




# BUSINESS MODELS




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# AGENDA

- 1.Introduction: “Business model!”
- 1.Article discussions
- 1.Concluding discussion: Telcos’ business models



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## QUESTIONS

1. What are the main ideas related to business models of the two articles?
  - What are the key business model aspects in the paper?
  - Are all aspects equally relevant for operators?
  - Are some aspects missing?
  - Is it typical telecom or general ?
  
2. Relate the ideas of the articles to telecom operators' business: What are the main implications for operators of the business model ideas presented in the two articles?



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## “BUSINESS MODEL” ???

- “... business models are indeed strange things...”
  
- “...surprisingly often business models are even studied without a precise definition of the concept...”
  
- “...likewise, the business model concept is also used extensively among practitioners, without any particular definition...”



“The process business modeling in early stage ventures”  
H. Von Schantz, Stockholm University Nov 2013

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## TELCOS' "BUSINESS MODELS"?

“... the current telecoms business model is approaching its 'end of life'..... leading strategists now agree that today's predominant 'one-sided' telecoms business model does not provide sufficient answers to..... these new questions for telcos, or for other players, in the digital economy. Something new is needed.”



“The Telco 2.0 Manifesto” 2013

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## TOP 10 BUSINESS RISKS FOR OPERATORS 2012 (PWC)

Operator mitigation strategy assessment

		Mitigating strategy maturity	Mitigating strategy as leadership priority	Likelihood of risk Increasing In 2013
1	Failure to shift the business model from minutes to bytes	●	●	●
2	Disengagement from the changing customer mindset	○	●	●
3	Lack of confidence on return on investment	●	●	○
4	Insufficient Information to turn demand into value	○	○	●
5	Lack of regulatory certainty on new markets structures	○	○	○
6	Failure to capitalize on new forms of connectivity	○	○	○
7	Poorly managed M&A and partnerships	○	○	●
8	Failure to define new business metrics	○	○	●
9	Lack of privacy, security and resilience	○	○	○
10	Lack of organizational flexibility	○	○	○
Key	High	●	○	○
	Low	○	○	○

“As value shifts from minutes of usage to volumes of data, operators need to move away from their legacy strategies focused on customer retention, which have had the effect of commoditizing the value of minutes and bandwidth in customers' eyes. Instead of concentrating on fighting churn, operators need to target revenues from new services that tap into rising demand and master a wider array of charging models to monetize their services.”

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## Sep 2013: Discussion on the “outdated” mobile business/revenue model:

### The Outdated Mobile Revenue Model

When mobile phones were first launched, the basic telephone company business model carried over to cellular. Mobile operators simply provided users with the ability to make and receive calls while on the go for a (steep) price per minute, similar to the old-fashioned phone companies before them. SMS texting also started with a per-unit price tag, but eventually, fueled by competitive pressure, wireless providers had to develop more creative and flexible pricing plans. Unfortunately for carriers, innovative technology companies are coming up with even more creative ways to monetize mobile communications, driving disruptive changes to the mobile ecosystem. The result for operators has been a rapid decline in voice and messaging revenue.



insights.wired.com

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Magretta, J., (2002) “Why Business Models Matter”, *HBR*, 2002.

“Today, ‘business model’ and ‘strategy’ are among the most sloppily used terms in business; they are often stretched to mean everything - and end up meaning nothing. But as the experiences ....show, these are concepts with enormous practical value. It’s true that any attempt to draw sharp boundaries around abstract terms involves some arbitrary choices. But, unless we’re willing to draw the line somewhere, these concepts will remain confusing and difficult to use. Definition brings clarity...” (p.92)



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## BUSINESS MODEL DISCUSSION

### Group 1 & 2: Business Models, Business Strategies, and Business Tactics

-Casadesus-Masanell, R. & Ricart, J.E., (2010) "From Strategy to Business Models and onto Tactics", *Long Range Planning* 2010.

-Teece, D.J. (2010), Business Models, Business Strategy and Innovation, *Long Range Planning* 43, pp. 172-194

### Group 3 & 4: Three Management Perspectives on Business Models

-Magretta, J., (2002) "Why Business Models Matter", *HBR*, 2002.

-Johnson, M.W., Christensen, C.M., & Kagermann, H., (2008) "Reinventing Your Business Model", *HBR*, 2008.

-Chesbrough, H.W., (2007). "Why Companies Should Have Open Business Models", *MIT Sloan Management Review*, Winter.

### Group 5 & 6: Two (Theoretical) Perspectives on Business Models

-Osterwalder et al (2005), "Clarifying Business Models: Origins, Present, And Future Of The Concept", *Communications of AIS, Volume 15*

-Mason, K. and M. Spring, (2011) "The sites and practices of business models", *Industrial Marketing Management* 40, 1032-1041



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## ARTICLE DISCUSSIONS



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# BUSINESS MODEL DISCUSSION

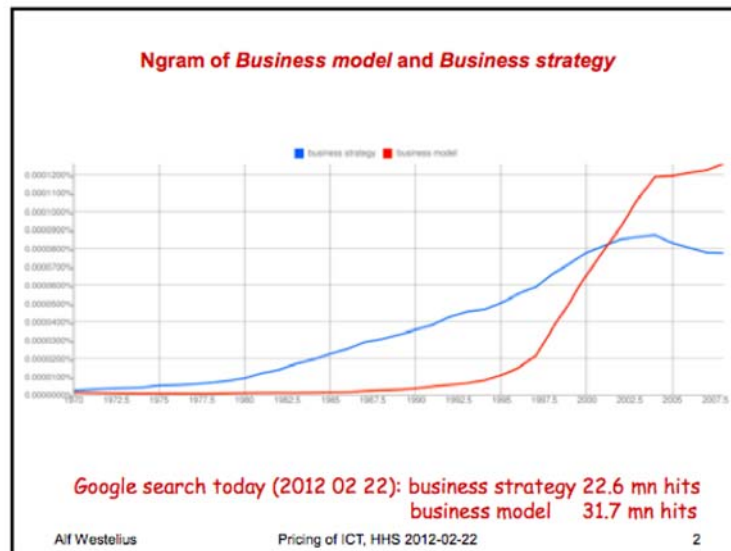
## Group 1&2: Business Models, Business Strategies, and Business Tactics

-Casadesus-Masanell, R. & Ricart, J.E., (2010) "From Strategy to Business Models and onto Tactics", *Long Range Planning* 2010.

"Amit and Zott's definition (based on e-business models): 'A business model depicts the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities.' The common thread across all of these approximations to the notion of business model is well captured.... in the definition 'the logic of the firm, the way it operates and how it creates value for its stakeholders'."



Why?



## BUSINESS MODEL STRATEGY TACTICS

- *Business Model* refers to the logic of the firm, the way it operates and how it creates value for its stakeholders; and
- *Strategy* refers to the choice of business model through which the firm will compete in the marketplace; while
- *Tactics* refers to the residual choices open to a firm by virtue of the business model it chooses to employ.



