Module 12 (Case: Ping An)

Business Models & Ecosystems: The New Rules of Strategy in the Age of Artificial Intelligence

Please click on the following links to have direct access to the modules. Modules 1 - 15 are indic

M 1
(https://canvas.vt.edu/courses/168287/pages/module-1)

M 2
(https://canvas.vt.edu/courses/168287/modules/358672

📋 Overview

Welcome to Module 12! This module will last from Monday, April 10 @ 12:01 AM to Sunday, April 16@ 11:59 PM. This module opens our third unit on business models, value networks, and ecosystem design. Business models/value networks are the activity systems through which firms create for and capture value from customers in ways that are superior to their competitors. Business models are a crucial complement (i.e., enhancer) to product innovations, but can serve as sources of innovation in their own right as well.

Ecosystems are an emerging new organizational form that builds on the earlier concept of a value network we discussed in our previous units. In the first unit, the value network provided a source of critical inputs that firms can utilize to create "whole product solutions," extending generic "minimum viable products" with the key features that are necessary to attract mainstream customers. In the second unit, we discussed how value networks provided a critical set of factors that enhance the competitiveness of disruptive innovations. We will now tackle the question of the key organizing logics for effective business models, value networks, and ecosystem design.

In this module, we will dive deeper into these issues, discussing the role of AI tools in helping to "datafy" a business -- particularly as digital ecosystems -- function in the age of artificial intelligence.

Business model/platform design requires "new rules for strategy" -- a new structural pattern that enhances the effectiveness of our framing strategies so that we have key insights into how to organize our firms in the most effective way possible in order to enhance the impact of our technology/innovation strategies.

Digital ecosystems incorporate the logics of crossing the chasm and disruptive innovation frameworks through enhancing the role of value networks, powered by AI-tools, to build sustainable platforms over the long run.

🎯 Objectives

Upon completion of this module, students will be able to:

- Identify the importance of value network design as a novel source of innovation for firms
- Analyze the components and logics of effective business models in AI-powered firms
- Design components of scalable business models to facilitate the development of long-term sustainable competitive advantages

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📖 Readings icon **Readings** (2 hours)

Required:

- Smart Business: Intro, Cha 1-2 (HBSP Coursepack)
- Competing in the Age of AI: Cha 4 (HBSP Coursepack)

Optional:

- **McKinsey on Business Model Innovation** ➦ **(https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/disrupting-beliefs-a-new-approach-to-business-model-innovation)**
- **Reshaping Business Models with Artificial Intelligence** ➦ **(http://sloanreview.mit.edu/projects/reshaping-business-with-artificial-intelligence/)**

▶ watch icon **Watch** (30 minutes)

- **Lecture 12.1 Digital Business Models & Artificial Intelligence** ➦ **(https://youtu.be/cRdjVP_32zQ)**

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  (https://youtu.be/cRdjVP_32zQ)
  - *Note: The lecture number shown in the video is 11.1, but this is the correct lecture.*
  - **Lecture 12.1 Slide Deck (https://canvas.vt.edu/courses/168287/files/26483914/download?wrap=1)**

class activity icon **Class Activities**

- Read Overview of Module 12
- Complete Assigned Readings
- Watch Lecture 12.1
- **Complete Quiz #12 (https://canvas.vt.edu/courses/168287/quizzes/421341)**
- **Complete Case Discussion #9: Ping An (https://canvas.vt.edu/courses/168287/discussion_topics/1525893)**

Assignment icon **Assignment** (3 hours)

These are the graded components of the Class Activities listed above.

- **Quiz #12 (https://canvas.vt.edu/courses/168287/quizzes/421341)**
- **Complete Case Discussion #9: Ping An (https://canvas.vt.edu/courses/168287/discussion_topics/1525893)**

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icon for recitation section **Recitation** (Optional: 1 hour)

- *Please note that you are not required to attend the weekly optional office hours from 7-8 PM on Thursdays. All weekly Zoom meetings will be recorded. The optional session will be recorded for everyone who cannot attend. You will be able to access the video after it finishes processing (usually 24-48 hours after it is recorded) through the Media Gallery (Course) on the left-hand side of the screen here on Canvas.*

    - **https://virginiatech.zoom.us/j/81038408606** ⬚ **(https://virginiatech.zoom.us/j/81038408606)**

icon image for optional materials section **Optional Materials**

Please find the following optional materials for the module.

- **Ted Talk on Business Model Innovation** ⬚ **(https://www.youtube.com/watch?v=rgufaJ4gjPo&feature=youtu.be)**

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    (https://www.youtube.com/watch?v=rgufaJ4gjPo&feature=youtu.be)