

**Welcome to the course!**  
**BUSINESS MODEL  
DESIGN**

16.1.2023

Prof. Taija Turunen  
Design Management  
Aalto University, School of Business,  
Dept. of Management Studies

# WELCOME TO **LEARN** TOGETHER!

- For the next intensive 5+1 weeks we will explore the domain of business model design, especially from value sharing perspective
- We will explore different value propositions, value creation mechanisms and value capture/sharing paradigms
- We will explore how the design of game-changing businesses break industry conventions and challenge us to reconsider the way we live
- It is our aim to together define how business models can be designed and re-designed – and in more detail, what transdisciplinarity brings to this setting

# TODAY'S SCHEDULE

- **Introduction**
- The course structure
- Keynote: Business model and shared value as concepts
- Preparing for Thursday
- Q&A

# ABOUT ME

## Experience



### Aalto University School of Business

15 yrs 1 mo

- Assistant Professor**

Jan 2015 - Present · 9 yrs 1 mo

I work as an assistant professor in the area of Design Management teaching courses in design and management of creativity.

- Post Doctoral Researcher**

Apr 2013 - Dec 2014 · 1 yr 9 mos

I was a research director in Service Engineering and Management (SEM) research group. My research focus included service operations management, service innovation, multi-

- Researcher and doctoral candidate**

Jan 2009 - Apr 2013 · 4 yrs 4 mos

I have worked as a doctoral candidate and researcher at the Aalto University School of Technology since 2009. The projects that I have been involved in include FuTIS (Futu-



### Member of the Board

Helkama Emotor Oy

2017 - Present · 7 yrs 1 mo



### Member of the board

Helkama Velox Oy

Mar 2018 - Present · 5 yrs 11 mos



### Visiting Scholar

Stanford University Graduate School of Education

Aug 2022 - Dec 2022 · 5 mos

Palo Alto, California, United States · On-site



### Member of the board

Helkama Bica Oy

Mar 2018 - Mar 2021 · 3 yrs 1 mo



## Taija Turunen

Aalto University, School of Business

Verified email at aalto.fi

[Service Management](#) [Service Networks](#) [Service Platforms](#)

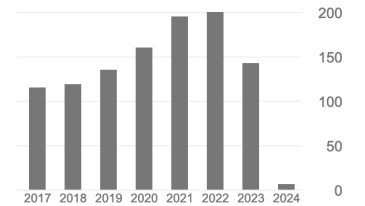


| TITLE   | CITED BY | YEAR |
|---|----------|------|
| <a href="#">Seeking competitive advantage with service infusion: a systematic literature review</a><br>V Eloranta, T Turunen<br>Journal of Service Management 26 (3), 394-425   | 252      | 2015 |
| <a href="#">Platforms in service-driven manufacturing: Leveraging complexity by connecting, sharing, and integrating</a><br>V Eloranta, T Turunen<br>Industrial Marketing Management 55, 178-186  | 234      | 2016 |
| <a href="#">The organisational environment's impact on the servitization of manufacturers</a><br>T Turunen, M Finne<br>European Management Journal 32 (4), 603-615  | 133      | 2014 |
| <a href="#">Aligning the mindset and capabilities within a business network for successful adoption of smart services</a><br>P Töytäri, T Turunen, M Klein, V Eloranta, S Biehl, R Rajala<br>Journal of Product Innovation Management 35 (5), 763-779 | 106      | 2018 |
| <a href="#">Identifying servitization capabilities of manufacturers: a conceptual model</a><br>T Turunen<br>The Journal 17 (3), 55  | 76       | 2012 |
| <a href="#">Organizing customer-oriented service business in manufacturing</a><br>TT Turunen, M Toivonen<br>Operations Management Research 4, 74-84   | 75       | 2011 |
| <a href="#">Striving for network power: The perspective of solution integrators and suppliers</a><br>M Finne, T Turunen, V Eloranta<br>Journal of Purchasing and Supply Management 21 (1), 9-24   | 67       | 2015 |
| <a href="#">The grey areas between open and closed in innovation networks</a><br>S Leminen, T Turunen, M Westerlund<br>Talent First Network (Carleton University)   | 40       | 2015 |
| <a href="#">Overcoming institutional and capability barriers to smart services</a><br>P Töytäri, T Turunen, M Klein, V Eloranta, S Biehl, R Rajala, E Hakanen   | 38       | 2017 |
| <a href="#">Contemporary perspectives on the strategic role of information in internet of things-driven industrial services</a><br>T Turunen, V Eloranta, E Hakanen<br>Journal of Business & Industrial Marketing 33 (6), 837-845                     | 36       | 2018 |
| <a href="#">Using platforms to pursue strategic opportunities in service-driven manufacturing</a><br>V Eloranta, E Hakanen, T Turunen   | 32       | 2016 |

