
BUSINESS MODEL CONFERENCE, 22-23 JUNE 2022

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Department of Industrial Engineering & Innovation Sciences, Information Systems (IS) Group
“of CEOs recognize that they must change their business models ... over the next three years”

“Will use the COVID-19 and economic crisis as an opportunity to focus on business redesign”

62% “of strategy leaders find an overburdened legacy operating model supporting current and future business models makes it more difficult to develop capabilities at the speed needed”

64% “It’s the operating model that slows us”

Source: Gartner surveys (2019), (2021), (2022)
### Research overview

#### Issues

- **Risk of failure & implementation inefficiency** when adopting business model innovations
- Practitioners **lack guidelines** that provide support during the implementation and operation

#### Contributions

- Repository of **methods** that can be used during the implementation of a business model
- **Overview of business model implementation** through the design and execution of business processes
- **Future research avenues to develop methods** related to business model implementation using business processes

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**Sources:** Rumble and Mangematin (2015), Solaimani et al. (2018), Suratno et al. (2018), Geisdoerfer et al. (2018)
Towards Business Model Implementation: from business model patterns to business processes

AGENDA

1. Introduction
2. Research Process
3. Results
4. Research Directions and Conclusions
What is the relationship between business models and business processes?

**Sources:** Gordijn et al. (2000), Osterwalder et al. (2005), Al-Debei & Avison (2010), Globocnik et al. (2020)

**Introduction**

**Nature of Information**

- Highly aggregated
  - Tactical
  - Operational, highly detailed

**Business model**

- Business strategy
- Business process model
- IS/IT

**how** a company **positions** itself in a certain industry

**what** is offered by **who**
- Specific configuration of BM elements
- Resource configuration for BM operations

**how** the offering is operationally fulfilled
- Definition of business processes and operational infrastructure
- Execution of business processes
What is the relationship between business models and business processes?

Freemium business model

Core processes
+ Platform development and maintenance
+ Content acquisition
+ Contract negotiations
+ User registration
+ User subscription
+ Marketing & advertising
+ Royalty payment
What is a business process?

User registration

1. **Which activities are performed?**
   (Functional perspective)

2. **How are the activities sequenced?**
   (Behavioral perspective)

3. **What data and artifacts are produced?**
   (Informational perspective)

4. **Which participants, roles, and systems?**
   (Organizational perspective)

Sources: Curtis et al. (1992), Dumas et al. (2018)
Research objective

**Objective**

To provide an overview of the current state of knowledge regarding the methods that bridge business models and business processes

**Research process**

Systematic literature review (SLR)

- following guidelines by Okoli (2015) and Webster and Watson (2002)

**Classification of methods:**

1. Method characteristics
2. Use in the business model management lifecycle

1. Literature search
2. Development of classification model
3. Classification of studies


Scopus, Web of Science, AISeL
N=2,771 papers

34 papers containing methods that bridge business models and business processes
Classification results

Method characteristics

| (+) Focus on value coordination among stakeholders | (-) Focus on impact analysis |
| (+) Focus on which activities and participants/roles are needed | (-) Focus on internal business processes and capabilities required to implement and operate the business model | (+) Focus on value coordination among stakeholders | (-) Focus on impact analysis |

N = 34 methods

(+): Focus on mapping a business model into business processes or vice versa
(-): Focus on value coordination among stakeholders

Very few methods that use business processes as source of analysis for assessing the effect on business models

Focus on internal business processes and capabilities required to implement and operate the business model

Focus on which activities and participants/roles are needed

Focus on how activities can be sequenced and identification of information elements
### Classification results

#### Method characteristics

<table>
<thead>
<tr>
<th>Type</th>
<th>Directionality</th>
<th>Organizational level</th>
<th>Org. context</th>
<th>Process perspective</th>
<th>Evaluation</th>
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**N = 34 methods**

- (+) Focus on mapping a business model into business processes or vice versa
- (-) Focus on impact analysis

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Very few methods that use business processes as source of analysis for assessing the effect on business models.
Classification results

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### Results

- **N = 34 methods**

### Focus on which activities and participants/roles are needed

- **(+)** Focus on which activities and participants/roles are needed

### Focus on how activities can be sequenced and identification of information elements

- **(-)** Focus on how activities can be sequenced and identification of information elements
Classification results

Support in the BMM lifecycle

BM Design

- Prototype
  - 17 e.g., template creation

BM Implementation

- BP discovery
  - 21 e.g., creating a BP model

- BP analysis
  - 1 e.g., analysis of single BPs (implementation cost, execution time,)

- BP redesign
  - 23 e.g., redesigning BP model

- BP implement.
  - 28 e.g., process automation, defining IT architecture

BM Operation

- BP execution
  - 0 e.g., process alignment to BM, effect of IT architecture

- BP monitor & control
  - 10 e.g., process alignment to BM, effect of IT architecture

Legend

- BM lifecycle activities
- BPM lifecycle activities

Sources: Wirtz (2020), Dumas et al. (2018)
Research Directions

- **Use in the BMML**

- **Develop structured methods** that provide guidelines for *identifying processes and capabilities* to design and implement a business model

- **Characteristics**
  - Develop structured methods that focus on:
    - Both *inter and intra organizational* processes
    - **Analyze impact** during the design and implementation of the business model (e.g., risk, costs, and benefits)
    - **All process perspectives**

- **In practice**
  - **Evaluating methods** to prove their effectiveness through rigorous evaluation techniques
Conclusions

Summary

• We systematically reviewed the academic literature to identify methods that bridge business models and business processes

• We categorize the methods based on two main dimensions: characteristics and support in the business model management lifecycle

• The repository of methods that can be used during the implementation of a business model
  • The specific context and needs of the organization need to be considered when choosing the appropriate method

Limitations

• A certain degree of subjectivity is involved in selecting papers and categorizing them
  • Included multiple authors in process
  • Developed coding protocol
  • Measured degree of agreement between authors (IRR: 90%; CK: 0.675)
Thank you!

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References


