

JAN JONKER (EDS)

# New Business Models

Working Together on Value Creation

“Everything you can imagine is real.”

*Pablo Picasso*

“Whatever you can do  
or dream you can, begin it.  
Boldness has genius, power,  
and magic in it. Begin it now.”

*Johann Wolfgang von Goethe*

“Any system, biological, economic,  
or social, that gets so encrusted that it  
cannot self-evolve, a system that systematically  
scorns experimentation and wipes out  
the raw material of innovation,  
is doomed over the long term on this  
highly variable planet.”

*Donella Meadows*

JAN JONKER (ED.)

# New Business Models

Working Together on Value Creation

This is a publication by Stichting OCF 2.0 ('OCF 2.0 Foundation') the Netherlands

**T**his preface consists of statements by people who, directly or indirectly, and in highly varying roles, are involved in the development, promotion, or use of new business models (NBMs). Some of these models are familiar, others are not. Their valuable and original contributions are reproduced below; unabridged, without giving priority to any of them and in no particular order.

“I believe in the power of sharing. In doing what is necessary. Not a mind-set that assumes a fixed supply and fixed structures, but one that focuses on the intention. Not *ensuring*, but ensuring *that*. I do not believe in scarcity but in abundance. In organising together and developing things further together. At *Thuisafgehaald* (English version: ‘Shareyourmeal’) the community is central. We follow the passion, needs, and energy of our users to the greatest extent possible. This way, sharing equals multiplying.” MARIEKE HART

“The major social and ecological challenges of today require new methods of organisation, innovation, and entrepreneurship. What the world needs are entrepreneurs with thinking power, decisiveness, and dreams. Thinking power to understand the complexity of current business models. Decisiveness to reform them. And dreams – in the event of a temporary setback too – to stay intrinsically motivated to not only create profits but value as well.” JAN-PETER BALKENENDE

“‘Transition pain’ is splashed across the pages of newspapers. Hotels and taxis complain about unfair competition by Airbnb or Uber. The energy giant, RWE, gets into trouble due to sustainable electricity, 90% of which is generated by citizens. In the background, business models constantly play a role. The old ones are in trouble, the new ones astound. With its policies, the government often plays the role of tormentor. “90% of the people at my desk come to explain that something is *not possible*”, a top-ranking official lamented. More insights into how the new business models can work and what barriers need to be removed for this may help to capitalise on opportunities for more sustainability.” MAARTEN HAJER

“Together we are the value we create every day. This goes beyond buying organic products and sharing cars. It also involves working on it together with heart and soul. A healthy self-interest that results in an ideal for nature and the environment that also takes your interest as a human being into account. It requires business models that offer innovative handles. Nature asks for a new calculation after all; and in particular requires us to think about what we contribute to the equation” HENRY MENTINK

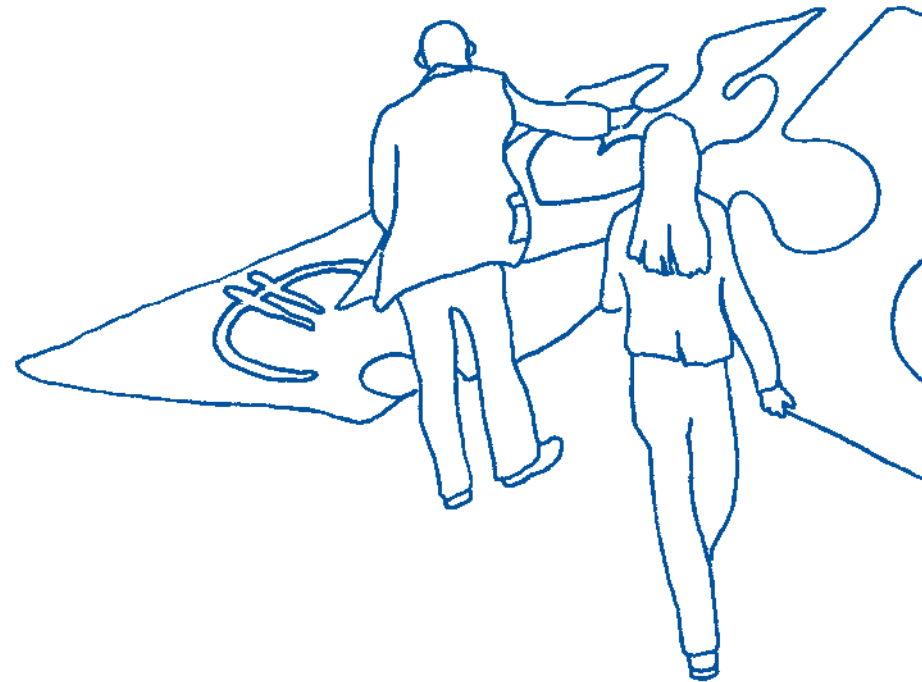
“Sustainability pays and yields more than money. This sentence is a short summary of this book, which shows that sustainability and business go together well. The book also shows that, from a business perspective, the future is about more than making money, as there is so much more that is of value that we can work on together. To this end, new ways of doing business, of co-operation, and of calculation are required. Let’s look with different eyes, then we will see so much more. This book provides new glasses. Put ‘em on!” MARJAN MINNESMA

"How privileged we are! Our generation is challenged by the first truly global emergency consisting of multiple crises: biodiversity, climate, water, raw materials, extreme socio-economic inequality, et cetera. The world has become a complex, highly inter-connected village. When, in the olden days, a civilisation perished, humanity happily built a new one a bit further on. That is now in the past. We are *one* human civilisation now. But fortunately, we now have the people, the knowledge, and the capital to create solutions. Being privileged therefore also means there is a *duty* for us: we are indeed the first generation that cannot afford neglect, or else it is *'game over'*. Sure, we will undoubtedly make mistakes. While *learning by doing*, however, we will get there. Moreover, we cannot afford anything else. So, there is a high demand for new *business* models (talk about *understatements*)."

