

An Examination of Barriers to Business Model Innovation

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Hochschule Konstanz
Technik, Wirtschaft und Gestaltung

DEFINITIONS

Business Model (BM)

Logic of a firm on how to create, deliver and capture value
Systematic perspective on organisations

Business Model Innovation (BMI)

Any change in the creation of value
BM design / BM reconfiguration

Barriers to BMI

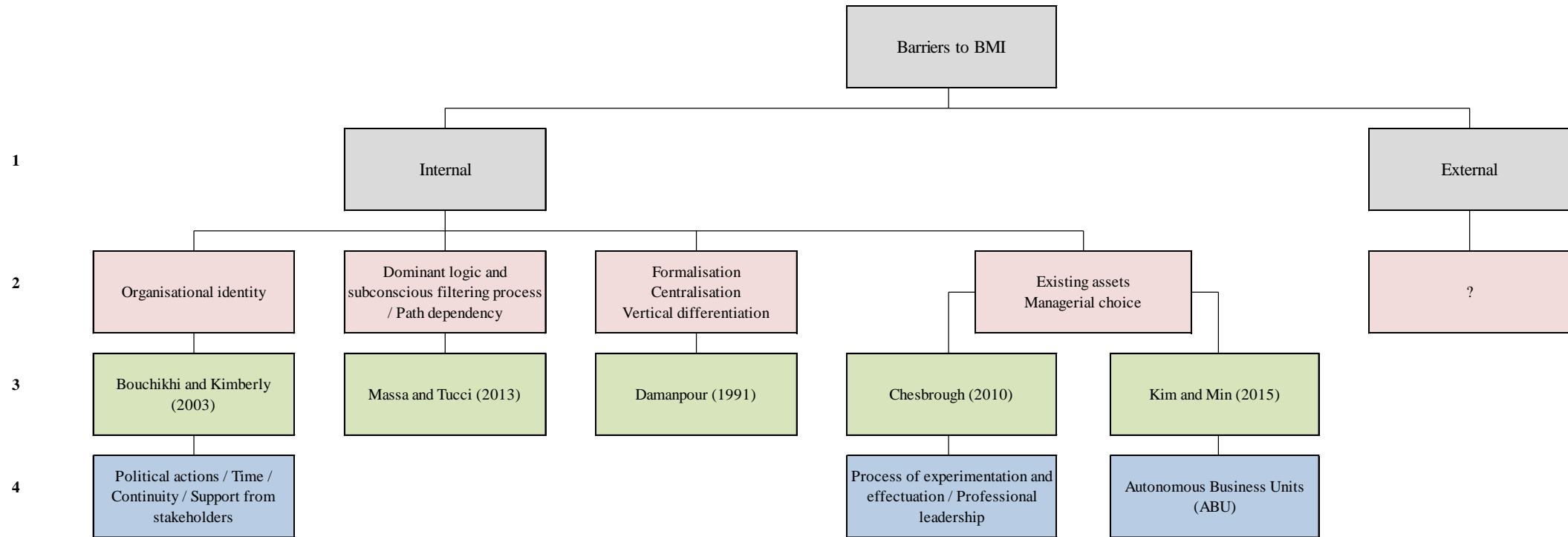
Destructive impacts

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Internal Barriers
External Barriers



LITERATURE REVIEW



RESEARCH QUESTION

- Q1: What are the internal and external barriers that prevent incumbent firms from innovating their business models?
- Q2: What are the mechanisms that incumbent firms could potentially deploy to overcome the internal and external barriers to business model innovation?



METHODOLOGY

Explorative & Qualitative
Research Approach

Single-Case Study
German SME

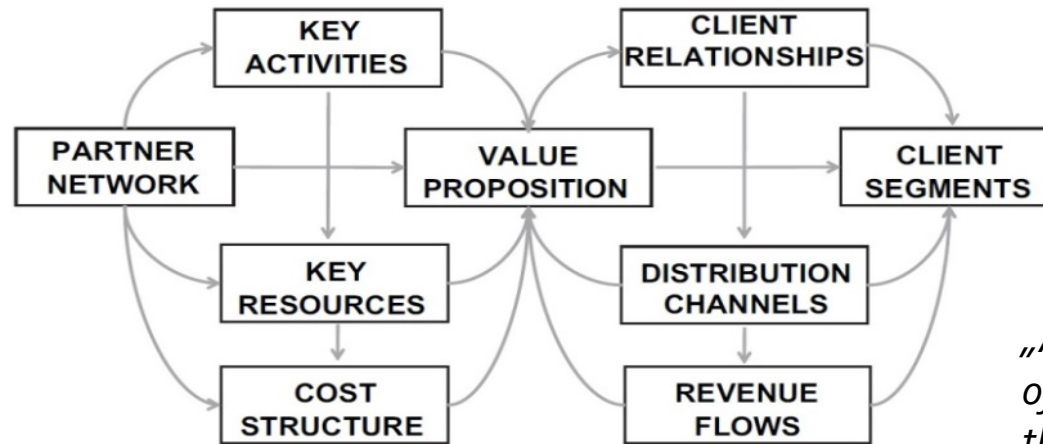
Semi structured interviews
and observation

Business Model Canvas
(Osterwalder et al, 2010)



METHODOLOGY

Business Model Canvas



*„Any change in one or more of the nine building blocks of the BMC is a BMI“
(37 BMIs in 30 years)*

Nine point decomposition of a Business Model, Chesbrough, (2010, p.359)



Internal barriers

Managerial choice (*Chesbrough, 2010; Kim and Min, 2015*)

Lack of trust between senior management and external partners

Lack of courage from senior management to initiate changes in the BM

Organisational identity (*Bouchikhi & Kimberly, 2003*)

Not invented here syndrome

Following a dominant logic (*Massa and Tucci, 2013*)

Perception by customers that the company provides customized products
(locked-in effect)

Existing assets (*Chesbrough, 2010; Kim and Min, 2015*)

Lack of internal resources (employee and production capacity)

Lack of networks



RESULTS / DISCUSSION

External barriers

Geographic level

- Language and Culture
- Legal frameworks

Stakeholder level

- Not finding right partners

- Quality requirements that can not be met

- Misfit between the innovation developed by the company and the requirement of the customers leading to a rejection



Solution Approaches

Organisational learning mechanisms

Development of an open network capability



Conclusion

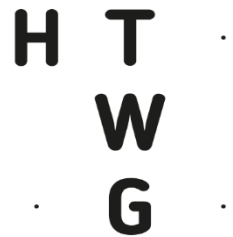
Different types of barriers can put pressure on business model innovation.

We distinguish between internal and **external** barriers to business model innovation and recommend this distinction in future research too.

A corporate culture of change and open learning processes is recommended as a breeding ground for business model innovation.



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