

MODULE 2

Business Model Innovation (BMI)

Foundations • Self-paced • ~45–60 minutes

Concepts • case study • simple activities • self-evaluation

This module in ~ 90 minutes

A simple flow: concepts → benchmark examples → simple activities → Self-evaluation

MODULE 2

25'

BMI essentials

5'

Video

15'

Brief article
presentations

10'

Mini case
study

25'

Recognition
Activities

10'

Self-evaluation
activity

Tool for today

Business Model Canvas (BMC) - 9 building blocks

MODULE 2

Customer Segments

Value Proposition

Channels

Customer Relationships

Revenue Streams

Key Resources

Key Activities

Key Partners

Cost Structure

A business model explains how you:

Create value

- Key resources
- Key activities
- Key partners

Deliver value

- Channels
- Customer relationships
- Service experience

Capture value

- Revenue streams
- Cost structure

BMI = meaningful change in value logic (not just a feature)

Quick test

If your idea only changes a tool but not how value is created / delivered / captured → it's NOT BMI.

In practice:

In practice:

- BMI usually changes 2+ parts of the model (e.g., channels + revenue)
- It changes value creation / delivery / capture — not only a tool
- A useful question: which BMC blocks changed?

Patterns = ideas for change (WHAT changes?)

- Helps you spot *where* to intervene
- Often observed as changes in:
 - ✓ Value Proposition (offer, bundle, segment)
 - ✓ Delivery (channels, relationships, access)
 - ✓ Value Capture (pricing, subscription, sponsorship)
 - ✓ Value Creation (partners, resources, activities)
 - ✓ Operations / capacity (flow, utilization, time slots)
- Use to generate options quickly

Frameworks = lenses (HOW it works)

- Helps you explain & test the change
- Simple lenses we use:
 - Create / Deliver / Capture value
 - BMC as a map (9 blocks)
 - Quick checks (2+ elements? who pays, for what & why now?)

Rule: start with patterns → then explain with the framework lens.

BMI essentials

Worked example (museum / cultural venue)

MODULE 2

What changed? (patterns)

- Value Proposition: exhibits + experiences (talks, workshops)
- Delivery: timed tickets + online booking + virtual tours
- Value Capture: memberships + donations + sponsorships
- Value Creation: partners (schools, artists, sponsors)
- Operations: capacity planning, time slots, event staffing

Explain it (Create / Deliver / Capture)

- Create: learning + entertainment + community
- Deliver: on-site + digital channels + partner outreach
- Capture: recurring (memberships) + variable (tickets, store, events)

Quick test: 2+ elements changed (yes)

Who pays & why: visitors, members, sponsors

Use this as a template: pick any organization → list 3–5 pattern changes → explain via the lens.

Video & readings

Keep it light — concepts + examples + optional self-check are sufficient

MODULE 2

Watch (2 minutes)

Video

Strategyzer: [Business Model Canvas explained](#) (YouTube)



Optional “anchor” readings (skim)

- Osterwalder & Pigneur (2010), Business Model Generation OR Osterwalder et al. (2005) Clarifying Business Models: Origins, Present, and Future of the Concept
- Chesbrough (2010), Business Model Innovation: Opportunities and Barriers
- Teece (2010), Business Models, Business Strategy and Innovation

Learning mindset

Focus on the logic: what changes in the model, and why that matters

Clarifying Business Models: Origins, Present, and Future of the Concept

by Alexander Osterwalder, Yves Pigneur, and Christopher L. Tucci

A comprehensive “tutorial” aimed at grounding the “business model concept”.

- **Semantics and Origins:** Tracing the linguistic roots and the historical surge of the term.
- **Conceptual Hierarchy:** Categorizing how different authors address the topic.
- **Evolutionary Phases:** Mapping the progression of business model research over time.
- **The Business Model's Place:** Situating the concept within the firm relative to strategy and processes.
- **Building Blocks:** Proposing a synthesized definition and a nine-part framework.
- **Information Systems (IS) Integration:** Proposing how the concept specifically benefits the IS domain.

Read it to understand the evolution of the business model concept, the background knowledge of the later developed method of “Business Model Canvas” and the relationships with other key concepts in business management (strategy, business processes).