MAURITS GROEN

"It is one big adventure: the road of multiple value creation. With 'Women on Wings', we swap time and knowledge for inspiration and pleasure. We use limitations in money and resources to innovate and to think and work creatively. The road is bumpy and has its share of mistakes and failures. We regard these as free lessons in entrepreneurship. In order to realise impact (in our case 1 million jobs for women in the countryside in India) you need perseverance. The community of new business models offers us a mirror, wise lessons, and a network of other creative and innovative people." MARIA VAN DER HEIJDEN

"Over the past decade, we have worked with 'Tendris' in an enterprising, driven way to change industry with the aim of creating a better world for everyone. First the dream and then living it. Only at the end are strategy and business models the results of 'just doing things with guts'. There have been times when I wondered: Are we a NGO disguised as a business or a business disguised as a NGO? The work that we did and are still doing does not fit into existing patterns. Breaking these patterns is the hardest nut to crack. The same applies to the challenges ahead of us, but also to the solutions presenting



themselves. The linear system within which we have been accustomed to thinking and doing now makes way for exponential transition. Something we still find difficult to cope with, but which will very soon make us realise that nothing is self-evident anymore. New business models will therefore first need to be lived and will invariably start at the end of our comfort zone. My appeal to anyone who feels responsible is 'please dare to dream much bigger!' For paradise on earth for everyone is possible, but it depends on what we undertake today." RUUD KOORNSTRA

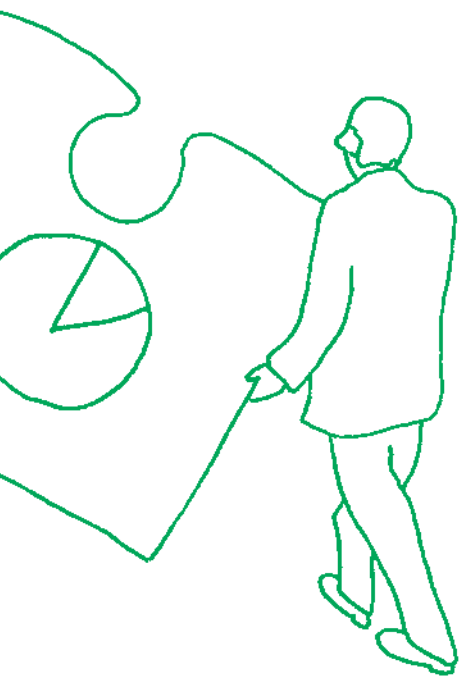
"The Province of Gelderland as a frontrunner in the field of the new economy and sustainable enterprise: that is my dream. With a province that wants to tilt away from a financially orientated ego-system to an eco-system, which really offers space for citizens' initiatives, knows how to let go, and empowers people. A dream that can become a reality. Working with new business models offers the inspiration for this." ANNEMIEKE TRAAG

"Sustainability and C2C are old hat; circular is all the rage. Change is necessary yet it is terminologies that change the most. And so we keep tinkering about. When are we *really* going to do something? In the discipline of change management as part of business administration we also learn that we should first change the culture. Isn't our society more stubborn? So off we go *towards* a culture of co-operation/sharing in value creation. Everything should revolve around value and the earth!" EBERHARD DIJKHUIS

"A new business model is often accompanied by a hitherto unusual co-operation model. Where not one but many are

involved in establishing the truth, and where debate is replaced with dialogue. Where it is not the ideas of a few that dominate, but wisdom in the group that emerges. Emotions are valid drivers here; the intention of all persons is to contribute to a higher good and professional improvisation is the trick. Talents are connected here in a surprising dream, in a fresh attempt: a common pursuit that reaches beyond 'human failings!'" EDDY DE SERANNO

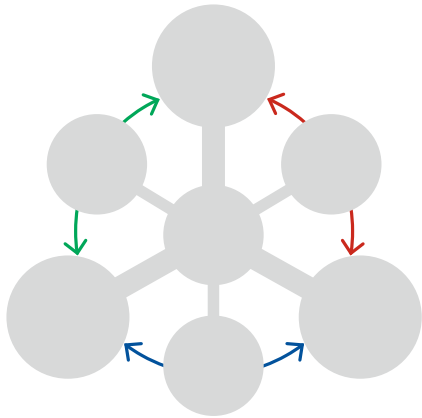
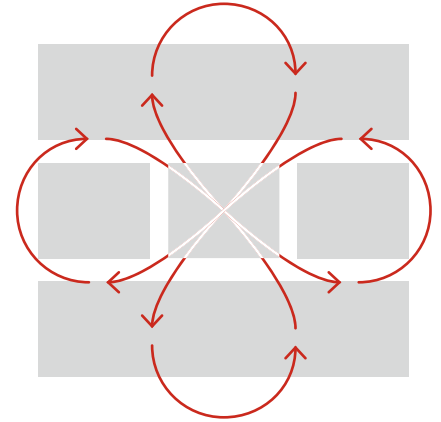
"The new business models as described in *Working Together on Value Creation* represent the future to me. In fact, we can already see that prioritising social value rather than the maximisation of profit is the starting point for an increasing number of companies. Not only do these social enterprises create innovative solutions for social issues or themes such as labour participation, the environment, and social cohesion, but these businesses are also economically viable and perform better than 'ordinary' businesses. I am convinced that in ten years' time, the new business models described in this book will be the standard." WILLEMIJN VERLOOP



