



2nd CBSM Conference and 8th SKM Symposium 2013 (Magdeburg)

# Corporate Morphing by Means of Business Model Competence

Track V: Business Model Innovation

Speaker

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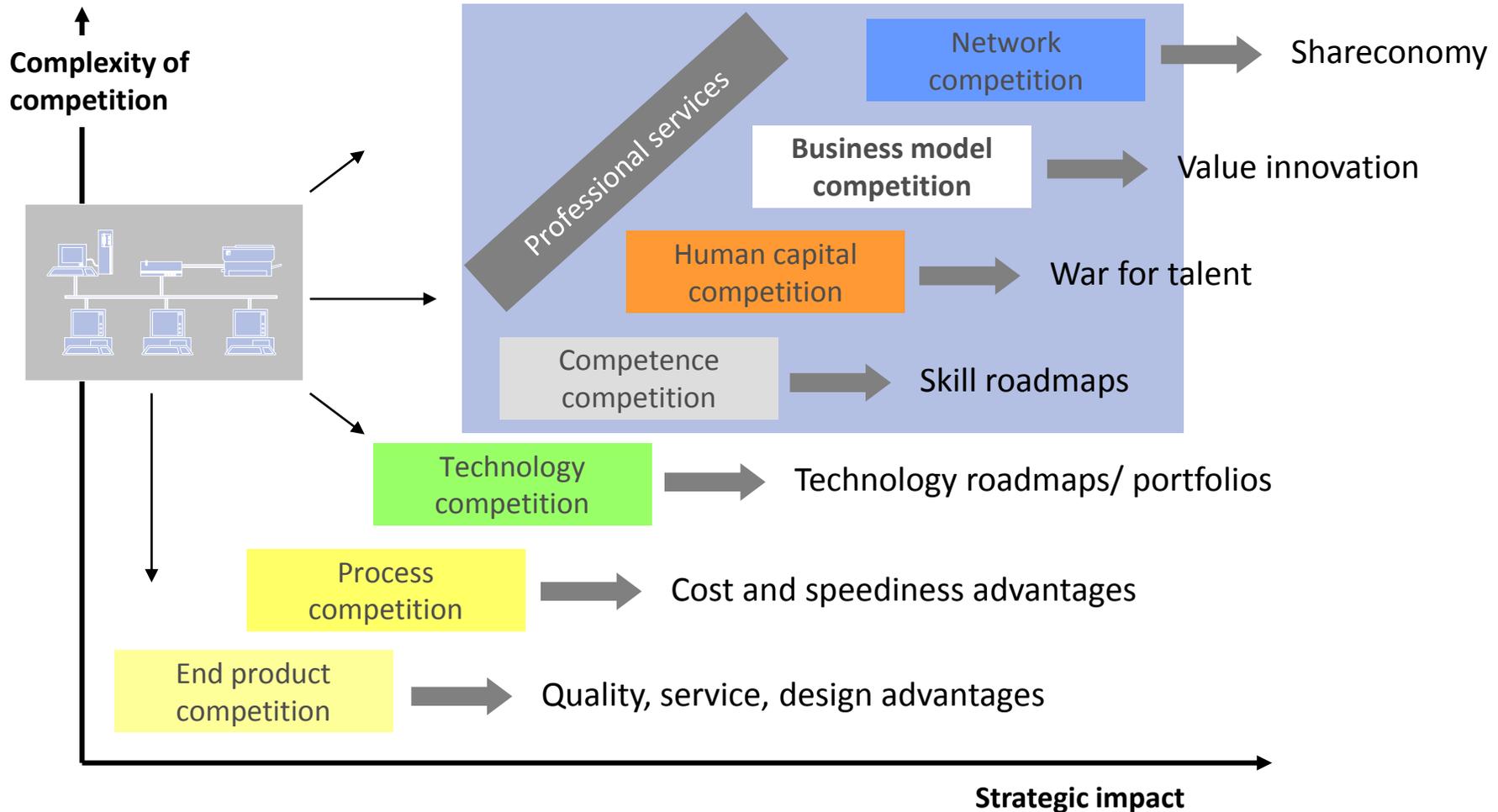
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- 1. Appetizer: Business Models – A New Mantra for Management?**
2. Linking Business Model Research to Competence-based Management (Theory)
3. Business Modell Competence as a Source of Profit and Value Creation
4. Corporate Morphing Through Business Models: Portfolio-Strategy Revisited
5. Outlook: Strategizing and Economizing on Business Model Competence

