

# Innovative Business Models

Growing good business on purpose

Prof Ingrid Burkett, Co-Director, Yunus Centre Griffith University





# Who am I?

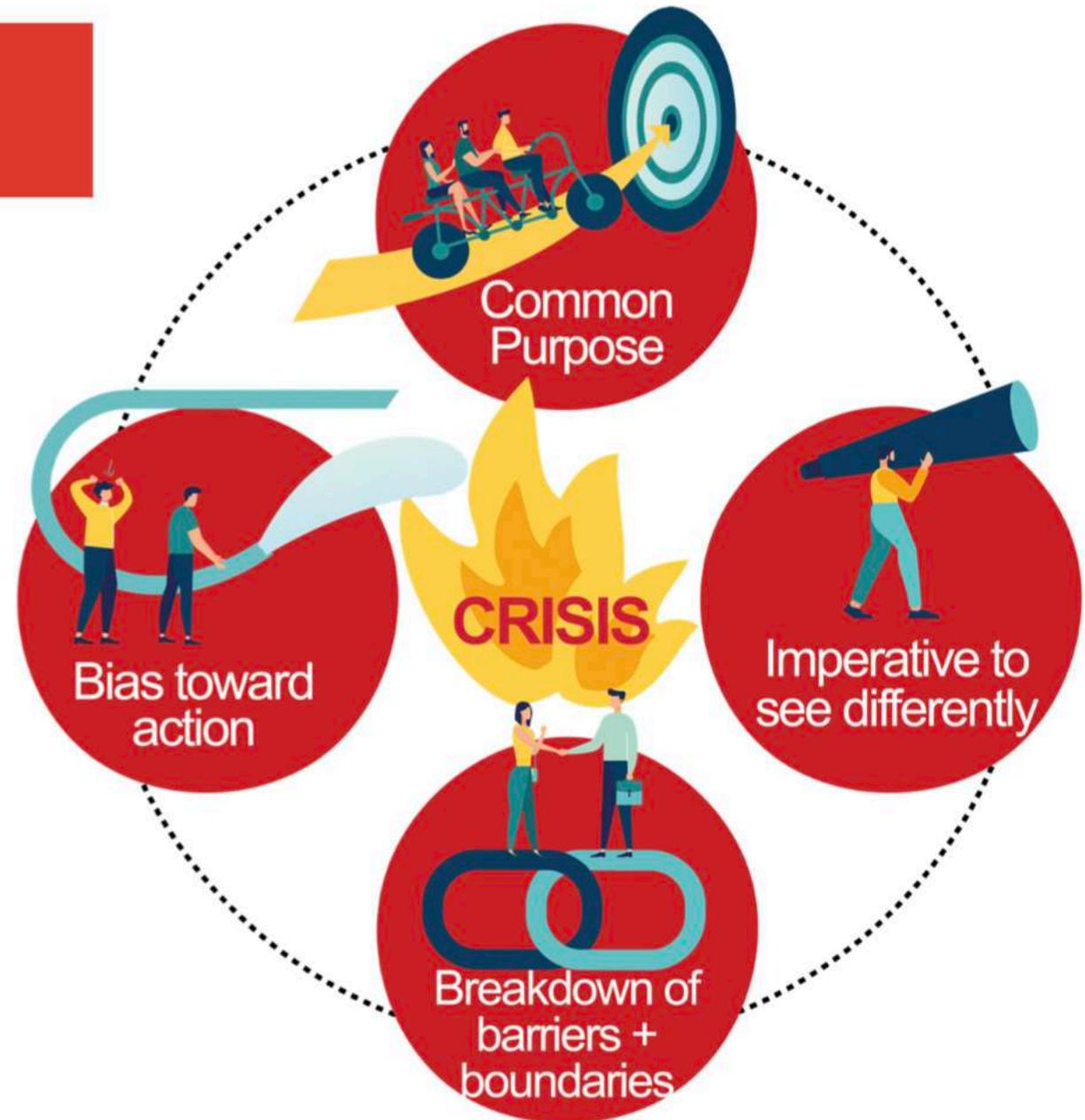
- Running** businesses
- Lending** to businesses
- Investing** in businesses
- Training** people working in businesses
- Researching** businesses:  
SMEs + impact businesses +  
business arms of NfPs

# Innovation + Crisis

-we just lived through a perfect storm for innovation....

“Crises present us with unique conditions that allow innovators to think and move more freely to create rapid, impactful change”.