Figure 1. Generic two-stage competitive process framework

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## TELCO EXAMPLE: TDC & TELMORE AND TACTICAL INTERACTION

After Telmore entered the market, TDC and Telmore's business models became interdependent, and there were inevitable elements of tactical interaction. Figure 9 (below) shows the many points of contact between the two business models, with connecting arrows showing where they affected each another: solid lines representing 'positive interactions' and dotted lines 'negative interactions', operating in the direction of the arrow. The most important of these were:

- *Volume*: Telmore stole customers from TDC, decreasing its customer base. In acquiring new customers, TDC similarly decreased Telmore's customer base (although probably to a lesser extent);
- *Handsets*: Telmore neither provided nor subsidized handsets for its customers, so the existence of a large number of TDC customers with handsets was a necessary condition for Telmore's business model to function properly, as this group of users represented part of its pool of potential new customers;
- *Willingness to pay*: Telmore's simple, low price offering decreased the willingness to pay of those TDC's customers attracted by Telmore's style of offering;
- *Network utilization*: TDC's investment in setting the network up was a necessary precondition underpinning Telmore's MVNO operations. By purchasing wholesale minutes from TDC,



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## FEEDBACK LOOPS STRENGTHENING THE BUSINESS MODEL (EX: RYANAIR)

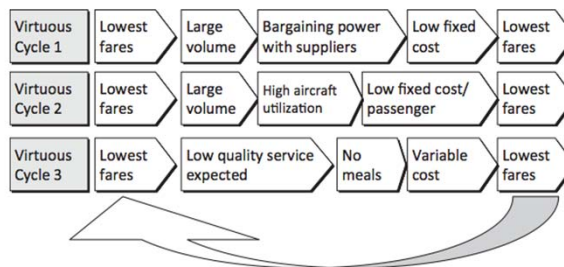


Figure 3. Some virtuous cycles in Ryanair's business model



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## BUSINESS MODEL DISCUSSION

### Group 1&2: Business Models, Business Strategies, and Business Tactics

- Teece, D.J. (2010), Business Models, Business Strategy and Innovation, *Long Range Planning* 43, pp. 172-194

“The concept of a business model lacks theoretical grounding in economics or in business studies. Quite simply there is no established place in economic theory for business models; and there is not a single scientific paper in the mainstream economics journals that analyses or discusses business models in the sense they are defined here.” (p.175)



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## BUSINESS MODELS AND BUSINESS STRATEGY: OPERATORS' COMPETING VALUE OFFERINGS

Current initiatives led by mobile operators generally offer a narrow range of functionalities and do not focus in areas that offer strong consumer/merchant benefits

	Retail Payment	Transit Pass	Mobile Bill Payment	Money Transfer	Remittance	Share Coupon and Info	Warranty/Refund/Rebate	Reward Optimization	Loyalty Program	Mobile Coupon
NTT Docomo	✓	✓	✓	✓	✓				✓	✓
O2 Money	✓	✓	✓	✓						
Everything Everywhere	✓	✓	✓	✓						
ISIS*	✓	✓	✓						✓	✓
Telefonica / MasterCard	✓		✓	✓	✓					
China Telecom	✓	✓								

Consumer / Merchant Benefit:

Lower Benefit

Higher Benefit

- ✓ = Current/Initial Focus
- ✓ = Future Focus

To counter a sluggish "pull" from consumers and merchants, mobile operators will need to invest in promotion, incentives and cross-subsidies, or else create pull-through via tight integration with other functions

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## BUSINESS MODELS AND BUSINESS STRATEGY: OPERATORS' COMPETING VALUE OFFERINGS

Leading MNOs are adopting divergent strategies. Some are placing big bets that could position them for significant value capture, while others are adopting more open/collaborative models with less near-term upside

### Partnership & Business Model Comparison

Name of Initiative	Chip/ Card Manufacturing	Handset/OS Provider	Mobile Network Operations	Trusted Service Management	Player Banking Services	Payment Acceptance	Mobile Marketing	Payee Banking Services	Merchant/ Payee	Banking Services Offered	Acceptance Network	Risk/Reward
NTT Docomo Mobile Wallet										Expansive	New	High ↓ Low
ISIS										Expansive	Mixed	
Safaricom M-Pesa										Limited	N/A	
Everything Everywhere										Expansive	Existing	
O2 Money										Limited	Existing	
Bank of America/RIM										Expansive	Existing	
Bling Nation										Limited	New	
Starbucks										None	New	

- Player Key**
- = MNO
  - = Mixed
  - = Other

• It is too early to tell if big bets will pay off, or if small bets are more prudent

• What to watch for:

- Heavy push by global device OEMs (e.g., Google, Apple)
- Subsidization of mobile models by MNOs, banks and/or acceptance networks to establish long-term positioning
- Organic or M&A driven product development in adjacent areas

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## TEECE: BUSINESS MODELS and INNOVATION

- “... business models to capture value from technological innovation...”
- “...business models as innovation...”



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## BUSINESS MODEL DISCUSSION

### Group 3 & 4: Three Management Perspectives on Business Models

-Magretta, J., (2002) "Why Business Models Matter", *HBR*, 2002.

Two critical tests:

“the narrative test”

and

“the numbers test”:

“Business models...are, at heart, stories - stories that explain how enterprises work. A good business model answers Peter Drucker’s age-old questions: Who is the customer? And what does the customer value?”

It also answers the fundamental questions every manager must ask: How do we make money in this business? What is the underlying economic logic that explains how we can deliver value to customers at an appropriate cost?” (p.87)



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### Reinventing vs Innovating Business Models?

Johnson, M.W., Christensen, C.M., & Kagermann, H., (2008)  
 "Reinventing Your Business Model", *HBR*, 2008.

"Stories of business model innovation from well-established companies like Apple, however, are rare. An analysis of major innovations within existing corporations in the past decade shows that precious few have been business-model related."

"The first is to realize that success starts by not thinking about business models at all. It starts with thinking about the opportunity to satisfy a real customer who needs a job done. The second step is to construct a blueprint laying out how your company will fulfill that need at a profit. In our model, that plan has four elements. The third is to compare that model to your existing model to see how much you'd have to change it to capture the opportunity. Once you do, you will know if you can use your existing model and organization or need to separate out a new unit to execute a new model."

**Customer Value Proposition (CVP)**

- Target customer
- Job to be done to solve an important problem or fulfill an important need for the target customer
- Offering, which satisfies the problem or fulfills the need. This is defined not only by what is sold but also by how it's sold.

**PROFIT FORMULA**

- Revenue model: How much money can be made: price x volume. Volume can be thought of in terms of market size, purchase frequency, ancillary sales, etc.
- Cost structure: How costs are allocated: includes cost of key assets, direct costs, indirect costs, economies of scale.
- Margin model: How much each transaction should net to achieve desired profit levels.
- Resource velocity: How quickly resources need to be used to support target volume. Includes lead times, throughput, inventory turns, asset utilization, and so on.

