

Disruptions in business models induced by sustainability

**Cycle Innovation &
Connaissance**

**Meltem Türe
01 Juin 2018**

SK

'The only thing we know about the future is that it will be different.... The entrepreneur always searches for change, responds to it, and exploits it as an opportunity.'

Peter F. Drucker

'The great person is ahead of their time, the smart make something out of it, and the blockhead, sets themselves against it.'

Jean Baudrillard

Events that **break** our **routines** & give us **reflexivity** on our **normal** practices

⇒ 'Can I re-use these bottles that I always throw away?'

⇒ 'Where do my usual suppliers get their materials?'

They trigger '**new social processes**' and '**political consciousness**'*

⇒ Can be a both creative and destructive force for businesses

⇒ 'Connais-toi toi-même': Find the **loopholes in your model** first, to benefit from disruptions

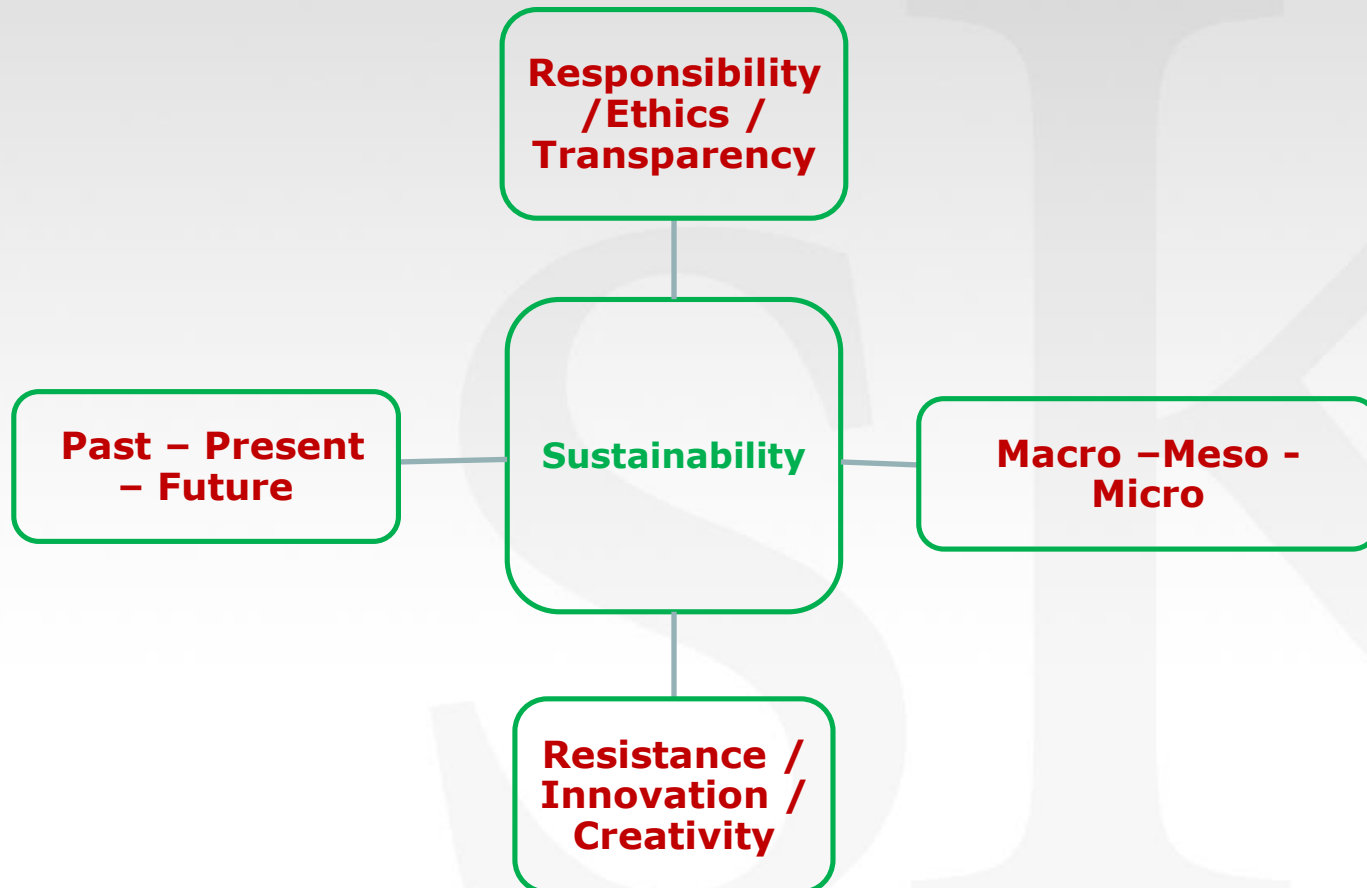
*Trentmann, Frank. "Disruption is normal: blackouts, breakdowns and the elasticity of everyday life." *Time, consumption and everyday life: Practice, materiality and culture* (2009): 67-84.

