



## XaaS Benchmarking: Everything as a service?

Learning from Software & Manufacturing Companies

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06 October 2019

St.Gallen

*“From insight  
to impact”* 

# XaaS Benchmarking: Everything as a service?

## Learning from Software & Manufacturing Companies

### Motivation

- **Software** companies already implement **as-a-Service** offerings **profitably**
- **Manufacturing** companies have difficulties reaping the benefits from **service** offerings and the potential of **digital technologies**
- Transforming towards XaaS requires **strategic** and **organizational adaptations**
- XaaS is a viable option for **monetizing digital services**

### Objective

- **Identify** software and manufacturing companies that provide XaaS offerings **successfully**
- **Examine** their **strategy**, **business** and **operating model** and related enablers
- **Derive implications** for managing the **transformation** towards XaaS

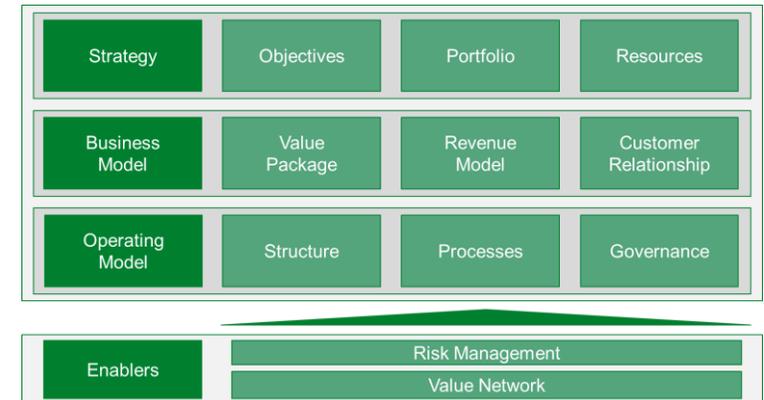
### Benefits

- **Direct influence** on the topics examined
- Profit from our experience in **knowledge transfer**
- Learn from **industry experts**
- **Visit successful practice companies**

### Approach

Our **proven benchmarking process** is employed to identify Successful Practices: companies providing XaaS offerings and having mastered the necessary strategic and organizational adaptations.

