

Index

- 3M, 90, 91
914 dry copier, 10–11
- agency, stakeholders, 41–42
agriculture insurance schemes, 215–216
- AI. *See* artificial intelligence (AI)
- Akerlof, G., 241
- Alessi, recombinant strategy of, 36–37
- Alvarez, S. A., 29
- Amazon Marketplace, 128–129, 147
- Ambos, T. C., 153
- Amit, R., 8, 154
- analogical reasoning, 33–35, 44, 45
conceptual combination *vs.*, 36
- Anaya, K. L., 179
- Andries, P., 156
- Apple iOS, 118–119, 124
- Apple iPhone, 115, 117, 118–119
- Apple Maps, 123
- Aravind Eye Hospital, 203–205
- ArcelorMittal, 182
- artificial intelligence (AI), 92–93, 95–96, 245, 262
application of, 93–94
automation-augmentation paradox, 94–95
descriptive, 93
diagnostic, 93
machine learning, 93
predictive, 93
prescriptive, 93
- Aspire, 210
- assimilation process, schemas, 33
- augmentation, 94–95
- automation, 82, 94–95
- Baden-Fuller, C., 27
- balanced scorecard, 68
- Barclays, full integration strategy, 60
- Barnett, W. P., 38, 39
- Barney, J. B., 29
- Battilana, J., 210
- BBVA, 90
- bicycle, development of, 31
- Bingham, C. B., 32
- biodiversity, 180–185
- Birkinshaw, J., 153
- Blockbuster, 14–16
- BMCS. *See* business model coherence scorecard (BMCS)
- Bombe, 259
- bond trading, 54–55, 128
- Brandenburger, A., 40
- Busicom, 63
- business model(s), 1, 2, 3–4, 45
4Vs of, 5–6
business strategy, tactics *vs.*, 6–7
cognitive aspects, 27
coherence. *See* business model coherence scorecard (BMCS)
components of, 5–6
definition, 4
objective, 6
subjective, 6
design
implications, 241–245
parameters, 4
state capitalism and, 264–270
disruptive, 3–4
dual, 58–62
financialisation of US corporations, 269–270
Industrial Revolution and, 250–252
First Industrial Revolution, 251
mass production and distribution, 252–257
Second Industrial Revolution, 251
as market devices, 27
value perspective, 4–5

- business model coherence scorecard (BMCS), 17, 67–73, 91
- business model innovations, 1–2, 3
 - analogical reasoning, 33–35, 44
 - challenges, 9–10
 - cognitive, 10–13
 - reconfiguration, 13–18
 - conceptual combinations, 35–37, 44
 - COVID-19 pandemic and, 262–264
 - dominant logic, 43, 44–45
 - meaning of products/services,
 - changing, 31–33
 - and performance, 7–9
 - and survival of new firms, 8–9
 - vertically integrated firm, 254–259
- business strategy, 6–7
- Cafédirect, 187–188
- Cambridge capital controversy, 273–274
- Cambridge Display Technology (CDT), 150–152
- carbon capture, utilisation and storage (CCUS), 177
- casinos as legitimate business, 29
- Caterpillar, 243
- CCUS. *See* carbon capture, utilisation and storage (CCUS)
- CDOs. *See* collateralised debt obligations (CDOs)
- CDT. *See* Cambridge Display Technology (CDT)
- Cemex, 87
- Chandler, A., 1, 73, 251, 257, 274
- Charitou, C. D., 59
- Charles Schwab, phased integration strategy, 61
- Chen, Y., 121
- Cimber, 149
- circular business models, 169–176
- circular economy, 170–171
 - closed-loop value chain, 173–174
 - principles of, 171
 - Ricoh, 174
 - of Rohner, 171–173
 - sustainable business models for, 167–169
 - value creation for, 171
- Cisco, digital platform in, 127
- cloud platform, 127
- Coase, R. H., 85
- cognitive framework, 10–13, 18
- cognitive legitimacy, 42
- collateralised debt obligations (CDOs), 231, 233
- Colossus, 260
- competition
 - information-technology-driven, 82–83
 - logics of, 37–40, 45
- competitive advantage, 83, 88, 111, 142
- complex products and systems (CoPS), 143
- conceptual combinations, 35–37, 44, 45
- conduct risk, 229–230, 245
 - business model design and, 246–247
 - financial misconduct, 241–243
 - issue management, 245–246
 - Lehman Brothers, 229, 235–240, 241
- conflicts of interest, 230
 - business models and, 235–241
 - with information asymmetry, 243
 - subprime mortgage supply chain, 230–235
- constructive agency, 42
- COP. *See* customer order point (COP)
- CoPS. *See* complex products and systems (CoPS)
- credit-rating agencies, 232–233
- cryptography, 100–101
- customer detriment, 229, 231, 243, 246
- customer order point (COP), 142
- customer value propositions. *See* value propositions
- Cusumano, M. A., 175
- data, 92–96
- data labelling, 93
- deconstruction process, schemas, 33
- deductive *vs.* inductive reasoning, 43–44
- deep learning, 93
- descriptive AI, 93
- diagnostic AI, 93
- differentiation strategy, 8, 73
- digital computers, 259–262
- digital economy, 3, 92, 120, 122, 258, 269
- digital mindset, 102–103
- digital photography, 11–12

