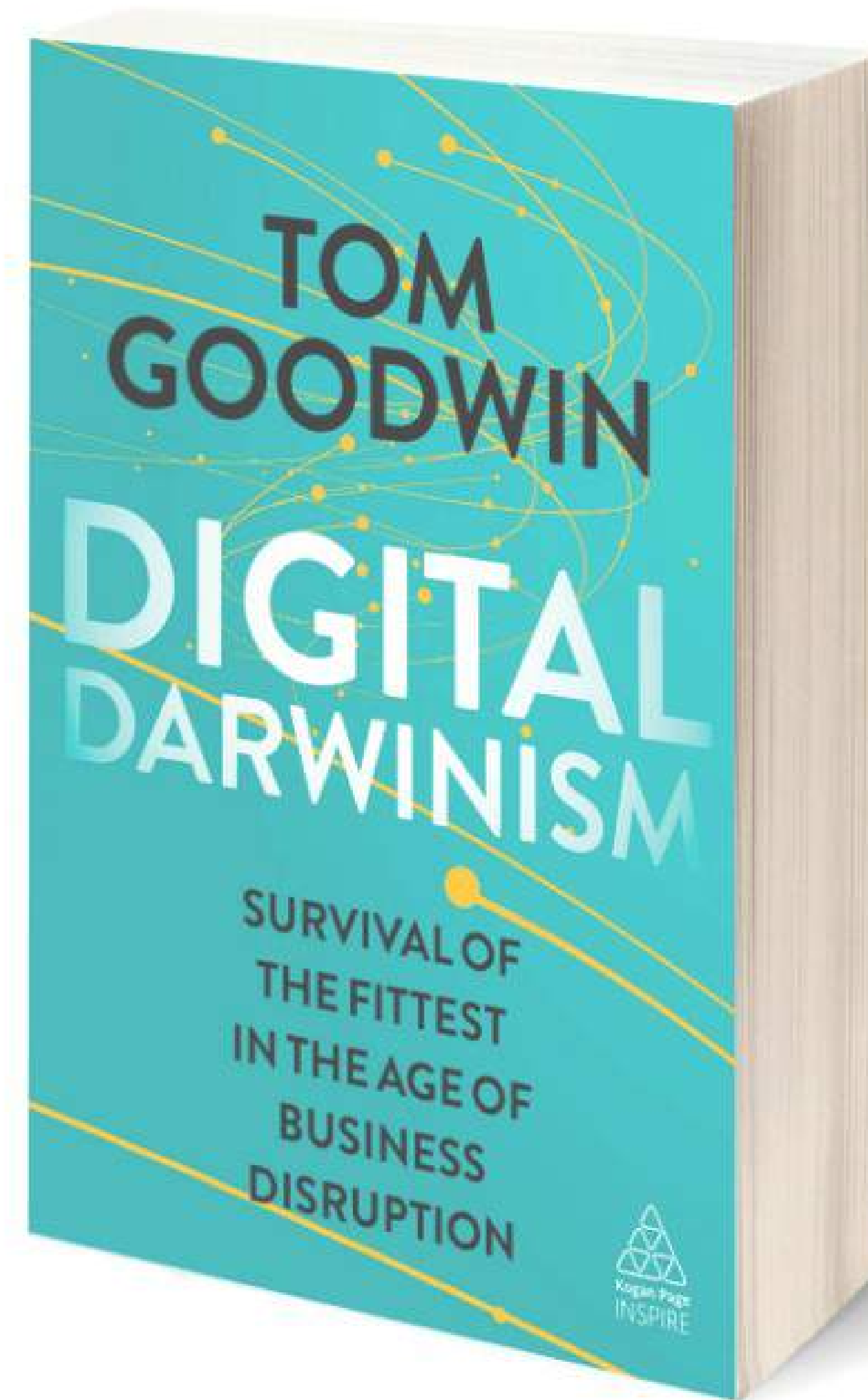


Shift in Business Models

“Uber, the world’s largest taxi company, owns no vehicles. Facebook, the world’s most popular media owner, creates no content. Alibaba, the most valuable retailer, has no inventory. And Airbnb, the world’s largest accommodation provider, owns no real estate.

Something interesting is happening.”

Tom Goodwin,
Digital Darwinism: Survival of the Fittest in the Age of Business Disruption



Why is innovation important?

A tale of two companies

Story 1

From photographic lab to digital powerhouse



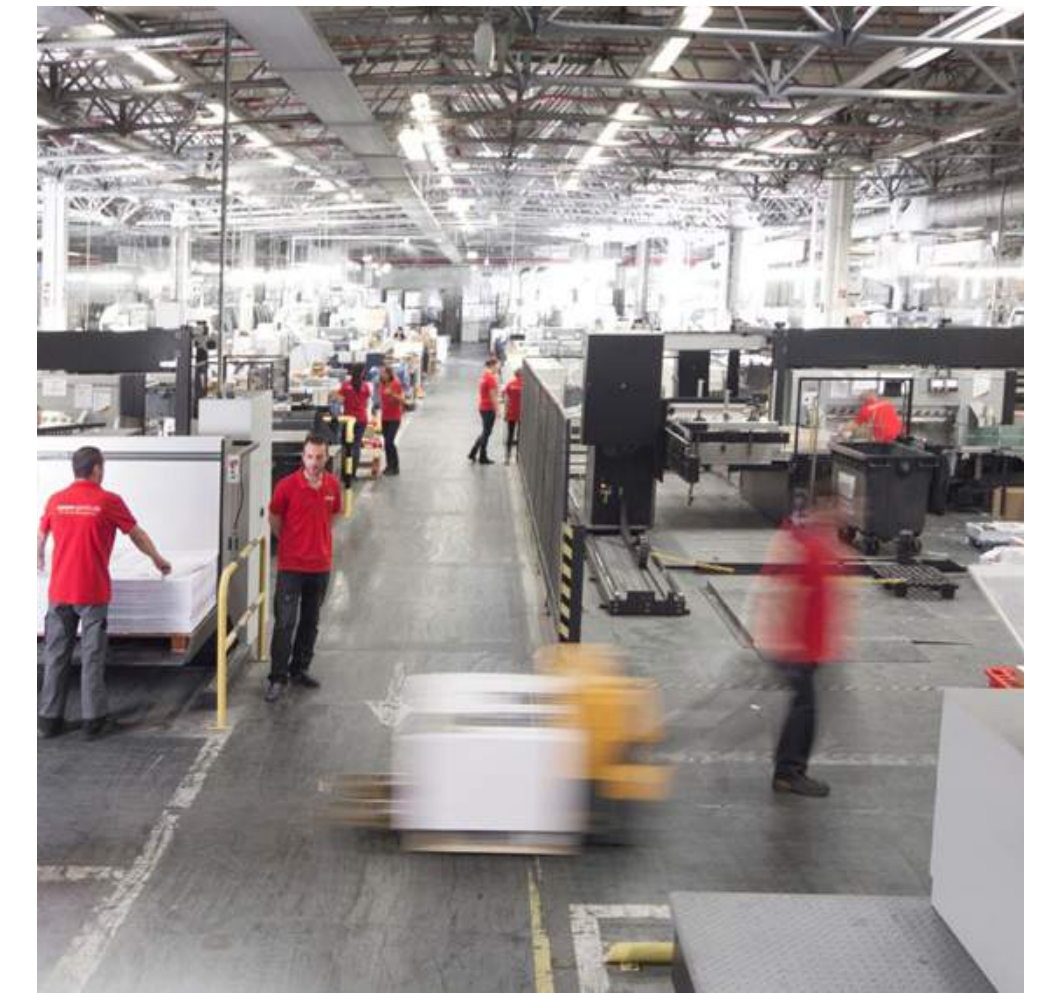
CeWe used to run the most advanced photographic development labs in Europe



Founded in 1961, the company continuously invested in chemical labs in Europe



They embraced digital technology and were among the first to offer self-printing stations



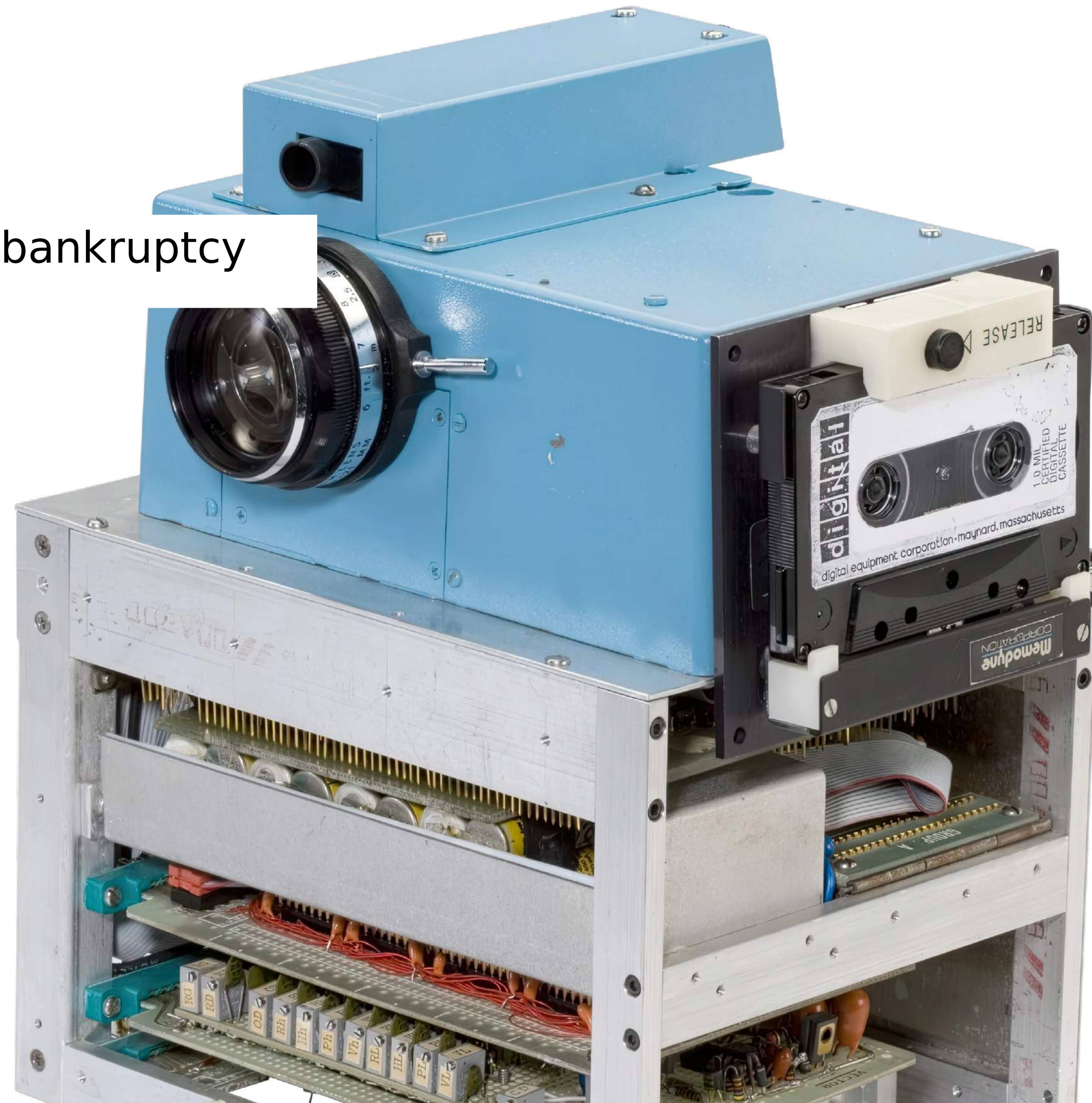
After a break-even as late as 2007, the company had its most successful year on record in 2022

Story 2

From photography world-leader to bankruptcy



The world's first digital camera was invented by Steven Sasson in 1975



‘that’s cute—but don’t tell anyone about it.’



If you
don't
cannibalis
e yourself,
someone
else
will..."

Steve Jobs

The Cost of Clinging On

Companies that held on to their ageing business models for too long:

XEROX®

Commodore



NOKIA



Thomas Cook



Toys R Us

AGFA 

Woolworth



QUELLE.

