



# VA<sup>3</sup> Governance Selection in Value Webs

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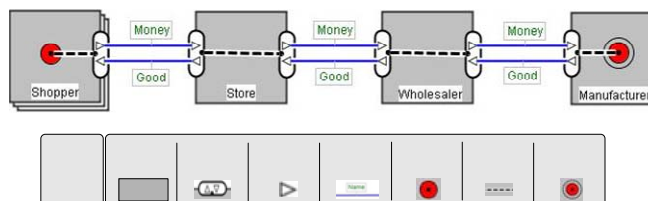
Cisco Systems



## Modeling Value Webs with e<sup>3</sup>value

1. e<sup>3</sup>value
2. The value assignment problem is ...
3. Governance selection
4. Case study
5. In sum ...

- *Value webs*: Constellations of enterprises that offers products jointly to customers
- *Modeling* of value webs:
  - *Shared understanding* by all stakeholders
  - *Enabling software requirements engineering* for software supporting the value.
- A modeling language for value webs is e<sup>3</sup>value:

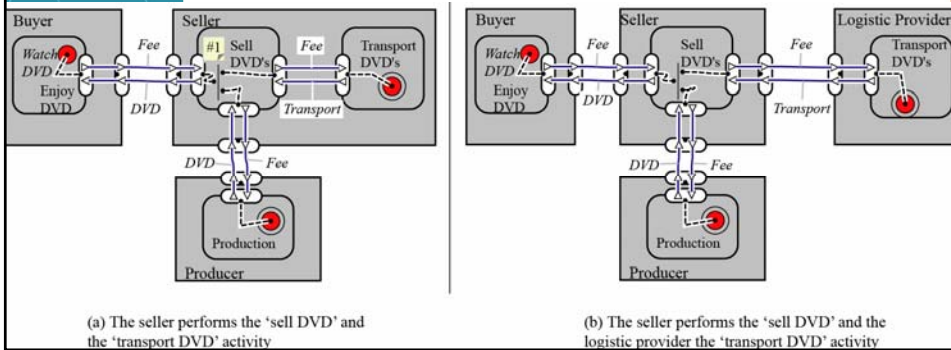




## The “Value Activity Assignment Problem” is a ...

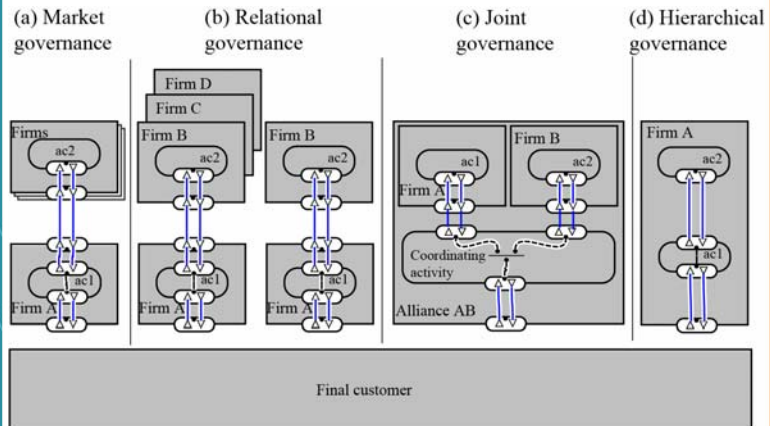
1.  $e^3$ value
2. The value assignment problem is ...
3. Governance selection
4. Case study
5. In sum ...

- Which actor is performing which value activity
- Important, because *value activities generate profit*



## ... Governance Selection Problem!

1.  $e^3$ value
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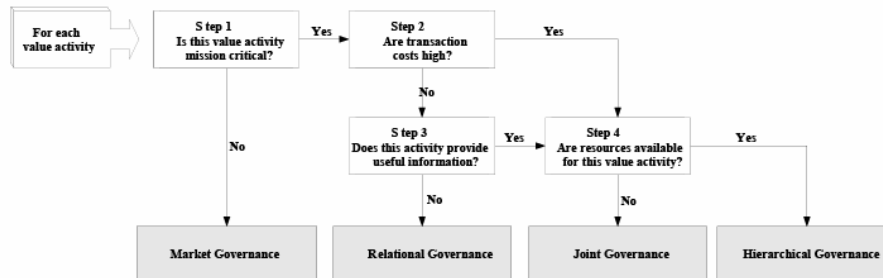




## Steps in Solving the Governance Selection Problem with $e^3$ value

1.  $e^3$ value
2. The value assignment problem is ...
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5. In sum ...

