

# Module VI: “Innovation, Change and Business Models”

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09:00-10:00

10:00-10:15

10:15-11:45

## Agenda

Lecture

Break

Preparing for next steps:  
Mock case study and  
exam questions;

**Feedback poll**

# Lecture

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Change: types, process and management

Organizations need to change (innovate) to survive.

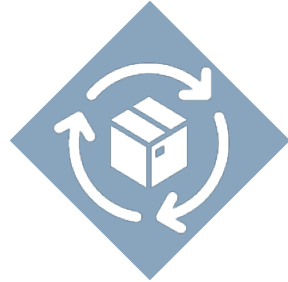
**Pace of change is accelerating-** in 1958 avg. lifespan of a company on S&Ps 500 (US trading index) was 61 yrs - in 2016 it was 18 years



# Different types of change – interrelated, read in your book.



**Technology:** IoT, cloud computing, Artificial Intelligence (affects, for example, innovation processes, production processes, design processes)



**Product & Service:** The customer value proposition



**Strategy & Structure:** Shift towards horizontal, decentralized org structures for adaptability



**Culture:** Changing underlying values and norms







# Ice harvesting: A story of disruption



*(MIT Sloan press, 1994)*

- Prior to refrigeration, cooling was supplied by ice
- 1886 – record harvest 25 million tonnes in the USA, 90,000 people employed, international supply chains (USA to Hong Kong, Bombay, Australia, China), capitalized at 660 million USD (2010 terms).
- Industry with strong commitment to innovation (cutting, ploughing, logistics)
- However, new technological developments led to creation of the refrigeration industry which grew rapidly in the 1880's. [Industrial refrigeration – making artificial ice for consumers]
- Industries operated side-by-side for a long time – until the refrigeration industry outcompeted the ice-cutting industry in 1914 (traditional ice cutters went out of business)
- Mid 1930's rise of the domestic fridges (another disruption)

# Ambidexterity

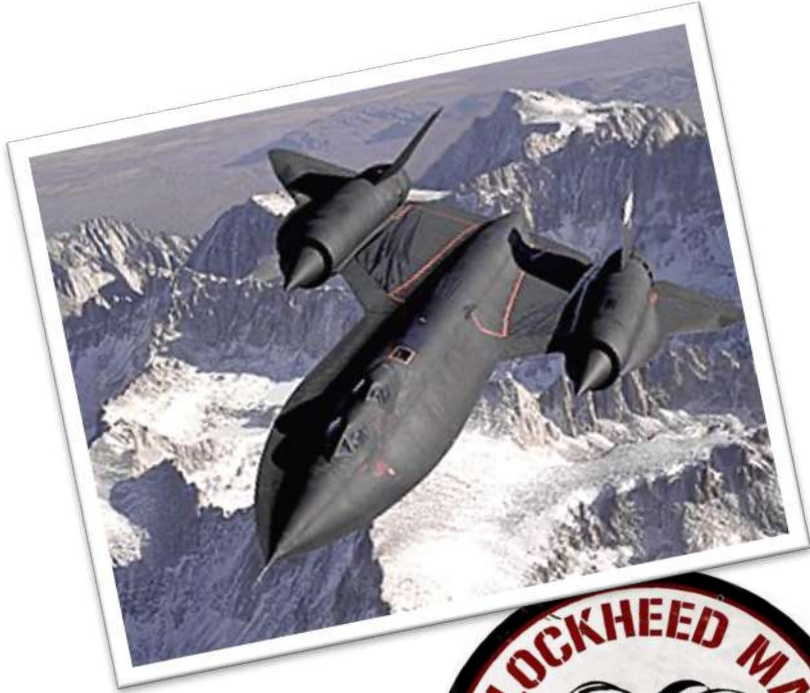
**Ambidexterity:** ability to use the right and left hands equally well; the quality of being ambidextrous.

- An ambidextrous organization is able to both **explore innovation and exploit current solutions**
- **Combine organic with mechanistic structures** (there is a 'tension' between these two)





# Structural changes in pursuit of ambidexterity



*SR-71 – Blackbird  
Mach 3.3 (worlds  
fastest jet)*



1. Switching Structures (e.g. cross-functional team in Electrolux)
2. Creative Departments (e.g. incubator units within organization)
3. Venture Teams (creative teams, like a small company within organization, independent with time and freedom, can often directly interact with customers)
4. Corporate Entrepreneurship (culture)

These initiatives all have one thing in common: pursuit of ambidexterity by complementing predominantly mechanistic attributes with organic features to encourage both the creation and implementation (exploration and exploitation) of technological and product change

# Managing creativity (Amabile, 1998) – HR & cultural changes for ambidexterity



**Challenge** – matching people with right assignments: not too overwhelming, not too easy



**Resources** – right deadlines (little pressure but not superficial or impossibly tight ones), right physical space



**Work-group features** – heterogenous groups, shared excitement about goal



**Supervisory encouragement** – reduced skepticism and thorough evaluation (being critical is often rewarded rather than providing new ideas)

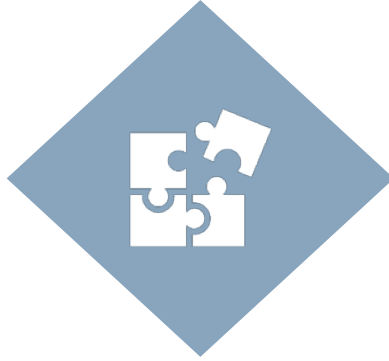


**Organizational support** – initiatives to reward creativity and ideas



How could the ice cutting industry actors have become more ambidextrous and improve their chances of organizational survival? Discuss with neighbor. 5 min.

# Radical vs Incremental change



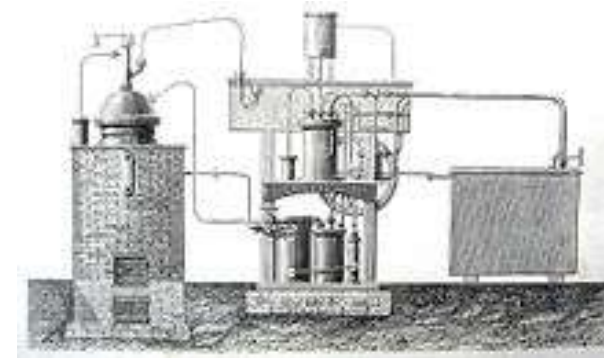
## Incremental change

represents a series of continual progressions –  
maintain equilibrium – affect only one  
organizational part



## Radical change

departure from the status quo and often  
transforms the entire organization (**it does not  
need to be rapid / quick**)







Gillette Razors. What type of innovation is that? Radical? Incremental? Both? Neither? Discuss 2 min.



# Business model innovation is a new type of change



Apple was not the first with portable digital music device.  
Diamond Multimedia, Rio, 1998

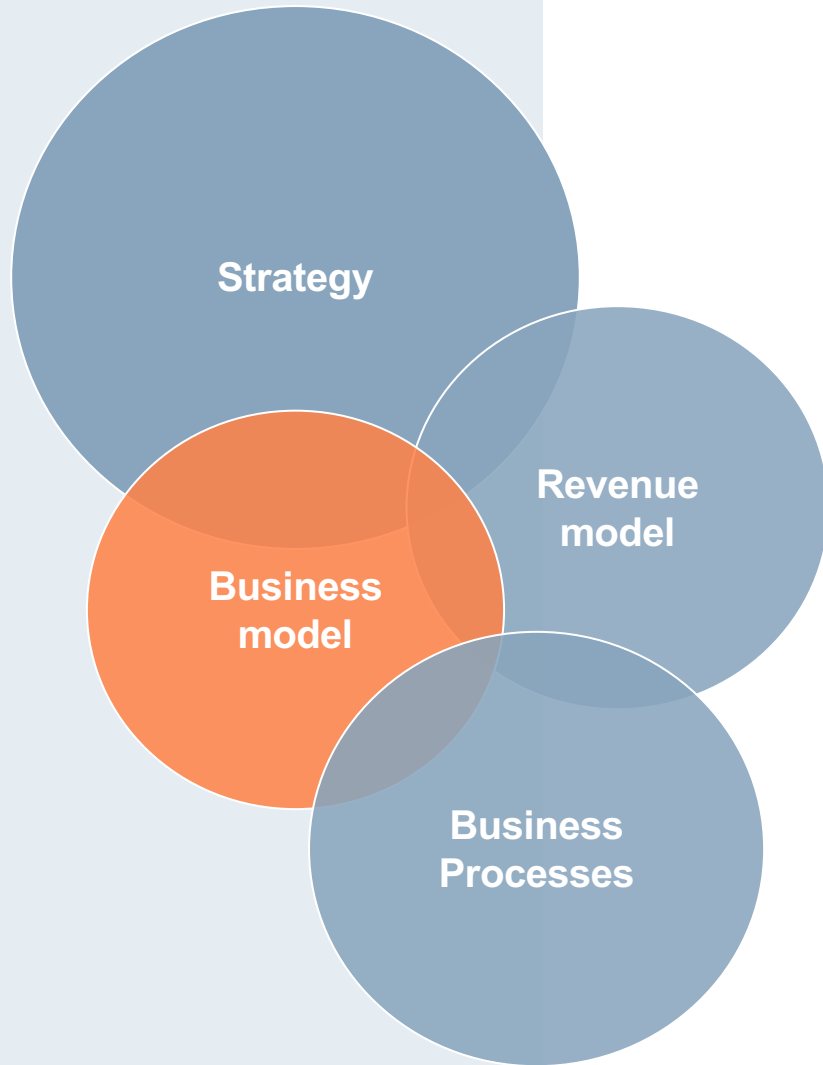


Not just a product, but a ground-breaking business model. Made downloading music easy.  
Gillette's business model – low-margin music "blades", iPod – "razor"

Business model is a new type of change – beyond traditional approaches on innovating technology or product.