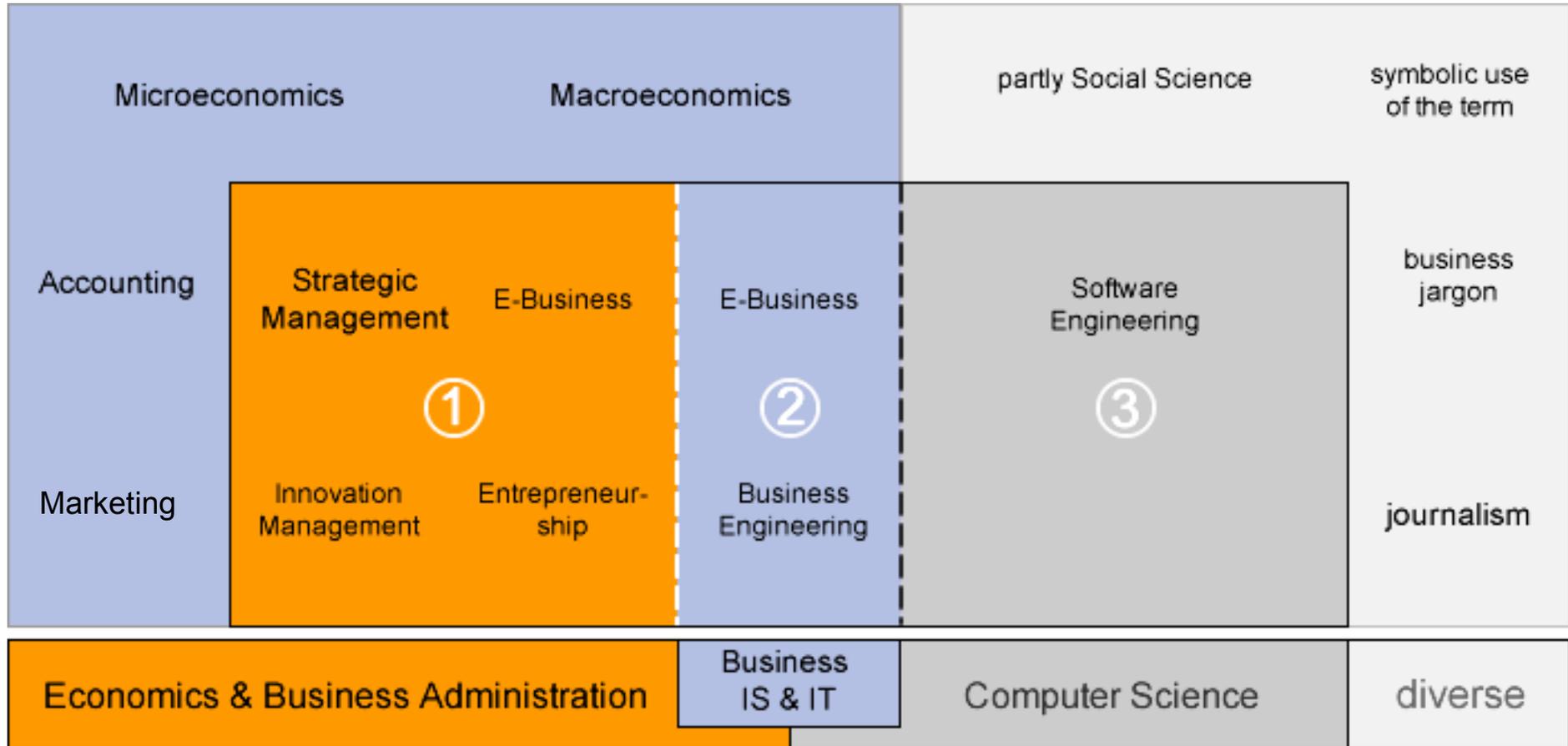
# 1. Business Models – A New Mantra for Management?

## Competing *for* and *through* Business Models



# 1. Business Models – A New Mantra for Management?

Semantic confusion: Different Business Model Logics in Several Disciplines



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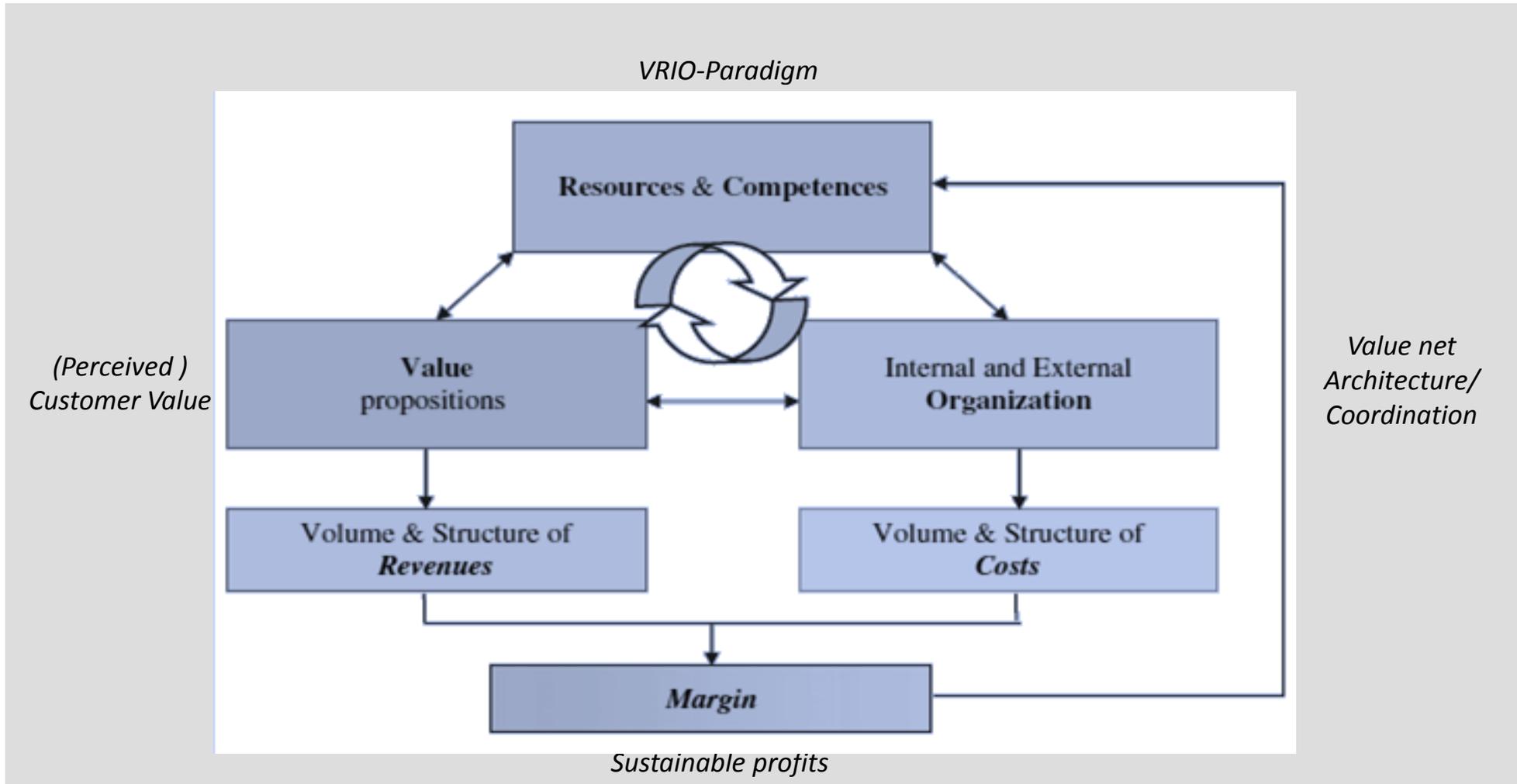
## 2. Linking Business Model Research to Competence-based Management

How to Co-align Business Models with SBUs and Core Competences?