Business Models, Business Strategy and Innovation (2010)

by David J. Teece

A foundational text that seeks to provide a theoretical background for the business model concept; Teece defines a business model as “the logic and architecture of value creation, delivery, and capture”.

He also relates business models to innovation, introducing the concept of business model innovation.

- **Definitions and Theoretical Foundations - Historical and Modern Examples of Business Models.**
- **Strategy vs. Business Model:** Distinguishing the two and explaining their complementarity.
- **Profiting from Technological Innovation:** technological innovation does not guarantee business success.
- **Barriers to Imitation:** Analyzing why some models are harder to copy than others.
- **Innovation and Value Capture:** How to profit from technological breakthroughs through proper design.
- **The Design/ Modelling Process:** Providing a set of diagnostic questions for managers to evaluate.

Read it to understand the importance of business model innovation. Teece suggests business model innovation is as critical to economic growth as technological innovation. Without a business model that addresses market segmenting, value propositions, and appropriation mechanisms, even the most remarkable inventions will fail to reward their creators.

Key readings

Keep it light — concepts + examples + optional self-check are sufficient

MODULE 2

***Business Model Innovation: Opportunities and Barriers* (2010)**

by Henry Chesbrough

A foundational work that argues that the economic value of any technology remains latent until it is commercialized through a business model; companies often invest heavily in technological R&D but lack the corresponding capability to innovate the business models required to capture that value.

Functions of the Business Model.

The Cognitive "Trap" of Success. The Xerox Case Study, analyzing how a "dominant logic" can cause a firm to orphan valuable technologies that do not fit its existing model.

Experimental Success Stories.

Academic Barriers: Reviewing existing theories on why innovation is resisted.

Processes for Change & Leadership Challenges.

Read it to understand the importance of business model innovation. Chesbrough suggests "mediocre technology pursued within a great business model may be more valuable than a great technology exploited via a mediocre business model".

Case study: Netflix

Keep it light — concepts + examples + optional self-check are sufficient

MODULE 2

Foundation: in 1997 as a DVD-by-mail service – FAILED

Went through a series of business model innovations and SUCCEEDED

1. Introduction of the subscription model

Business model elements affected: Revenues, Customers, Channels, Value

2. Introduction of the Video-on-Demand (VOD) streaming model

Business model elements affected: Value, Customers, Channels, Relationships, Processes, Resources, Partners, Cost.

Notice: Netflix is a case of **Disruptive Innovation**.

Question 1: Can Netflix's business model be imitated (easily)? Why?

Question 2: Netflix evolved from content aggregator to Content Producer ("Netflix Original"). It is a business model innovation? Why?

Netflix's success is an example of business model success (how it designed the architecture of value creation, rather than just the product/ service itself) and business model innovation success.

Netflix did not invent new technology; rather, it combined organizational and distribution innovations to deliver a compelling new value proposition.

Now that you know what is business model innovation,
can you name some examples of companies that innovated their business model?

<https://create.kahoot.it/details/e0822204-78a5-4c18-85ce-95438b8781a2>

Activity

Feature-only vs BMI-likely

MODULE 2

Quick check: Feature-only or BMI-likely?

Task

Write Feature-only or BMI-likely for each statement

Statements

1) The museum only changes the color of the app

2) The museum adds a self-guided digital experience that changes how tours work and how visitors engage

3) The museum adds a new icon on the home screen

4) The museum adds a new channel for content access + new content operations to support it



<https://app.sli.do/event/hpQn2xATbEPu4vE26G7a5i>

Activity

MODULE 2

Mini case: Which BMC blocks are most affected?

Read the idea

Free smartphone-based digital guide with personalized, interactive content and self-guided exploration

Question

Put a ✓ on the BMC blocks most likely affected



<https://app.sli.do/event/hpQn2xATbEPu4vE26G7a5i>

BMC blocks

- Customer Segments
- Value Proposition
- Channels
- Customer Relationships
- Revenue Streams
- Key Resources
- Key Activities
- Key Partners
- Cost Structure

Optional self-evaluation(10 multiple-choice questions)

To check understanding of core BMI concepts

<https://create.kahoot.it/details/3b274449-f3cd-436c-a966-e55549c6c46d>

Any Questions?