- digital platforms, 112
 - boundaries, 120
 - business model adoption in
 - Cisco, 127
 - LEGO, 126
 - Volvo Cars, 124–126
 - business-to-business platforms, 119–120
 - centralised governance, 121–122
 - challenges, 132
 - cloud platform, 127
 - coopetition-based platform, 127–129
 - demand-side network
 - externalities, 114
 - design engineering literature, 114–115
 - economics literature on, 114
 - ecosystem platform governance, 120–124
 - envelopment, 124
 - evolution of, 133
 - generativity, 116–118
 - horizontal and vertical integration, 118–120, 124
 - hybrid, 115
 - innovation platforms, 115
 - Internet of Things, 127
 - issues, 112
 - LMA, 116, 118
 - MindSphere (Siemens platform), 119
 - multi-sided, 115
 - opportunities and challenges in
 - transitioning to, 124–129
 - Philips HealthSuite, 112
 - Predix (General Electric (GE) platform), 119
 - quality maintaining, 134
 - reprogrammability, 116
 - resource liquification, 116
 - sharing-economy business models, 129–132
 - societal and welfare implications of, 133–134
 - theory of, 116–120
 - transaction platforms, 115, 116, 120
 - types, 113–116
 - value capturing, 112, 115, 118–119, 127
 - conventional wisdom, 122
 - value creation, 112, 118–119, 122, 127
 - value propositions and, 116–118
- digital technologies, 80–81, 262, 263
 - adoption and corporate strategy, 88–90
 - advantages of, 81
 - AI, 92–96
 - CDT, 150–152
 - data, 92–96
 - evolution of, 82–84
 - family ownership and, 147
 - IDT, 144–146
 - incentive structures, 91
 - information flow, effects on, 87–88
 - and mass customisation, 258–259
 - Metalysis, 152–153
 - ontological reality, 85
 - organisation activities and tasks, effects on, 86–88
 - piecemeal syndrome, 90–91
 - quantum technologies, 96–97
 - entanglement principle, 97, 99–100
 - properties of, 97
 - superposition, 97–99
 - uncertainty principle, 97, 100–101
 - resource liquification, 84–85, 87, 92
 - science-based start-up firms, 139, 149–154
 - among SMEs, 138, 144–146, 157–158
 - theory of, 84–88
 - Von Neumann architecture of, 84
- digital transformation, 81, 144, 145, 158
 - challenges, 82–84
 - characteristics of firms with, 88
 - measuring and managing using
 - multifaceted approach, 91–92
 - Realizing the Full Potential of Digital Transformation (Conference Board report), 88–92
- digitalisation, 81, 94, 126
 - lack of, among SMEs, 145
- digitisation, 81, 82
- direct meta-competition, 38
- Doganova, L., 27
- dominant logic, 43, 44–45, 261
- Dorado, S., 210
- Drazin, R., 17

