from start-up to scale-up
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
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

Starting? Starting architect?

Business models?

a fist definition
Research questions

What are the explicit and implicit characteristics of starting architectural firms in the Netherlands and what characterizes their business models?
Research methods

- Starting business
- Business models
- Characteristics
- Starting architectural firm
- Business models in starting architectural firms

Literature

Empirical
Research methods

![Diagram of research methods]

- Problem statement
- Research questions

Explorative interviews → Starting businesses

Literature study → Business model concept

Questionnaire → Characteristics firms

Case study → Characteristics business models

Research proposal
Research method
Research findings
B.
Entrepreneurship

Schumpeter (1947): “the defining characteristic is simply the doing of new things or the doing of things that are already being done in a new way (innovation)”

Kalantaridis (2004): “the economic agent who puts together factors of production, as well as contracts with other entrepreneurs and other economic actors in a network of production and distribution”

Gedik, Miman, and Kesici (2015): the process of starting a business by taking all risks with the aim to discover and exploit profitable opportunities.

Starting businesses

Volkmann et al. (2010):
- Industry dependent
- Explicit measurements
- ≤ 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)
Questionnaire via electronic mail
62 sent out questionnaires
July 2017 and August 2017
40% response rate
A few results..

> **Work experience**: 36% 1-4 years, 24% 15 years
> **Amount of founders**: Majority 1-2 founders
> **Size**: average of 2.4 employees according to questionnaire. (BNA average is 4.6 employees)
> **Turnover**: 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
The business model of starting architectural firms: Transition in focus
The business model of starting architectural firms: Transition in epicentre
### Case studies

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

<table>
<thead>
<tr>
<th>Infrastructure and process</th>
<th>Value proposition</th>
<th>Client</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Mismatch**

<table>
<thead>
<tr>
<th>Costs and income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Transition**

<table>
<thead>
<tr>
<th>Infrastructure and process</th>
<th>Value proposition</th>
<th>Client</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Match**

<table>
<thead>
<tr>
<th>Costs and income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>
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 starting architectural firms in the Netherlands and what characterizes their business models?
Conclusion

What are the explicit and implicit characteristics of starting architectural firms 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
What characterizes the *business models* 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!