



[WHITEPAPER]

From transactions to partnerships: Maximizing Product-As-A-Service potential with data & ecosystem management

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THE AS-A-SERVICE EXPERTS

Introduction

Do businesses truly understand the potential of the Product-As-A-Service (PaaS) revolution in today's challenging economy?

As companies pivot from traditional transactional models to long-term service relationships, they face numerous hurdles. But what if the secret to thriving in this new landscape lies in starting with the end in mind?

It's about crafting scalable solutions that deliver continuous value throughout the customer journey. Let's delve into this transformative journey.

Let's explore the journey towards Product-As-A-Service (PaaS) models and discuss the importance of orchestrating ecosystems and harnessing the power of data.

1. Shift to Product-As-A-Service: A new paradigm

The transition from traditional product-based models to Product-As-A-Service (PaaS) marks a fundamental shift in how businesses operate. Rather than focusing solely on one-time transactions, companies are now offering ongoing experiences tailored to customer needs. This shift enables businesses to build long-term relationships with customers, drive recurring revenue, and stay competitive in a rapidly changing market.


“ There's a global adoption of society about consumption models. We are all being exposed to models like ShareNow, Airbnb, et cetera. And this is now moving towards the B2B environment, especially when it comes to solutions that can be provided by offering a performance and not just selling a device and the associated services. - Extracted from the Digital Route Podcast "Tackling the Data Challenge in Servitization" from April 2024.



2. Start with the end in mind: Building scalable solutions

To succeed in the PaaS landscape, companies must start with the end in mind. This means designing scalable offerings that anticipate future needs and can adapt to changing market dynamics. Adding new services to their product offerings is one of the main ways to remain relevant. This means orchestrating the entire production line of services. By doing so, businesses can ensure seamless integration, efficient delivery, and ongoing innovation.

For example, car leasing companies rely on a network of suppliers (from insurance to tyres suppliers etc.) to provide comprehensive services to customers. By understanding the end-to-end process and packaging services effectively, these car leasing companies can deliver value throughout the customer lifecycle and have direct access to their end-users.




“ When you provide As-a-Service, the benefits are the partnership you enter with your customers, because if you want to offer a performance and outcome, you have to partner. You are not just sending a spec and run away and come back four years later. No, you really have to understand the business of your customer to provide the best performance for this customer. Then you have an ongoing relation with your customer because you monitor every day the quality of the performance you deliver because this is what you build. - Extracted from the Digital Route Podcast "Tackling the Data Challenge in Servitization" from April 2024.

3. Orchestrating the ecosystem behind a Product-As-A-Service solution

Successful PaaS models rely on an interconnected ecosystem of partners, suppliers, and customers. By collaborating with multiple players, companies can offer a holistic solution that meets diverse customer needs. However, managing this ecosystem requires careful coordination and communication to ensure a seamless experience for all stakeholders.

For instance, Swapfiets, a bike subscription service, takes ownership of bikes and manages the entire customer relationship. By orchestrating the ecosystem behind its service, Swapfiets can provide a superior experience to its subscribers, differentiate itself in the market and have access to valuable customer data.





“ Don't be a solo player pushing this offer forward. To have a very good return on investment analysis, consider all the costs and the risks associated to develop the model, and whether proceed to do it yourself or to approach experts to make it happen. The governance to implement this new offer must be well thought through. - Extracted from the Digital Route Podcast "Tackling the Data Challenge in Servitization" from April 2024.

4. Benefits of owning the end users and accessing data

One of the key benefits of PaaS models is the ability to own the end-user relationship and access data. By understanding how customers consume services, companies can tailor offerings to meet their needs effectively. This data also enables businesses to identify new opportunities for innovation and revenue growth.



By leveraging customer data, businesses can optimize their offerings, reduce disputes, and accelerate new business model creation. By owning the customer relationship, these companies can deliver personalized experiences and stay ahead of the competition.

  *In an As-a-Service model, a customer has a lot of predictability when the contract will end. And because you've been following this customer during the whole cycle of usage, you know exactly what the best solution is for this customer at the moment of renewal. You can very much anticipate the renewal and sell more value and offer a better experience to the customer at the same time. - Extracted from the Digital Route Podcast "Tackling the Data Challenge in Servitization" from April 2024.*

5. Importance and benefits of managing data

Effective data management is essential for the success of PaaS models. From billing optimization to service consumption analysis, companies must harness data to drive growth and prevent revenue leakage. By automating processes, improving traceability, and integrating data across systems, businesses can streamline operations and maximize revenue potential.

