**BUSINESS MODEL INNOVATION IN THE EV ECOSYSTEM**

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## Abstract

Traditional ways of mobility, mainly based on Internal Combustion Engines Vehicles (ICEV´s), are contributing to rapid climate change. In order to mitigate these effects, environmental regulations and technological advancements point towards electrification. The Electric Vehicles (EV´s) path to market domination, will challenge the dominating business practices of the established auto industry and other new players that have previously operated isolated from each other, at the intersection between the traditional auto industry, the charging infrastructure that must be developed, and its integration into the electricity sector. Since industry boundaries are being crossed, EV´s innovation interface must now be addressed in an ecosystem logic, where value chains are reconfiguring into value ecosystems. However, at this early stage, viable business models (BM´s) for EV´s have yet to be determined (Bohnsack et al. 2013). This is why participants in the emerging EV business ecosystem are compelled to revise their existing business models, to address new models of value creation and value capture, to seize the potential of this reconfiguration. BM´s for EV´s need to be analyzed throw the lens of its ecosystem. This paper aims to define an approach to business model innovation, considering the changing dynamics and the interconnected nature of the EV ecosystem. To do so, a review of the business model approach in literature (Amit and Zott, 2011; Chesbrough et al., 2002; Osterwalder, 2004) will be linked to the characterization of the EV´s ecosystem structure (Adner, 2010), and its underlying interdependences, to develop an ecosystem strategy for value creation and capture under this paradigm. The EV ecosystem considers the evolution of the EV value chain into a Business Ecosystem, as a structure for business model innovation and a proposes a framework for value creation and capture. Business model Innovation in the EV ecosystem is directed towards solving the problem faced by range anxiety, to improve the overall value in the ecosystem. The paper concludes by presenting a tool for designing innovative business models, away from focal firms’ perspectives, and a conceptual model of the EV ecosystem in consideration of the strategies and perspectives of the players that contribute to the value proposition. By offering the lens of the ecosystem structure and interdependences, we contribute to solve challenges of the EV´s ecosystem’s evolution. The mapping of the ecosystem highlights the interest for the proposal and testing of potential BM´s; in an ecosystemic logic, the EV ecosystem will have to draw up a mapping of stakeholder relations, characterizing the different flows of value between them.

Keywords: Business model innovation, Business ecosystem, EV ecosystem.