

HOW DO WE DESIGN BUSINESS MODELS NOWADAYS?

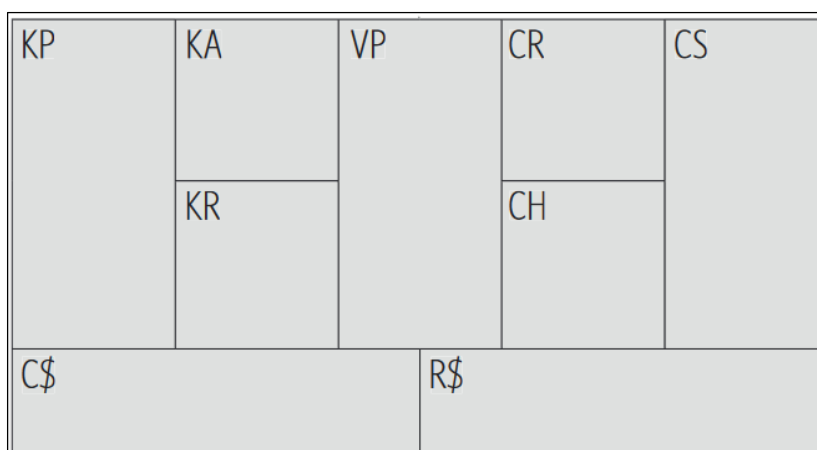
Как проектировать бизнес-модели сегодня?

“Models” as an effective way to act with validity do not really seem to be the greatest solution of most problems nowadays as of their solidity and constancy. That basically what postmodern is fighting against. Whether one likes it or not, people of business must adapt and create solutions for our fast-paced and ever changing world.

The purpose of these thesis is to consider and to describe current views on creating business models.

The concept of business-model was introduced by Peter Drucker in his “The Theory of the Business” article in 1994, but was not clearly defined. One of the first definitions was brought by Alex Osterwalder — “a business model describes the rationale of how an organization creates, delivers, and captures value [1].” As we’ve learned from the sentence above, nowadays models in business are more like blueprints on which one’s building their strategy.

Following Osterwalder’s instructions in creating business models we should take nine steps which united are called “Business Model Canvas”, in account, they are: customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships and cost structure. After organizing them in the right way, one’s canvas should like on picture 1.

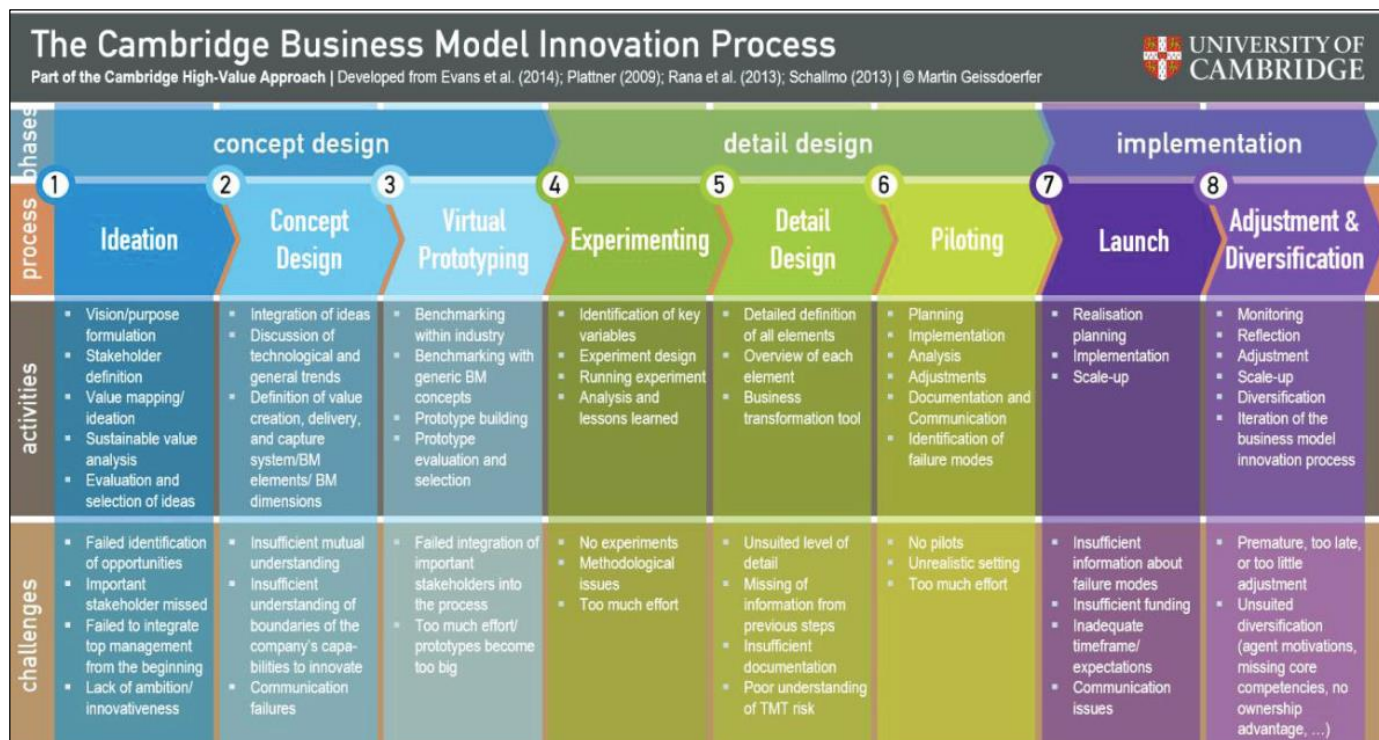


Picture 1. Business Model Canvas structure [1]

Each block must be filled with information and produce a massive amount of information that will provide organizations with different ways of improving their businesses that will still remain flexible and could be changed fast.

Another solution of the business model question was introduced by the group of scholars from South Africa. In their paper they tried to renovate the Cambridge Business Model by answering the question “How can organizations bridge the design-implementation gap of sustainable business model innovation?” [2].

As they’ve learned there are three main problems: no follow-up in concept design, no implementation in detail design and finally, commercial failure in implementation. The results of work accomplished led the researchers to an eight-step concept which can be observed on picture 2.



Picture 2. The Cambridge Business Model Innovation Process [2]

To summarize the experience of both approaches we can clearly see that given models are not the ready-made solutions, but the marking points on which every company or individual can build their success story.

References

1. Osterwalder, A. Business Model Generation / A. Osterwalder, Y. Pigneur. — New Jersey: John Wiley & Sons, 2010. — 288 p.
2. Geissdoerfer, M. The Cambridge Business Model Innovation Process / M. Geissdoerfer, P. Savaget, S. Evans // Procedia Manufacturing. — 2017. — Vol. 8. — P. 262–269.