YAHOO! GRUNDIG

Chickenomics:

(Financial Times Instagram 21.10.2023):



How chickens took over the world food system

Charting the rise and cost of **chickenomics** →

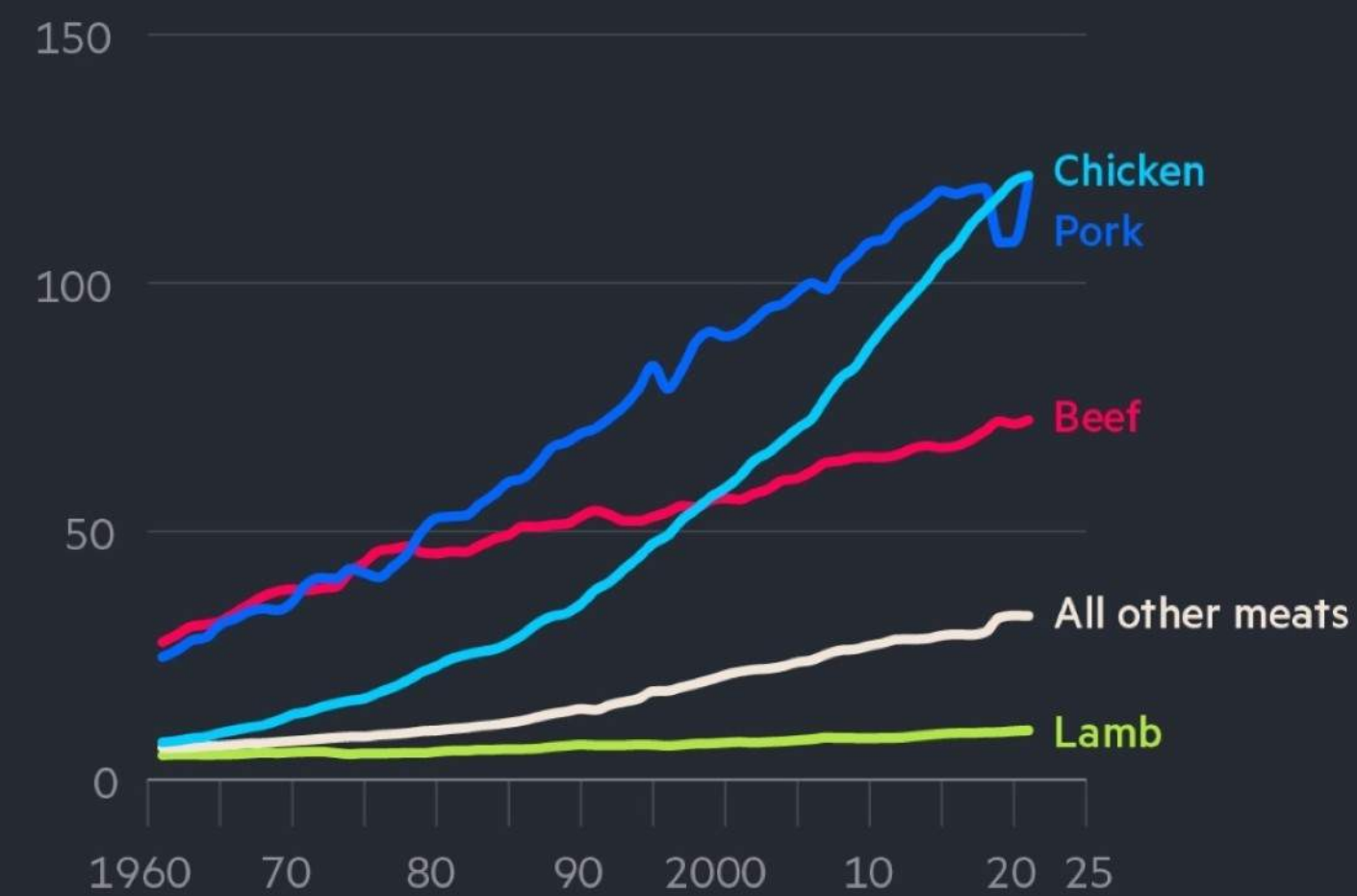
How did this happen? The expansion of the poultry industry started in the US in the late 1940s and 1950s. An American revolution in the processing and consumption of chicken spread around the world.

However, cheap chicken meat still comes at a steep environmental cost. Campaigners and researchers say that waste materials such as poultry litter and manure can pose a serious threat to environmental and human health.

Find out why we became so addicted to chicken, how the animal took over our food system and the future risks it carries.

More chicken is now produced than any other meat

Global meat production (mn tonnes)

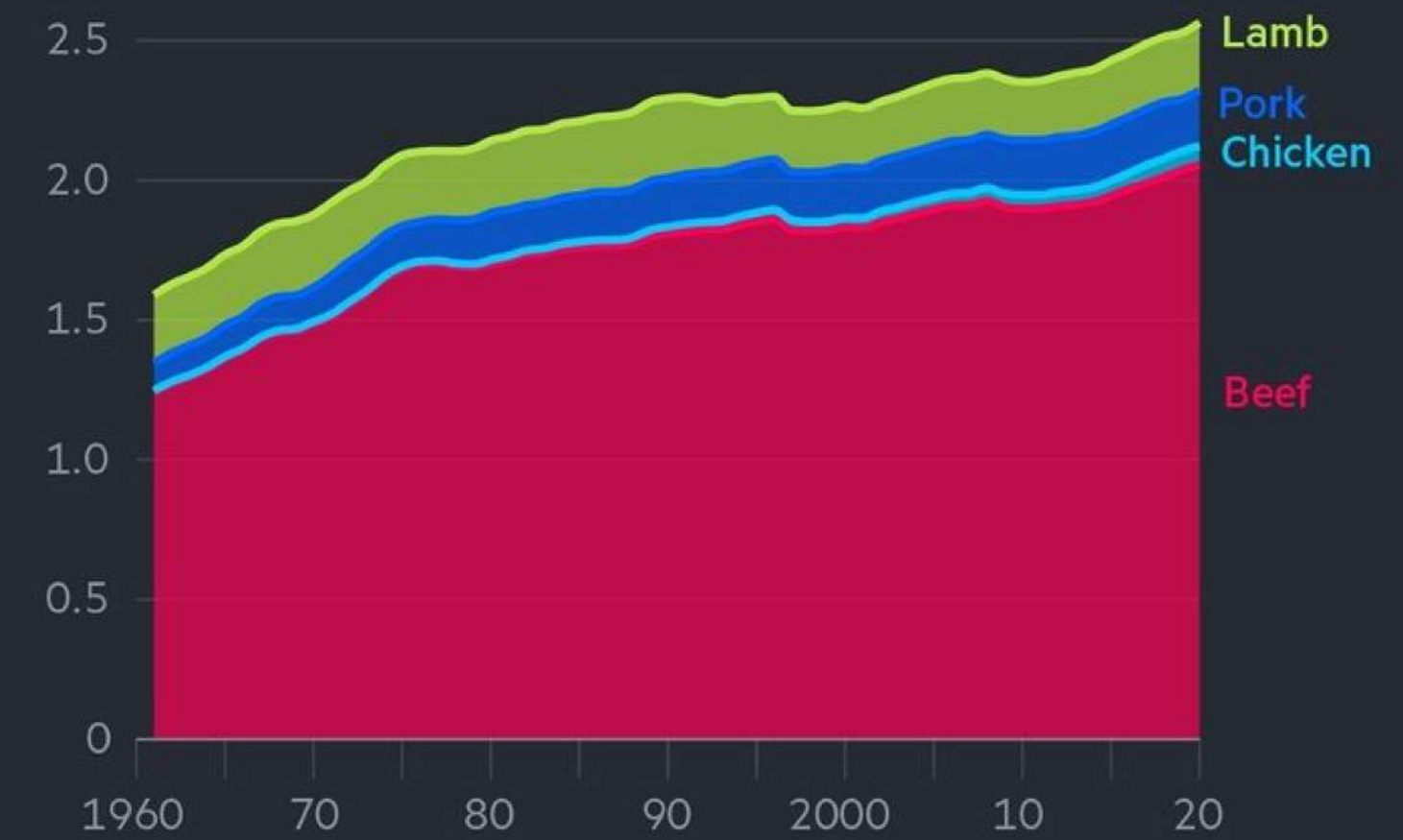


Source: FAO 2023

FINANCIAL TIMES

Poultry production has lower emissions per kilo than other animals farmed for meat

Emissions from meat production (gigatonnes of CO₂ equivalent)



Source: FAO 2023

FINANCIAL TIMES

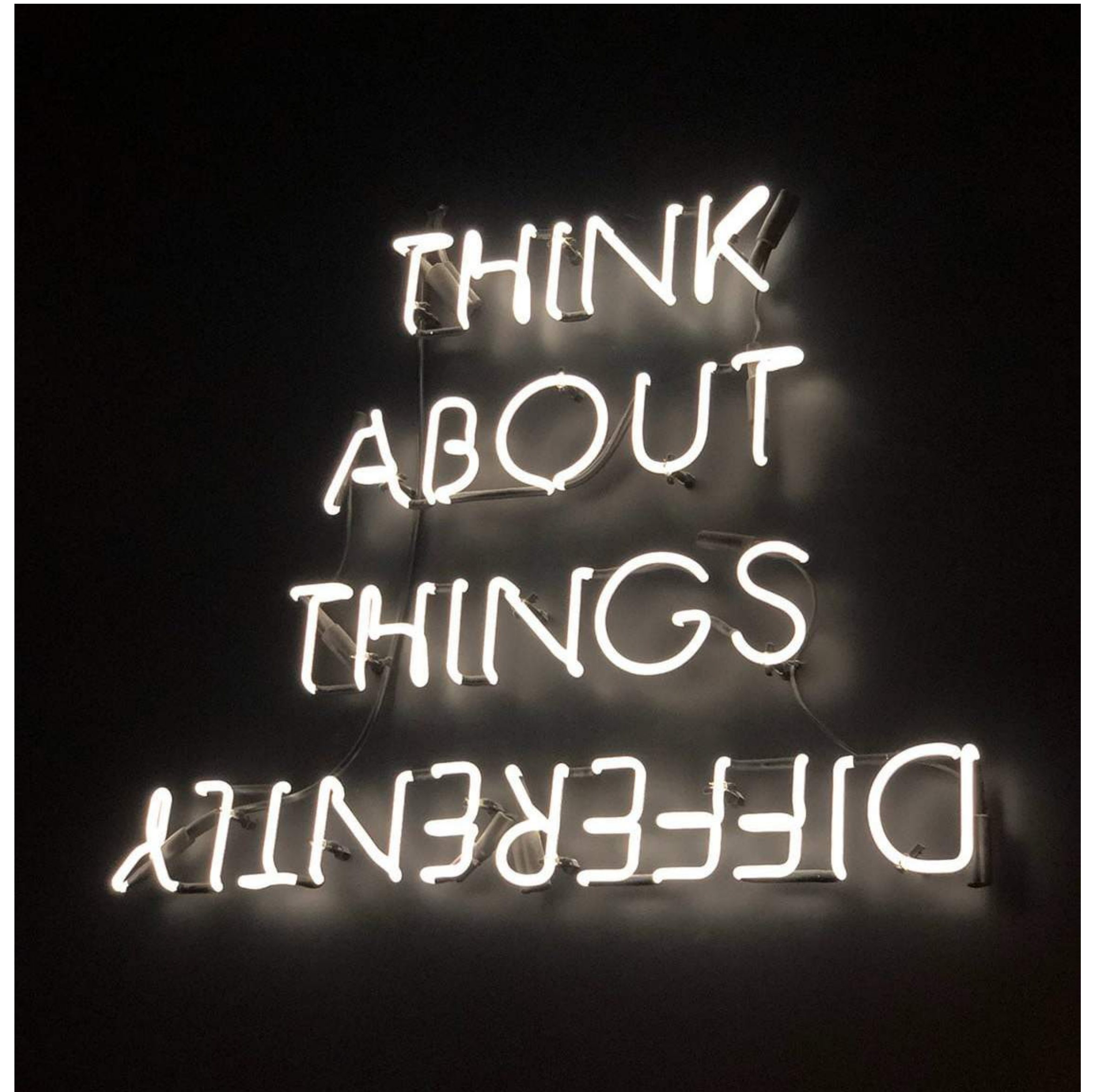
Why is Business Model Innovation so Hard?

(in existing businesses)

Why is Innovation so Hard?

Three challenges:

