Hi there! I'm Mika

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During my ~15 years of career in digital/software business, I've come to realise that while businesses quite easily solve tech-related challenges and invent great new products and services, they commonly struggle with commercializing them.

The Challenge

Business books, articles and presentations often claim that data and AI can enable completely 'new business models', yet there are barely any descriptions of what these new business models could be.

Business leaders often complain that their companies have collected vast amounts of unique high-quality data, but have not yet proved capable of unlocking the business value of these good data assets.

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My book called 'Growth Reinvented' with ~235 pages came out in November and it looks like this:

Growth Reinvented addresses the "what" and the "how" by exploring a detailed **playbook** of AI and data-enabled business models.

Drawing on dozens of real-life **case studies** and existing **company examples** – including a brand new body of original research – it provides a practical step-by-step guide for companies looking to realise the value of and monetise their data and AI offerings.

Growth Reinvented shows how new technology can be designed as a standalone opportunity to drive forward **systemic change**.

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Key business drivers that make the topic relevant right now

Rapid changes in the business environment

Attitudes and expectations of customers changing

Toughening global competition

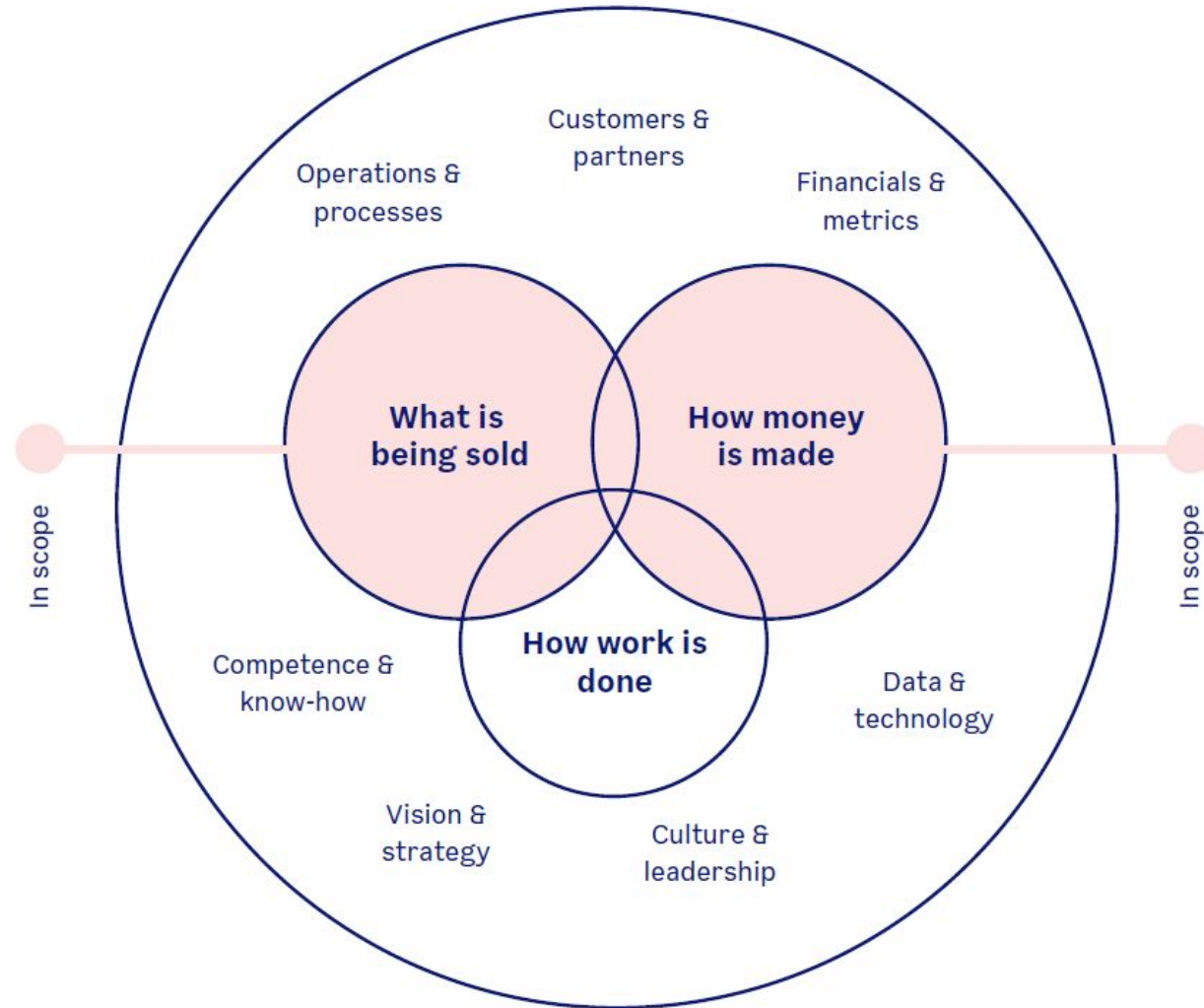Commoditization of existing offerings

Risks of old models to become redundant

Rapid emergence of new business models

...and, naturally, Covid-19 challenging the existing ways of doing business

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I am on a mission to help companies to get maximum business value and a sustainable competitive advantage out of their data and AI

The focus of my work

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Customers &
partners

Operations &
processes

Financials &
metrics

In scope

