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Rethinking the Business Model Concept in the Anthropocene Era: Proposal for a systemic approach to the business model

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This paper presents the state of progress of my PhD thesis that I am conducting with PSL Paris-Dauphine University. My project consists in elaborating both a new description and visual representation of the business model concept applying systems thinking principles and a methodology to accompany stakeholders to rethink their business model through systemic design-oriented workshops. Indeed, we believe that this way of thinking, contrary to analytical thinking, may help business leaders and entrepreneurs to become more aware of the impact of their companies on their environment and to make them act differently to face complex Anthropogenic challenges. To conduct our research, we work for Biocoop, a French network of specialised organic food shops, and accompany shops to rethink the way they apprehend their business model through collaborative research, including interviews and systemic design-oriented workshops with different stakeholders—employees, customers, producers, and association representatives.

Biocoop food shops have several purposes: the desire to change consumption habits, for consumption that is more respectful of people—both in terms of food quality and respect for work—and of nature. However, shop owners find it complex to align these different purposes with the economic imperative. Thus, our guidance may help them to find the levers to articulate those purposes while training them to think in systems.

KEYWORDS: business model, systems thinking, systemic design, collaborative research

RSD TOPIC(S): Organizations, Methods & Methodology

Introduction

There is a consensus among academics and, more broadly, among society to say that human activities have had a huge impact on our planet's ecosystems since the 19th century. Therefore, some academics claim that we have shifted to a new geological era, from the Holocene to the Anthropocene, when human activities began to be the main driver of change (Crutzen, 2002), affecting our way of life.

It seems difficult for business leaders and entrepreneurs to face Anthropogenic challenges, thinking in a one-dimension, short-term, and linear way, whereas most of the world and the problems they face are nonlinear (Meadows, 2008). Thus, we want to make them aware and apprehend the way they do business according to these challenges. With proper tools and methods, it might help them act differently. Therefore, we intend to shift from analytical thinking to systems thinking to describe and represent the way companies operate.

Theoretical framework

To elaborate on a new way to apprehend the way companies operate, we solicit two theoretical frameworks: business model and systems thinking.

Business model

The concept of the business model describes the way a firm creates and captures value (Teece, 2010). The notion of business model was first used by e-business entrepreneurs to convince investors to finance their project by explaining how they intended to generate profit from the internet (Shafer and al., 2005). Becoming entrenched in the study of other business sectors, it is now one of the most used concepts in strategy

(Baden-Fuller & Morgan, 2010), as much used in the academic world as in business (Zott and al., 2011).

The concept has been developed to address three main issues (Zott & Amit, 2010). Firstly, the concept makes it possible to define a common language, seeking dialogue between practitioners (Magretta, 2002) and between researchers and practitioners. Secondly, the focus of the concept on activities, with a level of analysis between the strategic and the operational, allows a pragmatic vision of what is possible to do (Zott and al., 2011). Thirdly, the concept is systemic by nature (Demil & Lecocq, 2010), considering the business model as an indivisible whole and considering all the interdependencies between activities (Zott & Amit, 2010). Besides, the concept goes beyond the focal firm, including the relationships with external stakeholders (Massa and al., 2017).

While the business model has many features in common with systems thinking (Velu, 2017), there is little dialogue between these two theoretical frameworks (Massa and al., 2018).

Systems thinking

A system is commonly defined as "a functional whole that cannot be divided into independent parts" (Ackoff & Gharajedaghi, 1996, p.13). We consider a system as a construction of the mind (Le Moigne, 2010), allowing us to perceive and conceive an object in an organisational way to apprehend its complexity (Morin, 1977). We claim that business models should deepen the application of systems thinking principles and central concepts. Here are some of them, without being exhaustive.

The teleological principle is the study of purposes rather than the study of causalities. All social systems are purposeful systems (Ackoff, 1999), which means that companies are more driven by purposes rather than determined by their initial conditions (Bertalanffy, 1968). Thus, the business model concept should bring to light its purposes through a shared vision (Senge, 2006).

Interdependencies and feedback loops: It is common to say that the whole is greater than the sum of its parts. Indeed, the system is made up of its parts but also of the

relationships between its parts (Bertalanffy, 1968). It allows us to perceive the system as an indivisible whole, its pattern made of multiple feedback loops (Meadows, 2008). Thus, the business model concept should describe and represent this pattern, as Casadesus- Masanell and Ricart (2010) did.

Openness and context: According to systems thinking, boundaries are never completely impermeable between the system and its supra-system or even its subsystems, despite a certain autonomy (Capra, 1997). Therefore, to better understand the functioning of a company, we must study its relationships with its environment and take into account what we usually call 'side effects'.

Research design

My research project is part of a PhD thesis funded by the cooperative Biocoop, an organic food shop network. These shops seek to articulate several purposes, both economic, social, and ecological. Therefore, our goal is to accompany some shops through interviews and systemic design-oriented workshops with various stakeholders, employees, clients, producers, etc.—to describe and represent their business model while training them to think in systems (Ryan, 2014; Jones & Van Ael, 2022). Thus, we are involved in qualitative and collaborative research, which aims to produce both a knowledge of the generic scope and actionable knowledge to transform the system (Van de Ven, 2007).

In this regard, we accompanied a first shop from February to May 2022. First, I conducted interviews with various stakeholders and interviewed around four axes: stakeholders' purposes towards the shop; its business ecosystem; how the shop operates; and what improvements could be made to the business model. Then, I did a participant observation, doing a one-week shop placement to better understand the functioning of the shop. Afterwards, we began a series of three workshops to bring out the representation of the business model. The workshops followed the interview axes. Finally, I did interviews with the participants to have their feedback about how the workshops might help them to better understand the way the shop creates and captures value.

In addition, we would like to accompany a second shop from October 2022 to improve the design of the workshops thanks to the participant feedback and my better knowledge of systemic design.

Expected outcomes and contribution

The expected outcomes are a new way to describe and represent the business model concept, allowing a better understanding of the workshop participants, trained to think in systems.

From a theoretical perspective, we keep building the bridge between systems thinking and the business model concept, which has not been explored in depth to date. Furthermore, our research will allow us to discuss the practical application of systems thinking, which is often considered too abstract and then inapplicable to management.

From a managerial perspective, this research project will allow stakeholders to better understand the functioning of the company, facilitate communication and collaboration with the stakeholders involved, and identify avenues for business model innovation. Moreover, workshops are a way to make stakeholders learn how to think in systems.

Reflection

As part of the fishball session, I had the opportunity to present my PhD thesis and had useful feedback. I could also attend many sessions, keynotes and workshops and spoke to many people. All of these gave me a lot of inspiration, especially as I am not a designer by training.

Thus, I came away from this conference with many insights to pursue my PhD research project. First, aesthetics matters, especially since I want to elaborate a synthesis map or gigamap to represent the business model of the shops I work with. Colours, shapes, spatiality, etc., are essential to make people understand and let them soak up what we have done together. Second, it is not the product but the process that matters. As Sevaldson says, do the gigamap, and then burn it!

Systems thinking is a long and complex journey. It is a paradigm shift. Then, what we are looking for is a way to help people see the world—and their business—with another perspective, to think differently in order to act differently. And it takes time. I know that only several workshops are not enough, but RSD11 was a springboard to engage further in this thinking. Third, systemic design is wilder than I expected. It contains a multitude of approaches. This symposium allowed me to open many doors to go further in my PhD and work to design a desired future within a community that grows the field of systemic design.

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