Business Models & Innovation

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About Me

• Professor of Entrepreneurship
• Previously worked at University of Oxford and University of Cambridge and secondments to government departments
• Currently working with Innovate UK – the UK innovation agency
• Research focuses on enterprise policy, start-ups, entrepreneurial ecosystems
• Led and participated on many EU projects developing entrepreneurial training and commercialisation

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The Business Model

A business model details the successful operation of a business, identifying sources of revenue, the intended customer base, products, and details of financing.

• Many businesses do not understand (or cannot articulate) their business model

• Business model concept has gained much traction with academics and practitioners. It is appealing as it is holistic
The Canvas(es)

Are all about arranging and articulating a business model – they are useful to help a business understand their business model...
Understanding Innovation

• Everyone has a different definition for innovation’

• The majority of businesses still think about innovation in terms of things and widgets

• Innovation-led growth is about doing something new to create value

• Business model innovation provides an opportunity to create more value and stay ahead
Innovation Perspectives

**INSIDE OUT**
- Based on mapping what the firm does and how current capabilities can be leveraged
- Supply Side Driven
- Static Firm-Based Approach

**OUTSIDE IN**
- External orientated – questioning evolving needs and how to best support them
- Demand Side Driven
- Dynamic Market-Based Approach
Business Model Innovation

Fundamentally rethinking the **business** around a clear—though not always obvious—customer need, then (re)aligning your resources, processes and revenue model with this new value proposition.

NB It is not easy and can take decision makers out of their comfort zones
Nature of Innovation

• Most businesses think about innovation in terms of their offering (i.e. improving the product, process or service) but there are other dimensions to innovation
Nature of Innovation
## Innovation and the Business Model

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<th>OFFERING</th>
<th>Innovating the offering &gt; This typically refers to innovation in terms of the products, processes and services that a business offers</th>
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<tr>
<td>EXPERIENCE</td>
<td>Innovating the experience &gt; This typically refers to innovation in terms of how you engage with your customer or end user and how they engage with you.</td>
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<tr>
<td>CONFIGURATION</td>
<td>Innovating the configuration &gt; This typically refers to innovation in terms of how your business is organised or structured to create value</td>
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Dimensions of Innovation

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Final Thoughts

• Do not assume a narrow definition of innovation or you are constraining how you create value
• Need to think beyond the business model canvases to really think about innovation
• Accelerators, Incubators and Science Parks must encourage start-ups and scale-ups to consider business model innovation

• Access the beta Business Model Innovation toolkit at:

www.innovationcaucus.co.uk
Thank you for listening

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