

## Blue INNOship Project no. 15

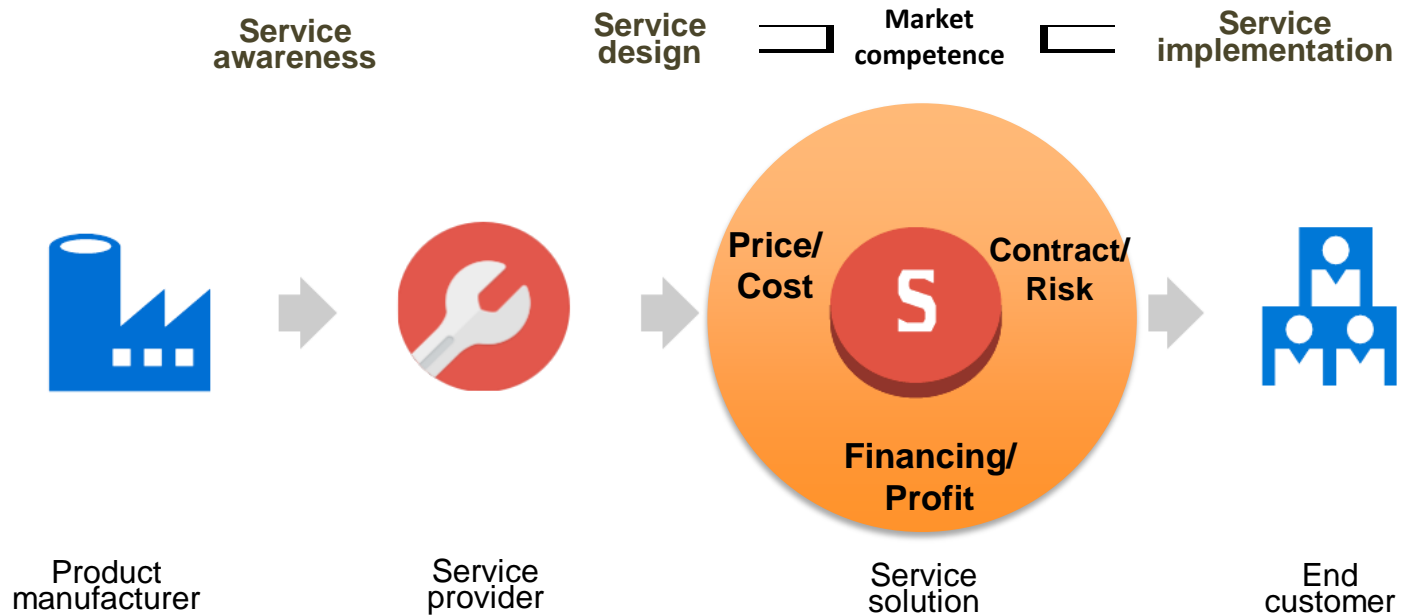
# Servitization: creating the market by understanding price, cost, contracts and financing



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Blue INNOship Seminar, 22 September 2016

# What's the issue?



Suppliers:

How to work with **Price, Cost, Contract, and Financing** when offering service solutions?

## Why is it important?



Key elements should be considered at the design stage of service solution to ensure the commercial success:

- Cost management at early stage
- Profitable solutions introduced
- Risk and reward balance
- Linking of scale, profitability and financing

An improved competitiveness to establish long term collaboration with component suppliers and customers

# What can be done?

## – Research questions

### Price/Cost

How to set the price for service solution?

How to manage the cost?



### Contract/Risk

What are major risks involved?  
How risks are managed?