1. Thinking in Business Models
2. Overcoming the Dominant Industry Logic
3. Finding a Systematic Approach



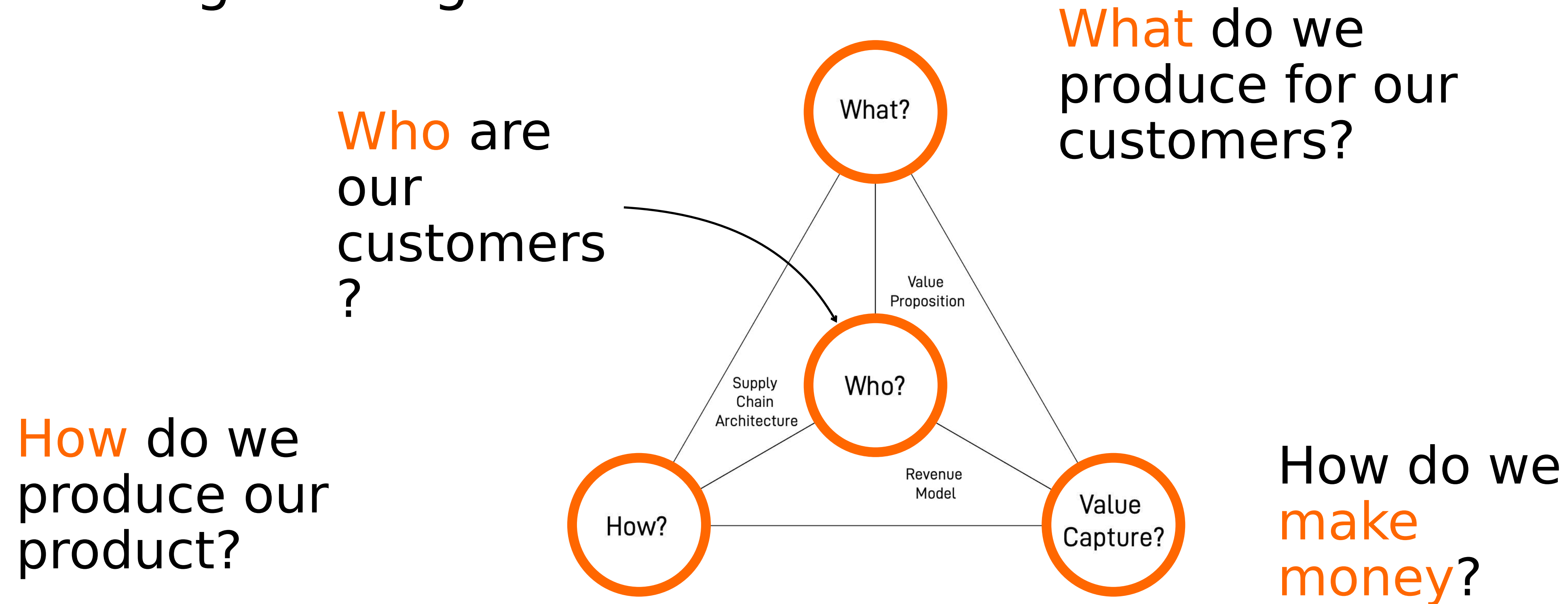
Challenge 1

Thinking in Business Models



Business Model Innovation Definition

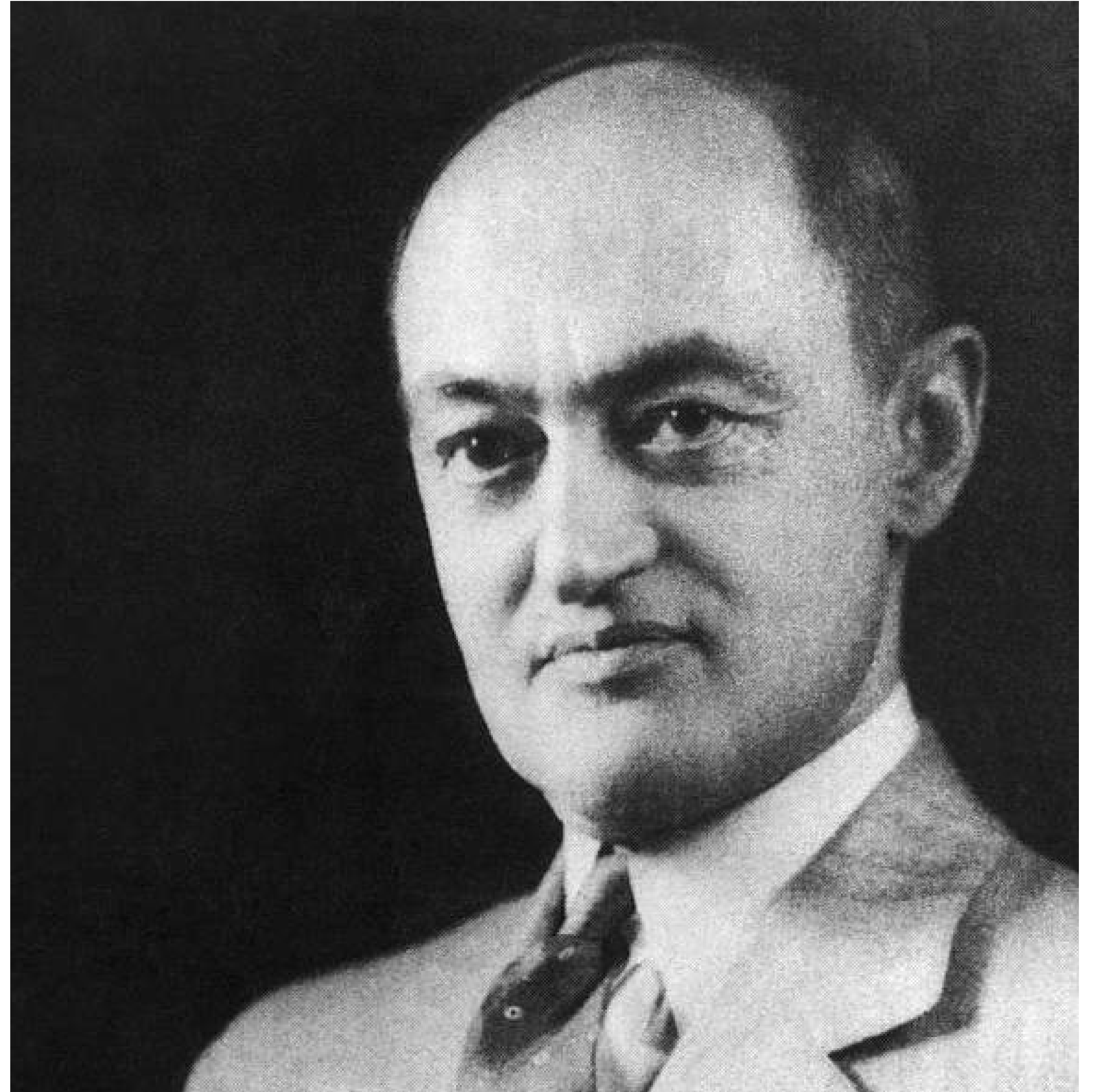
The “Magic Triangle”



Business Model Innovation means updating the Magic Triangle in **at least two** of the four **dimensions**.

“Innovation is the market introduction of a technical or organisational novelty, not just its invention.”

Joseph A. Schumpeter



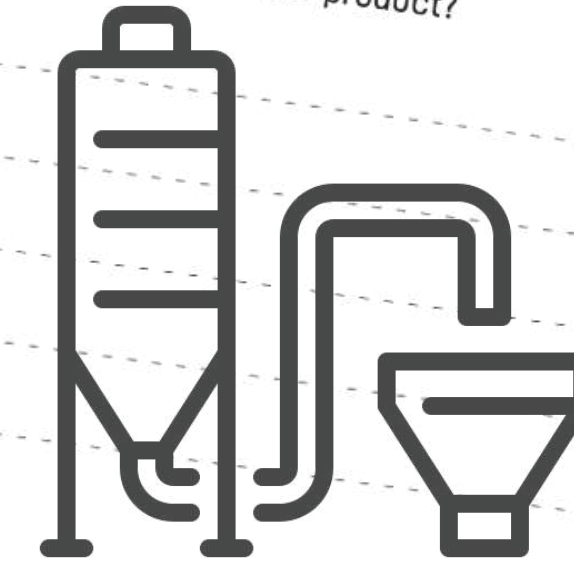
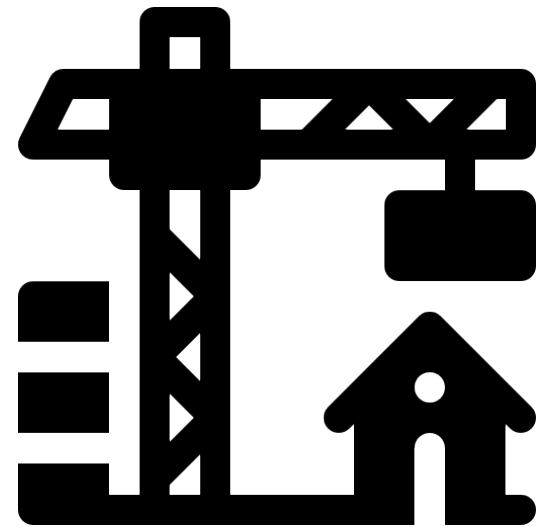
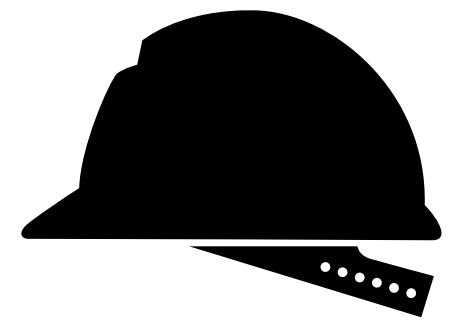
Example:

Business Model Innovation in the Cement Business



The Traditional Business Model

Cement, sold by weight.



Revenue Model

Who?

Who are our customers?

How?

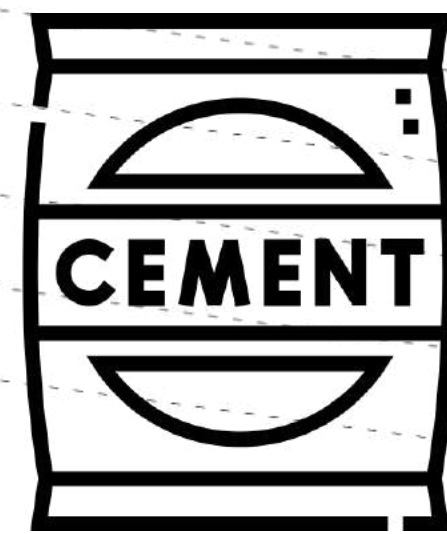
What are the steps required to produce our product?

What?

What do we produce for our customers?

Value Capture?

How do we make money?



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ISTANBUL

23rd to 26th
OCT
2023





Overnight Highway Repair ...or money back.

Speedcrete, a Holcim Indonesia company, promise to repair highways in 7 hours overnight - or they don't get paid.



 **Holcim**
Perbaiki Jalan 7 jam atau *Gratis**


SpeedCrete™

Betonku Holcim :
☎ 0 800 100 77 88
☎ 0 811 811 811 0
@ betonku@lafargeholcim.com
www www.holcim.co.id

*syarat dan ketentuan berlaku.



Speedcrete Business Model

Done in 7 hours, or money back. 

Revenue Model

Who?

Who are our customers?

How?

What are the steps required to produce our product?

What?

What do we produce for our customers?

Value Capture?

How do we make money?

Instead of selling to contractors, they **sell directly** to Indonesian highway authorities.

Instead of selling concrete, they **sell a solution**. Useable road after 7 hours or money back.

Instead of only supplying a building material, SpeedCrete **actually perform the maintenance work themselves** using specialised teams, quick-hardening concrete and special machinery.

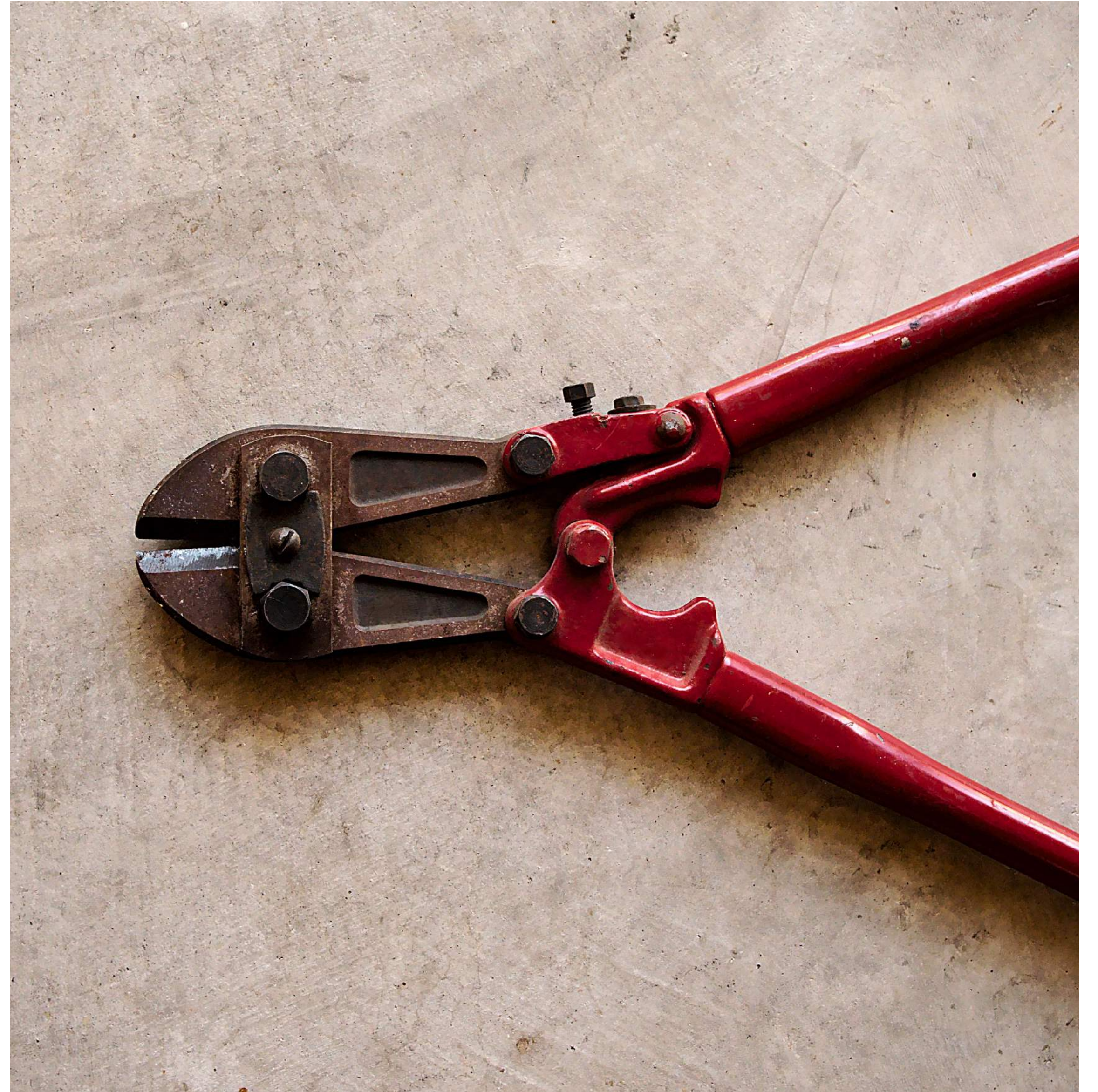
Payment for on-time fulfilment of **contract**.

