

E-Business Modelling: Bridging Strategic and Operational Models

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E-Business modelling

Three levels of modelling are possible

- Strategic (Porter etc.): most abstract
- Operational Process: most detailed
 - Workflow
 - State Diagrams, Petri Nets etc.

But also in-between level

- Value-Exchange modelling

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Target Groups

- Strategic level targets for Board-level Management
 - Essential for management support of adoption of innovative technology
- Process level targets for System Developer
 - Essential for successful implementation
- Value level targets for Business Analyst (who often is the key informant for board-level!)
 - Essential bridge between management and developer

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Why Value-Exchange Modelling is Needed

Abstract E-Business Modelling is no longer enough

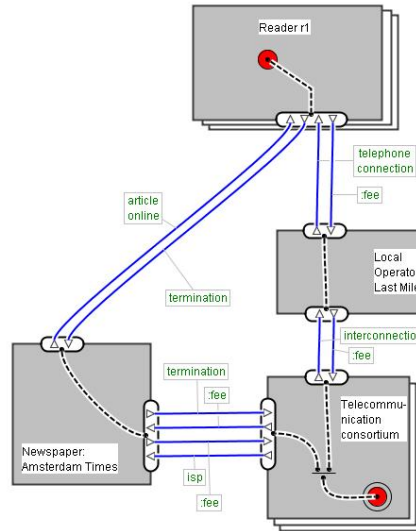
- Customers are more critical about convincing economic details
- All simple e-business models have been tried already
 - Viable are only complex models with many different partners: value webs (e.g. mobile services)
- When successful E-Business models are up-scaled there is a need for more detail of the business model

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E^3 value – how does it look like (1)

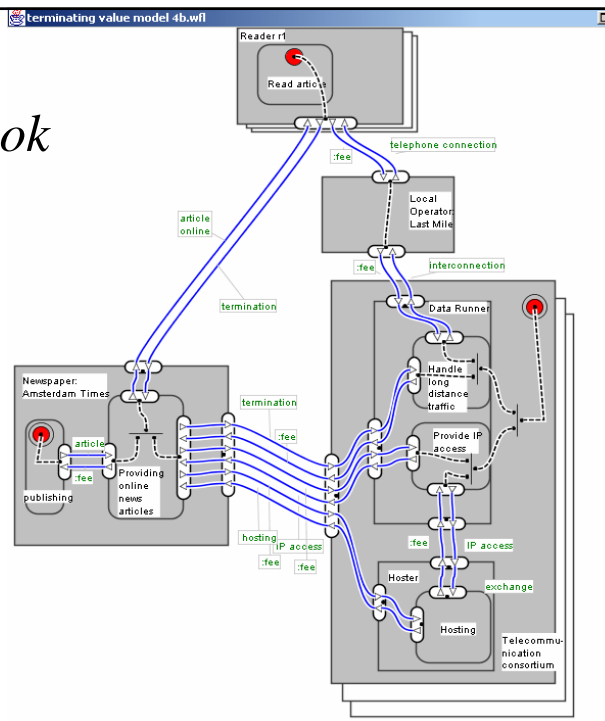
Basic notions:

- Actors exchanging objects of economic value
- Capable of modelling:
 - Who does what
 - Economic reciprocity
 - Bundling
 - Aggregation
 - Partnerships
 - Value constellations
 - ...



E^3 value – how does it look like (2)

- Various levels of detail



E³ value (3): Profitability sheets

Scenarios	Value	Function
Stimulus		
Read ad		
Value properties		
Actual	15	
Forecast	15	
Forecast-concurrent	1	
Value-functions		
Total-actual		=actual*Readers.quantity
Total-forecast	150000	=forecast*Readers.quantity
Total-forecast-concurrent	100000	=forecast-concurrent*Readers.quantity
Path 1	0.5	
Likelihood		
Value-functions		
Actual	750000	=Total-actual*Likelihood
Forecast	750000	=Total-forecast*Likelihood
Forecast-concurrent		=Total-forecast-concurrent*Likelihood

Actors	Delta actor	Delta value interface	Delta scenario path	Value
Actor Reader				100000
Quantity				
Value interface Read Article				
Scenario path 1			-255000	
Scenario path 2			-255000	
Total value interface		-510000		
Total Actors	-510000			
Total Actor	-5.1			
Actor Last Mile				
Value interface connection				
Scenario path 1			255000	
Scenario path 2			255000	
Total value interface		510000		
Value interface interconnection				
Scenario path 1			-204000	
Scenario path 2			-204000	
Total value interface		-408000		
Total Actor	102000			
Actor Data Runner				
Value interface interconnection				
Scenario path 1			204000	
Total value interface		204000		
Value interface termination				
Scenario path 1			-112200	
Total value interface		-112200		
Value interface internet access (AT)				
Scenario path 1			10000	

Discussion statement

- Value exchange modelling is needed to bridge strategic and operational modelling