

How to run Value Chain Analysis in 2018? 3 Practical Case Studies

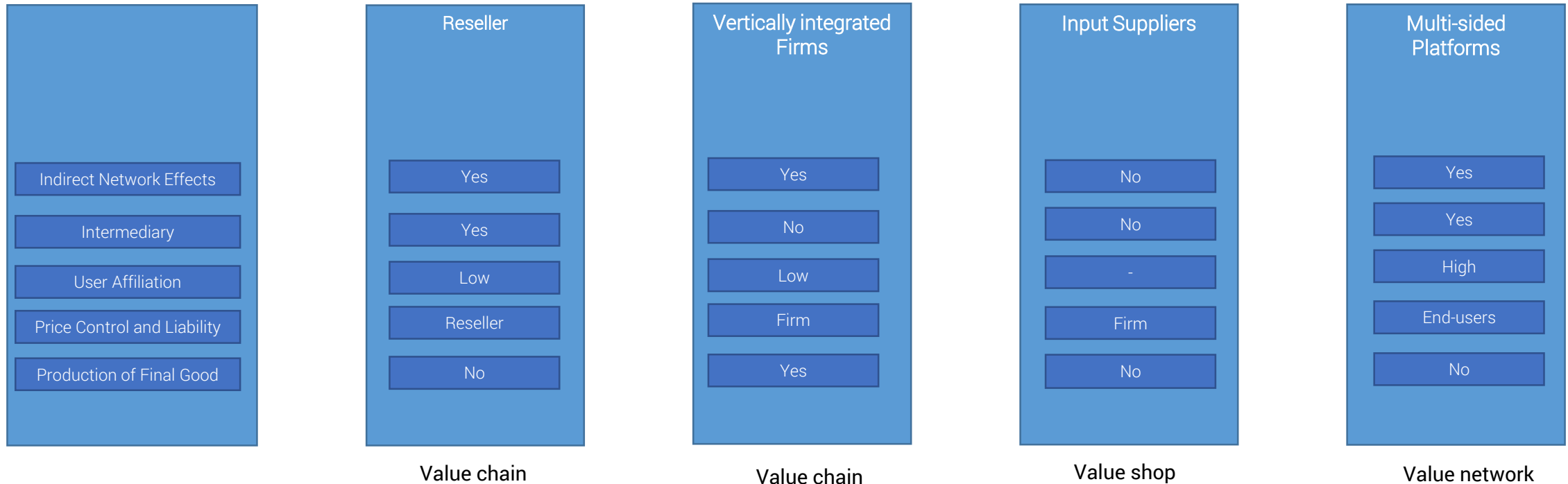
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TPA Global, The Netherlands

June 7, 2018

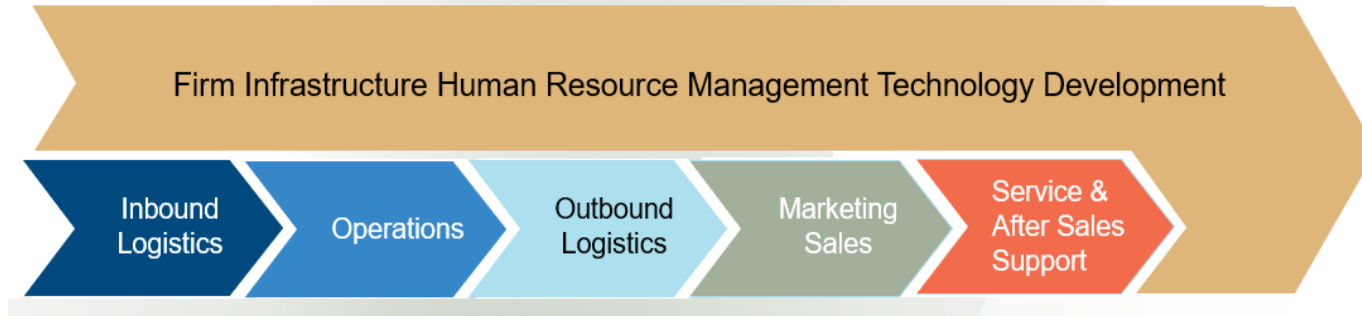
- Characteristics of “digital economy” impacted business models
- How relevant is Porter’s value chain today?
- Concepts of value creation for “digital economy” impacted business models
 - Value shop
 - Value network
 - Data factory (move from ROI to ROD)
- Types of “digital economy” impacted business models
 - Intermediary services : Uber, Amazon
 - Cloud computing
- How can TPA help – 3 practical case studies
 - VCA of “digital economy” impacted business models for TP documentation
 - Intangible versus service classification of “digital economy” impacted business models
 - APA in the current era

Characteristics of “digital economy” impacted business models

Characteristics of “digital economy” impacted business models



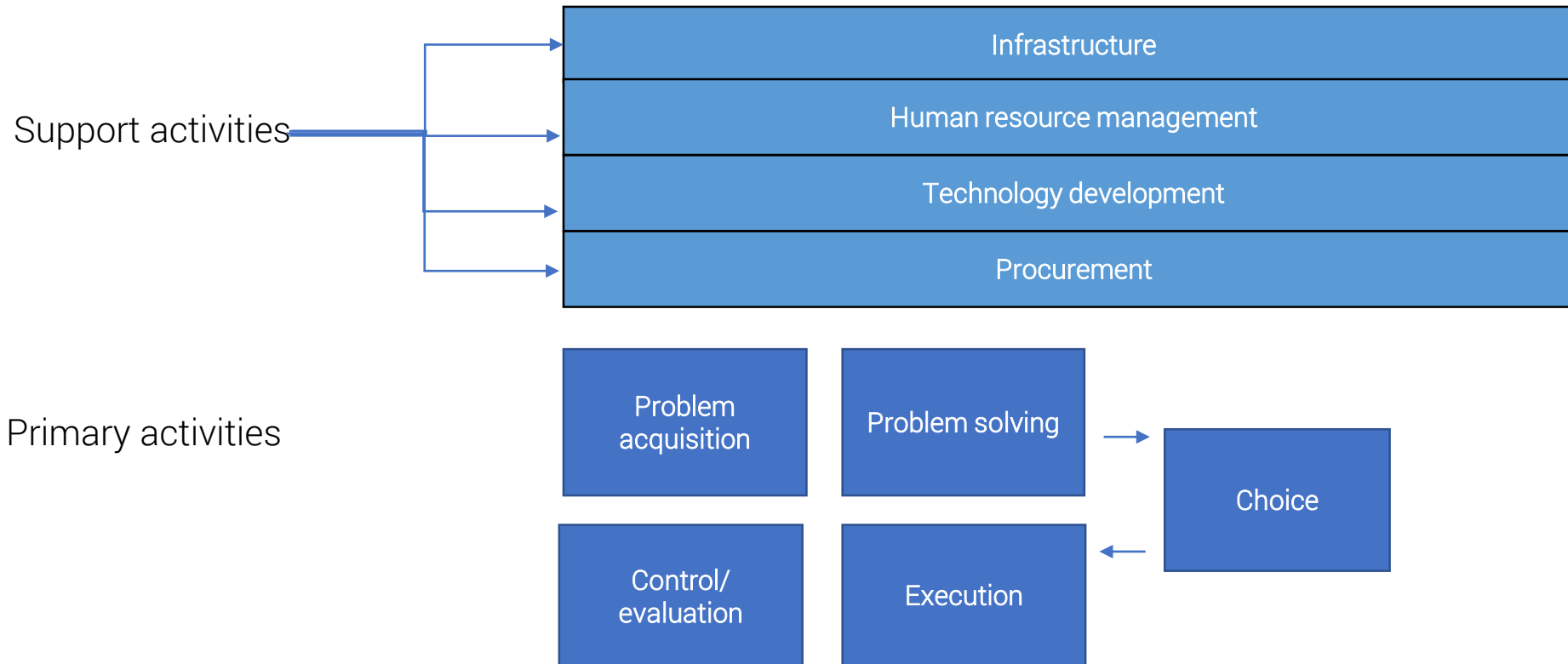
How relevant is Porter's value chain today?



