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Strategic Planning and Core Values in AI-based Entrepreneurship

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TOPICS OF THE DAY

1. What is strategic planning and why it matters?
2. The architecture of an effective strategic plan.
3. Core values: identity, integrity, and action.
4. Entrepreneurship as the engine of innovation.
5. The role of AI in strategy, values, and entrepreneurship.
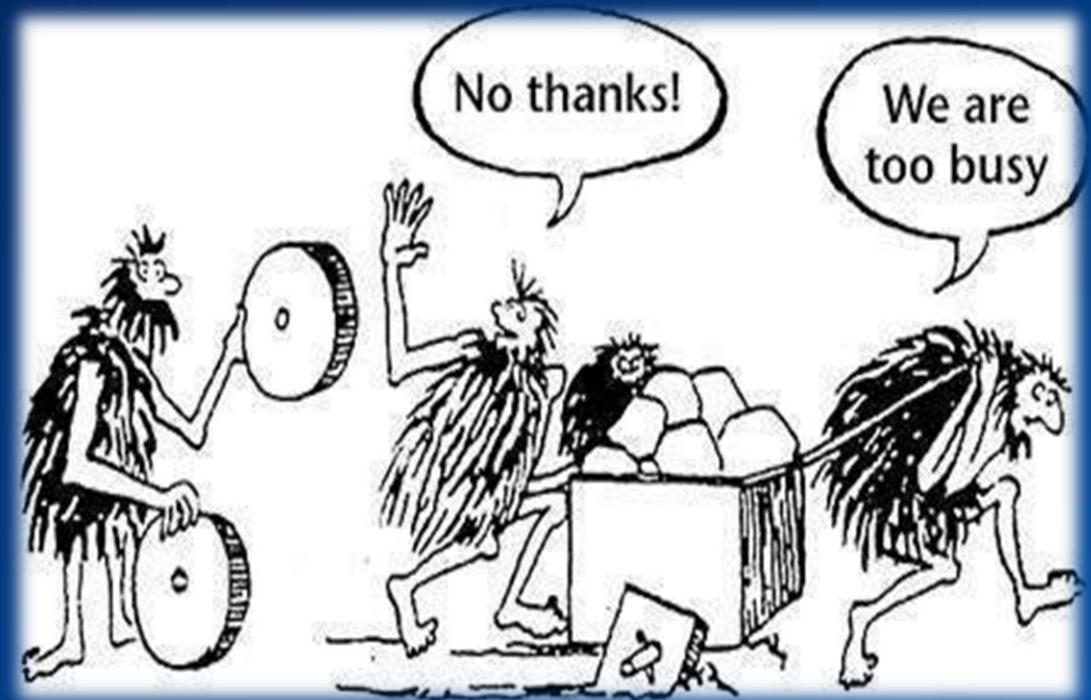
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About me

- 15 years in business.

- 21 year in academic community; MRU & VU alumni.

- Appeal Committee member of Centre for Quality Assessment in Higher Education (SKVC).

- Board member HR Club at Chamber of Commerce Kaunas.

- Mother of two daugthers.

DIVING INTO THE STRATEGY. PERSONAL ONE.

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WHAT IS STRATEGIC PLANNING?

1. STRATEGIC PLANNING

Theoretical point of view:

Strategic planning is a formalized process of setting priorities, strengthening operations, ensuring that employees and stakeholders are working toward common goals, and **adjusting** the organization's **direction** in response to a changing environment.