Cited by

[VIEW ALL](#)

|           | All  | Since 2019 |
|-----------|------|------------|
| Citations | 1237 | 842        |
| h-index   | 16   | 13         |
| i10-index | 16   | 13         |



# ABOUT

## Hani Tarabichi

- **CURRENT:**

- Lecturer, IDBM
- Doctoral Researcher, DIEM
- Research interests in Institutional Change, Social Innovation, Business Modelling, and Experimental Spaces
- Mentor & Coach

- **BACKGROUND:**

- EIT Digital Doctoral School
- Aalto Ventures Program, Co-lecturer
- Co-founder of 5 businesses that failed miserably
- 18 years international trade
- 10 years professional executive training

- **EDUCATION:**

- Bachelor Degree:
  - *Computer Science, Eastern Michigan University*
  - *Lonnnng time ago*
- Master Degree
  - *Economics, Eastern Michigan University*



**Father, husband, learner, educator, always hungry for knowledge, good humor and good food**

# **WRITING EXERCISE: LET'S SHARE OUR EXPECTATIONS**

- What are your expectations regarding this course?
- What do you want to learn?

→ Write your own unique key learning objectives on a piece of paper or to the chat (Zoom)

# **... LET THE DISCUSSIONS CONTINUE!**

- You can write your questions to chat anytime. We will do our best to check the chat to answer your questions during/after the sessions!
- The chat logs (public discussions) will be saved and uploaded to MyCourses if relevant (not to exhaust you with information overload)

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# **LEARNING OBJECTIVES (COURSE LEVEL)**

After the course, the participant should be able to ...

1. identify and compare the main concepts related to business model design
2. compare, apply and criticize the most common frameworks and tools of business model analysis & design and
3. compare and criticize different ways of how business model can be innovated.

# BEFORE THE COURSE

*These were set as self-study materials before the course, if you missed it, please read asap!*

## PRE-READINGS

- [Ovans, A. \(2015\). What is a business model. Harvard business review, 23, 1-7.](#)
- [Massa, L., & Tucci, C. L. \(2013\). Business model innovation. The Oxford handbook of innovation management, 20\(18\), 420-441.](#)

For the ones not familiar with business model canvas:

<https://youtu.be/QoAOzMTLP5s>

<https://youtu.be/RpFiL-1TVLw>

**COURSE METATHEME:  
DESIGNING FOR SHARED VALUE**

# MODULE 1 - INTRODUCTION: DETRIVIALIZING SHARED VALUE

**Themes:** Shared value in business models. Different theoretical approaches to business model design. Categorizing business model development and communication tools.

**Learning objectives:** Compare and critically evaluate different theoretical approaches to business model concept (focus on shared value); Recognize different business model designs from existing cases; Further develop the models using development tools

## MANDATORY MATERIALS/READINGS FOR TUESDAY

First RL DL Next Monday

Michael Porter: Why business can be good at solving social problems. <https://youtu.be/0ilh5YYDR2o> (video)

Crane, A., Palazzo, G., Spence, L. J., & Matten, D. (2014). Contesting the value of “creating shared value”. *California management review*, 56(2), 130-153.

## MANDATORY READINGS FOR THURSDAY

Bocken, N. M. P., Rana, P., & Short, S. W. (2015). Value mapping for sustainable business thinking. *Journal of Industrial and Production Engineering*, 32(1), 67-81.

# MODULE 2 - PLATFORM BUSINESS MODELS (Visitor: Ville Eloranta)

- **Themes:** Platforms as ecosystem-level business models. Platforms, panaceas, and critical thinking. Developing existing platforms and building new ones
- **Learning objectives:** Identifying the core concepts of platforms as ecosystem-level business models; Identifying and comparing different approaches to platform economy; Identifying and applying ecosystem business model design tools

## MANDATORY MATERIALS/READINGS FOR TUESDAY

- Cusumano, Michael A; Yoffie, David B; Gawer, Annabelle. The Future of Platforms. MIT Sloan Management Review; Cambridge Vol. 61, Iss. 3, (Spring 2020): 46-54.
- Van Alstyne, M. W., Parker, G. G., & Choudary, S. P. (2016). Pipelines, platforms, and the new rules of strategy. Harvard business review, 94(4), 54-62.

## MANDATORY READINGS FOR THURSDAY

- Auvinen, H., Dufva, M., & Koivisto, R. (2018). Metaphors to describe and explore platform company strategies. Available at: <https://cris.vtt.fi/en/publications/metaphors-to-describe-and-explore-platform-company-strategies>

# MODULE 3 - WHAT IT TAKES TO PUT VALUE FIRST

- **Themes:** Theoretical link between user-centered-design and value proposition design, and its application to practice. Value proposition development process
- **Learning objectives:** Identify the theoretical link between (user- driven) design (previous knowledge) and value proposition development process; Perform the systematic value proposition design process

## MANDATORY MATERIALS/READINGS FOR TUESDAY

- Frow, P., McColl-Kennedy, J. R., Hilton, T., Davidson, A., Payne, A., & Brozovic, D. (2014). Value propositions: A service ecosystems perspective. *Marketing Theory*, 14(3), 327-351.