**What is
being sold**

**How money
is made**

**How work is
done**

Competence &
know-how

Data &
technology

In scope

Vision &
strategy

Culture &
leadership

What I've done with companies

Identifying market and customer needs for data and AI assets (needs)

Understanding the data and AI assets of the company (supply)

Designing new products and services (offerings)

Designing value capture (revenue models)

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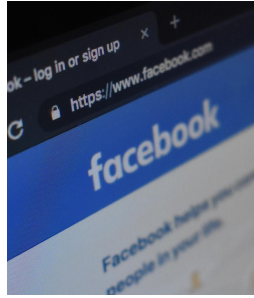
The playbook: some examples

1. SELLING EXISTING OFFERINGS

2. SELLING DATA, ANALYSES AND REPORTS

3. SELLING DATA PLATFORMS

4. SELLING AI ASSETS

5. SELLING DATA AND AI-BASED SERVICES

6. SELLING OUTCOMES OR CAPACITY
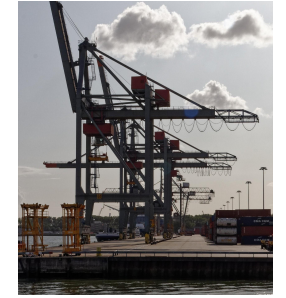
Product-oriented models | Service-oriented models

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"What is being sold"

"How money is made" ▼	EXISTING PRODUCT/ SERVICE OFFERING	DATA, ANALYSES AND REPORTS	DATA PLATFORMS	AI ASSETS	DATA AND AI-BASED SERVICES	OUTCOMES OR CAPACITIES
FREE, FREEMIUM	depends on existing product/ service offering					
PRODUCT/ TRANSACTION REVENUE	depends on existing product/ service offering	e.g. a data dump or one report		one-off		one-off use of capacity
PROJECT REVENUE	depends on existing product/ service offering	e.g. how much work is needed to deliver assets			one-off project	per hour/ day
ADVERTISING REVENUE	depends on existing product/ service offering					
LICENSING, SUBSCRIPTION	depends on existing product/ service offering	continuous data, analysis or reports provision		continuous use	continuous retainer	e.g. a fixed part of fee
MARKETPLACE, PLATFORM, BROKERAGE, PERFORMANCE	depends on existing product/ service offering	e.g. attached to the size of the revenue generation opportunity	e.g. attached to number of transac-tions		attached to the im-provements gained	perfor-mance against defined KPIs
BUSINESS MODEL OVERTURN					sales of additional services	

The playbook

Business models that:

- are **scalable**, **stable** and **recurring**;
- have plenty of **transformative potential**;
- may offer a significant **competitive edge**; and
- may bring **resilience** to the business portfolio.

