from start-up
to scale-up

Content

Part A: research design
introduction and relevance
research questions & method

Part B: concepts
starting businesses
business model

Part C: findings
key findings
conclusion
lessons learned

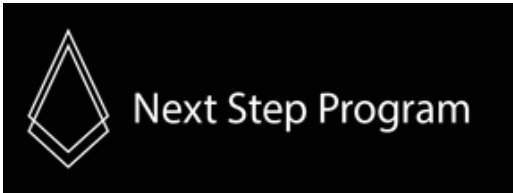research design

A.

Introduction

Technology

Innovation

Entrepreneurship

Start-ups

Creativity

Design thinking

Innovative leadership

Starting architects

The creative industry in the Netherlands

Dutch architecture

New generation of architects

Relevance

Scientific and practical

Adding to the first (scientific) explorations about the topic

Starting firms in particular

Awareness of business side of architectural firms

Societal importance of start-ups

Growth in construction

Starting architects

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Starting?
Starting architect?
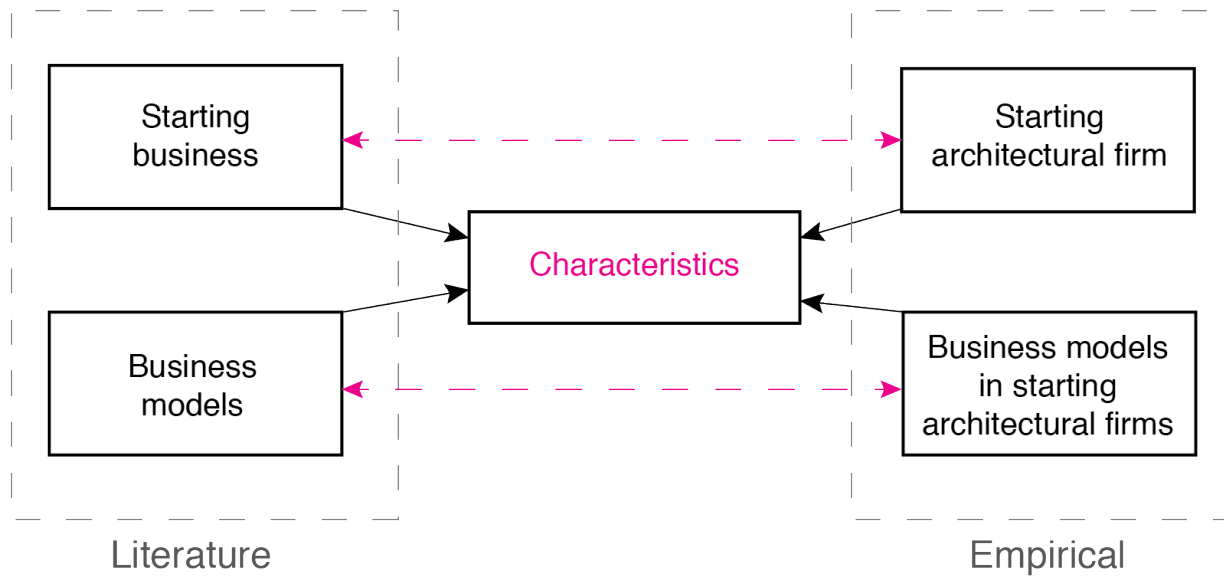
Business models?