## MANDATORY READINGS FOR THURSDAY

- Mandatory: Bettencourt, L. A., & Ulwick, A. W. (2008). The customer-centered innovation map. *Harvard Business Review*, 86(5), 109.

- Optional: Osterwalder, A., Pigneur, Y., Bernarda, G., & Smith, A. (2014). *Value proposition design: How to create products and services customers want*. John Wiley & Sons

# MODULE 4 - RESILIENCE AND ADAPTABILITY IN BUSINESS MODELS

- **Themes:** Uncertainty and business models; How to ensure that your business models are resilient; How to design for continuous development and adaptation in an uncertain world (e.g., applying business agility)
- **Learning objectives:** Comparing "traditional" efficiency-oriented approach to business models to resilient approach; Applying stress- tests to your business designs

## MANDATORY MATERIALS/READINGS FOR TUESDAY

- <https://hbr.org/2020/07/a-guide-to-building-a-more-resilient-business> AND
- <https://hbr.org/2017/02/how-spotify-balances-employee-autonomy-and-accountability> OR <https://hbr.org/2015/06/the-self-tuning-enterprise>

## MANDATORY READINGS FOR THURSDAY

- Haaker, T., Bouwman, H., Janssen, W., & de Reuver, M. (2017). Business model stress testing: A practical approach to test the robustness of a business model. *Futures*, 89, 14-25

# MODULE 5 - SUSTAINABLE BUSINESS MODEL INNOVATION

- **Themes:** Business model as an arena for innovation: Incremental, radical and disruptive innovation. Business model patterns
- **Learning objectives:** Develop business model cases further by combining different design patterns, and creating new business model prototypes

## MANDATORY MATERIALS/READINGS FOR TUESDAY

- Christensen, C. M., Bartman, T., & Van Bever, D. (2016). The hard truth about business model innovation. MIT Sloan Management Review, 58(1), 31.
- Evans, S., Vladimirova, D., Holgado, M., Van Fossen, K., Yang, M., Silva, E. A., & Barlow, C. Y. (2017). Business model innovation for sustainability: Towards a unified perspective for creation of sustainable business models. Business Strategy and the Environment, 26(5), 597-608.

## MANDATORY READINGS FOR THURSDAY

- Gassmann, O., Frankenberger, K., & Csik, M. (2013). The St. Gallen business model navigator.
- Bocken, N. M., Short, S. W., Rana, P., & Evans, S. (2014). A literature and practice review to develop sustainable business model archetypes. Journal of cleaner production, 65, 42-56.



# **COURSE DELIVERABLES**

# DELIVERABLES

- Readings (and videos). All listed in MyCourses.
- Read the literature **before** the mentioned days (Tuesday, Thursday), even if the DL for reflection journal is not that week. This is highly beneficial for our collective learning 😊
- Learning sessions Tue & Thu (min. 70% mandatory presence due to the critical discussion and transdisciplinary teamwork - related learning objectives).
- Reflective journals (5)
- Take home exam
- Additional quizzes if you want to test your learning and get participation points.