● Likely model   ● A model worth testing

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Various other tools that are likely to be useful to companies

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Data & AI maturity model

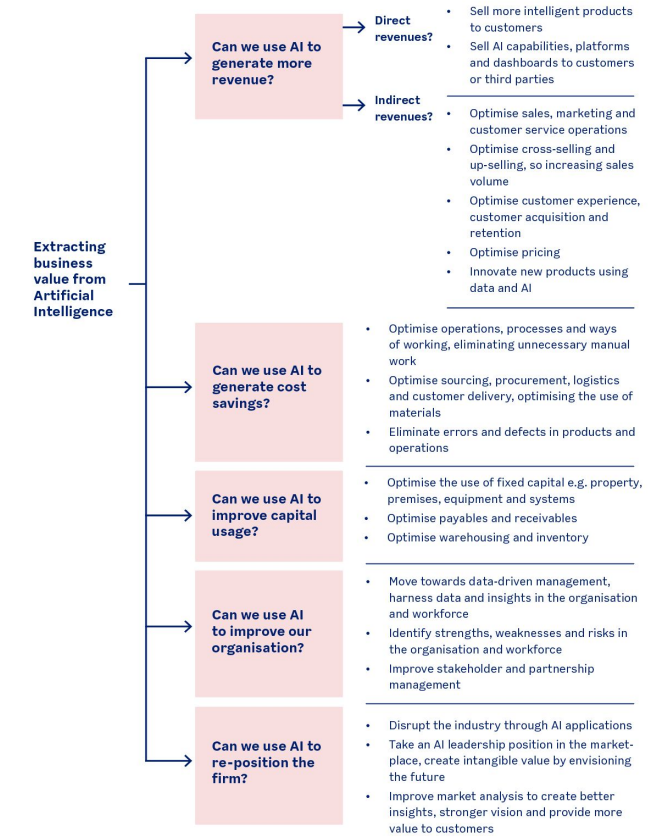|	STAGE 1: BEGINNER	STAGE 2: EXPLORER	STAGE 3: INTERMEDIATE	STAGE 4: ADVANCED	STAGE 5: CHAMPION
Strategy & positioning	Data and AI are not present in company strategy. No roadmap for data and AI activities. Laggard position	Lack of focus and planning in data and AI-related activities, even though progress is made	Data and AI-related activities are aligned with company strategy; roadmap and business case becoming clearer. On par with its peers	Clear understanding of opportunities. Roadmap and business case for all activities. Data and AI creating a competitive advantage	Data and AI as a critical assets of the firm, enabling transformative future businesses and business re-positioning. A leading player
Commercial models & business acumen	Value of data and AI and size of commercial opportunity unclear	Basic understanding of data and AI as assets. First pilot projects planned. Commercial models explored	Data and AI comm… in place. Data an… and/or partners … AI used to improv… but not to re-thin… business		
Processes and ways of working	No clear roles or processes with data and AI. Lack of experimenting in service development. Organisational silos. Difficulties in getting services ready	Processes and roles for data and AI getting clearer. Some experimenting in service development. Data and AI initiative portfolio getting clearer. Long time-to-market	Processes and ro… AI are clear. Som… er-centric develo… No systematic da… portfolio manage…		
Data & tech	Data scattered and fragmented, not easily available and not easy to correlate. Data collection not applied systematically	Data infrastructure and APIs sporadically being built by smaller teams within the organization. Extracting and connecting data from various sources. Data queriesand reports. Data quality known	Data visualisatio… models. Situatio… Training of algori… form initiatives l… mation to cloud t… quality is satisfa…		
Organisation & competences	No data science capability, dependency on vendors, difficulties in attracting talent, lack of data literacy, fear of dealing with data and AI	Some individuals who can play with data and analytics, scattered around the organisation, wider adoption of the data science skill is missing	Dedicated champ… science. One gro… know how to do a… science. Attempt… literacy more wid… data and AI-relat…		