**KEY RESOURCES** needed to deliver the customer value proposition profitably. Might include:
 

- People
- Technology, products
- Equipment
- Information
- Channels
- Partnerships, alliances
- Brand

**KEY PROCESSES**, as well as rules, metrics, and norms, that make the profitable delivery of the customer value proposition repeatable and scalable. Might include:
 

- Processes: design, product development, sourcing, manufacturing, marketing, hiring and training, IT
- Rules and metrics: margin requirements for investment, credit terms, lead times, supplier terms
- Norms: opportunity size needed for investment, approach to customers and channels



## BUSINESS MODEL INNOVATION

New business models:  
 Better Place roll-out 2012

Thursday, January 26, 2012

**Business**

A network of fast battery-switching stations offers an unusual business model for electric cars.

By Matthew Kaiman

Roll out: A fleet of 100 Renault Fluence electric cars arriving in Israel last week.

- The oil dilemma is a systemic problem, the electric car the key to displacing oil
- Divorcing the battery from the car would overcome many of the technological constraints
- But batteries require an entirely new technological system....

### Easy to use charge poles



Prototype Better Place charging stations will be deployed initially in Israel and Denmark.



### Rapid automated switching stations



Better Place unveiled its battery swap system today and said the \$500,000 gadget can replace a dead battery and get you back on the road in less time than it takes to fill your gas tank.



## TRYING TO CHANGE SOME OF THE TRADITIONAL BUSINESS MODEL COMPONENTS FOR CAR OWNERSHIP AND USE:

- ...making the cars free...?
- Separating ownership of the 10.000 dollar battery from ownership of the car
- Sell electricity miles rather than cars (cf mobile phones: heavily subsidize the hardware while customers pay per minute talk)
- Pegging the price of miles to that of gas, using the margin between the cost of gas and the much lower cost of electricity
- A range of plans: (pay-as-you-go, fixed-price contracts,..)
- Grid: automatic control of power draw in order to be able to charge when power is cheap



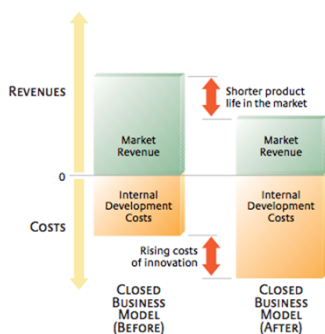
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### Group 3 & 4: Three Management Perspectives on Business Models

-Chesbrough, H.W., (2007). "Why Companies Should Have Open Business Models", *MIT Sloan Management Review*, Winter.

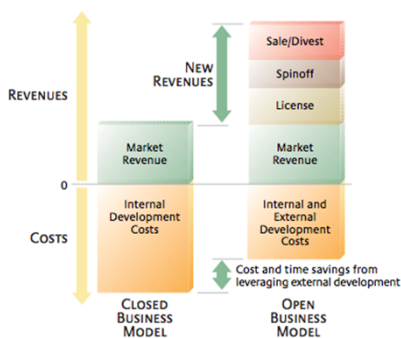
#### The Economic Pressures on Innovation

The left bar shows expected revenues far in excess of development costs. But as development costs rise and as product life cycles become shorter, the net result (right bar) is that companies are finding it harder to justify their innovation investment.

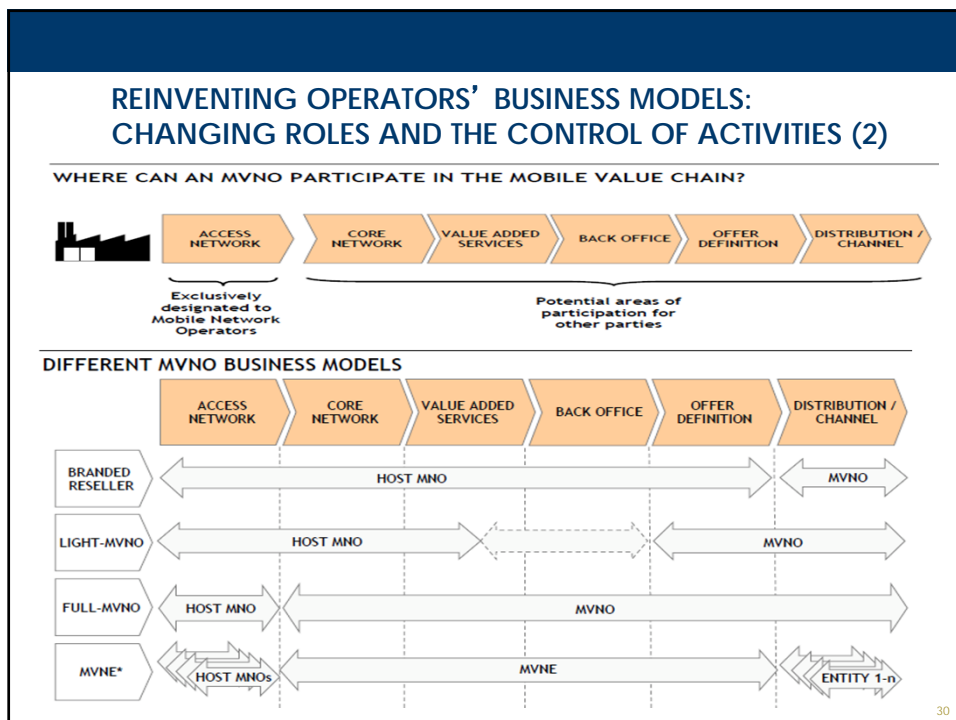
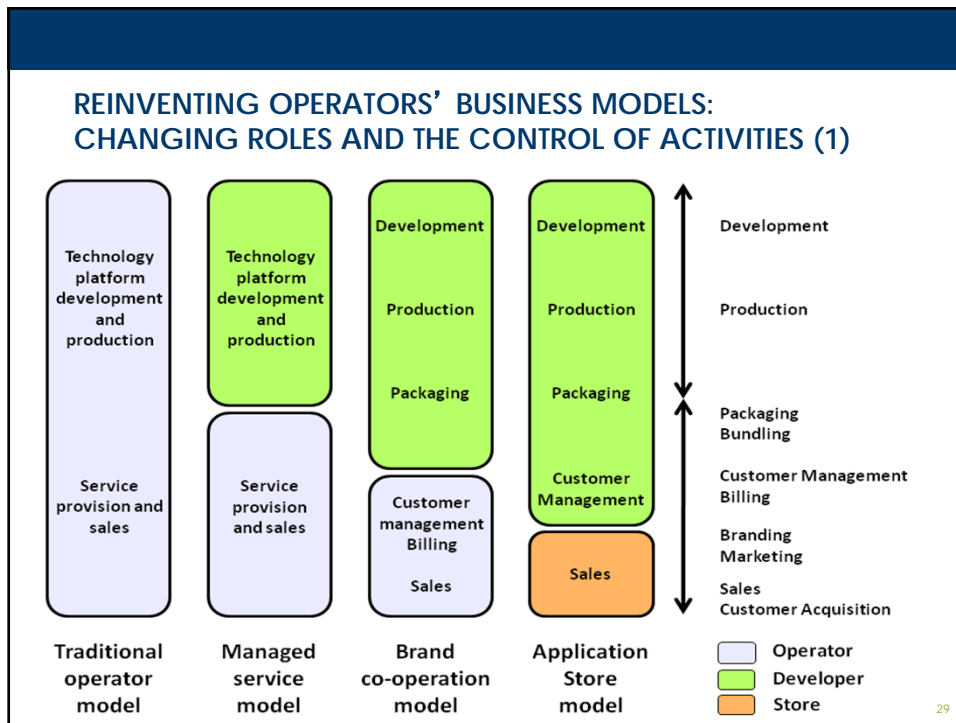


