



# Digital Transformation and New Business Models

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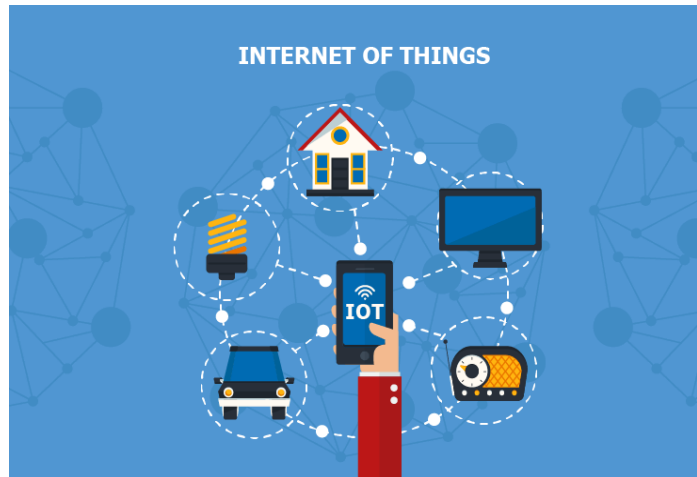


# What does IOT represent to Grundfos and similar companies?

## Opportunity

### From Product to Service

- Get close to end users
- Get direct real time access to usage and product data
- Bring new technologies around AI, Machine learning etc to work
- And deliver valuable optimization of product and customer experience directly to customers
- Monetize



## Threat

### From innovator to laggard

- New competitors in existing market
- Disruption of existing market rules and players
- Peripheral or laser focus? Both?
- High expectations and little knowledge

# Innovation starts with the customers – how do we best help them from a business model perspective?

## Product scenario

### STATUS QUO

Pump breaks down

...

New pump is ordered

...

New pump is installed

...

Operation

...

New break down?

Customer needs



## Solution scenario

### UNDERSTANDING CUSTOMER PAINS

Pump breaks down

...

Customer does not have competences to operate pump?

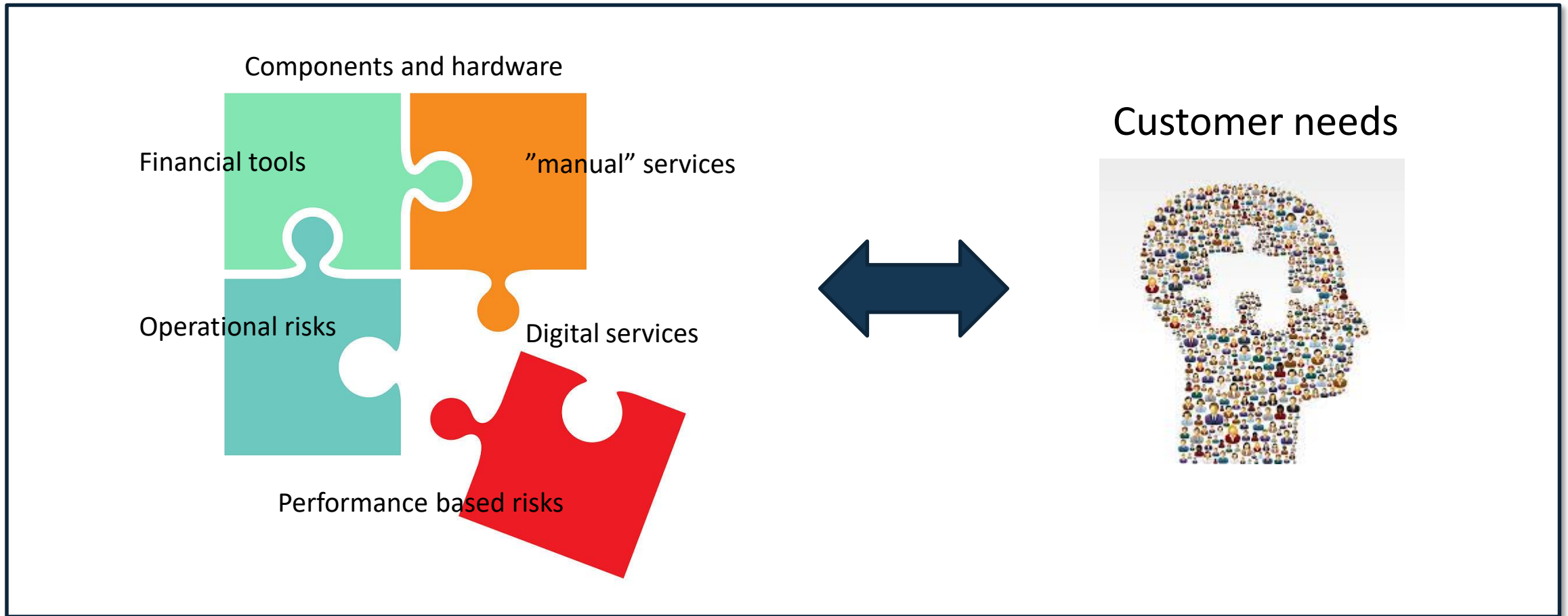
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Customer is offered a Pump as a service solution