- Data and information do not feature in Porter's value chain.
- Steps in Porter's value chain do not address multiples geographic locations.
- Describe a process where inputs are converted to outputs in a sequence (e.g. traditional manufacturer).

Concepts of value creation for “digital economy” impacted business models

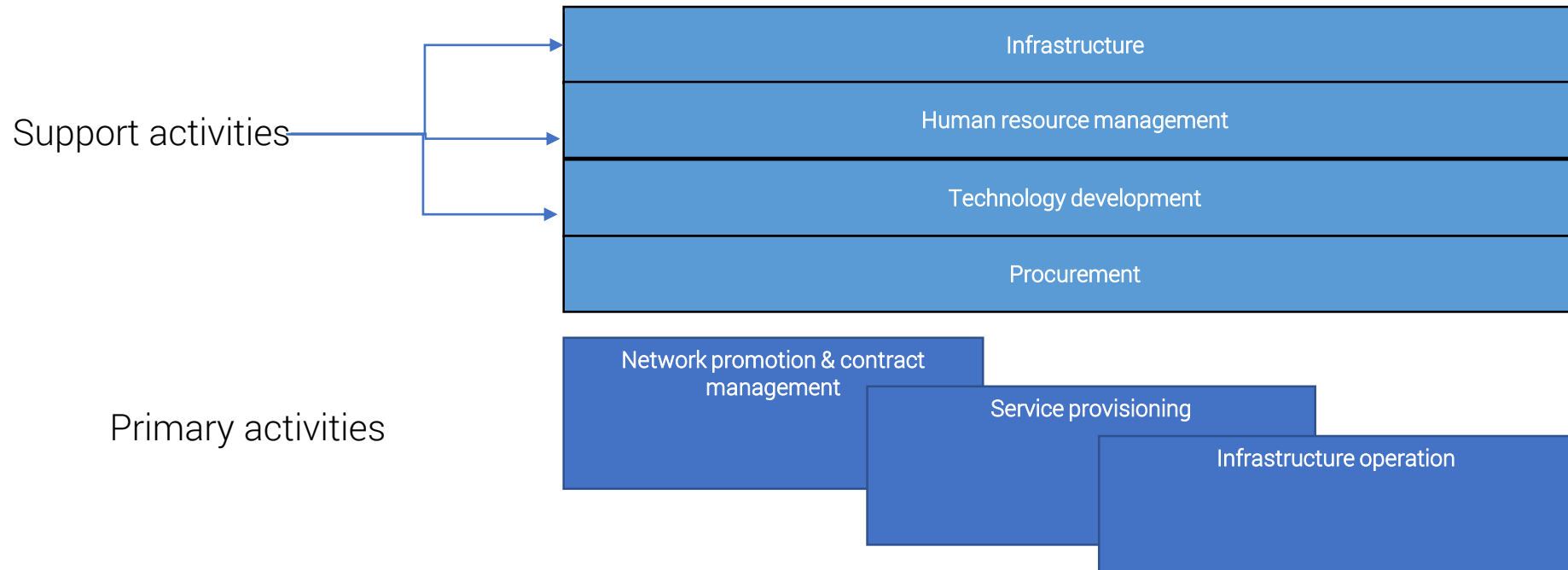
- Value shop



Examples: - Amazon Webspaces
- Consulting firms

Concepts of value creation for “digital economy” impacted business models

- Value network

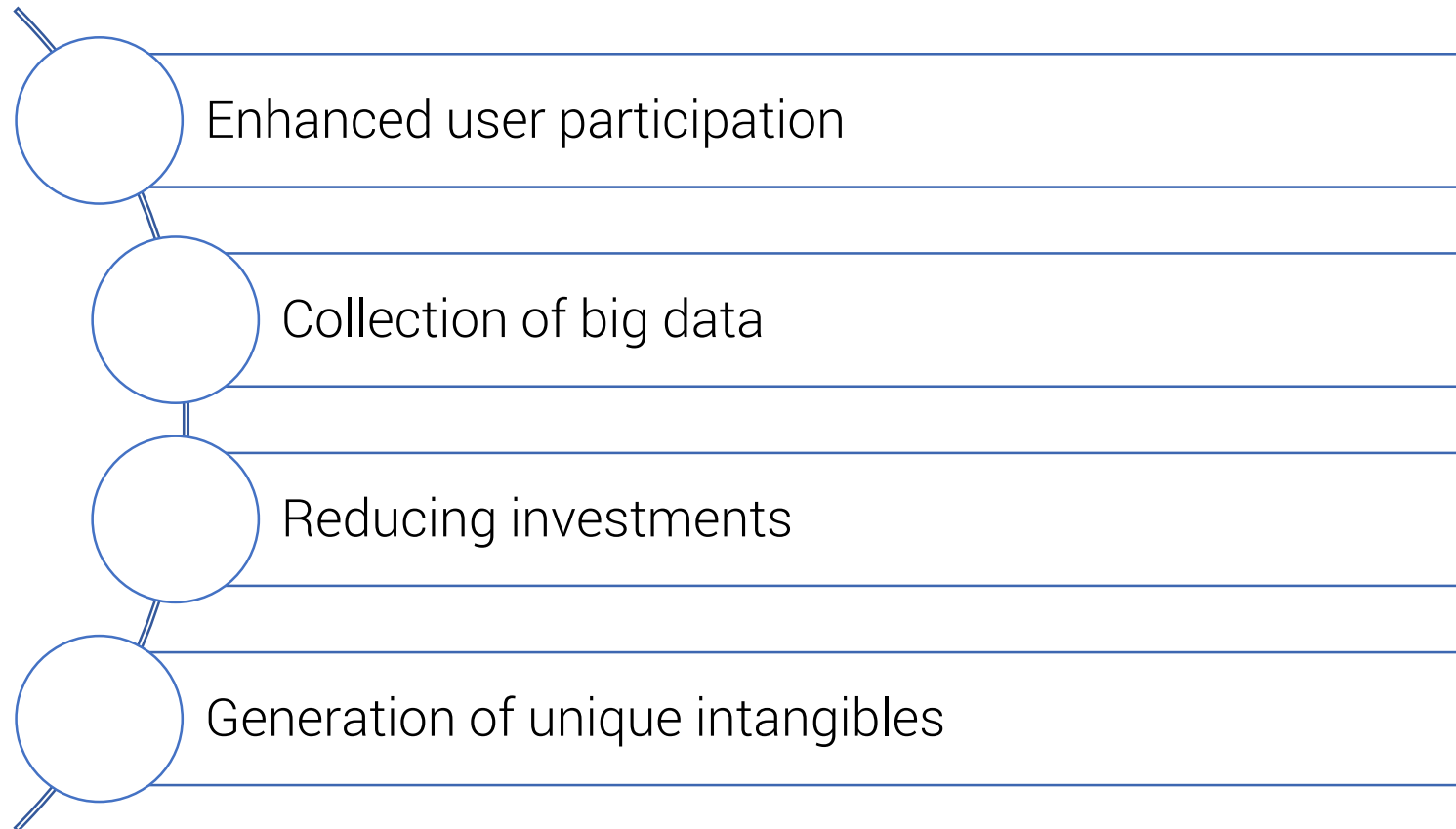


Examples:

- **E-commerce intermediary:**
 - Booking.com
 - Google Play
 - Apple iTunes stores

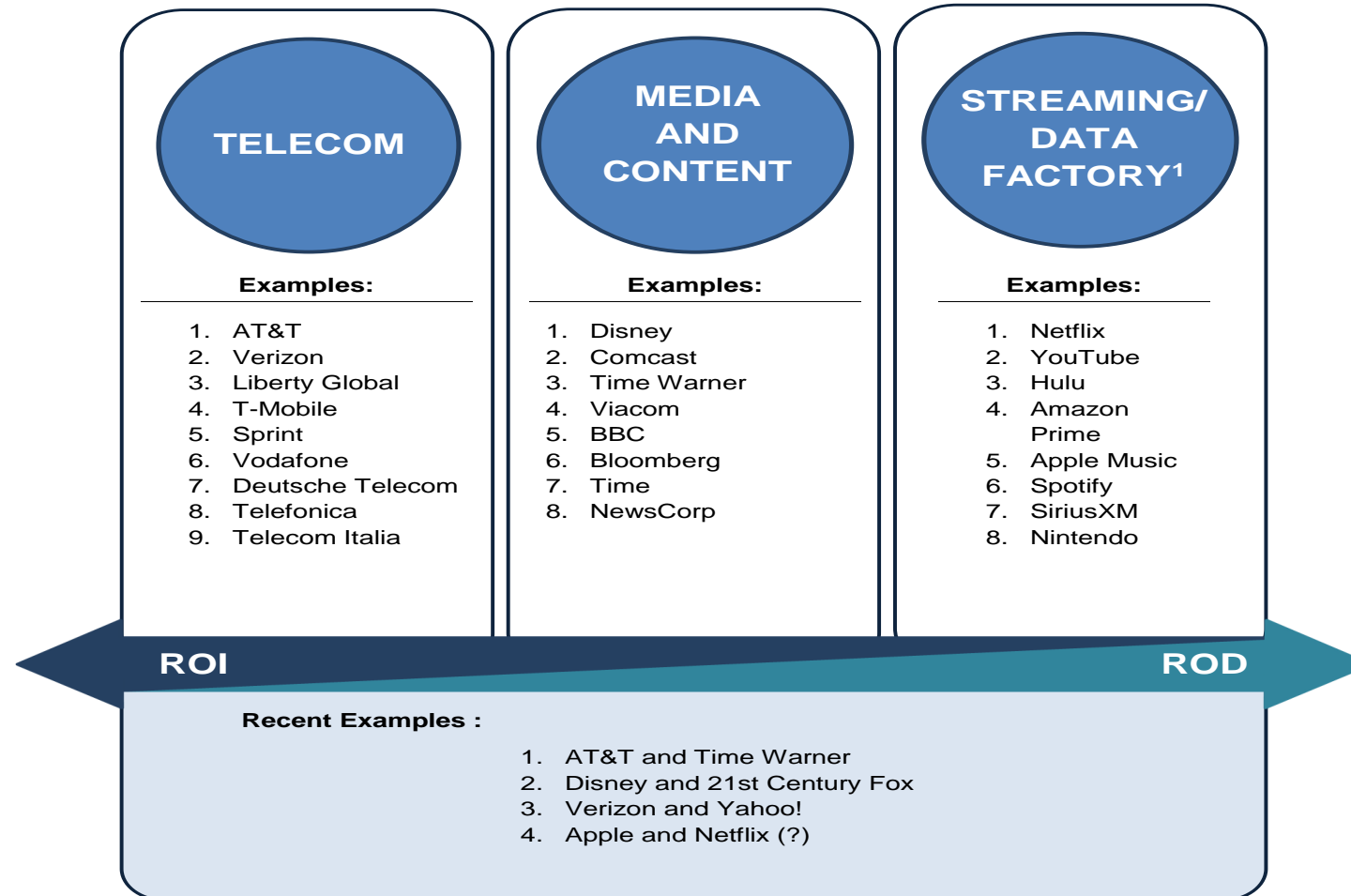
- **Service intermediary:**
 - AirBnb
 - Blablacar
 - Uber
 - LinkedIn
 - Twitter

Key characteristics of digital economy impacted business models



Concepts of value creation for “digital economy” impacted business models

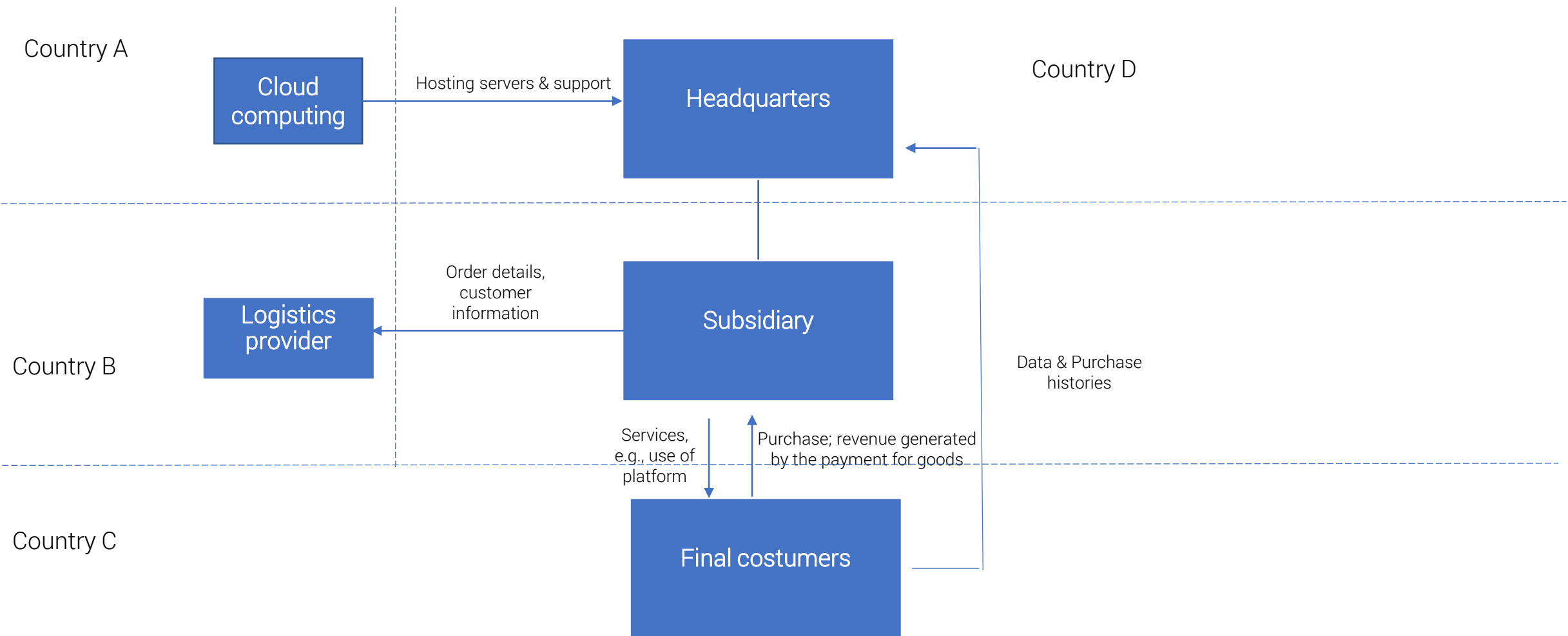
- Data factory (move from ROI to ROD)