#### The New Business Model of Open Innovation

To offset the trends of rising development costs and shorter product life cycles (left bar), companies must experiment with creative ways to open their business models by using outside ideas and technologies in internal product development and by allowing inside intellectual property to be commercialized externally (right bar).



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## REINVENTING OPERATORS' BUSINESS MODELS: DEVELOPING A DOUBLE SIDED BUSINESS MODEL

There will be three parts to successful operators in the future

**1. Core Services:**

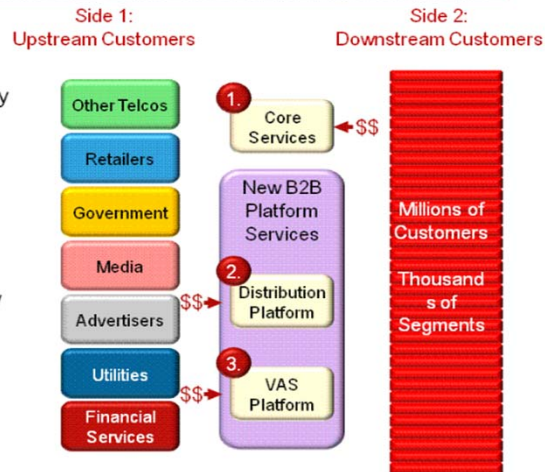
- Voice, messaging, media and data delivered to and paid for by end users

**2. Distribution Platform:**

- Third-party delivery of access, data, voice and messaging

**3. VAS Platform:**

- Enabling services for third-party providers



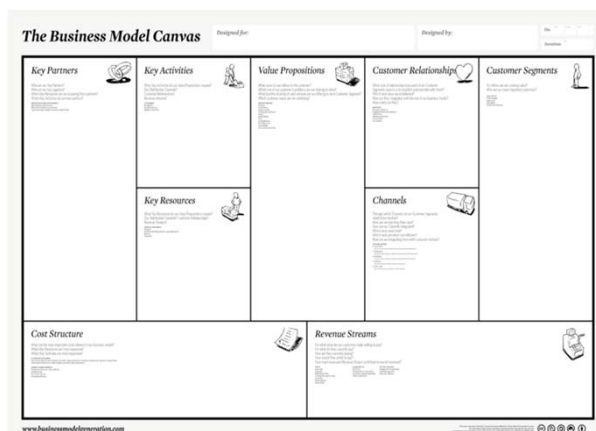
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## BUSINESS MODEL CANVAS

Group 5 & 6: Two (Theoretical) Perspectives on Business Models

-Osterwalder et al (2005), "Clarifying Business Models: Origins, Present, And Future Of The Concept", *Communications of AIS, Volume 15*

Osterwalder et al (2005) consider the Business Model as *the blueprint of how a company does business.*



