ABIS

The Academy of Business in Society

A unique network of global companies and leading business schools
Agenda

15:00  Webinar opens
15:05  Introduction and context
15:10  Presentation
15:30  Question and comments
15:45  Webinar closes
Business Models for Sustainability

- Recent Developments, Recurrent Tensions, and some Ideas for Future Collaboration

Esben Rahbek Gjerdrum Pedersen
Professor (mso)
CBS Centre for Corporate Social Responsibility
Business Models

Def: "A business model describes the rationale of how an organization creates, delivers, and captures value" (Osterwalder & Pigneur, 2010, p. 14).

- The infrastructure (partners, resources, activities, etc.).
- The value proposition
- The customer interface (segmentation, relationship, channels etc.).
- The financial system (cost and revenue streams).

- The whats, whos, hows…
The Business Model Canvas

Source: Osterwalder & Pigneur (2010), www.businessmodelgeneration.com
Emerging Questions…

Value for whom?

Who are partners?

Linear Thinking?

Narrow stakeholder perspective?

Single organisations?

Only economic costs and benefits?

What about context?

Key Partners

Key activities

Value proposition

Customer relationships

Customer segments

Key resources

Channels

Cost structure

Revenue streams

Source: Osterwalder & Pigneur (2010), www.businessmodelgeneration.com
“Business models are often perceived from a value creation perspective that focuses on satisfying customer needs, economic return and compliance. For sustainability thinking, this focus is too narrow and raises the need for a more holistic view of value that integrates social and environmental goals, to ensure balancing or ideally alignment of all stakeholder interests to deliver “sustainable value” creation”.

(Bocken et al., 2015, p. 70)

Sustainable Business Model

- Emerging literature on sustainable business model innovation and related concepts:
  
  **Green business models**
  **Social Business Models**
  **Triple layered business models**
  **Shared value business models**
  **Circular business models**
  **Flourishing business models**
  **Etc.**

**Core characteristics:**
- Broader understanding of value.
- Broader understanding of stakeholders.
- System perspective.
- Long-term orientation.
- Circular thinking?
Example: ‘Adding’ Sustainability

http://www.businessmodelgeneration.com/
Example: ‘Adding’ Sustainability

http://nancybocken.com/
Example: ‘Adding’ Sustainability

NON-MARKET ASPECTS

The non-market business model pillar is the structural place of non-market resources for and activities of corporate sustainability which are related to creating, delivering and capturing a business model’s value. Its purpose is to figure out the value that is created with and for society and the environment when a business model is applied to create customer equity and customer value.

INFRASSTRUCUTURE MANAGEMENT

“Infrastructure management describes the value system configuration …” (p. 79)

Sustainability related aspects of partnerships, capabilities and value configurations

PRODUCT / VALUE PROPOSITION

“Product covers all aspects of what a firm offers its customers …” (p. 49)

Sustainability related aspects of products and value propositions

CUSTOMER INTERFACE

“The customer interface describes how and to whom it delivers its value proposition …” (p. 60)

Sustainability related aspects of relationships, customers and channel

FINANCIAL ASPECTS

“Financial aspects is composed of the company’s revenue model and its cost structure …” (p. 95)

Sustainability related aspects of financial performance

Quotations refer to Osterwalder 2004

http://www2.leuphana.de/umanagement/csm/content/nama/downloads/download_publikationen/FlorianLuedeke_Freund_Business_Model_Concepts_inCorporate_Sustainability_Context.pdf
Sustainable Business Model Archetypes

Boundaries for sustainable business models?

Drivers for New Business Models for Sustainability

Opportunities (e.g. new technologies and growing markets)

Threats (e.g. resource scarcity and stricter regulation)

New Business Models for Sustainability
Sustainable Business Model Innovation


Most companies are ”compliers”!


The Dangers of Business Models…

- New Business Models
- Aspirational talk (Christensen et al., 2013)
- Hypocrisy (Brunsson, 2002)
- Bullshit (Frankfurt, 2005)
- Greenwashing
Example: The Recycling Bin…

[Copenhagen Business School logo]
# Next Steps…

<table>
<thead>
<tr>
<th>Area</th>
<th>Topic</th>
<th>CBS Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>• Extending/blurring boundaries of business models</td>
<td>• Collaborative Business Models (special issue).</td>
</tr>
<tr>
<td></td>
<td>- Different models.</td>
<td>• Complex business models (sharing, health, cities etc.).</td>
</tr>
<tr>
<td></td>
<td>- Different levels.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Different types.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Different sectors.</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>• Beyond conventional pedagogies (lectures and cases)</td>
<td>• MOOCs (sustainable fashion)</td>
</tr>
<tr>
<td></td>
<td>• New types of business-academic collaboration.</td>
<td>• Online Education (Erasmus+ Sustbus)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Experiments (Rio to Roskilde)</td>
</tr>
<tr>
<td>Practice</td>
<td>• Consistency across practices, praxis and practitioners.</td>
<td>• Business models, business cases, and existing sources of rigidity.</td>
</tr>
<tr>
<td></td>
<td>• Within-Sector and Cross-Sector Collaboration</td>
<td>• New types of partnerships, joint events, knowledge sharing etc.</td>
</tr>
</tbody>
</table>
THANK YOU FOR YOUR ATTENTION!