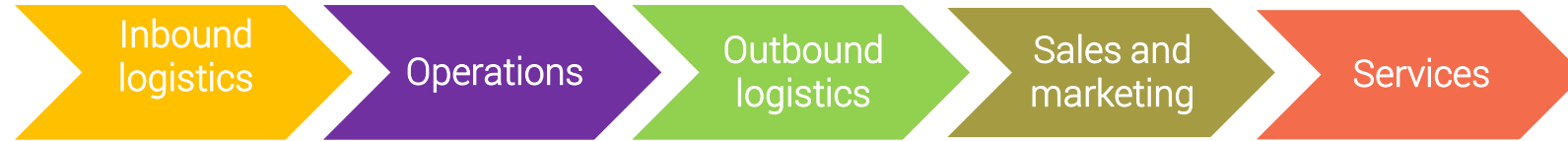
Types of “digital economy” impacted business models

Types of “digital economy” impacted business models

- Reseller/ Vertically integrated firms: Amazon



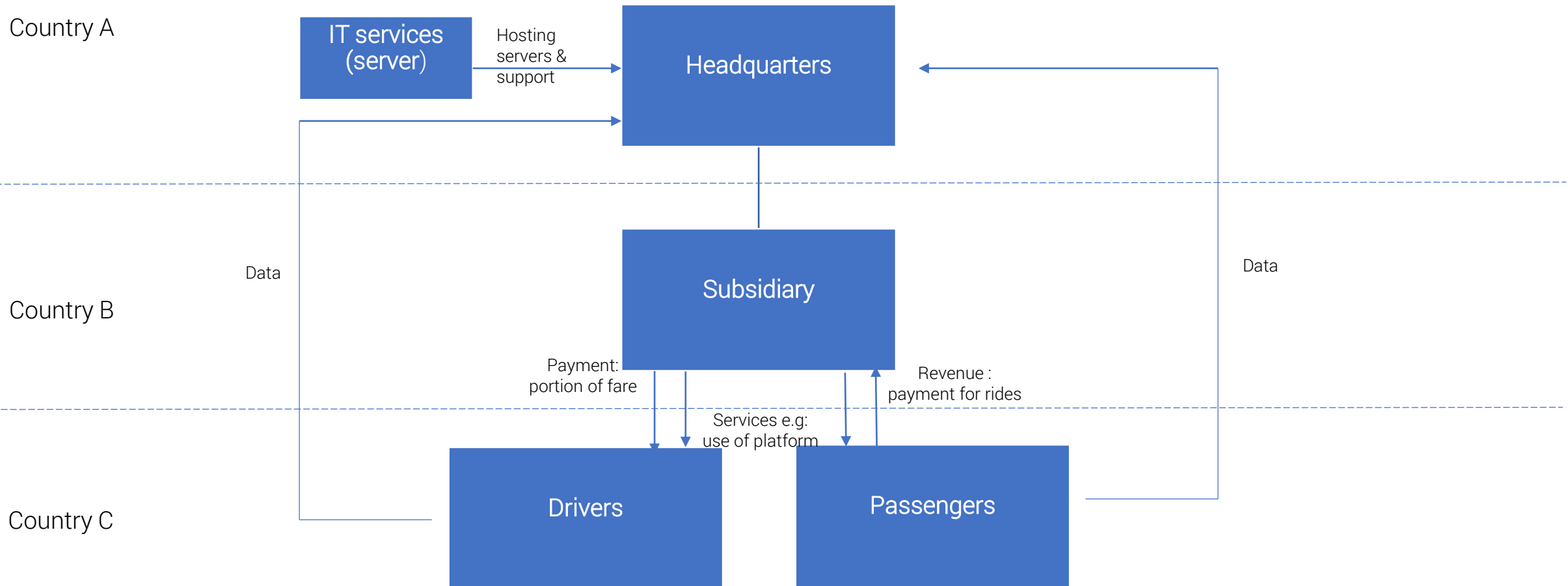
VCA for Reseller/ Vertically Integrated Firms



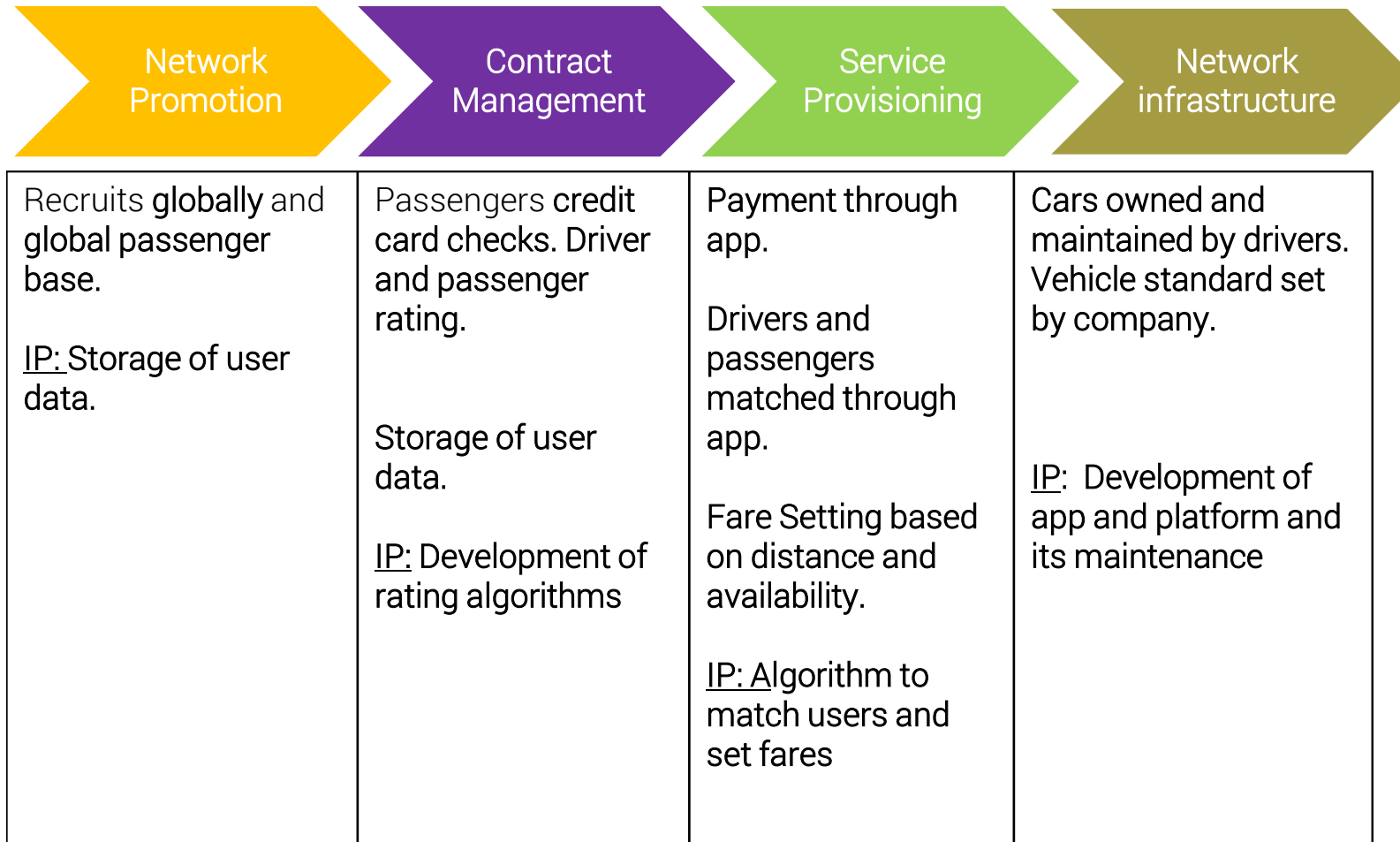
<p>Supply chain; Management data in real time & Source suppliers globally.</p> <p><u>IP</u>: Software to monitor supply chain; Potential IP on robots</p>	<p>Inventory data in real time.</p> <p><u>IP</u>: Development of website & algorithms to target consumers</p>	<p>Receive & process internet orders globally. Assemble and ship orders to final consumers globally. Data on transportation of final goods in real time.</p> <p><u>IP</u>: Development of software to monitor outbound logistics</p>	<p>Definite collection of consumer data through purchase, histories & browsing histories; Market research implicit in the collection of consumer data</p> <p><u>IP</u>: Development of algorithms to target consumers and to price differentiate</p>	<p>Data on the quality of products & services (via customer review database)</p> <p><u>IP</u>: Customer review database made public</p>
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Types of “digital economy” impacted business models