**Library**

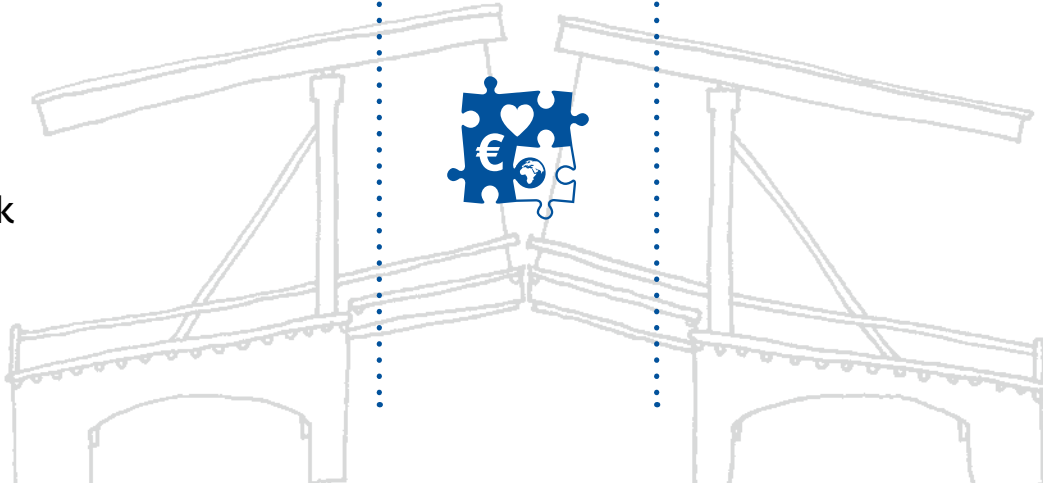


**Workshop**



**Think**

**Do**



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*In this first chapter we provide an overview of the aim of this publication. The current economic system is reaching its boundaries. We propose that we should start looking for new business models and new organisational models in order to organise that which is of value. We shed light on an economic and social transition on the basis of six trends. This transition is urgently required and the key question is not 'whether' but 'how?'*



*We dwell in this chapter upon the changing role of organisations in society and their contribution to the solution of social issues. We take a look at three generations of organisational models that are typified as 'Red', 'Green' and 'Blue'. This results in an organisational 'Land of Two Rivers': in addition to the 'classic' vertical organisation, it is also about horizontal organisation.*

*The core of organisation is value creation. Sustainability requires a different organisation of value creation. Three guiding principles are central here: multiple, shared, and collective.*

*We introduce three material and three social strategies. The principles and strategies provide direction for the organisation of sustainability and together they form a compass to continue on this path.*

*In this chapter, a view of society and of human organisation based on transactions is developed. The central idea is the premise that sustainability should be anchored in all transactions. The more we co-operate with each other, the more sustainable it becomes. Transactions acquire shape at three levels: transactional trends, means, and values. Characteristically, NBMs work with a hybrid of the three.*

*This is a central chapter of the book. Notions from the first four chapters are consolidated in a central business model based on a vision of society that assumes transactions as the central basis for creating value. We propose that transactions should be organised in such a way that they create sustainable value for the parties involved. The model has a dynamic character and develops through use over time. This model forms the basis for part II.*

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*In this chapter, we search for appropriate organisational forms in order to identify how to legally embed NBMs in society, i.e. within statutory frameworks, between other organisations and organisational forms. We focus on co-operatives and their design principles and highlight other possibilities in a European context.*

*In this first chapter on change, a central change management model is discussed including four questions and three dilemmas. Three orders of change are briefly addressed, of which the first two are highlighted in this chapter. Two main routes to bring about the change are identified. Counter-clockwise and clockwise. The first may be compared to pushing, the second to pulling. A hybrid of both offers the optimal approach for change.*

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*Sustainable value is expressed via three umbrella principles: multiple, shared, and collective. Principles help us think, give direction, as well as reflect. They help to enable what we want to translate into a specific situation or an individual case. While working on a NBM construct, besides principles, dilemmas are also encountered such as: local and global; individual and collective; or now and later.*

*This chapter focuses on the question of how to translate an idea into a NBM. What is central here is to develop a new logic of value creation or to revise an old one. Only then can a NBM originate. Here you will be given the components for designing your business model, allowing you to assemble it in a coherent manner.*

*What constitutes a successful proposition? What need does it meet? What are the distinctive elements? Take a good look at what is already there: is new really new? What are the possible drivers and accelerators and what are the roadblocks?*

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*A community originates by connecting people in a virtual or physical environment.*

*In doing things together, both reflection and selection need to occur. What are the rules, the roles, and the forms? Where do opportunities lie and what are the needs? What are the boundaries of a community?*

*Anyone who tries to obtain a clear picture of the costs and benefits of a business model (BM) very soon arrives at a value comparison expressed in money. This is a comparison in which only one value is used. A NBM uses a transaction model based on several values which assumes that it should derive various forms of value for the parties involved. Value that comprises more than money alone.*

*The book concludes with a second chapter on change, focusing, in essence, on the change management question of sustainable development: transformation. Sustainability is ultimately not about change that is a little bit better but about real change. It is about system change, about new means of co-operation, and about creating and sharing that which is of value on the basis of new rules. The realisation of this change task is perhaps the crucial undertaking of NBMs with impact.*