It allows organizations to be proactive rather than reactive, ensuring sustainability and competitive advantage.
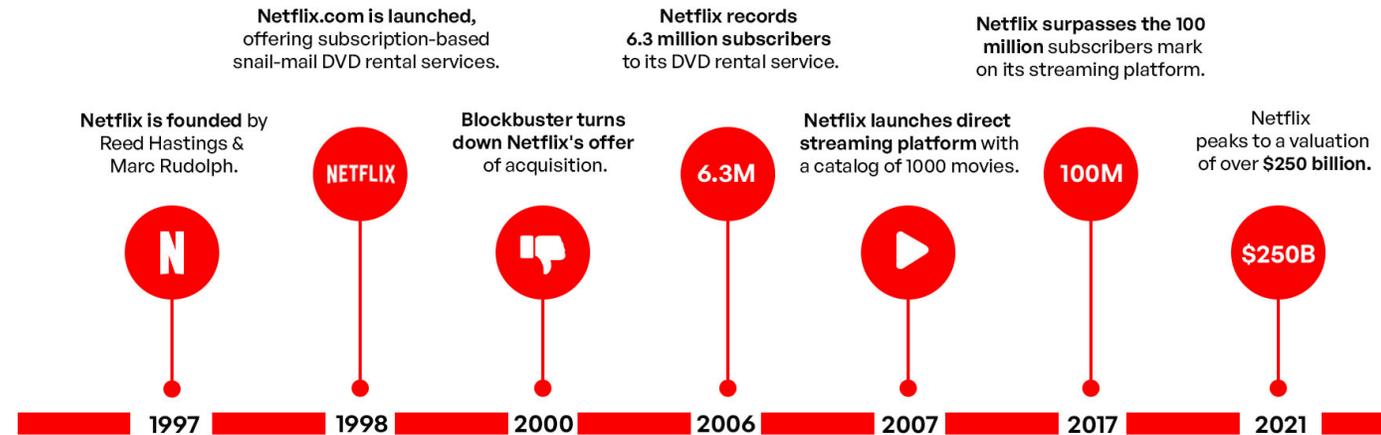
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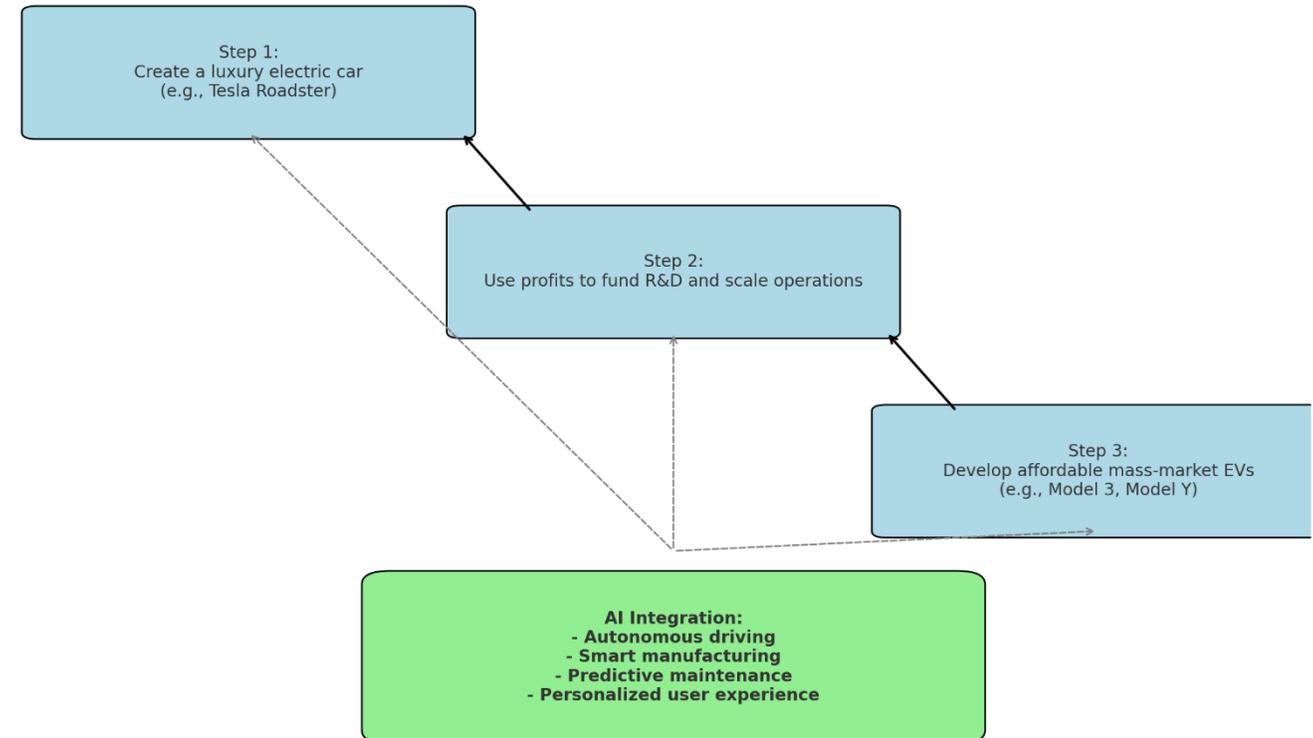- Bryson, J. M. (2018). Strategic Planning for Public and Nonprofit Organizations.