Larry Clark, HBR, 2020



## Changed Conditions

**Packaging Manufacturer making masks**



**Prosthetics Manufacturer making face shields**

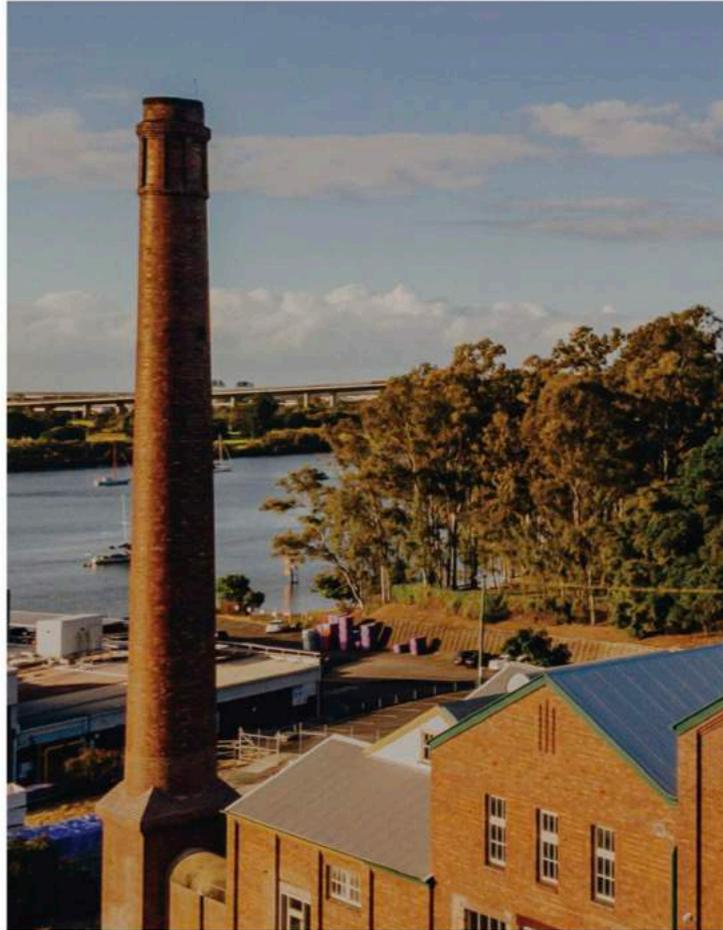


**Alcohol distillers making hand sanitiser**



**Scuba Diving Manufacturers making Respirator Equipment**

# Others made shifts in the way they do business - their business models



Pivoted to online + delivery  
Grew the wholesale part of the business

## OUTLAND DENIM



- + SOCIAL, ENVIRONMENTAL AND ECONOMIC JUSTICE;
- + CREATING OPPORTUNITIES FOR PEOPLE IN NEED;
- + TAKING RESPONSIBILITY FOR ENVIRONMENTAL IMPACT;
- + ACTIVELY WORKING TOWARD THE ELIMINATION OF SLAVERY;
- + FORGING PATHWAYS TOWARD REGENERATIVE AND CIRCULAR FASHION;
- + AMPLIFYING THE VOICES OF THE VULNERABLE;
- + CHALLENGING THE FASHION INDUSTRY STATUS QUO.



Opened their sustainable, responsible factory up to produce for other brands + developed a new fashion standard in the process

## PROVIDOOR

### 1. CHOOSE YOUR MEAL



CHOOSE DISHES & MENUS FROM AUSTRALIA'S BEST RESTAURANTS. BROWSE BY RESTAURANT, CUISINE OR OCCASION.

### 2. EASY DELIVERY



ORDER BY 4PM FOR NEXT DAY DELIVERY. PROVIDOOR DELIVERS YOUR RESTAURANT-PREPARED MEAL CHILLED VIA COLD FREIGHT.

**Providoor delivers Melbourne's best restaurants to your door. Prepared by chefs to then heat, assemble & serve at home.**

Created a platform to offer high quality restaurant food from multiple high-end restaurants that are delivered + finished at home

**“Business model innovation is the new strategic imperative for all organizations. Transformation is not a wait and see game, the road signs for disruption are on the path right in front of us”.**

Saul Kaplan, Business Innovation Factory

**“Businesses die because they’ve become fixated on fighting for their current business model rather than shifting to a more relevant one” Van der Pijl et al, 2021**



# Consumers are Changing Their Behaviour

66%

The brand has a great culture—it does what it says it will do and delivers on its promises



**What attracts you to buy from certain brands over others (beyond price and quality)?**

66%

The company is transparent—with where it sources its materials, how it treats employees fairly, etc.

50%

They stand up for societal and cultural issues they believe in

50%

The brand supports and acts upon causes we have in common (e.g. social, charitable)

38%

The brand connects me to others like me and gives me a sense of community

52%

The brand stands for something bigger than just the products and services it sells, which aligns with my personal values

37%

The brand takes a political stance on issues close to my heart

65%

The company treats its employees well

62%

They believe in reducing plastics and improving the environment

62%

The brand has ethical values and demonstrates authenticity in everything it does

62%

The brand is passionate about the products and services it sells

Base: All Respondents (n=29,530)

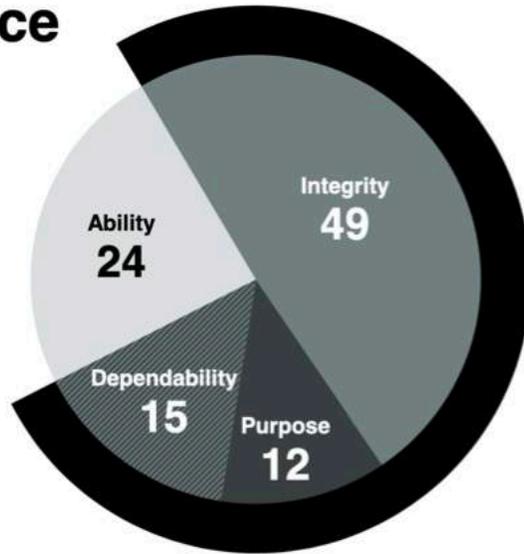
# Consumers are Demanding Impact from Business