# GRADING

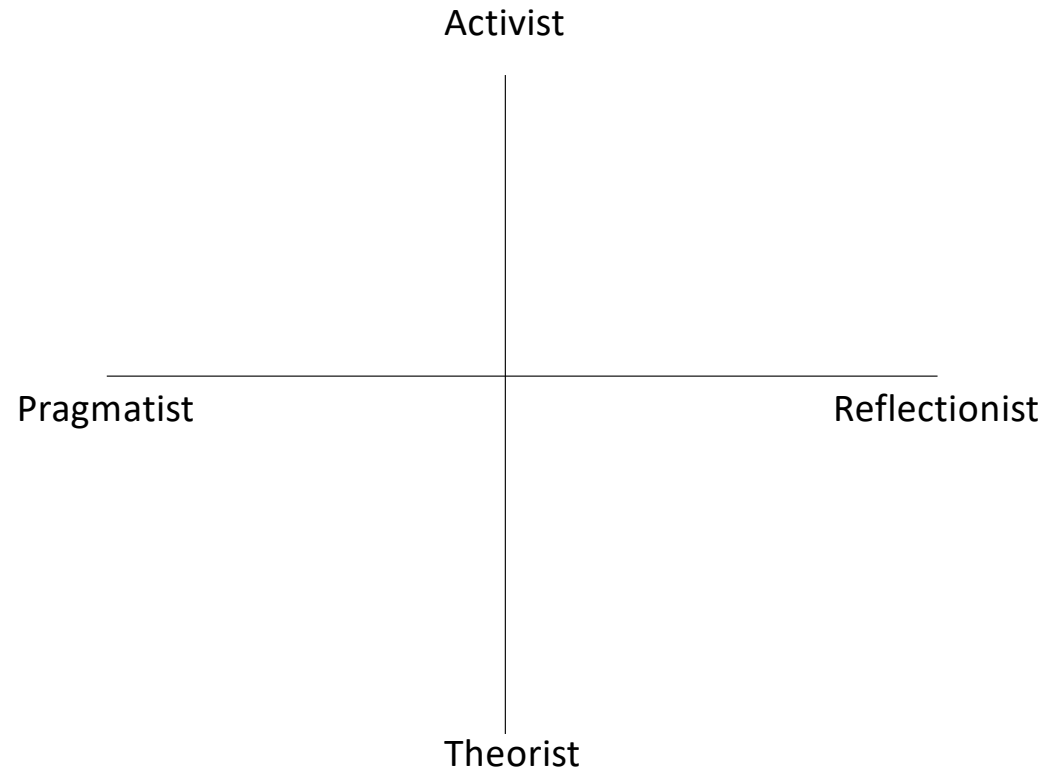
| <b>Task</b>                        | <b>Points</b> |
|------------------------------------|---------------|
| Reflective journals (5x 10pt each) | 50            |
| Attendance                         | 10            |
| Take home exam                     | 40            |
| <b>TOTAL</b>                       | <b>100</b>    |

| <b>Points</b> | <b>Grade</b> |
|---------------|--------------|
| 0-50          | 0            |
| 51-60         | 1            |
| 61-70         | 2            |
| 71-80         | 3            |
| 81-90         | 4            |
| 91-100        | 5            |

- At least 70% attendance needed
- 50% of individual reflective journal points needed