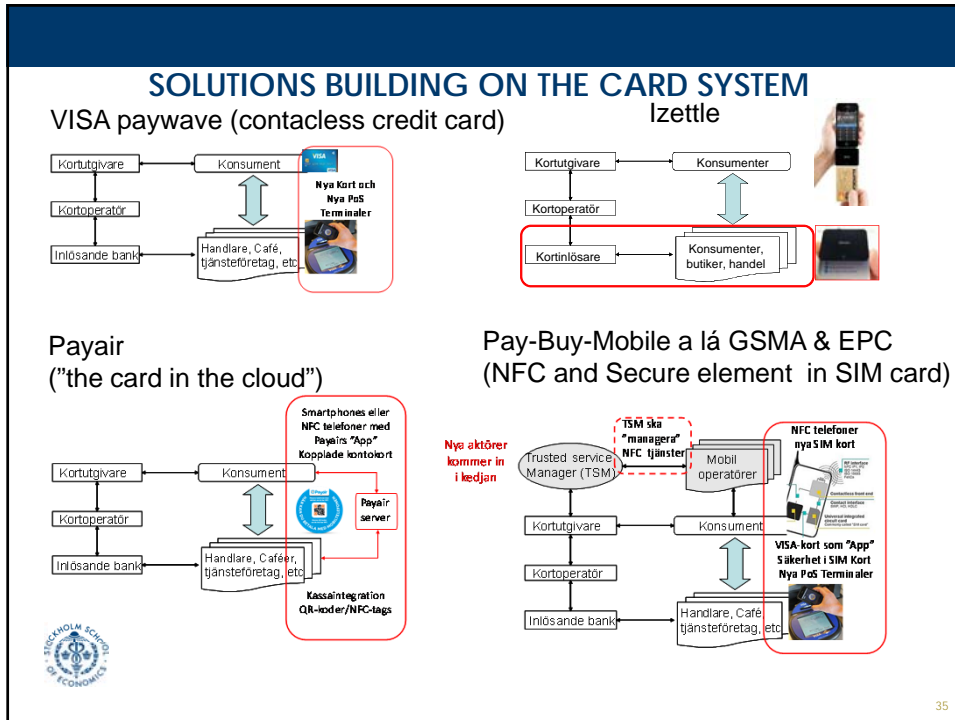


**The Business Model Canvas** Designed for: \_\_\_\_\_ Designed by: \_\_\_\_\_ On: \_\_\_\_\_ Position: \_\_\_\_\_

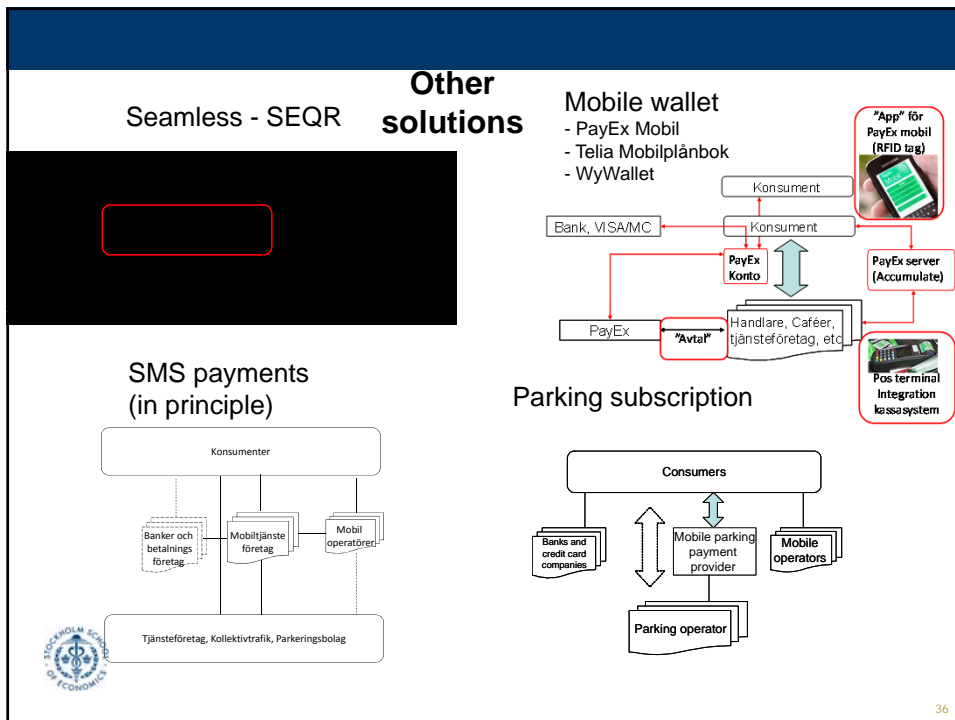
<p><b>Key Partners</b></p> <p>Who are the partners?          What do they do for you?          What do they do for you?          What do they do for you?</p>	<p><b>Key Activities</b></p> <p>What key activities do our Value Propositions require?          Can they be automated?          How do they change?</p>	<p><b>Value Propositions</b></p> <p>What value do we offer to the customer?          What kind of problem do we solve for our customer?          What kind of pain do we relieve for our customer?          What kind of gain do we create for our customer?</p>	<p><b>Customer Relationships</b></p> <p>What type of relationship do we build with our Customer?          How do we acquire our customer?          How do we retain our customer?          How do we expand our customer base?</p>	<p><b>Customer Segments</b></p> <p>To whom are we creating value?          What are our target customer segments?          How do we reach our customer segments?</p>
	<p><b>Key Resources</b></p> <p>What Key Resources do our Value Propositions require?          Can they be automated?          How do they change?</p>		<p><b>Channels</b></p> <p>Through which Channels do our Customers acquire our products?          How do we reach our customer segments?          How do we reach our customer segments?          How do we reach our customer segments?</p>	
<p><b>Cost Structure</b></p> <p>What are the most important costs incurred by our business model?          What are the most important costs incurred by our business model?          What are the most important costs incurred by our business model?</p>			<p><b>Revenue Streams</b></p> <p>For what value are our customers really willing to pay?          How do we reach our customer segments?          How do we reach our customer segments?          How do we reach our customer segments?</p>	

[www.businessmodelgeneration.com](http://www.businessmodelgeneration.com)

- Customer segment
  - Value proposition
  - Channels
  - Customer relationships
  - Revenue streams
  - Key resources
  - Key activities
  - Key partnerships
- covering the main areas of business:
- Customers
  - Offer
  - Infrastructure
  - Financial viability



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## THE BUSINESS MODEL CANVAS (EX: IZETTLER)

- Customer segments?
- Value proposition?
- Customer relationships?
- Channels?
- Revenue streams?
- Key activities?
- Key resources?
- Key partners?
- Cost structure?

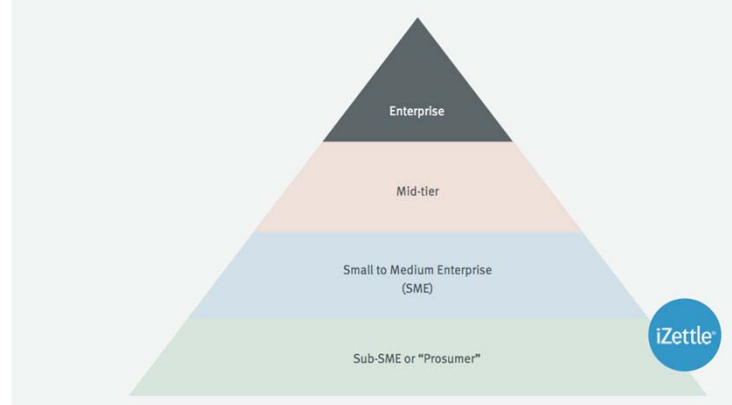


(Rapid growth, internationalization,.....)

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## CUSTOMER SEGMENT(S)?

Card payments for new segments



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## VALUE PROPOSITION?



Sofia Hagelin  
Heart of Lovikka

"iZettle is fantastically convenient for small businesses that are travelling to different places and need to accept payments. It makes it easier for my customers who no longer need to run to the ATM, and I receive my money quickly."



### Target merchant



## REVENUE STREAMS?

- ✓ For individuals and small businesses.
- ✓ No fixed fees, only €0.15 + 2.75% per transaction.
- ✓ Free card reader and app.
- ✓ EMV approved.
- ✓ Daily deposits to your bank account.

### How much do I pay to use iZettle?

Our fees are very simple and very few.

There are no start up fees, no monthly fees and no hidden costs. You get the app and the chip-card reader free of charge, and you only pay for successful transactions. The fees depend on whether you use our free chip-card reader or not and which country you are based in. Please visit each local website for exact prices.

Then there are fees related to each new actor as for instance iZettle

- iZettle = 1,50 SEK + 2,75 % of transaction amount (Mastercard, Visa and Diners Club)
- iZettle = 1,50 SEK + 3,75 % of transaction amount (AmEx)



## CUSTOMER RELATIONSHIPS (& VALUE PROPOSITION) ?

**Sign up process**

**Download application**  
Download the form for Apple App Store / Google Play.

**Business/Individual info**  
Complete the registration form.

**Address**  
Order a card reader to your registered address (optional).

**Bank Account**  
Registration approved - confirm bank account with micro payment to iZettle.

**Super fast!**  
Accept card payment: within 5 minutes  
• Bank account confirmed: within 1-2 days  
• First payout available: within 2-4 days

**Added functionality**

**ROCKWORTH SCHOOL OF ECONOMICS**

## EE exclusive distributor of iZettle card reader for UK

November 7, 2012 Written by [Mike Hibberd](#) [Print](#) [Email](#)

### CHANNELS ?

Everything Everywhere, the UK operator owned by Orange and Deutsche Telekom, is to be the exclusive distributor of the iZettle card reader in the UK. Swedish mobile payment provider iZettle combines card reader hardware and a downloadable app, to enable smartphones and tablets to take debit or credit card payments.

Gerry McQuade, chief commercial officer for non-consumer mobile at EE, said that the deal represented additional value for the firm's one million plus SME customers, and that the deal had been a long time in the planning. "iZettle has been part of the plan for a year," McQuade said at a launch event in London on Tuesday. "Our strategy is to look beyond mobile, and the simplicity and innovation of iZettle are market leading."