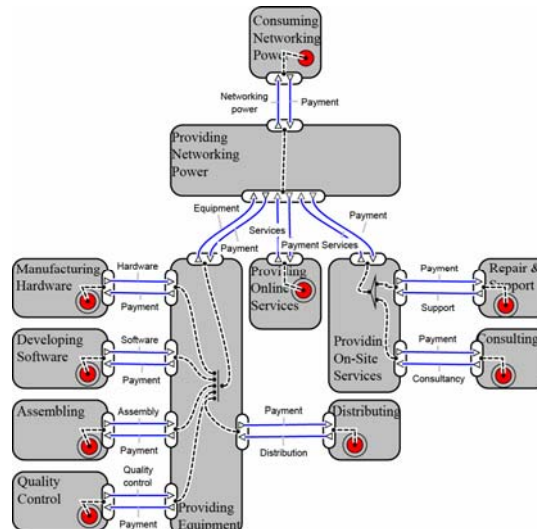
- Preference for *market governance*, unless
  - Activity is *mission critical*
  - *Transaction costs* are high
  - Activity provides *useful information*
  - Important *resources* are available



## Case Study: Cisco Systems (1)

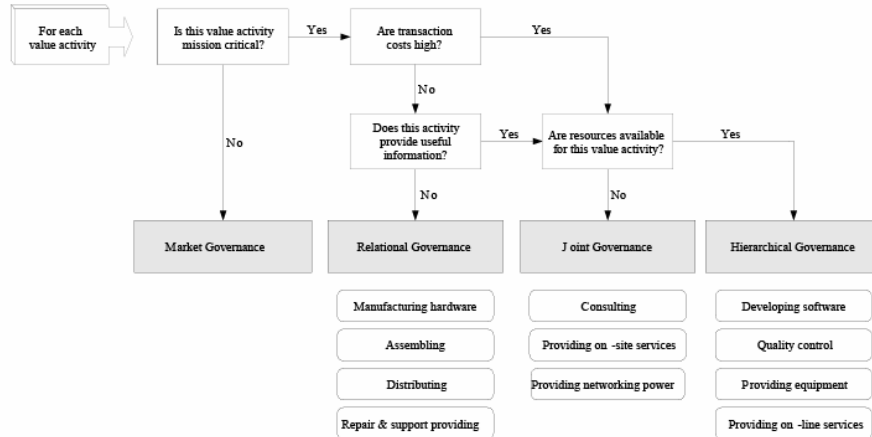
1.  $e^3$ value
2. The value assignment problem is ...
3. Governance selection
4. Case study
5. In sum ...

- Value activities in the Cisco value web:



## Case Study: Cisco Systems (2)

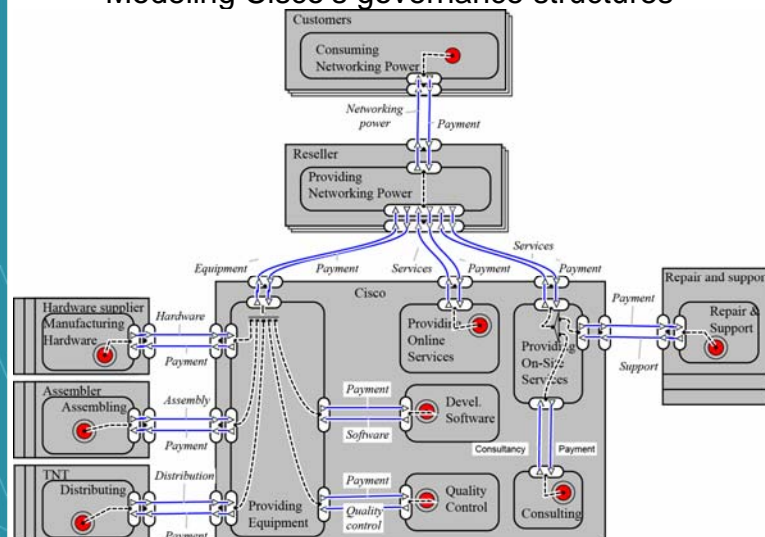
- Deciding on governance structures



## Case Study: Cisco Systems (3)

- Modeling Cisco's governance structures

- $e^3$ value
- The value assignment problem is ...
- Governance selection
- Case study
- In sum ...

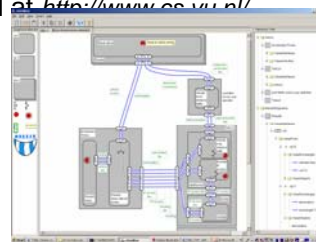


## In sum

- While using VA<sup>3</sup>, numerous explanations show up, explaining choices made by Cisco. So, descriptive value
  - “Testing” under hierarchical control (asset specificity, information, available resources)
- Future research on VA<sup>3</sup>
  - Now a *single* enterprise perspective (for each activity of enterprise X do ...)
  - Value webs: *competition* for execution of value activity
  - So, steps for deciding on governance reflecting that *multiple enterprises* are interested in executing a value activity

## More Information about *e<sup>3</sup>value*

- <http://www.cs.vu.nl/~gordijn/research.htm>
- Contact: [gordijn@cs.vu.nl](mailto:gordijn@cs.vu.nl)
  - *we are always interested in industrial strength case studies*
- Tool support:
  - Download Java tool at <http://www.cs.vu.nl/~gordijn/tools.htm>



- Further reading:
  - J. Gordijn and J.M. Akkermans, “*e<sup>3</sup>-value: Design and Evaluation of e-Business Models*” – IEEE Intelligent Systems, vol 16, no 4, 2001