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Challenge 2

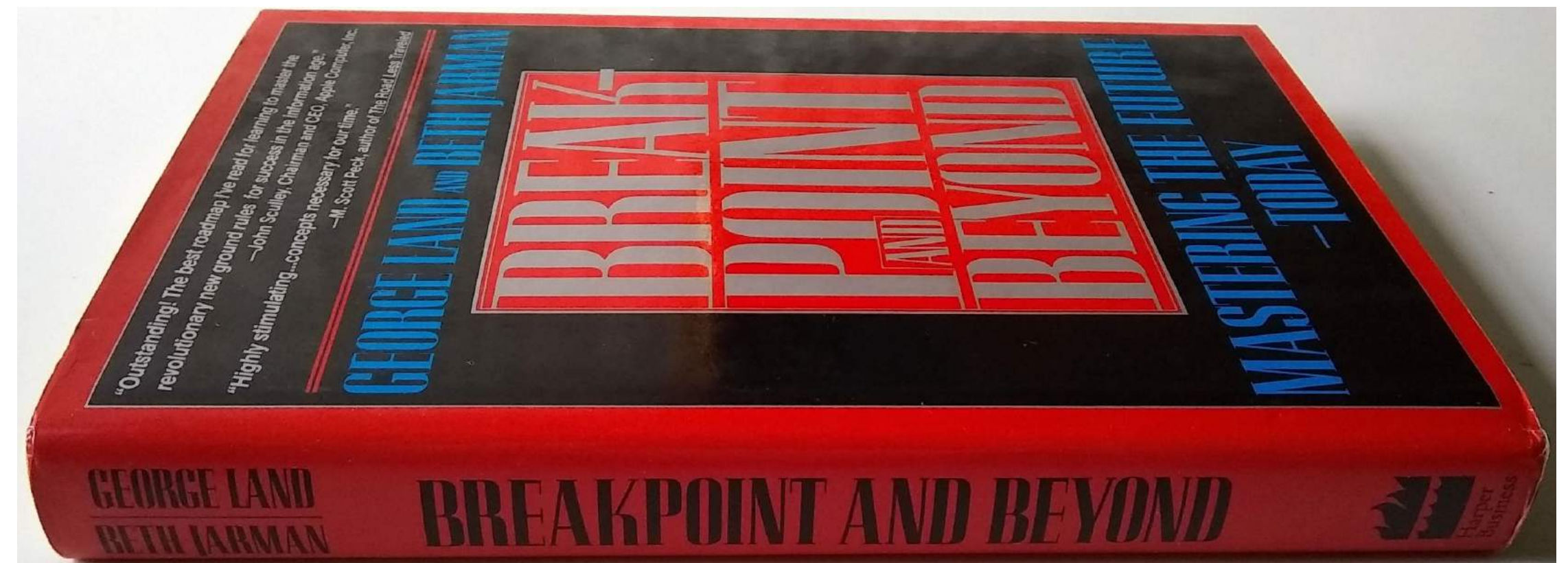
Overcoming the Dominant
Industry Logic



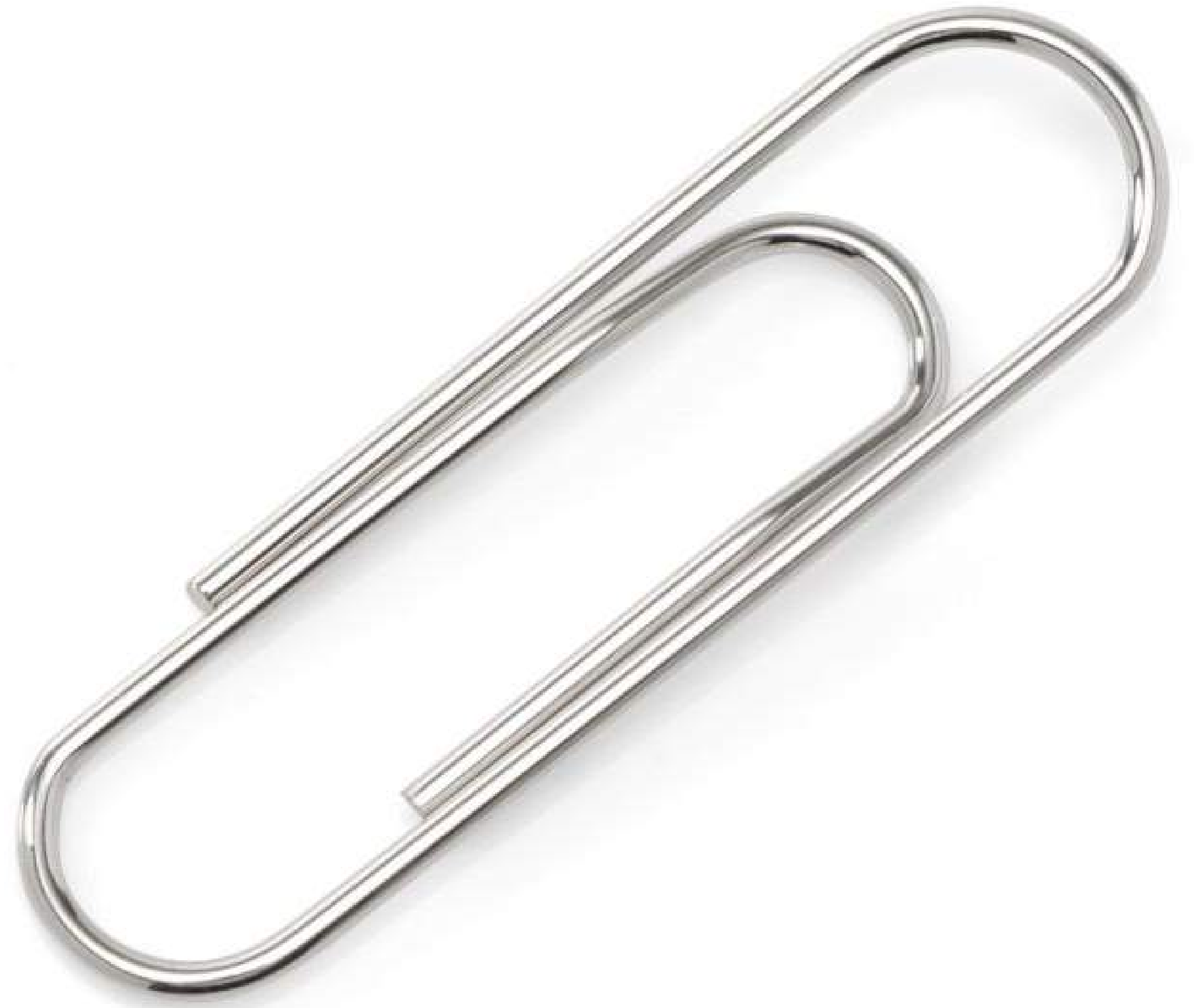
Creativity

Real Innovation needs an open mind.

- Long-term research by George Land, starting in 1968.
- Observed 1600 children, starting from when they were 3-5 years old.
- Tested for divergent thinking, a.k.a. the ability to “think outside of the box” at 5-year intervals.
- Those who reached 10/10 points were considered “creative geniuses”.



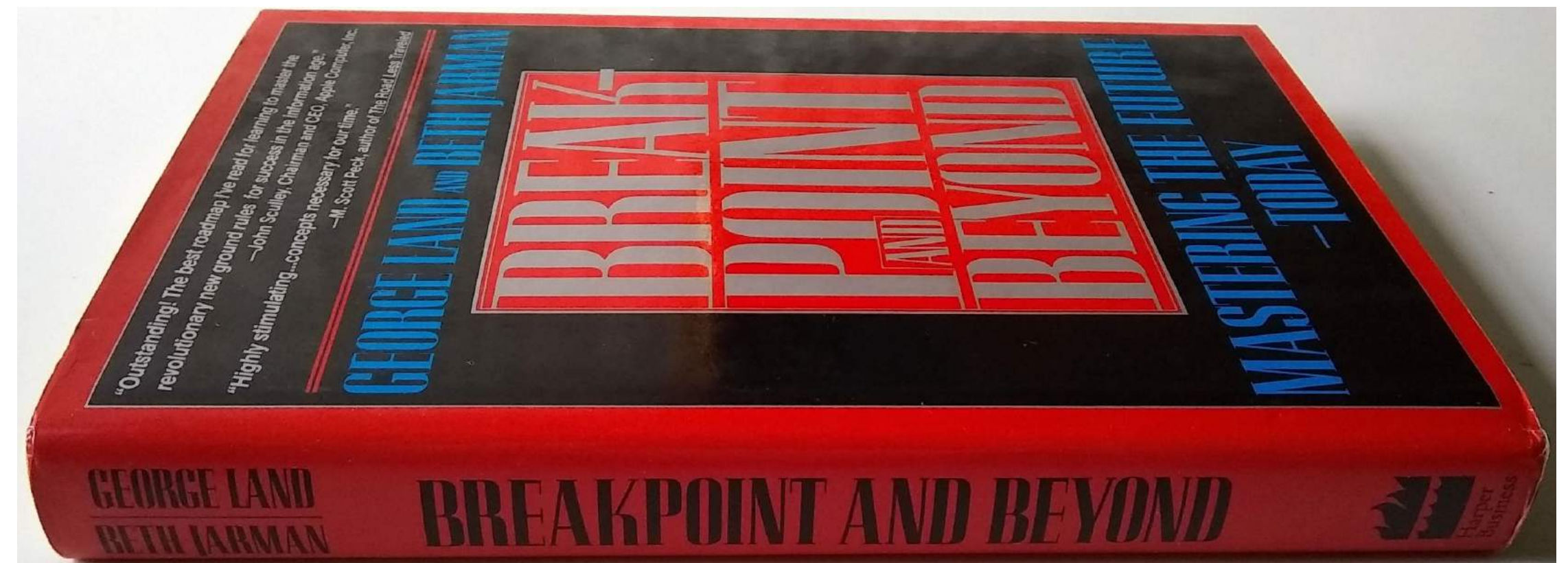
How many uses
can you think of for a
paperclip?



Creativity

“Creative Geniuses” found in research:


- 3-5 years old: 98%
- 8-10 years old: 30%
- 13-15 years old: 12%
- Grown-ups: 2%



Challenge 3

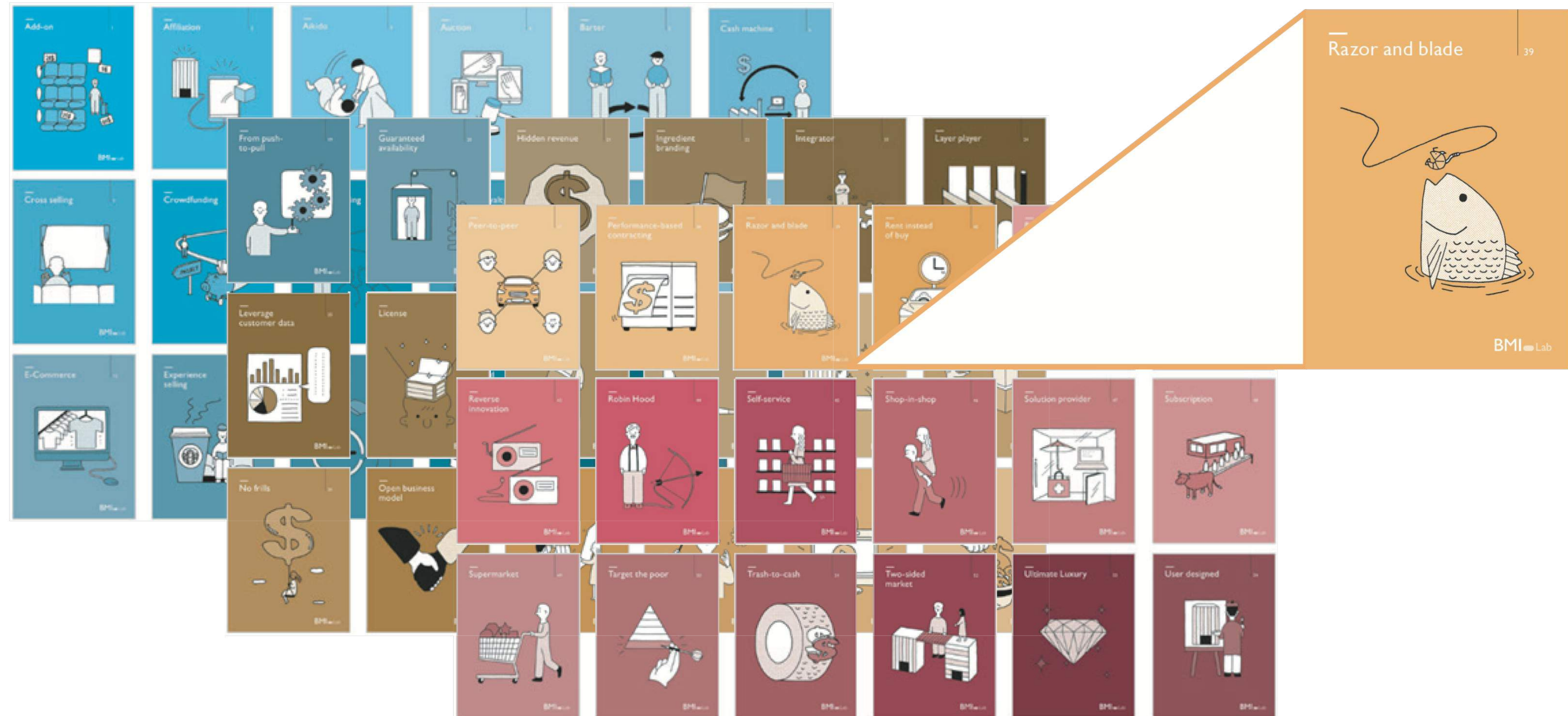
Finding a Systematic Approach



A photograph of a modern building with a glass facade and a dark, solid wall section. The building is viewed from a low angle, emphasizing its height and geometric forms. The sky is a uniform grey. The foreground shows a concrete plaza with a low concrete wall.