## ETHICAL DRIVERS 3X MORE IMPORTANT TO COMPANY TRUST THAN COMPETENCE

Percent of predictable variance in trust explained by each dimension

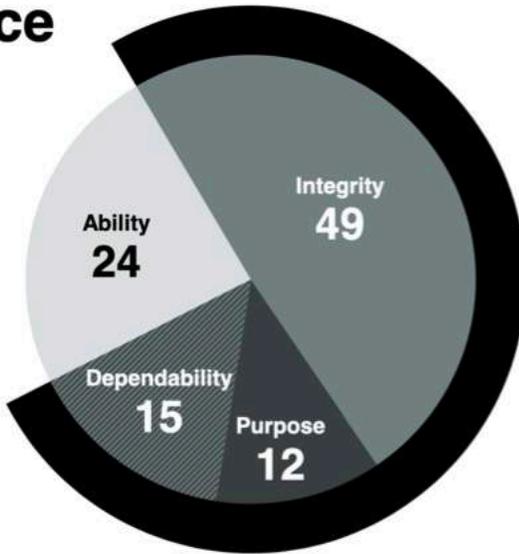
### Competence

24%



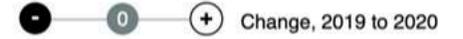
### Ethics

76%



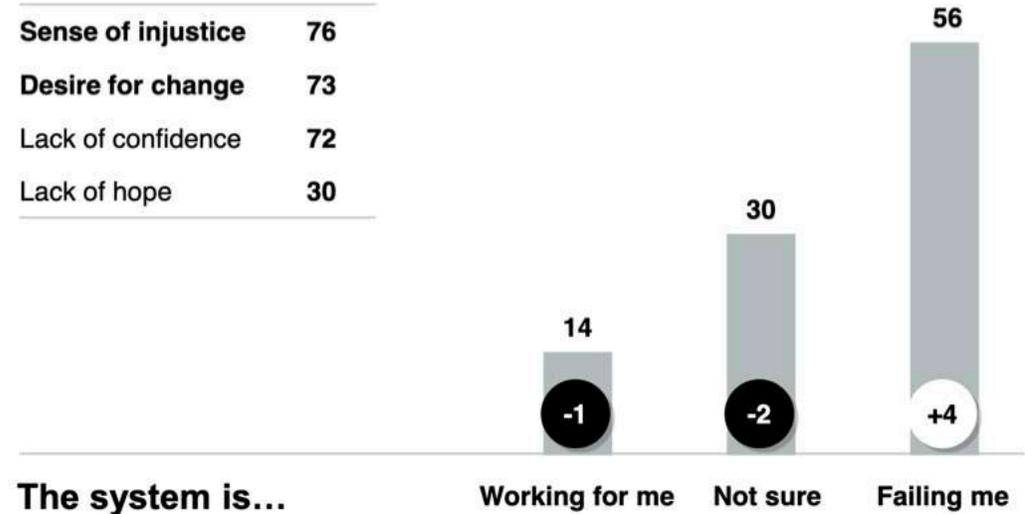
## A FAILING SYSTEM

Percent in Australia who agree



How true is this for you?

Sense of injustice	76
Desire for change	73
Lack of confidence	72
Lack of hope	30



# A New Manifesto for Business IN + FOR Society

**A. The purpose of a company is to engage all its stakeholders in shared and sustained value creation.** In creating such value, a company serves not only its shareholders, but all its stakeholders – employees, customers, suppliers, local communities and society at large. The best way to understand and harmonize the divergent interests of all stakeholders is through a shared commitment to policies and decisions that strengthen the long-term prosperity of a company.



*The World Economic Forum is the International Organization for Public-Private Cooperation.*

The Forum engages the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas.

## DAVOS Manifesto, 2020

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**i. A company serves its customers by providing a value proposition that best meets their needs.** It accepts and supports fair competition and a level playing field. It has zero tolerance for corruption. It keeps the digital ecosystem in which it operates reliable and trustworthy. It makes customers fully aware of the functionality of its products and services, including adverse implications or negative externalities.

**ii. A company treats its people with dignity and respect.** It honours diversity and strives for continuous improvements in working conditions and employee well-being. In a world of rapid change, a company fosters continued employability through ongoing upskilling and reskilling.

**iii. A company considers its suppliers as true partners in value creation.** It provides a fair chance to new market entrants. It integrates respect for human rights into the entire supply chain.

**iv. A company serves society at large through its activities, supports the communities in which it works, and pays its fair share of taxes.** It ensures the safe, ethical and efficient use of data. It acts as a steward of the environmental and material universe for future generations. It consciously protects our biosphere and champions a circular, shared and regenerative economy. It continuously expands the frontiers of knowledge, innovation and technology to improve people's well-being.

**v. A company provides its shareholders with a return on investment that takes into account the incurred entrepreneurial risks and the need for continuous innovation and sustained investments.** It responsibly manages near-term, medium-term and long-term value creation in pursuit of sustainable shareholder returns that do not sacrifice the future for the present.

**B. A company is more than an economic unit generating wealth.** It fulfils human and societal aspirations as part of the broader social system. Performance must be measured not only on the return to shareholders, but also on how it achieves its environmental, social and good governance objectives. Executive remuneration should reflect stakeholder responsibility.

**C. A company that has a multinational scope of activities not only serves all those stakeholders who are directly engaged, but acts itself as a stakeholder – together with governments and civil society – of our global future.** Corporate global citizenship requires a company to harness its core competencies, its entrepreneurship, skills and relevant resources in collaborative efforts with other companies and stakeholders to improve the state of the world.

