

**University
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**Business Models for Grids
*some observations***



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sustainability

- characteristic of a process, system or state
 - that can be maintained
 - at a commensurate level
 - in 'perpetuity'
- **D-Grid**
 - continuity of economic, social, institutional, organisational aspects
 - condition to the business model
 - valorisation NOT sufficient

business models

- **create value in process**
 - networking of computer resources
- **create a sustainable process**
 - transparency
- **create value for commerce**
 - stakeholders
 - community grids
 - DGI
- **organisation of (exchange of) property**
 - networking of resources
 - all stakeholders in value chain

business model?

- value proposition?
- market segment?
- strategic position?
- value chain?
- competition?
- cost structure & profit potential?

business models

- **value proposition**
 - *the* core value proposition per grid?
- **market segment**
 - specific on target group/size/volume etc
 - each community grid
 - each horizontal grid
 - DGI
- **strategic position**
 - link between organisation and its environment

strategic positioning

- organisational autonomy (OA)
 - self-governing in deciding about value proposition and market segment
- strategic interdependence (SI)
 - sharing of heterogeneously distributed strategic resources
- strategic relationship \Rightarrow positions of OA & SI

types of integration

		necessity for organisational autonomy (OA)	
		low	high
necessity for strategic interdependence (SI)	low	holding	preservation
	high	amalgamation	symbiosis, intertwinement

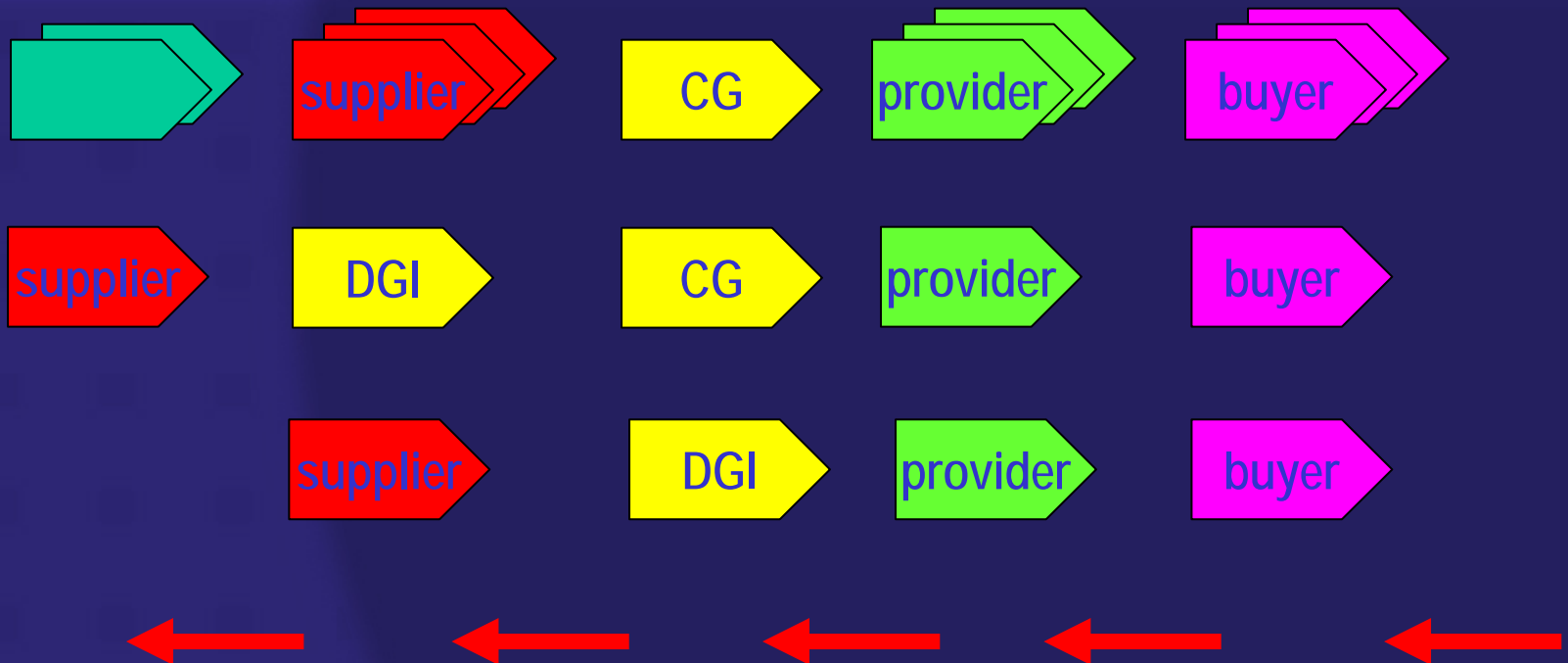
governance structure?