“A business model defines the ways an **organization creates, delivers and captures value**” Osterwalder and Pigneur (2013)





## ***“Business model” – popular but unclear concept***

**“A reflection of the firm’s realized strategy”**

Casadesus-Masanell & Ricart (2010)

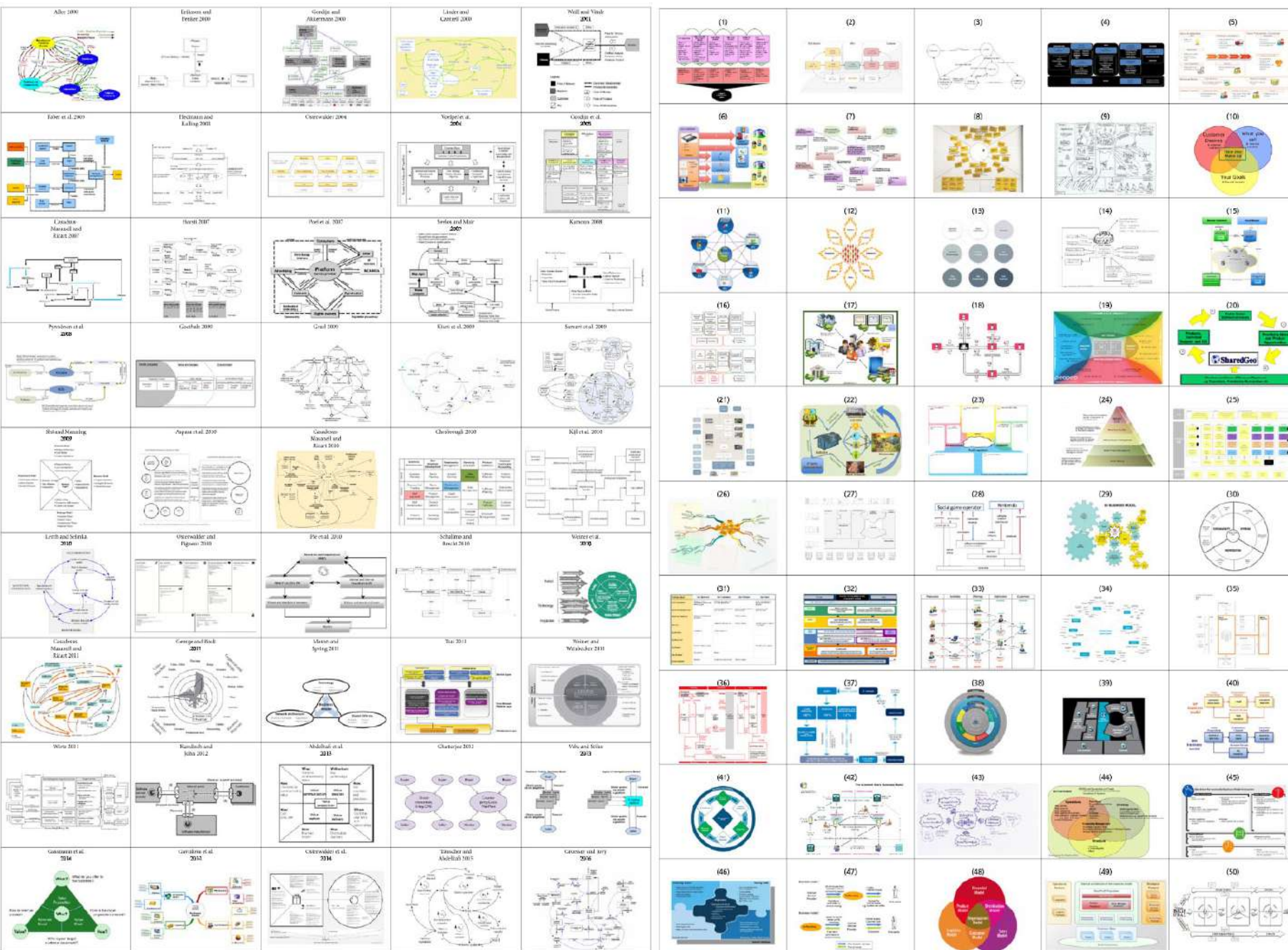
**“Stories that explain how enterprises work”**

Magretta (2002)

**“The heuristic logic that connects technical potential with the realization of economic value”**

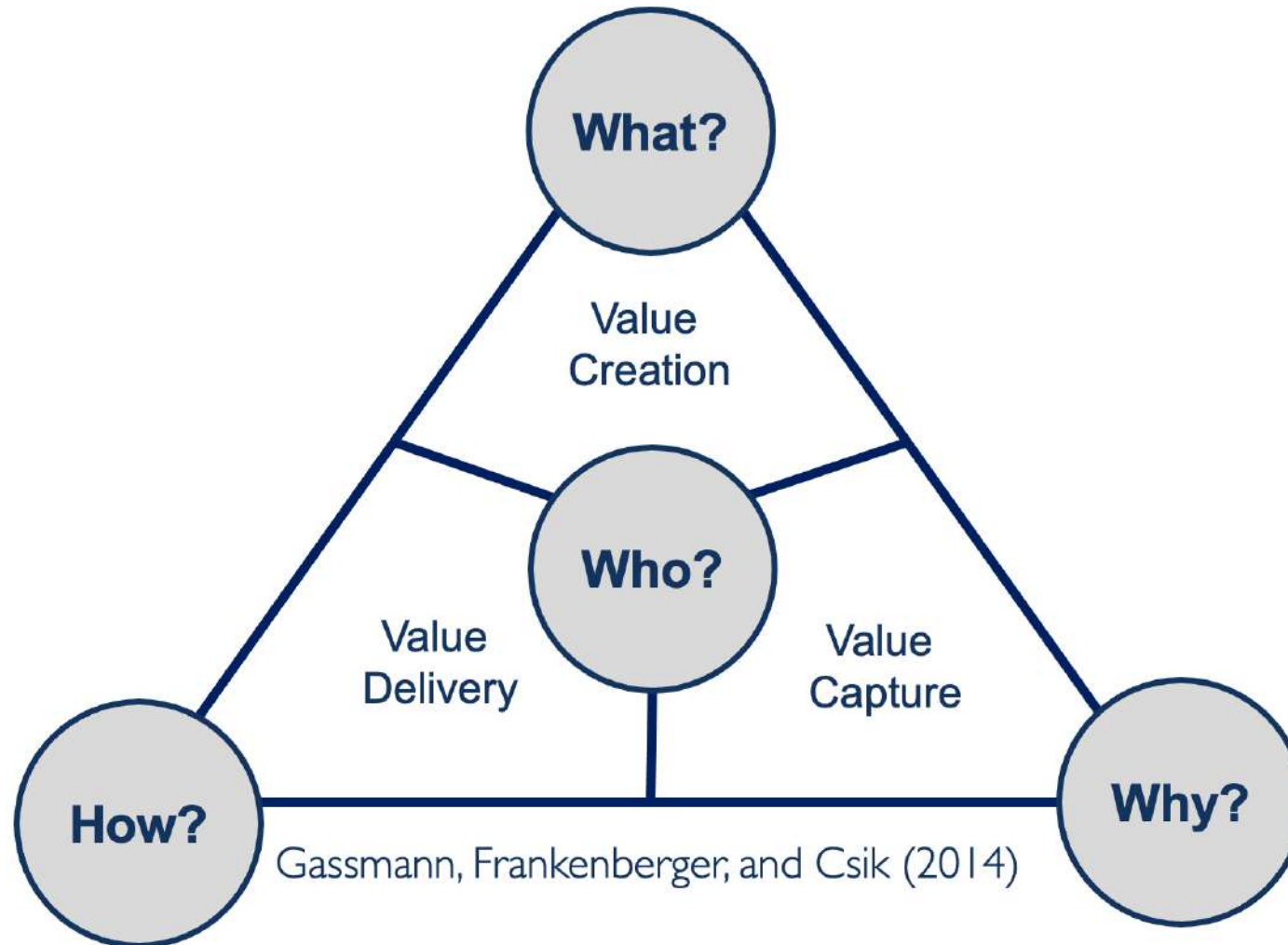
Chesbrough & Rosenbloom (2002)





**Multiple ways to  
conceptualize a  
business model  
(Täuscher &  
Abdelkafi, 2017)**

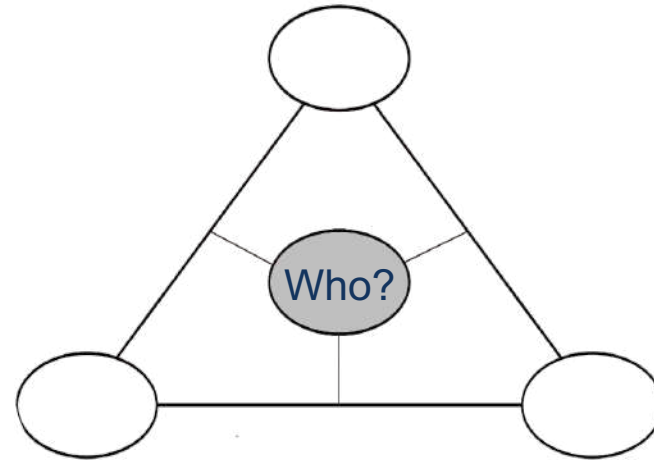
# Dimensions of business model

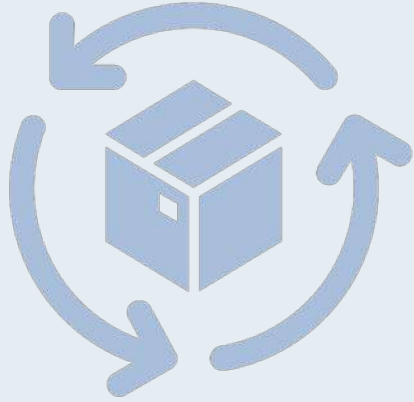




Who are the  
customer?