Steering logic Characteristics	Strategic business units (1980 – 1990)	Core competences (1990 -2000)	Business models (2000 – now)
<b>Core feature</b>	Product-/market-combinations	Competence-/task combinations	Skill-/process-/value-/margin combinations
<b>Theory foundation</b>	Market-based view Industrial organization	Resource-based view Institutional economics	Emergent ‘mesh-up’ theories/ presumptions
<b>Dominant focus</b>	Markets, customers and competitors	Unique hard-, soft-, brain-peopleware deployments	Entrepreneurial blueprints and profit regimes
<b>SCA foundation</b>	Superb industry positions/ unique value propositions	VRIO-paradigm + asset renewability	Implementation focus and business development
<b>Managerial implication</b>	Growth, risk, return adjusted SBU portfolio	Competence share beats market/customer share	Translate competences into actions and results
<b>Criticism/ caveats</b>	Encapsulated talents, lost synergies, strategy myopia	Strong inside-out impetus (customer alienation?)	Semantic fuzziness and plethora of meanings
<b>Breakthrough impetus</b>	Competitive strategy Competitive advantage	The core competence of the corporation	Business Model Competition

## 2. Linking Business Model Research to Competence-based Management

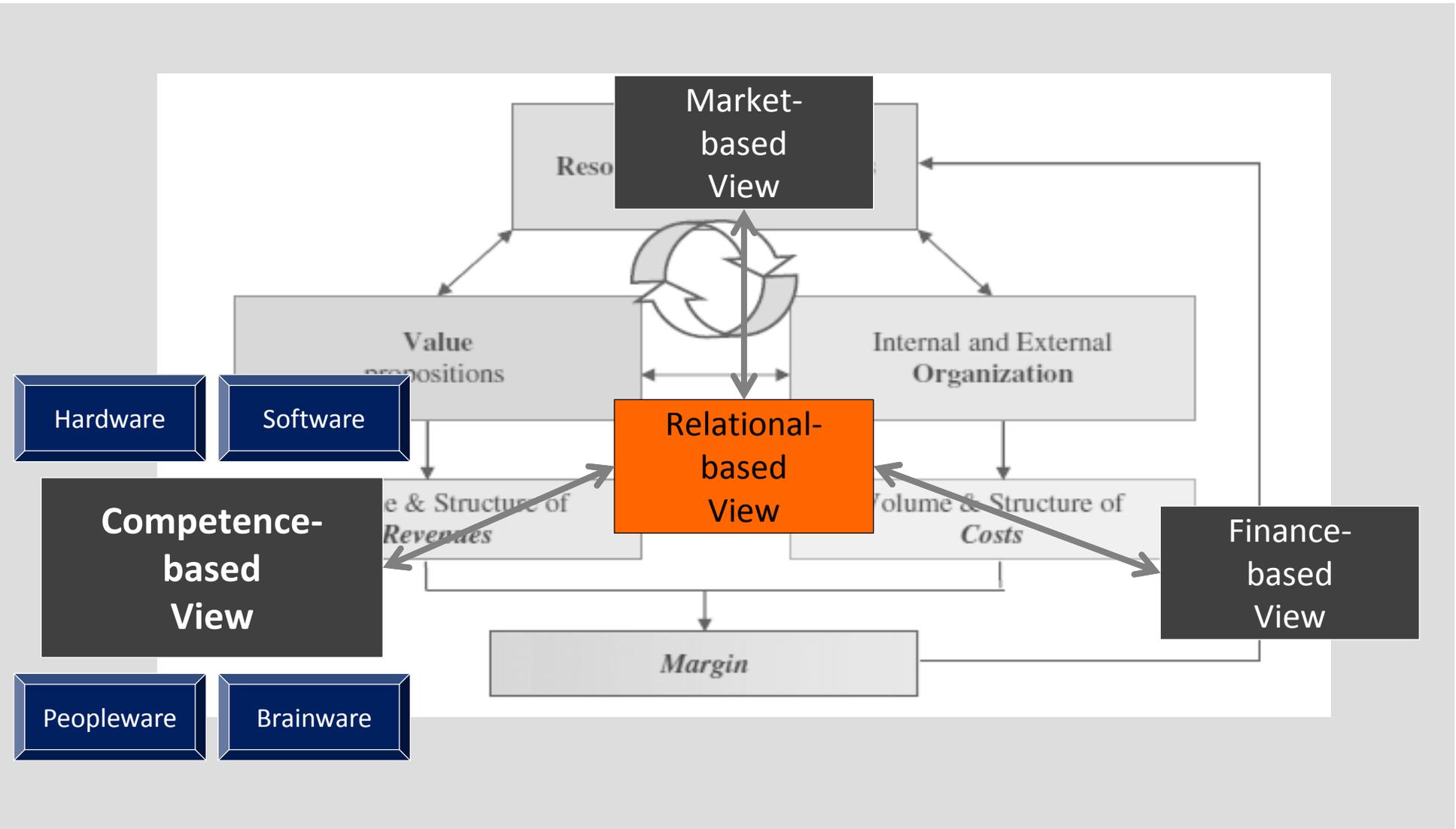
### Dynamic Consistency: A Steady Process of Astute Business Model Development



How do fit business models with the logic of dynamic capabilities?

