What drives the data-driven start-ups: new project examines strategies and business models

As digitalisation gathers momentum, both established companies and new start-ups must decide how they will position themselves in the face of coming changes in the value chain. The interdisciplinary DaGeWe project will analyse business models of data-driven start-ups and their positioning along the value chain; it will also explore different data-based approaches and strategies and evaluate which business models are successful—and to what extent. The Bavarian Academy of Sciences and Humanities and the Bavarian Research Institute for Digital Transformation (bidt) will contribute about 200,000 euros towards the project.

‘Many of these changes are triggered by start-ups introducing digital services, which often serve as a basis for data-driven business models’, said Professor Jan H. Schumann (Chair of Marketing and Innovation). While the media often portray start-ups as ‘attacking’ established companies in many sectors and thereby increasing competitive pressure, a large number of start-ups in fact support established companies instead of taking market share away from them, Schumann said.

The University's DaGeWe project seeks to capture and examine the entire entrepreneurial spectrum in this connection. The project acronym comes from German ‘Datengetriebene Geschäftsprozesse in der Wertschöpfungskette’—data-driven business processes in the value chain. The objective is to determine at which points in the value chain there are significant numbers of data-driven start-ups, what business models they use and how they make strategic decisions and adapt them over time.

‘This enables established companies to formulate strategy options for maintaining existing competitive advantages, and indeed for creating new ones, in a data-driven competitive environment. What this will do is to identify and close existing gaps in spheres of activity opened up the social and economic transformations brought on by digitalisation’, said Professor Robert Obermaier (Chair of Accounting and Control).
The project is strongly interdisciplinary, involving both the Chair of Marketing and Innovation (Professor Jan H. Schumann) and the Chair of Accounting and Control (Professor Robert Obermaier). Other team members are Mr Curd-Georg Eggert, M.Sc.; Ms Corinna Winkler, M.Sc.; and Mr Philipp Mosch, M.Sc. Furthermore, an international expert, Professor Wolfgang Ulaga of the prestigious INSEAD Business School, will contribute his academic and industry knowledge to the project. His recent research on digital business models and the monetisation of data are strongly related to the focus of the project at the University of Passau.

The project started on 1 January 2020 and will deliver specific findings on identifiable patterns in strategy selection at data-driven start-ups within one year. These will then be turned into action recommendations for established companies, business start-ups as well as policy recommendations for decision-makers in social organisations and in politics.

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