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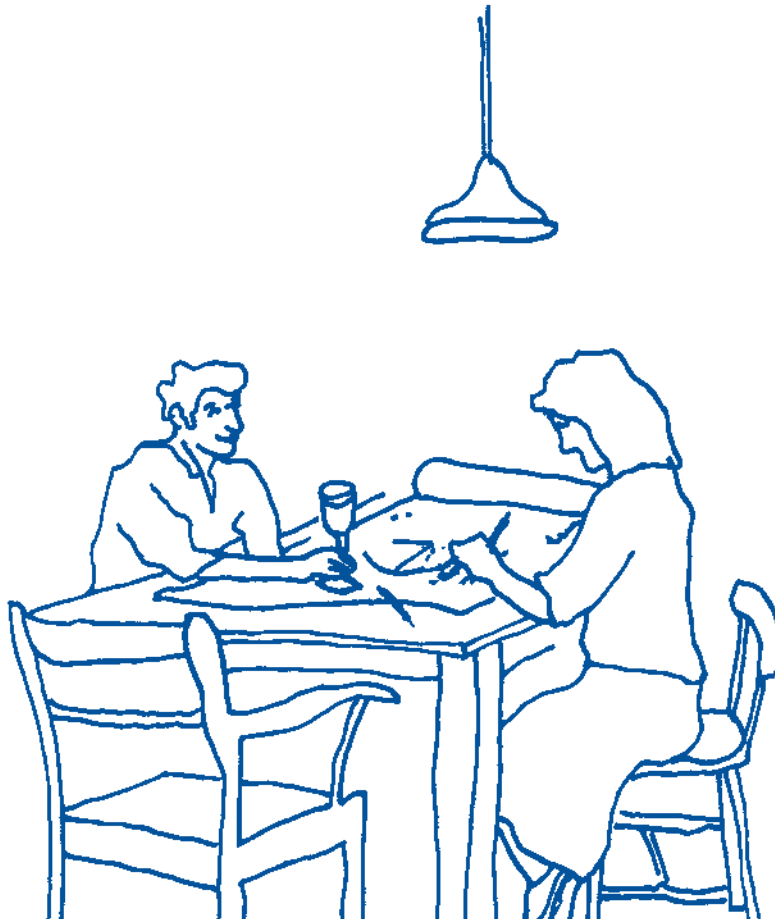
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# *Dedicated to the people creating the impact for change in this society*



**F**irst off, this book is dedicated to the new heroines and heroes of this time. People who, at their kitchen table, in the office, in their study or wherever, do more than just dreaming of a different future, a different economy, a different society. People who, dedicated to the search for new solutions, want to work on difficult and slow questions in their own environment. Who consciously strive to use their time and energy for transition. Who wish to make a difference through the use of their own creativity and competences, in their own neighbourhood or further afield both today but over a longer period of time as well. In their own way. Not uniform but authentic, with an individual voice. These people represent a new self-organising fervour in our society. People who wish to be in control and, with profits from value(s), aspire to benefit from their organising activities for each other and for nature, but additionally for themselves as well.

They are the smart thinkers, the 'innovators', the pleasant troublemakers who, on a very small or perhaps on a somewhat larger scale, are building a different society. 'Making it up as they go along'. People who are working on a different type of economy. An economy with a human dimension, of together, of value and values. Leaving those old thought patterns behind and, by doing so, developing new forms of organisation and entrepreneurship. Thus contributing fundamentally to a society that we badly need, if we are not to become bogged down in today's economy with all its now visibly destructive, exhausting, and thoughtless facets.

This book is further dedicated to all those working in organisations – for the sake of convenience we call them leaders – who desire to change their business model from the inside. To people who are obliged to work with the credo 'sorry, business as usual during the re-construction of the organisation'. Whose central concern is to render their existing activities more sustainable in order to arrive at new business models with in-house knowledge and expertise. A difficult task, for reality is tough and the 'devil' is all too often in the detail. We hope that this book will prove to be a source of inspiration and a tool-kit for these leaders as well.

But at the same time transition is not only a matter of enterprising citizens and managers. More is required in order to succeed at the required pace. Therefore, this book is also intended to serve as a guide for directors and politicians to demonstrate and unleash the potential of NBM's for enabling the necessary change. Of course we are still in the development and test phase. Many things can go wrong here. Or, as former Dutch Prime Minister J.P. Balkenende phrased it in 2006: "Anybody who is working on something is continually learning." Yet many, many things go right as well. The very aim of this book is to contribute precisely to this learning. Call this the process of 'professionalisation' and the pursuit of scaling-up. This will only be possible if directors with guts and courage also support new developments (i.e. do not begrudge the community them). This book may assist them in under-going this 'professionalisation' in making decisions that contribute to the design of a different future.

**'Multi-voicedness': Organisation based on difference!** Organisations predominantly 'speak with one voice', while the practice of organising together leads to a practice of difference that requires us to listen to several voices and take these into consideration. This may be labelled 'polyphonic' or 'multi-voiced' organisation whereby new forms of co-operation are developed in which diversity as a starting point forms the engine for change.

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- 1 Inspiration for this quotation is derived from Maddy Janssen and Chris Steyaert and their publication *Meerstemmigheid: organiseren met verschil* (2001) [Multi-voicedness: organisation with a difference], now out of print. Assen: Koninklijke Van Gorcum.