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1. EXAMPLE

Netflix. Originally a DVD rental business, Netflix strategically planned a transition to streaming, leveraging digital distribution to disrupt the market.

The Historic Timeline of Netflix

Netflix.com is launched, offering subscription-based snail-mail DVD rental services.

Netflix records 6.3 million subscribers to its DVD rental service.

Netflix surpasses the 100 million subscribers mark on its streaming platform.

Netflix is founded by Reed Hastings & Marc Rudolph.

Blockbuster turns down Netflix's offer of acquisition.

Netflix launches direct streaming platform with a catalog of 1000 movies.

Netflix peaks to a valuation of over **$250 billion.**

NETFLIX
6.3M
100M
$250B

1997   1998   2000   2006   2007   2017   2021

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2. EXAMPLE

Tesla. Elon Musk's Master Plan outlines a long-term strategic vision—starting with a luxury electric sports car, then using the proceeds to fund affordable mass-market Evs.

Step 1:
Create a luxury electric car
(e.g., Tesla Roadster)

Step 2:
Use profits to fund R&D and scale operations

Step 3:
Develop affordable mass-market EVs
(e.g., Model 3, Model Y)

AI Integration:
- Autonomous driving
- Smart manufacturing
- Predictive maintenance
- Personalized user experience

2. STRATEGIC PLANNING FRAMEWORK

Theoretical point of view:

The strategic planning process includes internal and external analysis (e.g., **SWOT, PESTEL**), development of mission and vision, identification of strategic objectives (using **SMART**), evaluation of strategic alternatives, and performance monitoring through **KPIs**.