The “who” is at the center of the business model triangle addressing the questions about targeted **customer**. Who is your target customer? What segments?

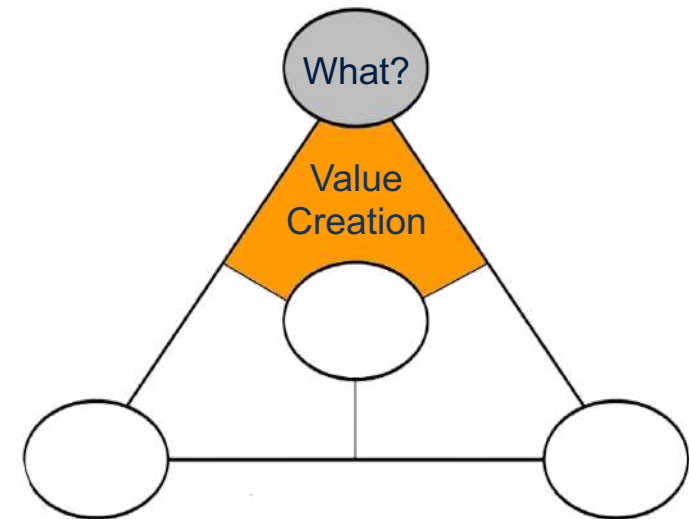




What is the offer  
to customers?

The “what” dimension describes what is offered to the target customer, i.e. “job to be done”. \*Value proposition is often used as a synonym.

- What customer problem are you attempting to solve?
- What products and services can you offer to your customers to solve that problem?
- How does your proposition differ from that of competition?







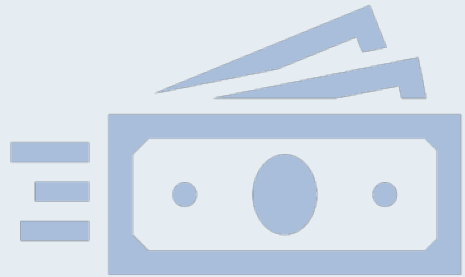




## E.g., Nano by Tata Motors in India

Offering a safer, all-weather and affordable alternative to scooters – a powerful value offering (Johnson et al, 2008)

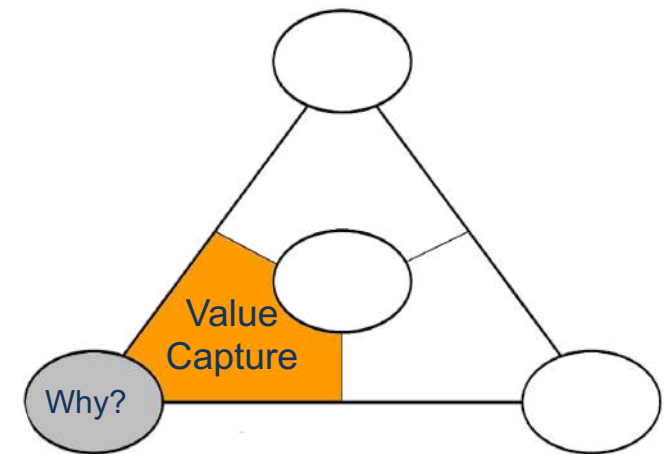


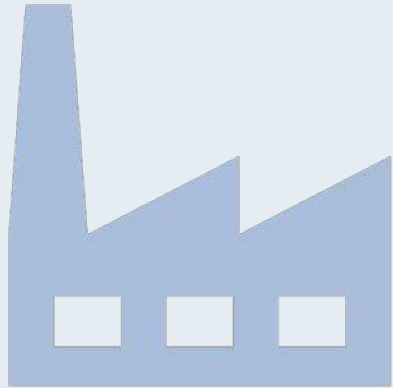


Why is the  
business model  
financially  
viable?

**Revenue model** - unifies aspects such as the **cost structure** and **revenue mechanisms**, and points to the elementary question of any firm, namely, **how to make money** in the business.

- What are the **principal costs** in your business model?
- What are the **financial risks**? How are you planning to address them?
- What are your **sources of revenue** (e.g., one-time transaction, performance-based contract, etc.)?
- What is the **capital employed**?

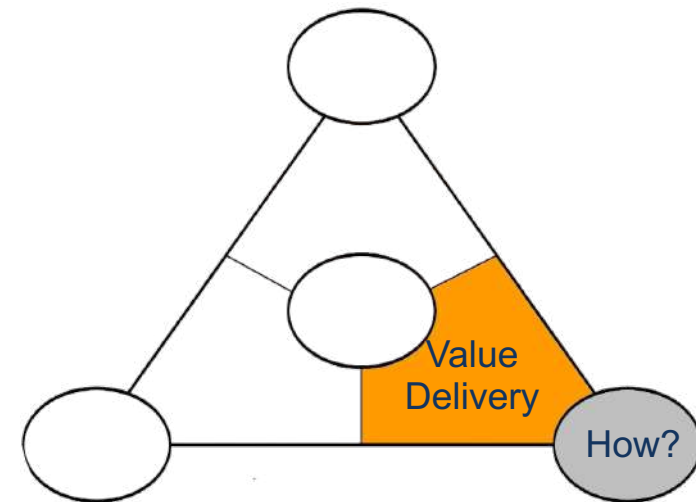




How do we produce  
and deliver the  
offering?

To create and distribute value companies **employ processes and activities, resources and capabilities**, plus their orchestration in the focal firm's internal **value chain**.

- What resources are essential to ensure that you can deliver your value proposition?
- What activities and competencies are essential to ensure that you deliver on your value proposition?
- Who are most important partners? Who are main suppliers? What is their role in the process?





# Why and How for Nano

- Envisioned a price of \$2,500 - less than half the price of the cheapest car available
- Meant reduction in many elements of the cost structure.
- Significant drop in gross margins - could still make money with high expected sales volume
- For that – change the way the car is designed, manufactured, and distributed. For example, outsourced 85% of components and use nearly 60% fewer vendors than normal to reduce transaction costs
- Employed young engineers who would not be constrained in their thinking by the existing profit formulas





Think of pizzeria close to LTU.  
Break down their business model –  
think about Who, What, How, Why.

10 min

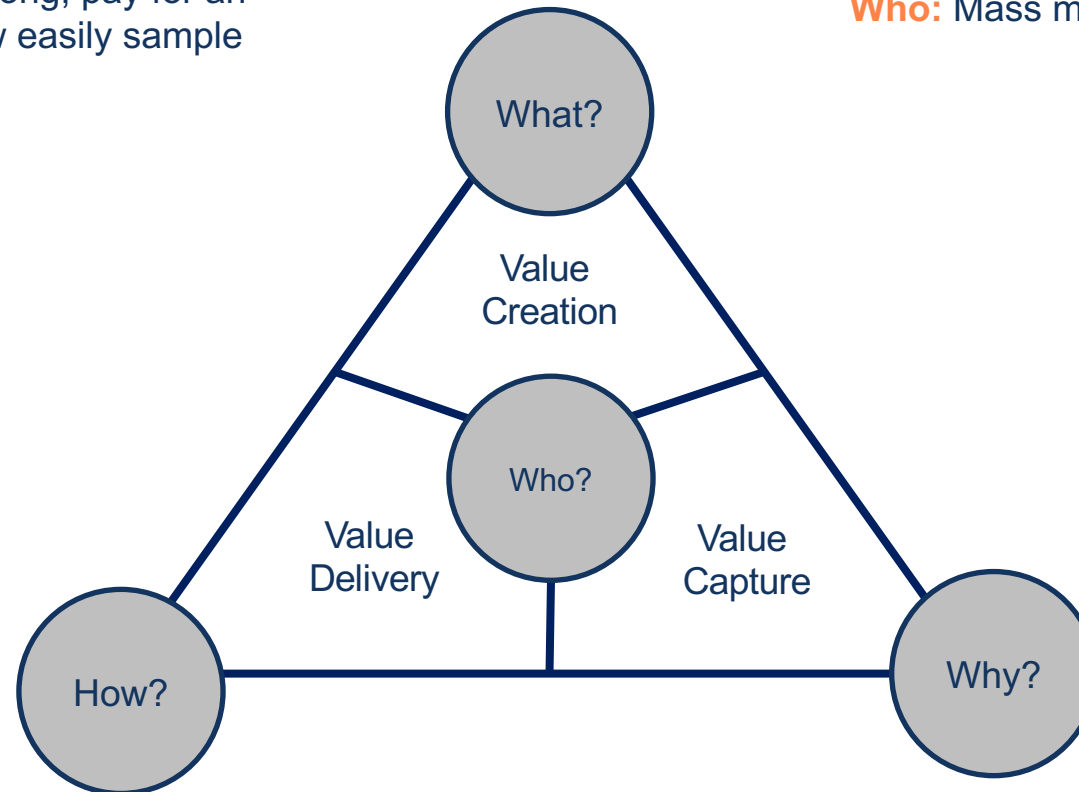




## Apple's business model

**What:** Listening to music easy. Before - need to wrestle with computer to transfer a song, pay for an album for one favorite song etc. Now easily sample and purchase songs.

