

January 15, 2019

## Distance Learning Project [MIM S2 12] on Disruptive Business Models in the mobility sector: From new approaches of selling cars towards mobility as a service platforms

In the **spring semester 2019** a cooperative course is held by the University of Lodz, Poland, the Europa-Universität Flensburg, Schleswig-Holstein, Germany, and the University of Applied Sciences, Kempten, Bavaria, Germany. The course deals with innovative business models in the mobility sector driven by digitalisation. The focus lies on the **in-depth analysis of different business models** reflecting the spectrum of providers selling mobility in the form of **tangible vehicles** in innovative ways on the one hand side and providers selling mobility as a **service** on the other. Developments in the IT sector as well as a high relevance of environmental concerns increasingly affect mobility concepts. This makes the investigation of business models in the sector a relevant and at the same time challenging topic from a strategic management point of view but also from a societal perspective.

One implication of the mentioned (technological) developments is that **industry borders are blurring** and new players are **disrupting existing structures**. That becomes clear when Uber understands itself as the provider of a technology platform and not a provider of transport. Uber's business model relies on the resourceful network of drivers plus their private cars. Alphabet as another example has initiated Waymo, a self-driving car project as a reaction on mega trends such as urbanisation, sustainability and digitalisation. The recent ban of diesel vehicles from certain German cities intensified discussions not only about e-mobility but also about sharing and pooling of cars as well as smart public transport solutions.

At the same time established players in the car industry start to change their business models – moving away from producing cars producer towards supplying mobility. E.g., Daimler is engaged in platforms like Moovel, Car2Go, MyTaxi or Blacklane, Volkswagen has just started the new mobility concept Moia. An even more radical approach is taken by the Chinese newcomer Byton: Different to the perspective of established car manufacturers, Byton defines its products as the “...next generation of smart device...which translates smartphone experiences into the world of mobility”. This is going along with a different business model and selling approach.

The consequence out of the developments mentioned above is a decreasing importance of firm-owned resources. Just owning them appears to be less relevant to firms than having access to resourceful networks. The former focus on the pure hardware is **converging into a platform business** where

cooperative networks are vital for strategic success. Understanding how firms cooperate and exploit networked resources is therefore relevant also with regard to the mobility sector. Generally focused companies like Alphabet or Uber tend to be more flexible and can react faster to changing market requirements. Different to that, traditional product (and production) focused companies like the car manufacturers are struggling. As a reaction, car manufacturers start to spin off business units which are related to new mobility services (e.g., Moia by Volkswagen, Car2Go by Daimler, etc.). In summary, the hardware seems not to be the core value proposition any longer a high level of integration is increasingly seen as a hurdle.

The notion of **cultivating and accessing resourceful networks** is significant as business activities extend beyond the focal firm and into a dynamic relational space which connects stakeholders, firms and industry participants in a dynamic business model. For instance. Waymo’s as well as Uber’s activities started in the Silicon Valley and the involved entrepreneurs and managers profited from the advantages of this cluster environment such as access to creative ideas, talented personnel and financial resources. Cooperation enables access to firm-external resources and that often makes disruption possible – i.e., smaller players and start-ups may be able to come up with innovations that incumbents have difficulties in taking over without cannibalising their “old” products (e.g., combustion engine cars versus e-cars).

Building on these points of reference, in this year’s DLP we are especially interested in disruptive **business models to sell actual cars** as well as those **that provide mobility as a service**. The aim is to come to an in-depth understanding of different cases that fit into these two categories so to also come to cross-case comparisons. This project is designed to acquaint the participants with in-depth theoretical and practical knowledge of the described field of business models with the focus on the mobility sector. Further, the participants gain experience in cooperating in international teams regarding the related topics.

**We aim to investigate the following cases:**

<b>Focus I. Selling mobility in the form of tangible cars</b>	<b>Focus II. Selling mobility as a service</b>
<b>CASE I.A:</b> Audi’s car sales (focus on: Germany and/or Poland)	<b>CASE II.A:</b> Whim-App (focus on: Helsinki)
<b>CASE I.B:</b> Tesla’s car sales (focus on: Germany and/or Poland)	<b>CASE II.B:</b> Moovel (focus on: Hamburg and/or Stuttgart)
<b>CASE I.C:</b> Carvana’s used car sales (focus on: USA)	<b>CASE II.C:</b> Toyota’s e-palette concept (focus on: USA)
<b>CASE I.D:</b> Nio’s electric car sales & battery swap options (focus on: China)	<b>CASE II.D:</b> Care by Volvo – flat rate concept (focus on: Sweden or Germany)
<b>CASE I.E:</b> CityQ’s e-bike sales (focus on: metropolitan areas in Poland and/or Germany)	<b>CASE II.E:</b> Byton’s mobility device (focus on: China)]