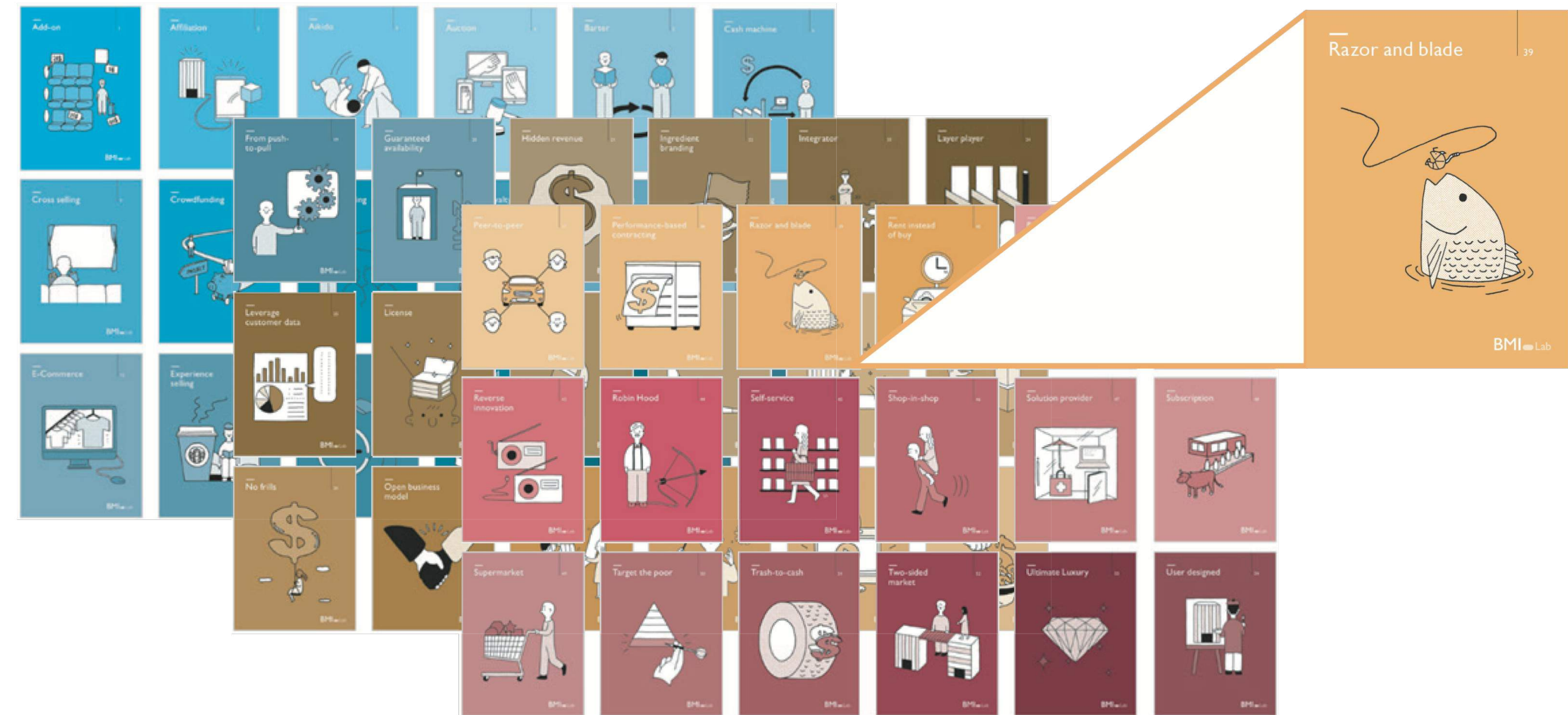
5 years intensive research –
detailed analysis of more
than **250 successful**
business model innovations
in the last decades.

55+ Patterns for New Business Models

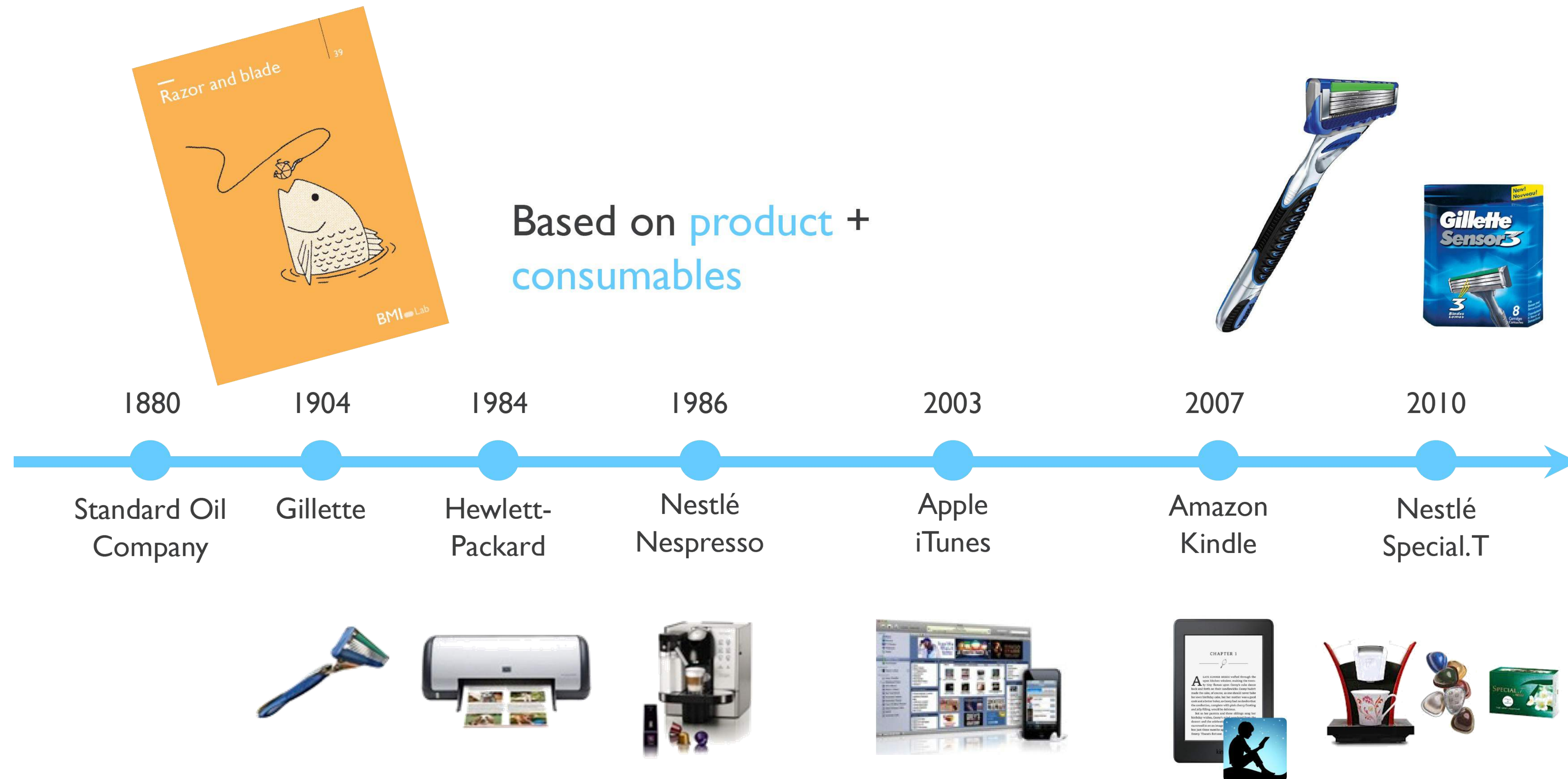


55+ Patterns for New Business Models

- 90% of all Business Model Innovations are recombinations.
- Intentional use of patterns from other industries to stimulate divergent thinking.
- Business Model Innovation is a craft rather than an art.



Example: Business Model Pattern “Razor and Blade”



55+ Patterns for New Business Models

Card sets on your desks

- Please find 2 card sets distributed among your desks and have a look.
- They are intended to inspire you.
- You have the option to use them later on, when we time-travel (not an obligation).



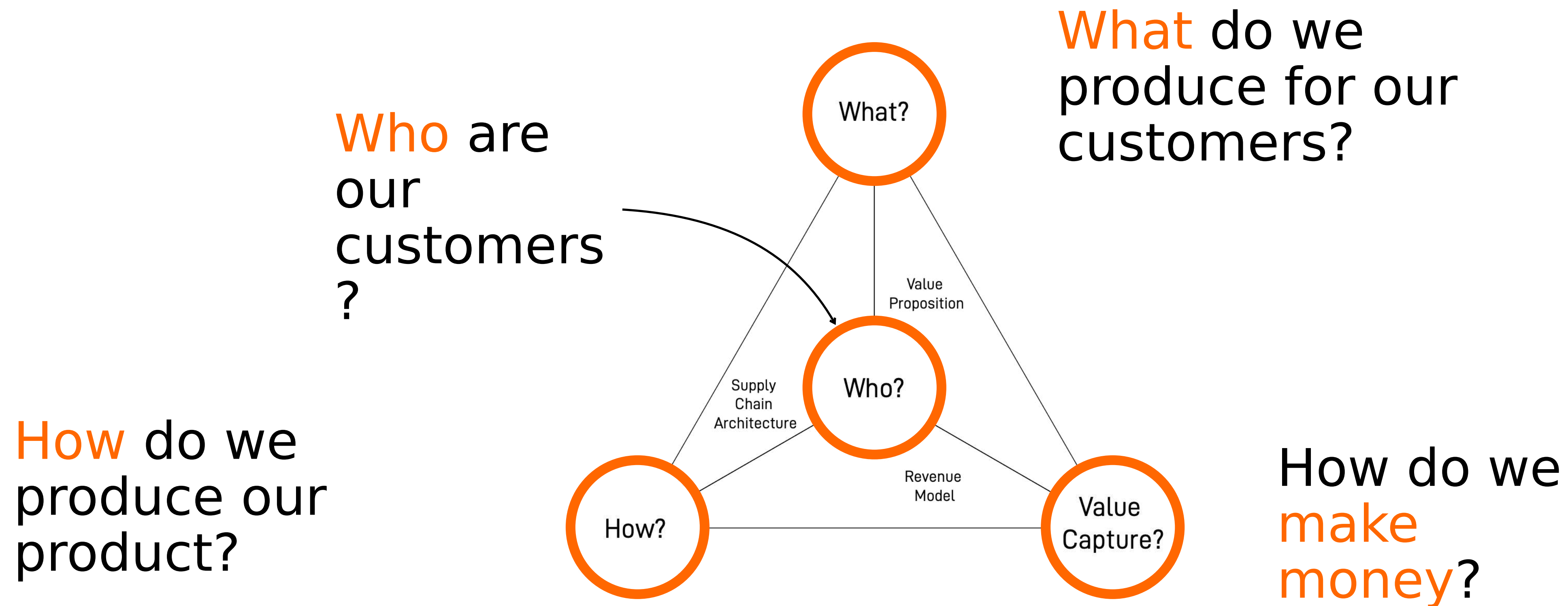
Activity: Current Business Model Analysis

(10:00 - 10:30) 30 minutes



Business Model Analysis

Describe the current state of your business

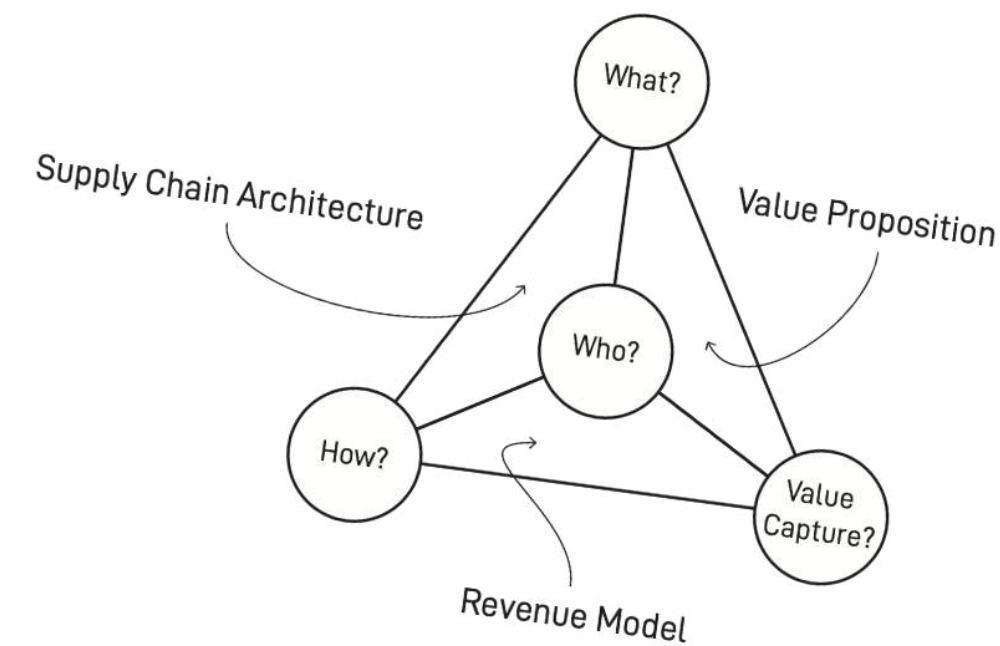


Business Model Analysis

Describe the current state of your business

Use the Business Model Sheets on your desks

Mapping the Business Model



Who?

Who are our customers?

.....
.....
.....
.....

How?

What are the steps required to produce our product?

.....
.....
.....
.....

What?

What do we produce for our customers?

.....
.....
.....
.....

Value Capture?

How do we make money?

.....
.....
.....
.....



Timebox:

We have until 10:30 for this part.

- The task is to describe **your current business** as a business model.
- Don't overthink it. Try to map all 4 dimensions in the next **15 minutes**.
- Then, take **5 minutes** to discuss in your groups, how it went.
- The table captains share a **short insight** with everyone.



Tool 2: Megatrends and Stakeholder Analysis

(10:30 - 11:00) 30 minutes



Introduction to Megatrends

What are they and what
can we learn from them?



Megatrends

What are they and what can we learn from them?

They are:

“...deep and profound trends, global in scope and long-term in effect, touching everyone on the planet and shaping our world for many years to come.”