- dual business model, 58–62
- Dunkle, D., 91
- East India Company (EIC), 264–268, 271–272
- EDVAC, 260
- efficiency-centred business model, 8
- EIC. *See* East India Company (EIC)
- Eisenhardt, K. M., 64, 155
- electrical-energy storage (EES)
 - market, 179
- ENIAC machine, 259
- enterprise resource planning (ERP), 138
- Eyquem-Renault, M., 27
- Facebook, 115
- family-owned SMEs, 146–149, 158
- Farmers' Fertiliser Cooperative, 215–216
- Feynman, R., 96
 - quantum computer, 96–97
- financial management, 43
 - balanced scorecard, 68
 - profitability reporting, 68–69
- First Industrial Revolution, 251
- Fiverr, 131–132
- free market, technological change in, 1
- frugal innovation, 218–219, 223–224
- functional diversity, 181
- Gawer, A., 113, 120
- GDFL. *See* Grameen Danone Foods Ltd (GDFL)
- General Electric (GE)
 - digital platform in, 119
 - leasing and services of, 270–271
- general-purpose technologies (GPT), 80, 82, 92, 150
- GFC. *See* global financial crisis (GFC)
- ghost imaging, 99
- global financial crisis (GFC), 229, 241
- Go (British Airways low-cost airline), 58–59
- Google, 133, 155
- Google Android, 118–119, 124
- Google Maps, 123
- GPT. *See* general-purpose technologies (GPT)
- Grameen and Telenor partnership (Grameen Phone & Grameen Telecom), 207–208
- Grameen Danone Foods Ltd (GDFL), 205–206
- green growth model, 191, 192
- green technologies, 188, 190
- greenhouse-gas emissions, 167
- Gupta, S., 221
- Gurbaxani, V., 91
- HARITA. *See* Horn of Africa Risk Transfer for Adaptation (HARITA)
- Hertz, 13–14
- HK policy. *See* Hoshin Kanri (HK) policy
- Horn of Africa Risk Transfer for Adaptation (HARITA), 217
- Hoshin Kanri (HK) policy, 64–65
- Humphreys, A., 29
- IBM, PC development, 61–62
- IDT. *See* industrial digital technologies (IDT)
- inbound open innovation, 213
- incentives and metrics, 62–65
- incumbent firms, 9, 10, 126, 127
 - Hertz, 13–14
 - in-house scientific labs in, 149–150
 - science-based start-up firms. *See* science-based start-up firms
 - Zipcar, 13–14
- indirect meta-competition, 38
- industrial digital technologies (IDT), 144–146
- information asymmetry, 230, 240, 241
 - conflicts of interest with, 243
 - subprime mortgage supply chain, 230–235
- information technologies, 88
- information-technology-driven competition, 82–83
- innovation ecosystem, 113–114
- innovation platforms, 115
- innovation readiness level (IRL), 65–67
- institutional voids, 206, 222
- insurance industry, 29–30
 - schemas, 32–33
- Integrated Reporting Framework (IRF), 183

Index

285

- integration strategy
 - full, 60
 - phased, 61
- Intel microprocessor, 62–64, 121
- interactive agency, 42
- Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), 182
- Internet, 82, 261, 262
 - quantum-enabled, 101
 - sharing material goods through, 129
- Internet of Things, 127
- IPBES. *See* Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)
- IRF. *See* Integrated Reporting Framework (IRF)
- IRL. *See* innovation readiness level (IRL)
- Jacobides, M. G., 120
- Jiang, F., 130
- “just-in-case” principles, 263
- Kahl, S. J., 32
- KBSE. *See* knowledge-based sharing economy (KBSE)
- Khan Academy, 131
- knowledge-based sharing economy (KBSE), 131
- Kodak, 11, 51
- Krakowski, S., 94
- labour-based sharing economy (LBSE), 131–132
- Langlois, R. N., 257
- “last look” practice, 103
- layered modular architecture (LMA), 116, 118
- LBSE. *See* labour-based sharing economy (LBSE)
- leadership
 - challenges, 16–17
 - charismatic style, 74
 - decision-making, 54–58, 74
 - for organisational adaptability, 52–53
 - radical business model, 54–56
 - resource fluidity, 54
 - rewards system of leaders, 74–75
 - sensing, seizing, transforming abilities, 53
 - strategic agility, 53–54
 - strategic discontinuity management, capabilities to, 53–54
 - strategic focus within defined framework, 56
 - Corning, 57–58
 - GE Medical Systems (GEMS), 56–57
 - Motorola, 57
 - style for dealing with uncertainty and preferences, 74
 - theory of, 52–54
 - unity, 54
- LEGO, digital platform in, 126
- Lehman Brothers, 229, 235–240, 241
- Levinthal, D. A., 257
- Li, L., 146
- life insurance industry, 29–30
- LMA. *See* layered modular architecture (LMA)
- Lockheed Martin, 65–66
- Lyonnaise des Eaux, 183–185
- machine learning, 93, 245, 262
- Made Smarter Review, 144, 145
- made-to-order (MTO) model, 140–142
- made-to-print (MTP) model, 143–144
- made-to-stock (MTS) model, 140–142
- “make-and-sell” business model, 83
- management information systems (MIS), 68
- Mangematin, V., 27
- Manufacturing Extension Partnership (MEP) programme, 144
- Map Agro and Waste Concern, 208–210
- March, J. G., 257
- market(s), 28, 45
 - boundary, reconstruction of, 26–27
 - discovery and creation process, 28–29
 - factors for development, 28
 - failures, 183, 188, 193, 203, 214–219
 - reconstruction of, 45
 - religious views and spirituality effects on, 29–30
 - as social process, 29
 - structure, schema–resource pairing, 40–41