Industry mapping

CONSUMERS (B2C)

Target customers

Coca-Cola

Product usage data

Consumer profiling data

Spotify®

Service delivery data

Consumer profiling data

BOEING

Product usage data

Customer lifecycle data

McKinsey & Company

Service delivery data

Customer lifecycle data

COMPANIES (B2B)

PRODUCTS   Offering   SERVICES

Value drivers

Extracting business value from Artificial Intelligence

Can we use AI to generate more revenue?
- Direct revenues?
  - Sell more intelligent products to customers
  - Sell AI capabilities, platforms and dashboards to customers or third parties
- Indirect revenues?
  - Optimise sales, marketing and customer service operations
  - Optimise cross-selling and up-selling, so increasing sales volume
  - Optimise customer experience, customer acquisition and retention
  - Optimise pricing
  - Innovate new products using data and AI

Can we use AI to generate cost savings?
- Optimise operations, processes and ways of working, eliminating unnecessary manual work
- Optimise sourcing, procurement, logistics and customer delivery, optimising the use of materials
- Eliminate errors and defects in products and operations

Can we use AI to improve capital usage?
- Optimise the use of fixed capital e.g. property, premises, equipment and systems
- Optimise payables and receivables
- Optimise warehousing and inventory

Can we use AI to improve our organisation?
- Move towards data-driven management, harness data and insights in the organisation and workforce
- Identify strengths, weaknesses and risks in the organisation and workforce
- Improve stakeholder and partnership management

Can we use AI to re-position the firm?
- Disrupt the industry through AI applications
- Take an AI leadership position in the market-place, create intangible value by envisioning the future
- Improve market analysis to create better insights, stronger vision and provide more value to customers

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Let's talk about culture

	CLASSIC INDUSTRIAL	MODERN INNOVATION-FOCUSED	DATA AND AI-FOCUSED
Guiding principles	Incremental change, operate	Create new	Automate
Handling uncertainty	Create plans	Experiment	Find data
Product planning	Hero's vision	MVP + validation	Observation
Guidance	Detailed plan	Vision	Probabilities
Team work	Large functional silos	Small teams and collaboration	Data and AI-enabled coordination
Decision-making	HIPPO – Highest paid, directive top-down	Autonomous bottom-up	AI modelled and data-driven
Metrics	Revenue, profit, RoE	Innovation accounting	Realisation of probabilities
Incentives	Corporate	Entrepreneurial	Continuously learning
Budgeting	Project	Venture	Predictive
Market definition	Clear industry definitions, logical segments	Creating new markets	Uncovered from data
Invest into	Assets	People	Data source
Mantra	Meet your targets!	Fail fast!	Learn, unlearn, re-learn!
Embrace	Capital and hierarchy	Knowledge and opinions	Data-driven facts

Summary: opportunities (may provide)

New revenue streams

Escaping from the limitations of the legacy business

A nice extension to the digital strategy

Significant new value to customers or ability to get new customers

Re-positioning the firm

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Summary: challenges (may require)

Competence development

Educating the customer

Balancing between the legacy and the new

Change management and tolerance of uncertainty and risk

Company-internal transformation to scale up the business

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Summary: six steps

Your culture

- Innovation-focused culture
- Data and AI-focused culture
- Change management
- Core vs. new business

Your customers

- Problems worth solving
- Jobs to be done
- Willingness to pay
- Customer selection

Your execution

- Prioritised roadmap
- Portfolio of initiatives
- Development teams
- Iterative development
- Acceleration and scaling

Your maturity

- Strategy and positioning
- Commercial models and business acumen
- Processes and ways of working
- Data and technology
- Organisations and competences

Your business case

- Value propositions
- Investments
- Revenue model selection
- Financial impact

Your ambition

- Common goals
- Proactiveness vs. reactiveness
- Executive commitment and sponsorship
- Product/service offering selection

Six steps towards data and AI-enabled business models

Go/No-Go

6 1 2 3 4 5

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Future. Co-created.

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