

NIO (Ivey, 2019)

- *Full Name of the Case:* NIO: Developing a Business Model in China
- *Teaching Note(s) Available?* Yes
- Case is available through Harvard Business Publishing (product #: W19506-PDF-ENG)

NIO is a rapidly growing Chinese electric car company that was founded in the mobile internet era (in 2014) and had its IPO on NASDAQ in September 2018. It has adopted a “battery as a service” business model, achieved with a network of battery swapping stations. Its vision is to become “the world’s most user-satisfied company” (p.1).

The case provides background on the emerging electric car industry in China, as well as on NIO’s founding and its strategy of providing a connected, high-value car experience to customers. The founder and CEO, Ben Li, takes pride in his obsessive focus on customers and disregards the traditional car manufacturing template. As such, it is a nice illustration of how a different mindset can lead a company to defy conventional industry wisdom and adopt an innovative business model. This is the main topic of **Chapter 3**, which we recommend as the primary use scenario for the case.

The case study also allows for comparing NIO’s and Tesla’s business models, which differ on important dimensions. Thus, it can also foster an in-depth analysis of the various aspects of business model innovation, which are explained in **Chapter 4**. Finally, the case asks how NIO should adapt its business model to deliver on its value proposition (the central topic of **Chapter 8**) as it scales and faces increased competition. The interesting question is: Will NIO fare better than past companies in this space, such as Better Place (mentioned in the book in **Chapter 4**)?