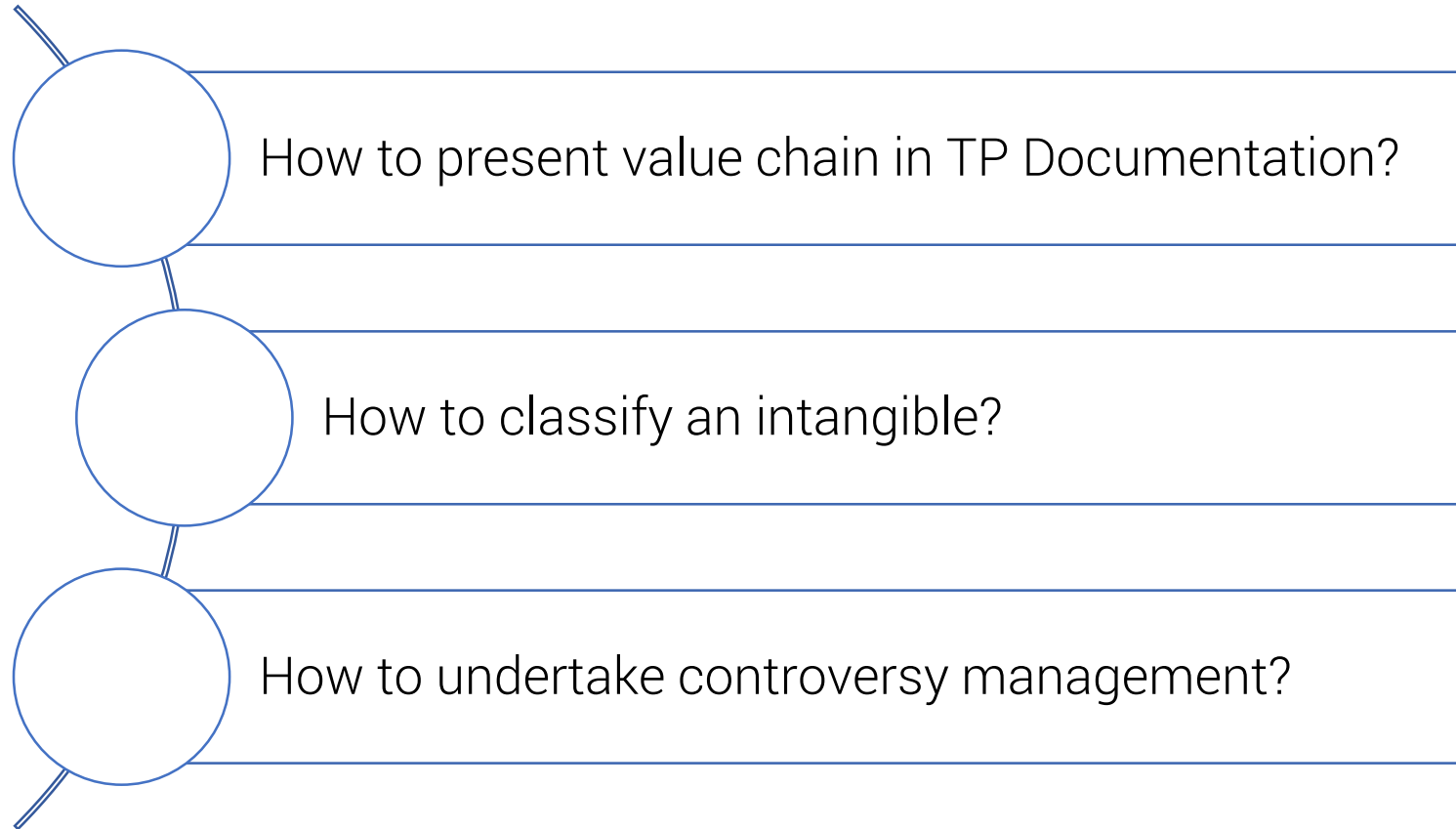
- Multi-side Platform: Uber



VCA for Multi-sided platforms

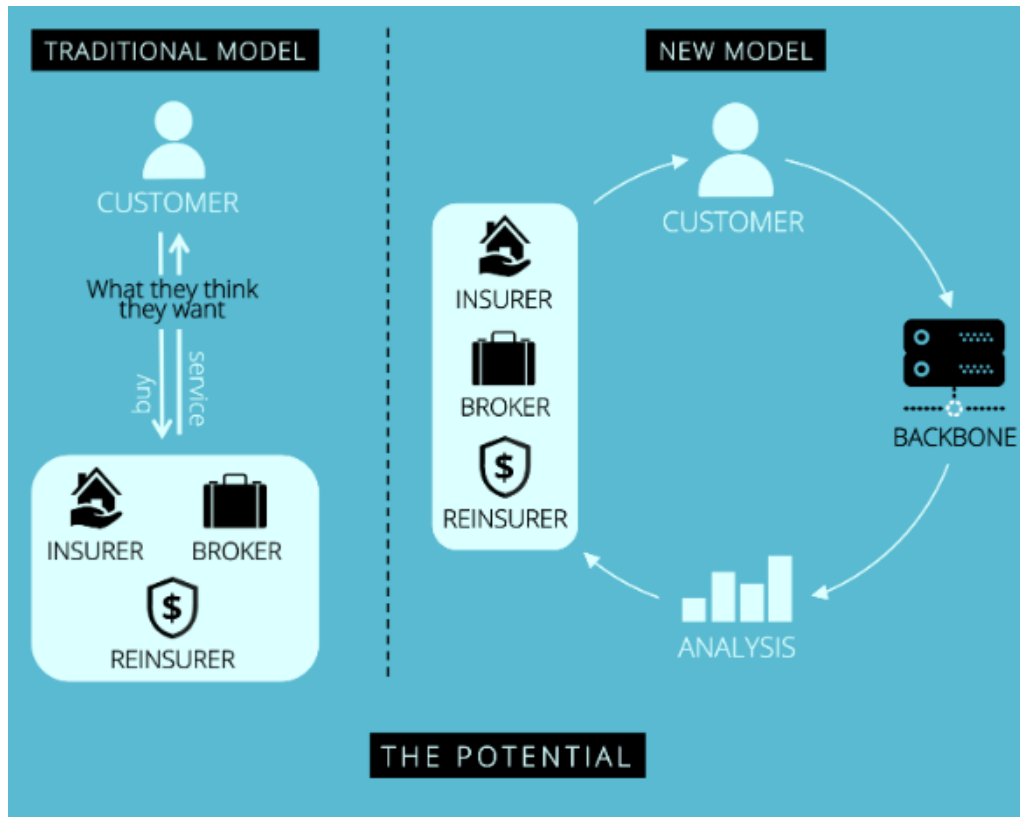