# Innovation is increasingly critical

## 2022 Skills Outlook

### Growing

- 1 Analytical thinking and innovation
- 2 Active learning and learning strategies
- 3 Creativity, originality and initiative
- 4 Technology design and programming
- 5 Critical thinking and analysis
- 6 Complex problem-solving
- 7 Leadership and social influence
- 8 Emotional intelligence
- 9 Reasoning, problem-solving and ideation
- 10 Systems analysis and evaluation

Source: Future of Jobs Report 2018, World Economic Forum

### Widening Social License



Social license to operate

### Changing Business Context

WORLD  
ECONOMIC  
FORUM

**Davos Manifesto 2020: The  
Universal Purpose of a  
Company in the Fourth  
Industrial Revolution**



### Technological Shifts



Exponential Technology

### Globalising Imperatives + Goals



Innovation is no longer just about new widgets + gadgets

The business model is a (relatively) new frontier for innovation



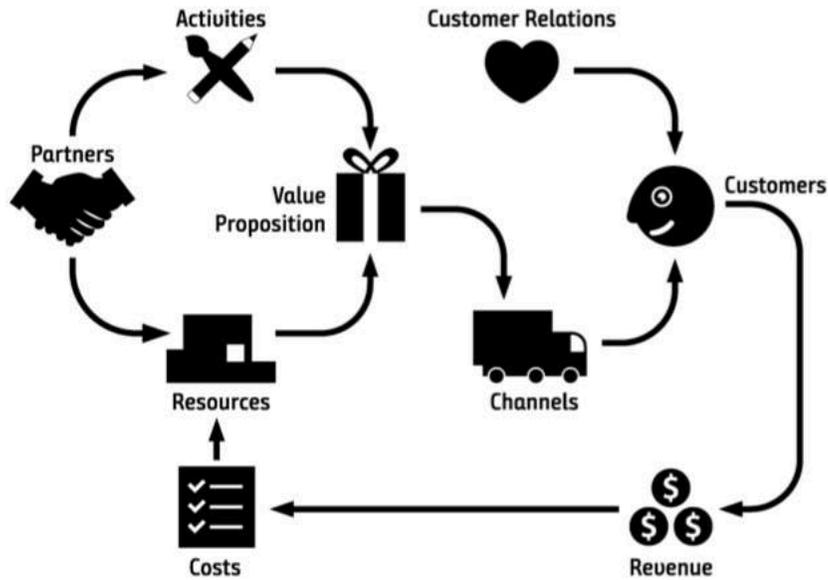
“There is a new form of innovation that is distinct from product innovation, that is distinct from process innovation, and which does not require mountains of R&D expenses and years of research. This new form of innovation centres on the way companies do business”. Amit + Zott, 2021



“A business model is about ‘how to do business’ and business model innovation is about ‘how to do business in a new way’”

# Business Model

How a business creates, delivers + captures value

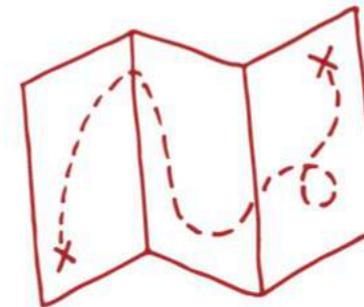


DESTINATION

Great for innovation



What the goals of a business are + how they will be achieved.



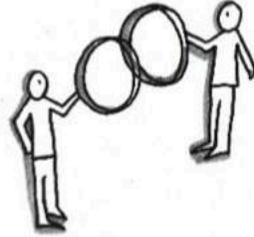
MAP or GPS

Great for implementation

# Business Model Canvas: A Shorthand for your Business Model

- 9 building blocks
- One page
- Design Tool
- Researched + tested

## Key Partnerships



The network of suppliers and partners that make the enterprise work.

## Key Activities



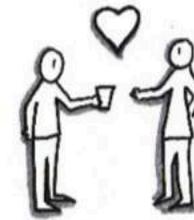
The most important things that need to be done to make the enterprise work.

## Value Proposition



The products and services that create value for specific customer segments - what keeps customers returning to your enterprise.

## Customer Relationships



The types of relationships an enterprise establishes with specific customer segments.

## Customer Segments



The different groups of people or organisations an enterprise aims to reach and serve.

## Key Resources



The most important assets and resources (physical, intellectual, human, financial) required to make an enterprise work.

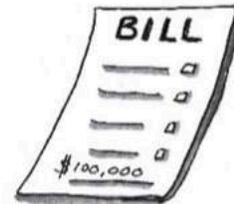
## Channels



How an enterprise communicates with and reaches its customer segments to deliver a value proposition.

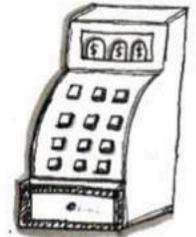
## Cost Structures

All the costs incurred to operate an enterprise.



