



Aalto University
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Case: Nokia OZO VR Camera STOF Method Presentation

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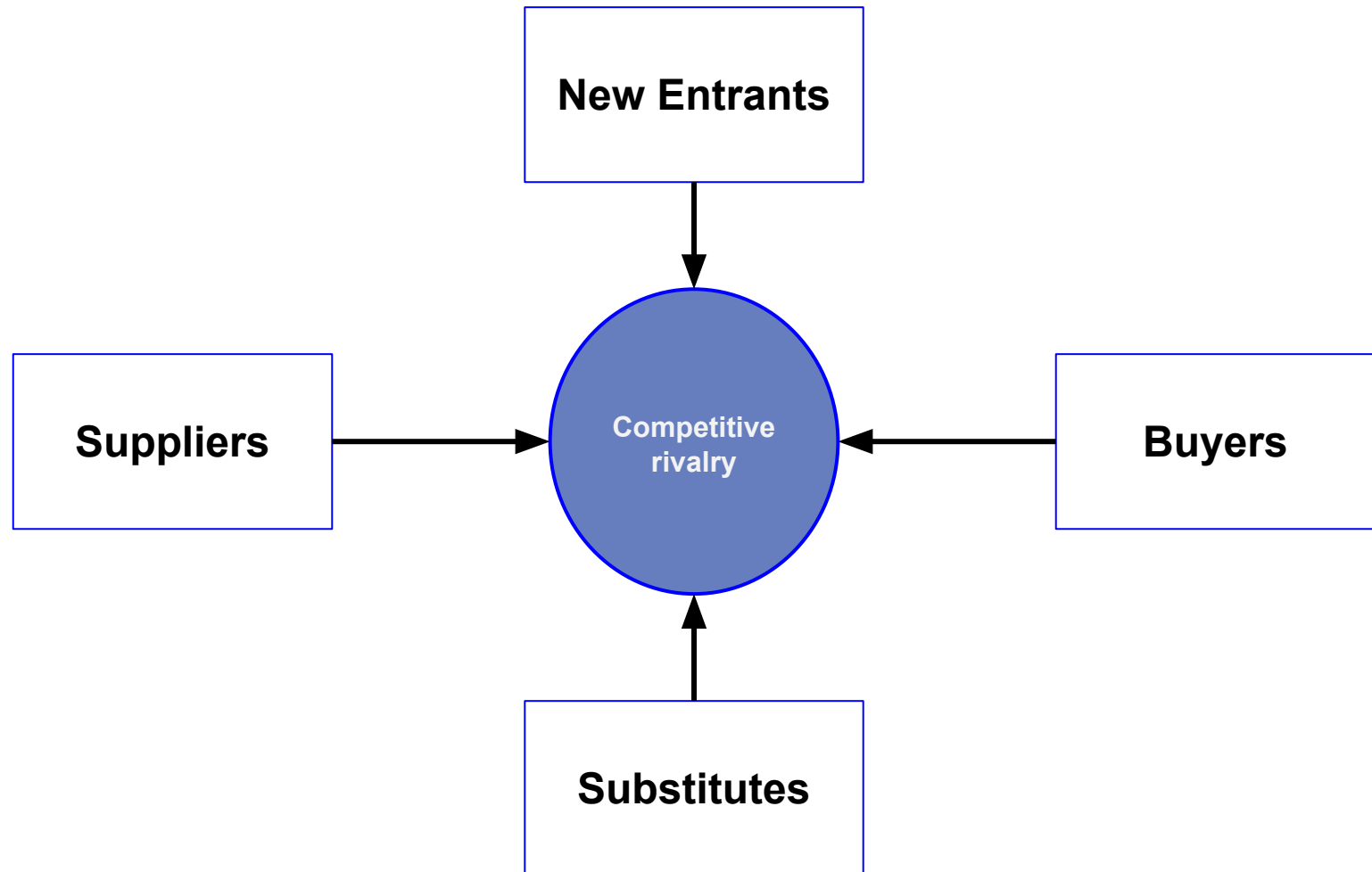
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Assumptions and Constraints

- Time Frame: 3 Years
- Sole provider of high quality 3D-360 camera service
- Limited target market

Porter's Five Forces



Porter's Five Forces

- Threat of new entrants
 - The barriers of entry are essential factor for new entrants
 - The barriers: investment requirements, differentiation and access to distribution channels
- Threat of substitutes
 - The price/performance ratio, competing products
- The bargaining power of buyers
 - If buyers are powerful, they can affect the price of product
- The bargaining power of suppliers
 - Nokia is producing the camera
- Competitive rivalry
 - Nokia has dominant position since it has first-mover advantage in the industry of professional 360 degree cameras
- Power of complementary
 - VR headset market proliferation

Scenario Matrix

Horizontal

Vertical

Successful

The future is value driven

- Multitude of available options.
- OZO appeals only to high-end customers

The future is Ozo

- Acquire most of the market share.
- Investments increase

VR is:

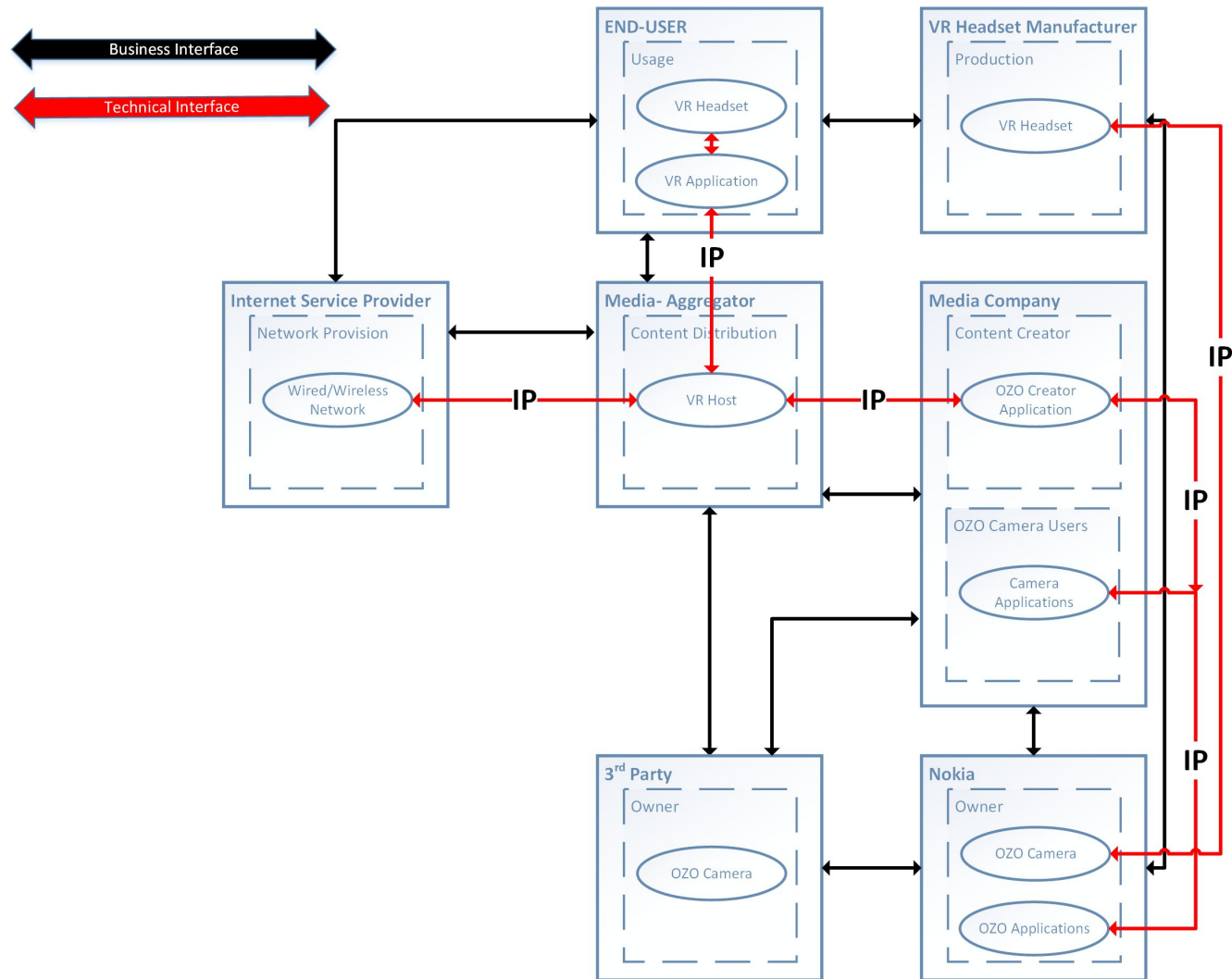
Unsuccessful

- Not possible

The future is 2D

- 360 cameras become a niche market
- Investments scaled back

Media Company Driven VNC



Critical Design Issues in Service Domain

Targeting: Media company executing niche activity seeking high quality camera for 3D-360 video applications.

Creating value: Enabling 3D-360 video creation.

Branding: Promotion is done directly to the media company while the brand is developed organically through content.

Trust: 24/7 customer support and continuous updates.

Customer retention: Quality of product and proprietary software requirement for initial phase of editing.

Critical Design Issues in Technology Domain

Security: N/A

Quality of service: Investment in product development and customer feedback.

System integration: Only initial editing phase requires proprietary software.

Accessibility: Requires proprietary Nokia software.

Management of user profiles: N/A

Critical Design Issues in Organizational Domain

Partner selection: Strategic partners that contribute to the expansion and development of the OZO brand and marketplace.

Network openness: Open for maximum customer reach.

Network governance: Media company has greater leverage in setting up rules and conditions.

Network complexity: Fairly complex network, similar to existing ones in similar domain.

Critical Design Issues in Financial Domain

Pricing: Aligned with creating market share.

Investments: Investment to fix current problems and continue development for next generation product.

Division and valuation of cost and revenue between actors: Network configuration provides balanced revenue streams and benefits, both tangible and intangible, between the actors involved.

Quick Scan

Service domain:

- Selling the OZO 3D-360 video camera
- Possibility of creating 3D-360 video

Technology domain:

- Ozo software and media transfer
 - Possibilities: Offline processing, live streaming
 - Limitations: Data throughput and storage, ergonomics

Quick Scan

Organization domain:

- Nokia, Media companies (HBO), Media aggregators (YouTube), Internet Service Provider (DNA), Headset manufacturers (HTC), 3rd Party (A/V Store).
- Refer to slide 7 for organizational arrangements and VNC structure.

Finance domain:

- Network configuration provides balanced revenue streams and benefits, both tangible and intangible, between the actors involved.

Critical Success Factors

CSFs for customer value

- Compelling Value Proposition
- Clearly Defined Target Group
- Unobtrusive Customer Retention
- Acceptable Quality of Service

CSFs for network value

- Acceptable Profitability
- Acceptable Risks
- Sustainable Network Strategy
- Acceptable Division of Roles

Conclusions

- Viable and conservative business model proposition that does not assume too many risks.
- VNC provides scaling ability for every actor involved
- Broad applicability of model.
- New possibilities by open sourcing or licensing either hardware, software or both.

THANK YOU

Questions?