- market creation, 45, 149
 - agency, stakeholders, 41–42
 - analogical reasoning, 33–35, 44
 - competition, logics of, 37–40
 - competitive strategy and, 40
 - conceptual combinations, 35–37, 44
 - cultural, social and legal framework, 41
 - decision-making processes, 47
 - deductive *vs.* inductive reasoning, 43–44
 - dominant logic, 43, 44–45
 - legitimacy as accepted norms, 42–43, 46
 - meaning of products/services, changing, 31–33
 - meta-competition, 37, 38–39
 - recombinant strategy, 36–37
 - schemas. *See* schemas
 - senior management role in, 46–47
 - theory of, 27–31
- Markides, C., 59
- Marx, K., 271, 272
- mass customisation, 258–259
- mass-production techniques, 252–257
- MBS. *See* mortgage-backed securities (MBS)
- McCarthy, J., 92
- McDonald, R. M., 155
- MDGs. *See* Millennium Development Goals (MDGs)
- MEP programme. *See* Manufacturing Extension Partnership (MEP) programme
- meta-competition, 37, 38–39, 45, 46
- Metallurgy, 148
- Metalysis, 152–153
- methane emissions, 185–186
- Metro*, 3
- Millennium Development Goals (MDGs), 165–166
- MindSphere (Siemens platform), 119
- Moovel, 174
- mortgage-backed securities (MBS), 231, 233, 234
- MTO model. *See* made-to-order (MTO) model
- MTP model. *See* made-to-print (MTP) model
- MTS model. *See* made-to-stock (MTS) model
- mundane transaction costs, 86
- music distribution business, meta-competition in, 38–39
- Nestle, full separation strategy, 59–60
- Netflix, 14–16
- noisy intermediate-scale quantum (NISQ) computers, 98
- Nokia, 16–17
- non-contractability, 86
- novelty-centred business model, 8
- Open Banking, 245–246
- open innovation, 212
 - challenges in, 214
 - of government for public needs, 213
 - inbound, 213
 - outbound, 213
 - of P&G, 212–213
 - for social purposes, 213–214
- OpenMRS, 214
- option adjustable-rate mortgages (option ARMs), 231–232
- organisational design, 14–16, 18, 246
 - decision-making, 54–58
 - dual business model, 58
 - HK policy, 64–65
 - incentives and metrics, 62–65
 - information technology to, 261–262
 - strategy as simple rules, 64
 - tools and frameworks, 65–73
- outbound open innovation, 213
- outcome-oriented business model, 176
- P&G, open innovation of, 212–213
- pay-per-use business model, 83, 169, 175
- Philips, 111–112
 - HealthSuite, 112
- piecemeal syndrome, 90–91
- platform, 113–114
- platform-based business model. *See* digital platforms
- PNSE. *See* product-based sharing economy (PNSE)
- Polaroid Corporation, 11–12
- Pollitt, M. G., 179
- Poshmark, 131
- predictive AI, 93