**Who:** Mass market, young(er), worldwide



**How:** Design, marketing, retail. Partnering with record companies, app developers. Before – mostly equipment manufacturers. Retail via iTunes store, App store. Before - only physical or online stores.

**Why:** Costs – sourcing people, marketing, material costs etc. Profits - Music, app and device sales. Before – just device sales. Now cheap songs in iTunes which satisfy customer while high upfront price for device satisfy Apple.

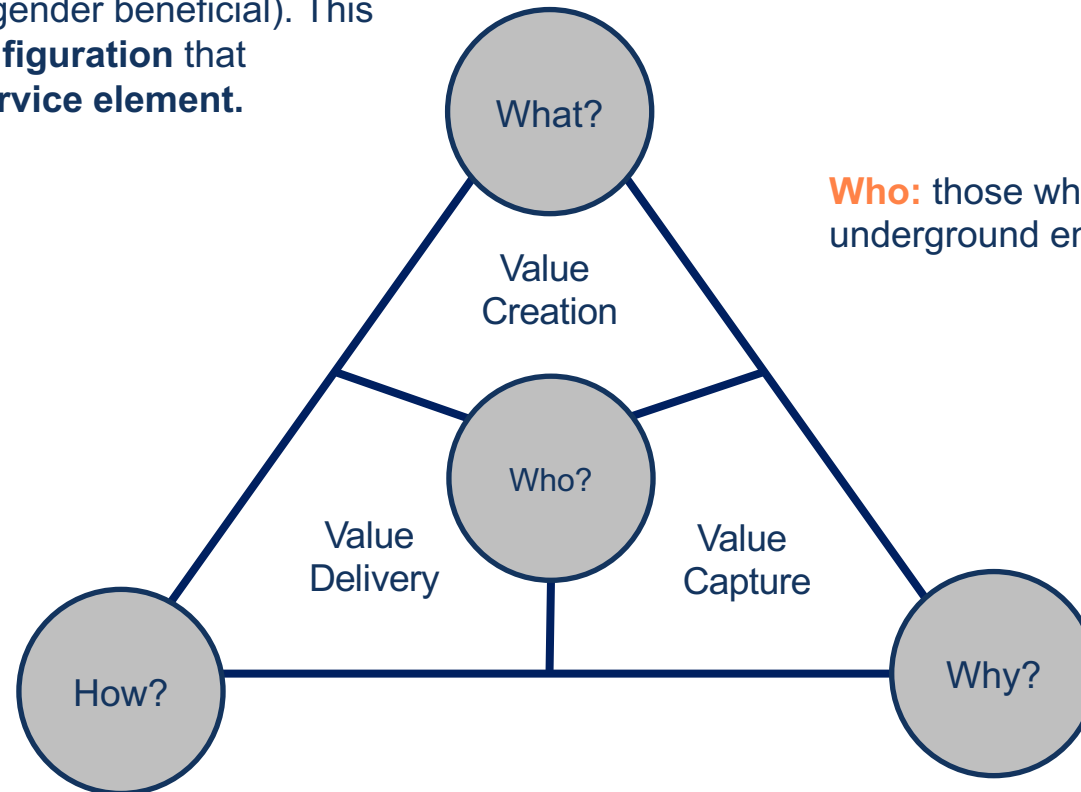




**Example from  
Sweden: Epiroc**



**What:** They offer **increase in productivity, energy efficiency (sustainability perspective)** with the potential for 24/7 operation (gender beneficial). This is possible from an **offer configuration** that includes an **autonomous service element**.



**Who:** those who operate in a hazardous underground environment, e.g., LKAB

**How:** Digital platforms have become a popular way to deliver value to customers. Need for new capabilities and activities to be able to deliver the value through a platform, e.g., SUM partnership with ABB, Sandvik, Combitech

**Why:** New types of revenue model, not only one-time transaction-based ones. The old way for Epiroc to sell was a physical machine with a price tag. The new way is looking for **subscription**.



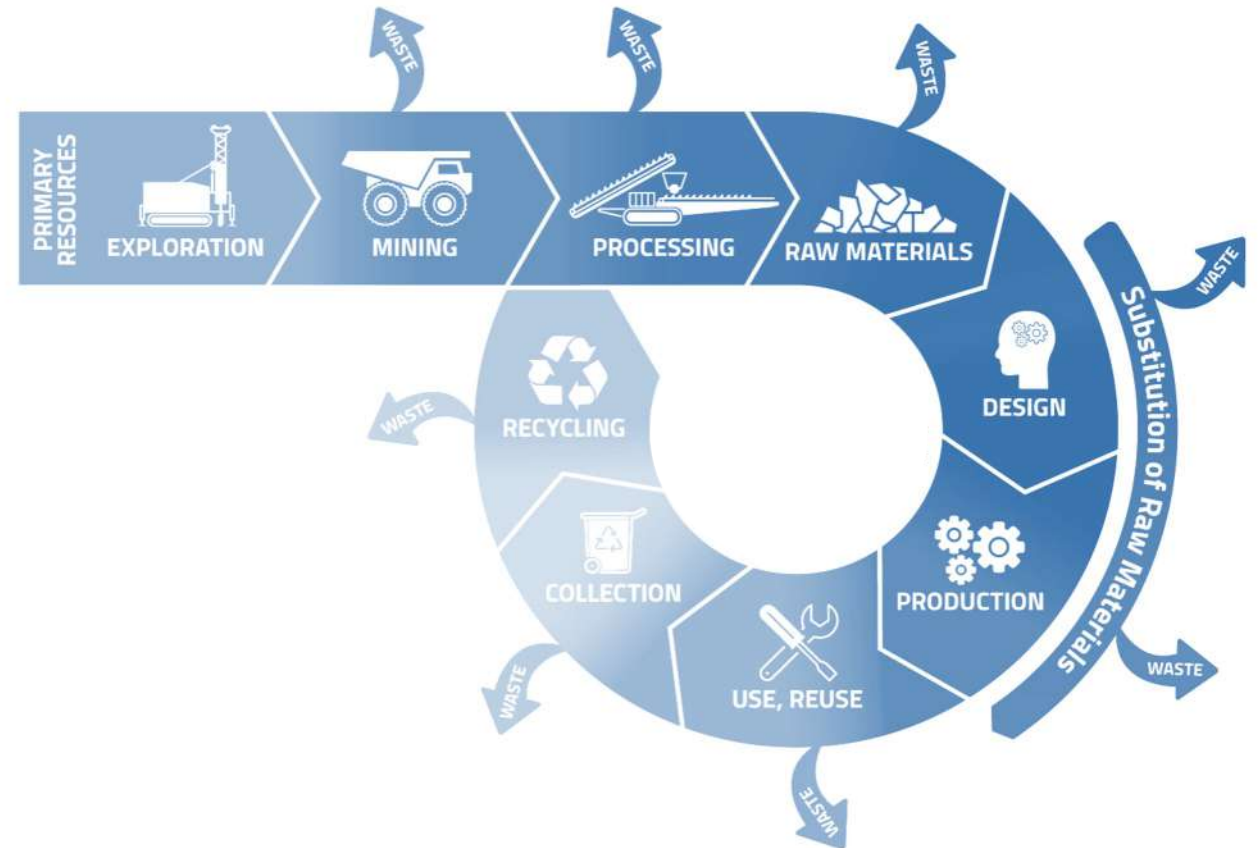
Can you think of any sustainability benefits from changed business model for iPod?

