

# Framing Vision for IOOS Business Model(s) & FAC Roles

Why should FAC envision improved business models?

- Business models as means to recruit new national & regional industry partnerships
  - Means to recruit and recognize appointment of leaders
- Stronger business models strengthen RA sustainability, thus attractiveness to industry
  - Without compromising free flow of collaboration and altruism
  - While preserving the spontaneity of serendipitous interactions & innovations
- New business models expected to alter revenue basis away from solely top-down
  - Promote accountability upward, inward and outward to customers
  - Standardization of nationwide capacity to continue, yet be complemented by...

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Why should FAC envision improved business models?

- Summit breakout discussion yielded more questions than answers, great diversity
  - For example, participants offered polar opposite answers to status inquiries
  - They asked for templates, precedents, data at no cost assumption, Justin adds?...
  - We sense opportunity to address these gaps and others
  - Via efforts of whom?

# Rationale for, and functional examples of, business models

Why should FAC envision improved business models?

- To promote behaviors above and beyond natural interactions

Altruism has been relied upon to an extent approaching detrimental enabling

NOAA & RAs have intrinsically different constituents to serve, ie S&L and customers

- To formalize basis of, and consensus, on revenue flow

Revenue slicing and dicing has been friendly in absence of business exactitudes

Top-down legacy straightforward.

Bottom-up apparently de minimus thus far.

# Rationale for, and functional examples of, business models

Why should FAC envision improved business models?

- Alignments of agreements and interactions to achieve synergy beyond components
  - Required for PPBES accounting of federal awards
  - LMI report:
    - recommended BM as means to ensure performance-based RAs
    - focused toward development & ops of RAs integrated with national IOOS
    - noted “...lack of guidance below strategic level that would support regions”
    - noted only 8 of 11 would support performance based metrics
    - noted that 6 RAs pleaded for establishment of a singular leadership structure
- Is it valid assumption that IOOC is open to future where RAs have tailored shapes?

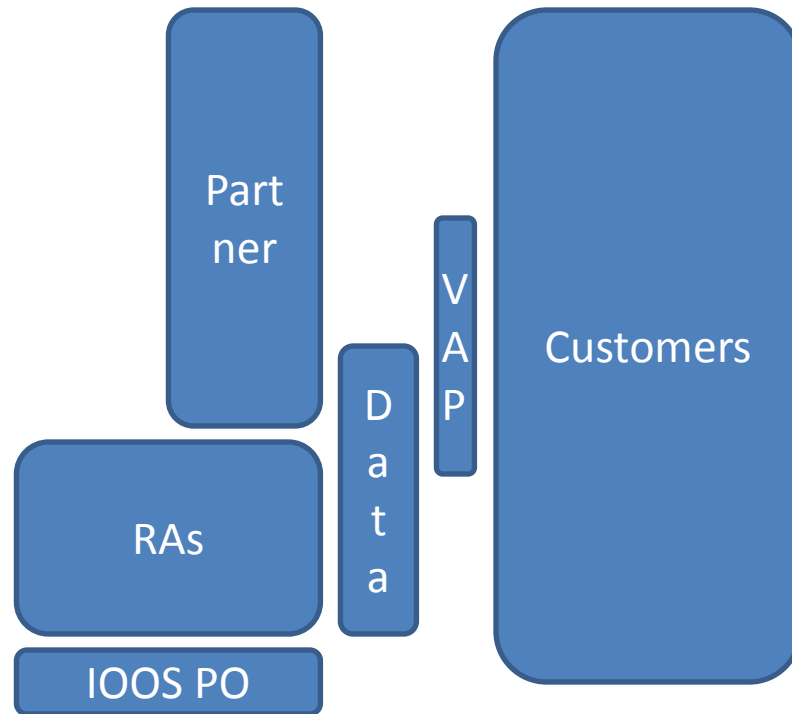
# Rationale for, and functional examples of, business models

Why should FAC envision improved business models?