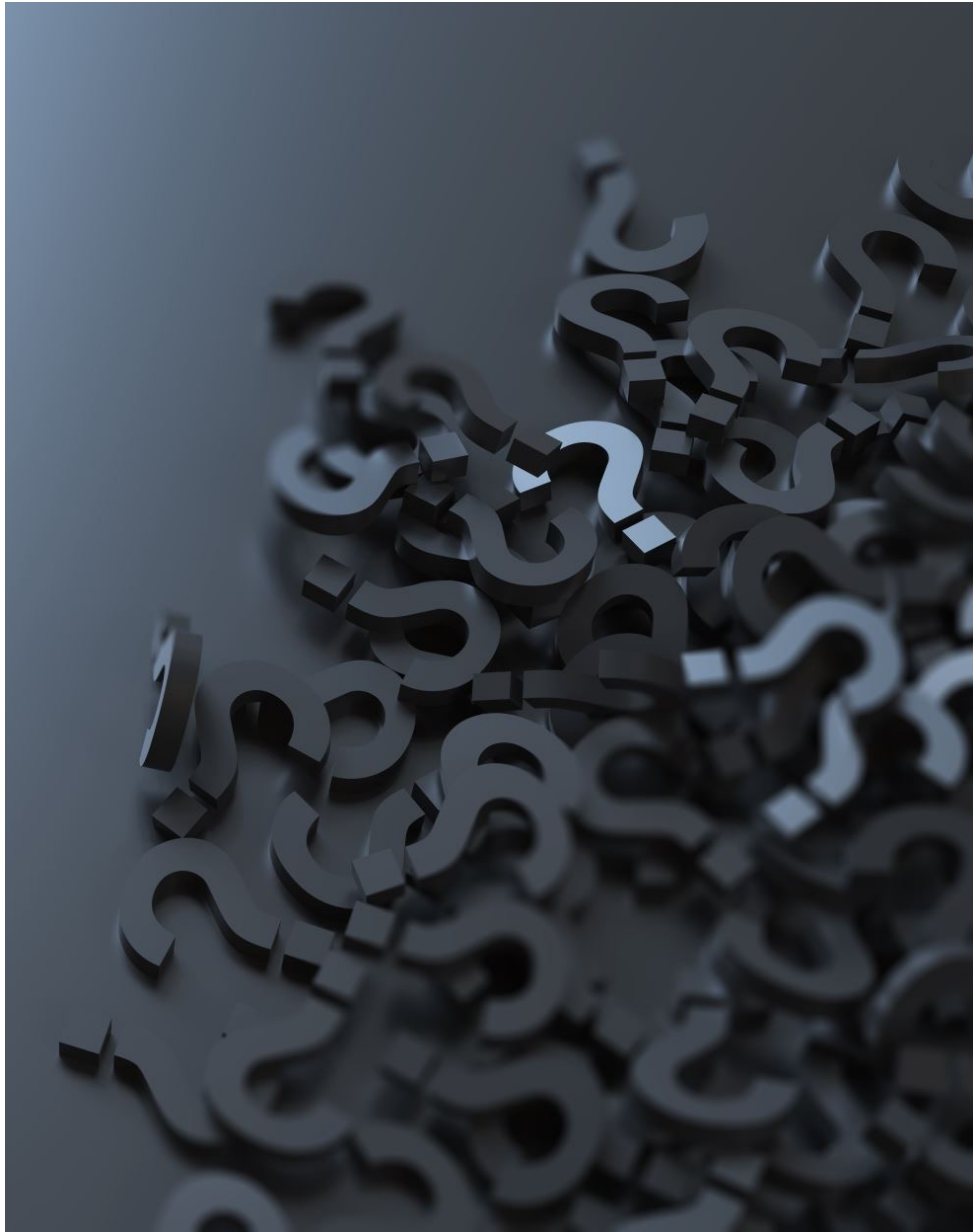
# RECOGNITION AND RESPECT OF LEARNING STYLES



# **REFLECTIVE JOURNALS**

# **YOUR PERSONAL PERSPECTIVE STILL IS THE ESSENCE OF EVERYTHING!**

- The **purpose** of reflective journals is for you to make sense of your thoughts, in relation to the contents of the course. The essay should be analytical, comparative and/or integrative in nature.
- The **aim** of a learning essay is to summarize, analyze and comment the course contents
- Learning essay should not repeat what someone else has said, but should **reflect your own voice**.
- It is your **own analysis and insights** that count. Feel free to take the ideas discussed in the class even further and **elaborate as much as you can**.
- Use your own **complementary literature**, if needed



## **SELECT FROM 7+1 JOURNALING STYLES**

**1- Question Journal:** This type of journal is focused on inquiry– the asking and refinement of questions. They should be answered or analyzed. The big idea here is students asking and improving their own questions.