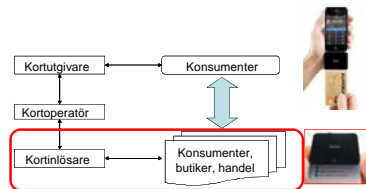
The commercial nature of the relationship between the two firms is unclear. McQuade declined to comment and iZettle founder Jacob de Greer told Telecoms.com only that "there is a business model in regards to the distribution of the readers but that is between us and EE." He stressed the importance of EE's retail presence as a distribution channel. "They have 297 stores across the UK, they have a great user base with lots of SMEs already, and they're going for the same kind of merchants that we want to go for," he said.

The exclusivity arrangement has a limited time frame, although neither firm disclosed its duration. While EE might have exclusivity over the sale of the card readers, which cost £20 and come with a £20 voucher redeemable against future transaction charges, and so are essentially free to the purchaser, the devices are compatible with handsets on any network.

iZettle is currently available for iOS and Android devices

**ROCKWORTH SCHOOL OF ECONOMICS**

## KEY PARTNERS (& CHANNELS)?



### launching in the UK ... without Visa

And for the past few weeks, iZettle has also been available in the UK: "We signed up a couple of thousands in the first day" Jacob announced. And yet, "we use no advertising at all". The device is approved by most card schemes thanks to the creation of a commission split between card schemes and iZettle; but a major setback is that Visa is not part of the experiment in the UK: "they didn't want to participate" Jacob de Geer added.



(Key technology suppliers? .....)

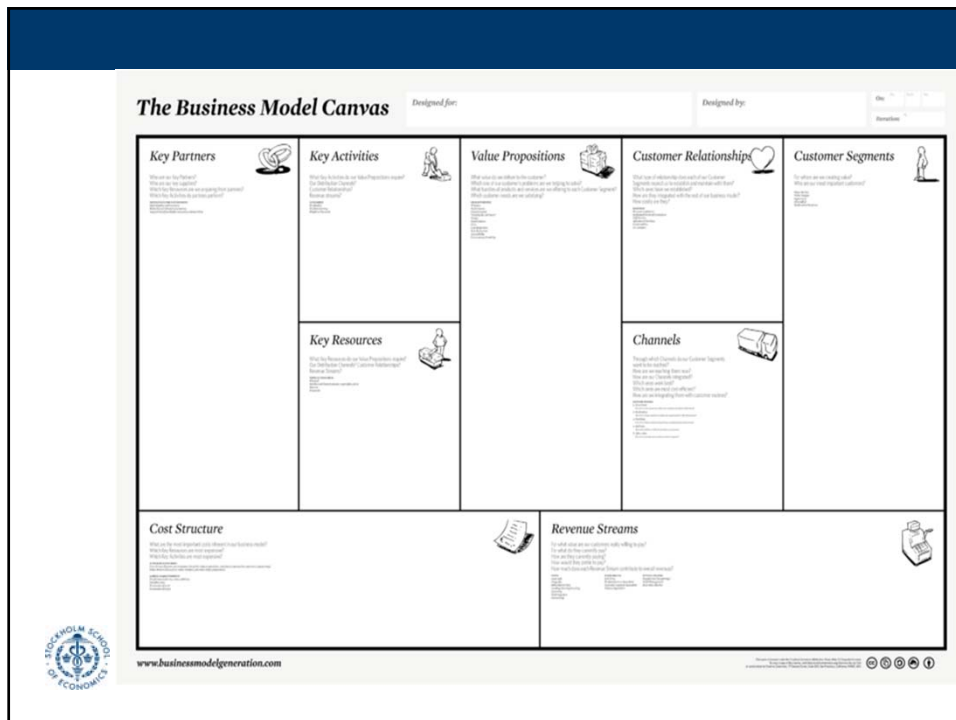
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## KEY ACTIVITIES? KEY RESOURCES? COST STRUCTURE?

The company was started in April 2010, and it partnered with "talents from all over Europe in order to form a virtual company" de Geer said. What is most amazing about this is that "90% of the infrastructure's in the cloud and 5% in the hardware"; yet, the most important thing is that Jacob de Geer managed to get his device EMV – certified.



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# 1. Customer segments

- Mass market
- Niche market
- Segmented
- Diversified
- Multi-sided platforms
- (Business customers?)
- .....



## 2. Value proposition

- Newness
- Performance
- Customization
- Getting the job done
- Design
- Brand/status
- Price
- Cost reduction
- Risk reduction
- Accessibility
- Convenience/usability

Early key influences	Recent perspectives	Newer developments
Consumer values and consumer value	Creating and delivering superior customer value	Customer value and stakeholder value
Augmented product concept	Customer's value to the firm	Relationship value
Customer satisfaction and service quality	Customer-perceived value	Value-in-use
The value chain	Value constellations	Co-creation of value



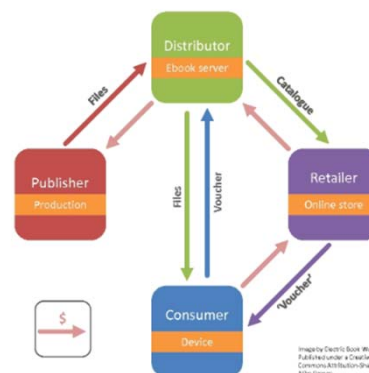
## 3. Channels

Channel types:

- Own vs Partner
- Direct vs Indirect
- .....

ICT industry issues:

- New intermediaries & entrepreneurship in media business (models)
- Rapid changes in new technologies & rapid shifts in channel positions
- The importance of owning the direct relation to customers & shifts in the distribution of power





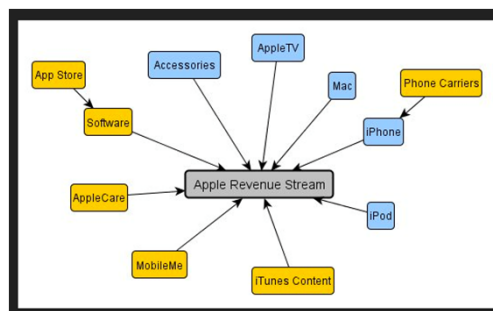
## 4. Customer relations

- Personal assistance
- Self-service
- Automated service
- Communities
- Co-creation
- .....
- B2B contexts?
- .....



## 5. Revenue streams

- Asset sale
- Usage fee
- Subscription fees
- Lending/renting/leasing
- Licensing
- Brokerage fees
- Advertising
- .....



## Comment: the importance of pricing and pricing mechanisms

Fixed menu pricing:

- List price
- Product feature dependent
- Customer segment dependent
- Volume dependent
- ....

Dynamic pricing:

- Negotiation
- Yield management
- Real-time market
- Auctions
- ...