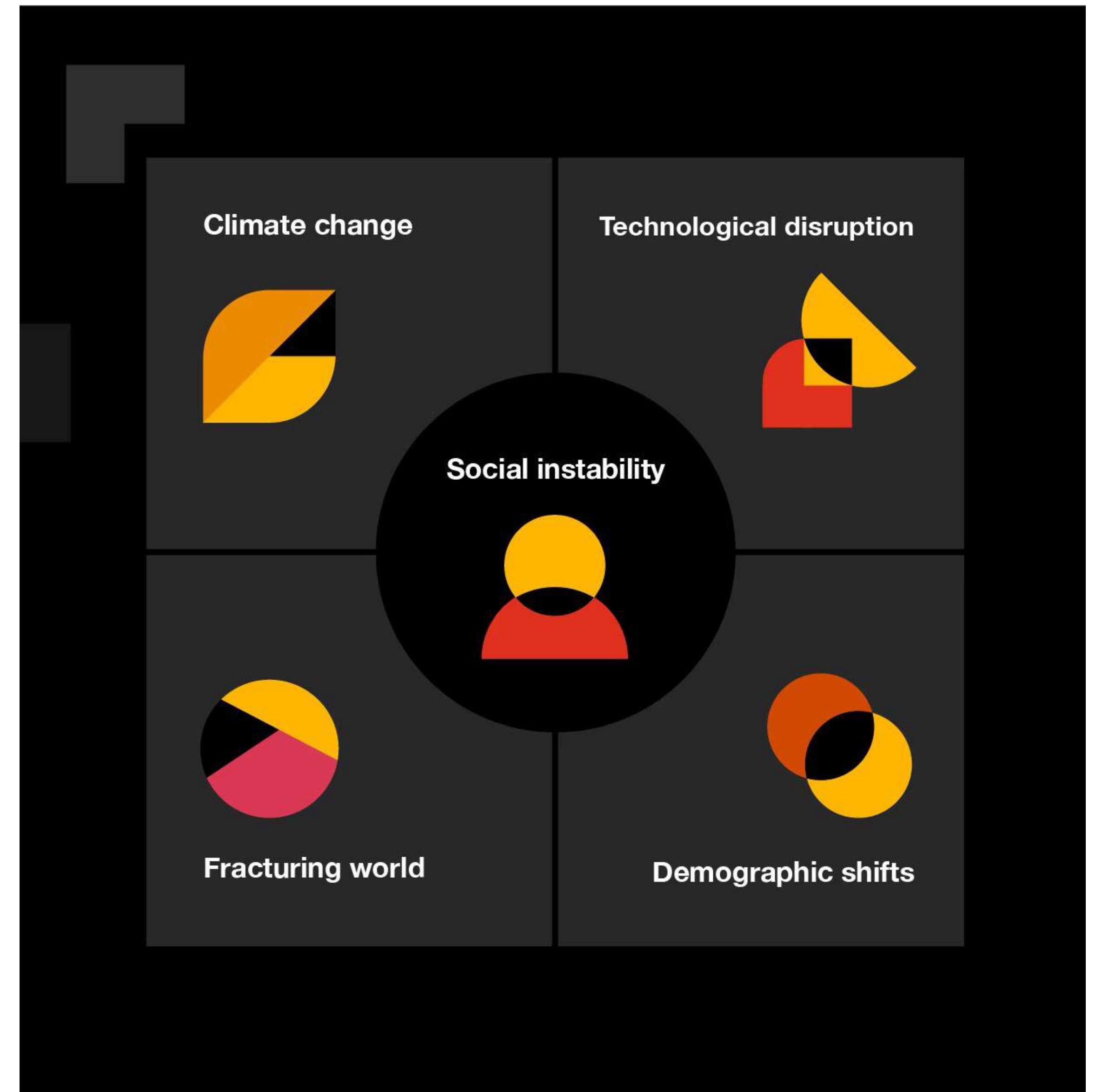
Blair Sheppard,
PwC's Global Leader, Strategy and
Leadership



Megatrend Card Set

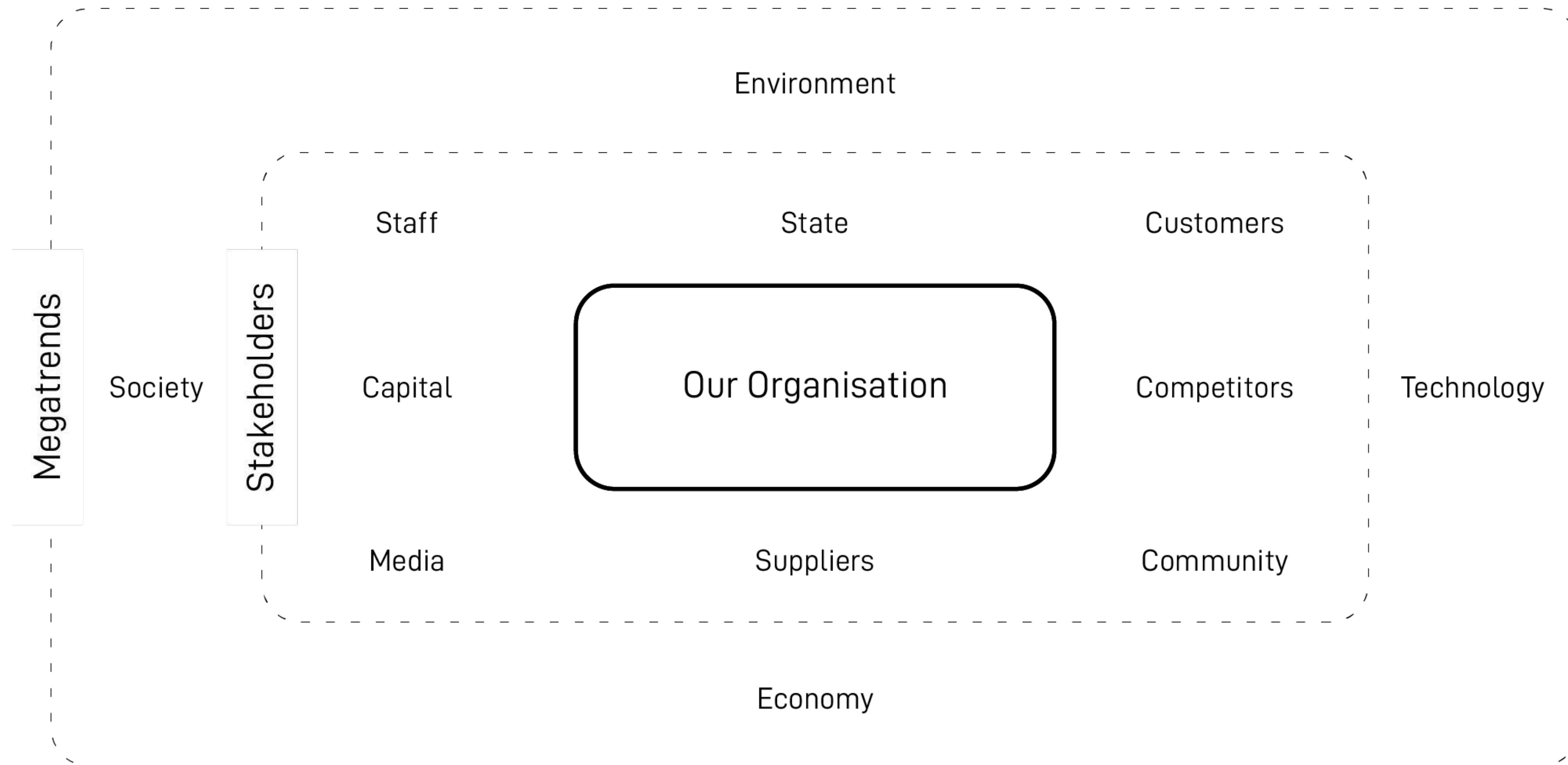
Based on PwC Research

- Please find 4 card sets distributed among your desks and have a look.
- They are intended to inspire you, to think of influences on your business coming from a long-term and global perspective.
- “Profit is the payment you get, when you take advantage of change.” Joseph A. Schumpeter



Influence Map

Our organisation/ Stakeholders/
Megatrends



**“How might
we...?”**

The most powerful question in innovation.

Activity: Mapping External Influences on your Business

(10:40 - 11:00) 20 minutes



Influence Analysis

Describe the current influences on your business

Use the
**Influence
Mapping Sheets**
on your desks



Use “How might we”-
questions to address
influences that you
believe will have an
impact on your business.

Timebox:

We have until 11:00 for this part.

- The task is to describe check in with yourself or your colleagues, which external influences might affect your business in the future.
- For every influence that you sense, **create a “How might we...” question.** Don't try to answer it, though!
- Again: Don't overthink it. Map what you have found to the Influences sheet for **10 minutes.**
- Then, take **5 minutes** to discuss in your table groups, how it went.
- The table captains share a **short insight** with everyone.



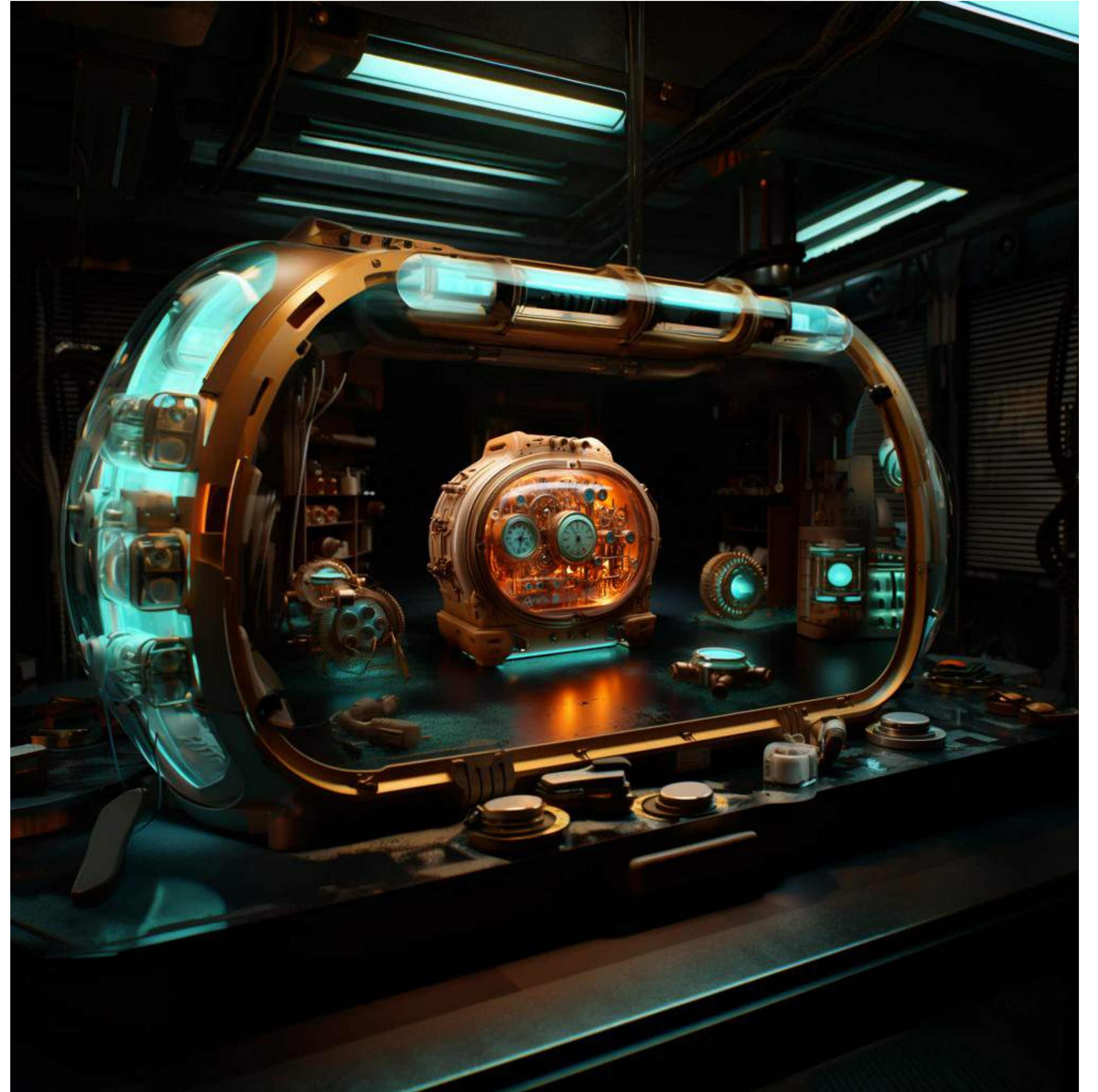
Break

(11:00 - 11:30) 30 minutes



Time Machine

(11:30 - 12:15) 45 minutes



The Time Machine

Warm-up: Brainstorm a Business Model

In your tables, you will have the task to very quickly come up with **as many business models as possible**, based on

a COW.



Time Machine Safety Rules

(...may be applied in most ideation settings!)

Share **ANY IDEA** that comes to mind (think big)

When ideas run dry, **REFRAME** and **RESTATE** the problem

STAY FOCUSED on the task at hand

When working in groups:

AVOID criticism

BUILD ON the ideas of **OTHERS**

Don't just name an idea, **EXPLAIN** it (and write it down afterwards)

Prompt those who are not talking to **CONTRIBUTE**

Timebox:

We have until 11:45 for this part.

- The task is to generate **as many cow-based business models as you can** in your table groups
- Use the two **pattern cards** on your tables to spark your creativity
- Use any paper to document your ideas. But **document them!**
- Produce as many models as you can in **10 minutes**
- Any idea is fair game
- At the end, the table captains share a **short insight** with everyone.



The Time Machine

In the upcoming exercise, we aim to **travel mentally** to the future.