Sustainability – a multi-dimensional disruptive force

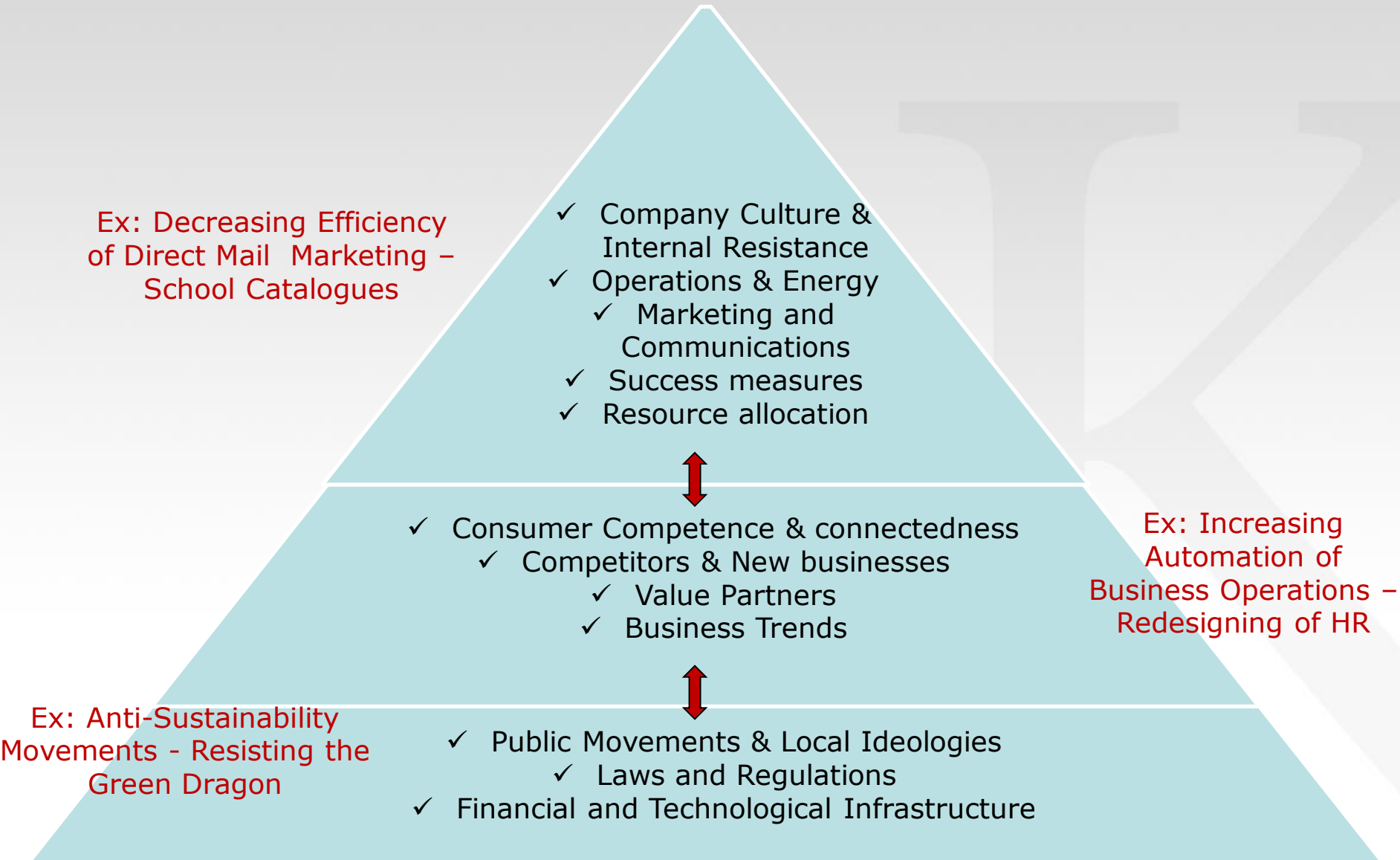
Discursive

Practical

Spatio-Material

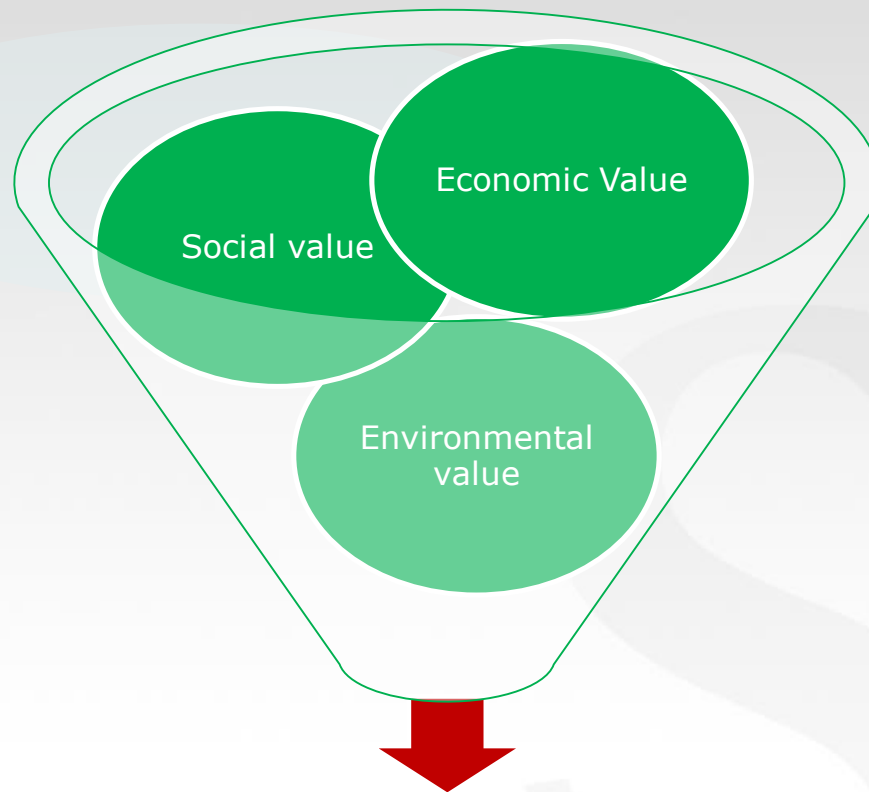


Then, how can sustainability Disrupt your Business Model?

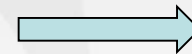


- **Local and Temporal - meanings and practices**
 - How to integrate global & local meanings/practices of sustainability?
- **Needs of Multiple Actors**
 - How to manage tensions and conflicts among multiple actors with diverse agendas/needs?
- **Ideological Dimensions – moral, political, socio-historical**
 - Which values/ideologies to mobilize for your transformation - Holt's CROWDCULTURE argument?
- **Physical and Digital**
 - How to balance physical and digital aspects in your business model?

Creating Sustainable Value – Balancing the Resources...



