

Editorial: New Ways of Developing and Analyzing Business Model Innovation

Guest Editors: Dirk Lüttgens¹ and Marco Montemari²

The highly competitive, hyper-dynamic, and global business environment has tremendously increased companies' awareness of the relevance of Business Model (BM) innovation (Taran et al., 2016). Companies are forced to rethink and innovate their BMs more frequently and more radically because of ever-shorter life-cycles of products, services, competencies, and work tasks, on the one hand, and highly competitive conditions, on the other (Sosna et al., 2010; Achtenhagen et al., 2013).

Over the last few years, large and successful companies have been coming to the realization that their current BMs could rapidly become obsolete in the face of competitors who are adopting new and disruptive emerging technologies or BMs (Cavalcante, 2013). Despite the understanding that BM innovation is of great concern to managers and practitioners who aim to secure competitive positioning of their companies in the market place, many issues regarding how the existing BMs can be refined, redefined, and renewed need to be further investigated. The following questions were posed to potential contributors:

- How can companies identify disruptive BMs?
- What determines successful pioneer and follower strategies with BM innovations?
- How can companies use patterns as tools for developing BMs?
- How can a transformation of the existing BM be organized to lead companies to success?
- Which kind of tools, solutions, frameworks, organizational choices and managerial practices can be used to support BM innovation?

The aim of this Special Issue is to expand and advance the current knowledge on these aspects, highlighting work that makes significant theoretical and empirical advances on new ways of developing and analyzing BM innovation. Consistently with this aim, the papers included in this Special Issue address several different new facets and aspects of BM innovation, thus adding new perspectives to this research stream.

Beyond the question of how new BMs can be generated systematically, one of the biggest issues for companies is whether or not their BM still fits the market

Please cite this paper as: Lüttgens & Montemari (2016), Editorial: New Ways of Developing and Analyzing Business Model Innovation, *Journal of Business Models*, Vol. 4, No. 3, pp. 1-4

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requirements. In particular, how can managers roughly gauge the performance of their company and their underlying BM? In the paper by Schüle et al. an assessment framework is developed with the support of six construction companies. It can be seen as a starting point for a deeper analysis of a company's BM and as an initial activity that helps to direct a change process within a company. The assessment consists of 19 different design fields which were additionally structured by means of Osterwalder and Pigneur's Business Model Canvas. Managers will be able to utilize the tool in the future as it allows them to conduct a "health check" of their company's BM.

Developing new BMs is a risky and uncertain task. If managers know that they have to change their BM, what often remains uncertain is how many and which elements of it they need to change. This question is the starting point of the paper by Lüttgens and Diener which aims, first, to shed light on how companies are able to overcome BM threats by using BM patterns and second, link these to the value dimensions of a BM. The idea is that innovative BMs can be created by rearranging and composing existing patterns. Based on the 55 different BM patterns identified by Gassmann et al. (2014), Lüttgens and Diener analyze the effect of such patterns against the threats to a BM by using Porter's five forces. The Porter framework describes the competitive forces within an industry and can help to analyze the strength of threats to a company. The quantitative study analyses how BM patterns can be combined in order to counteract Porter's five forces and to create successful BMs. As a result of this study, managers are able to not only react to different threats in a systematic way, but also to help companies use systematic combinations of these patterns to mitigate the threats.

Complementary to the already existing view of BM innovation as a singular and separate management task within one organizational unit, the paper by Sachsenhofer analyses the concept of BM portfolios in large firms. Large firms have to face several challenges when they start to change their BM logic. In particular, they must consider whether and how changing certain elements of BM A influences elements from BM B within the same company. Therefore, the management of BM portfolios opens up a wide range of managerial possi-

bilities. Managers of corporate BMs are no longer limited by an option space that comprises only restraint, incremental improvement, or abandonment of the existing BM. In order to map the opportunities of developing BM portfolios, Sachsenhofer looks at several automotive corporations and their operations. He evaluates the scope of their production in terms of what operations, in the wider ecosystem revolving around the car, are done within the firm and which ones are usually done outside it. In the end, for practical purposes and to show the different types of BM portfolio logics, the BMW AG case offers both a broadened scope of types of interrelation as well as a concise logic of how they interact. Based on this analysis, Sachsenhofer defines four different types of managerial actions for managing BM portfolios: BM reconfiguration, BM innovation, BM elimination, and BM coordination.

Finally, when it comes to designing and implementing a process of BM innovation, the demand-side can also play a relevant role. The paper by Zalewska-Kurek et al. aims to explore how both the market and potential customers can influence decisions concerning BM innovation. While the idea of involving consumers in the creation of value is not new and dates back to the 1980s, BM literature often sees the customers only as the addressees of products and services and, therefore, it does not keep up with the demand of firms to integrate customers in the development of BMs. By gathering data from nine firms through interviews and analyzing the data collected by using the grounded-theory method, the Authors identify two emerging themes: one regards engaging with the market and the other concerns experimentation with BMs and changes made after reviewing the situation on the market (the firm's responsiveness). Taken together, firm responsiveness and market engagement are used to establish four categories of firm types: passive, active, unfocused, and focused. The Authors observe that experimenting with BMs is high in the first phases of life and dwindles to nearly nothing in the market introduction phase. Engaging the market also changes over time, going from being less engaged at the start to having more interaction with customers and/or users at the end.

In closing, it can be stated that the field of research concerning BM innovation is currently in a consolidation phase; while it still contains several research gaps,

it also offers many possibilities for future research. In our opinion, the following four avenues for future research on BM innovation could be particularly fruitful:

- Developing and enriching the patterns library: further research is necessary in order to complete the library of BM patterns and to create a tool similar to the well-known TRIZ (“Theory of Inventive Problem Solving”) approach. TRIZ is a problem solving method based on logic and data, which relies on the study of patterns of problems and solutions. It is based on the assumption that “somebody somewhere has already solved this problem (or one very similar to it)”;
- Developing web-based applications: existing tools mostly exist in offline versions which hinder both communication and collaboration outside of entities as well as organizational implementation. Furthermore, both existing web-based applications and offline tools are, in most cases, stand-alone solutions. Further research should invest in developing integrative web-based applications for the development of new BMs. Therefore, BM researchers should learn from the OSS literature stream,

which offers several approaches for open development;

- Looking more closely at the performance implications of changing a company’s BM: our assumption for future research is that certain types of behavior in terms of BM innovation will lead to differences in performance (e.g., faster time to market, higher customer satisfaction, higher revenues, lower costs);
- Exploring the levers and the barriers that can enable or hinder the process of BM innovation: future research is needed in order to understand what actually happens in companies in which a process of BM innovation is implemented, to provide insight on what works and does not work, as well as on the reasons for negative or positive experiences.

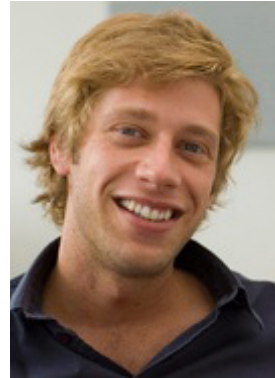
We hope that the reader will find the papers included in this Special Issue of interest. We would also like to thank all of the reviewers who contributed with their time, effort, and comments to push the Authors to do their best. Our special thanks go to Professor Christian Nielsen, for his support during the production of this Special Issue.

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