How can TPA help? – 3 practical case studies

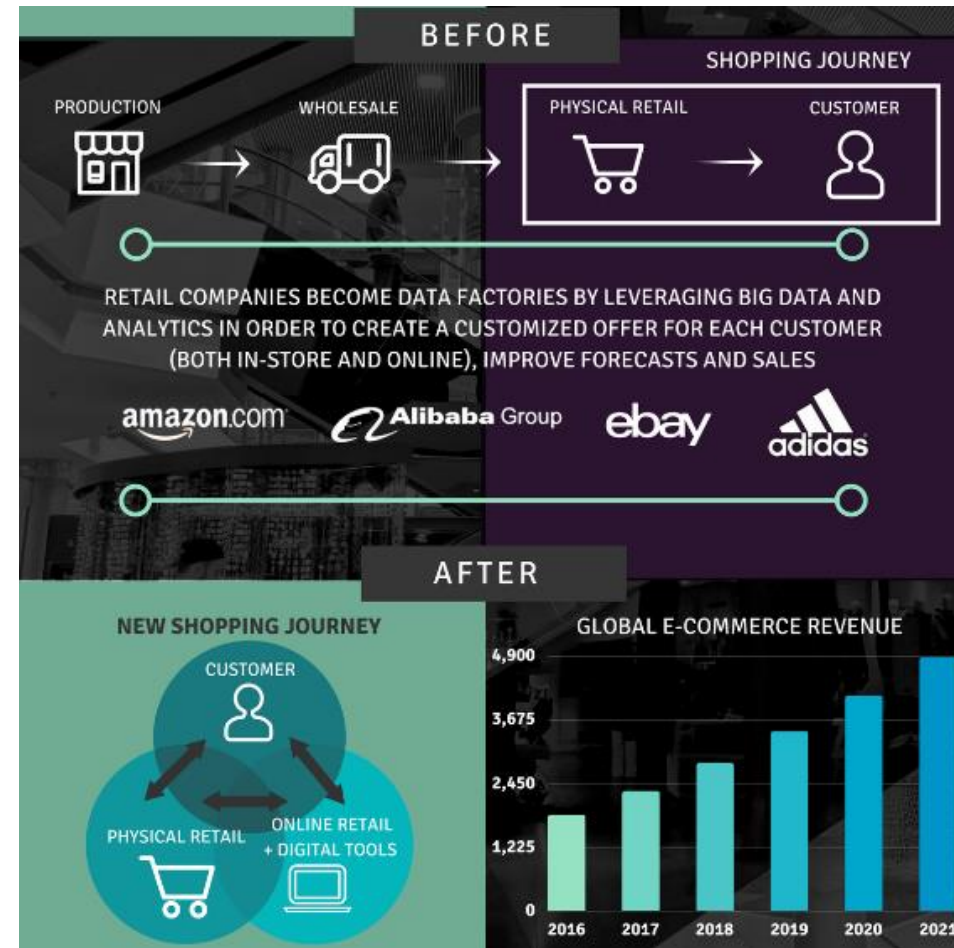


How to present digital value chain in TP Documentation?