## 2. Linking Business Model Research to Competence-based Management

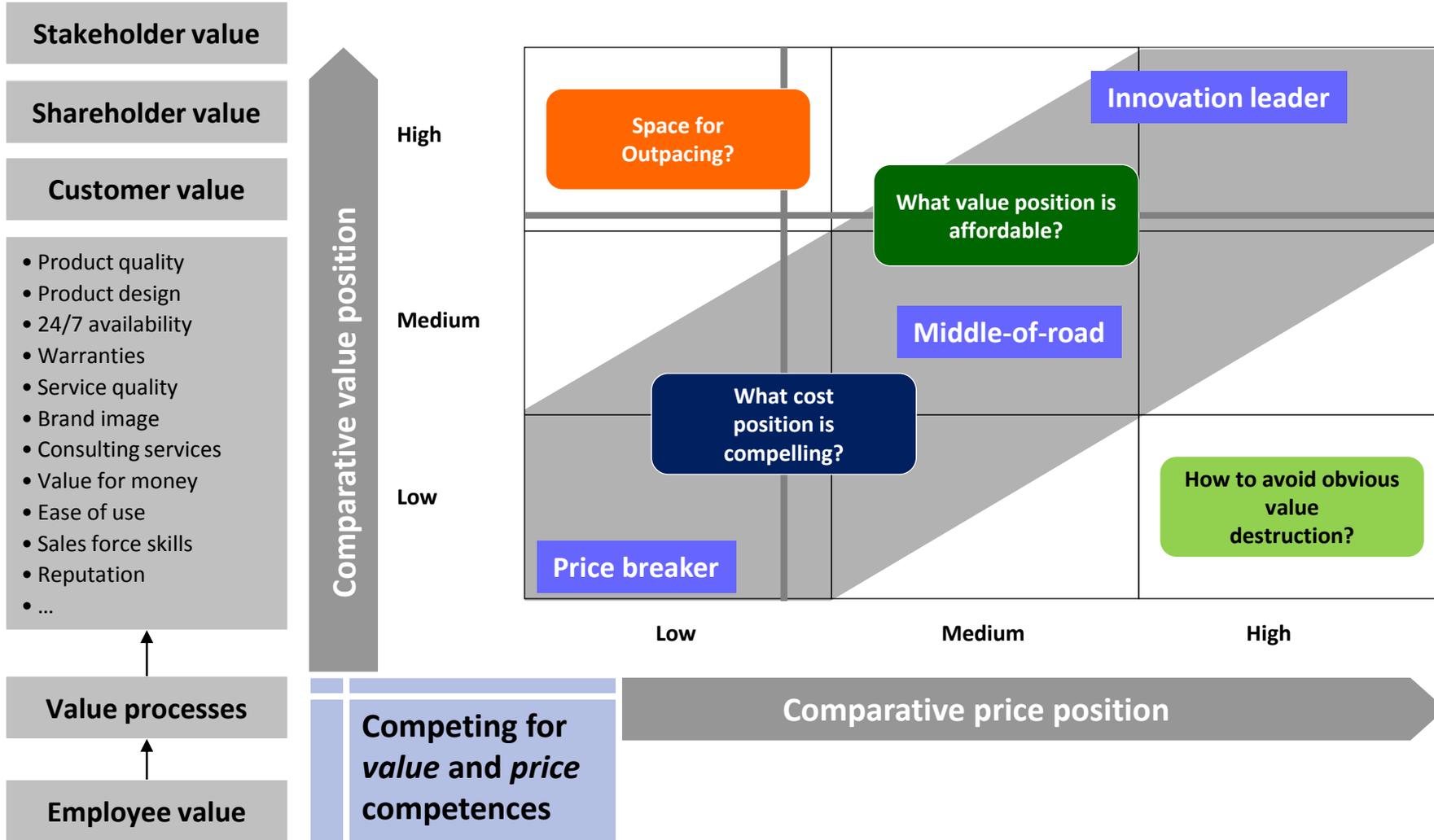
Wanted: A Coherent Concept for Embedding into BMs into General Management



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# 3. Business Modell Competence as a Source of Profit and Value Creation

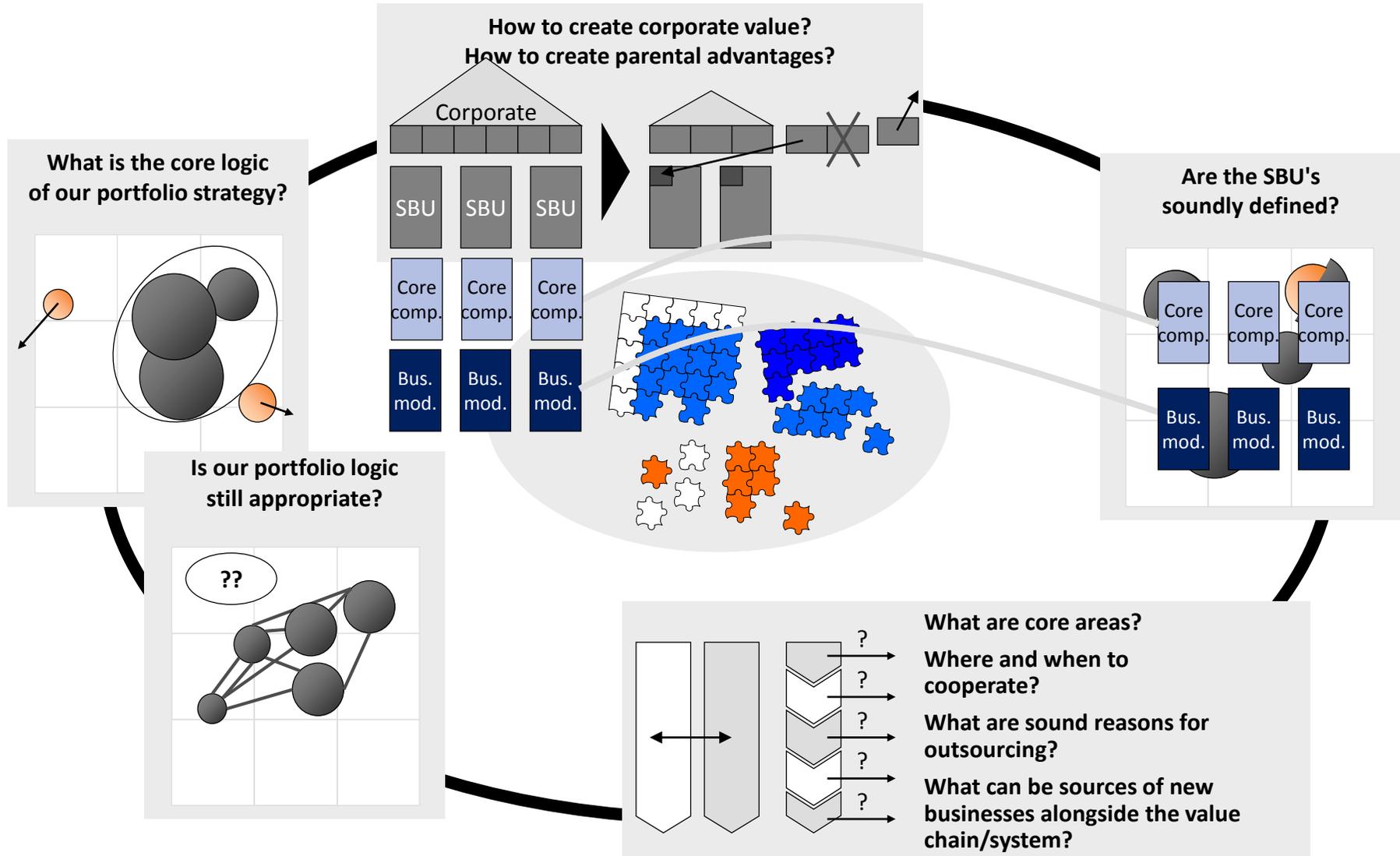
## Value Creation Is Key to Business Model Strategies