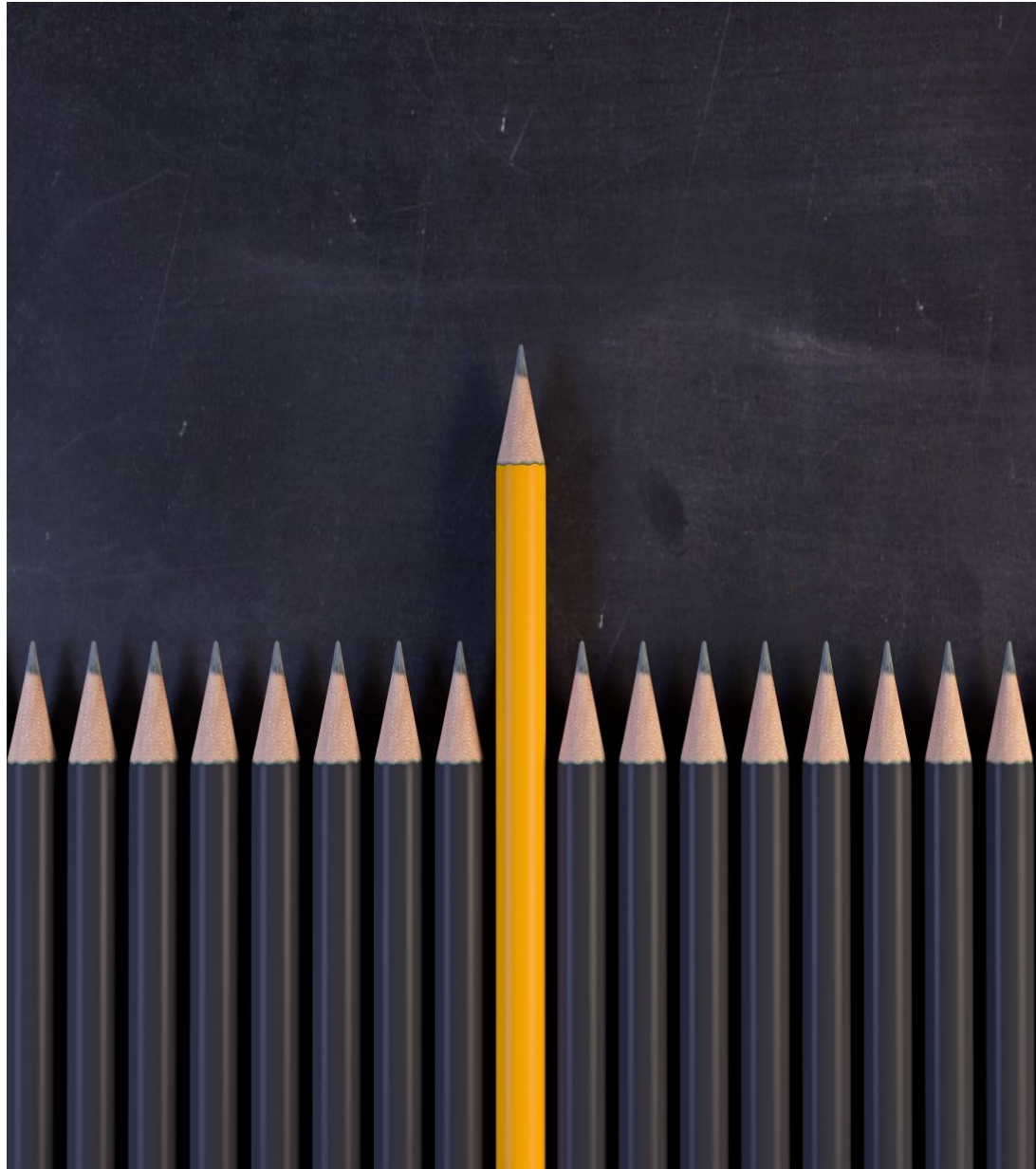
# **SELECT FROM 7+1 JOURNALING STYLES**

**2- Metacognitive Journal:** Students are writing about their thinking- their tendencies, changes in their thinking over time, cognitive blind spots, biases etc.



## **SELECT FROM 7+1 JOURNALING STYLES**

3- **Change Journal:** All learning should result in personal and social change. A 'Change Journal' frames the writing for learning in terms of, well, change.



# SELECT FROM 7+1 JOURNALING STYLES

**4- Connecting Journal:** A learning journal that frames writing through the connections between themes – especially between different disciplinary domains





## **SELECT FROM 7+1 JOURNALING STYLES**

**5- Visualization Journal:** A type of learning journal that promotes specific visualization of learning, knowledge etc. Note: This must include description.

# SELECT FROM 7+1 JOURNALING STYLES



**6- Concept-Example Journal:** A type of learning journal that promotes thinking through concepts (abstract) and links them to examples (concrete).

# **SELECT FROM 7+1 JOURNALING STYLES**

**7- Video journal:** Some of the above but expressed in video format





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## **SELECT FROM 7+1 JOURNALING STYLES**

**+ 1. If you have an own approach, you can use that, but you must use 1/2 extra page for explaining the journaling style.**


**THE POINT HERE IS TO EXPLORE DIFFERENT WAYS OF EXPRESSING REFLECTION.**

**PLEASE INDICATE AT THE BEGINNING OF YOUR JOURNAL THE STYLE THAT YOU FOLLOW.**



# **INDIVIDUAL REFLECTIONS:**

- 1. Use proper referencing and citing**
- 2. How does the readings relate to things you have earlier learned (e.g. during previous courses, experiences, jobs, or other articles)**
- 3. Put your own personality into the text! Take a stand. Argue clearly. Don't just say you like or dislike something. Reflect: why, what?**
- 4. Did you get any new ideas while reading? Or did something confuse you? Describe these so that we can discuss these issues during the class. Be precise.**
- 5. What did you learn/unlearn, discover/rediscover etc.**
- 6. Try to structure your thinking.**




# How to read scientific articles?

In general, there are 4 types of academic article types out there:

- **Reviews**
  - **literature review articles** discusses existing research about a problem and suggests paths for future studies
- **Conceptual**
  - **theoretical articles**: discusses existing theories that explain observation, and often proposes new theories or a new perspective on theories
- **Empirical**
  - **research reports**: presentation of an original study or studies
- **Practice driven (HBR, MITSoan, CMR)**