Insurance Industry

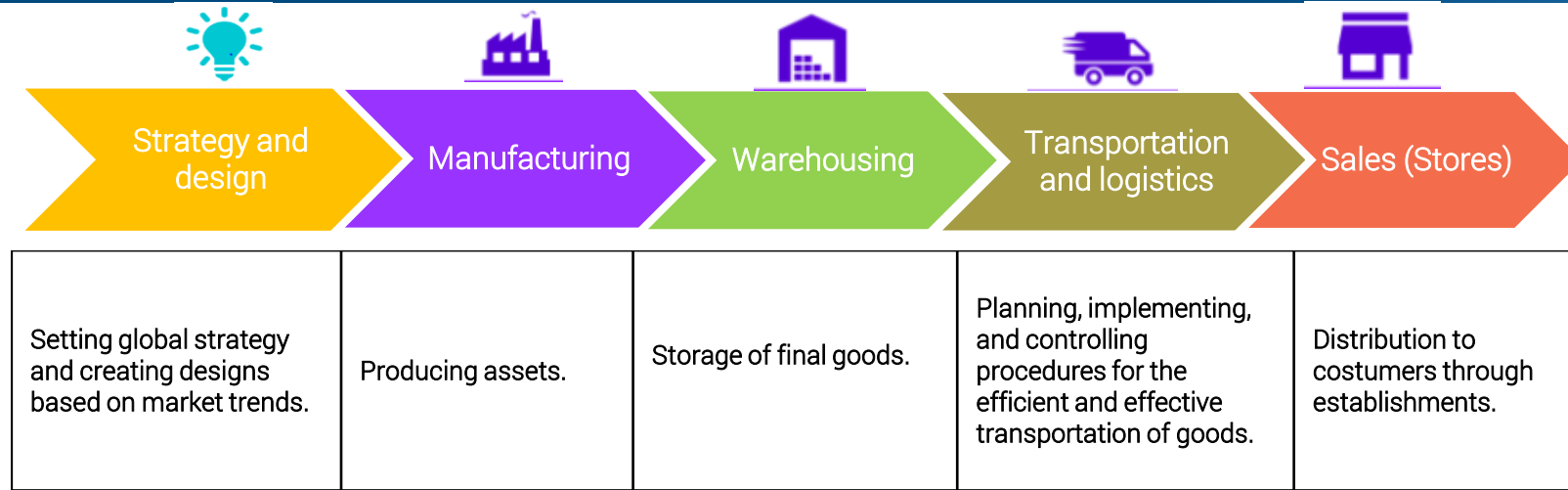


Retail and Wholesale Industry

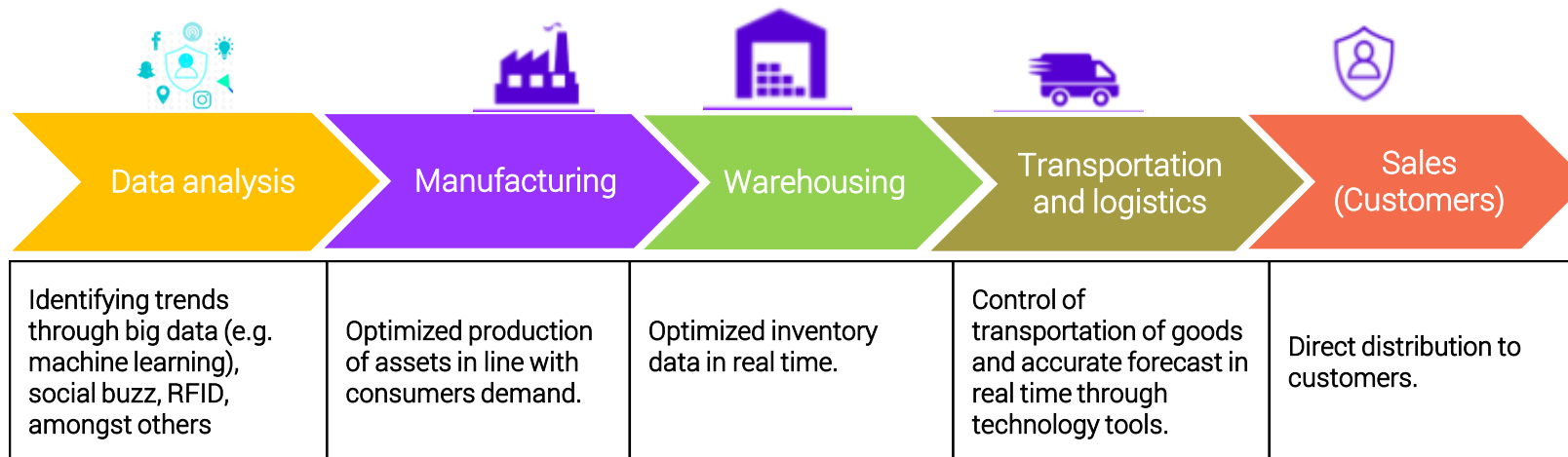


How to present digital value chain in TP Documentation?

Value chain of a traditional retailer model



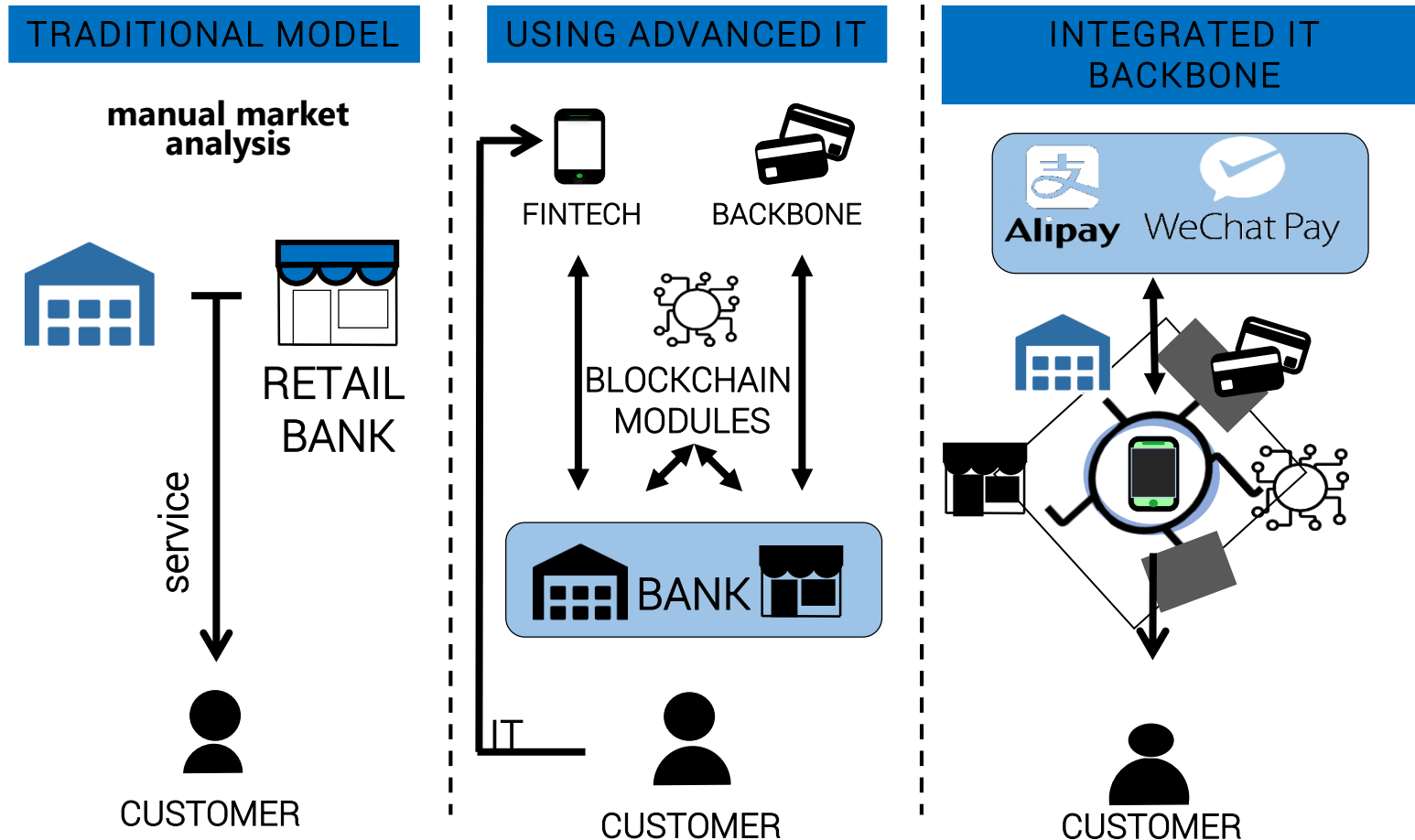
Value chain of a "digital economy" impacted retailer business model