**W**riting and carrying out the necessary research for this book is first and foremost the work of people. Without the time of respondents, without a great deal of discussion, and without the entire (infra)structure of a university consisting of, among others, libraries, search engines, staff, and students, conducting real – let alone proper – research would be impossible. Therefore, many thanks to everyone who, directly or indirectly, has helped with the realisation of this book over the past five years.

First of all, a warm word of thanks in particular, to the *crowd* that has participated more recently in the creation of the workbook. Without their time, without their willingness to share, and without the candid 'insight' into their organisational practices – whether or not connected to new business models – this book would not have been realised or come to life. Mentioned by name, they are: Geanne van Arkel, Ed van den Berg, Bert Blonk, Irmgard Bomers, Nicole Camps, Ellen van Dongen, Ilse Dries, Peter Eijgenraam, Dick van Elk, Wim van Ernich, Liesbet Hanekroot, Kien van Hövell tot Westerfliet, Derk Hueting, Sjoerd Janssen, Jan Paul Kimmel, Joris Kramer, Theo Land, Mark van Loosdrecht, Henry Mentink, Eric Mieras, Jip Nelissen, Erik van den Oord, Bas Rongen, Judith Roodenrijs, Frank Rouers, Richard Rozenmeijer, Rik Ruigrok, Esther Ruigrok, Geert van Seeters, Lucie Snoeker, Anne Stijkel, Stella Vanassche, Rob van de Ven, Oene Venema, Lieve Vereycken, Wouter Verster, Peter Vos, Jennie de Vreede, Marco de Witte, and Hans Wiltink.

We hope that we have done justice to and taken care with their insights, even though they cannot always be recognised on an individual level. Also a warm word of thanks to all programme managers, assistants, and students who have contributed to the formation of ideas for this book in previous stages through their graduation research and through contributions to sub-studies. As

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I would particularly like to thank the publishers of formerly Kluwer Management (Deventer): Douwe van Randen, Anneke van Dijk, and Freek Talsma (without forgetting the team as well). Especially with these three people, the foundation was laid for this book during lovely conversations and pleasant lunches. They are also the ones who (dared to) publish(ed) 'Duurzaam Denken Doen' [Thinking and Behaving Sustainably] and 'Werken aan de WEconomy' [Working on the Weconomy], for which I salute and thank you. An inspiring group of people that, unfortunately, had to continue under a different name, as a result of which our collaboration had to end. So be it. But they remain a top team of great people! In the meantime, life and thus the creation of books as well, just continues. In the subsequent Academic Service team including: Gerdi Smit, Wieke Oosthoek, and Elke Vergoossen we found a worthy successor and hope for a sparkling collaboration going forward.

Last but not least, a warm word of thanks to Stichting OCF 2.0 and its board members. Indeed, this publication marks the fifth anniversary of its original foundation. In this period, a number of (re-search) projects were set up and very successfully completed. It is partly due to the commitment of the board, its critical reflection, assistance in devising the strategic long-term, and the careful decision-making on the daily course of events that these projects have been realised. Many thanks are additionally due to them.

The ideas phrased in the various texts on NBMs were not achieved in a day or a month, but are the result of various research and writing activities over the past five years. In specific terms, this means that ideas and models evolve progressively. The core is searching, 'tinkering', formulating, re-inventing, and rephrasing in order to ultimately clarify something. And only over time does it really become clear what that something should be about. This is sometimes called science, sometimes crowd-thinking, sometimes collective action and, if everything comes together, this leads to a breakthrough, but it also involves just a little bit of luck. However messy and frayed this may come across, we are all in this process. It is what it is.

Although this book was written over a period of approximately eighteen months, it is the follow-up to a series of projects, research, and publications which were launched in the spring of 2010. This work originally commenced as the OCF 2.0 Project, which resulted in the book 'Duurzaam Denken Doen'. Subsequently, the project and conference 'Duurzaam Organiseren Doen' [Sustainable Organisation Practice] resulted in the book 'Werken aan de WEconomy' a year later. In parallel, the succeeding launch of research into what have gradually come to be called new business models, initially resulted in a database in 2011 featuring examples and a first seminar and Working Paper on new business models at Radboud University in Nijmegen in June 2012. Later, more extensive Dutch and European research into NBMs in 2012-2013 resulted in a second and third Working Paper and three (work) conferences in June 2013.

Meanwhile and while working, a growing number of (professional) publications appeared, not to mention 'talks' and presentations. In this cluttered process, the concepts of WEconomy and NBMs were increasingly further developed, as well as progres-

sively substantively connected. In the meantime, another insight emerged. While simply talking about NBMs is not that complicated, how do you make this concrete in a specific situation and with a certain group of people who have an idea? How do you progress from a kitchen table idea to a project that works? The task is actually to successfully professionalise an idea. And precisely this is not self-evident at all. This is difficult – very difficult even. Thus, the idea gradually evolved to create a workbook that 'makes you think' using all this data. For part I, I used all possible texts, diagrams, and ideas which had developed over the previous five years. It is therefore a synthesis based on text re-cycling. For the fact that these texts exist I need to thank all possible people (see Acknowledgements). The ambition was not to write a 'perfectly' rounded argument but to allow 'pluriformity' and 'multi-voicedness'. This often means short texts interrupted by quotations, boxes, and lists. This also allows for 'zapping' through the pages. Short summaries as well as forward and backward references are regularly provided.

