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...
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 – example 1
Rationale for, and functional examples of, business models

IOOS public-private partnership business elements – example 1 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 – example 2 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

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<th>Inputs</th>
<th>Processes</th>
<th>Outcomes</th>
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<td>Technology Knowledge</td>
<td>Federal Funding</td>
<td>Lives, GDP, ↓Risk, Enjoyment</td>
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<td>Capital Equipment</td>
<td>Organizational Structures</td>
<td>Education, Preservation</td>
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<td>Intellectual Property</td>
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<td>Cash</td>
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Inputs:

- tecKnowl, CapEqp, IP
Rationale for, and functional examples of, business models

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Inputs:

\[(\text{tecKnowl, CapEqp, IP}) \times \$\text{Inv} \times \text{LaborHrs}\]
Rationale for, and functional examples of, business models

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Outcomes:

public \( \times 0.01 \times \int_{\text{customers}} \) Lives, GDP, ↓Risk, Enjoy, Preserve, Educate

partners < 0.80 \times \int \Delta \text{tecKnowli}, Data, VAP?, IPi?, $Revi_i, \Delta \text{marK}_i, \Delta \text{Eqty}_i
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partners \[\int (\Delta \text{tecKnowl}_i, \text{Data, VAP}_i, \text{IP}_i, \text{$Rev}_i, \Delta \text{marK}_i, \Delta \text{Eqty}_i)\] partners
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\text{public} \ll 0.01 \times \sum_{\text{partners}} \sum_{\text{customers}} \text{Lives, GDP, } \downarrow \text{Risk, Enjoy, Preserve, Educate}
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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 near-term:
  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 long-term:
  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?