

# Designing an ICT tooling platform to support the needs of SMEs in business model innovation

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## Keywords (up to 5)

Business model innovation, business models, digital platform, business model tooling, SME

## 1. Introduction and purpose

The relevance of Business model innovation (BMI) to survival and competitiveness of companies is largely acknowledged by academia and industry. Still, a recent study by Bouwman et al (2016) showed that 37% of Europe's small and medium sized companies (SMEs) are engaged in BM Innovation. This means that almost two thirds of the SMEs do not change their business logic, thus staying within their familiar comfort zone. This can be fine for some, but many more SMEs will need to adjust and innovate their business model as the world changes around them especially due to digitalisation.

Moreover, very few SMEs use formal methods to improve their BM - of those SMEs that do BM Innovation, only 19% make use of formal methods (Bouwman et al., 2016). This raises a question whether it is possible to support the BM innovation of SMEs by providing them tools that fit their strategic aims and practical BMI needs.

In this paper, we present two design cycles for an online platform with ICT-enabled tooling that supports business model innovation by SMEs. The platform connects the needs of the SMEs regarding BMI with tools that can help to solve those needs and questions. The needs are derived from our earlier case study work (Heikkilä et al. 2016), showing typical BMI patterns of the SMEs needs - labelled as 'I want to's - about what an entrepreneur wants to achieve with business model innovation. The platform provides sets of integrated tools that can answer the typical 'I want to' questions that SMEs have with innovating their business models.

## **2. Method**

We follow the approach described by Verschuren and Hartog (2005) for design-oriented research. We derived requirements from interviews with SMEs and SME helpers, brainstorm sessions, literature on existing tooling, the partners' experience with tooling in practice and earlier research results and intermediate evaluation (De Reuver et al., 2016; Heikkilä et al., 2016).

## **3. Results**

The platform is a first that provides BMI tooling specifically for SMEs. We adapt 29 BMI tools for the specific needs of SMEs, including 'paths' that integrate multiple tools for reaching a particular 'I want to' goal (Table 1). The platform has been implemented through a prototype, see Figure 1 for the homepage and Figure 2 for the business model innovation paths. Evaluation is ongoing using log data from the platform and action research case studies in which the tools and platform will be applied by actual SMEs in real-life innovation projects. In May 2017, we have about 2,000 sessions by almost 1,000 users, with an average number of 6.4 page views.

Table 1: I-want-to's and business model tooling in the platform

I want to...	Start a new business	Test my business	Grow my business	Make my business profitable	Tools in the platform to support the I-want-to		
... know my customers	x			x	Target group selection	Focus group	Persona
... reach my customers			x		Persona	Marketing cards	Marketing mix
... test the attractiveness of my product	x	x			Thinking hats	Focus group	
... test if my business is financially sound			x		BMC	Profit calculator	
... test if my business is futureproof			x		BMC	PESTLE	BM stress test
... discuss my business	better	x	x		SWOT	BMC	BM patterns
... develop a (viable) business model	x		x		VPC	BMC	ROI calculator
... improve		x		x	Process	Deadly wastes	

	efficiency			journey	canvas	
... improve my offering			x	Persona	Competitor analysis	VPC
... explore new ways of making money		x	x	BMC	BM patterns (red cards)	(BMC)
... explore (new) markets	x		x	PESTLE	Five Forces	SWOT
... implement my new business	x			BMC	BMC	BM roadmap
... convince partners			x	Partner analysis	Partner value matrix	

