

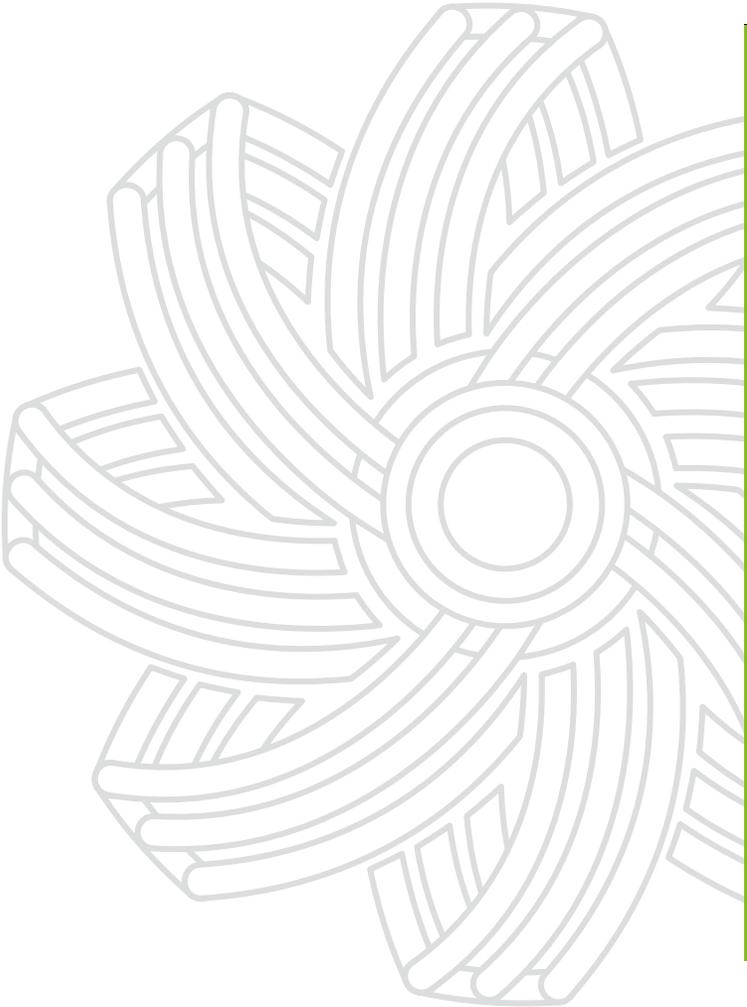
Quick take

Flex•i•ble con•sump•tion

🔊 /fleksəb(ə)l kən'səm(p)SH(ə)n/

(n.) the ability for customers to consume and pay for a service or product based on need and usage

see also: subscription, consumption-based, usage-based, as a service, pay as you go



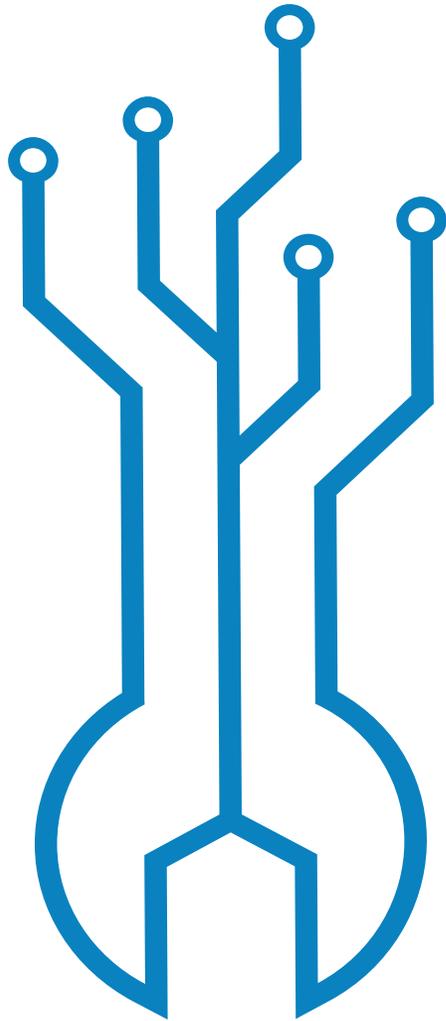
Where we are today

As the digital landscape continues to evolve, consumers are demanding more control and more simplicity when it comes to services and products—from content to software.

Today's customers want flexibility, and industry has responded with an array of offerings that give the customer the ability to consume and pay for services and products based on need and usage.

Flexible consumption today takes many forms—subscription services, usage-based models, “as a service” offerings, and “pay as you go” products. While many companies are taking incremental steps to support flexible consumption, there has been an increase in the number of companies that are “born flexible”—those founded on a deliberate flexible consumption model.

Enabling technologies such as cloud computing and always-on mobile access has made it easier for businesses to provide goods and services flexibly and for customers to consume them flexibly. As these new technologies and shifting market forces elevate the profile of flexible consumption, businesses will continue to look toward the new model as a source of new value.