a fist definition
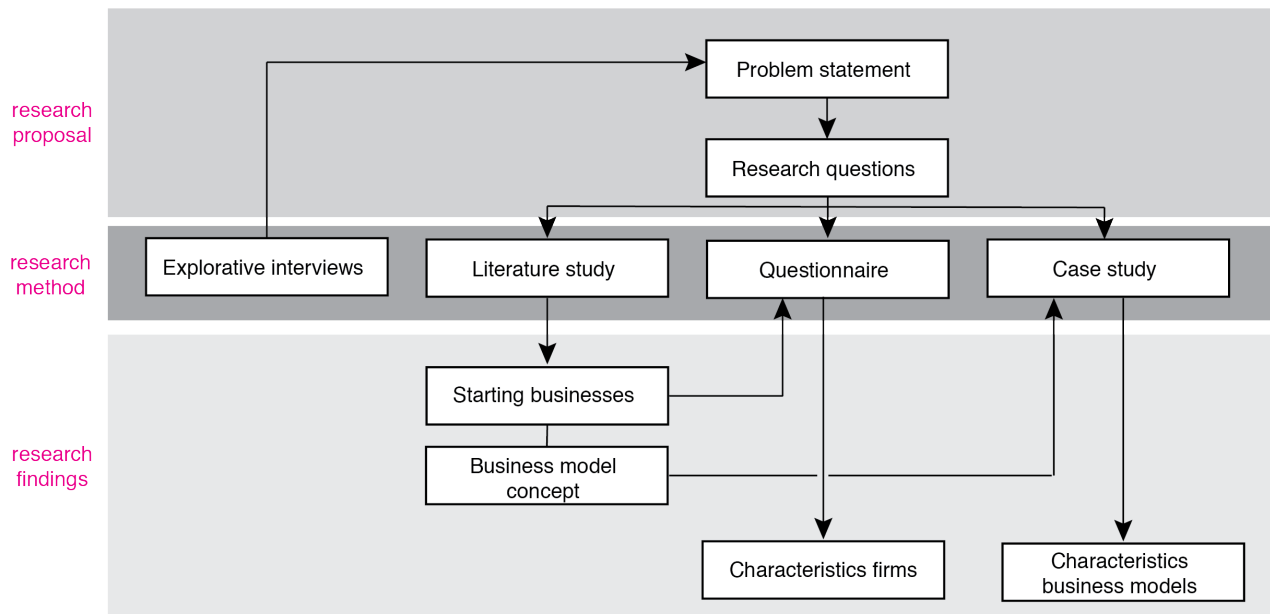
Research questions

What are the explicit and implicit characteristics of <u>starting architectural firms</u> in the Netherlands and what characterizes their <u>business models</u>?

Research methods

Literature   Empirical

Research methods

research
proposal

research
method

research
findings

Problem statement

Research questions

Explorative interviews

Literature study

Questionnaire

Case study

Starting businesses

Business model
concept

Characteristics firms

Characteristics
business models
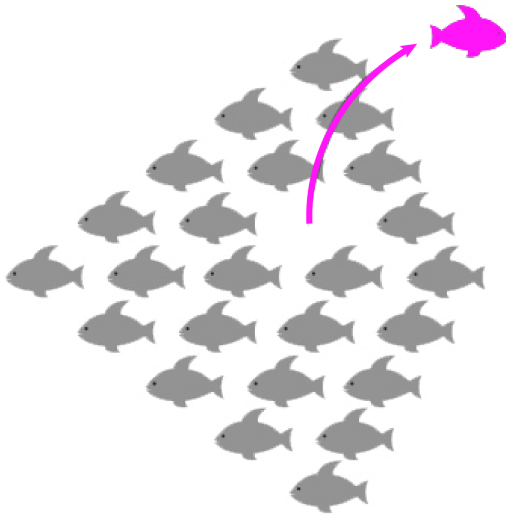
B.

Starting businesses

Entrepreneurship

Start-up
Industry dependent
Explicit measurements

Volkmann et al. (2010):
≤ 3 years
No break-even point
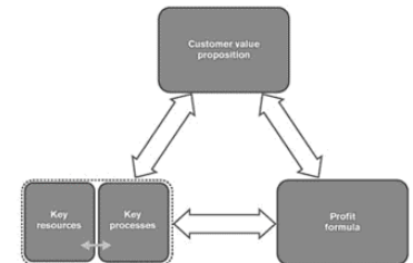Not sustainable from internal cash flows