- Models can be scaled to operate at R&D project, sensors, VAR, RA, National IOOS
  - Pause thinking national reqs long enough to wear shoes of the customers
  - FAC may choose to adjust models to better recruit inter-agency partnerships
  - FAC may choose to invent models to better recruit industry investments
  - FAC may choose to promote models to account value to customers + VARs + public
- Does FAC agree business models can be tailored to operate differently at levels?

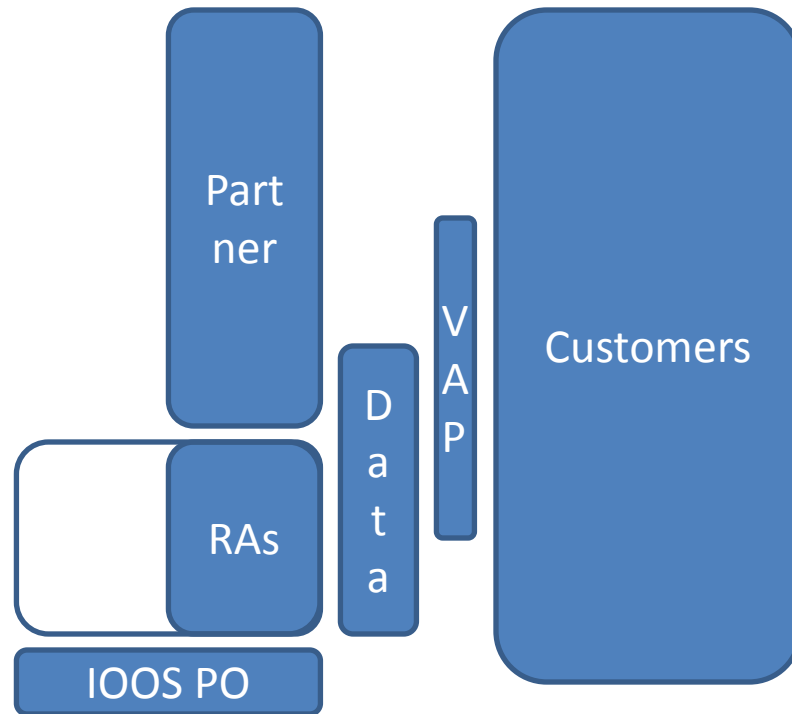
# Rationale for, and functional examples of, business models

IOOS public-private partnership business elements – example1



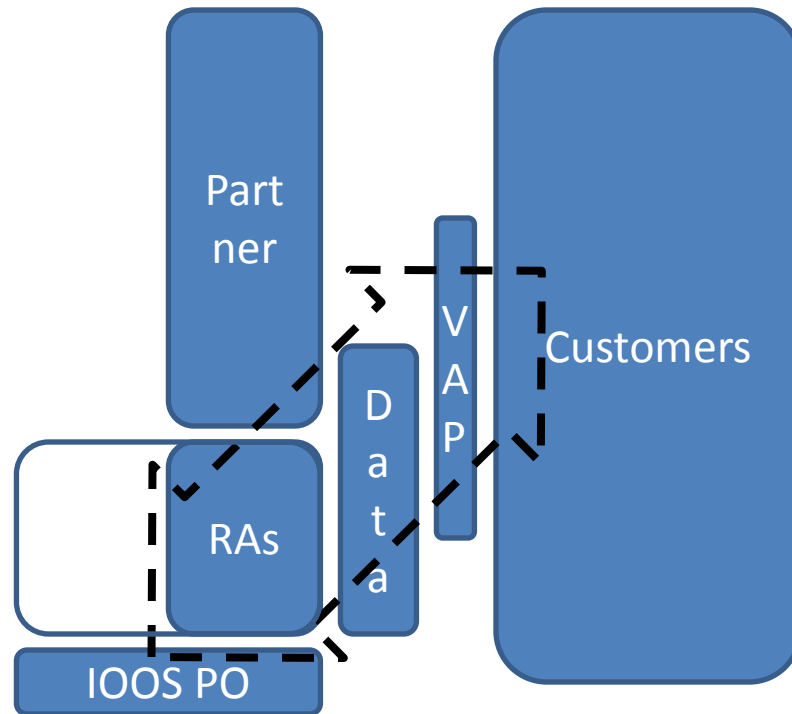
# Rationale for, and functional examples of, business models

