Business Games, a methodology to understand the BB Access value chain

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Multi service access network that provides secure connectivity between end-user terminals and edge nodes in an open, multi-provider environment at a low cost for every European citizen.
MUSE business model(s)
Value chain: Michael Porter

Porter 1985
Value chain: MUSE 1

Customers → Company → Suppliers → Porter
Value net : MUSE 2

Brandenburger & Nalenchaff
No budget for business games in MUSE 2

- No game theory
- No students, professional or other human beings acting

Brandenburger & Nalnenbuff
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Case Study: Vällingby Open Net

- Estate owner: Svenska Bostäder
- FTTH
- Open, multi-provider
- 5000 access nodes
- 1400 internet users
- 200 IPTV users
  - VoD
  - 20 channels
Case Study: Vällingby Open Net

Disclaimer:
Actual business model
Actual revenue flows
Estimated (rough) costs
Business Model, overview

Service providers

Price for using the network to reach customers

Communication operator (CO)

Invests in:
- Active equipment

Price for the service

Tenant/Customer

Real estate owner

Invests in:
- Real estate network
- Area network
- Nodes

Price for using the passive network
Internet access: 25€
IPTV: 18€
Results

Cash Balance

Month

0 € 10 000 € 20 000 € 30 000 € 40 000 € 50 000 € 60 000 € 70 000 € 80 000 €

0 10 20 30 40 50 60 70 80

Actor A
Actor B
Actor C
Actor D
Actor E
Actor F
Actor G

NPV

Month

0 € 500 000 € 1 000 000 € 1 500 000 € 2 000 000 € 2 500 000 € 3 000 000 € 3 500 000 €

0 10 20 30 40 50 60 70 80

Number of customers

Month

0 500 1 000 1 500 2 000 2 500 3 000

0 10 20 30 40 50 60 70 80

Price

Month

0 € 5 000 € 10 000 € 15 000 € 20 000 € 25 000 € 30 000 €

0 10 20 30 40 50 60 70 80
End-customers & Price

Customers

Price

Internet access: 25€

IPTV: 18€
Results

Cash Balance

Month

NPV

Number of customers

Price
No zero-sum game!
Price optimization: IPTV

Global NPV vs Price IPTV [€]

Today
Winner: ISP
Loosers: IPTV, Communication operator
NPV

Actor A
Actor B
Actor C
Actor D
Actor E
Actor F
Actor G
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What can business games be used for?

- Value chains /Supply chains
- Multiplayer
- Pricing
- Business Models
Further work

- Evaluation of MUSE business models
- Continue with Vällingby ⇔ reality check
Questions ?