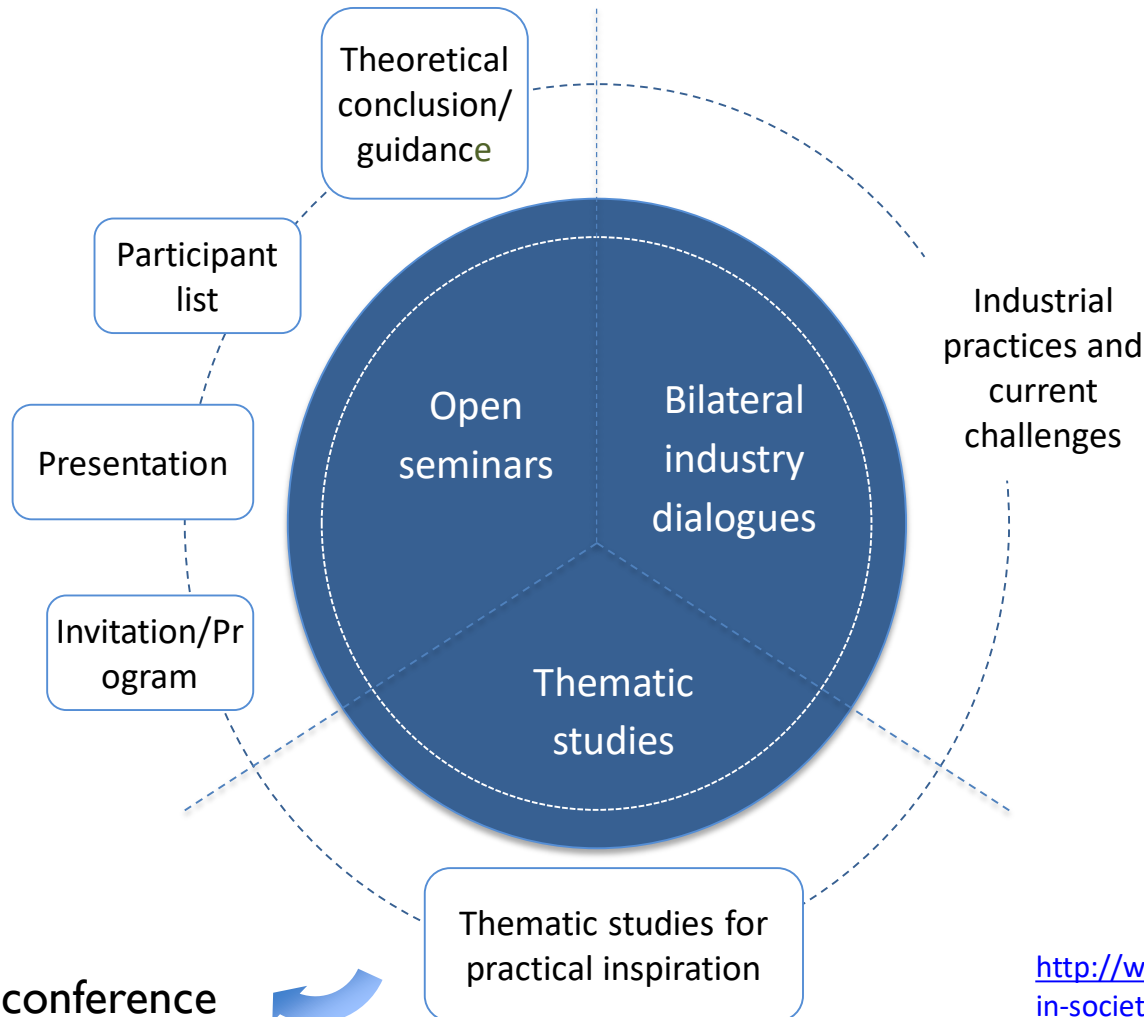
How has these long-term collaborations influenced the contracts?

### Financing/Profit

What are the financial implications of implementing servitization strategies?

What structures, mechanisms and types of financing seem best suitable for the different servitization strategies and contracting mechanisms?

7 thematic seminars



1. Get industry insights
2. Identify relevant cases
3. Specify key issues in the case
4. Keep regular discussion/updates on current thinking
5. Provide detailed analysis/approach

Final conference

# Target costing as a strategic tool to commercialize the product and service innovation

October 3<sup>rd</sup>, 2016

Copenhagen Business School

Blue INNOship Work Package 5  
Servitization: Creating the Market by Understanding Price, Cost, Contracts and Financing  
Project Seminar

## TARGET COSTING AS A STRATEGIC TOOL TO COMMERCIALIZE THE PRODUCT AND SERVICE INNOVATION



Venue: Augustinus Fonden Meeting Room (D4)  
Sølbjerg Plads 3, 2000 Frederiksberg

Date: October 3<sup>rd</sup>, 2016  
Time: 8.45 am-11.15 am  
Participation: Free  
Registration: [lj.rom@cbs.dk](mailto:lj.rom@cbs.dk) (Liping Jiang)  
Registration deadline: September 26<sup>th</sup>, 2016

Danske Maritime CBS