IOOS public-private partnership business elements – example1 create value together



# Rationale for, and functional examples of, business models

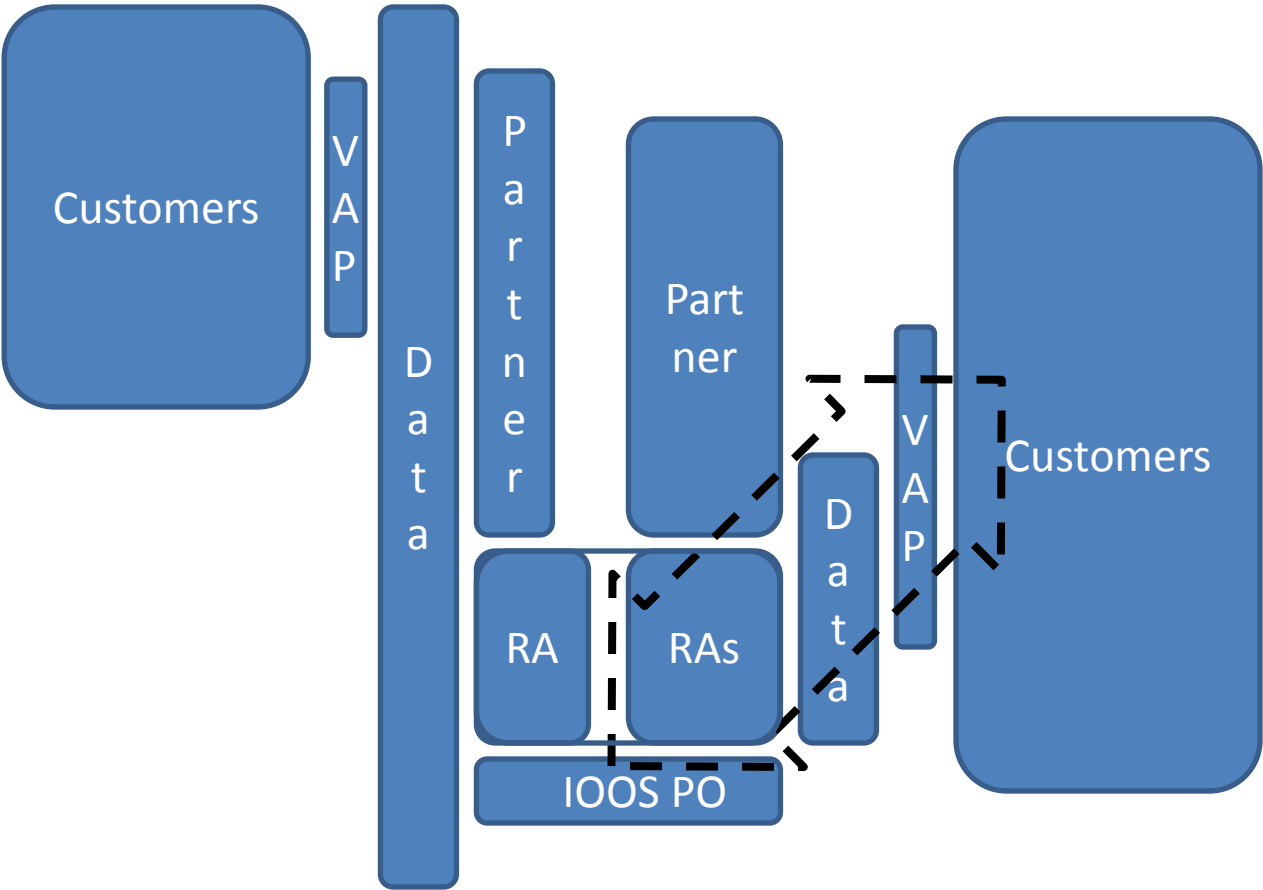
IOOS public-private partnership business elements – example1 Search and Rescue?