### Benchmarking Model

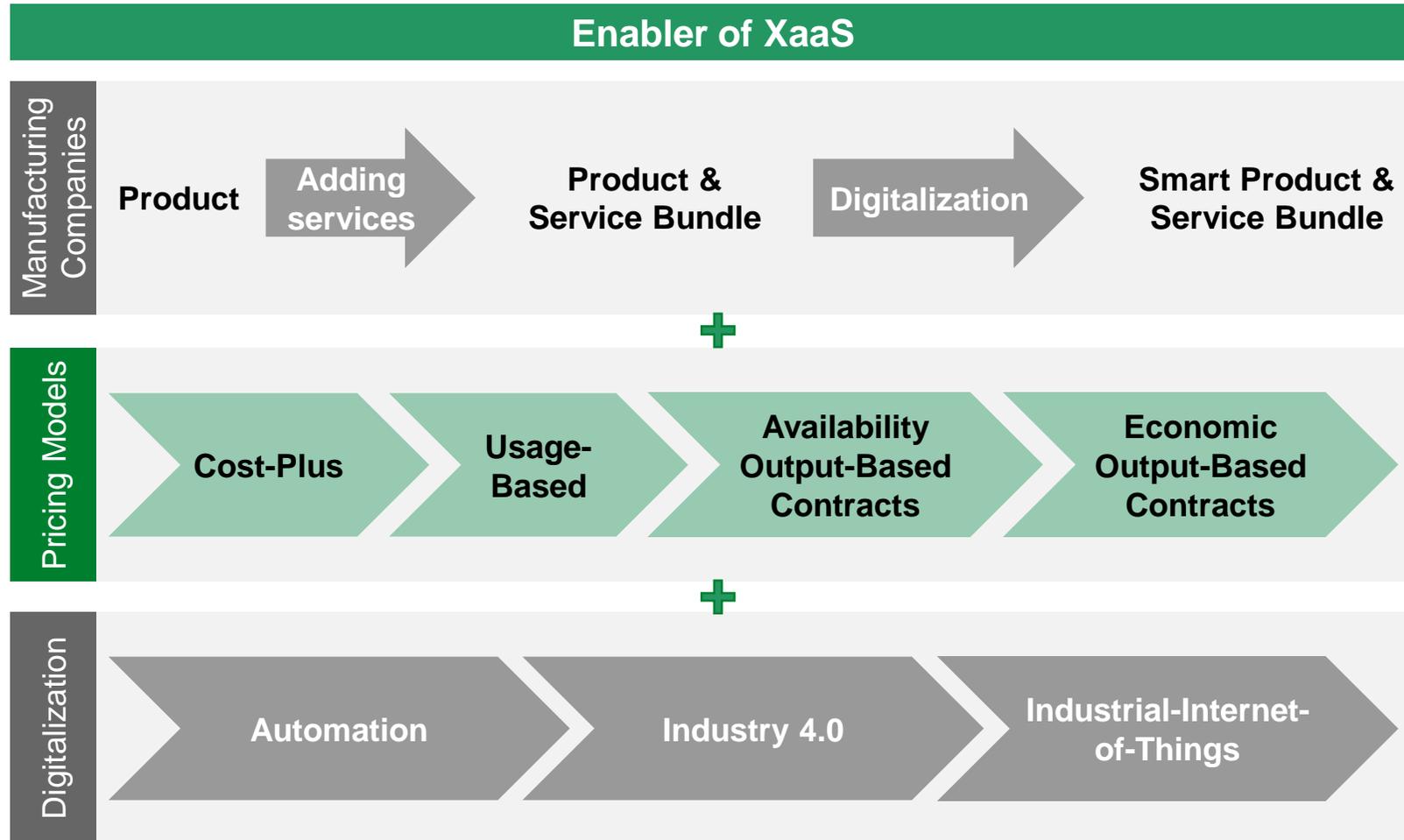


### Project Overview

<b>Time Frame</b>	<ul style="list-style-type: none"><li>• Ca. 8 months</li><li>• Planned kick-off: 01/2020</li></ul>
<b>Meetings</b>	<ul style="list-style-type: none"><li>• Kick-off meeting (1 day)</li><li>• Review meeting (1 day)</li><li>• Site visits (1 day per visit)</li><li>• Final conference (1 day)</li></ul>
<b>Participation Fee</b>	CHF 20'000
<b>Website</b>	<a href="https://item.unisg.ch/xaas">https://item.unisg.ch/xaas</a>

# Manufacturing companies are on the cusp of revolutionizing their offering towards XaaS

## Vision and Motivation



Smart product and service bundles, new pricing models and digital technologies are emerging. Thus, manufacturing companies have laid the foundation to move on beyond selling products and services.

