

Chapter 6

A Translational Research Approach to Cross-Border Digital Business Model Development

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ABSTRACT

Digitization and cross-border entrepreneurship are driving research in business model innovation. The chapter describes a process to convert research findings into business model development insights by adopting a translational research approach. Entrepreneurs and top management teams can use the insights to map out how they will manage and assess, frame, create, communicate, deliver, capture, protect, and sustain economic and social value. A corpus of 465 paragraphs was assembled by extracting textual paragraphs from relevant research articles providing actionable insights for companies interested in designing or innovating their business models. The research approach employs topic modeling to structure the insights from a systematic literature review and associates the emerging topics with the eight elemental functions of an existing system-level business model framework. The resulting business model framework is theoretically driven but provides actionable insights for scholars and practitioners.

INTRODUCTION

Despite the significant advances in business model research in the last 20 years, it is still difficult to articulate a commonly accepted understanding of how the business model construct can advance thinking on emerging issues relevant to business leaders, entrepreneurs, scholars, and practitioners.

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First, there is little clarity about the number and purpose of the key elements and the main functions of the business model concept, as well as the ways the business model concept relates to other concepts. In addition, despite all claims about the opposite, there is a lack of common language to describe business models (Liu, Tong, & Sinfield, 2021). Some scholars do even question the need for a common language given that “the business model’s value-creating potential lies precisely in what is not shared or common” and a business model is “always beyond being fully articulated, especially its capacity for responding opportunistically to the dynamics of knowledge absences” (Spencer, p. 145). In this sense, the real challenge of a business modelling process consists in its ability to “discover” and articulate its own language since “value adding is always a surprise, the practice-driven revelation of something hidden from what can be said and articulated” (Spencer, p. 161). Thus, each company needs to develop and successfully communicate its own theory of value and render it into useful guiding actions and strategies (Felin, Gambardella & Zenger, 2021).

Second, practitioners and researchers find it difficult to apply the business model concept to their own contexts and build on the work of others (Zott, Amit, & Massa, 2011). This is especially true in the case of practitioners who are genuinely puzzled by the multiplicity of business model frameworks, difference of perspectives, non-overlapping key elements, and lack of actionable insights that could be instrumentalized in real-life situations. For example, the canvas approach to the articulation of business models has become very popular, pretending to offer a common language for practitioners engaged in business model development (Osterwalder & Pigneur, 2010). There are however multiple canvas approaches and they disagree on the definition of the key elements that should be considered in the canvas (Borseman, Tanev, Weiss & Rasmussen, 2016). At the same time, firms and investors offer interpretations, visualizations, and conceptualizations of the business model concept that are different from those provided in the academic literature (Havemo, 2018). There is an emerging stream in entrepreneurship research that has called for a stronger focus on the development actionable principles for practitioners. For example, Berglund et al. (2018) and Shepherd and Gruber (2021) pointed out the need for the development of a distinct body of knowledge consisting of pragmatically oriented actionable principles that could bridge the gap between the causal mechanisms of entrepreneurship theory and the complex realities of entrepreneurial practice. There is therefore a need for more systematic research on the ways of “translating” valuable business, innovation and entrepreneurship insights research findings into actionable practical insights for the benefit of executive managers who would be open to consider them as a source of practical wisdom.

The challenges of dealing with business modeling have been significantly enhanced by the ongoing digitalization of the globally economy since innovations in computing and information technologies have initiated a fundamental shift in the global competitive landscape. This shift goes far beyond a mere increase of efficiency and profitability through the digitization of individual processes or functions within firms (Amit & Zott, 2021, p. 3). Digitalization and cross-border businesses are driving the need for the development of business model frameworks that include all the functions and mechanisms used to control and generate value as well as the processes used to circle the outputs of a function back and use them as inputs to other functions.

The objective of this chapter is to adopt a translational research approach (Gropp, Thakur & Balaji, 2021) to move knowledge gained from academic research into practical insights that could be used by practitioners and company executives interested in conceptualizing the digitalization aspects of their business models in a cross-border business context.

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