5 min

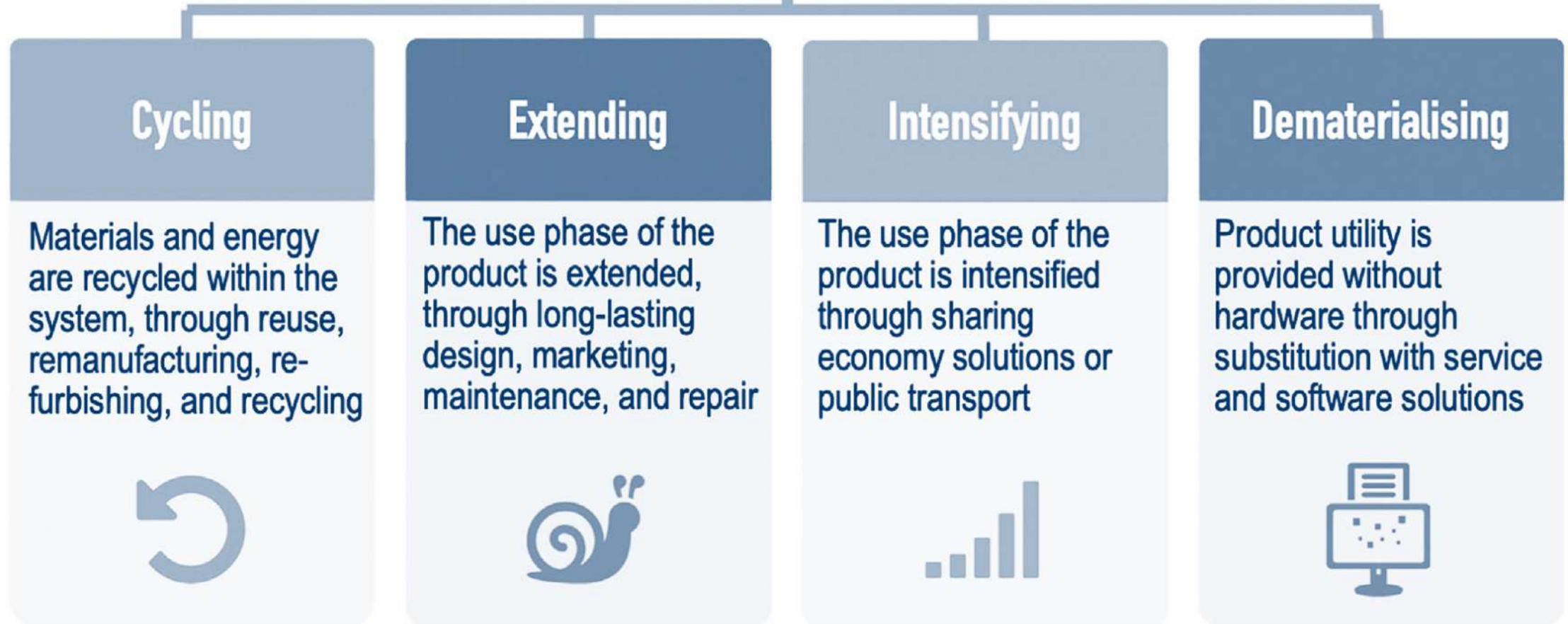
# Circular Business Model

A circular business model is *‘one in which a focal company, together with partners, **uses innovation** to create, capture, and deliver value to improve resource efficiency by extending the lifespan of products and parts, thereby **realizing environmental, social, and economic benefits**’*

– Frishammar & Parida, 2019



# Circular business models



Geissdoerfer et al., (2020)

# Cycle

Maersk is exploring design options for optimal recycling and developing a **Cradle-to-Cradle Passport**: gain control of materials in use and build a material bank.

As ships are decommissioned, materials can be used to manufacture new ships or re-sold (not just circularity – but also buffer fluctuations in steel price etc)



**In Sweden, 85-90% of a Volvo truck can be recycled and 1/3 of a new truck is made with recycled materials;**

**ReeMap project by LKAB** (waste mine materials)



# Dematerialize



**Spotify, Steam** offers value digitally. **iTunes** – digital music.

Offering services or product- service systems instead of physical products to fulfil the same function for the user can reduce the number of produced products, e.g., **Modularity by Gerrard Street**. Operates a headphones-as-a-service business model; and loops 85% of their components

# Extend



**Patek Philippe** “You never actually own [this watch]. You merely look after it for the next generation”



**Volvo Construction Equipment Europe** – customer support agreements that ensure maximum uptime through monitoring and regular service checks

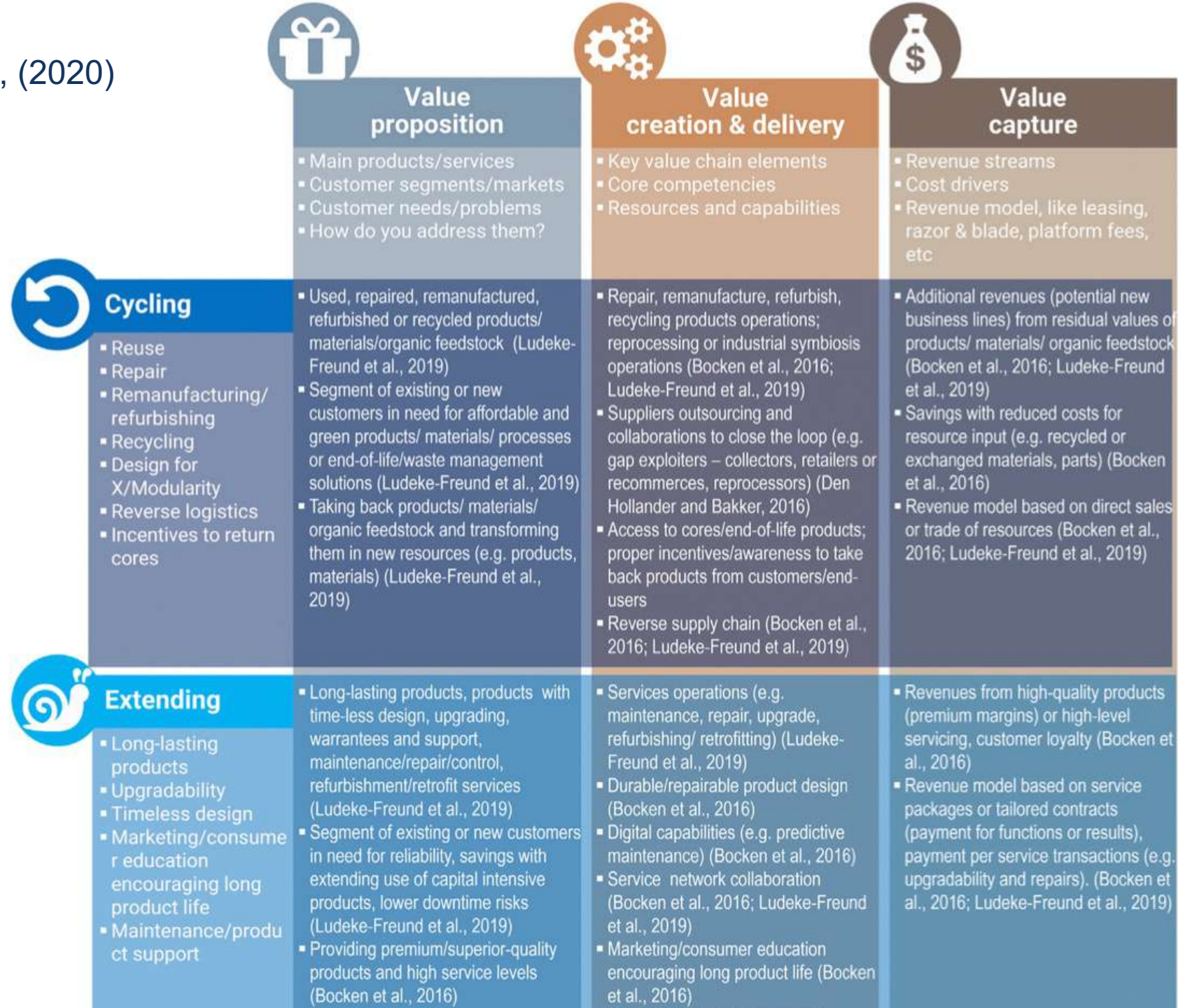
# Intensify

**Car sharing** can reduce idle times of cars and driven mileage per user significantly compared to a conventional ownership-based system

E.g., Volvo Cars – **service offering access to premium Volvo cars** to residents of high-end apartments in Stockholm, Sweden (access without ownership). It is promoted as an economical and sustainable alternative to ownership of a second car (the fee is included in the monthly rent for the apartment).









## Intensifying

- Sharing models
- Rental/leasing models
- User cooperatives
- Open elements/creative commons
- Pooling models

- Products as service, collaborative consumption services (Bocken et al., 2016)
- Segment of existing or new customers in need of lower total cost of ownership and/or lower up-front investments, convenience (e.g. hassle free solutions) (Bocken et al., 2016)
- Providing functionality or the temporary availability of products instead of ownership (Bocken et al., 2016)

- Capacity management (demand and supply of products)
- Digital capabilities (e.g. tracking)
- Transportation and logistics
- Reselling or redistributing products
- 'Slow and Close-the-loop' capabilities or collaborations (e.g. repair, maintenance, remanufacture, refurbishment products)
- Product-service systems design
- Orchestration of suppliers (e.g. service providers)
- Contract and customer relationship management (Bocken et al., 2016)

- Recurrent revenues from service temporary contracts, long-term customer relationships (lock-in) (Bocken et al., 2016)
- Increased long-term profit margins due to savings from using products for longer (i.e. multiple cycles and users) and potential efficiency gains in operations (e.g. energy) (Bocken et al., 2016)
- Pricing per unit of service (e.g. time, number of uses), rental or leasing fees (Bocken et al., 2016)



## Dematerialising

- Software instead of hardware
- Service instead of product
- Consumer education rationalising demand

- Services substituting or reducing the need for hardware
- Segment of existing or new customers in need of expertise in certain non-core activities, convenience, lower total cost of ownership (Bocken et al., 2016)
- Providing turn-key solutions or the results for customers needs (Bocken et al., 2016)

- Technology design for digitalization
- Product-service systems design
- 'Slow and Close-the-loop' capabilities or collaborations (e.g. repair, maintenance, remanufacture, refurbishment products)
- Consumer education rationalising demand ("do you really need that?")

- Recurrent revenues from services subscriptions or contracts, long-term customer relationships (Bocken et al., 2016)
- Increased profit margins due to additional value from uniqueness and savings from using products for longer and efficiency gains in operations (e.g. energy consumptions, transportation, less products as possible) (Bocken et al., 2016)
- Pricing per agreed results (e.g. pay-per-light) (Bocken et al., 2016)





Discuss with your neighbor an example of circular business you know. Which type is that (extend, cycle, dematerialize, intensify)? 5 min.

A low-angle, upward-looking photograph of several modern skyscrapers. The central building is a tall, glass-clad tower with a sharp, triangular top. To its left is a building with a curved, metallic, ribbed facade. To its right is a building with a grid-like window pattern. The sky is a clear, bright blue. A dark blue rectangular box is overlaid on the right side of the image, containing white text.