By picturing fully, what our business will be like in 2030, we **sub-consciously lay the groundwork** for working towards this scenario.

So, the most successful time-travel imagines the **most successful version your business could possibly be**.

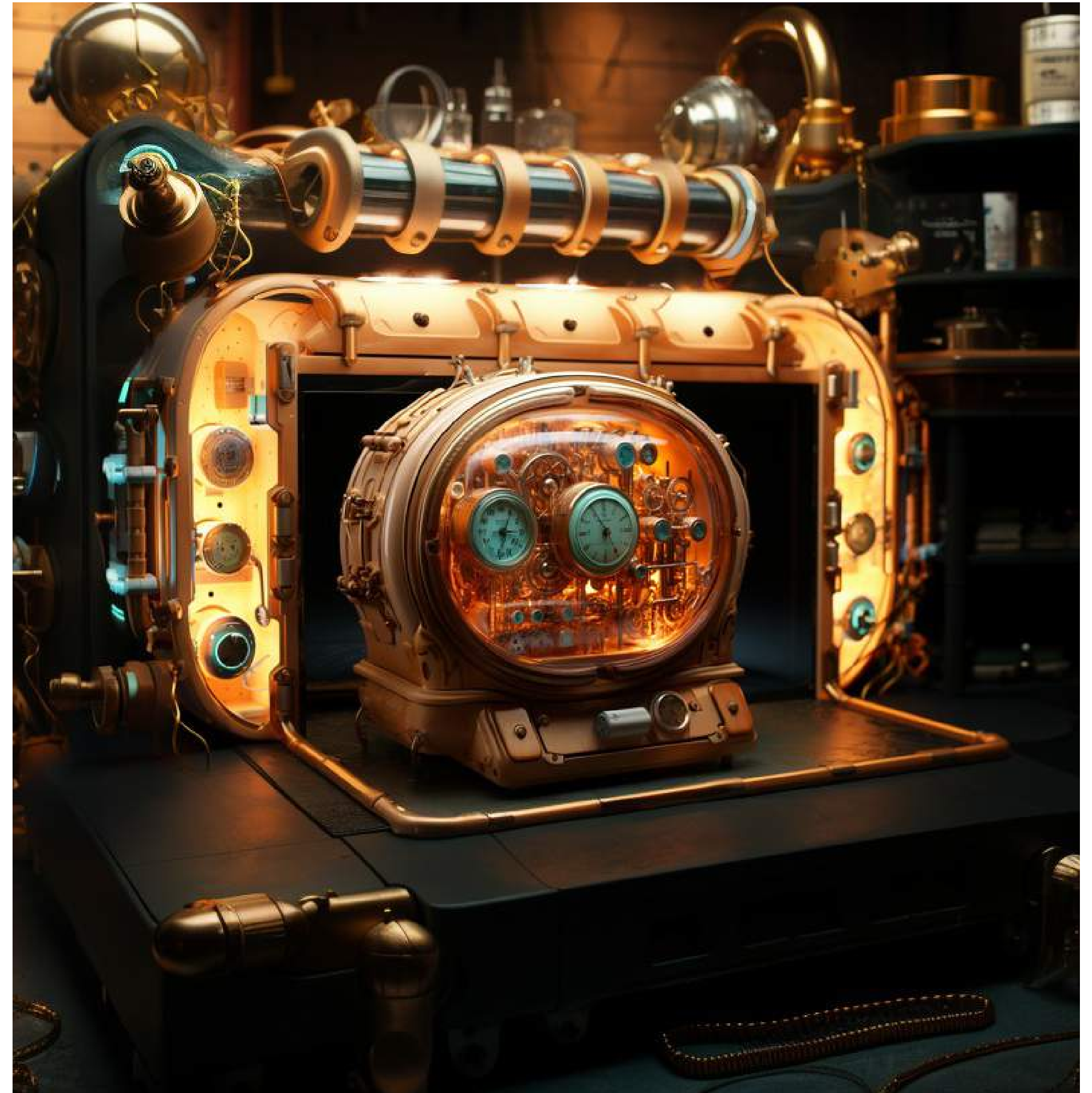
What is success to you? What will your business look like?

This is the moment to integrate what we have heard so far this morning:

By thinking of the **business model patterns**, imagine if you could see your business developing further, beyond what is common in your industry

By thinking of your “How might we”s and picture them solved. But don’t dwell on them.

Work in your companies. If you’re alone - take this moment to enjoy the journey alone. Feel free to exchange with your table if helpful - otherwise this journey is for you and your organisation.



Be Bold

If you aim for the moon and miss you will still land among the stars

- Be courageous with your hypothesis.
- The chances are that we may not progress as fast as we imagined.
- The chances is are that after our imagined 7 years, we have only covered half the distance.
- Make the vision bold and be creative so that working towards it will already be a



Timebox:

We have until 12:15 for this part.

- The Tools you have heard this morning are at your service. Use them at will!
- Time-Travel for **20 minutes**. Don't overthink it. Ask me anything, if you get stuck.
- Be wildly optimistic. Think of **the company you want**.
- Take **5 minutes** to discuss in your table groups, how it went.
- The table captains share a **short insight** with everyone.



Establishing Symbiotic Relationships

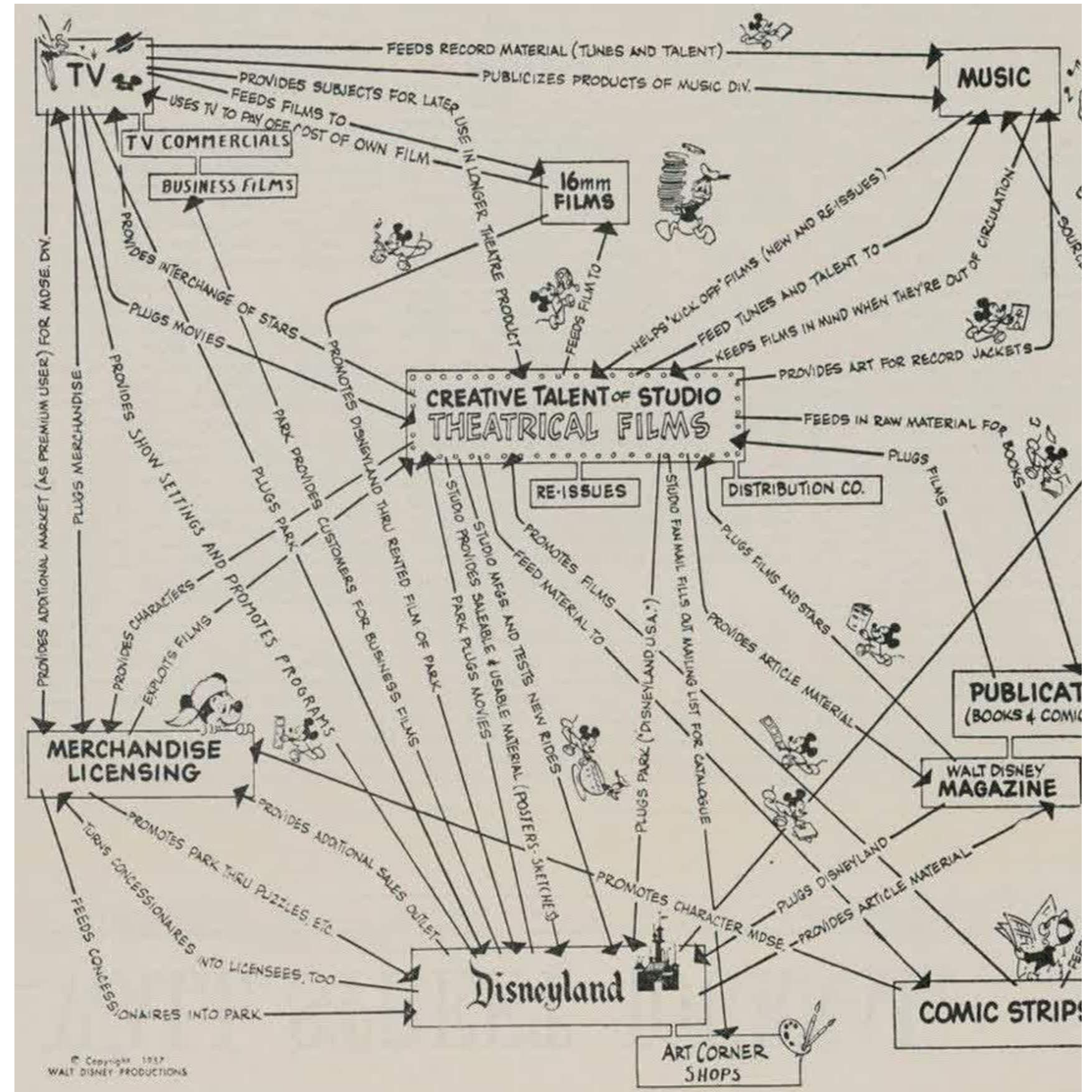
(12:15 - 12:45) 30 minutes



Disney Ecosystem

Another Single Entity Ecosystem

- Who makes the ecosystem?
 - Disney Films, Comics, Theme Parks, Merchandising
- Interdependencies
 - Disney always had a very clear understanding, that all of their activities had to be symbiotic
- Purpose
 - Disney's Success was entirely centered around telling great stories. All activities contributed to that one goal
 - During their "lost decade" they ventured into other short-termed entertainment (buying ESPN, for example)
 - Under Bob Iger, Disney came back, bought Pixar and later Marvel, and fully engaged in storytelling again. The ecosystem is intact until today.



The Swiss Watch Ecosystem

A local ecosystem



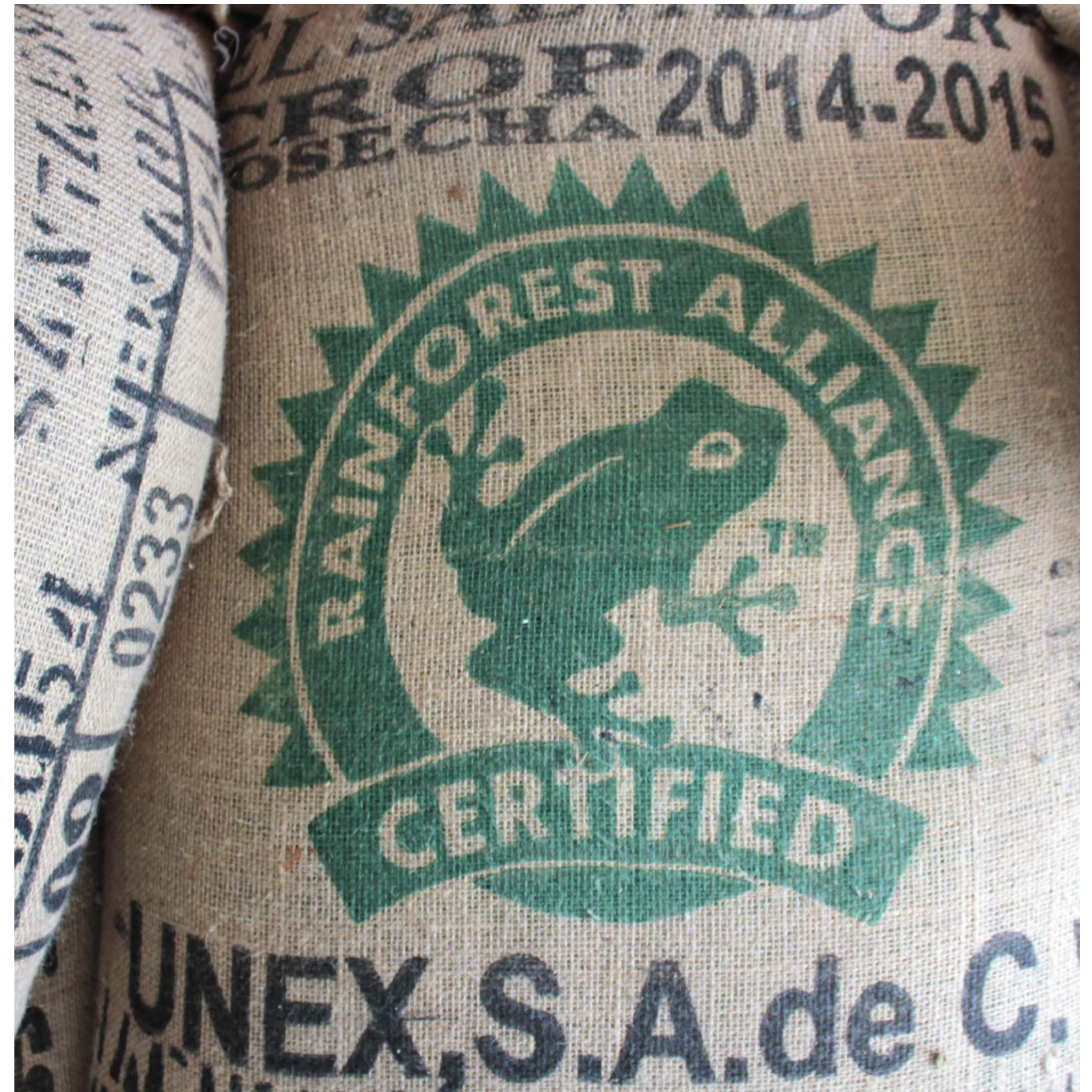
- Who makes the ecosystem?
 - Core Watch Manufacturers, Specialized Component Suppliers, Research and Development Institutions, Training and Educational Institutions, Retailers and Distributors,
- Interdependencies
 - Core manufacturers depend on specialized suppliers for high-quality components.
 - Research institutions collaborate with manufacturers to bring innovations to the market.
 - Training schools rely on the industry for placements, while the industry benefits from a skilled workforce.
- Benefits
 - Mutual growth, as the success of one entity can drive success for others.
 - Sustainability, as businesses support each other and share resources.