## Transforming towards XaaS

### Motivation

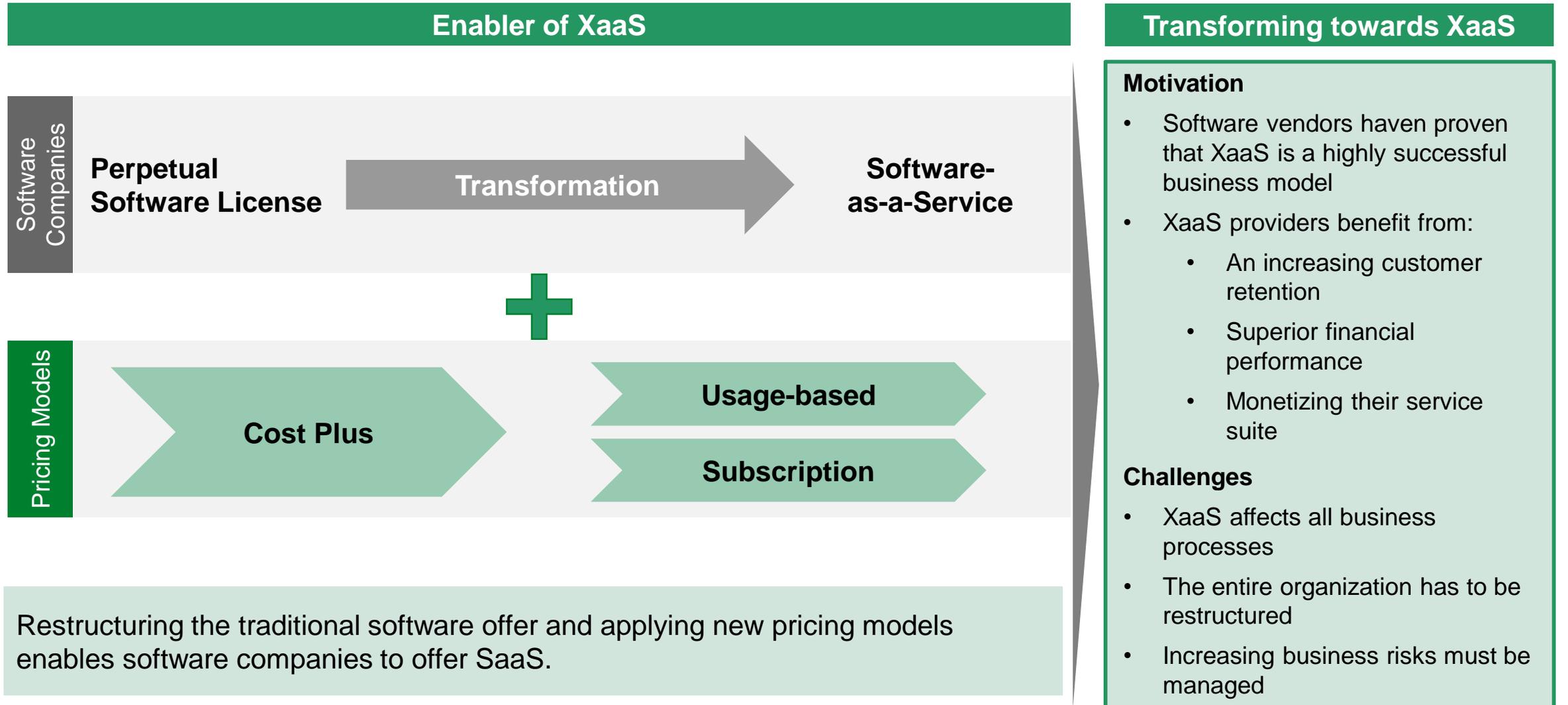
- Software vendors have proven that XaaS is a highly successful business model
- XaaS providers benefit from:
  - An increasing customer retention
  - Superior financial performance
  - Monetizing their service suite

### Challenges

- XaaS affects all business processes
- The entire organization has to be restructured
- Increasing business risks must be managed

# Leading software companies have transformed towards XaaS

## Vision and Motivation



# KUKA and Adobe showcase the profitability of XaaS

## XaaS in Manufacturing and Software Industry

### Production-as-a-Service



#### Benefits

- Diversification of Kuka's product portfolio
- Flexible value packages to better meet customer needs and thus, increase customer retention and profitability
- Participation in Chrysler's value creation

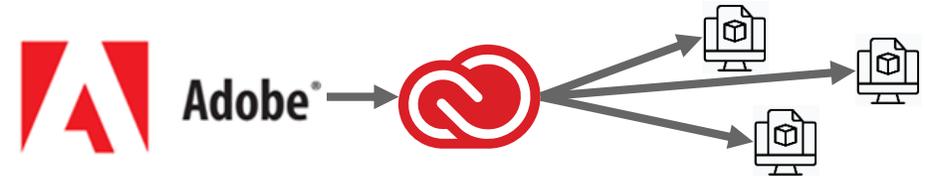
#### Challenges

- The new revenue model loads process & market risks to KUKA
- Emerging dependency between KUKA and Chrysler

#### Enabler

- Smart services and business model transformation
- Data analytics and prediction methods driven by connected robot systems that ensure uptime of the production line

### Software-as-a-Service



#### Benefits

- Diversification of Adobe's product portfolio
- Flexible value packages to better meet customer needs and thus, increase customer retention and profitability