Strategic alignment ensures all functions and departments work coherently towards overarching goals.
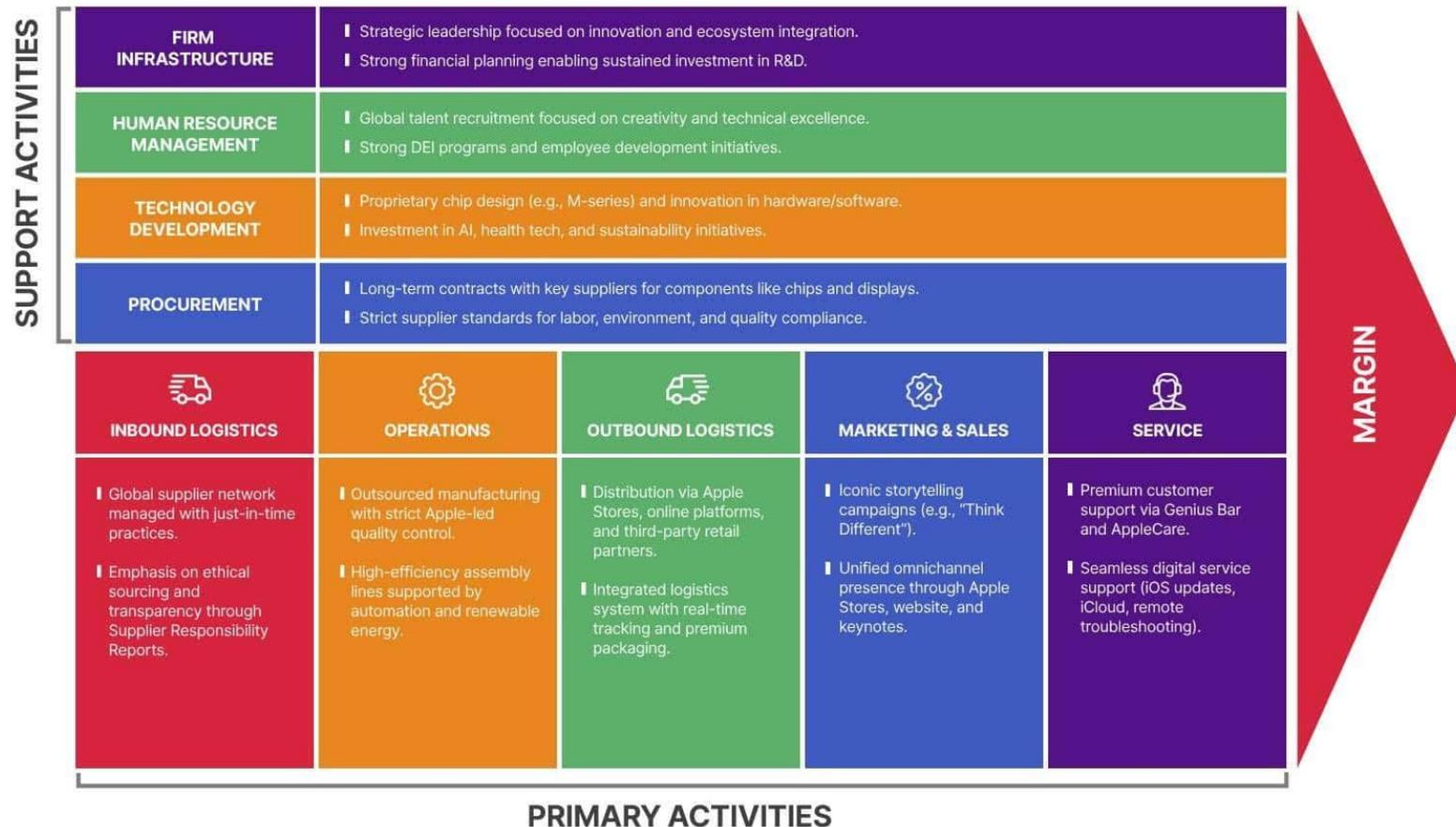
Sources:
- Johnson, G., Scholes, K., & Whittington, R. (2008). Exploring Corporate Strategy.
- Kaplan, R. S., & Norton, D. P. (2004). Strategy Maps.