## Revenue Streams

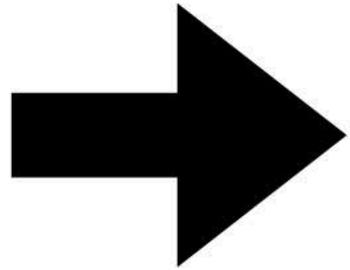
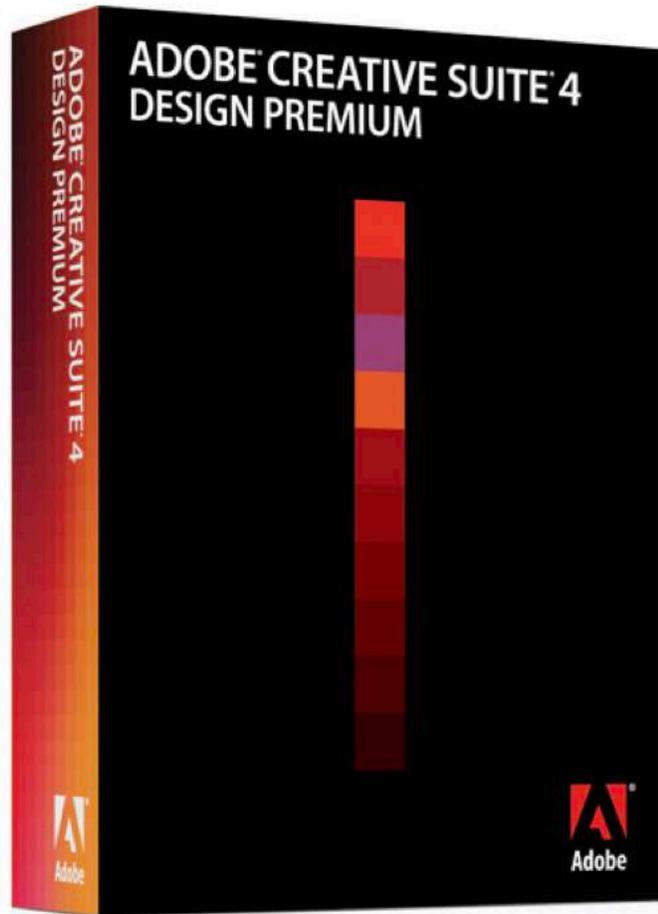
The cash an enterprise generates from each customer segment (subtracting costs from revenues to create earnings).



# Three Big Shifts Inspiring Business Model Innovation



# Shift One: From Products to Services



**ACCESS + RELIABILITY**

NOT

**OWNERSHIP**





RENT THE RUNWAY

## The Power of Renting



### Fashion Freedom

Explore different styles, discover designers, and try new things from the largest designer rental closet.



### Forget the Price Tag

Finally the solution to wearing everything you want, no purchase necessary.



### Total Flexibility

Let's be real: your style, size and budget change over time. Now, your closet can too.



### Sustainable Footprint

Most clothes we buy end up in the back of closets or landfills. Power the sharing economy and rent instead.

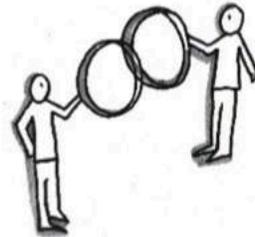


“ Renting helps me be more adventurous with my personal style. I love being able to try new trends and designers without the waste.



RENT THE RUNWAY

**Key Partnerships**



**Key Activities**

High-end clothing as a service

Buying, cleaning, repairing, displaying, storing shipping

**Key Resources**

Platform

Usage Data

**Value Proposition**

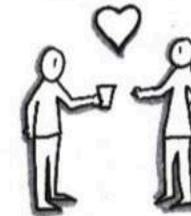
Latest fashion - always accessible + affordable

Change your closet easily, cheaply + conveniently

Less cost + less waste

Access to customers

**Customer Relationships**



**Channels**

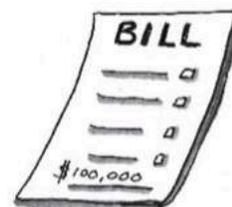


**Customer Segments**

Women

Designers

**Cost Structures**



**Revenue Streams**



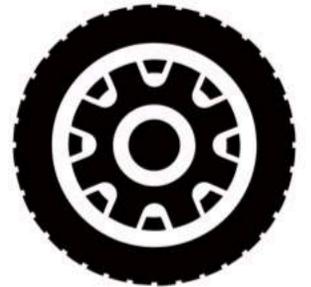
# Tyre as a service:

Instead of buying a tyre, I rent the tyre + buy Kilometres...I pay for usage rather than ownership of the product.



Trucking Company

- ↓ Worry about tyre incidents
- ↑ Better safety
- ↓ Fuel Costs



Tyre Company

- ↑ Close relationship to customers
- ↑ Environmental benefit
- ↑ Extended tyre life
- ↓ Costs

# Shift Two: Shareholders to Stakeholders

Business Roundtable BRT

Lobby Group of 200 CEOs of US Largest Businesses



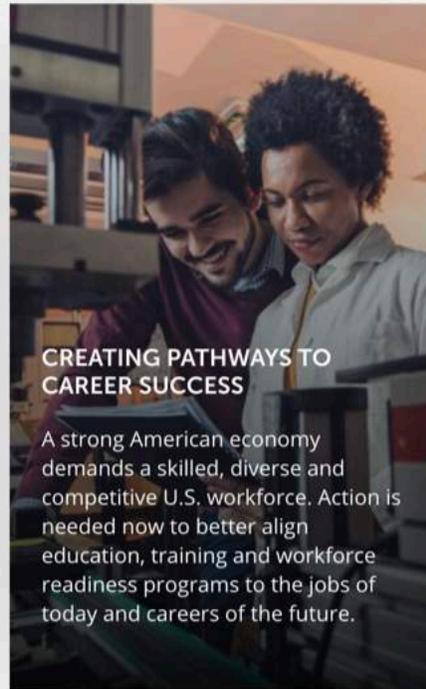
**SUPPORTING FREE AND FAIR TRADE**

Free and fair trade is vital to American economic prosperity. We rely on mutually beneficial trade relationships with our neighbors near and far because open, two-way trade and investment means more opportunity for every America.