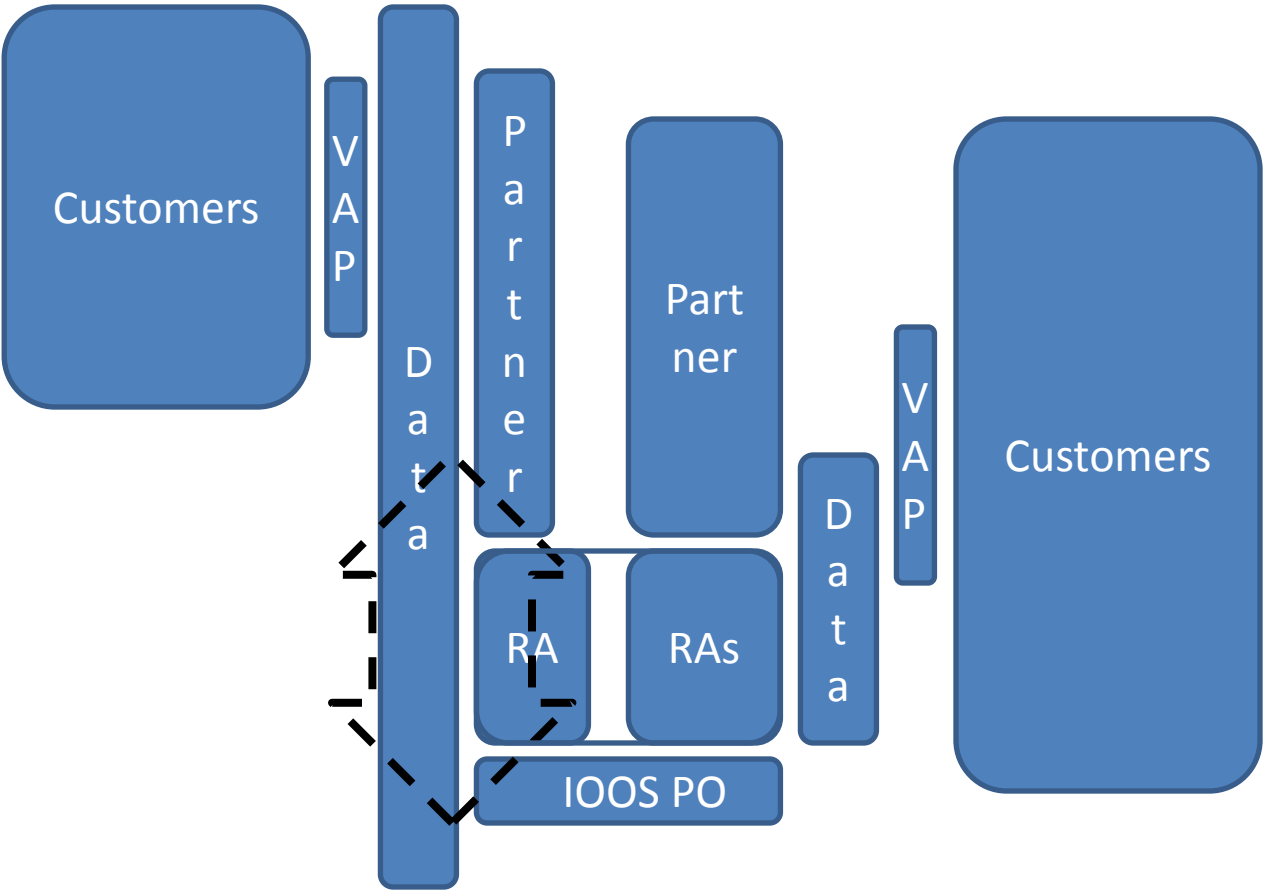
# Rationale for, and functional examples of, business models

IOOS public-private partnership business elements – example2 – extend data coverage



# Rationale for, and functional examples of, business models

IOOS public-private partnership business elements – example2 WeatherFlow?



# Rationale for, and functional examples of, business models

Why should FAC envision improved business models?