**Relevant Questions for all teams:**

- (a) Which are the major facets of the investigated business model, e.g., what is the central value proposition, which are the targeted customer segments, what are the underlying core competencies, etc.?
- (b) How can the business model canvas, the business model wheel or another adequate strategic tool be used to come to a systematic investigation of the value-creating potential of the investigated case? [here one central area of value creation may be put into the focus!]
- (c) How do cooperative elements contribute to value creation? Which inter-organisational respectively relational resources are core to value creation regarding the investigated case?

**Aims and Objectives**

- to experience working in an intercultural and interdisciplinary team
- to integrate knowledge from different modules and apply it into a research study
- to learn how to set up a small empirical research
- to learn how to present the research results
- to experience working in a distance learning project

**Tentative Assignment**

The final goal of this course is the production of a paper dealing with one of the outlined subjects in a team of Polish and German students and to give presentations about them at the University of Lodz/Poland. The topics should not only focus on theoretical facets of the specified topic but also look at the practical side of it. If students are able to collect primary data via interviews or surveys that is laudable. If such possibilities do not exist, it however is also possible to gain the required data by doing secondary research, analysing homepages and other relevant material.

The paper of each group should consist of approximately 25 pages excluding attachments, table of contents etc., printed in Times New Roman 12 pt. spacing 1.5. Next to the Credit Points given for the course at the different Universities, the students get a joint certificate signed by the partners about their participation in the project.

## Preliminary Outline 2019:

NN	KU: Meeting for the Kempten students with introduction to the course & planning of joint kick-off workshop
<b>March 13</b> 16.00-18.30 Room: MAD 126	EUF: Meeting for the Flensburg students with introduction to the course & planning of joint kick-off workshop
<b>March 20</b> 16.00-18.30 Room: MAD 126	EUF: Meeting for the Flensburg students with preparations for the joint kick-off workshop in March at EUF, jointly booking the tickets for the travel to Lodz in May/June
NN	UL: Meeting for the Lodz students with introduction to the course & planning of joint kick-off workshop
<b>March 25-27</b> 25.03.: 16.00-21.00 26.03.: 09.00-22.00 27.03.: 08.30-14.00 Room: MAD 126	Joint <b>kick-off</b> in Flensburg with the participants from the partner Universities with: <ul style="list-style-type: none"> <li>• international team building</li> <li>• introduction lectures regarding the core topic</li> <li>• discussion of the selected topics for the papers</li> <li>• introduction into a general research framework</li> <li>• students' presentations regarding their research projects.</li> </ul>
<b>March/April/May</b>	Group work at the different locations supported by video conferences in which each group briefly presents and afterwards discusses the current state of their work (10 minute presentations) as well as communication via other channels such as e-mail and moodle3.
TBA	LU/KU: Group meetings
<b>April 10</b> 16.00-18.30 Room: MAD 126	EUF: Group meeting – discussion of the state of the seminar papers Discussion of topic structuring and preparation of the video conference for the Flensburg students [optional: Joint ticket buying at railway station]
TBA	LU/KU: Group meeting & Discussion of topic structuring and preparation of the video conference for the Lodz students
<b>April 24 (tbc)</b> 16.00-18.30 EUF: MAD 126/127	<b>Video conference</b> with all participants at the three locations
<b>May 08 (tbc)</b> 16.00-18.30 Room: MAD 126	EUF: Mini-Conference on » <b>Disruptive Business Models in the mobility sector: From new approaches of selling cars towards mobility as a service platforms</b> « with presentations of MADI students on »Insights from the Russian Market«. [MADI is the THE MOSCOW AUTOMOBILE AND ROAD CONSTRUCTION INSTITUTE / STATE TECHNICAL UNIVERSITY]
<b>May 15</b> 16.00-18.30 Room: MAD 126	EUF: Group meeting (final preparation for excursion to Lodz)
<b>May 22- 25</b>	Common <b>workshop</b> with the participants from the partner Universities in Lodz with: <ul style="list-style-type: none"> <li>• Expert lectures</li> <li>• Group work</li> <li>• Student presentations</li> </ul>
TBA	LU/KU: Final discussion of the current state of the research papers for the Lodz students
<b>May 29</b> 16.00-18.30 Room: MAD 126	EUF: Final discussion of the current state of the research papers for the Flensburg students
<b>June 05 (tbc)</b>	<b>Delivery</b> final paper

## Helpful Articles

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