According to an EY report, revenue leakage is a common issue for Fortune 500 companies, often caused by human errors in billing processes. By implementing robust data management practices and the right data monetization platforms, companies can minimize these risks, reduce their order to cash and ensure financial stability.

  *Data exchange will fuel almost all aspects of your As-a-Service model. It will fuel the maintenance teams to do proactive maintenance. It will fuel the consumables team to provide the right consumables. It will fuel the sales team in terms of usage of overconsumption or low consumption. It will fuel the finance team in terms of readapting the model and the pricing and the contract if the consumption is not according to what is expected. - Extracted from the Digital Route Podcast "Tackling the Data Challenge in Servitization" from April 2024.*

Conclusion: Embracing the future of business

In conclusion, the transition to Product-As-A-Service (PaaS) models represents a fundamental shift in how businesses operate in today's challenging economy. By starting with the end in mind, companies can create scalable solutions that deliver continuous value throughout the customer journey.

Through orchestrating ecosystems and accessing data, businesses can navigate this transformative journey successfully. By collaborating with partners, suppliers, and customers, companies can offer holistic solutions that meet diverse needs and drive growth. Moreover, owning the end-user relationship and leveraging data enable businesses to tailor offerings, identify new opportunities, and stay ahead of the competition.

However, the journey towards PaaS is ongoing, and there are still questions to explore. How can companies further optimize their offerings and enhance customer experiences

through data analysis? What strategies can be implemented to prevent revenue leakage and ensure financial stability in the PaaS model?

As businesses continue to adapt to this evolving landscape, it's clear that those who embrace the PaaS revolution and leverage data effectively will thrive. Are you prepared to harness the power of data to drive innovation, prevent revenue leakage, and deliver exceptional customer experiences in the Product-As-A-Service era?

Black Winch



Black Winch is the world's exclusive authority in As-A-Service solutions.

We are on a mission to empower intrapreneurs to achieve their As-A-Service ambitions by building and scaling their in-house recurring revenue models.

We take our customers through a holistic methodology focusing on strategy, sales, marketing, funding, finance, back office, ecosystem & circularity to master the subscription journey.

- We have 20+ years within the subscription market.
- We have experts specialized in As-A-Service challenges and solutions.
- We have a unique methodology to reach As-A-Service ambitions faster.
- We are not a traditional consulting firm, we are very hands on. We provide on-the-ground support, rather than focusing on theory.
- We generated \$2,8bn revenue of As-A-Service business for our customers (2022).
- We donate 1% of our annual revenue (to REEFolution and Healthy Seas)

Black Winch supports organizations to create and/or improve their As-A-Service business model according to their objectives: feasibility analysis, improving profitability, securing the market share, improving customer loyalty. By turning and developing the product-based linear business model into an in-house subscription model, it will bring value to the end users, the stakeholders and the shareholders.

The Black Winch experts help organizations develop a successful As-A-Service business model through a proven methodology. With a personalized framework, Black Winch helps build or adapt an As-A-Service offer, find financial partners, train teams, and provide the financial engineering required to ensure the success of the project. Additionally, it opens the door towards the circular economy and sustainable development. Black Winch is proud to be part of the [1% for the Planet](#) movement.

Learn more: <https://www.blackwinch.eu/>

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DigitalRoute processes data about how customers use digital services. They empower hundreds of enterprises to capitalize on the growing wave of consumption-based commerce with their Usage Data Portfolio.

DigitalRoute has been the market leader in this space, historically called billing mediation, for nearly 20 years. Over 350 leading companies worldwide use DigitalRoute's Usage Data Portfolio to provide accurate complex usage-based business models. Their software is the go-to choice for telcos, streaming platforms, SaaS enterprises, and a wide array of other industries.

Committed to helping companies overcome data challenges that directly impact revenue, customer experiences, and digital services, DigitalRoute is dedicated to its clients' success.

Learn more: <https://www.digitalroute.com/>