

BUSINESS MODEL DESIGN

(26E04300, 6cr)

SYLLABUS

Version (1.10.2019)

Instructor's contact information	Course information
Name Prof. Taija Turunen E-mail taija.turunen@aalto.fi Office BIZ, 2 nd floor Office Hours on request	Advanced Studies 19/20, period II Tuesday sessions 13-15.00 Thursday sessions 13-16.00 English MyCourses used as learning platform

1. OVERVIEW

The course introduces the concepts, tools, and principles of business model design, aligned with the theories of strategic management. The main emphasis will be on understanding how firm's unique resources and capabilities should serve as a basis on which business model can be designed.

In addition, throughout the course we will touch up upon the requirements set by the business environments, and the theories that explain how companies are creating and maintaining competitive advantage.

2. PREREQUISITES

No pre-requisites for IDBM students, for students from other subjects and schools JOIN-C7001 recommended.

3. LEARNING OUTCOMES

After the course, the participant should

- know the main concepts of business model design,
- be able to apply the most common frameworks and tools of business model design and

- have a basic understanding of how business models can be innovated.

The course modules with specific learning outcomes are as follows:

MODULE I: Business model as a concept

After this module students should be able to:

- Define business model as a concept
- Understand the components of a business model
- Describe and analyze different types of business model designs

MODULE II: Trending topics in the domain – the state-of-the art in business ecosystems and service business

After this module students should be able to:

- Understand how business models can impact the market environment and vice versa
- Learn to identify some possibilities of digitalization in business model design and innovation

MODULE III: Value creation and capture through business model design

After this module students should be able to:

- Understand the concept of value proposition
- Understand the use, importance and role of value proposition in business relationships
- Learn a method for systematic generation of value propositions

MODULE IV: Business model innovation

After this module students should be able to:

- Define what is business model innovation
- Recognize different types of innovation opportunities with business model design
- Create draft business models based on unique capabilities

MODULE V: Platform business models

After this module students should be able to:

- Understand the diversity in platform thinking: technological systems, multi-sided markets, and organizations
- Know the distinct challenges of platform business planning

4. ASSESSMENT, GRADING, EXAM FEEDBACK

Students must attend and display active participation in at least 80% of the lectures. They must also hand in the Pre- and Post- Assignment, 5 sets of learning diaries; pass the group assignment as well as the take home exam at the end of the course.

The final grade for the course is based on the grades for pre- and post-assignments (2x5 points), learning

diaries (5x5 points) and the grade for the written, take home exam (20 points) and on class participation (1-5 points). Group assignment will be evaluated pass/fail.

Grading

Grade	Points
0	0-32
1	33-37
2	38-42
3	43-48
4	49-53
5	54-60

In order to pass the exam, one needs 10 points.

5. ASSIGNMENTS

The course will combine small group and individual assignments. The individual assignments include:

Pre- Assignment (NOTE: DUE 29.10.2018 13.00 –BEFORE THE FIRST LECTURE)

Based on your previous studies and experience, draft a mind map around the concept of business model. What do you think it consist of? What are the key elements? How are these elements connected? Do you have experience of what kinds of business models exist?

The result should be an honest description of the current state of your knowledge on business models. The end result should be visual map, but this map can be complemented with text if you wish so. Some instructions on how to draw a mind map can be found from:

https://en.wikipedia.org/wiki/Mind_map

The intention of this exercise is to get an overview of where we are, what do we know and what information is still missing. This assignment will not be evaluated based on the extensity of your knowledge, but on your ability to identify your current knowledge.

Learning diaries (I-V):

For each session, we will have pre-readings that are compulsory to read. These readings are selected to support each of the learning modules.

After you have read the texts, generate a short (1-2 pages) summary of what you learned. What was the key message in the readings? How did it relate to what you already knew? Did it change some of your thinking? Did you “unlearn” something? Does it relate to some of your experience on business models?

In addition, you should upgrade and remodel your mind map accordingly and include that to your essay.

Group Assignment I

- Instructions are given during the first lectures

Post- Assignment: **(NOTE: DUE AFTER THE COURSE)**

Compare the mind map that you created at the beginning of the class to the one that you updated at the end of the course. According to visual comparison, what did you learn during the course? Did your perception of business models change? How? Why? Did you change your opinion on something? Was there a specific reading that you found crucial for you learning?