#### Challenges

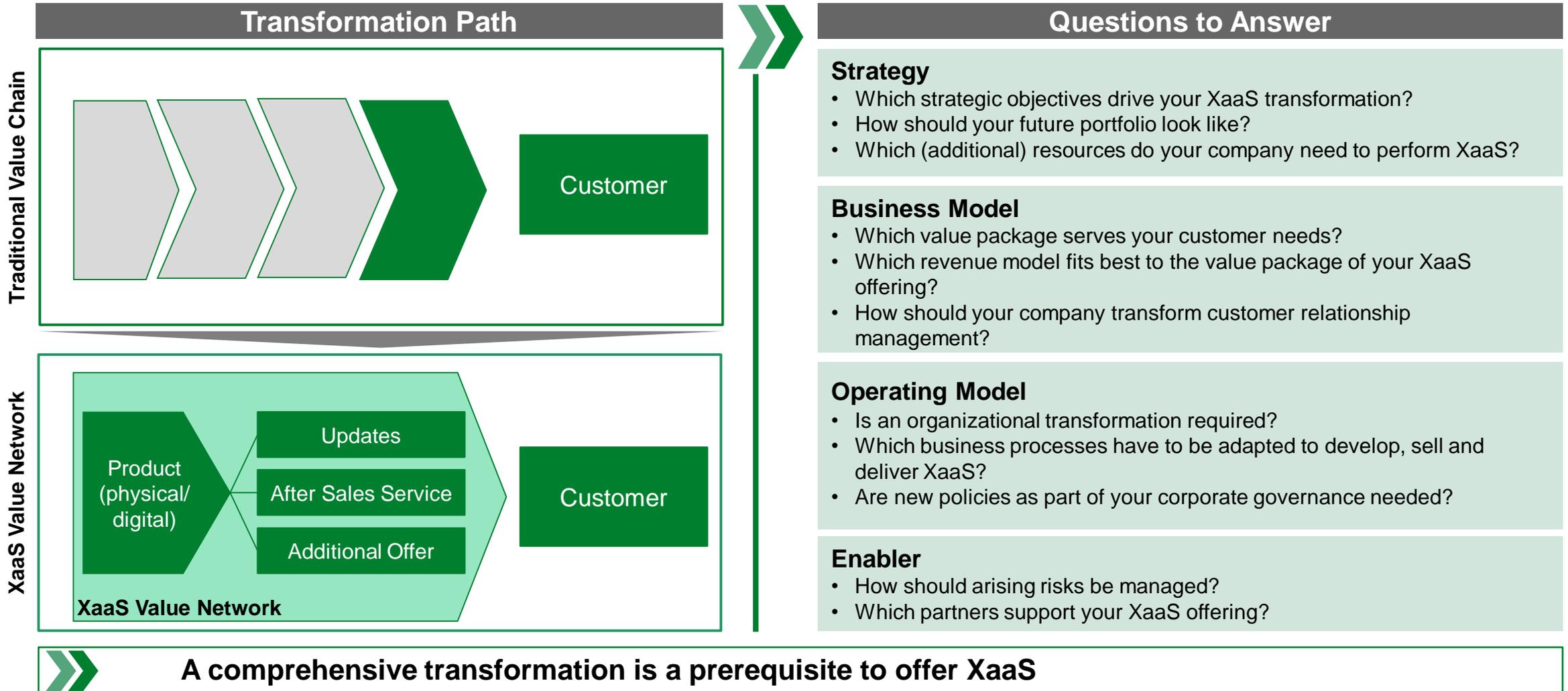
- Customers require often a free version of the product
- Increased error vulnerability of online/cloud based services

#### Enabler

- Using cloud services to provide software to the customers
- Modularization of the software