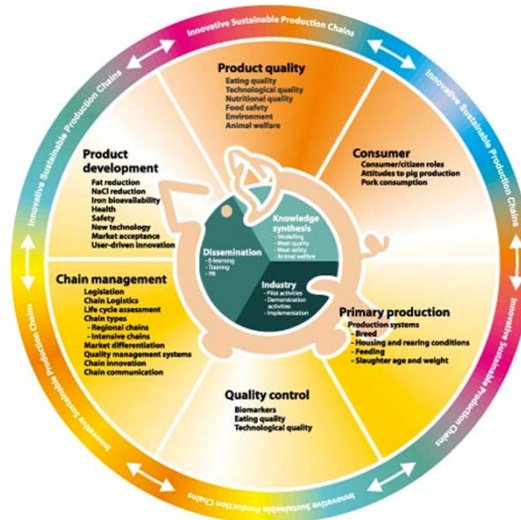
## 6. Key resources

- Physical
- Intellectual
- Human
- Financial
- .....



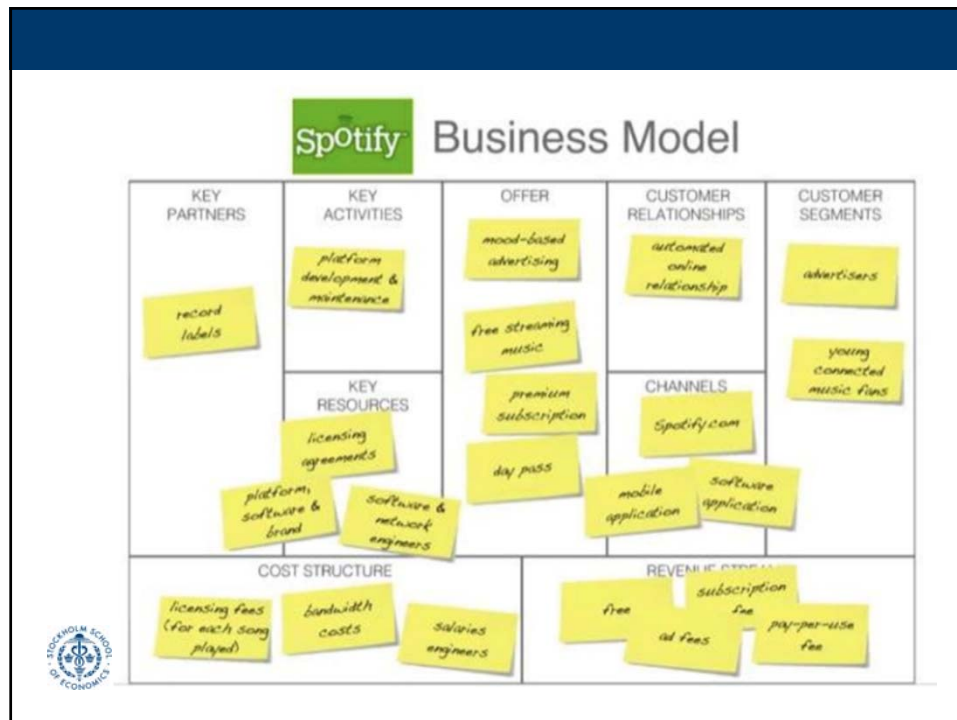
## 7. Key activities

- Production
- Problem solving
- Platform/network
- .....



## Spotify's key activities and resources?





## 8. Key partnerships

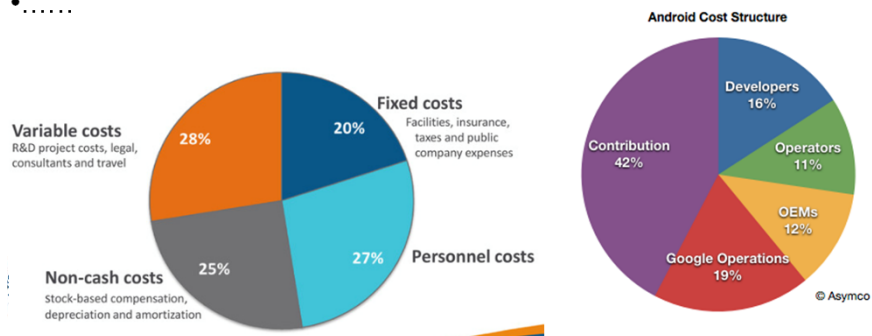
- Strategic alliances between non-competitors
- Coopetition: strategic partnerships between competitors
- Joint ventures to develop new business
- Buyer-supplier relationships to assure reliable supplies
- Channel partnerships
- .....



## 9. COST STRUCTURE

- Cost-driven vs Value-driven
- Fixed costs vs Variable costs
- Economies of scale vs Economies of scope

• .....



## BM COMPLEXITY: Multiple, multi-sided and different types of business models (money flows)

- Multiple business models:
  - ”ambidextrous organizations”
- Multi-sided business models:
  - ”One-Sided Business Models”
  - ”Two-Sided Business Models”
  - ”Horizontal Business Models”
  - ”Multi-Layer Business Models”
- .....
- Different types of business models:
  - FREE as a business model (”razors and blades”)
  - OPEN business models
  - LONG TAIL business models



.....

### Group 5 & 6: Two (Theoretical) Perspectives on Business Models

-Mason, K. and M. Spring, (2011) "The sites and practices of business models", *Industrial Marketing Management* 40, 1032–1041

K. Mason, M. Spring / *Industrial Marketing Management* 40 (2011) 1032–1041

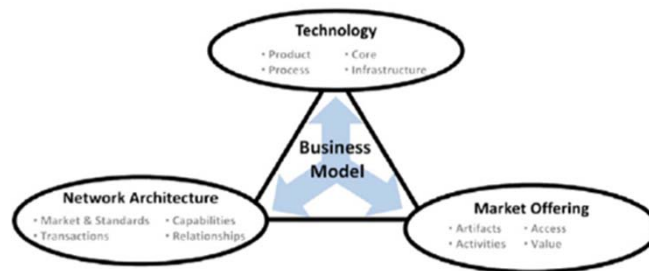


Fig. 1. Business model elements.