**BREAK  
15 MIN**

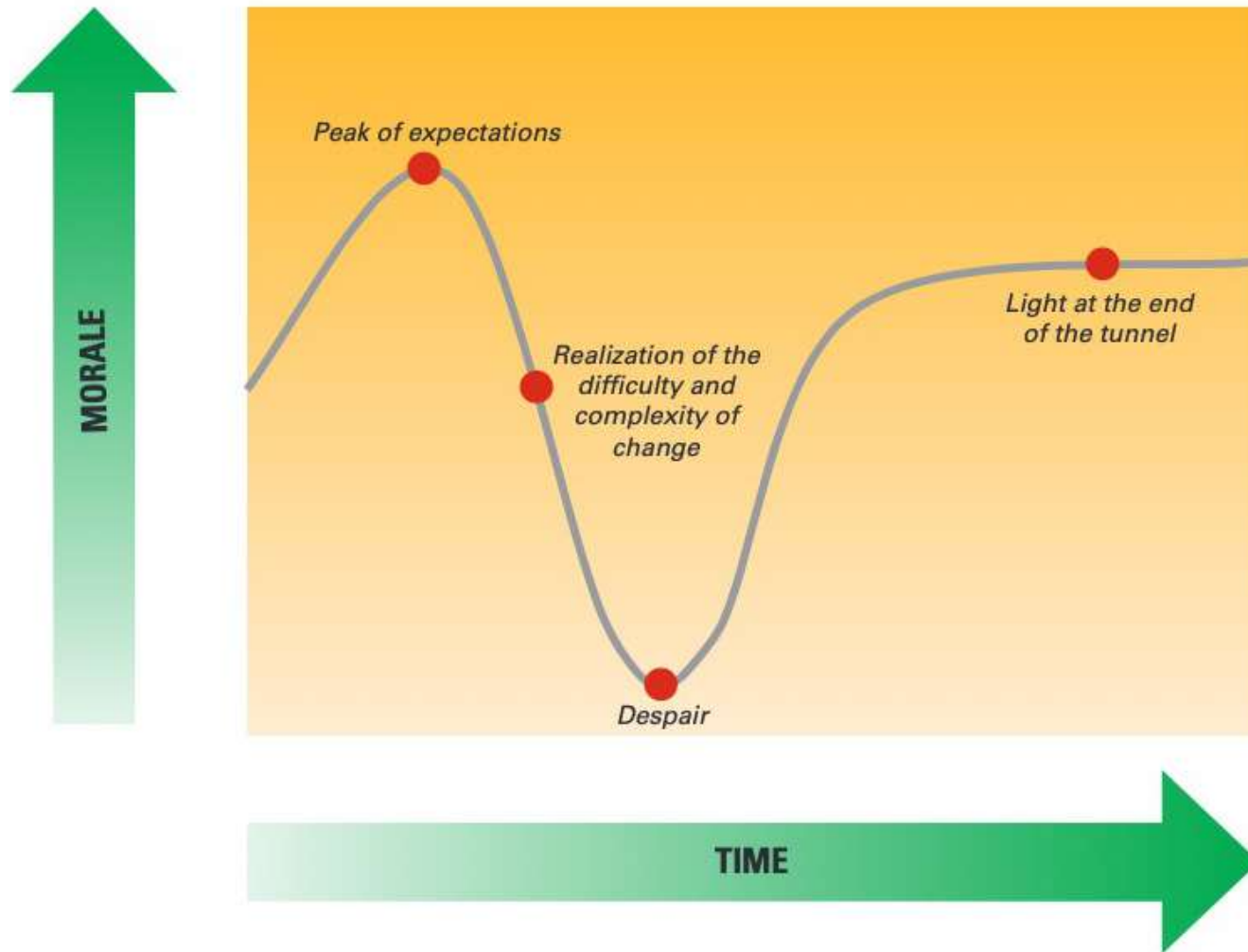
Change process is not easy. There are **multiple barriers** such as excessive focus on costs, failure to perceive benefits, lack of coordination and cooperation, uncertainty avoidance etc. (Daft et al., 2020)

There are **models that describe change processes** that help companies be more successful .





# Challenges of implementing change

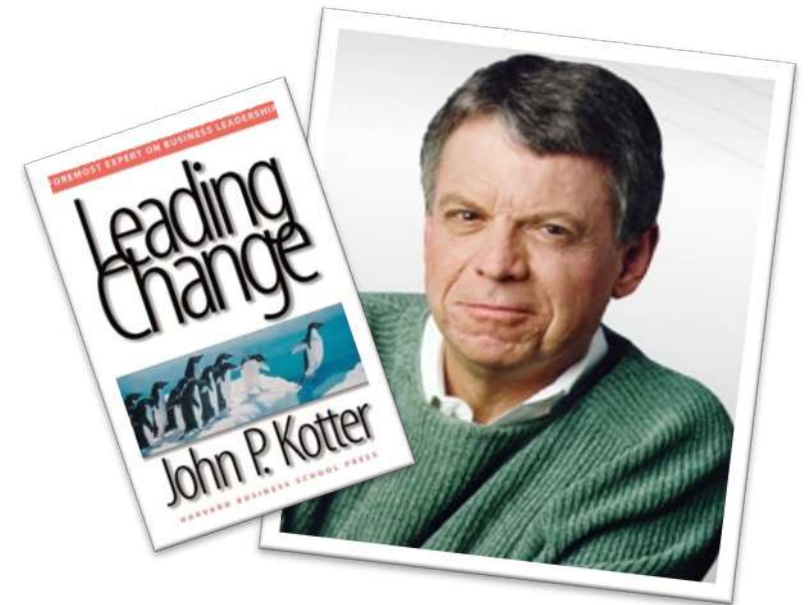


- The change curve – the psychological process of people undergoing change (originated from people going through a period of grief)
- Can be fast, slow, and even reverse
- “Managing expectations”



# Kotters 8 Steps to Change

- John P Kotter – Professor Harvard Business School
- Specialist on organizational change
- A change model built on factors critical for successful change
- Based on insights from over change initiatives at over 100 international companies



1. Establish a sense of urgency

2. Forming a powerful guiding coalition

3. Creating a vision

4. Communicating the vision

5. Empowering others to act on the vision

6. Planning for and creating short-term wins

7. Consolidating improvement and producing still more change

8. Institutionalizing new approaches

# The Top 20 Business Transformations of the Last Decade (Anthony et al, 2019)

- 2012: Danish Oil and Natural Gas - DONG (Denmark's biggest energy company) slid into financial crisis (price of natural gas decreased by 90%)
- Instead of laying off workers until prices recovered, Poulsen recognized the moment as an opportunity for **fundamental change**
- "We saw the need to build an entirely new company"
- Renamed the firm Orsted
- Transformed the fortunes for the company through concerted **change programme**





## Step 1

Identify threats, frame convincing reasons for change, e.g., climate change – urgent action is needed

Industry crisis – natural gas prices decreased 90% over several years

Poulsen: *“It had to be a radical transformation...we became one of the few companies to wholeheartedly make this profound decision, to be one of the first to go from black to green energy”*





## Step 2

Identify stakeholders, get their buy-in, put suitable leaders and teams in charge of change

Board hired a former executive from LEGO, Henrik Poulsen, as the new CEO



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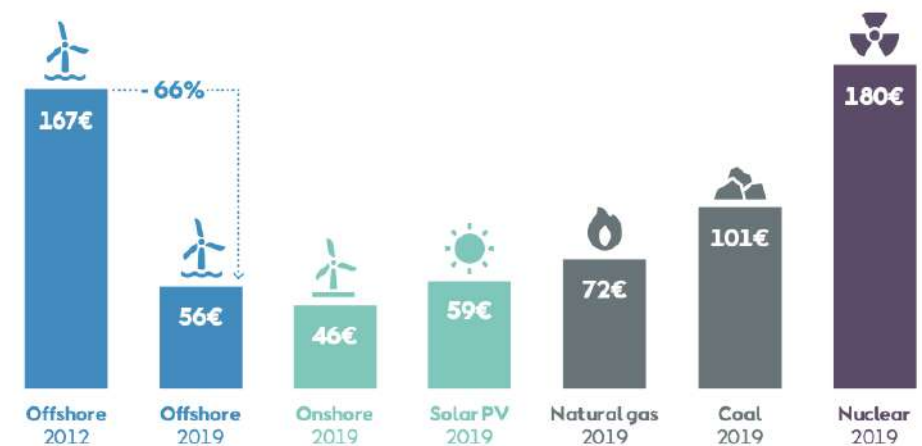
## Step 3

**Vision** – story of how you see future, **strategy** to execute vision

”Creating a world that runs entirely on green energy”.

