

**DEMOS**  
**HELSINKI** ✓

Strategy workshop

14 April 2016

How to make a  
'business model'  
work for us?

# What is a business model?

- 1. Descriptive view.** Transactional structure that describes a firm's exchanges with different stakeholders
- 2. Instrumental view.** Device for shaping how a firm creates and captures value; a tool for designing the firm
- 3. Performative view.** Narrative and typification that provides legitimation and recipes for action

*Adapted from Perkmann and Spicer (2010)*

In business, we need tools that help us make better business (Approach 2).

But, we should acknowledge that 'business model' is not a simple tool like a hammer (Approach 3) – organizational change is not a matter of simple engineering!

**First,** answer in *singular*

How does Demos Helsinki create value for customers?

How does Demos Helsinki capture the value it creates?

**Second,** use any applicable  
business modelling tool to  
build a suitably  
sophisticated model.

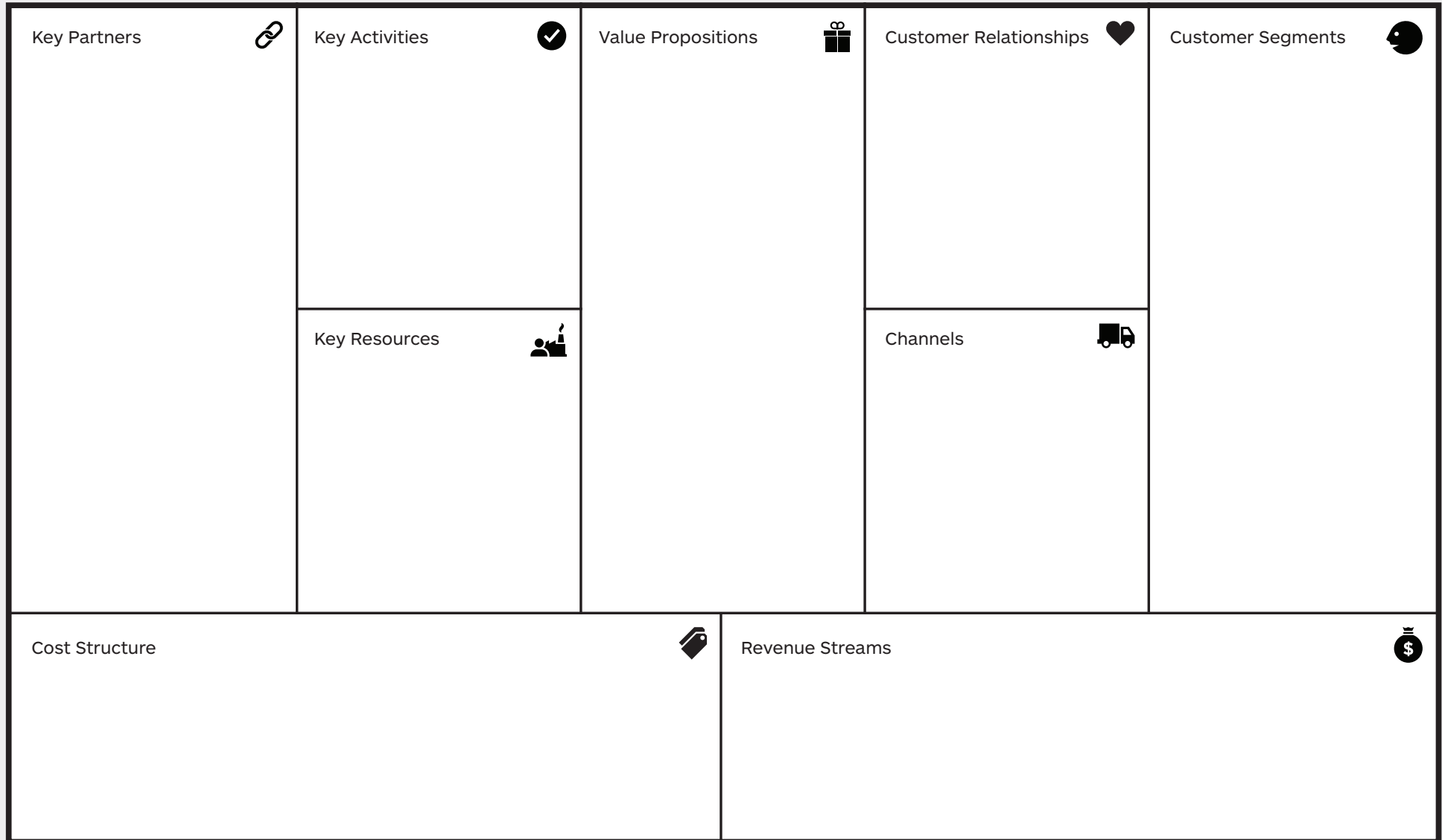
# The Business Model Canvas

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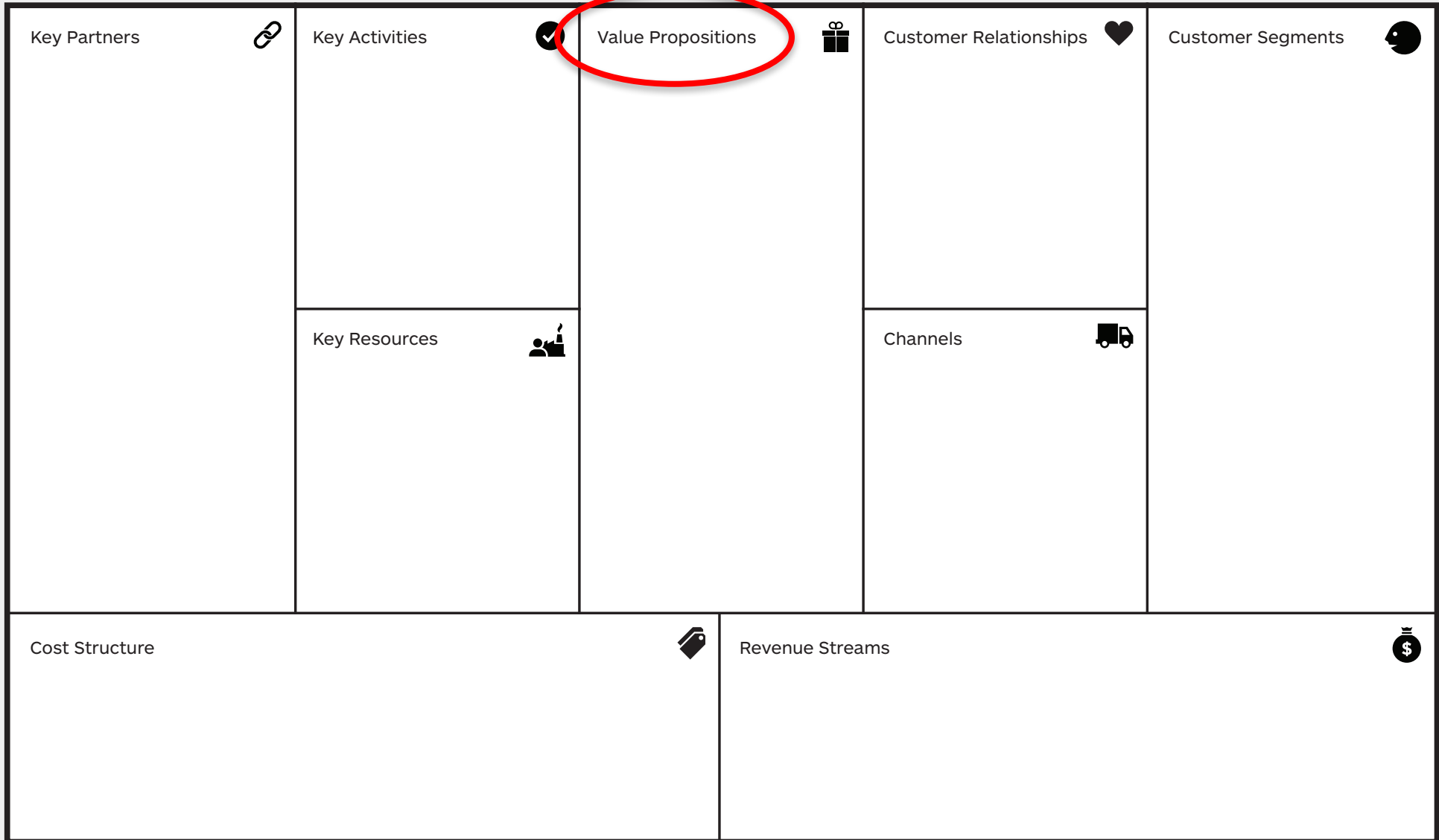
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# We cannot 'deliver' value!

1. Value is never embedded in a product or capacity to provide a service. **Value can only happen in use.**
2. Cocreating value with customers may entail manufacturing goods and providing services, but these activities alone do not entail value.
3. **We can only 'deliver' value propositions.**

*Vargo and Lusch (2004; 2008), Grönroos (2011)*

- 1. It is no a PR exercise.** Impression management may be part of the business, but business modelling is not about looking good.
- 2. Be brutally honest.** If you (as a person or organization) don't want to explicate how the organization really works, you cannot do business modelling.
- 3. Can I have many business models?** Then your business model is shifting between business models...