Business model theory
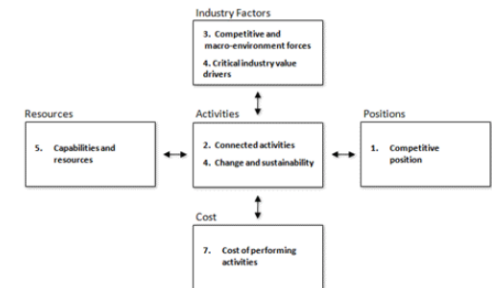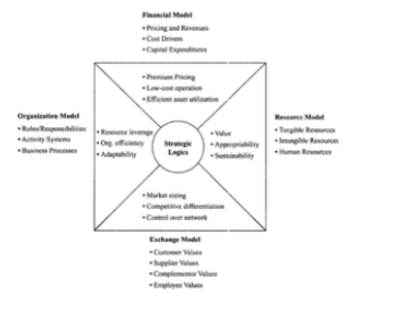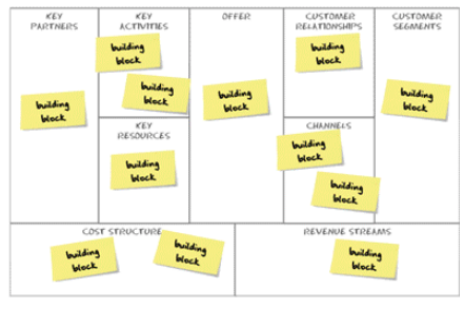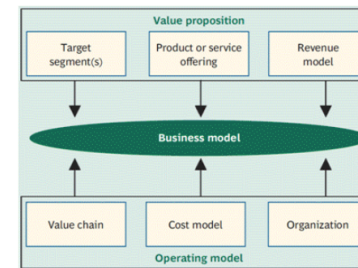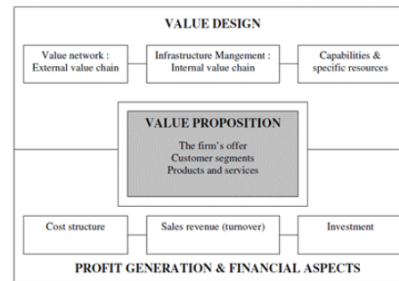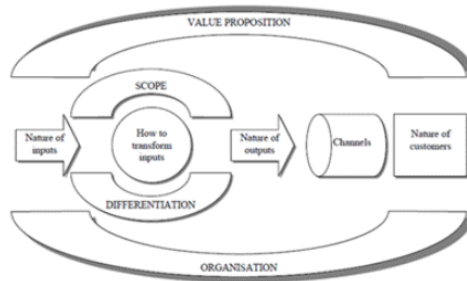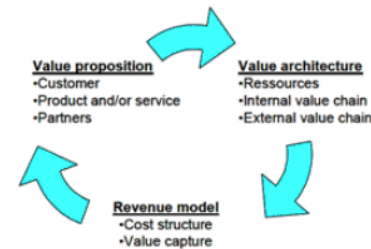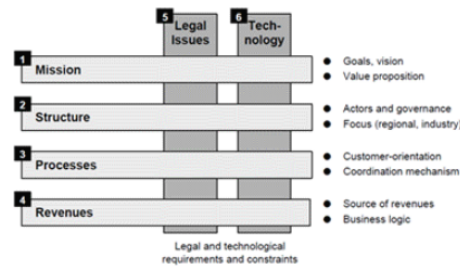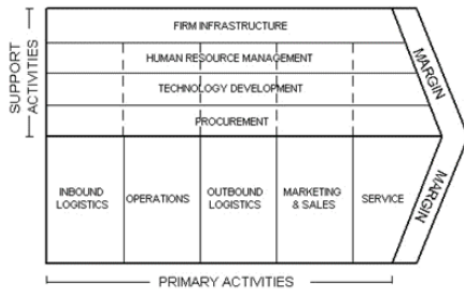
Business model theory

Generic description

4 components:

>   Value proposition

>   Customers

>   Infrastructure and process

>   Revenue and cost structure

"A business model describes the underlying business idea and perceived entrepreneurial opportunity, as well as the means and ways for realizing this idea" (Volkmann et al., 2010)

C.

Questionnaire

Questionnaire via electronic mail

62 sent out questionnaires

July 2017 and August 2017

40% response rate

Questionnaire

A few results..