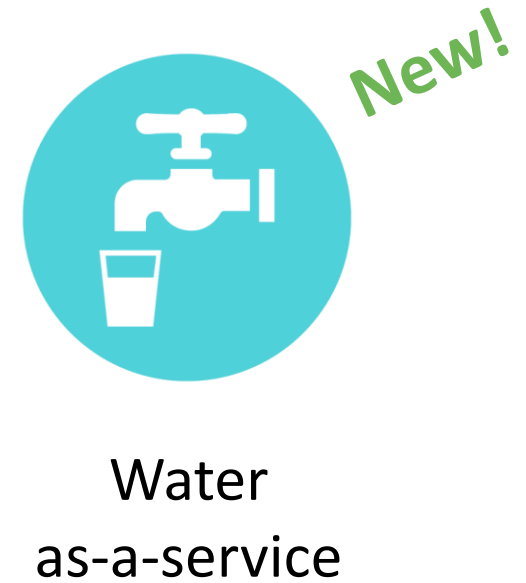
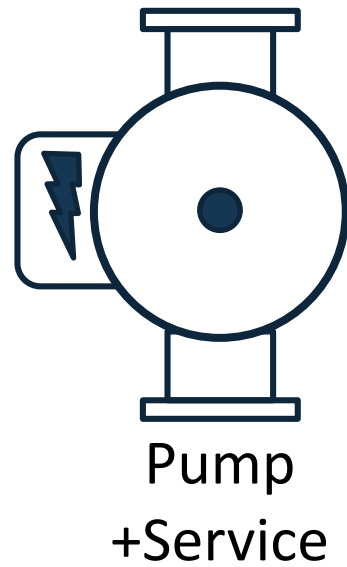
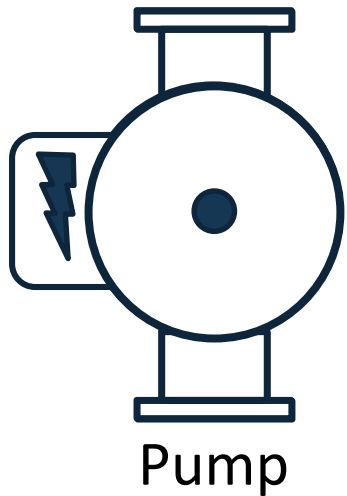
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The pump runs according to the needs of the customer

# New business models: Innovation – use available products, services and capabilities to build new business models



# Moving from Products to Services in Grundfos for our customers



# My best advice to you if you are embarking on a digital transformation journey



Product innovation



## PEOPLE

How do we enable our teams to sell and deliver on solutions?



## PROCESS

How does the future process look like & what do we need to transform?



## STRUCTURE

How should we organise and measure ourselves to deliver on solutions?



## SYSTEMS

What is required of systems and tools to bring in scale and automation?

# Business model innovation and IoT technologies form a partnership with a strong promise for meeting the sustainability goals