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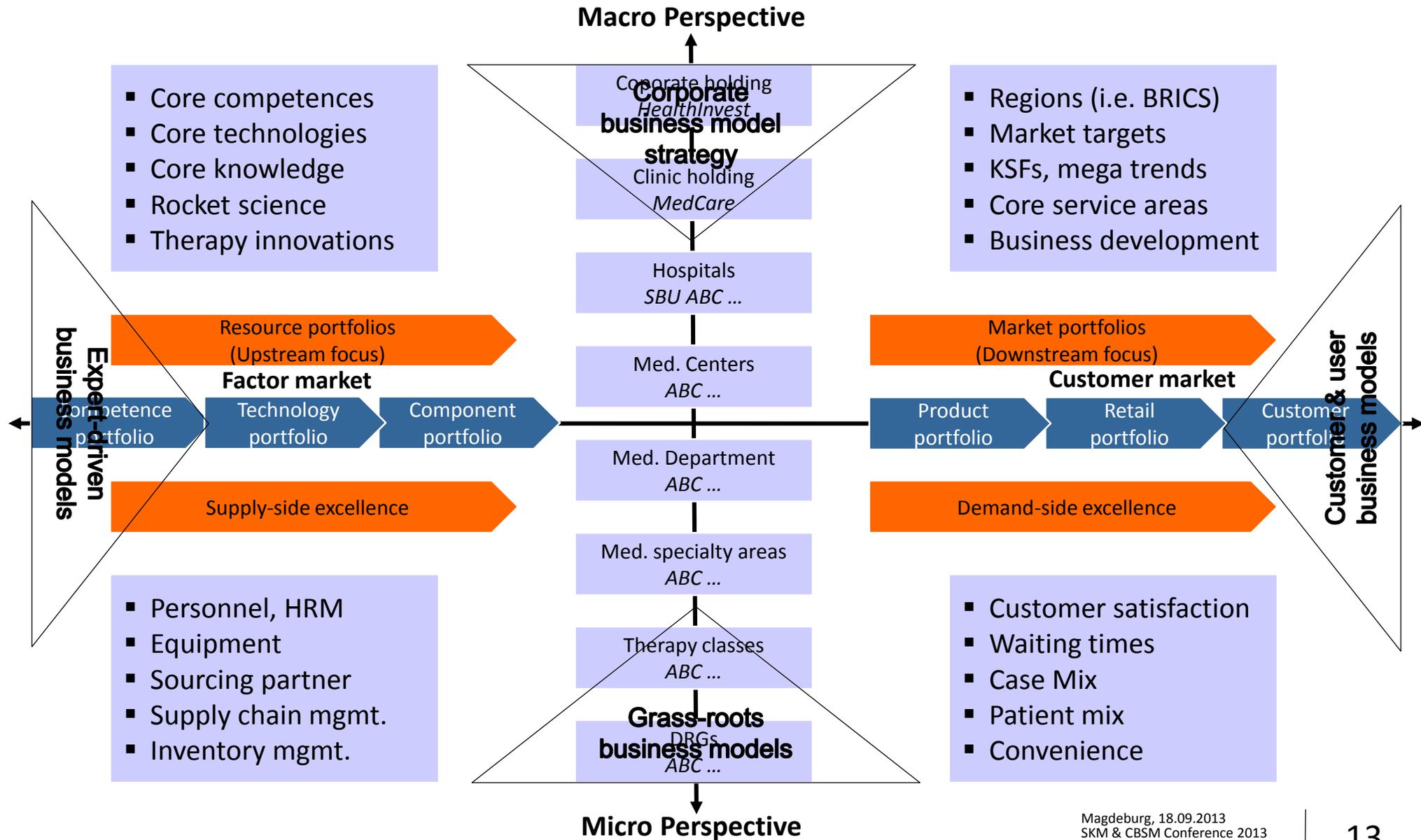
# 4. Corporate Morphing Through Business Models: Portfolio-Strategy Revisited

## How to Create a Parental Advantage (by Means of Business Models)?



# 4. Corporate Morphing Through Business Models: Portfolio-Strategy Revisited

## How to Handle Corporate Business Model Management?



## 4. Corporate Morphing Through Business Models: Portfolio-Strategy Revisited

Business Model Research Highlights the Business and Functional Level

Where to compete?