> <u>Work experience</u>: 36% 1-4 years, 24% 15 years

> <u>Amount of founders</u>: Majority 1-2 founders

> <u>Size</u>: average of 2,4 employees according to questionnaire. (BNA average is 4,6 employees)

> <u>Turnover</u>: total average turnover €114.594,- (BNA average is €340.800,-)

Questionnaire

Starting architectural firms
Volkmann et al. (2010):
≤ 3 years → NO
No break-even point → YES
Not sustainable from internal cash flows → YES

Case studies

Workshop: semi structures interview and interactive part

Semi structures interview

Interactive part: business model canvas (Osterwalder, Pigneur, & Clark, 2010)

6 cases

Case studies

The business model of starting architectural firms:
Transition in focus
Transition in epicentre
Mismatch within business model

Desire to deviate from traditional architectural firm

Case studies

The business model of starting architectural firms: Transition in focus
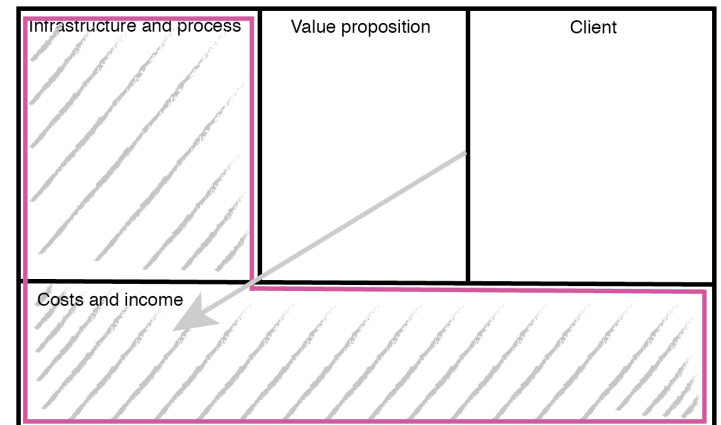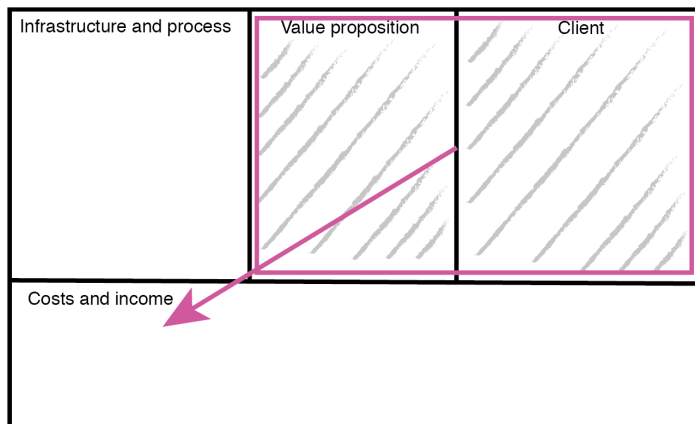
Case studies

The business model of starting architectural firms: Transition in epicentre

Infrastructure and process	Value proposition	Client
Costs and income		

transition

Infrastructure and process	Value proposition	Client
Costs and income		
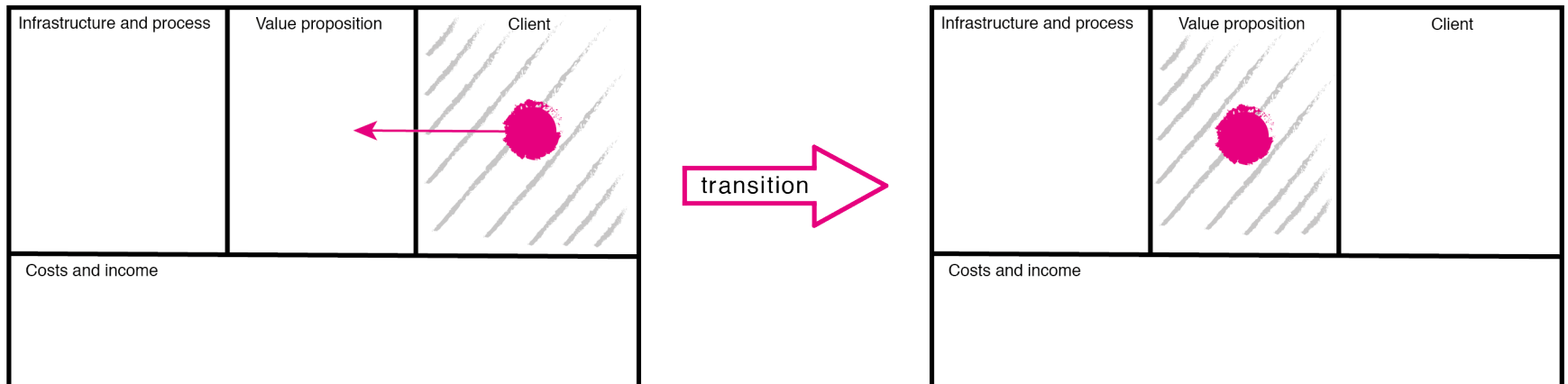
Case studies