A systematic “cost-out” strategy to reduce the price of offshore wind: *”We looked at the 12 different lines of business we were in and went through them asset by asset, to see where we saw competitive strength. Coal, oil and gas were rapidly eroding as businesses, so we decided to divest eight of our twelve divisions and use the proceeds to reduce our debt”*

Levelised cost of electricity (LCoE)  
EUR/MWh, 2012<sup>1</sup> and 2019<sup>2</sup>





## Step 4

Importance of anchoring vision throughout organization – communicate priorities, address concerns and resolve ongoing conflicts

*“To be truly aspirational, a company’s vision has to make a bigger contribution. **It has to be a bigger idea.** It’s not about the company. It’s about what the company can contribute to a more sustainable world”*  
- Henrik Poulsen, CEO





## Step 5

Remove obstacles – review structures, reward systems, job descriptions etc. E.g., may need decentralizing decision-making, providing ownerships power to teams, embracing risk-taking, purpose-oriented culture

*“Once you have your blueprint and concept you should go all in and devote yourself, your capital, and your talent to **mobilising behind the opportunity** in order to scale and learn quickly.”*



1. Establish a sense of urgency
2. Forming a powerful guiding coalition
3. Creating a vision
4. Communicating the vision
5. Empowering others to act on the vision
6. Planning for and creating short-term wins
7. Consolidating improvement and producing still more change
8. Institutionalizing new approaches

## Step 6

Highlight short-term wins, meeting closer targets. E.g., technology demonstrations. Also, PR wins.

*“Set medium-term, stretching, science-based emission reduction targets anchored in the vision to guide the transformation and **drive action**...Remember to **roll back targets to concrete one-year actions** so that all employees know what to do in their daily work to execute strongly. Review progress and targets frequently to **drive action** and innovation.”*







## Step 7

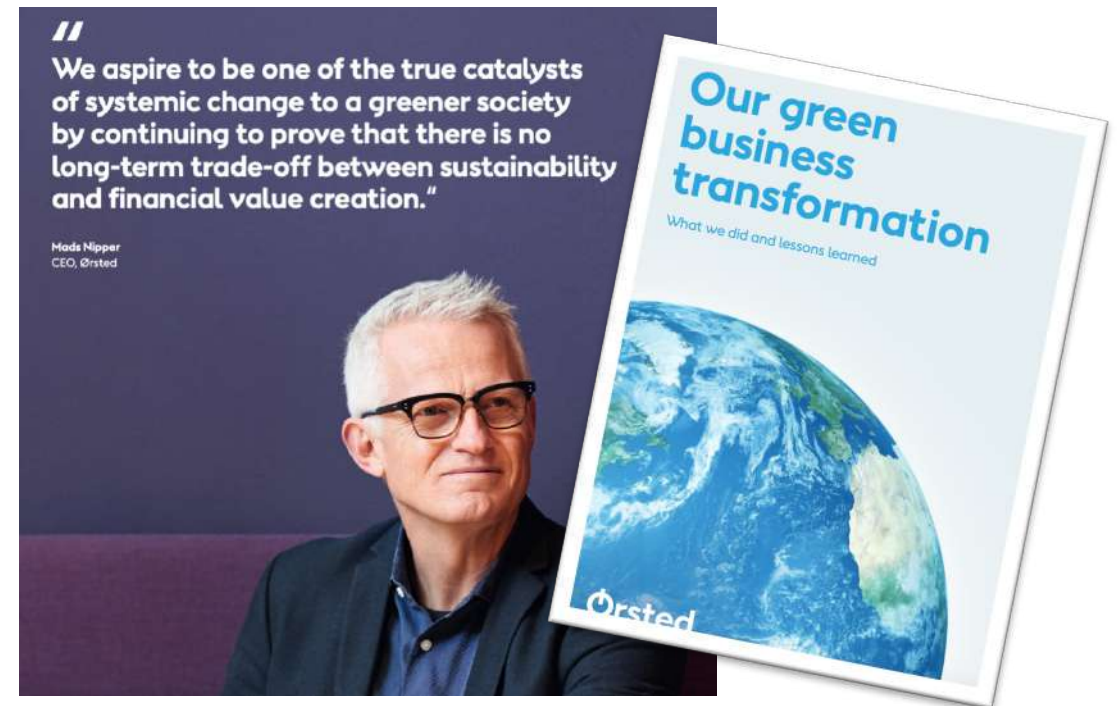
Don't declare wins too early. Analyse pros and cons of progress, bring in new leaders to keep ideas fresh.

*“Have your blueprint ready but do not try to chart a linear path all the way to your long-term vision. That is impossible when dealing with large-scale transformations fuelled by external factors that you work in interplay with. You need to take a big step that makes sense and points you in the right direction. **If it works, you can review and then take another step. Iterate the process to reach your targets**”*



## Step 8

“Institutionalize” means giving legitimacy. Anchor changes in culture. Talk about your success, stories, values. Recognize key figures. Make it core of your organizations.



**Business model innovation** - conceptualization and implementation of new business models that can comprise the development of **entirely new business models, the diversification into additional business models, the acquisition of new business models, or the transformation from one business model to another.** The transformation can affect the entire BM or individual or a combination of its value proposition, value creation and deliver, and value capture elements, the interrelations between the elements, and the value network. (Geissdoerfer et al., 2020)



# Circular business model innovation process (Frishammar & Parida, 2019)



## Initiate

Broad scanning of environmental trends, understand value chain, customers and stakeholders (interests, needs, tensions)



## Audit current business model

Map current BM, map shortcomings & opportunities for delivering circular value, analyze magnitude of change



## Design & develop a circular business model

Mimicry/imitation, align with internal culture and logic and with other BM elements, configure ecosystem partners



## Scale up

Small scale testing (evaluate positive and negative effects, reconfigure) , large scale rollout (ongoing learning and adjustments)



# Challenges of CBM (Linder & Williander, 2017)

**Customer type restrictions** – some customer are more receptive than others, e.g., environmentally interested, or those who want to retain a specific product

**Requires technological expertise** – e.g, expert knowledge about how to restore product to original or better condition

**Return flow** – e.g., difficult to plan labor needs as returns are unpredictable

**Risk of cannibalization** – e.g., improved products can reduce sales of less long-lasting products

**Fashion vulnerability** – e.g., decreased aesthetics

**Capital tied up** – e.g., renting products put risks of retained ownership on the manufacturer

**Lack of supportive regulation** – e.g., taxes mostly on labor and not on materials

**Partner restrictions** – e.g., might not be incompatible with business models of others

**And more!**



## Example of Unicykel

*Longer span of predictions for CBM*

- Launched successful pilot test but failed to predict long-term costs of bicycle return and customer demand on reused bicycle

## Changing towards gender equality: addressing “glass ceiling”

Rosabeth Moss Kanter's theory of Glass ceiling. Bringing awareness within organization of invisible structures that prevent a certain group from reaching higher levels in organizations (any type of minorities).

**Visibility** - mistakes are made visible and explained as typically female/immigrant/etc. The minority tries to blend in.

**Contrast** – e.g., women in top position is assumed to be different from other women, the woman herself also portrays herself as different. Subjected to a higher degree of scrutiny and loyalty tests, socially legitimate isolation.

**Assimilation** – e.g., assumed typically female qualities, like taking care for others which leads to being assigned typically female roles



# Preparation for next steps

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Case study & exam



# Case study grading criteria

Assessment Criteria	Excellent (40 points)	Good (35 points)	Fair (26 Points)	Poor (0-25 points)
<p><b>Opposition Report</b> (Opposition Report produced, submitted on time, meets the stipulated requirements)</p> <p><b>Group Report</b> (Clarity and coherence of argumentation, usage of fact base to substantiate claims, appropriate use of theory in analysis, drawing logical conclusions, a critical analysis)</p> <p><b>Quality of Presentation</b> (Effective time management, appropriate language, engagement with audience, co-ordination between speakers, logical structure of presentation, effective design, and layout of visuals (e.g., PPT slides), clear red thread in delivery of presentation)</p>	<p><u>"Excellent" builds on "good" and can look like this:</u> All mandatory AND almost all report recommendations for how to conduct and present the group case study report and analysis have been well satisfied. The group demonstrates a thorough understanding of the case as well as the theoretical tools and concepts that have been applied in the analysis of it. The group likely displays originality in their case analysis. Critical insights are drawn that, for example, demonstrate a solid understanding of the connections between course literature, tools, theories and concepts with the studied case.</p> <p>Engaging delivery of the presentation with clear messaging.</p>	<p><u>"Good" builds on "fair" and can look like this:</u> All mandatory AND most of the recommendations for how to conduct and present the group case study report and analysis have been satisfied/followed. Identified/formulated relevant issues/problems, generally insightful and detailed analyses, appropriate use of relevant data/facts, effective application of management concepts and theories, generally logical and feasible, well-structured. This grade typically represents that the group moved beyond simply recounting a presentation of the case and the focal company, to conducting their own analysis of it and drawing their own conclusions. Effective delivery of the presentation and engagement with the audience.</p>	<p><u>"Fair" can look like this:</u> The group case study report, the opposition report, and the recorded group presentation are submitted on time, and meet the mandatory requirements The quality of analysis could be improved. Less relevant issues/problems are identified/formulated, only somewhat insightful and detailed analyses, insufficient use of relevant data/examples, limited application of theory and tools from the course. This grade typically represents that the group "filled in the blanks" on established concepts and models/theories, without attempting to conduct any of their own analysis. Somewhat effective delivery of the presentation and engagement with the audience.</p>	<p><u>"Poor" can look like this:</u> The group case study report, recorded video, the opposition report, live presentation <u>are</u> either not produced, or submitted on time, or don't meet the mandatory requirements Failure to demonstrate an adequate understanding of the case, theories, and concepts in the group case study report and group case study presentation. Inadequate use of examples. Poor delivery of the group presentation. Lack of co-ordination. Unclear message. Ineffective time management.</p>



“How would you describe the business model of Zara? Use the business model triangle to describe how value is created, captured and delivered. Suggest how the business model could be improved. *For inspiration, please feel free to refer to the Zara case on page 156 in your course books*”

**Discuss** with you neighbour how you would address this question and write down your key bullet points. What could an excellent answer look like?