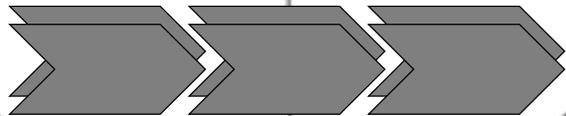
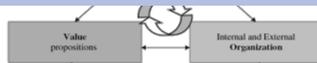
Corporate Strategy

How to compete?

Business Strategy

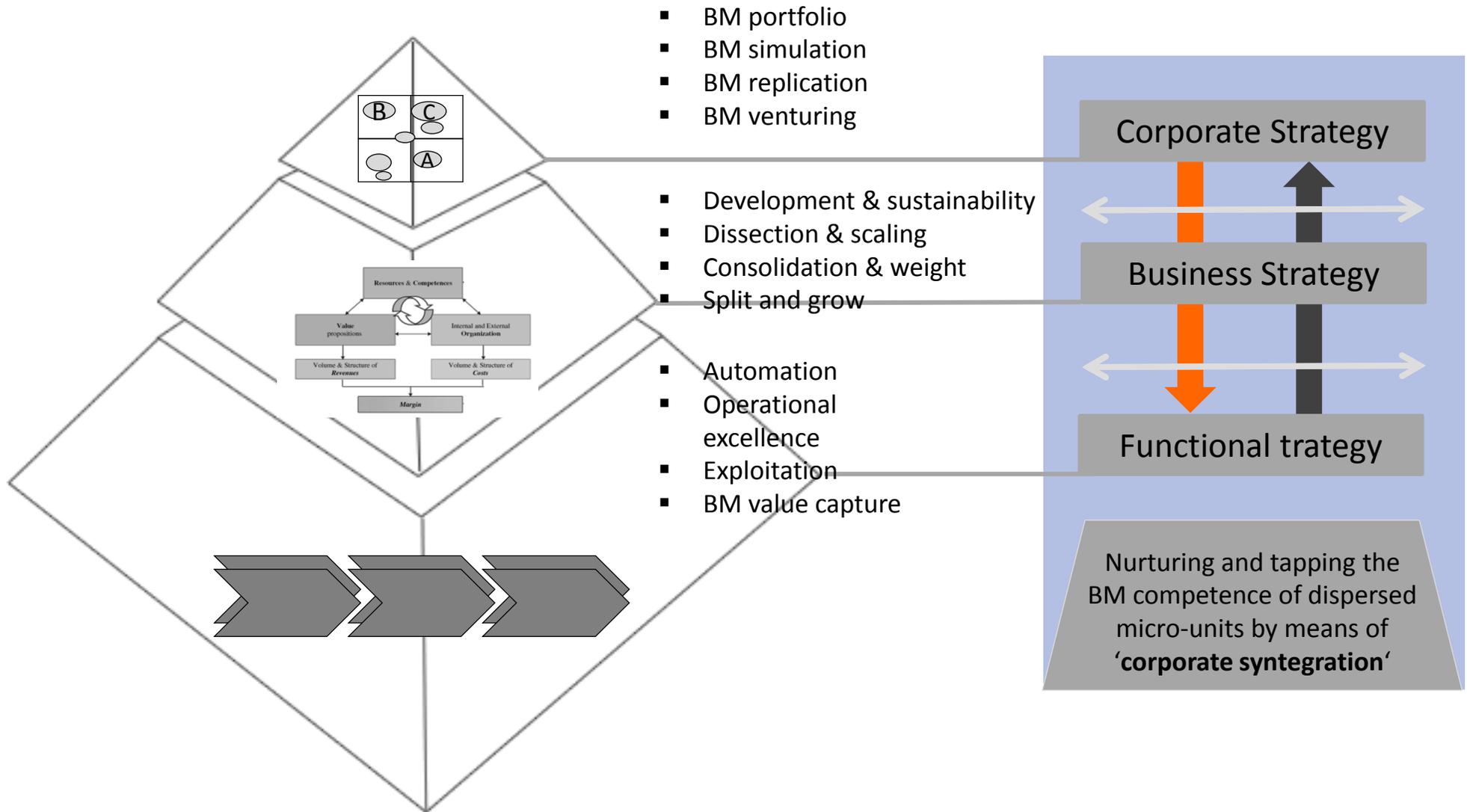
How to implement?