The business model of starting architectural firms: Mismatch within the business model

Infrastructure and process	Value proposition	Client
	mismatch	
Costs and income		

transition

Infrastructure and process	Value proposition	Client
	match	
Costs and income		
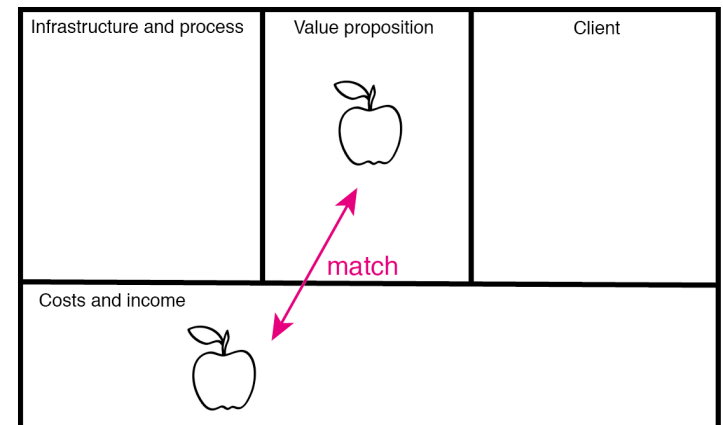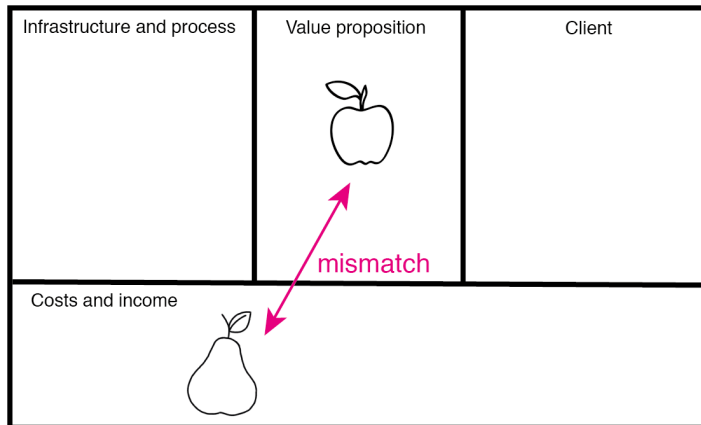
Case studies

Desire to deviate
Desire to be different from the traditional architectural firm
→ *Only in value proposition*
→ *Not in other components*

Innovation is possible but not common
Too small a player

"Yes, if you are looking at architectural firms on the internet, of course you have the big offices that are very creative, but 90% is really just the same with a grey logo and a website with just a portfolio. All super boring."

Conclusion

What are the explicit and implicit characteristics of <u>starting architectural firms</u> in the Netherlands and what characterizes their <u>business models</u>?

Conclusion

What are the explicit and implicit characteristics of <u>starting architectural firms</u> in the Netherlands?

Subtler and less explicit than age

More related to market position and income stability

Market position: niche

Income stability: match within business model

Starting architectural firm

Conclusion

What characterizes the <u>business models </u>of starting architectural firms in the Netherlands?

Strong focus on value proposition and client segment

Epicenter lays in the client aspect

Mismatch between 'value proposition' and 'costs and income'

From start-up to scale-up

Lessons learned

For starting architects

Consciously setting up a business model

Enlarge professional network

Apply for funding to move away from mismatch as soon as possible

For architectural (educational) institutions and associations

Incorporate basics of setting up a firm in education

Supporting programs/workshops

Thank you!