1. EXAMPLE

Apple. Maintains differentiation through design and innovation strategies while tightly aligning R&D, marketing, and product development.
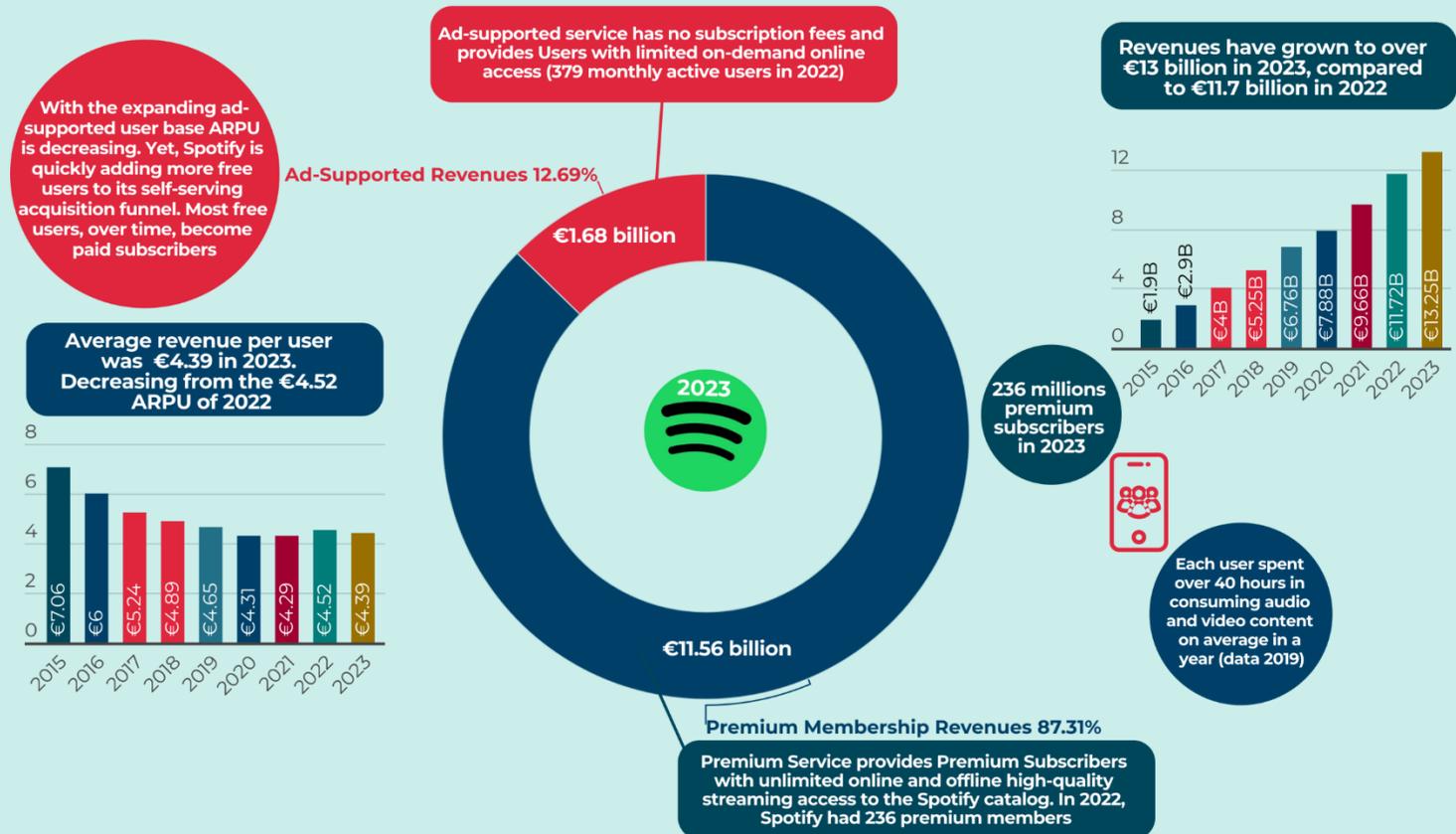

APPLE'S VALUE CHAIN ANALYSIS

2.EXAMPLE

Spotify. Uses strategic planning to expand globally by integrating localized content strategies while reinforcing its core vision of music accessibility.

Spotify Business Strategy

Spotify follows a freemium business model combined with a self-serving funnel, where free users (also monetized with advertising) are funneled into premium plans through a set of prompts built into the product to enable these free users to become premium members. Indeed, a good chunk of free users turn into premium members, and a premium membership is the largest contributor in terms of revenue and profits for the company!

With the expanding ad-supported user base ARPU is decreasing. Yet, Spotify is quickly adding more free users to its self-serving acquisition funnel. Most free users, over time, become paid subscribers

Ad-supported service has no subscription fees and provides Users with limited on-demand online access (379 monthly active users in 2022)

Revenues have grown to over €13 billion in 2023, compared to €11.7 billion in 2022

Ad-Supported Revenues 12.69%
€1.68 billion

Average revenue per user was €4.39 in 2023. Decreasing from the €4.52 ARPU of 2022

2023

€11.56 billion

236 millions premium subscribers in 2023

Each user spent over 40 hours in consuming audio and video content on average in a year (data 2019)

Premium Membership Revenues 87.31%
Premium Service provides Premium Subscribers with unlimited online and offline high-quality streaming access to the Spotify catalog. In 2022, Spotify had 236 premium members

Bar chart values (Average revenue per user): €7.06 (2015), €6 (2016), €5.24 (2017), €4.89 (2018), €4.65 (2019), €4.31 (2020), €4.29 (2021), €4.52 (2022), €4.39 (2023)

Bar chart values (Revenues): €1.9B (2015), €2.9B (2016), €4B (2017), €5.25B (2018), €6.76B (2019), €7.88B (2020), €9.66B (2021), €11.72B (2022), €13.25B (2023)

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3. CORE VALUES IN ORGANIZATIONS

Theoretical point of view:

Core values define the fundamental beliefs and principles that guide organizational behavior and decision-making.