\*) Sometimes it may be useful to add an explanatory footnote to a table element

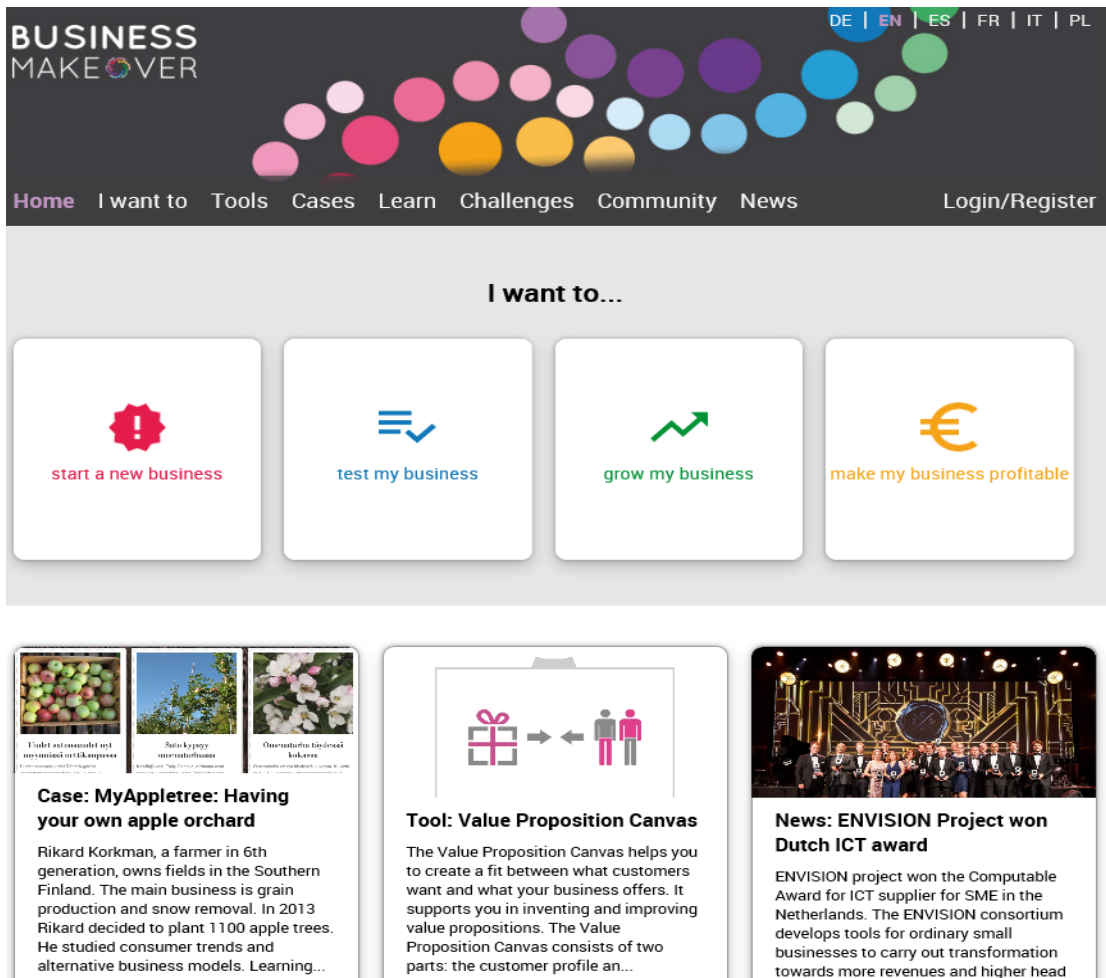


Figure 1: Homepage of the platform [www.businessmakeover.eu](http://www.businessmakeover.eu)

## ← Develop a viable business model

You have a great idea, and are convinced that it is worthwhile. But a good idea is not enough for a successful business model. Here you go from an initial idea to an attractive product and a business model that has potential.


[Add to my I want tos](#)

**1**

**Define your product**

Use the Value Proposition Canvas to create a match between what you have to offer and what customers need or want.

Use this tool




Value Proposition Canvas

**2**

**Create the business model**

Once you know your product, you can work out the business model. Use the Business Model Canvas to sketch the business model for your new product.

Use this tool



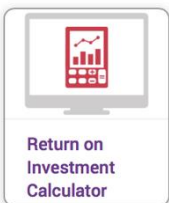
Business Model Canvas

**3**

**Check the business case**

In the end it comes do to one question: will the revenues be larger than your cost? Use the Return on Investment Calculator to check the financial viability of your business model.


Use this tool



Return on Investment Calculator

**The journey**

In three steps you can turn your idea into a business model with potential. As a first step, define your idea as a product or service that fullfills the needs of potential customers. What pains does it take away and what gains does it deliver to customers? This is the basis for developing your business model in the second step. In the third step, estimate your expected costs and revenues and see if your idea is going to be profitable. This will give you an indication of the viability of your idea.



**Case: Start-up company develops its business**

SecondCoach is a start-up company. One of the founding members is a young football coach, who got th...

[View Details](#)

Figure 2: I-want-to paths implementation on the platform

## 4. Acknowledgements

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## 5. References

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