Index

287

- Predix (General Electric (GE) platform), 119
- prescriptive AI, 93
- product-based sharing economy (PNSE), 131
- productivity growth, 2–3
- productivity paradox, 2
- product-oriented business model, 176
- product-related services, 175
- product–service systems (PSS), 174–176
- profit, 272–273
- profitability reporting, 68–69
- PSS. *See* product–service systems (PSS)
- quantum computer, 96–99, 100, 101
- quantum key distribution (QKD), 100
- quantum superposition, 97–99
- quantum technologies, 96–97
 - communications, 100–101
 - computing and simulation, 97–99
 - entanglement principle, 97, 99–100
 - properties of, 97
 - sensing and imaging, 99–100
 - superposition, 97–99
 - uncertainty principle, 97, 100–101
- quantum teleportation, 101
- quantum-enabled Internet, 101
- radical business model, 54–56, 75
- radical direct trading model, 55–56
- Raisch, S., 94
- Rajan, R., 273
- rate of return on capital, 273–274
- razor and blade business model, 12
- RBSE. *See* rental-based sharing economy (RBSE)
- Real Audio (RealNetworks streaming service), 124
- recombinant strategy, 36–37
- reconfiguration challenge, 13–18
- “Red Queen” effect, 37, 38
- reinforcement learning, 93
- rental-based sharing economy (RBSE), 131
- resource liquification, 84–85, 87, 92
- resources, 40–41
- response diversity, 181
- Reuters Market Light (RML), 218
- revenue and cost coherence
 - analysis report, 72
- Ricoh, 174
- RML. *See* Reuters Market Light (RML)
- Robinson, J., 1
- Rolls-Royce, 83, 243–244
- Scania, 83–84
- schemas, 32–33, 35, 36, 40–41, 44, 47
- Schumpeter, J., 1
- science-based start-up firms, 139, 158–159
 - early-stage, 149–154
 - venture archetypes, 153–154
- scientific management system, 254
- SDGs. *See* Sustainable Development Goals (SDGs)
- Second Industrial Revolution, 251
- SELCO, 218–219
- senior management, 10, 17, 46, 75, 158
 - decision-making, 54–58
 - market creation, role in, 46–47
 - procedural rationality and politics, 55
 - radical direct trading business model, 55–56
- Senior Managers’ Certification Regime (SMCR), 242
- “sense-and-act” business model, 83
- separation strategy
 - full, 59–60
 - phased, 60–61
- servitisation, 83, 243–244
- sharing-economy business models, 129–132
- Siemens, digital platform in, 119
- Simon, H. A., 257, 261
- small- and medium-sized enterprises (SMEs), 138–139, 156–157, 263
 - competitive position and performance, 142–143
- CoPS, 143
- digital technologies among, 138, 144–146, 157–158
- digitalisation among, lack of, 145
- family-owned, 146–149, 158
- IDT among, 144–146
- IDT pilot programmes, 145
- internationalisation of, 146
- MTO model, 140–142
- MTS model, 140–142
- within supply chains, 140–144