They create cultural cohesion, influence hiring and leadership styles, and shape the identity and public perception of the organization.

Values can be ethical (e.g., integrity), cultural (e.g., collaboration), or aspirational (e.g., excellence).

Sources:
- Collins, J. C., & Porras, J. I. (1996). Building Your Company's Vision.
- Schein, E. H. (2010). Organizational Culture and Leadership.

1. EXAMPLE

Ben & Jerry's. Incorporates social justice into its brand DNA, with core values like equity and sustainability visibly driving product naming and campaigns.

2. EXAMPLE

LEGO.

- Committed to creativity, fun, and learning.

- It aligns its entire product development around child empowerment through play.

15

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4. ENTREPRENEURSHIP IN THE ORGANIZATIONAL CONTEXT

Theoretical point of view:

- Entrepreneurship is the process of designing, launching, and running a new business, often initially a small business, offering a product, process, or service.

- It involves risk-taking, innovation, and resourcefulness. In AI-based contexts, entrepreneurs often create disruptive models leveraging algorithmic solutions and big data.

- Intrapreneurship encourages entrepreneurial behavior within established organizations.

Sources:
Drucker, P. F. (2007). Innovation and Entrepreneurship.
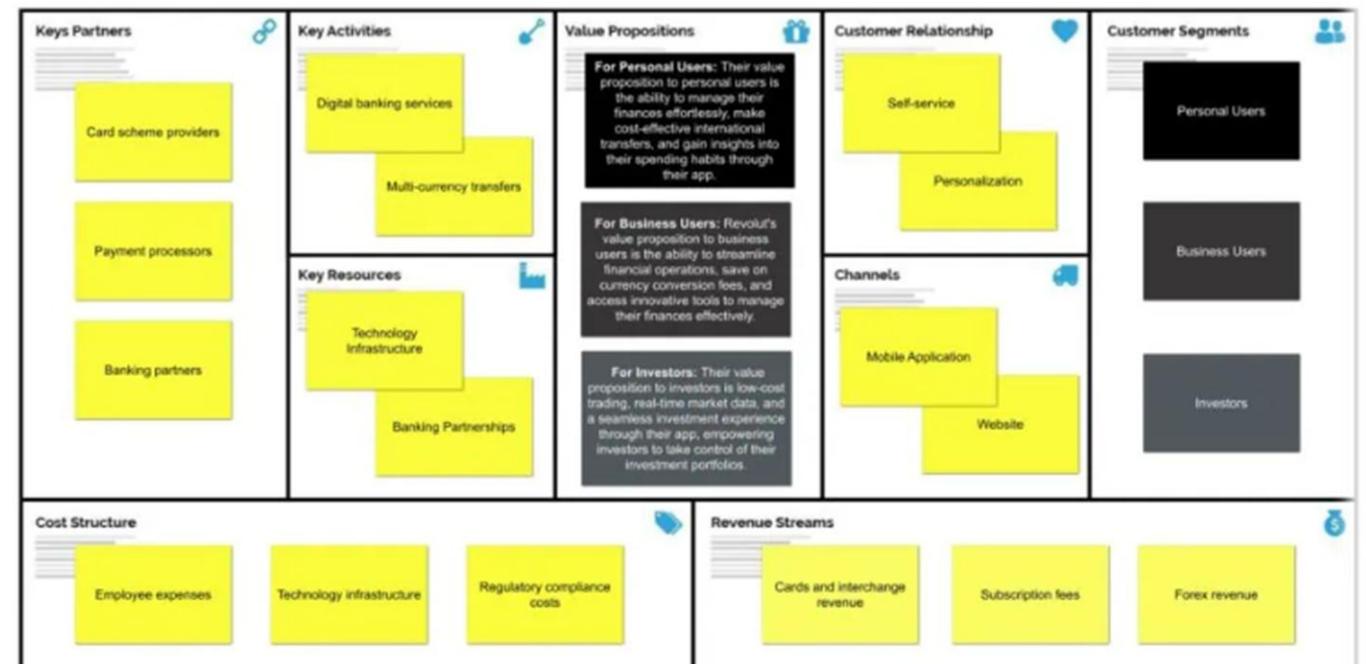Shane, S. (2003). A General Theory of Entrepreneurship.