For part II, a crowd-thinking project was set up. On the basis of a public appeal at the end of 2013, people were asked if they were willing to co-operate in said part II as a volunteer. Over 120 people from the Netherlands and fortunately Belgium too, responded to this. From this group, a selection of 40 people was made on the basis of competence and experience. The hope with such a selection is that, combined, it will form a beautiful, dynamic group of people. People who are willing and able to get the job done. This group got together collectively three times. Together they developed the central model of part I in part II. The editing and cohesion of the book was subsequently polished up by an editorial team consisting of the theme leaders of the groups from the model, partly on the basis of input from the critical readers. This process was supported by Ine Nijland (organisation and editing).

From the birth of the idea that this book needed to be created, there has been co-operation with the designer Justus Bottenheft and with Marsha Simon for the drawings. We consider that by synchronising the writing with the design process, a much better balance has been achieved between the visual and textual side of the book.

Of course, all possible sources were used in this book as well; this is logical, normal, and highly inspiring. At the back of the book you will find an overview of these sources and it is carefully indicated here what is used for what purpose. Yet at the same time that which is used is only the 'tip' of the proverbial iceberg. Anyone who explores the subjects of value(s), creation of value(s), interaction of value(s), business models and networks gets the feeling fairly frequently that they have ended up in an academic 'Alice in Wonderland'. Everything is inter-related and associations emerge time and again, and as a result, references to new sources, authors, insights, documents, and presentations originate. Is there

### *Foundations for new business models*

*Design Thinking, Assemblage Theory, Value Network Analysis, Social Exchange Theory, Stakeholder Management, Ecology, Viable System Thinking, Product Services Systems, Sensemaking, Symbolic Inquiry, Socioeconomics, organisational Ecology, Resource-based View of the Firm, Socio-technical Change, Transition Theory, Transformation Theory, Network Theory, and Scenario Planning of Change Management.*

a theoretical foundation? And if so, what then is this foundation? Quite a few new foundations may be identified.

And is there one dominant angle or is there almost by definition an eclectic jumble? Is it at all possible to approach a subject such as new business models from a single discipline or is inter-disciplinary – in the sense of integral – thinking a prerequisite for the development of ideas? If the latter is the case, then many disciplinary thinkers will be disappointed by this book. Many issues are addressed very briefly but nowhere does theoretical deepening occur. Or is this precisely the crux of this book? In short, goodness knows. One thing is clear though: this is not an academic disciplinary publication, but a living, breathing document created by, for, and with people with the intention that they themselves in and by their behaviour, individually and together, are inspired and enabled to create value that matters.

A separate point of accountability for a different form of source usage is justified here. In everyday life, you are presented with sentences, a beautiful remark, or a paragraph in e-mails, in conversations or sometimes just in the street, which say something about a subject that hits the nail on the head. It is very beautiful when this happens. A real 'aha' moment. And this certainly does not merely pertain to formal publications but additionally to 'street words', to 'language in passing'. So what a pity it would be not to use this very element. Here, the applied motto is: 'Better steal something good than invent something bad'. And this has been done here. There are a number of people I wish to thank additionally by name for they provided texts and ideas in this way, which I have used here with their permission: Leen Gorrissen, Heidi Leenaarts, Jean-Paul van Soest, and Alwin Bakker. Thank you for your verbal contributions. What I have done with them is entirely my responsibility.

The result that is now before us is something to be proud of! It was written, compiled, drawn, designed, collected, devised, and tested under my responsibility as lead editor. This cheerful and sometimes challenging process was carried out with respect for a multitude of sources and ideas and with a great deal of care. Yet it may be that the final result contains mistakes. Should you encounter any, then we would appreciate it very much if you would notify us of these, so that we can rectify them in a possible next edition.

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This is a 'think-book' and a workbook on new business models (NBMs). It is a book that presents theoretical foundations and concepts. On the basis of a central model and a practical step-by-step methodology, the reader may develop their model from scratch. This process occurs chapter by chapter using examples, questions, and checklists enabling you to get started right away.

