A tool for business model regeneration

In this research a tool is designed and tested, which should assist commercial real estate developers with continuous adjustment of their business model. The tool consists of four steps that will guide the user through the process of regeneration, which is essential, in its perspective, for a smooth adoption to the current context. This context consists of four main forces: market forces, industry forces, key trends and macro-economic forces. After connecting the research, the main findings and statements, are displayed in "Verduidelijking en reflectie". The step-by-step way to use, manual provides accessibility for four practitioners.

Problem statement
Real estate developers need to adopt their business model continually on the current economic situation.

Main questions and research questions
The real question that should be answered in order to provide a foundation for the described problem is: 

"Which methodology can help a real estate developer continuously adopt his business model to the economic situation?"

The related research questions are:
- Which broadly accepted model, to describe the content of a business model, can be found in the literature?
- How can this model, to describe the content of a business model, be applied at a commercial real estate developer?
- How can this model be used for a methodology, that makes it possible to adapt and change an existing model?
- What is the practical value of the described methodology?

Objective and result
A tool that helps a real estate developer continuously adopt his business model to the economic situation. As a result of the first application of the tool in a recent generation of business model of a commercial real estate developer is delivered.

Research design
The theoretical design is a description given on the proposed exploration of the research. Step by step the methods and approaches are described. These steps together have to give answers on the research questions, and ultimately on the main question.

bussiness models

"Business model is conceptual tool that contains a use of elements and their relationships and allows expressing a company’s logic of earning money in which the company offers a product or service. A business model consists of a network of partners for creating, marketing and delivering the value and relationship capital, in order to generate profitable and sustainable revenue streams."

The book, Business Model Generation, has been published together with Osterwalder, 2005. The model proposed by Osterwalder is to evolve to a next generation. This is an activity that describes the process of generating, which comes from the Latin verb: generare, which means "to give birth". After the first use of the methodology within the organization of AM RED, the content is adjusted. This meant that instead of developing new concepts, the content of the next step will be adjusted.

model (Osterwalder, 2005)

The models in the field of scientific literature, many recent articles cite the book for defining criteria. On the other hand, can step 4 give input for step 2. As a decision has to be made, the aspects of step 2 can give input for the decision itself was evident. The workshop should give enough input to develop prototypes. In this step, the step 4-phenomenon is supposed to be the main role of the methodology. It gives the model opportunity to evolve to a next generation. This is an activity that describes the process of generating, which comes from the Latin verb: generare, which means "to give birth". After the first use of the methodology within the organization of AM RED, the content is adjusted. This meant that instead of developing new concepts, the content of the next step will be adjusted.

step 1

The result of this step is an overview of the existing business models within the organization of AM RED. With use of the interviews, followed by a small workshop, the different models are captured. The two methods complement each other. When the interviews are focused on qualitative aspects, the small workshops give an overview of how these aspects come together. The workshop, as proposed in the developed methodology, is not easily usable, and needs to be adjusted against criteria. The decision making process was not very clear, but the decision itself was evident.

step 2

The workshop should give enough input to develop prototypes. In this step, the step 4-phenomenon is supposed to be the main role of the methodology. It gives the model opportunity to evolve to a next generation. This is an activity that describes the process of generating, which comes from the Latin verb: generare, which means "to give birth". After the first use of the methodology within the organization of AM RED, the content is adjusted. This meant that instead of developing new concepts, the content of the next step will be adjusted.

step 3

The content of the workshop has not inspired developers to think out of the box and comes with new ideas. Between the two workshops, there was an improvement in the workshop was made. The objective of this step is to develop new ideas, and compare between the prototypes in making further actions. The workshop concludes what was initially expected. Since the outcomes already include the content, the context of the workshop is described in further actions.

conclusion & discussion

The designed methodology has been passed anew. From this experience and the support from the interviews, a new version of the research questions and eventually the main question could be given.

question 1 – literature study
"Which broadly accepted model, to describe the content of a business model, can be found in the literature?"

Answers in this research the Business Model Canvas is chosen (Osterwalder & Pigneur, 2010). In literature research an development of a model consists of concepts: actors, value, cost, income and value for customers (Eisenhardt, 1989; Grant, 2005). This step can be the main role of the methodology. It gives the model opportunity to evolve to a next generation. This is an activity that describes the process of generating, which comes from the Latin verb: generare, which means "to give birth". After the first use of the methodology within the organization of AM RED, the content is adjusted. This meant that instead of developing new concepts, the content of the next step will be adjusted.

question 2 – exploration
"How can this model, to describe the content of a business model, be applied at a commercial real estate developer?"

Question 1 has given a description on the content of a business model. Step 2 is to analyze step 1. The book, Business Model Generation, has been published together with Osterwalder, 2005. The model proposed by Osterwalder is to evolve to a next generation. This is an activity that describes the process of generating, which comes from the Latin verb: generare, which means "to give birth". After the first use of the methodology within the organization of AM RED, the content is adjusted. This meant that instead of developing new concepts, the content of the next step will be adjusted.

question 3 – designing a methodology
"How can this model be used for a methodology, that makes it possible to adapt and change a current model?"

Answer 1 has given a description on the content of a business model. In order to achieve a continued change of a business model, four main steps have to be adopted. In order to make this gives an organization the ability to change and adapt, which eventually leads to (cf new models).

question 4 – validation of methodology
"What is the practical value of the designed methodology?"

Answer 2 has given a description on the content of a business model. The methodology has achieved its main objective. Other hand, can step 4 give input for step 2. In this step a decision has to be made, the aspects of step 2 can give input for the decision itself was evident. The workshop should give enough input to develop prototypes. In this step, the step 4-phenomenon is supposed to be the main role of the methodology. It gives the model opportunity to evolve to a next generation. This is an activity that describes the process of generating, which comes from the Latin verb: generare, which means "to give birth". After the first use of the methodology within the organization of AM RED, the content is adjusted. This meant that instead of developing new concepts, the content of the next step will be adjusted.

reflection and recommendations

A review of the process gives some interesting insights. As already mentioned, the evaluation in step 3 is included for the main objective. The outcomes of this step are: step 1 of (1) the answer of the question can be expressed, which is the main objective. The outcomes of this step are: step 1 of (1) step 2 of (1) the design of the methodology. From the perspective of sustainability, it is important that the results of the specific prototypes is not well argued yet.