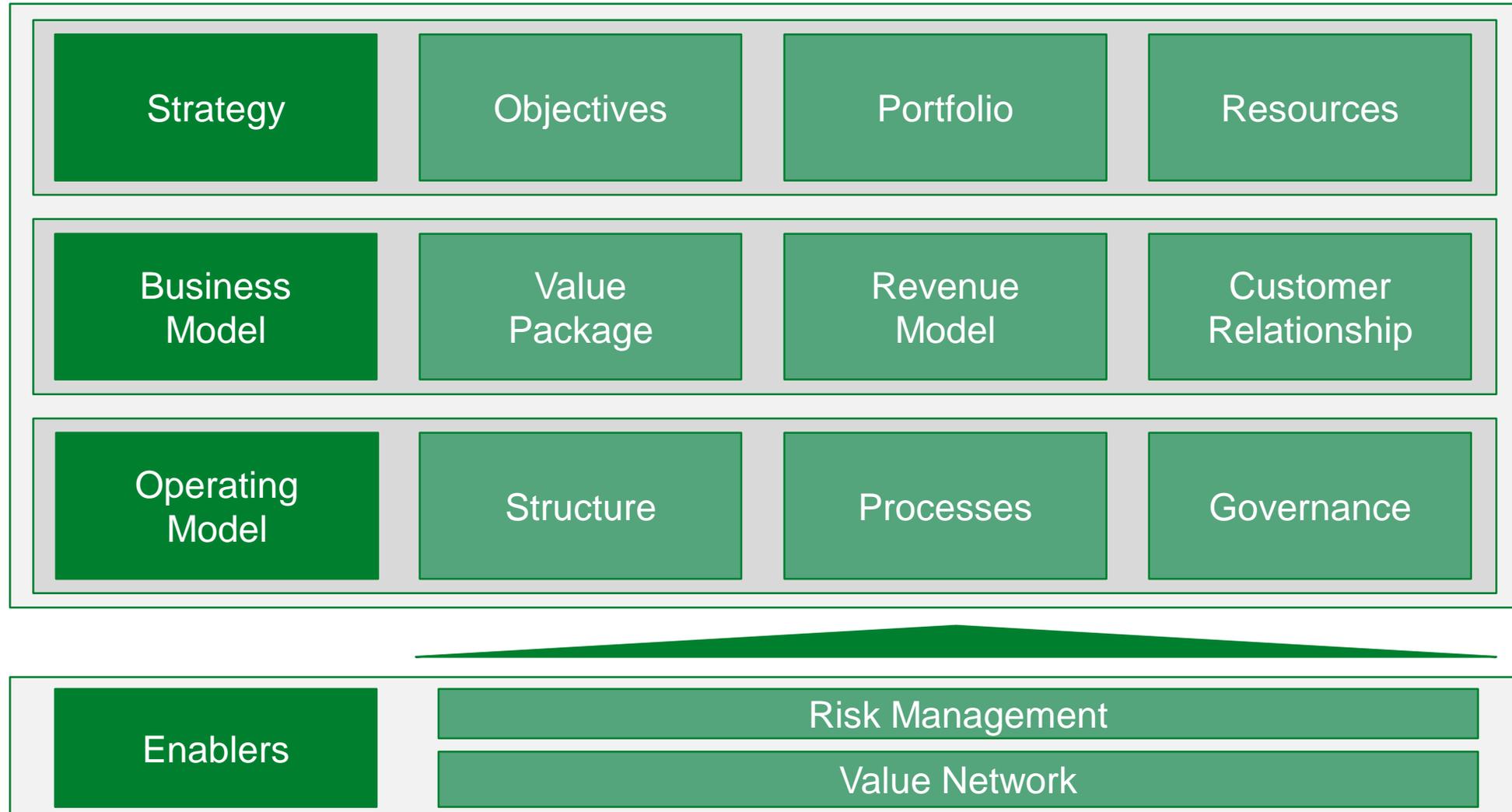
# Disrupting traditional value creation, XaaS raises pivotal questions

## Comparison of a Traditional & XaaS Business Model



# Due to the far-reaching interdependencies of introducing a XaaS approach, we strive to examine this topic from a holistic perspective

