

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.



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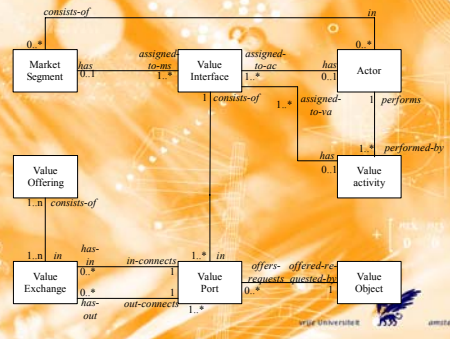
Characteristics of our approach

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



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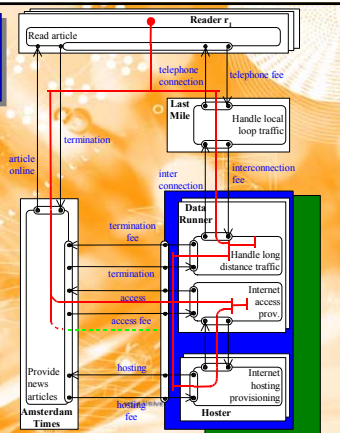
Representing a value model: the e³-value ontology



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Discussing a value model

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



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Evaluating a value model (1)

- Create profit sheet
- Determine valuation schema

Scenario	Read article online	
Actor	Value object in	Value object out
Last Mile	tel. connect. fees= (tel. start tariff+(tel. connect. tariff*duration))*actual occ.	interconnect. fees _{composite1} = tel. connect. fee*distance factor _{composite1} *interconn. factor* actual occ.*p
Amsterdam Times	termination fees _{composite1} = tel. connect. fee* revenue sharing factor _{composite1} * distance factor*actual occ.*p	inet access fees _{composite1} = see Data Runner



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Evaluating a value model (2)

- Evaluate *what-if* scenarios

Scenarios	Profit			
	Amsterdam Times	Last Mile	Data Runner	Hoster
Null scenario	E 164,400	E 102,000	E 113,800	E 8,000
Forecast >> Actual	E -28,560	E 10,200	E 26,680	E 8,000
Interconnect factor decreases	E 164,400	E 346,800	E -8,600	E 8,000
Revenue sharing factor decreases	E -19,200	E 102,000	E 205,600	E 8,000



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Conclusions

- Notion of *economic value* key in e-business development;
- e³-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



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