Sustainable Value Creation



Changing the value structure in the company to span these multiple value forms & manage conflicts


Spot the **blue ocean** potentials

- What are the domains my competitors are not capable of or do not want to move in?
- Which of these domains best fit with **the (sustainability) vision** of my company?

Avoid pseudo-innovations

- Innovate along multiple dimensions of your BM (e.g., product, financing, process, and cost-structures)
- Focus on forming **innovative relations** with your stakeholders.
- Build the **systems to support** your innovations: form **action nets** & attract **partners** required to build these nets

=> Sustainable Business Models cannot be stand-alone

- **Adopting AI for Operations Management, Demand Prediction, and Product Design**
 - **Xcel Energy:** Neural networks for efficiency x sustainability balance
 - **Google:** DeepMind technology for Data Center Management
 - **Tesla, Google, Uber, Ford:** Autonomous Vehicle Technology
 - **PETA , FarmShots:** Deep learning systems to predict weather, control soil quality, evaluate patterns of disease and pests...
- 
- bias in automation process (e.g., gender, race stereotyping)
 - increased use of 'sustainable' products offsetting benefits
 - elimination of jobs for people

A Transformation Story: INTERFACE

'We make carpet tile, but we sell design'

- **Create an inspiring vision & relevant mission for the whole company**
 - From 'take-make-waste' to 'Mission Zero' (from linear to circular model)
- **Support the vision with a relevant stories, symbols, and myths**
 - Climbing the 'Mount Sustainability'
- **Identify the areas to implement & control your transformation**
 - Interface's "Seven Fronts" to climb the Mount Sustainability
 - Redesign the offerings & BM to balance profits & sustainability goals
- **Develop Ecometrics & SocioMetrics to measure your success on designated areas**
 - Resource use ⇔ waste production ⇔ production ratios
 - Social impact – are we diffusing sustainability ideas? Diversity?
- **Planning for the future – constant progress**
 - Help other companies become more sustainable
 - New mission: Climate Take Back

- Global problems & Local needs : Initiated by local municipalities for regional waste management
- Customized solutions for businesses & residences: co-creation with many actors
- From **waste management** to **waste prevention & reduction**:
How to maintain profits?
=> designing sustainable waste prevention action nets to build long-term relations with clients
- The Visionary '**Vera Park**' Initiative => The Silicon Valley for the Circular Economy in Europe...

Supply Chain Management Software for Sustainability Assessment

- **3Ps & 3 Main Activities**

- Choosing and training **people** for customized consultancy
- Developing **process** methodology for sustainability standards
- Developing the interactive and connected user **platform**

⇒ **Risk management**

⇒ **Supply-chain assesment & decisions**

⇒ **Investment management**

⇒ **Data analysis & pattern recognition**

(Solar) Mosaic

- ⇒ A **Kickstarter** model for Solar energy projects of communities
 - ⇒ **Solar Project Development** for Public Investment – revenue generation by billing residences for solar energy consumption
 - ⇒ **Financing Services** for residential solar energy projects – new partners
 - ⇒ **Expansion to other domains** - home batteries and energy efficiency upgrades
- **Multi-need & Multi-benefit model**
- **Easy access to loan options and account monitoring through the website**

'A humanitarian entrepreneurship business model'

Vestergaard

- A social-welfare and equality vision
- High-tech innovations to enhance the lives of the disadvantaged
- Financing through **carbon credits**
- Mobile/modular products & deep product lines & local distribution
- Research centers in developing countries (Vietnam, Ghana, etc.)
- Local & global partners – NGOs, government, research institutes, aid agencies...
- Collaboration for control and data monitoring tools (IR Mapper)

- **Market & consumer research** – links with academic partners, professional consultants, and the government
- **Benchmarking** – links with competitors and business partners
- **Internal Listening & Training** – links with employees and internal stakeholders
- **MULTIPLE VALUE FORMS**
- **COMMUNICATION and NARRATION!**

'All meaningful and lasting change starts first in your imagination and then works its way out. Imagination is more important than knowledge.'

Albert Einstein

THANK YOU!

meltem.ture@skema.edu