## The Benchmarking Model



# As partner you steer the scope of this study & profit from access to experts

## Your Benefits as a Consortia Partner

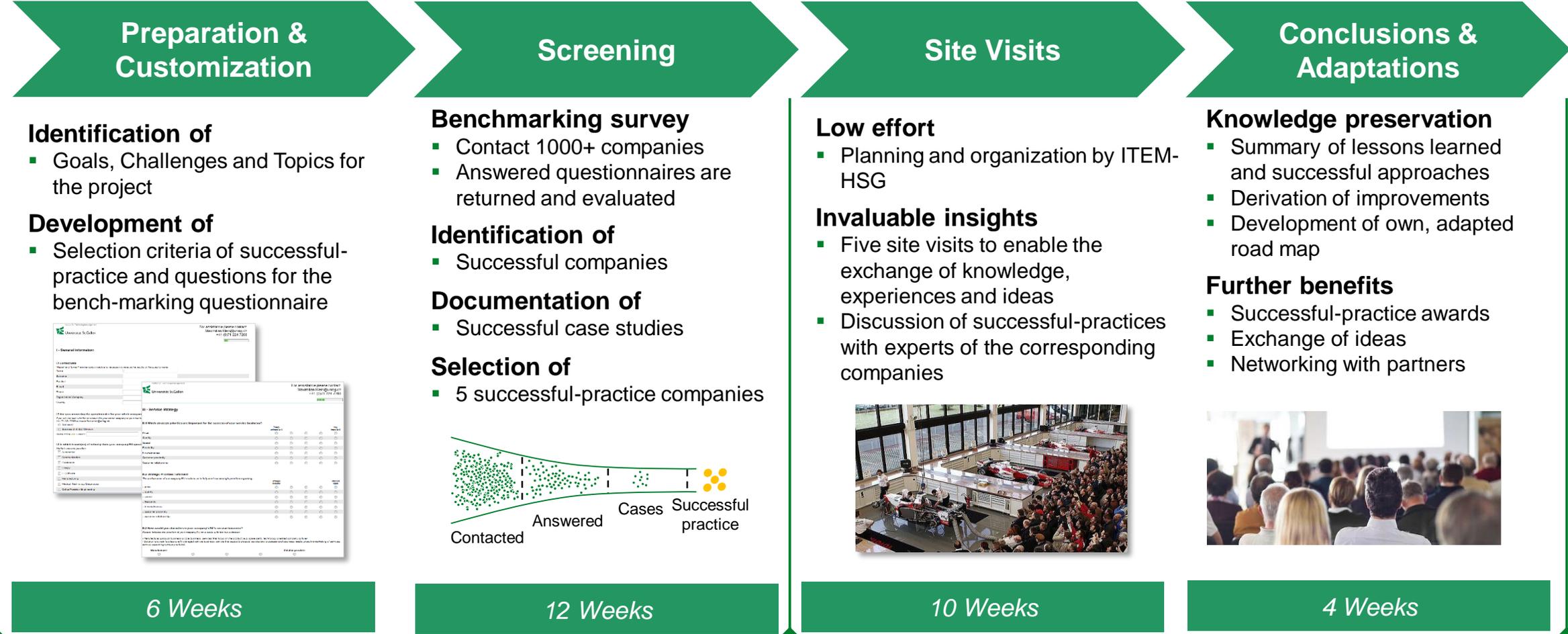
-  You **influence** the focal points, precise **topics** and **define questions** of the benchmarking
-  You benefit from the **detailed screening results**
-  You will **visit five successful-practice companies** and exchange views with the experts on-site
-  You have the opportunity for **networking** with other consortia partners and industry experts
-  We ensure **effective** and **efficient procedures**
-  We provide you with a competent **project organization**, including among others:
  - Preparation of the kick-off, review and final meeting
  - Questionnaire design
  - Distribution of questionnaire and evaluation of the questionnaire
  - Derivation of cases and recommendations of successful-practice companies
  - Preparation of site visits (including a written report)
  - Documentation of the whole benchmarking



We guarantee **high quality, scientific validity** and **invaluable insights** through our experience in performing **almost 100 successful benchmarking** projects

# ITEM-HSG benchmarking process ensures systematic & efficient approach

## Our Proven Benchmarking Approach



**Kick-Off Meeting**

**Review Meeting**

**Final Conference**

# We have a history of strong, diverse and contented benchmark partners

## Selected References of Successful Benchmarks

**2018**

**Digital Technologies - Evolution of production in high-wage countries**  
**Consortium:** Bosch, BSH, Claas, Continental, Model, Oerlikon, Rehau, Siemens, Stihl, Sulzer  
**Successful-practice:** Bosch, ebmpapst, infineon, Voith, Voit

**2018**

**Smart Services – Transformation of the Service Organization**  
**Consortium:** Lenze, Liebherr, Palfinger, Siemens, Trumpf, Karl Storz  
**Successful-practice:** Bühler, Hilti, John Deere, thyssenkrupp, Voith

**2016**

**Industry 4.0 – From a Management Perspective**  
**Consortium:** ABB, Bühler, Rieter, RUAG, Intellion, E+H, ZF  
**Successful-practice:** Festo, Egger, Bosch, Heidelberg, MR

**2015**

**Success in the Future of Smart Services**  
**Consortium:** Bosch, GEA, Metrohm, Siemens, Intellion  
**Successful-practice:** John Deere, Schindler, Nordex, Heidelberg, Kärcher

*«The study together with HSG was a highly insightful and informative experience. The project meetings were very well prepared, efficient and covered all relevant theoretical aspects. Especially the site visits were extraordinarily instructive for all participants. We profit from the contacts gained through this cooperation even beyond the study!»*

