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VALUE INNOVATION IN PRACTICE: LEVERAGING LEARNING IN
DISTANT CONTEXTS

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Extending Market Orientation: Developing Proactive Strategies for Increased Performance

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While market orientation is a factor that improves firm performance, it is no longer by itself a sufficient condition to create high performance. To manage markets that are becoming increasingly more complex, through e.g. globalization, shorter product life-cycles, faster imitation cycles, and more fickle customers, firms must become more proactive in their approach to the market. Proactiveness is, however, not a magic bullet for managing complexity; there is for example research that shows that the awareness of the situation moderates the success of proactive actions. Thus, firms must find the appropriate way to be proactive to match their situation, likely requiring different capabilities for different firms. This paper uses a case study and contingency approach to investigate the key factors leading to firms successfully being able to use proactive market strategies to improve business performance, and the key challenges they faced.

Avenues for business model transformation in SME-companies

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The purpose of this paper is to develop a framework for how productive conditions for business model transformation in SME-firms can be designed. The design and orchestration of systems that serve as platforms for learning, unlearning and exposure to transformative and resilient business model thinking are key in this respect. In this study, we follow the cognitive approach to business model innovation developed by Martins, Rindova & Greenbaum (2015). These authors regard business models as representations of managerial schemas, and they define schemas as people's theories and concepts about the world. Business model transformation thus rest on change in the schemas or cognitive structures of managers. Given the liabilities of small firms, it seems plausible that changes in cognitive schemas require frequent and fertile intervention with the micro, meso, and macro levels of the surrounding ecosystem. Extant research emphasizes the importance of interaction and communication in learning processes but more guidance is needed on how this could be done in practice, especially in the small firm context. The main research question we seek to address in this study deals with the cognitive business model schemas-in-use of managers in SME-firms. Our assumption is that productive conditions for business model transformation can be developed only if they are grounded in the everyday business reality, as managers themselves perceive it, including the perceived barriers for business model transformation. By this study, our ambition is to provide a better understanding of how managers in SME-firms understand and interpret barriers and springboards for business model transformation, and to discover what kind of relations, dialogues, and engagements could overcome cognitive barriers to transform business models. An explorative study among SME-firms in selected industries will be conducted using in-depth interviews with key informants. Our study will contribute to extant research on the cognitive aspects of business model innovation/transformation in SME-firms by outlining tools and procedures aimed at fostering change in cognitive schemas of managers and thereby successful business model transformation. Given the critical role of business model transformation for sustained business performance, insights into the orchestration of systems for co-creation of intervention and learning that would enable SME-firms to transform their business models, will add to both theory and practice.

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