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1. EXAMPLE

Revolut. A fintech startup that leveraged digital banking and AI tools to disrupt traditional financial services with low-cost, app-based banking.

Revolut Business Model

Posted On January 10, 2024 by Daniel Pereira

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2. EXAMPLE

UiPath. Initially a small AI software firm in Romania, it grew into a global leader in robotic process automation (RPA) through entrepreneurial scaling.

Benefits of partnership

Connect, differentiate, and flourish

Protect your investments

Deal Registration locks in sales opportunities and streamlines partner collaborations.

Sales and marketing support

Fast track growth with turn-key campaigns, joint webinars, key assets, and sponsored events.

Robust training and enablement

Develop specialized expertise with exclusive access to partner-only sales, pre-sales, and technical training.

Distinctive certifications

Earn industry-recognized certifications that build trust and prove you deliver deep expertise.

Partner accreditation

Differentiate your business. Only UiPath Partners can achieve elite UiPath Services Network certification.

Pre-validated integrations

Over 400 technical alliance partners deliver tailored solutions that align with your core practices.

Not-for-resale licenses

Showcase UiPath solutions to drive sales. Fine tune demos and PoCs to better demonstrate expertise.

UiPath Forum

Join a vibrant community of over 1.5 million members. Connect, learn, and collaborate.

5. THE ROLE OF AI IN STRATEGY, VALUES, AND ENTREPRENEURSHIP

Theoretical point of view:

- AI provides strategic advantages by enabling smarter forecasting, process automation, and hyper-personalization of customer experience.

- Ethical challenges arise: algorithmic bias, data misuse, surveillance risks.

- Values must be embedded in algorithmic systems—via ethical design principles (e.g., fairness, transparency, accountability).