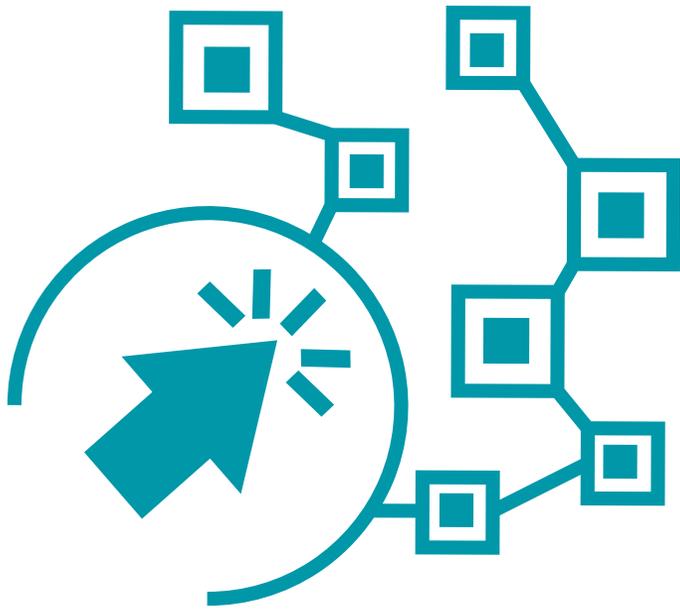
Why flexible consumption matters

The value that flexible consumption offers lies largely in its potential for enhancing customer engagement, boosting sales, and leveraging new technologies that can bring efficiencies to how you deliver goods and services.

An effective flexible consumption strategy also can provide greater revenue predictability, strengthen your ability to compete in the digital economy, increase shareholder value, and elevate your brand.

Leading organizations already are placing big bets on the future of flexible consumption. Some software companies, for example, have done away with their “own it forever” or perpetual-license models and have moved entirely to flexible consumption. Even as some businesses have seen an initial dip in revenue, the long-term outlook appears strong, based on positive response from markets and rising stock prices.

Organizations that wait to adopt flexible consumption models could find themselves late to the game. For many, the good news is that they already are engaging in flexible consumption to some extent—although they might not be approaching their efforts strategically enough.



The path to value

Adopting flexible consumption will require changes in how you go to market.

It also will require changes to how you support and engage the customer. Will you require a plan for ensuring that a customer who buys a subscription actually uses it, for example? The key considerations will vary by sector, and organizations that operate across sectors might require multiple flexible consumption models.

To pivot toward flexible consumption, businesses have two primary options. They can go all in, transitioning entirely to flexible consumption, or they can launch flexible offerings in parallel with existing “own it forever” offerings. Regardless of the approach, the shift toward flexible consumption should involve a hard look at the overall business strategy and a plan for building and “owning” a strong flexible consumption capability.

Guiding the way

Deloitte can help. Our spectrum of services includes developing the strategy, measuring the value, building the business case, developing a pragmatic roadmap, defining and aligning business processes, implementing technology solutions, and managing change and culture to help your organization move effectively to flexible consumption.

Our integrated, end-to-end “decide, design, and deploy” approach looks across your needs to address business strategy, your business model, your business capabilities, your operating model, and the digital infrastructure required to support flexible consumption. By leveraging our proprietary industry templates, leading practices, and preconfigured solutions, along with a global network of business and technology professionals, the approach allows us to accelerate results and help deliver new value—no matter the industry and no matter where you are in the journey.

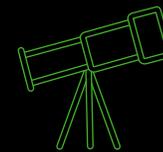


First steps

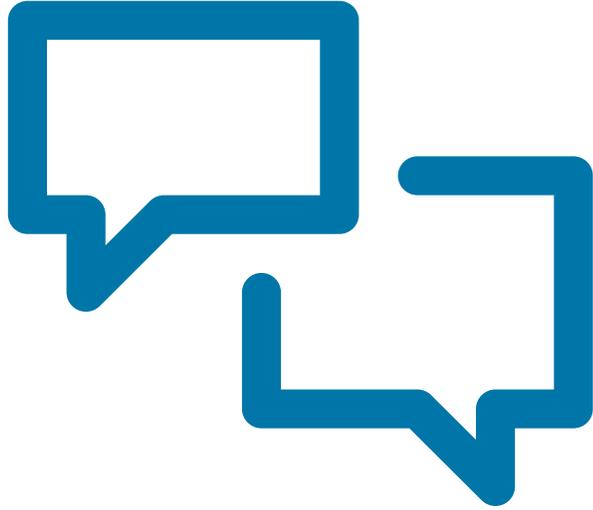
Beginning or continuing the journey toward flexible consumption takes an ability to understand where you are and where you want to go. Here are some key first steps to help you along the way.



Look within. Take an inventory of where you are already engaging in a flexible consumption model. There might be overlooked corners of your organization that are already leading the way. Understand what you're doing, the results you're seeing, and how you can improve on them. Seek out flexible consumption lessons that can help inform and shape your overall strategy.



Watch the competition. There is little room for error with flexible consumption. The market is moving fast, and those that lag behind can remain behind for years. Avoid missteps by understanding where your competition stands with flexible consumption. Understand what is and isn't working for organizations in your industry and beyond. Identify overlooked opportunities, leading practices, underserved markets, and potential barriers to market entry.



Let's talk

Ready to discuss what it takes to unlock new value and excel with flexible consumption in today's rapidly evolving digital conversation? We're ready to talk. Contact us to learn how we can help you address your big questions on flexible consumption.

Mark Litwin

Principal

Deloitte Consulting LLP

Tel: +1 214 840 1810

Email: mlitwin@deloitte.com

Faruk Muratovic

Principal

Deloitte Consulting LLP

Tel: +1 415 783 2094

Email: famuratovic@deloitte.com

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