

Abstract G-Forum 2016

Putting Business Model Innovation into Context: Towards an Understanding of Robust
University Spin-Offs

submitted by:

Prof. Dr. Lauri Wessel (Freie Universität Berlin)

Janina Sundermeier (Freie Universität Berlin)

Prof. Dr. Martin Gersch (Freie Universität Berlin)

Stefan Hanke (Freie Universität Berlin)

Email: (lauri.wessel; janina.sundermeier; martin.gersch; stefan.hanke)@fu-berlin.de

Business Model Innovation has become an ubiquitous term in the business world (Hwang and Christensen 2008). Broadly speaking, business models can be seen as abstractions of the ways in which firms generate value for their customers, manage the supply chain and monetize on these actions (Baden-Fuller and Haefliger 2013). Accordingly, business model innovation can be seen as the process of developing and implementing novel configurations of the three aforementioned factors in such ways that these configurations are beneficial to the firm and are seen as legitimate by important stakeholders (Snihur and Zott 2013). Given several waves of digital innovation, business model innovation has become a core mechanism to commercialize new technologies (Chesbrough 2010; Rai and Tang 2014).

The aforementioned finding is particularly relevant for university spin-offs because universities traditionally provide seedbeds for highly innovative technologies (Garud 2008; Jain and George 2007). This raises the question as to how effective universities are in delivering ideas and competencies necessary to implement business model innovation to scientists, who want to launch a venture in order to commercialize technology. Answers to this question are of particular relevance for any type of disruptive technology because founders need to establish these in the face of existing legal, economic and cultural institutions first (Ansari et al. 2015; Hargadon and Douglas 2001) even though these technologies may lead to institutional disruptions later on (Maguire and Hardy 2009).

Against this background, we explore the antecedents of business model innovation (Amit and Zott 2015) in an university context. In particular, we study how potentially disruptive technological innovations were tried to be commercialized via several university spin-offs in the field of nanotechnology. We focus on how founders' background in science both enabled and constrained their capacities to establish business model innovations. Science enables business model innovation because it provides the basis to innovate highly novel technologies that, if fully diffused, could turn around industries. However, science also constrained business model innovation since it led to a primary focus of founders on principles of science and not business.

We elaborate on these findings through the identification of how universities could promote business model innovation better through identifying where and how founders in our sample felt that there could have been more support for their ventures. This enables us to further explore how a systematic "entrepreneurship education" can be implemented in order to improve the translation of research findings into robust business ideas that have the potential to survive on the markets.

References

- Amit, R., and Zott, C. 2015. "Crafting Business Architecture: The Antecedents of Business Model Design," *Strategic Entrepreneurship Journal* (9:4), pp. 331-350.
- Ansari, S., Garud, R., and Kumaraswamy, A. 2015. "The Disruptor's Dilemma: Tivo and the U.S. Television Ecosystem," *Strategic Management Journal*, early view.
- Baden-Fuller, C., and Haefliger, S. 2013. "Business Models and Technological Innovation," *Long Range Planning* (46:6), pp. 419-426.
- Chesbrough, H. 2010. "Business Model Innovation: Opportunities and Barriers," *Long Range Planning* (43:2-3), pp. 354-363.
- Garud, R. 2008. "Conferences as Venues for the Configuration of Emerging Organizational Fields: The Case of Cochlear Implants," *Journal of Management Studies* (45:6), pp. 1061-1088.
- Hargadon, A. B., and Douglas, Y. 2001. "When Innovations Meet Institutions: Edison and the Design of the Electric Light," *Administrative Science Quarterly* (46:3), pp. 476-501.
- Hwang, J., and Christensen, C. M. 2008. "Disruptive Innovation in Health Care Delivery: A Framework for Business-Model Innovation," in: *Health Affairs*. Project HOPE/HEALTH AFFAIRS, pp. 1329-1335.
- Jain, S., and George, G. 2007. "Technology Transfer Offices as Institutional Entrepreneurs: The Case of Wisconsin Alumni Research Foundation and Human Embryonic Stem Cells," *Industrial and Corporate Change* (16:4), pp. 535-567.
- Maguire, S., and Hardy, C. 2009. "Discourse and Deinstitutionalization: The Decline of Ddt," *Academy of Management Journal* (1), pp. 148-178.
- Rai, A., and Tang, X. 2014. "Research Commentary—Information Technology-Enabled Business Models: A Conceptual Framework and a Coevolution Perspective for Future Research," *Information Systems Research*; available as article in advance here: <http://pubsonline.informs.org/doi/abs/10.1287/isre.2013.0495>.
- Snihur, Y., and Zott, C. 2013. "Legitimacy without Imitation: How to Achieve Robust Business Model Innovation," in: *35th DRUID Celebration Conference*. Barcelona, Spain.