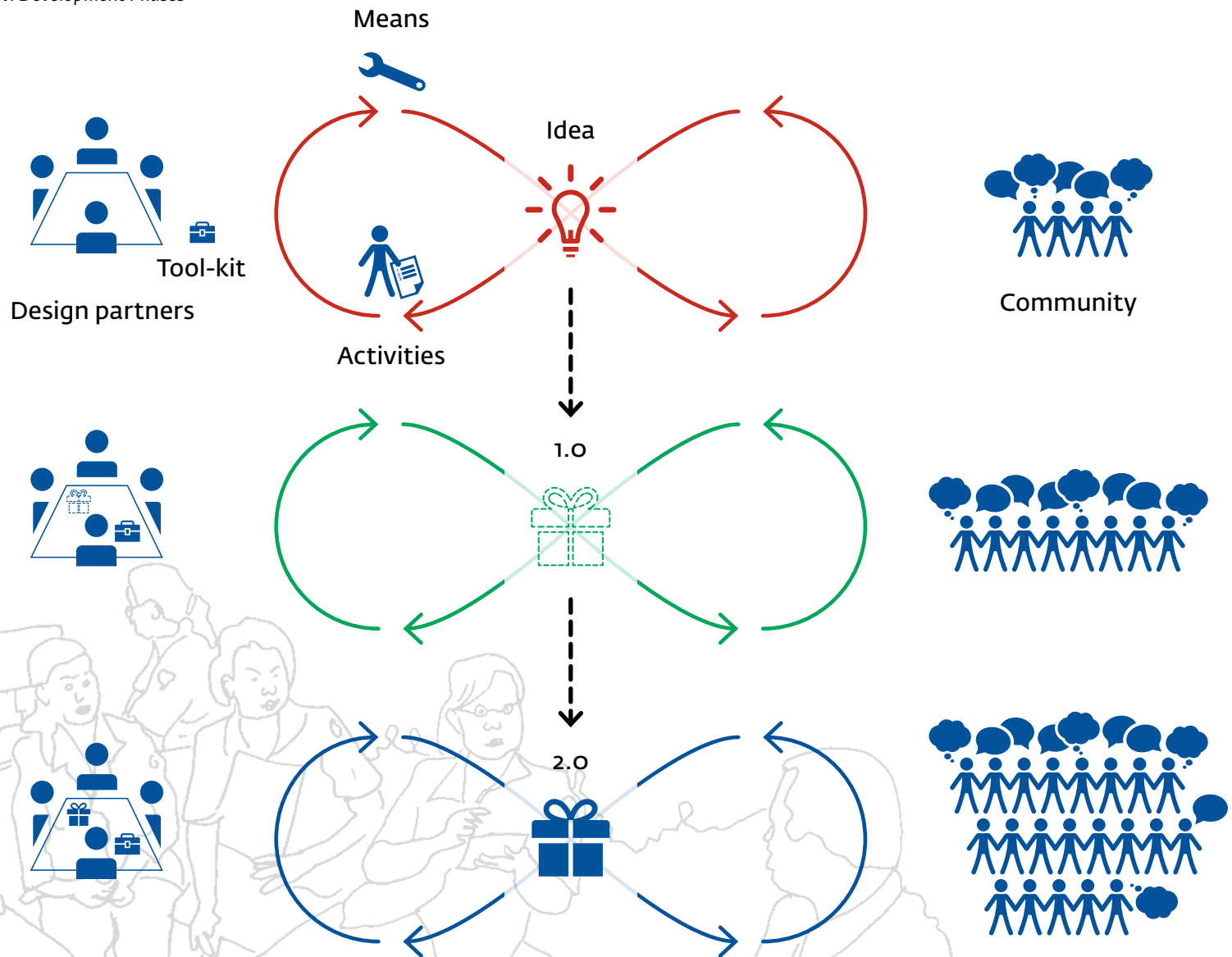
It is a book for shaping new transactions, new (social) business, and new forms of organisation with each other. Not a classic book on business models that mainly focuses on new business models based on existing business. There are many of those already which all do more or less the same. But a book for people with an enterprising idea that, if it works, results in more than financial value alone.

It is a book for people who discern social issues that they aim to do something about. People who want to organise their own energy for example. Or start a collective supermarket. Or set up a care co-operative. But whatever the idea may be: it is for people who just seriously intend to change the world (a little) with an idea and a corresponding form of organisation, for they think it should be done.

It is perhaps for these people that this book is written the most. For they are the 'change doers' in this society. People that we sorely need in order to make a transition to a different economy, a different society, and the role of 'business' therein. This book indicates how they may organise such change. Perhaps it is therefore a book with the ambition of contributing to a different future.

It is a book that may simply be read from front to back. It is just a book after all. Part I first of all provides an overview of the

FIGURE A NBM Development Phases



concepts and ideas that form the basis for part II. This first part we call 'The Library' and this may be read as an independent and rounded essay. Part II is called 'The Workshop'. In this part, the ideas from the first part are developed in a workbook. This results in a methodology for people who think about – or work on – what we will henceforth refer to here as: new business models or NBMs. Some will still be in the 'dream phase', and others will have had activities in progress for a while. Still others will want to think their existing model through again and adapt it. But they all share having a vision, an ambition that things should be otherwise. And not only do they think this, no, they want to organise it. Wherever they may find themselves in this process and whatever their challenges may be; this book has the ambition of helping and supporting them in the further development of their various practices.

The second part of the book was structured on the basis of a central model consisting of five building blocks. They include: (1) three principles of value creation (2) working on a design (3) the value proposition (4) building and maintaining a community (5) the cost-benefit analysis or cost-value creation comparison. The heart of the model is formed by the value proposition: what it is that we want to organise with each other which is of value to us? With each of these building blocks, a number of questions are asked which we view as crucial for an easier and more rapid development of a model that is more professional and consequently has more chance of survival and success. The answers to all the questions jointly provide an insight into what should be organised in order to translate the value proposition of an idea into the actual practice.

The second part may also be read as a 'game of hopscotch'. It is not the structure of the book nor the model that determines the order of reading, but the personal questions and challenges. "Do I have a clear perception of my value proposition?", "Do I know for whom I am creating value?" and "Do I have a community at all with which the idea that we have may be realised?" are the type of questions that are at issue here. The key idea remains that questions are asked, diagrams presented, and checklists offered in a systematic and coherent manner on all components of the model.

### *One final point*

The book includes two chapters on change. This choice demonstrates that sustainability is linked on a one-to-one basis with a difficult set of change management issues. Not one but several and simultaneously. Change within existing organisations, sure. But also change in the network, the system of organisations. Sustainability is essentially just about change. The successful design and implementation of a NBM therefore requires more than competent design and construction. It requires the ability to cope with these change management issues at three different levels. In chapter 7 (the last chapter of part I), three levels of thinking about change are presented from a reasonably pragmatic perspective, namely first, second, and third order of change. In particular, the first two orders – improvement and transformation – are subsequently developed to some extent. Chapter 13 (the chapter following part II and the last chapter of the book) mainly focuses on the third order of change: transition. The central challenge of changing things together is examined.

