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# ***Business Models, Systems and Partnerships***

## **Theme 2.4**



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# 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.

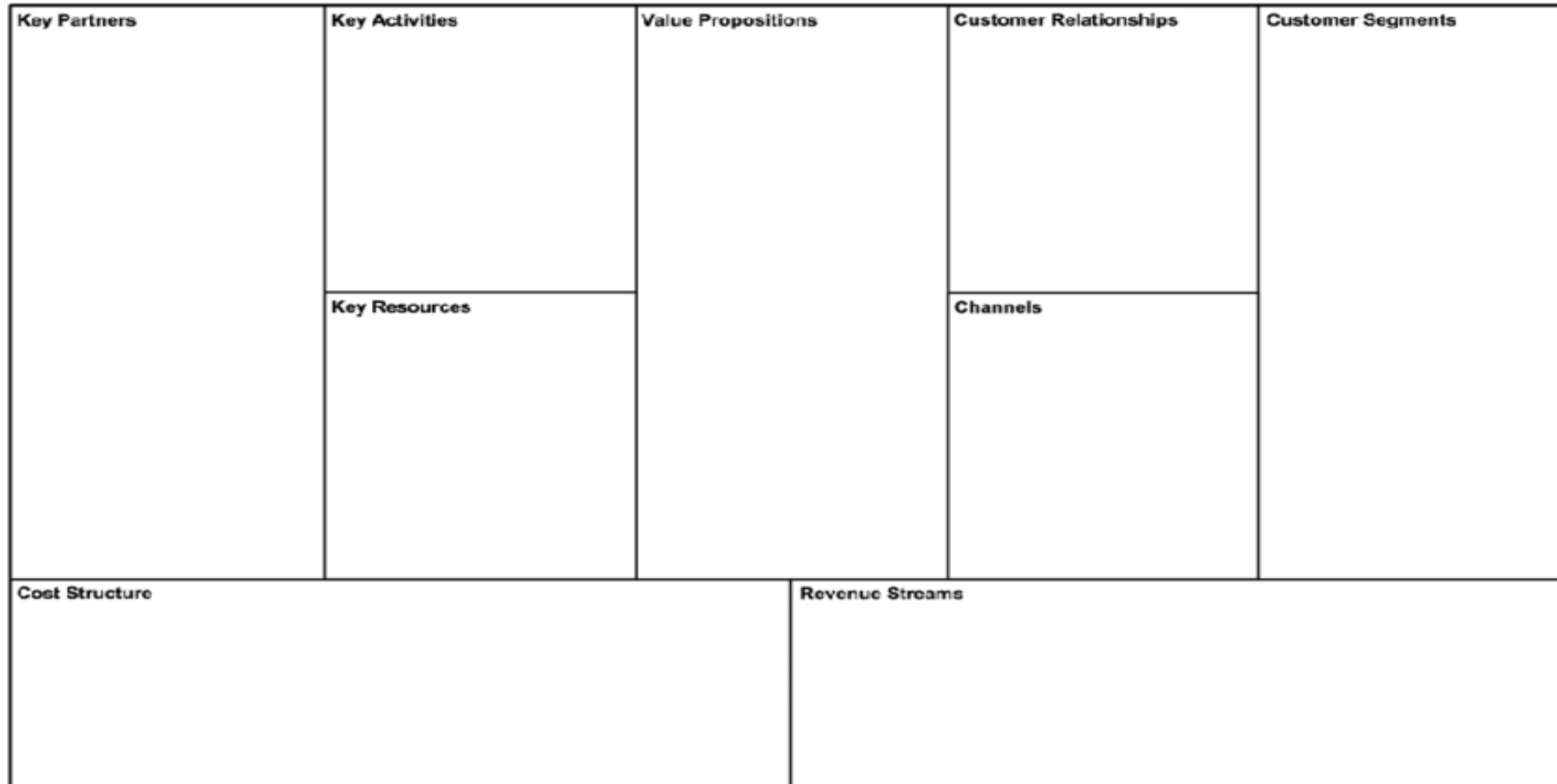
Therefore we must consider which concepts and relationships allow a simplified description and representation of what value is provided to customers, how this is done and with which financial consequences.”

(Osterwalder, Pigneur, & Tucci, 2010)











# Business models and systems as a competitive advantage



## 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**





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# Business models in the CCSs and CCIs



## Main features of the business models in the CCSs/CCIs (2)

### Start-up phase

- Many new BMs in CCSs start with a project approach. Typically, the following project starts upon completion of the ongoing project.

### Product types

- Specific product types in the CCSs are prototypes, small series, one-offs, intangible products etc.

### Financing

- The reality of new BMs in the CCSs is characterized by a hybridization of finance and mixing of income sources.



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# Main features of the business models in the CCSs/CCIs (2)

**Working methods**







## 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 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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