- **creating value**
 - better allocation of resources
 - scale and other size effects
 - development method: vision and control
- **destructing value**
 - transactions via market may be more flexible
 - costs of bureaucracy, inertia
 - kingdoms
- **value chain?**
 - internal or external?

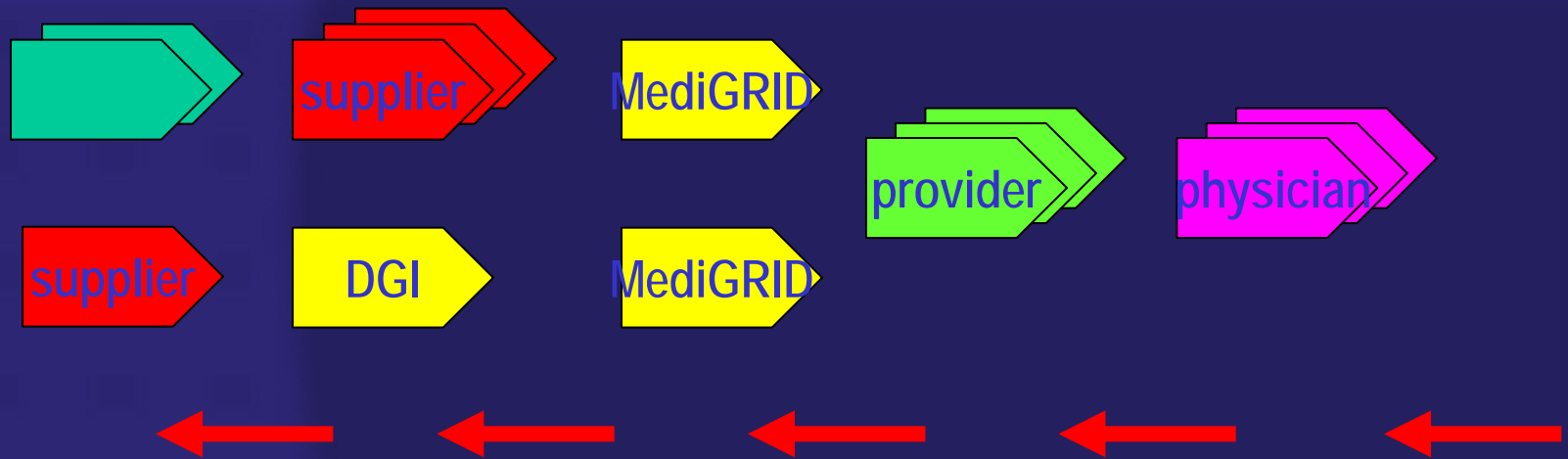
value chain



value chain



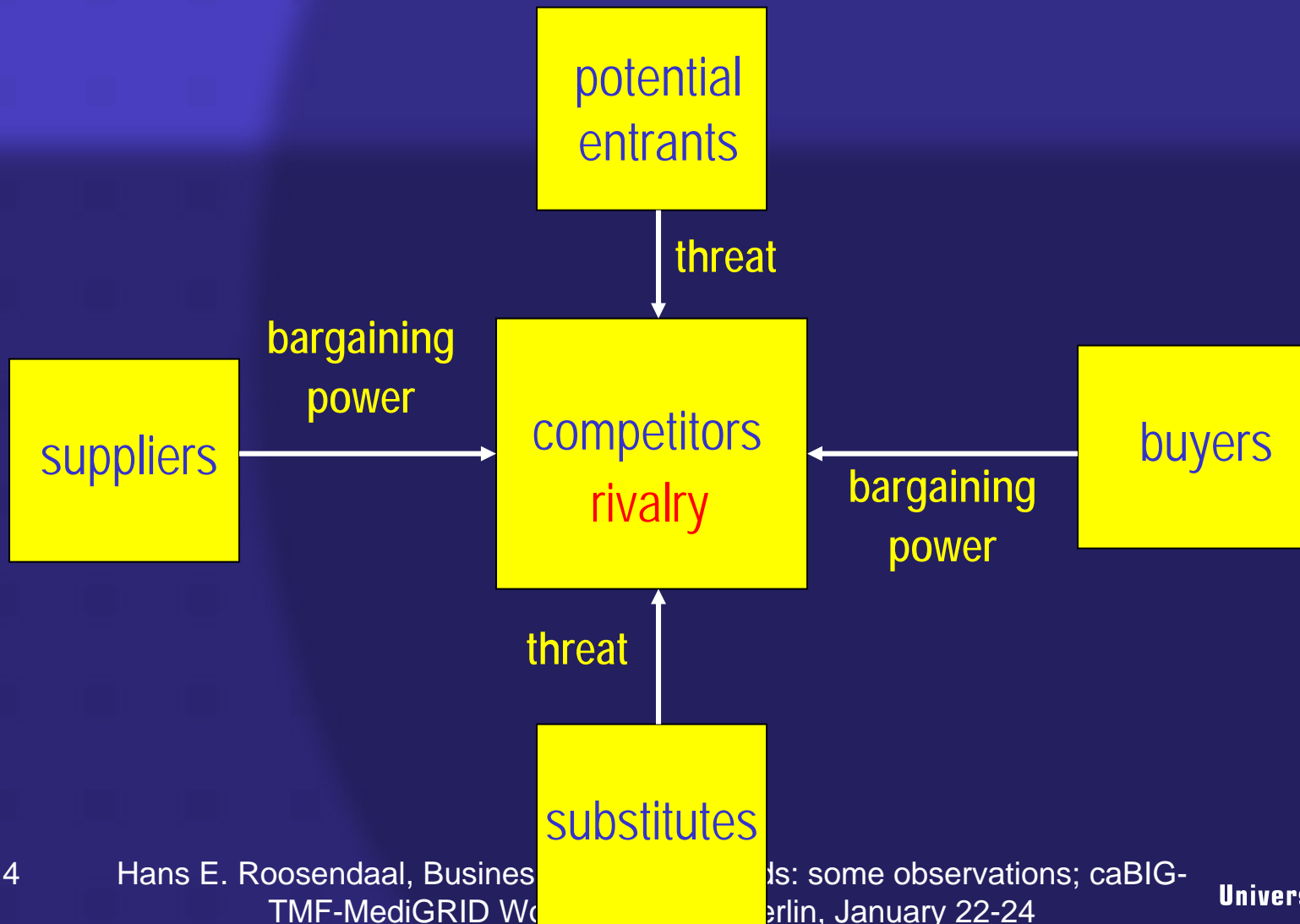
MediGRID cash flow



business models

- **value chain**
 - analyse for each grid
- **competition**
 - is there competition?
 - if so, what is the competition?
- **cost structure & profit potential**
 - future operations & maintenance

competitive forces



business models

- **value chain**
 - analyse for each grid
- **competitive strategy**
 - is there competition?
 - if so, what is the competition?
- **cost structure & profit potential**
 - future operations & maintenance

cost structure?

- **revenues**
 - revenue structures
- **costs structure**
 - fixed
 - variable
- **investment needs**
 - future operations & maintenance
 - writing off technical infrastructure
- **profit goals**

profit goals?

- **portfolio of services**
 - comprehensive?
 - profit/service
 - large for some
 - deficit for other
- **overall profitable?**
- **business decision: continue deficit making services?**
 - comprehensiveness?
 - value proposition
 - market segment
 - competition?

⇒ **business model**

business model

- value proposition?
- market segment?
- strategic position?
- value chain?
- competition?
- cost structure & profit potential?

some pertinent issues?

- **sustainability?**
 - condition to business model?
- **organisation?**
 - aggregation & integration strategy?
- **value chain analysis?**
 - per grid?
 - for D-Grid?
- **competition?**
 - future outlook?
- **cost structure & profit potential?**
 - future operations & maintenance