- Sound business models beget viable business plan tactics

Models  $\neq$  tactics. Models align assets. Models beget tactics (beyond HQ control?)

We seek tactics by stakeholders & partners that attract satisfied paying? customers

We seek tactics by stakeholders that attract motivated partners

We seek tactics by stakeholders that focus on chosen targets, not be all for all.

- Federal business models account for funds relative to partners' outputs via PPBES

LMI report focused on model oriented for topdown funding

LMI =strategy-struct-reqs-plans-investments-communications-evaluations

Based on structrs-procs-syst-capability to create value w/in national requirements

Existing general models adjustable to continue to fulfill federal missions

Experience with models also instructive as to what they don't cover well enough

# Rationale for, and functional examples of, business models

Why should FAC envision improved business models?

- Industry relies on business models that optimize partners' I/O to value propositions

## Inputs:

Technology Knowledge

Capital Equipment

Intellectual Property

Cash

Labor Hours

Leadership

Market Knowledge

Relationships

## Processes:

Federal Funding

Organizational Structures

Observations

DMAC

Modeling & Analyses

Communications

Delivery

Evaluation

## Outcomes:

Lives, GDP, ↓Risk, Enjoyment

Education, Preservation

Technical Knowledge

Data

Value Added Products

Intellectual Property

Revenue

Market Knowledge

Δ Equity

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Outcomes:

partners  $\int_{\text{partners}} \Delta \text{tecKnowl}_i, \text{Data}, \text{VAP}_?, \text{IP}_{i?}, \$\text{Rev}_i, \Delta \text{marK}_i, \Delta \text{Eqty}_i$

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public	$\int_{\text{partners}}^{\text{customers}} \text{Lives}, \text{GDP}, \downarrow \text{Risk}, \text{Enjoy}, \text{Preserve}, \text{Educate}$

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Outcomes:

$$\text{partners} < 0.80 \times \int_{\text{partners}} \Delta \text{tecKnowl}_i, \text{Data}, \text{VAP}_?, \text{IP}_{i?}, \$\text{Rev}_i, \Delta \text{marK}_i, \Delta \text{Eqty}_i$$

$$\text{public} \ll 0.01 \times \int_{\text{partners}}^{\text{customers}} \text{Lives}, \text{GDP}, \downarrow \text{Risk}, \text{Enjoy}, \text{Preserve}, \text{Educate}$$

# Potential FAC Actions to Promote IOOS Business Models

Roles FAC may serve to realize benefits of business models

- All seems within strike zone of FAC mission. Anyone see it otherwise? (aside from LOE)

Investigate, Brainstorm, Confirm, Explain outward, Suggest upward

Are BMs key to recruit co-investors?

Are compelling value propositions gap?

What will co-investors input?

Are value proposition customers gap?

Are value proposition products gap?

- Inventory, Primer, Opp Assmts, Intervention, Big Marketing, Interviews, Review Leadership

# Potential FAC Actions to Promote IOOS Business Models

Roles FAC may serve to realize benefits of business models

- Possible end-states FAC could aspire to nearterm:
  - Definitions and examples of business models and value propositions
  - Best practices
  - Recommend Partnership Business Model Utility/Feasibility SOW to IOOC
  - Situation assessments done centrally
- Possible end-states longterm:
  - Legislative adjustments to address obstacles to co-investment
  - Accountability expanded beyond PPBES to include ROI, Customer Satisfaction

# Potential FAC Actions to Promote IOOS Business Models

Roles FAC may serve to realize benefits of business models

- FAC Resources to bear on promoting business models

FAC member experiences to lend

Industry friends to meet with (shipping, insurance, preparedness, seafood...)

Candidate external appointees to engage [on FAC Subcommittee?]

Likely timelines necessary to bring these improvements to fruition

- Action-oriented scoping of possible FAC tasks and vetting chosen FAC roles/products

What steps would RAs take to transform into new business plans?

What could a FAC workplan look like to promote suitable business models?

Seek concurrence/approval from Steering Committee?

Seek concurrence/approval from RA Association and or testbed RAs?