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Business Models, Systems and Partnerships

Theme 2.4



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Contents

- I. Business models and systems as a competitive advantage
- II. Business partnerships
- III. Liaising business partnerships and business models
- IV. Designing partnership opportunities
- V. Innovation as a driving force for business models and partnerships





Business models and systems as a competitive advantage

Business model

= how the individual entrepreneurs and/or enterprises create and deliver value and how they generate profit

“A business model is a conceptual tool containing a set of objects, concepts and their relationships with the objective to express the business logic of a specific firm.

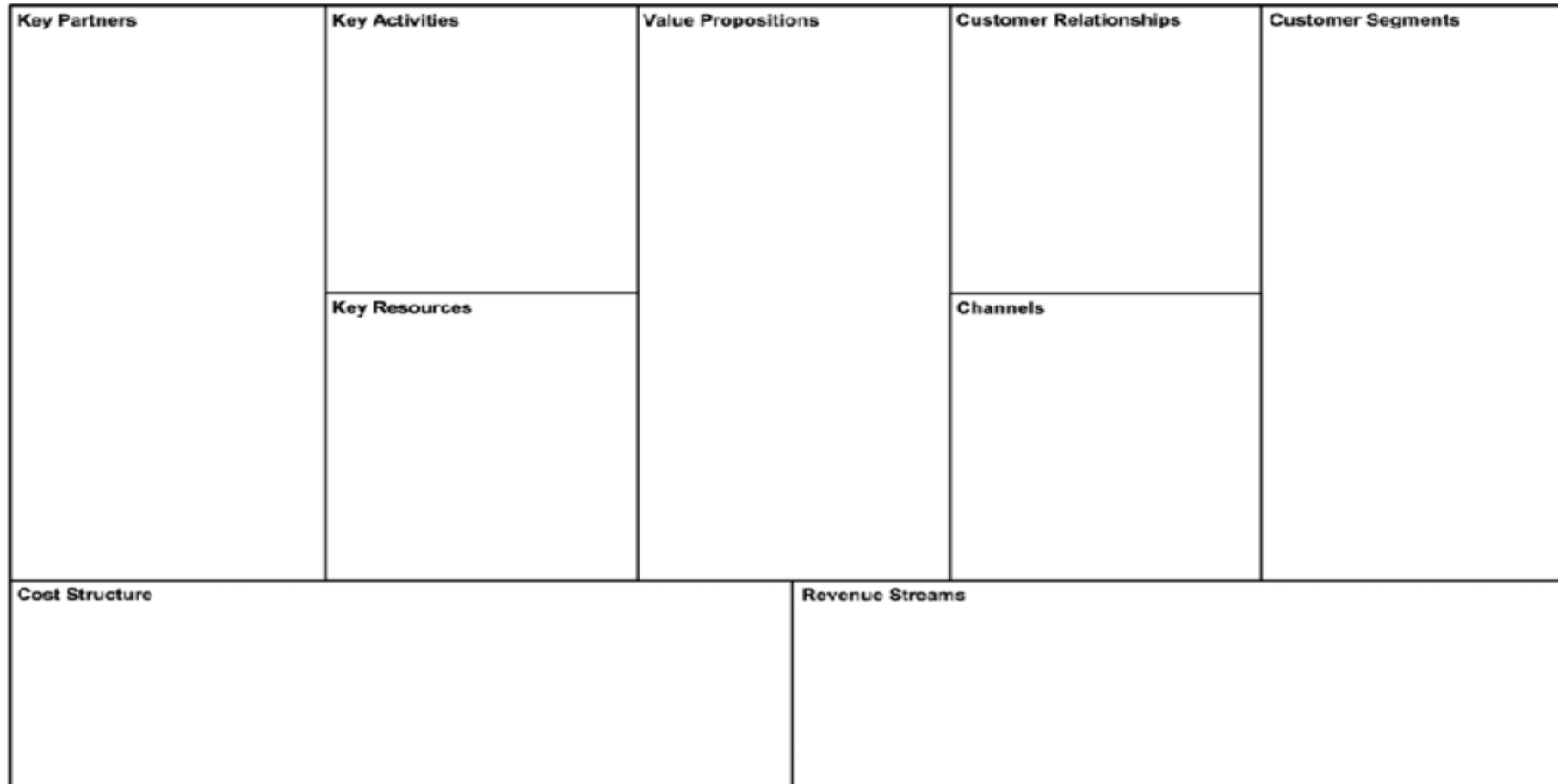
Therefore we must consider which concepts and relationships allow a simplified description and representation of what value is provided to customers, how this is done and with which financial consequences.”