Functional Strategy



# 4. Corporate Morphing Through Business Models: Portfolio-Strategy Revisited

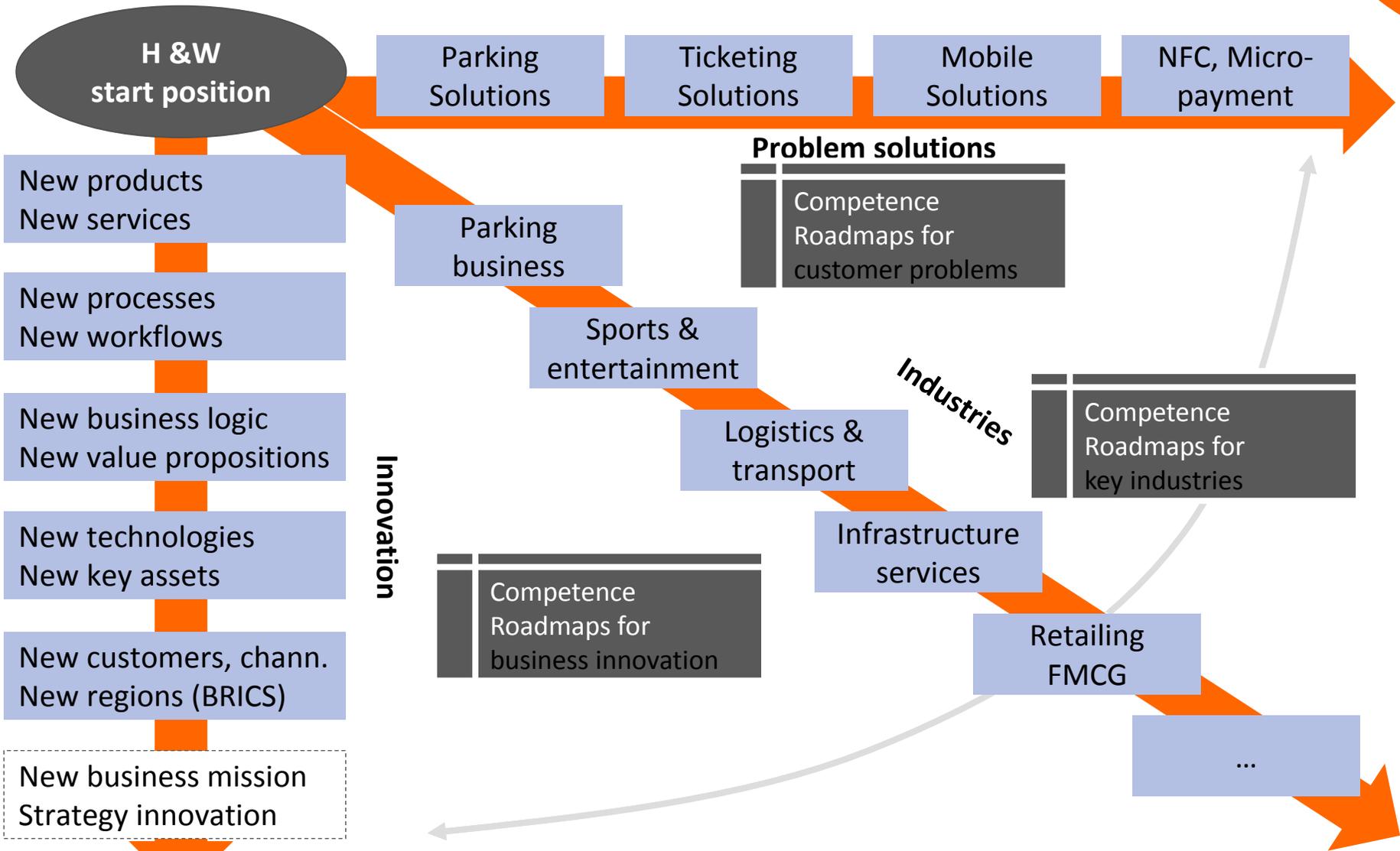
## Business Model Competences: Grass Root BM-Competence as a Source of Profit



# 4. Corporate Morphing Through Business Models: Portfolio-Strategy Revisited

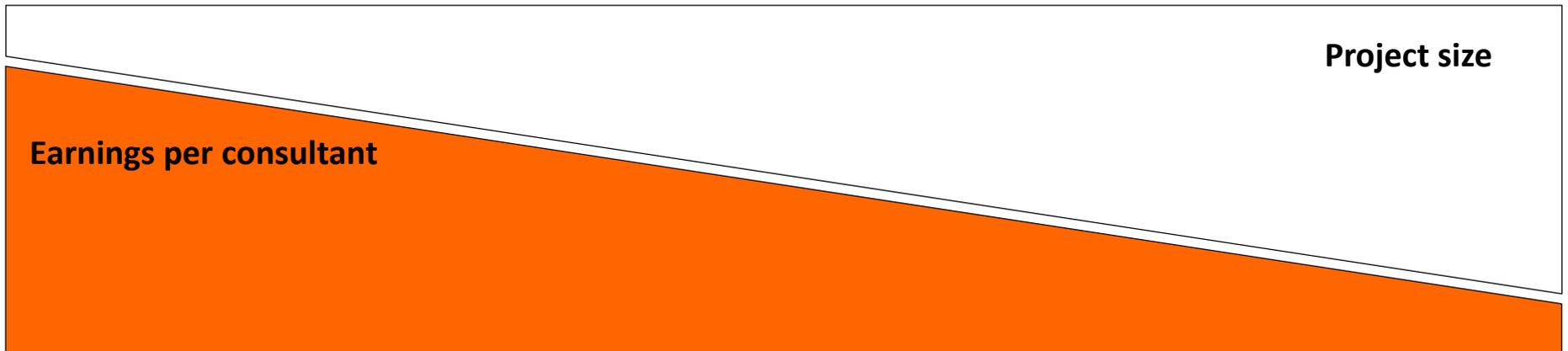
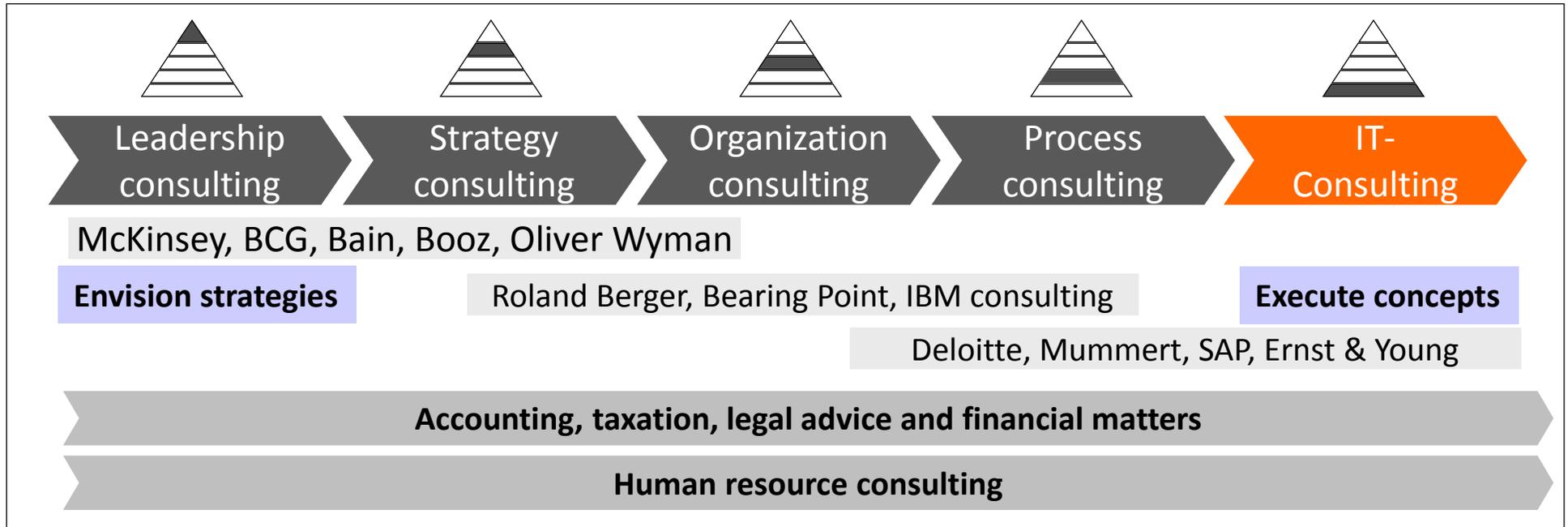
How Morph the Strategic Core by Means of Competence Roadmaps?