10 min

# Poor Answer

*Lots of “empty” sentences that bring no value. More text does not make it better.*

“Zara is a fast fashion retailer. Many consider them their favourite brand. They could become more sustainable to improve. They should also introduce gender perspective to improve. I think they have matrix structure.”

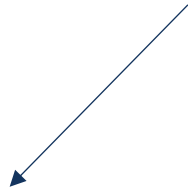
*Repeating the question without answering.*

*Irrelevant to the question. Can only be beneficial if it is used ON TOP and BUILDING ON expected answer.*

“How would you describe the business model of Zara? Use the business model triangle to describe how value is created, captured and delivered. Suggest way(s) to improve the business model”

## Poor Answer

*“Empty” sentence*



“Zara is a fast fashion retailer that has achieved competitive advantage. Digital technologies enable Zara to engage in e-commerce.”



*Speaks about value capture – something relevant to the task. But fails to sufficiently address the question – MOST other parts of the question (other BM elements and suggestions for improvement) are missing.*

*Might get some few points below passing level.*

“How would you describe the business model of Zara? Use the business model triangle to describe how value is created, captured and delivered. Suggest way(s) to improve the business model”



## Fair Answer

“Zara is a fast fashion retailer. Its target audience are younger individuals. Zara creates value through the clothes it sells. The clothes are delivered through retail stores. Value is delivered through item sales (*Note: confused terminology but shows understanding*). Digital technologies could help Zara reduce costs.”

*Question is addressed - all 4 elements of business model are mentioned and explained, suggestion to improve is given.*

*No flaws but a shallow (“fills in the blanks”). Some minor confusion (e.g., concept names are mixed up, some elements are not well explained or missing) or thin examples.*

“How would you describe the business model of Zara? Use the business model triangle to describe how value is created, captured and delivered. Suggest way(s) to improve the business model”

## Good Answer

“Zara is a fast fashion retailer. Its target audience are younger individuals. Zara creates value through the clothes it sells. The clothes are delivered through retail stores. Value is captured through item sales. Digital technologies could help Zara develop faster product development routines **by, for example, reducing communication and employee coordination costs.**”

*No confusion or ambiguities, like in Fair. More clear explanation, for instance via clear example. Line between Fair and Good is thin, you can make it here!*

“How would you describe the business model of Zara? Use the business model triangle to **describe how value is created, captured and delivered.** Suggest way(s) to **improve the business model**”

# Excellent Answer

“Zara is a fast fashion retailer. Its target audience are younger individuals. Zara creates value through the clothes it sells. **What sets Zara apart from the competition is that unlike most of its competitors it does not outsource production to low-cost developing countries. Instead, Zara can deliver the value (clothes) faster because of closer geographic positioning to its markets.** The clothes are delivered through retail stores. Value is captured through clothing item sales. Digital technologies could help Zara develop faster product development routines by, for example, reducing communication and co-ordination transaction costs. **Circularity perspective could be added. “Recycle” principle - introducing collection of used items in stores, recycling and reusing for newer collections. Alternatively, “reuse” – sorting and selling as second hand**”

*Builds on good by showing deeper understanding. For example, via detailed/“personal” examples/explanations. Or, via showing that you know how course theory is related and builds on each other, such as by comparing different solutions or by bringing in adjacent insights – here, circular business model perspective would be relevant.*

“How would you describe the business model of Zara? Use the business model triangle to **describe how value is created, captured and delivered.** Suggest way(s) to **improve the business model**”

# Exam questions

- Two types: general (What is concept X?) and conditional (Imagine the following context... What would you do as a manager?)
- To succeed always need to show understanding of theory + application on practice – a) answer b) explanation (shows understanding of theory) and c) example (shows application on practice)
- For more details how to get a high grade – check grading criteria.
- Topics for exam to prioritize: **check official course intended learning outcomes**



# Exam grading criteria

Assessment Criteria Include	Excellent (5 points)	Good (4 points)	Fair (3 points)	Poor (0-2 points)
<ul style="list-style-type: none"><li>- Strength and clarity of argumentation in answering the question</li><li>- Appropriate usage of theoretical concepts</li><li>- Employing facts and examples to substantiate claims</li></ul>	<p><u>For example:</u> Builds on “good” by showing deep and broad understanding of the concepts, models, and theories in the development of a reflective answer. Multiple approaches are considered and compared. Elements of originality.</p>	<p><u>For example:</u> Builds on “fair” by displaying good understanding of the main ideas related to the question. All concepts/models/theories are applied appropriately. Examples are appropriately used to substantiate claims.</p>	<p><u>For example:</u> Builds on “poor” by demonstrating fair ability to explain and discuss concepts related to the question. There are no major errors of understanding. However, argumentation could be clearer and/or be better supported by examples.</p>	<p><u>For example:</u> The answer does not address the question or demonstrate sufficient understanding. The student may be mentioning concepts inappropriately, uses irrelevant examples, fails to support the claims which they make.</p>



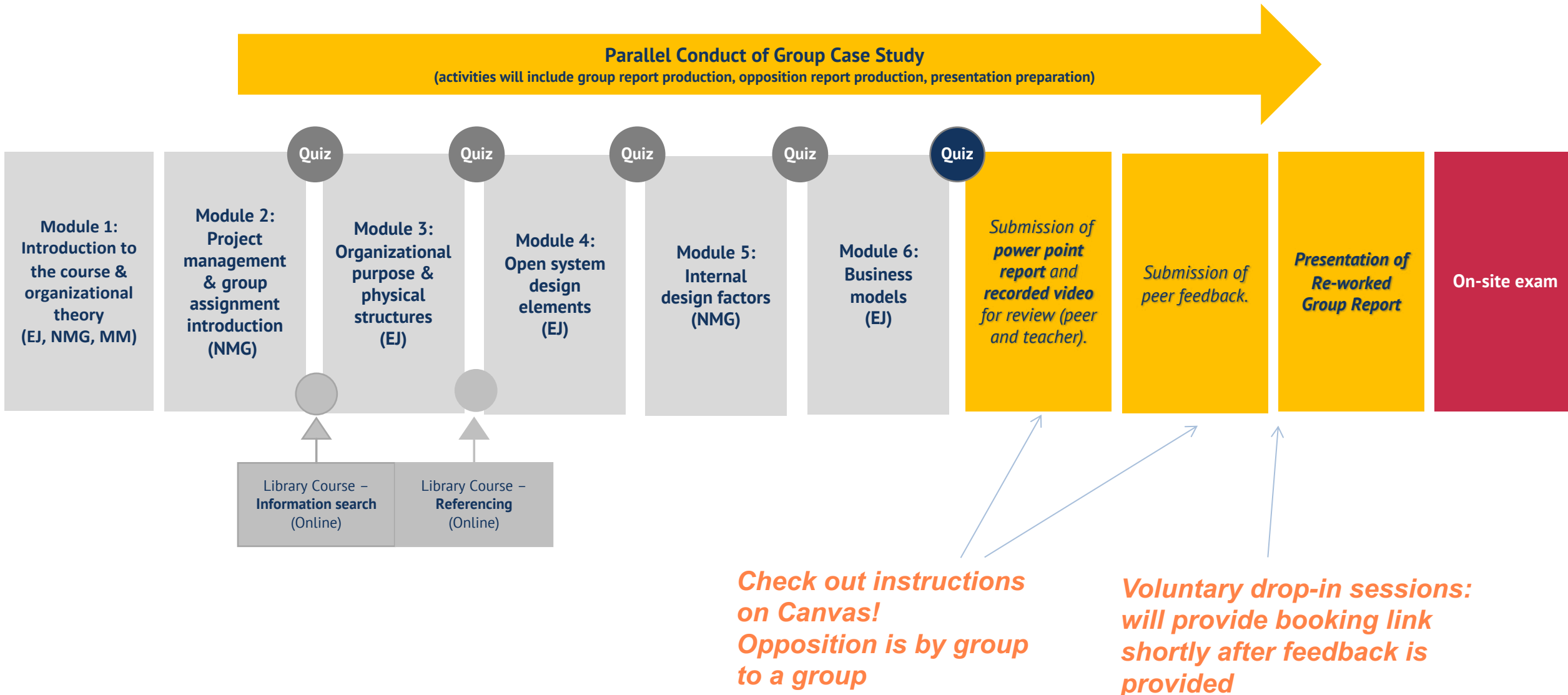
You are operating a large business that produces TVs and personal computers. You currently have functional structure with rigid rules. That helped to keep costs down, but your products were on the lower end of the market. Now you aim to become more innovative and want to change your structure.

**What structural changes would you make? Explain your decision. Provide examples.**

**Individual task:** What could an excellent answer look like? Slido #9281574

10 min

# Course outline: Next up



# Drop-in sessions

- After you submit the report, you will receive teacher and peer feedback
- If you need more explanation on teacher feedback you can book drop-in session
- It is voluntary!
- The whole group does not need to be present
- Each group may only sign up for 1 session, 15 min slots
- **Important: You book the session with the teacher that gave you initial feedback!**
- Teacher's office (depending on timeslot) Elizaveta A3206, Nerine A3212
- **Please provide your group number when booking a slot!**



# Student feedback

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Mid-course poll

## E0009N Mid-term poll



Please answer these **3 questions** to help us improve the course!

**Thank you very much!** 😊

<https://forms.office.com/e/Bdx0SPLX88>



**Regarding questions on this module  
please contact:**

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