# A bird's eye view of NBMs

The core of a business model (BM) is to show the logic of the value creation. This logic is based on a transaction, now, today, or somewhere in time. A model is a simplified representation of a piece of reality. Given a number of assumptions and views, a model shows the workings of a transaction (inspired by the Rotman School of Design, Toronto, Canada). The essence is to make a cost-value creation comparison between costs and returns of a transaction. Sustainability or sustainable development typically has no central place in conventional business models. They are based on a cost-benefit analysis that assumes one value, namely the extent of financial profit or loss. This does not mean that there can be no focus on sustainability in existing business models.

The starting point here is that transactions, with a view to the realisation of sustainability, are based on more than financial gain alone. Sustainability requires the creation of more than one value. The challenge of NBMs is to give an alternative shape to the concept of *value creation* that differs from the one that creates the basis of conventional business models. This requires work on multiple value creation (MVC). The point of MVC is to work on a coherent set of social, ecological, and economic values simultaneously which, besides money, may consist of hours, energy, and other means of transaction. This way, profits become more than money alone. This approach results in values that are not a by-product or the result of good intentions, but which are organised *consciously and effectively*.

The core of a NBM is the development of a transaction model based on a set of principles and 'design rules' which we will briefly review here. A key characteristic of many NBMs is that they contribute to the solution of social questions and challenges. The central idea behind NBMs is that value creation is guided by co-creation. Co-creation is a form of co-operation where people start working together on the basis of values (and trust). Three

principles apply here: multiple, shared, and collective. In addition, there are various design rules that help give shape to a NBM. The aim being, among others, to choose from strategic opportunities, to select one of the five trends, and one of the four BM types, as well as whether or not to work with various transactional values, et cetera.

The starting point is a number of people among whom an idea originates and is developed. Call them the 'initial entertainers of ideas', the community, or just a group of friends, the neighbours, or the entrepreneur. A complex value is organised among them which acquires a collective or a community character. Contributing to the creation, investment, and realisation therefore also means sharing in the risks and rewards. Investments and rewards of which the nature (possibly) changes over time as well. Parties are drawn to each other on the basis of common interests, solution directions, and values. Precisely those issues that people think matter – where they feel something needs to be done and where they can make a difference together, offering the basis for such 'magnetism'. They co-operate with each other for they want this, are able to do this based on their needs, abilities and aspirations. The angle is to create value together. One of the aims of developing a NBM is to come up with solutions, locally or regionally, from which value for a broad range of interest groups including the parties involved ensues.

The process from idea to realisation includes a design phase in which, on the basis of these principles, an idea, a vision or a dream is translated into a (local, regional, or national) plan with a feasibility and risk analysis on the basis of the necessary social and material resources. This leads to a 'design' offering the basis for a business or value proposition). But alternatively, perhaps the idea of the proposition comes first. In this approach, a community organises an idea together (no matter whether it concerns exchanging, sharing, creating or a combination of other aspects)

and uses it as well. Core is: with a NBM we 'create' matters (material and immaterial) which are of value for those involved (e.g. care, energy, a network for vegetables, car sharing, etc.); we do this in a collective way and with the use of our time, our energy, our creativity, and where appropriate, our money. In this process, we make choices (call it focus) and choose a way to achieve this. This we call: choosing strategically. It is important here that we are not only 'creators' but also simultaneously consumers and users of that which we mutually create together (collaborating and sharing collectively).

Devising and designing with passion is one thing. However, once launched, at least as important is to additionally maintain that which was dreamed up together in order to keep it 'up and running'. NBMs are usually not immediately 'mature' after the launch. Due to their various dimensions, they are much more dynamic than the 'conventional' BMs; they will therefore seldom be 'finished'. They display teething problems, cost yet more energy than first thought, people back out, and what initially seemed 'fantastic' nevertheless has to be adjusted over time. The roles of stakeholders (or participants) may change over time and may depend on the phase in which the BM finds itself. Not least, changes may occur in the environment – new regulations, a new contract, rules that prove to be an obstacle, and so on and so forth. Precisely dealing with this costs time and energy: this is sometimes not anticipated but it needs to be factored in all the same. The advice is therefore: save energy for times when the going gets tough.

A number of important characteristics of conventional and new business models are juxtaposed below. This overview does not pretend to be exhaustive. But it aims to make the essential differences between the two approaches clear. In view of the 'work in progress' character of the development of NBMs, it may well be that this overview will require further developing and nuancing going forward. Time will tell.



## New Business Models

Sustainability is maturing. People in society are mobilising. They feel that things can and indeed should be done differently. This is how initiatives emerge around themes that matter, such as food, energy, and care. We call this the emergence of the WEconomy. There are a growing number of initiatives, yet many do not come to full fruition. This is a pity, as this way society loses the valuable energy of people who help shape a transition to a different economy, a different society.

Shaping the future together from the bottom up 'as we go along' represents an immense challenge. Sustainability does not grow on trees or bushes, but needs to be organised by people, with each other and with competence. This is difficult. Organising the WEconomy requires new ways of interacting with one another, new transaction models, and new business models.

Over the past three years, research into New Business Models (NBMs) has been conducted by Jan Jonker (professor of Sustainable Entrepreneurship at Radboud University Nijmegen) with various groups of people. The core of a NBM is to organise value together and share the profits. NBMs offer a way of organising where it is not just about money, but about other values as well, facilitating mutual value sharing.

*The WEconomy, this is us!*

With over thirty co-authors, these insights have been elaborated in this beautifully designed reading and do-it-yourself-book. The result offers a guide for arriving at a fully-fledged alternative to conventional business models. Anyone can go about setting up or refining a NBM themselves, so that sustainable initiatives actually get off the ground successfully. The book offers background information, a range of examples, tips and checklists.