(Osterwalder, Pigneur, & Tucci, 2010)





Business models and systems as a competitive advantage





Business models in the CCSs and CCI

- Cinema
- Music Sector
- Museums/ Cultural Heritage Sector
- Cinema

Crowdfunding



- Music
- Design/Fashion
- Games / Software Development
- Architecture

Innovation labs, creative hubs, co-working spaces



- Music (Opera, Classic Concert, Popular music sector)

Streaming



- Publishing sector
- Music Sector
- Fine arts

Self-publishing, Printing on demand



- Print media/Publishing
- Fine arts
- Museums / Cultural heritage sector
- Performing arts
- Music

Gamification









- Print Media/ Publishing
- Cultural sector with educational entities/tasks (museums, libraries)

P2P



Specifics of the CCIs and value generation

-  Based on are **based on cultural values or artistic and other individual or collective creative expressions**
-  Goods and services are created through individual creativity, skill and talent => reliance on **intangible assets**
-  **Uniqueness of the product** => depends on the individual perception
-  **Value generation** can be a **collective process** and partnerships play a vital role
-  Revenue is generated by **exploitation of intellectual property**
-  Consumption is active => **participation**





Specifics of the CCI and value generation



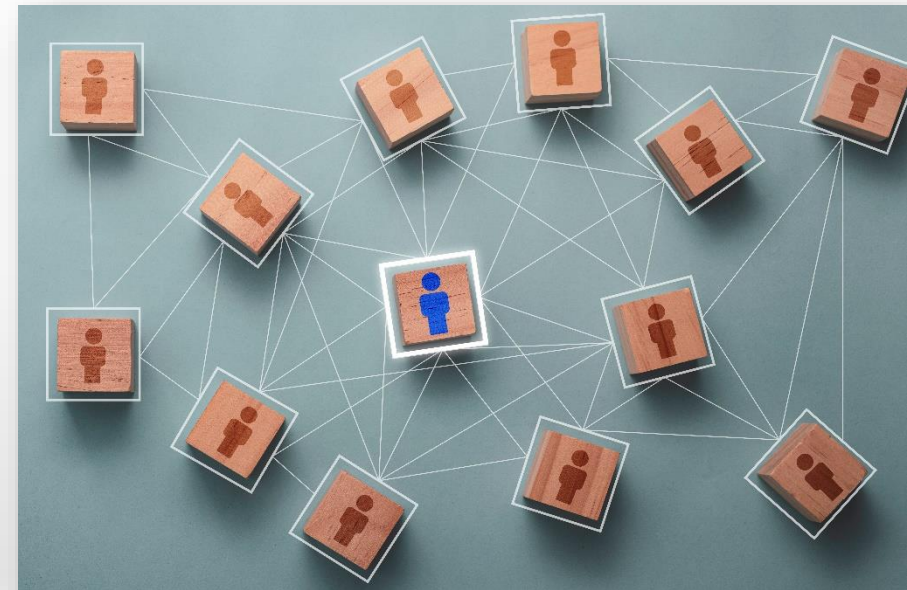
- The business models in the CCI refer to the process of creation and selling of *meaning* rather than efficient production of good or service that can solve a problem.
- The enterprises in the CCI are not predominantly capital-intensive or knowledge-intensive, but symbol intensive.

(Lawrence & Phillips, 2002)



Business models and creation of added value

- Enterprises decide to work together and choose an effective business strategy in order to create value for all stakeholders in business
- Business partnerships create added value for business models.
- Partnerships and networking are an essential feature of the CCIs



Business partnerships

- 💡 A **business partnership** is a **relationship** between two, or more, entrepreneurs or business entities, that is set up by an agreement.
- 💡 The partners' investments in a business partnership, consequently, depend on the **possible future benefits**.
- 💡 Partnerships can be **formal and permanent** – i.e. passing through juridical registrations - or **informal and ad hoc** – i.e. created for a specific purpose or project.
- 💡 In **CCIs** the **ad hoc partnerships** are more common as the majority of the agents here are individual artists (sole proprietors) or micro-enterprises.



Liaising business partnerships and business models

💡 Partnerships are usually constituted on a voluntary basis



💡 A business partnership is a practical tool for provision of added value to all parties involved, which produces additional value for the different business models that are involved in





Designing partnership opportunities. Innovation.

💡 **Business model ensures entrepreneurs' contribution to a business entity, such as creation of new products, as a part of the process of provision of added value to the products created in the process, or through collaboration in various contexts.**



💡 **The power of innovation through partnerships is not used to its full potential. Partnerships are generally realized to improve existing business models or set up new ones on the CCI market.**



Suggested readings

- ✓ Boulton, R., Libert, B. and Samek, S. (2000) 'A business model for the new economy', The Journal of Business Strategy, Vol. 21
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- ✓ Easton, C. and Benton, T. (2006) 'National evaluation of creative partnerships. Final Report'. London: Creative Partnerships
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- ✓ McPhee, W. and Wheeler, D. (2006) 'Making the case for the added-value chain', Strategy & Leadership, Vol. 34
- ✓ Zott, C. and Amit, R. (2008) 'The fit between product market strategy and business model: implications for firm performance', Strategic Management Journal, Vol. 29





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