**REBUILDING AMERICA'S ECONOMIC FOUNDATION**

Once a national economic asset, America's deteriorating infrastructure now stands as one of the largest impediments to strong and sustained economic growth. Our nation's long-term competitiveness depends on addressing these pressing infrastructure needs today.



**CREATING PATHWAYS TO CAREER SUCCESS**

A strong American economy demands a skilled, diverse and competitive U.S. workforce. Action is needed now to better align education, training and workforce readiness programs to the jobs of today and careers of the future.



**MAINTAINING AMERICA'S TAX COMPETITIVENESS**

Today's U.S. corporate tax system is on par with the rest of the developed world, encouraging companies to invest in America, benefiting U.S. workers, families and communities. Policymakers should preserve and build upon this system to promote strong, sustained economic growth.

The purpose of a corporation is not just to serve shareholders but to create value for all our stakeholders.

“The current shareholder-obsessed system is not fit for...purpose. Individual profit-maximizing businesses will not be incentivized to tackle shared global challenges”. Andrew Winston, HBR, 2019

## Stakeholders in + beyond Adversity

### Vision

“To support the community of Cobargo and districts to grow and prosper into the future, being open to how this may evolve. We aim higher than just economic growth, looking to support Cobargo’s social capital by being a vibrant and interactive place where community feels safe and supported to connect.”



# Growing Employment + Sustainability

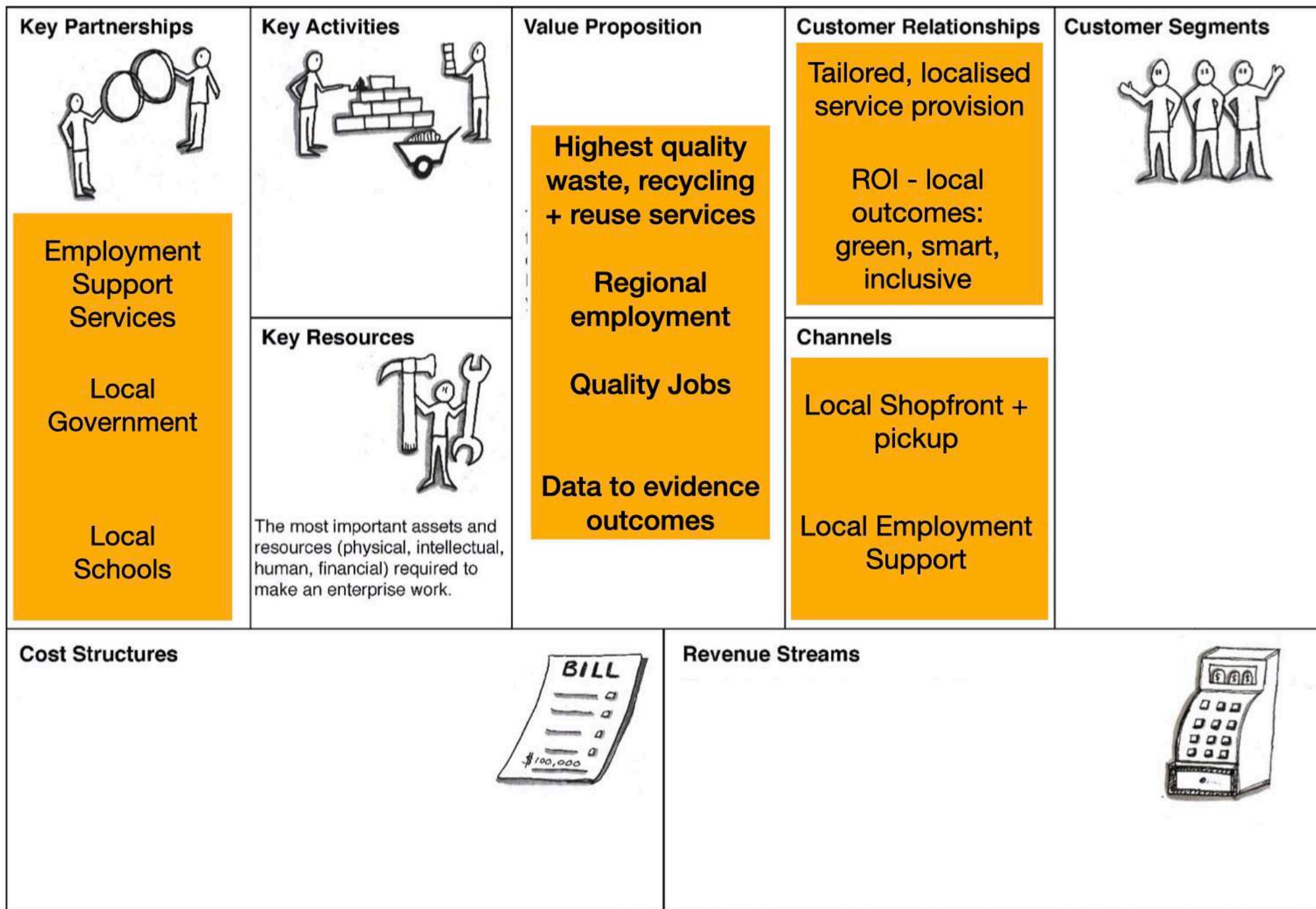
WASTE TO  
WAGES

# Resource Recovery Australia (midcoast)

In 2018-2019,  
diverted 291.76  
tonnes of material  
from landfill for re-  
use

+ Created 30  
Quality Jobs in the  
local region for  
people  
experiencing  
barriers to work





# Business for Impact



USING  
**BUSINESS**  
AS A  
**FORCE FOR GOOD**

B Corps: 64% more likely to do well during 2008 financial crisis: purpose + relationships.