- SMCR. *See* Senior Managers' Certification Regime (SMCR)
- SMEs. *See* small- and medium-sized enterprises (SMEs)
- Smith, A., 256, 257, 264, 271
- social business model
- agriculture, 214–215
 - Farmers' Fertiliser Cooperative, 215–216
 - HARITA, 217
 - insurance schemes, 215–216
 - RML, 218
 - Aravind Eye Hospital, 203–205
 - Aspire, 210
 - in deep poverty communities, challenges of, 206–207
 - designing, challenging aspects of, 220–221
 - frugal innovation, 218–219, 223–224
 - Grameen and Telenor partnership (Grameen Phone & Grameen Telecom), 207–208
 - Grameen Danone Foods Ltd (GDFL), 205–206
 - legal structures for, 211
 - management of, 211–212
 - Map Agro and Waste Concern, 208–210
 - microfinance organisations, 210
 - open-innovation-based, 212
 - challenges in, 214
 - of government for public needs, 213
 - inbound, 213
 - outbound, 213
 - P&G, 212–213
 - for social purposes, 213–214
 - and organisational design, aligning, 210–211
 - TAHMO, 222–223
 - vs.* other forms of business, 204–205
 - socio-economic development, business models for. *See* social business model
 - sociopolitical legitimacy, 42
 - solutions-based business models, 244
 - Starbucks business model, conceptual combination and, 35–36
 - start-up firms, 139
 - business model architecture, antecedents of, 154–155
 - business model design, 154–156
 - CDT, 150–152
 - market ambiguity and, 149
 - Metalysis, 152–153
 - parallel playing process, 155–156
 - science-based, 139, 149–154, 158–159
 - simultaneous experiments, 156
 - state capitalism, 268–269
 - East India Company (EIC), 268–269
 - strategic positioning, 8
 - strategic renewals, 58
 - strategy, 6–7, 40
 - differentiation, 8, 73
 - formulation, 73
 - as simple rules, 43, 64
 - subprime mortgage supply chain, 230–235
 - Sull, D. N., 64
 - supervised learning, 93
 - sustainable business models, 165–167, 194–195
 - aim of, 170
 - biodiversity and, 180–185
 - for circular economy, 167–169
 - closed-loop value chain, 173–174
 - degrowth economics, 191–192
 - energy transition, 178–180
 - government policy, 193
 - green growth model, 191, 192
 - methane abatement, 185–186
 - net zero, CO₂ to, 176–180
 - organisational grouping, 169
 - for reducing greenhouse-gas emissions, 167
 - Ricoh, 174
 - of Rohner, 171–173
 - social grouping, 169
 - technological grouping, 168–169
 - technology transition challenges, 188–191, 193–194
 - Sustainable Development Goals (SDGs), 165, 192, 202
 - Swiss watch, 31–32
 - Syngenta, 182
 - systems dynamics thinking, 69
 - systems thinking approach, 67–68, 183

Index

289

- T2C. *See* Travel to Change (T2C)
 tactical responses, 13–14, 18
 TAHMO. *See* Trans-African Hydro-Meteorological Observatory (TAHMO)
 Taobao, 123
 Tata Nano, 219
 Taylorist management approach, 254
 Telenor and Grameen partnership (Grameen Phone & Grameen Telecom), 207–208
 temporal agency, 42
 Tesco, phased separation strategy, 60–61
 Tesla development, analogical reasoning and, 34–35
 Thompson, J. D., 54, 74, 257
 transaction costs theory, 85–86
 transaction platforms, 115, 116, 120
 transaction-free zones, 86
 transactions, 86
 Trans-African Hydro-Meteorological Observatory (TAHMO), 222–223
 Travel to Change (T2C), 213–214
 Uber, 130, 133, 134
 AI and, 93–94
 UNFCCC, 167
 Unilever, 180
 unitisation process, schemas, 33
 unsupervised learning, 93
 US investments banks, leverage of, 240–241
 value capturing, 2, 4, 5, 6, 27, 46, 64, 80, 85, 90, 154, 257
 in digital platforms, 112, 115, 118–119, 122, 127
 value creation, 2, 4, 5, 6, 27, 46, 64, 72, 80, 85, 90, 92, 124, 154, 170, 210, 268
 for circular economy, 171
 in digital platforms, 112, 118–119, 122, 127
 value destruction, 170
 value propositions, 2, 3, 4, 5, 6, 8, 13, 14, 18, 54, 69, 72, 80, 81, 86, 88, 101, 154, 184
 Blockbuster, 15
 changing meaning of, 31–32
 digital platform generativity and, 116–118
 Hertz, 14
 Van de Ven, A., 17
 Velu, C., 8, 122
 VisionSpring, 220
 Vodafone, 87
 Volvo Cars, digital platform in, 124–126
 von Neumann, J., 260
 Waste Concern and Map Agro, 208–210
 watch market, 31–32
 WR Hambrecht + Co, 39
 Xerox, 10, 11, 12
 914 dry copier, 10–11
 Xerox PARC, 10, 11
 Yang, M., 176
 Zara, 141
 ZEBs. *See* zero-emission buses (ZEBs)
 zero-emission buses (ZEBs), 193–194
 Zipcar, 13–14, 131
 Zott, C., 8, 154