

Subscription Business

Transforming technical possibilities of Industrie 4.0 into new business models –

Consortial benchmarking for selected industrial partners

Challenges

Competition:

- Companies have to transform possibilities of Industrie 4.0 into new, profitable business models.
- The customer shall be offered access to a constantly improving service in exchange for regular payment. (subscription business model).
- It is crucial for the implementation to also perform an organizational transformation.
- Companies have to be able to use their knowledge on customer behavior and transform it into a service innovation.

Customers:

- Customers change their preferences for how they want to buy, pay for and use products and services.
- Customers demand that service bundles are increasingly in line with their business models.
- This customer orientation can be created based on an unprecedented knowledge and understanding of the customer due to data available on a massive scale.
- Subscription business models focus consequently on customer benefit.

The **fight for the distribution of the economic profit of Industrie 4.0** and the large amounts of available data has begun – the raw material for new performances. Here, **only few successful business models** will prevail. Others will disappear or play a minor role. With this benchmarking, we will find out how successful businesses already meet these challenges.



“The development towards subscription business models creates an alignment of provider and customer interests.”

Prof. Dr.-Ing. Dipl.-Wirt.-Ing.
Achim Kampker
Director of the FIR e. V. at
RWTH Aachen University

“Subscription business models create long-term relationships. It is about understanding the customer in order to be able to react to their future wishes and ideally act proactively.”

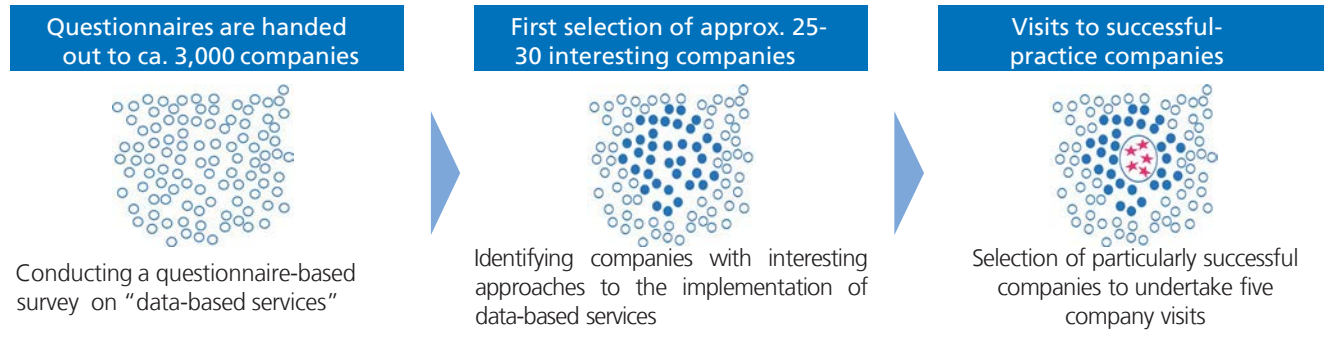
Prof. Dr.-Ing.
Volker Stich Managing
Director of FIR e.V. at RWTH
Aachen University



Learn from the best!

How does consortial benchmarking work?

- The consortial benchmarking consists of consortial partners and benchmarking partners.
- The consortial partners decide on the main topics of the benchmarking together with the FIR.
- The FIR carries out the benchmarking with the benchmarking partners.
- With the evaluated benchmarking results, the successful-practice companies out of the group of benchmarking partners are identified.
- The consortial partners and the FIR visit the successful-practice companies.



Procedure and time schedule of the consortial benchmarking



Your benefit...

- You profit from the competence in the area of service management as well as the experience in the conduct of benchmarking studies of the FIR.
- Via direct contact to successful-practice companies you get the opportunity to exchange valuable knowledge and experiences and take away practical suggestions for your company.
- You get the possibility to share experiences and opinions with the other consortial partners.
- You establish valuable contacts to other companies of the consortium that can last for much longer than just the duration of the consortial benchmarking.



“Via the company visits we enable the consortial partners to gain insights into the operations of leading companies that already implement subscription business models successfully. This way, our consortial partners have the possibility to derive successful concepts for their own companies.”

Prof. Volker Stich, Managing Director
FIR

... and effort

- The contribution for each consortial partner is 25,000,- EUR (plus VAT).
- Included in this are the expenses (excl. travel costs) for the project and project documentation for 2 persons from your company.

Possible key questions

- How can appropriate service packages consisting of product, services and digital services be designed for the offering of subscription business models?
- How do I achieve a permanent innovation of the service based on customer insights?
- How is a price for the individual service packages calculated?
- How many different subscription variants should I offer?
- How can a subscription business model be scaled?
- What kind of organizational structure does a company need for the offering of such business models?
- What does the partner network/ecosystem look like?
- How do I keep the customer benefit consistent or increase it continuously?
- To achieve this, how often does the service offering need to be adjusted?



The key questions are developed together with the consortium and adjusted to the needs and individual questions of the companies.

FIR – Research · Innovation · Realization

RWTH Aachen University

- Foundation: 1870
- 118 Degree courses
- 260 Research institutes
- 4,500 scientists
- 482 professors
- 37,900 students, approx. 9,000 of them mechanical engineering students
- Ranked 1. Place in the categories mechanical engineering, industrial engineering, electrical engineering, computer science and natural sciences*

*) Uni ranking 2013 by WirtschaftsWoche



FIR e. V. at RWTH Aachen University

- Foundation: 1953
- 130 employees,
- 45 of them scientists
- Goal: Bridge building between science and economy
- Annually approx. 40 publicly funded projects
- Annually approx. 60 projects with industrial customers
- Competencies: service management, information management, business transformation, product management



The Center Smart Services

- Foundation: 2015
- Aim of the center: Supporting the manufacturing industry in developing and establishing digital business models
- Conduction of synergetic, consortial contract research



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