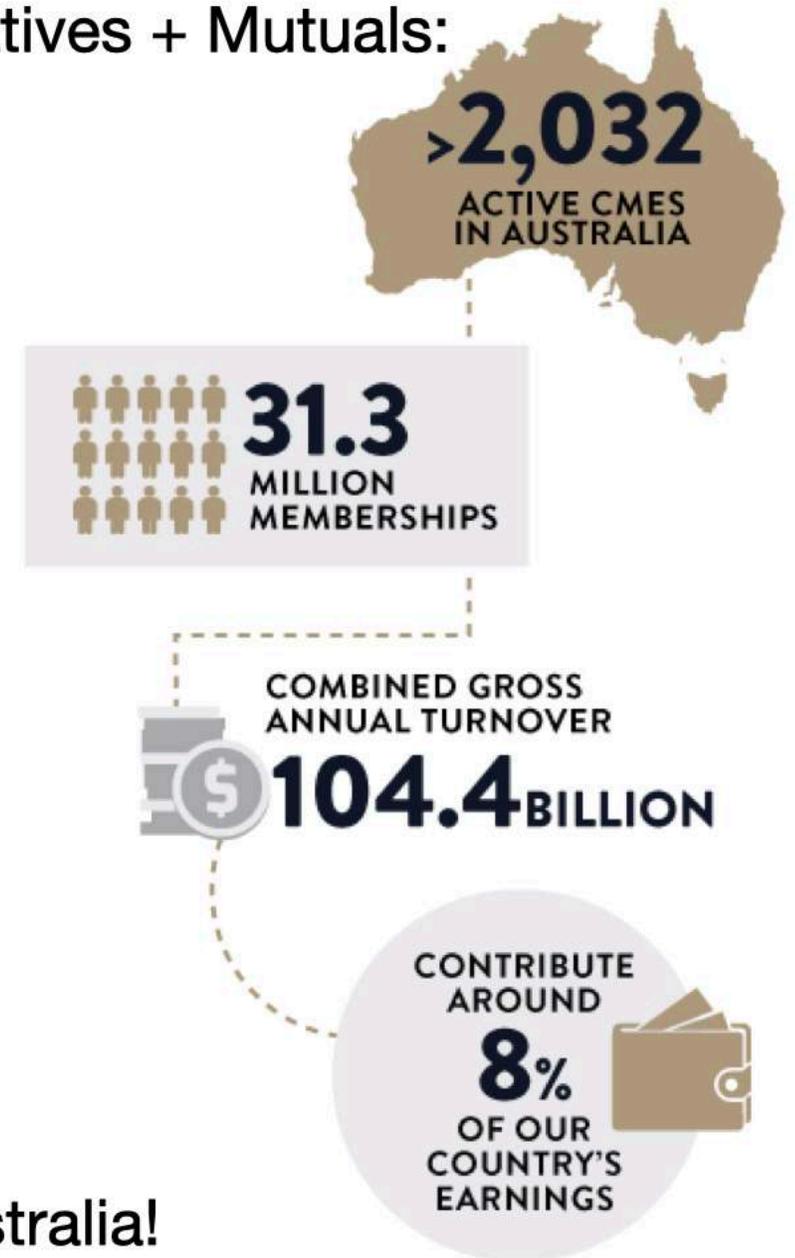
Anthea Kelsick, co-CEO of B Lab U.S. & Canada,

From just 82 B Corps in 2007 to over 3,000 today, B Corps are booming.

<https://sustonmagazine.com/2020/02/07/the-rise-of-b-corps/>

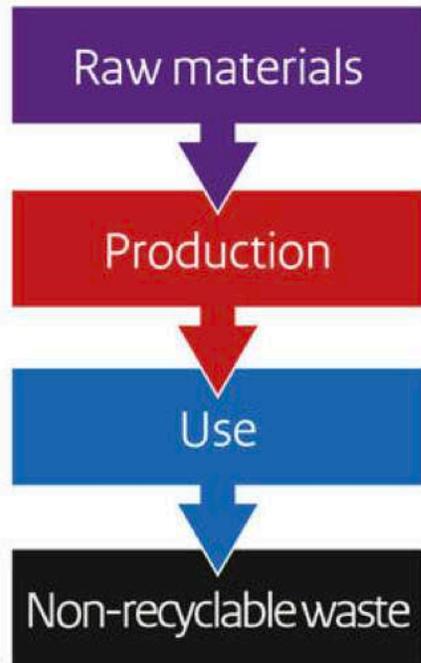
+ over 20K Social Enterprises in Australia!