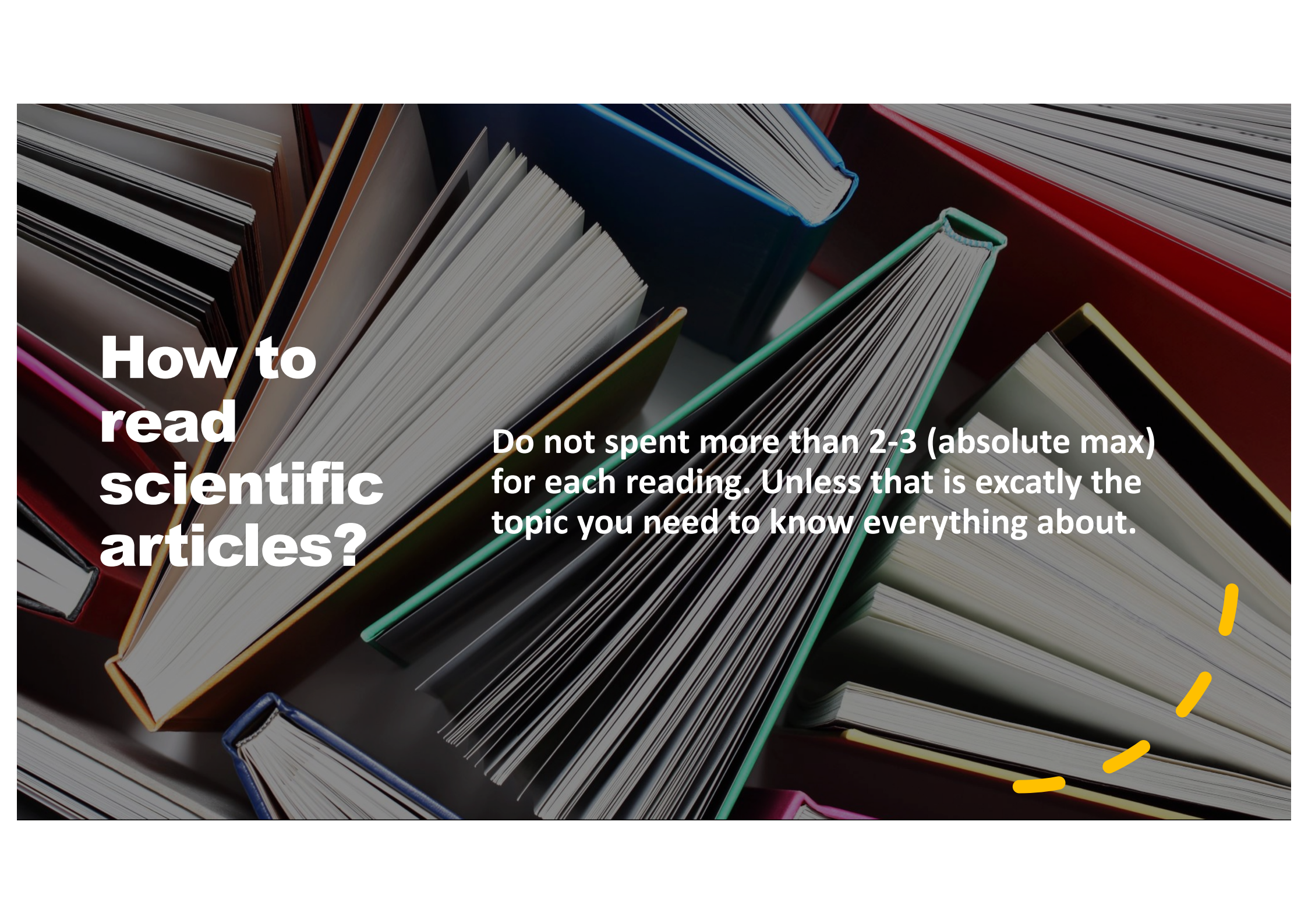


# **COURSE MATERIAL**



# How to read scientific articles?

- Reading order:
  - Abstract
  - Introduction
  - Discussion
  - Theory (Literature review)
  - Findings
  - Method



# **How to read scientific articles?**

**Do not spent more than 2-3 (absolute max)  
for each reading. Unless that is excatly the  
topic you need to know everything about.**

# **SCHEDULE, SUBMITTING**

- Each assignment has a box in the MyCourses pages Assignments section, deadline is each week Monday a minute before a midnight.
- Submit your assignments in a **PDF** file (or video link in case of video journal) to mycourses. Please use following naming convention:  
lastname\_firstname\_journalnumber.pdf

# **WILLING TO EXPLORE DIFFERENT STYLES?**

You can retake one of the journals (DL end of the course- the same as take home exam). We hope this takes off some of the study pressures (grades and deadlines).

# **TAKE-HOME EXAM**

# TAKE-HOME EXAM

- Exam is a take home kind and the questions will be given to you after the last session (MyCourses)
- As the exam allows you to use any kind of material you like, we will not evaluate the facts only, but will mostly focus on your ability to elaborate and connect things to real life examples and learning during the course. Reflection journals are a good chance to practice this!
- The submission will be through Turnitin to check that is your original work (same process will be in your Thesis submission).
- By all means use LLM to refine your language or to get inspiration but remember that we will evaluate your learning and reflection not AI's.

# LLM and AI use

- If you choose to use LLMs (Chatgpt, Bard or any other) for your course assignments, you are of course allowed to do so.
- In that case, however, I ask you to provide us with the original text and the narrative of the prompts that you used.
- **Why?** Our aim is to learn here, and learning takes unfortunately some effort. We are also learning how to live with these tools so it will be nice for us as well to see how you use the tools that are here to help us with learning.