Many theoretical sources and origins  
of the different elements of the business model

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### Group 5 & 6: Two (Theoretical) Perspectives on Business Models

-Mason, K. and M. Spring, (2011) "The sites and practices of business models", *Industrial Marketing Management* 40, 1032–1041

•“If business models are more than just descriptions of what a business does, they must have some sort of *performative power to shape and influence the actions of others.*”

•“*We argue that business models, embedded as rules-for-action in PowerPoint slides, reports, targets and strategy documents, act as framing devices.*”

•“*Seen as a bundle of practices, business models can be understood as generative and continuously emerging systems, characterized by structure and dynamics.*”



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### Group 5 & 6: Two (Theoretical) Perspectives on Business Models

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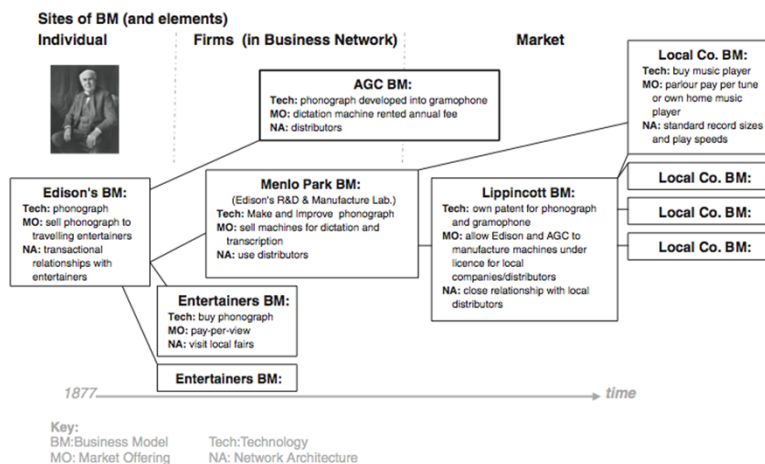


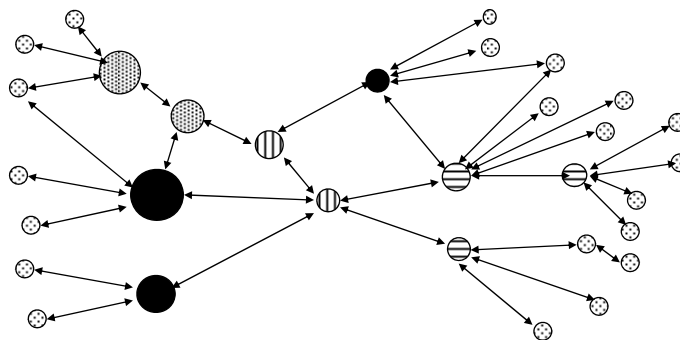
Fig. 3. The multiplying sites of business models in early 19th century recorded sound.

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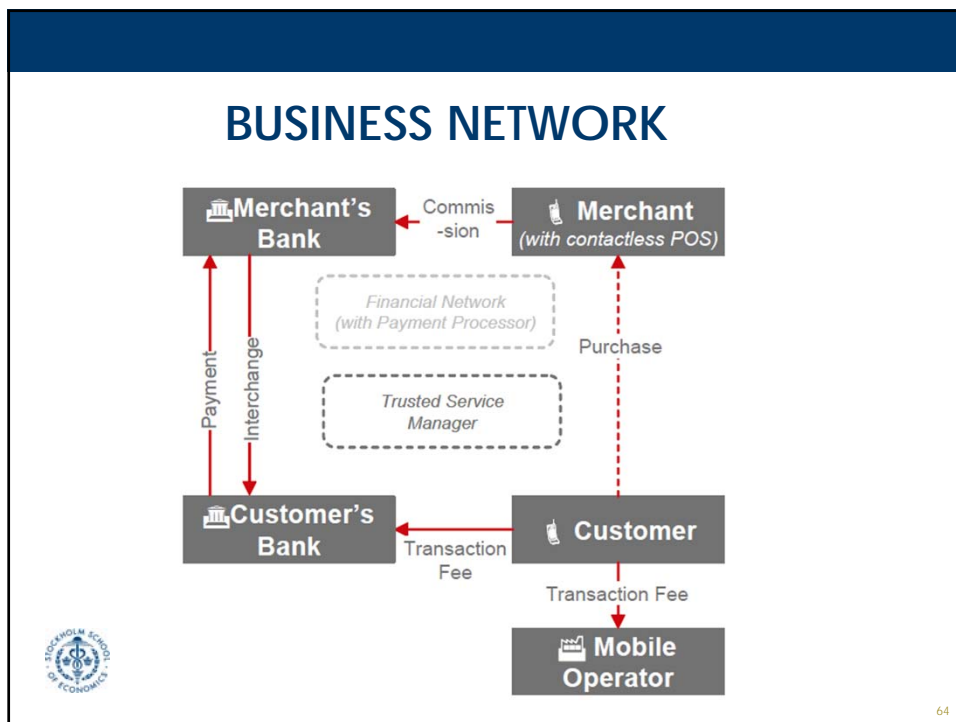
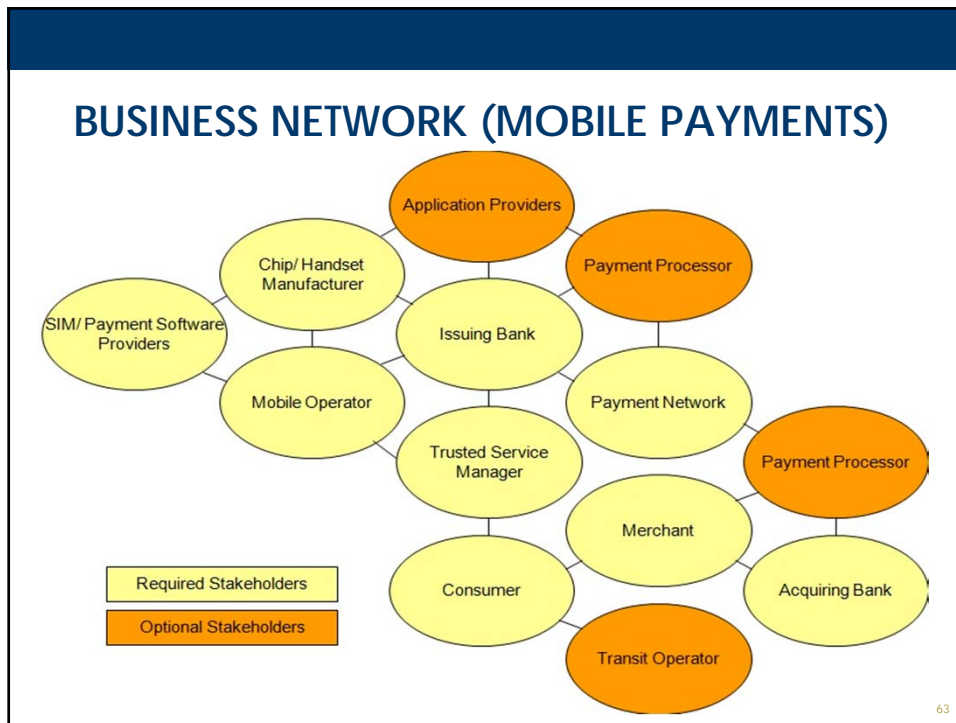
## Network Roles and Positions

The "market structure" for "mobile payments"?

- From "value chains" to "value constellations" (networks)
- A 'market-as-network': a network of firms connected through relationships:



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**OSTERWALDER (“THE BUSINESS MODEL TEMPLATE”) ON THE  
FUTURE OF MOBILE OPERATORS’ BUSINESS MODELS:**

- <http://nsn.com/news-events/insight-newsletter/articles/mobile-broadband-s-business-model-breakthrough>



**THANK YOU!**

*Per Andersson, SSE*