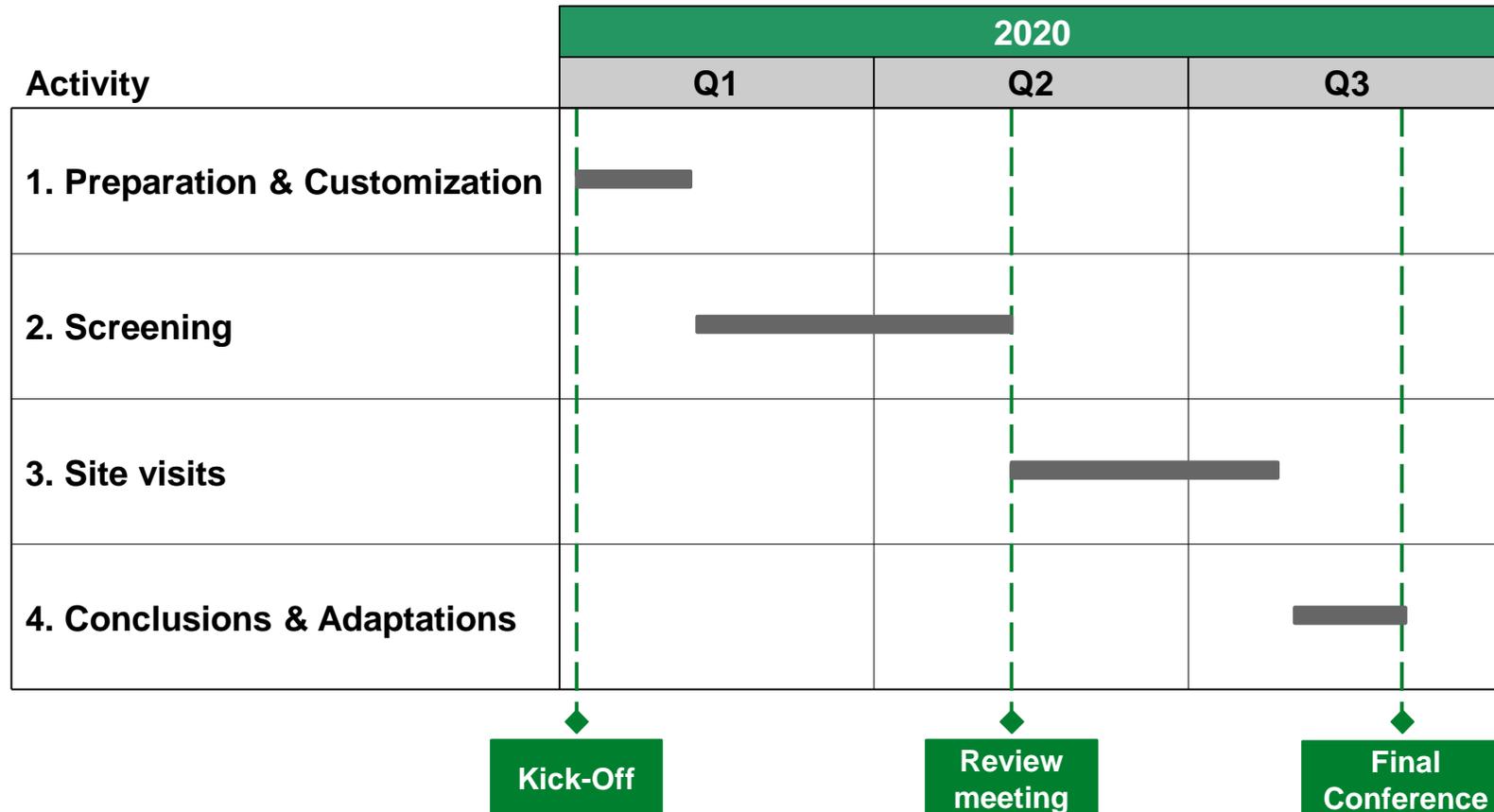
**Balthasar Gwechenberger**  
**Vice President Corporate/Global Service**  
**PALFINGER AG**

*«As Liebherr, we were interested in how best performers position themselves in the Smart Services sector. The discussion with other consortium partners and best performers in the workshops, moderated by HSG, enabled us to evaluate trends and make strategic decisions.»*

**Dr. Tanja Sieber**  
**Head of Business Development Services**  
**Liebherr-EMtec GmbH**

# Tight project plan drives results & keeps tension within the project high

## Preliminary Time Schedule



Data security

- **Confidentiality** and anonymous publication
- We obey the «International Benchmarking Code of Conduct»

Participation Fee

Consortia partners get the full benefits of the benchmarking project and participate with a cost share of **CHF 20'000\*** each.

\* The fee includes participation, meals at the Kick-Off Meeting, Review Meeting and at the Final Conference. Travelling expenses etc. are not included.

## Contact Details

Please do not hesitate to contact us if you have any questions



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