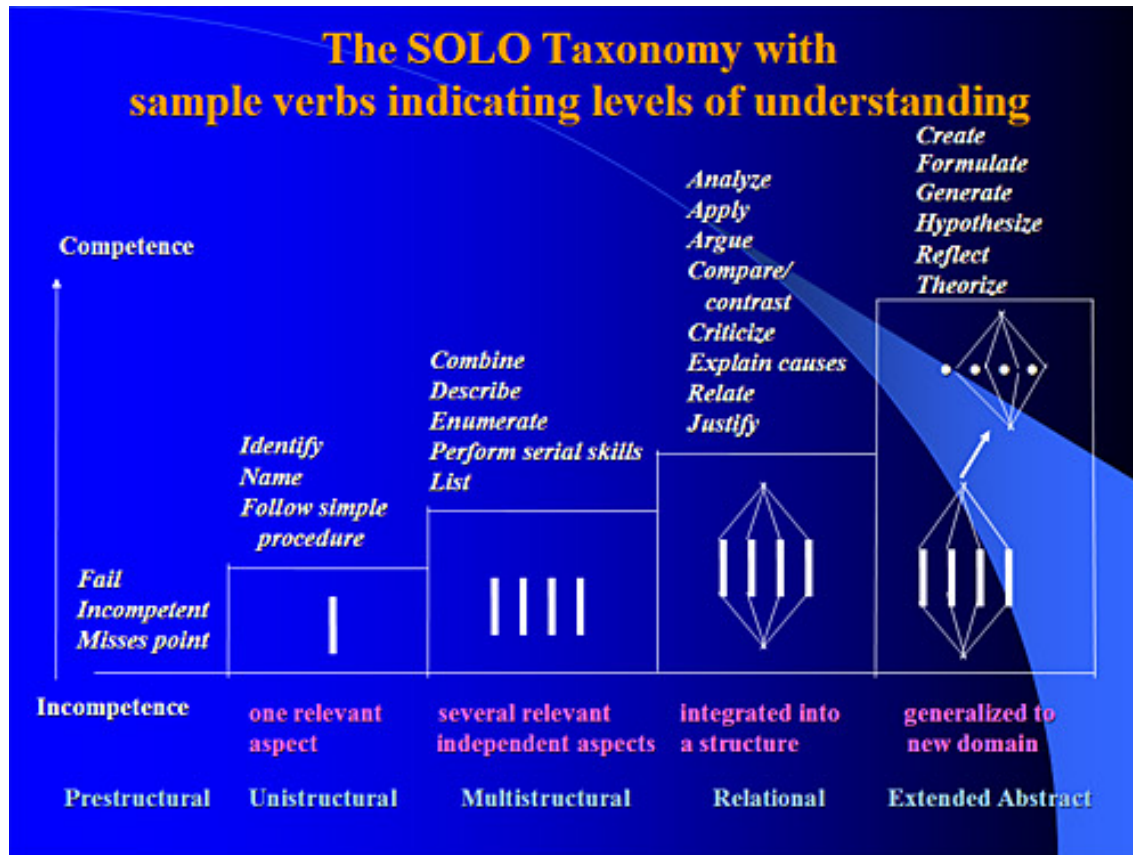
# **PARTICIPATION, SELF REPORTING**

Please record your participation in MyCourses (during lectures).

We trust you are honest here, but if cheating is noticed we will follow Aalto code of conduct.

You need to participate 70% of the sessions to pass the course, active participation is appreciated.

# EVALUATION



# MISSING THE DEADLINE -POLICY

- **All deadlines always at 23.59.00 Finnish time (MyCourses time)**
- The aim is to keep this course as interactive and personal as possible
- However, we have about quite many people here. We have to have some structures and policies. Please respect deadlines and respect others.

## Individual reflective journals

- Delay 0-48 hours = -1 Grade
- Delay 48+ hours = -1 grade per each beginning 24 hours

## Take home exam

- No delay possible (it is an exam – it can be retaken)

# Supporting student wellbeing

Study ability and individual needs



Aalto-yliopisto  
Aalto-universitetet  
Aalto University

# Individual study arrangements

- **Each Aalto student has a right to reasonable individual study arrangements due to an impairment restricting his/her ability to study or other health condition.**
  - For example: dyslexia, sensory impairment, mathematical learning difficulties, attention deficit and hyperactivity disorder, autism spectrum disorders or mental disorders
- **The measures for making individual study arrangements are individual solutions to course teaching, examinations and working methods.**
  - For example: extended exam time, separate exam room, modified schedule, alternative ways of assessing learning outcomes
- **Please contact your Learning Services in your school and book an appointment! Additional information and contact details for individual study arrangements: <https://www.aalto.fi/en/services/contact-information-for-individual-study-arrangements>**

# Where to find support?

<https://www.aalto.fi/en/services/contact-information-for-individual-study-arrangements>

- [Starting Point of Wellbeing](#)
- [Study and career counselling psychologists](#)
- [Studentservices@aalto.fi](mailto:Studentservices@aalto.fi)



**Q&A**

# MORE INFORMATION

Taija Turunen

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Hani Tarabichi

[hani.tarabichi@aalto.fi](mailto:hani.tarabichi@aalto.fi)