Fairtrade Coffee

A specialised ecosystem

- The Rainforest Alliance is a non-profit organization committed to conserving biodiversity and ensuring sustainable livelihoods. Their certification program in the coffee sector is a beacon for sustainable and ethical practices.
- Who makes the ecosystem?
 - Farmers, Certification, Brands & Roasters, Retailers, Consumers
- Interdependencies
 - The whole value chain is individually for-profit. Every party would be more vulnerable, less sustainable and likely less successful alone.
- Benefits
 - Brands associated with the Rainforest Alliance benefit from a positive image, consumer goodwill, and often, increased sales.
 - Farmers often receive better prices for certified coffee. Moreover, sustainable practices lead to better yields, ensuring long-term economic viability.
 - Sustainable farming practices lead to reduced deforestation, better soil health, and conservation of water resources.
- The binding force in this ecosystem is the shared commitment to sustainability and ethical practices. Every stakeholder, from the farmer to the consumer, plays a role in promoting and supporting this goal.



Activity: Symbiosis Mapping

(12:15 - 12:45) 30 minutes



Timebox:

We have until 12:45 for this part.

- Discuss at your tables:
 - Is there potential for an ecosystem within your industry?
 - Who might the participants be?
 - How would this ecosystem be stronger than the “sum of its parts”
 - What might the benefit for the end-customer be?
- Take **5 minutes** to discuss in your table groups, how it went.
- The table captains share a **short insight** with everyone.



Action Planning

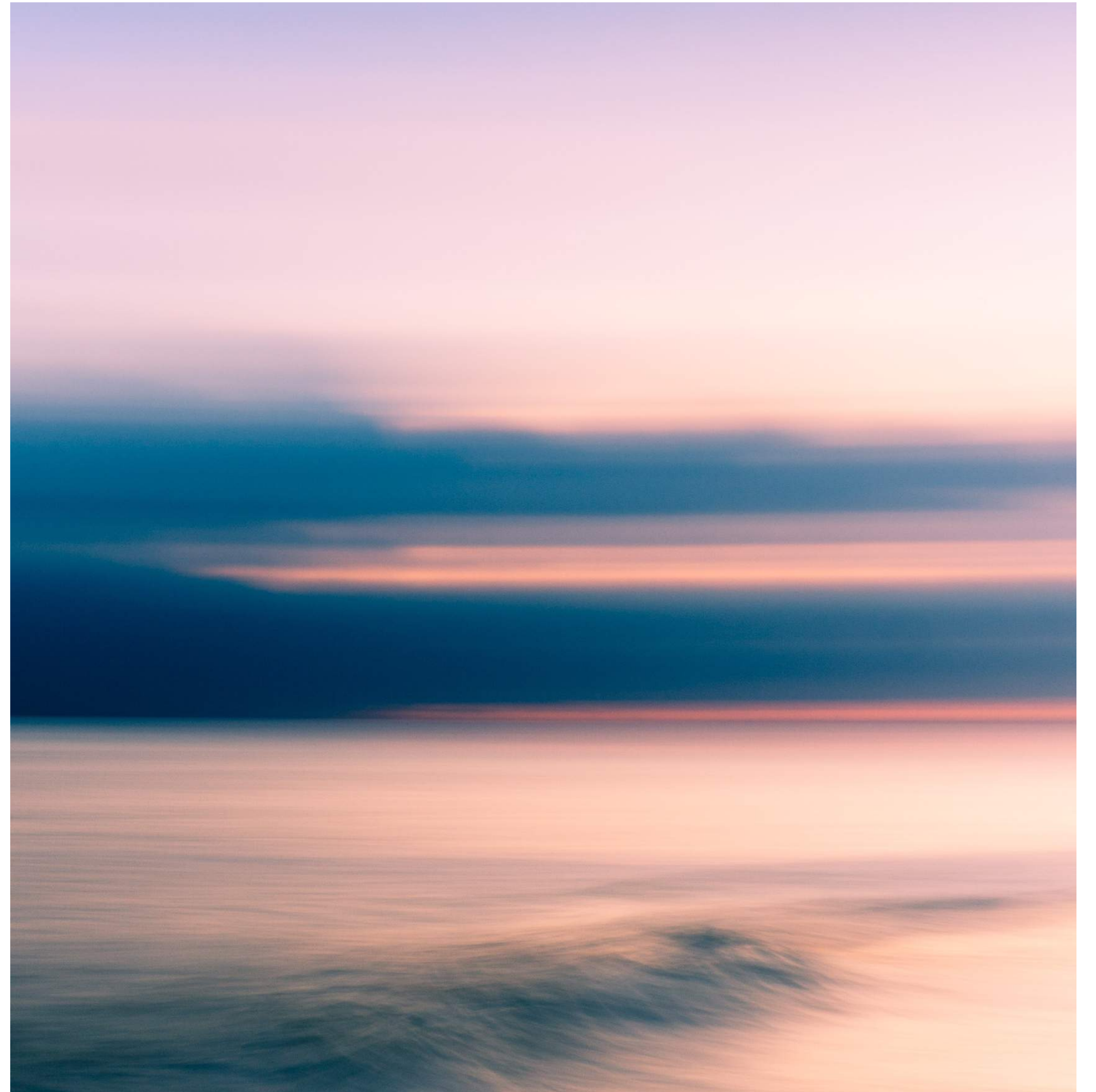
(12:45 - 13:15) 30 minutes



Action Planning

What happens next?

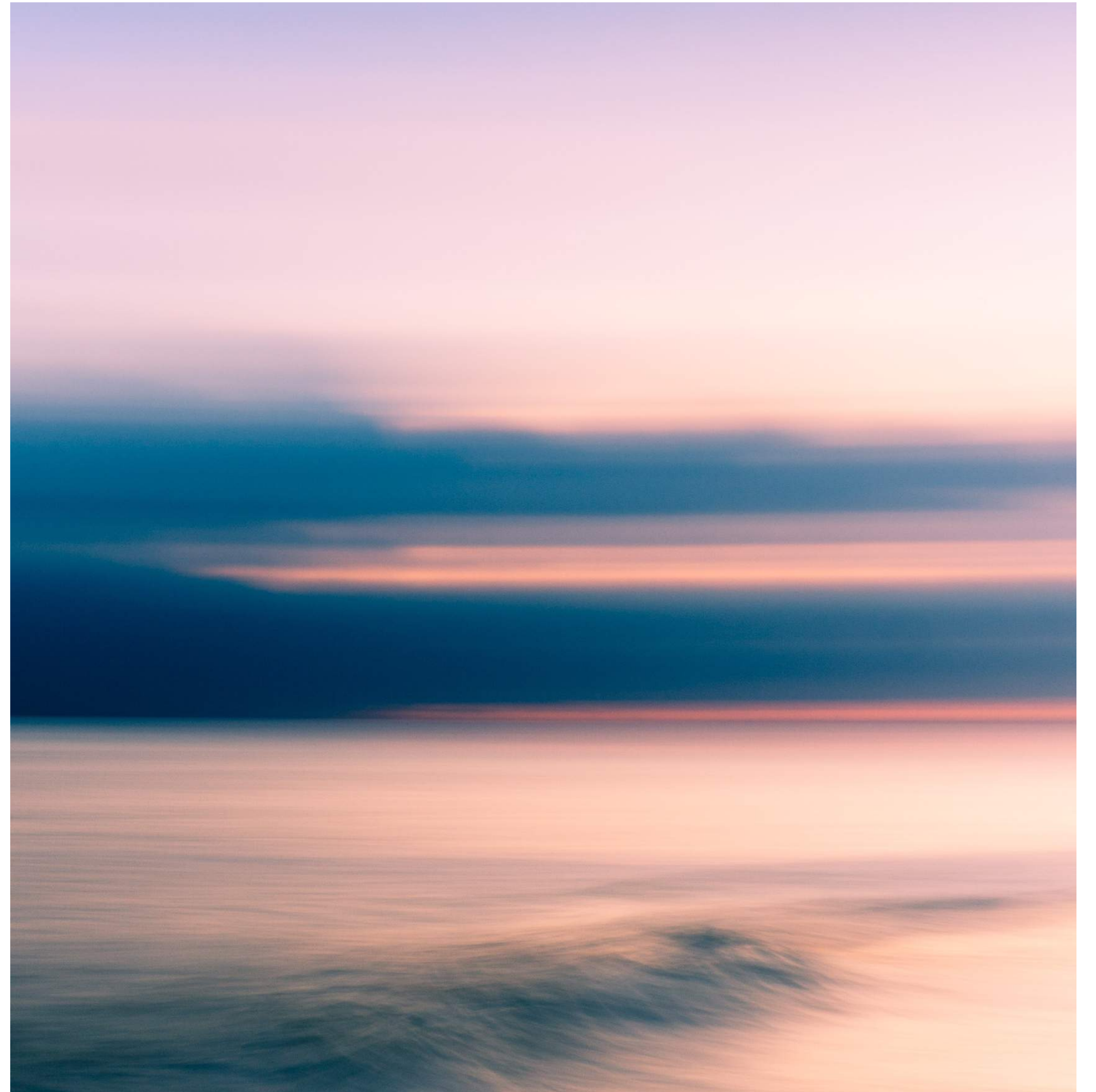
- Let's make a first step, to channel today's ideas into action.
- It's as easy as taking a note: What are the immediate steps you will take to make your vision a reality, when you come back from the conference?
- What are the actions you will take until the end of the year?
- Go for "1%-goals", but commit to those.



WOOP

One last tool!

- Wish
- Outcome
- Obstacles
- Plan



Timebox:

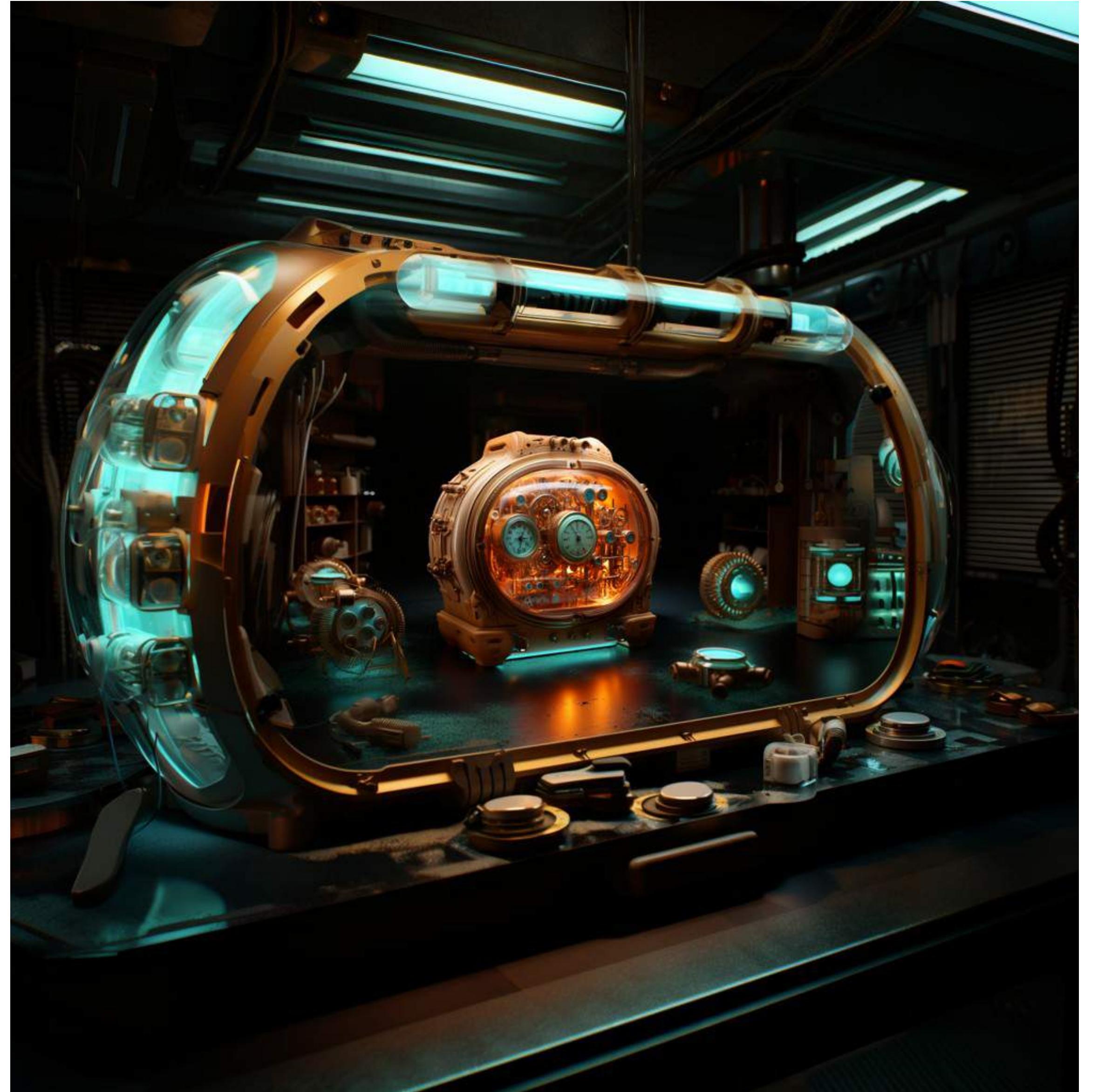
We have until 13:15 for this part.

- Make a WOOP for your vision:
 - Describe your wish.
 - What is the best outcome? How can you tell if your wish became a reality?
 - What are the obstacles, that you might meet?
 - How do you plan to overcome this obstacles?
- Take **10 minutes** to WOOP.
- Take **5 minutes** to discuss in your table groups, how it went.
- The table captains share a **short insight** with everyone.



Check-Out

(13:15 - 13:30) 15 minutes





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