The intention is to create a summary of your individual learning outcomes. This assignment (once again) will not be evaluated based on the breadth or depth of your knowledge, but based on your individual journey of learning and your ability to demonstrate this both visually and in essay format. Therefore, include also the first and the last mind map to the essay.

6. READINGS

Readings and other course material will be distributed via MyCourses.

7. PRELIMINARY SCHEDULE

Session	Date	Mandatory readings	Optional readings	Assignment Due Date
Before the course		Ovans, A. (2015). What is a business model? <i>Harvard Business Review</i> , 23.	-	Pre-Assignment DL 29.10.2018 13.00 (before the first lecture)
Lecture I: Business Model as concept + Introduction and practicalities.	29.10	Magretta, J. (2002). Why business models matter. <i>Harvard Business Review</i> . Video: http://ecorner.stanford.edu/videos/2875/Tools-for-Business-Model-Generation-Entire-Talk	Baden-Fuller, C., & Morgan, M. S. (2010). Business models as models. <i>Long range planning</i> , 43(2), 156-171.	
Workshop I: Recognizing business model differences	31.10	Massa, L., Tucci, C., & Afuah, A. (2016). A critical assessment of business model	-	Learning diary I - Ovans - Magretta - Massa and Tucci

		research. <i>Academy of Management Annals</i> , 2014		
Lecture II: The state-of-the-art in business modelling: Business ecosystems and service business	5.11	Jacobides, M. G., Cennamo, C., & Gawer, A. (2018). Towards a theory of ecosystems. <i>Strategic Management Journal</i> .		
Workshop II: Visiting lecture: Speakers to be announced	7.11	Adner, R. (2017). Ecosystem as structure: an actionable construct for strategy. <i>Journal of Management</i> , 43(1), 39-58.		Learning diary II - Jacobides et al. - Adner
Lecture III: Guest Lecture, Pekka Töytäri Value creation and capture through business model design	12.11	Anderson, J. C., Narus, J. A., & Van Rossum, W. (2006). Customer value propositions in business markets. <i>Harvard business review</i> , 84(3), 90.	Töytäri, P. (2015). Assessing value co-creation and value capture potential in services: a management framework. <i>Benchmarking: An International Journal</i> , 22(2), 254-274.	
Workshop III: Guest Workshop, Pekka Töytäri Creating value propositions	14.11	Bettencourt, L. A., & Ulwick, A. W. (2008). The customer-centered innovation map. <i>Harvard Business Review</i> , 86(5), 109.	-	Learning diary III - Anderson and Narus - Bettencourt and Ulwick
Lecture IV: Business Model Innovation	19.11	Chesbrough, H. (2007). Business model innovation: it's not just about technology anymore. <i>Strategy & leadership</i> , 35(6), 12-17.	-	
Workshop IV: Business model innovation cases	21.11	Amit, R., & Zott, C. (2012). Creating value through	https://www.alexandria.unisg.ch/224941/7/Business%20M	Learning diary IV

		business model innovation. <i>MIT Sloan Management Review</i> , 53(3), 41	odel%20Navigator%20working%20paper.pdf	- Chesbrough - Amit and Zott
Lecture V: Platform business models Guest Lecture: Ville Eloranta	26.11	Gawer, A. (2014). Bridging differing perspectives on technological platforms: Toward an integrative framework. <i>Research Policy</i> , 43(7), 1239-1249.		-
Workshop V: How do you design a platform? Guest workshop: Ville Eloranta	28.11	Van Alstyne, M. W., Parker, G. G., & Choudary, S. P. (2016). Pipelines, platforms, and the new rules of strategy. <i>Harvard business review</i> , 94(4), 54-62.	Thomas, L. D. W., Autio, E., & Gann, D. M. (2014). Architectural Leverage: Putting Platforms in Context. <i>Academy of Management Perspectives</i> , 28(2), 198–219.	Learning Diary V - Gawer - Van Alstyne, Parker & Choudary
Lecture VI: Review and summary of the contents covered during the course	3.12	-	-	
No lecture	5.12			Post Assignment due 5.12.2017 22.00
Exam week Take home exam				Exam due 15.12.2019 22.00.

8. COURSE WORKLOAD

Classroom hours	27h
Class preparation	70h
Pre-Assignment and Post Assignment	18h
Assignment (extra 1cr)	25h
Take home exam	20h
Total	135h (5cr) 160h (6cr)

9. ETHICAL RULES

Aalto University Code of Academic Integrity and Handling:
<https://into.aalto.fi/pages/viewpage.action?pageId=3772443>