Case study



# 4. Corporate Morphing Through Business Models: Portfolio-Strategy Revisited

## The Conventional Consulting Logic: IT Resembles an Appendix of Strategy

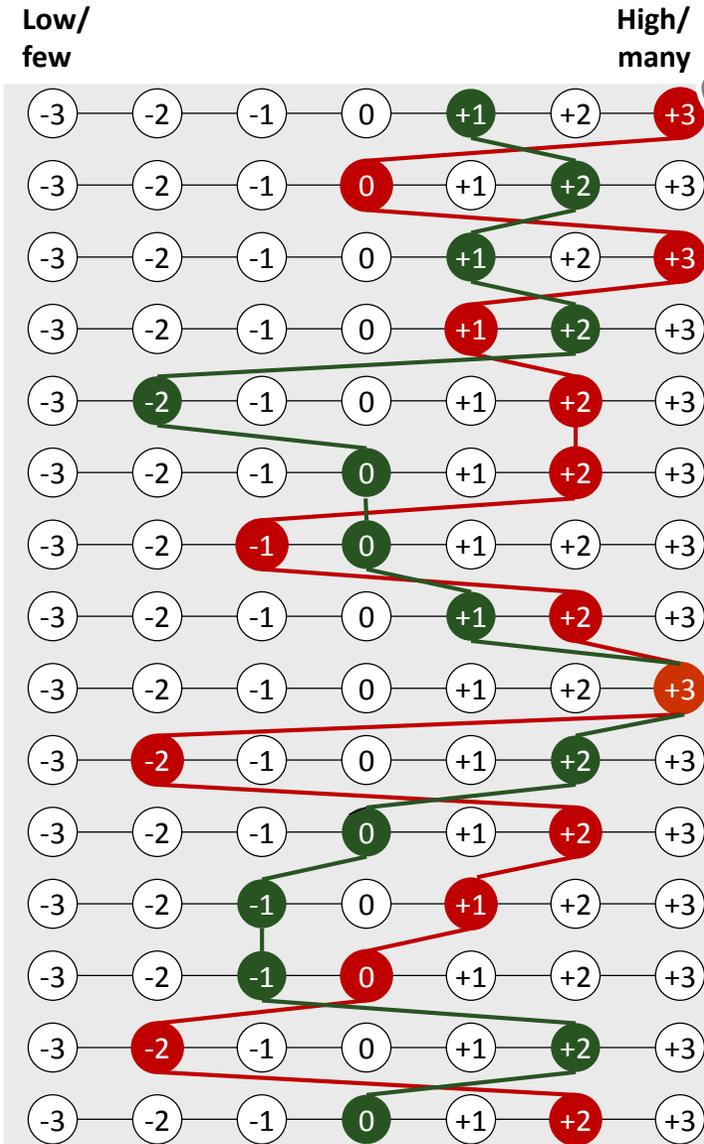


# 5. Outlook: Strategizing and Economizing on Business Model Competence

## Business Model Check in a Nut Shell: The consulting case

### Features of expert organizations

- 1 Degree of competence and knowledge
- 2 Degree of capital commitment
- 3 Professionalism
- 4 Risk, uncertainty, complexity
- 5 Personalization, individualization, localization
- 6 Cat herding phenomenon
- 7 Protection of stockholders
- 8 Moral duties and commitments to clients
- 9 Degree of market regulation/ competition
- 10 Degree of outsider governance
- 11 Variety of incentive and compensation models
- 12 Expert autonomy
- 13 Organizational slack, agility und anti-fragility
- 14 Standardization of inputs, processes, otucomes
- 15 Relational co-value creation



illustrative

Strategy consulting

BPO-, ERP-consulting

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## 5. Outlook: Strategizing and Economizing on Business Model Competence

### Business Model Check in a Nut Shell: Test yourself!

1

#### **Strategic intent: How to define the relevant market and business model?**

What are our core aspirations? How define technology, competence and market roadmaps?

2

#### **Strategic market coverage: Where to compete?**

What are our global ambitions? What about niche occupation? Which product / market segments?

3

#### **Strategic positioning: How to compete and on which core items?**

What makes us unique? What differentiates us? Quality, price, service, innovation, flexibility, ...

4

#### **Strategic timing: When to compete? How identify and seize windows of opportunity?**

Technology entry, product & market entry? When to drop out of (saturated) markets?

5

#### **Strategic value chain configuration: How to control for cost-efficient value delivery?**

Make, buy or cooperate? Where to locate value chains and functional units?

6

#### **Strategy implementation: How to execute and achieve financial results?**

How to allocate scarce resource and budgets? How to control for results? How to use BSCs?

7

#### **Strategic decision making process: How to achieve an approved strategy?**

What are the decision rules? Which authorities are involved? Which leadership style is dominant?

8

#### **Strategic performance control: How to meet milestones and project targets?**

How to transform strategic ambitions into operational excellence?