Market Analysis, Business Model & Platform Strategy

Global Power Crisis
- 1.2 billion people around the world have no access to a power grid, (Source: International Energy Agency)
- Lighting and phone charging alone costs about $27B a year and some estimates put total annual energy costs at more than $60B.
- Potential global solar energy market of $422B by 2022 from $86B in 2015 with CAGR of 24.2%

Africa Market
- Africa is lagging, with less than 40% of African households connected (Source: IEA Data)
- Leading players include: Greenlight Planet, d.light, Off-Grid Electric, M-KOPE Solar, Fenix International, and BBOXX
- Major Entrants: Schneider, ABP, EDF and Engie

GE POWER
- 85,000 employees, Generates 31% of industrial segment revenues, Fairly new-entrant to the Africa market for renewable energy
- GE Power generated $26.8 billion revenues, 29% of the total GE revenues
- Global Leader in Heavy-duty, Gas Turbines, Advanced Nuclear Tech Solutions, Water Treatment Systems, Quality Energy Systems
- GE has struggled to innovate and diversify its key revenue streams of conventional power generation and grid
- Resulted in extremely small "new energy" divisions compared to peers (i.e. Tesla, First Solar)
- This threatens the company with low performances and negative impacts of the company's shares

BUSINESS CHALLENGE
- Generates $14M in revenue from emerging market small scale solar business, esp. from Africa markets from "Diesel / Solar Hybrid Micro-Grid Power System"
- Focus is to "Increase revenue with scalable business models of positive net impact on environment and Africa social well-being using Digital Strategy & Business Model"
- Increase to $2M, with near-term scale to $100M and long-term scale to $1B

MARKET ANALYSIS & FINDINGS

GE POWER
- First to the Market
- Improved Cx & Service
- Growth Partnerships

BUSINESS MODEL CANVAS

STRATEGIC SOLUTIONS
- “Go Big” Non-Convention
- Conventional
- Innovation ECenter

- A platform to create a unique experience to customers - serve customers with the help of impact partners (US Power Africa/EC of Nigeria)
- An epicenter of innovation with entrepreneurs, small business owners and distributing partners come together.
- GE becomes the command center with efficient financing
- Customer Loyalty, Product Affordability, Partnerships
- Cross-sell Sales through Nova and Reuse of Products
- R & D Focused Approach

- A digital platform of GE products and Competitor products with sources from GE Power, Competition, Partners and Customers,
- Sell Products of GE Power, Partners, Competitors
- Sell GE products to customers through institution funding
- Broaden with a mobile app for buyers and sellers
- Safety Model, Competitor Dependency, Customer Loyalty
- Customer Analytics through “data network effects”
- Disbble: Tech Investment, Higher Customer Acquisition Costs
- Disbble: Tech and Customer Acquisition Costs, Tenured Partnerships
- Stakeholder Power

- (+) Governments: Encouraging investments in innovation, renewable, especially rural - key for country development - Strong national programs
- (+) International investments from other countries and from multinational companies
- (+) Need strong political ties to enter those markets
- (+) Important initial financial investments needed
- (+) Strong sensitivity to the community, higher social costs
- (+) High because of level of substitue
- (+) Need to exercise low price and high level of financing
- (+) High customer retention
- (+) Other renewable - Not always popular

Faisal Seraj
SF ’18
Prasad Savarapu
SF ’18
Peipei Qiu
MSMS ’18
Jean-Jerome P
EMBA ’19

Project Host: Ricky Buch, GE Power – Strategic Marketing Leader
Project Mentor: Prof John David Sterman, Dir. of System Dynamics Group
Project Team: Faisal Seraj, Prasad Savarapu, Peipei Qiu, Jean-Jerome P