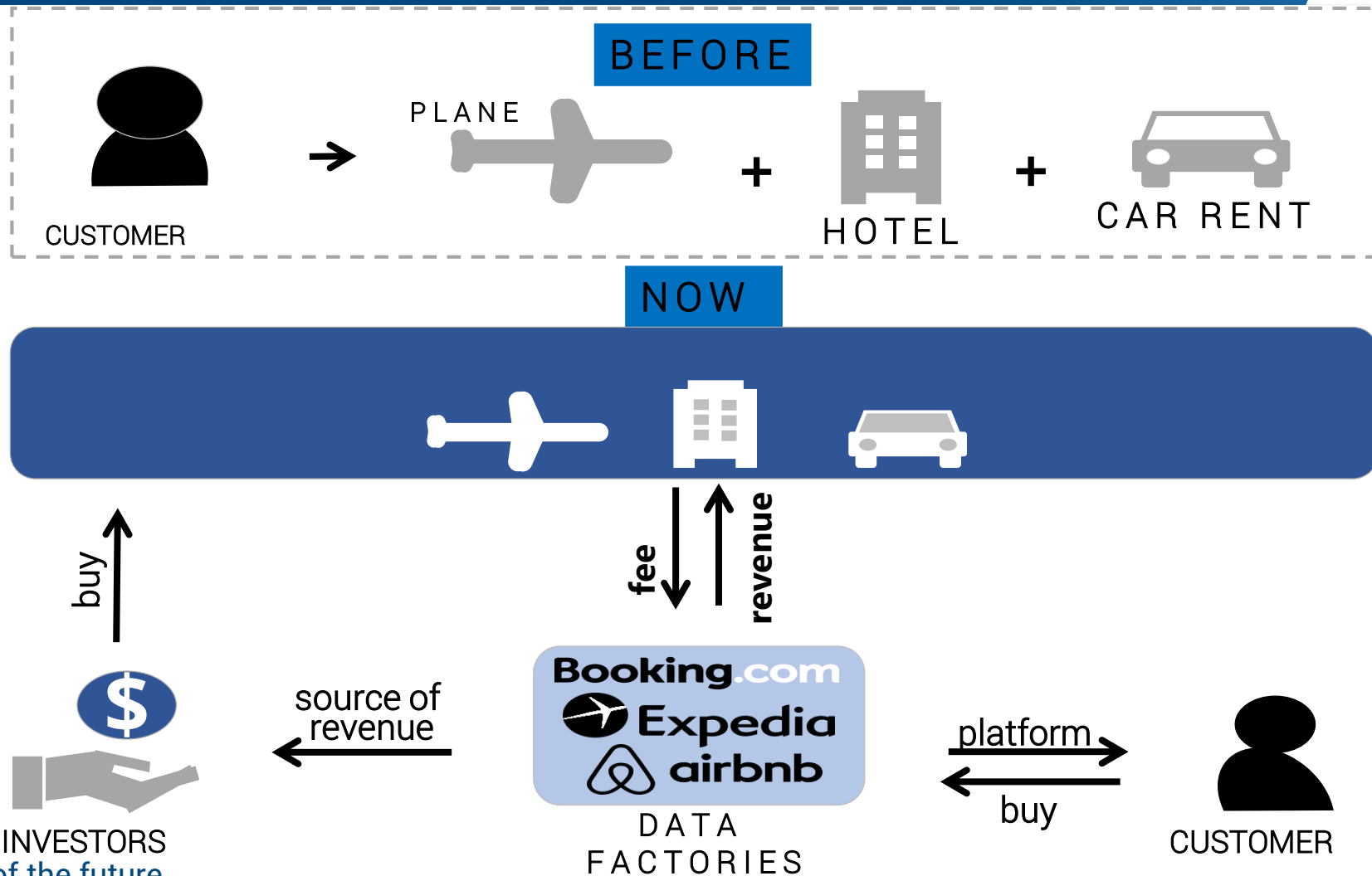
How to classify an intangible?

Functionality Tool/ Platform	Data Origination	Collection of data	Processing of data to information	Artificial Intelligence (real time solutions)	Customer services (internet, shopping, music, media, advertising)	Collaboration with external providers	IP Law protecti on	TP classification as an intangible (routine or non routine) or a service
Business Platform	X	X					X	Chapter VI or Chapter VII ?
Data analysis software			X ?	X ?				Chapter VI or Chapter VII ?
Data storage		X	X					Chapter VI or Chapter VII ?
Payment gateway	X	X				X	X?	Chapter VI or Chapter VII ?
Business support services					X	X		Chapter VI or Chapter VII ?

How to undertake controversy management?



How to undertake controversy management?



Global Tax Controversy



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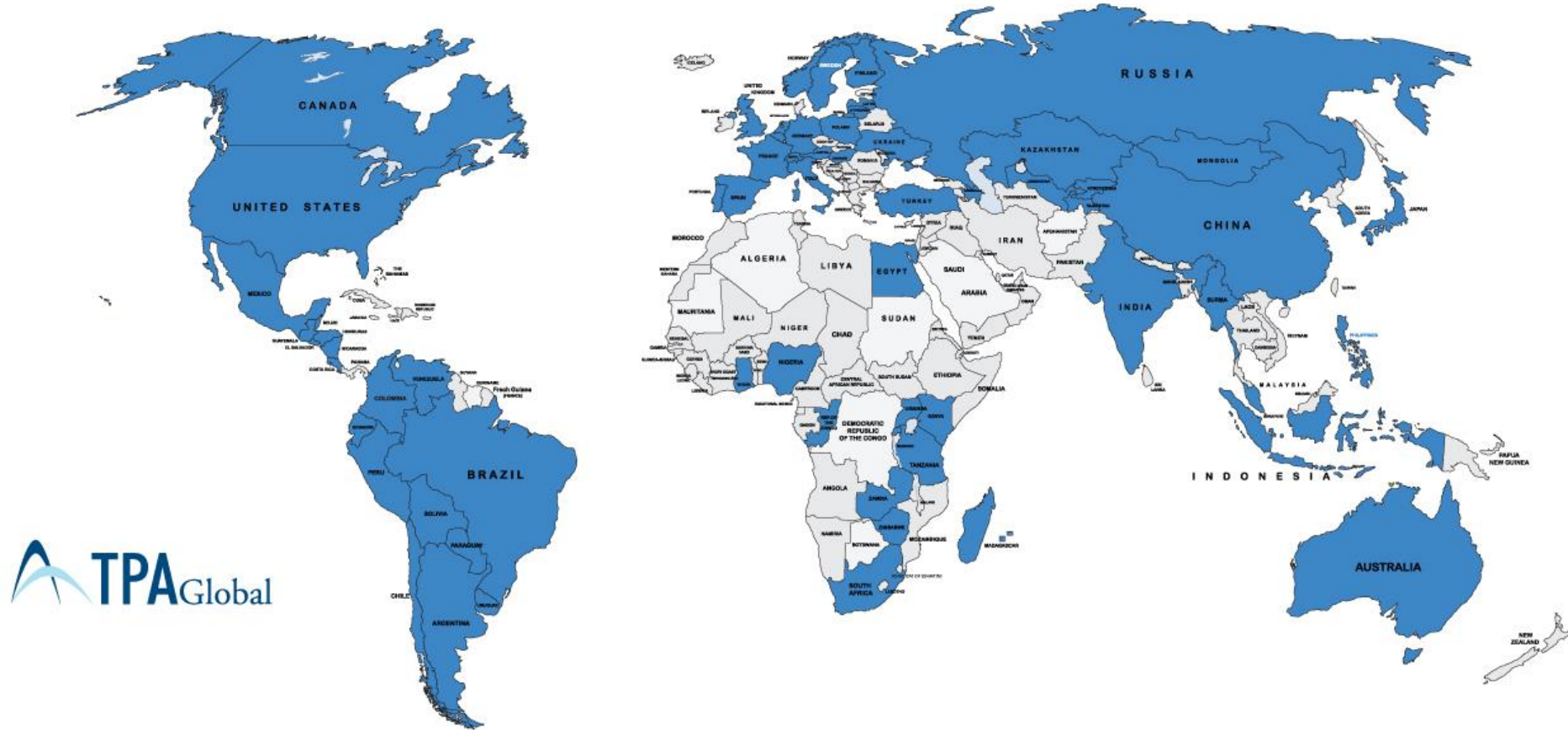
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