A Conceptual Value Modeling Approach for e-Business Development

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Observations during innovative e-business development

• Finding an innovative value proposition is key;
• A wide range of stakeholders is involved (C*O’s, ICT people,…);
• Value propositions are articulated very informally;
• Economic feasibility of idea is hardly known;
• Timeframes for development are short.

Characteristics of our approach

• A graphical conceptual modeling approach;
• A light-weighted approach;
• A scenario approach;
• But also: an economic value aware approach!

Representing a value model: the $e^3$-value ontology

Discussing a value model

Stakeholders see:
• Causality of revenue streams
• Bundling
• Customer ownership
• Price setting

Evaluating a value model (1)

• Create profit sheet
• Determine valuation schema
### Evaluating a value model (2)

- Evaluate what-if scenarios

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Profit</th>
<th>Last Mile Times</th>
<th>Data Runner</th>
<th>Hoster</th>
</tr>
</thead>
<tbody>
<tr>
<td>Null scenario</td>
<td>E 164,400</td>
<td>E 102,000</td>
<td>E 113,800</td>
<td>E 8,000</td>
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<tr>
<td>Forecast &gt;&gt; Actual</td>
<td>E 0</td>
<td>E 10,200</td>
<td>E 26,680</td>
<td>E 8,000</td>
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<tr>
<td>Interconnect factor</td>
<td>E 164,400</td>
<td>E 346,800</td>
<td>E -8,000</td>
<td>E 8,000</td>
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<td>Revenue sharing factor</td>
<td>E -19,200</td>
<td>E 102,000</td>
<td>E 205,600</td>
<td>E 8,000</td>
</tr>
</tbody>
</table>

### Conclusions

- Notion of *economic value* key in e-business development;
- *e*²-*value*: lightweighted ontology to represent value models, with on top an operational scenario mechanism;
- Value models shows:
  - causality of revenue streams
  - bundling
  - customer ownership
  - price setting
- Evaluation using what-if scenarios