- AI-powered entrepreneurship opens paths for lean innovation, but must be balanced with social responsibility.
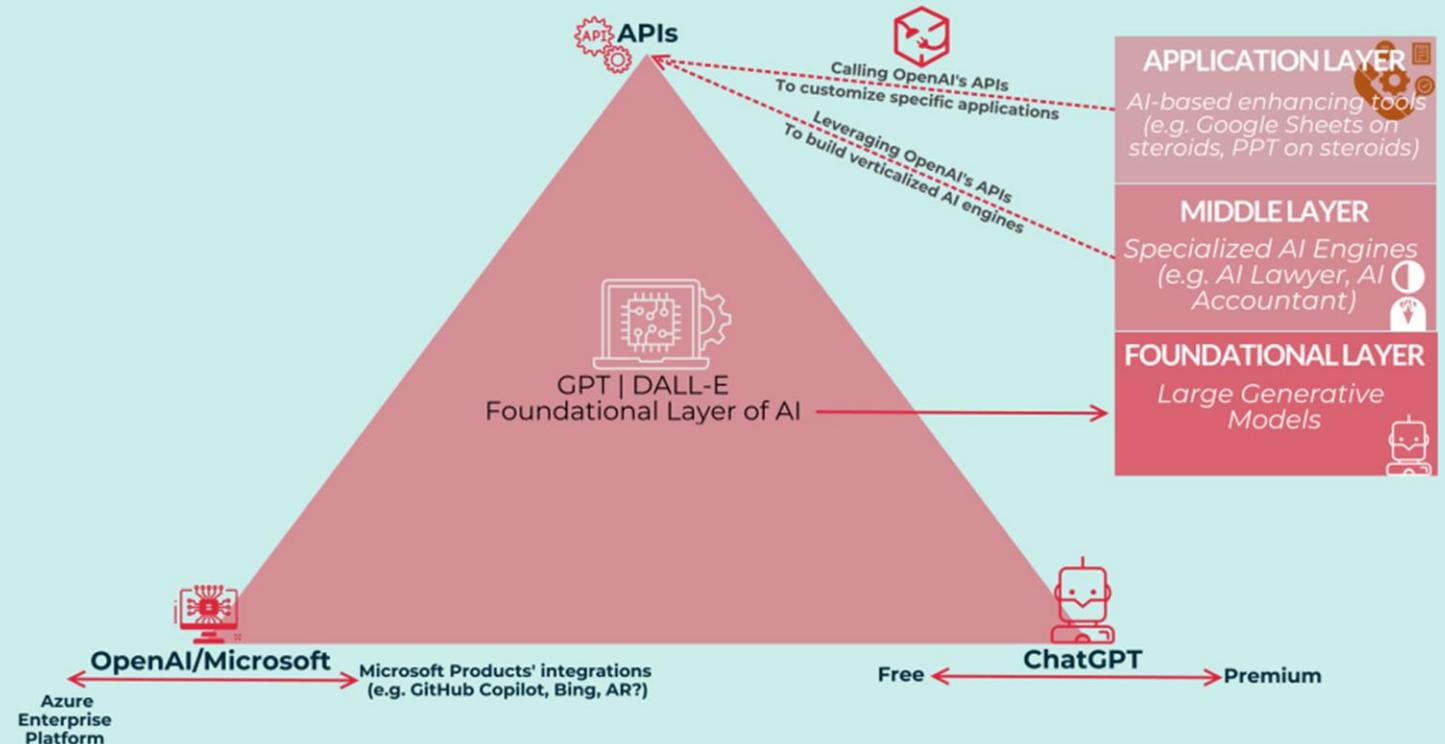
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- Russell, S., & Norvig, P. (2020). Artificial Intelligence: A Modern Approach.

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1. EXAMPLE

OpenAI. Balances open research with safety protocols and capped-profit models to align AI development with societal good.

OpenAI Business Model

OpenAI has built the foundational layer of the AI industry. With large generative models like GPT-3 and DALL-E, OpenAI offers API access to businesses that want to develop applications on top of its foundational models while being able to plug these models into their products and customize these models with proprietary data and additional AI features. On the other hand, OpenAI also released ChatGPT, developing around a freemium model. Microsoft also commercializes opener products through its commercial partnership.

APIs

Calling OpenAI's APIs
To customize specific applications

Leveraging OpenAI's APIs
To build verticalized AI engines

APPLICATION LAYER
AI-based enhancing tools
(e.g. Google Sheets on
steroids, PPT on steroids)

MIDDLE LAYER
Specialized AI Engines
(e.g. AI Lawyer, AI
Accountant)

FOUNDATIONAL LAYER
Large Generative
Models

GPT | DALL-E
Foundational Layer of AI

OpenAI/Microsoft

Microsoft Products' integrations
(e.g. GitHub Copilot, Bing, AR?)

Azure
Enterprise
Platform

Free ← ChatGPT → Premium

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2. EXAMPLE

Microsoft AI for Good: Integrates AI into social impact projects (e.g., climate monitoring, accessibility) aligned with inclusive values and long-term strategy.
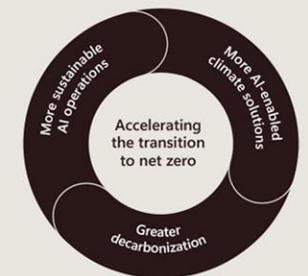
SUMMARY

- Strategic planning is inseparable from a strong ethical foundation.

- Core values are the genetic code of organizational identity.

- Entrepreneurship is a dynamic force that must be guided by ethics and purpose.

- AI challenges our strategies and tests the authenticity of our values.

"Enough with all the strategic planning. Just get out there and kill something."

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"In the future, it's not the organization with the smartest algorithm that wins—it's the one whose AI doesn't accidentally cancel Grandma's health insurance while trying to optimize costs."

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