## Cooperatives + Mutuals:

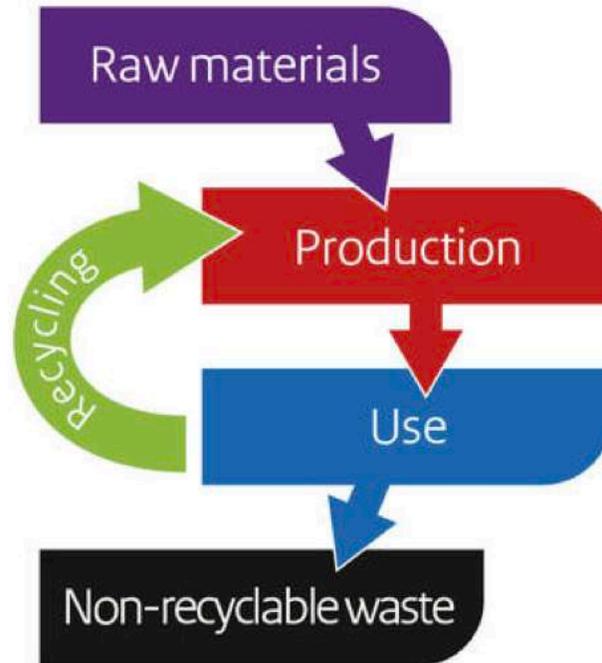


# Shift Three: Linear to Circular

Linear economy

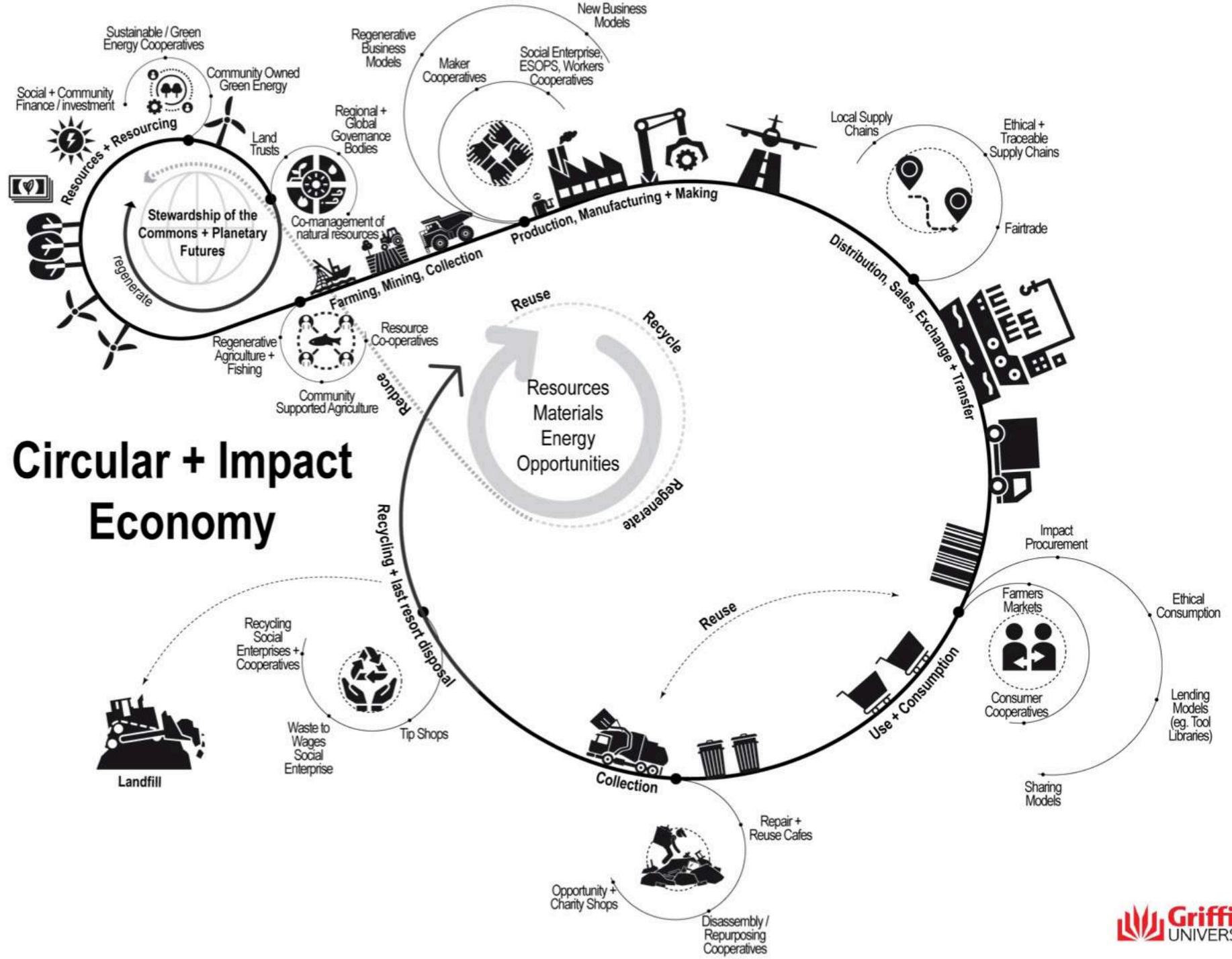


Reuse economy



Circular economy





## Circular + Impact Economy

**Circular  
Mindset =  
Materials  
+ People**

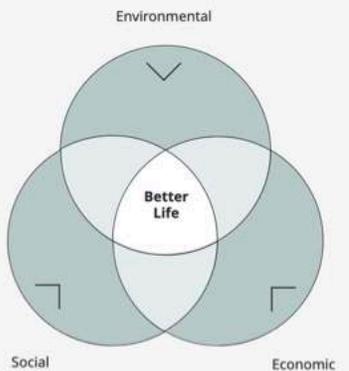
# Businesses are Changing the World

## IKEA sustainability ambitions for 2030

- Inspire and enable more than 1 billion people to live a better everyday life within the boundaries of the planet
- Become circular and climate positive, and regenerate resources while growing the IKEA business
- Create a positive social impact for everyone across the IKEA value chain



People  
& Planet  
Positive





# DECONSTRUCTION

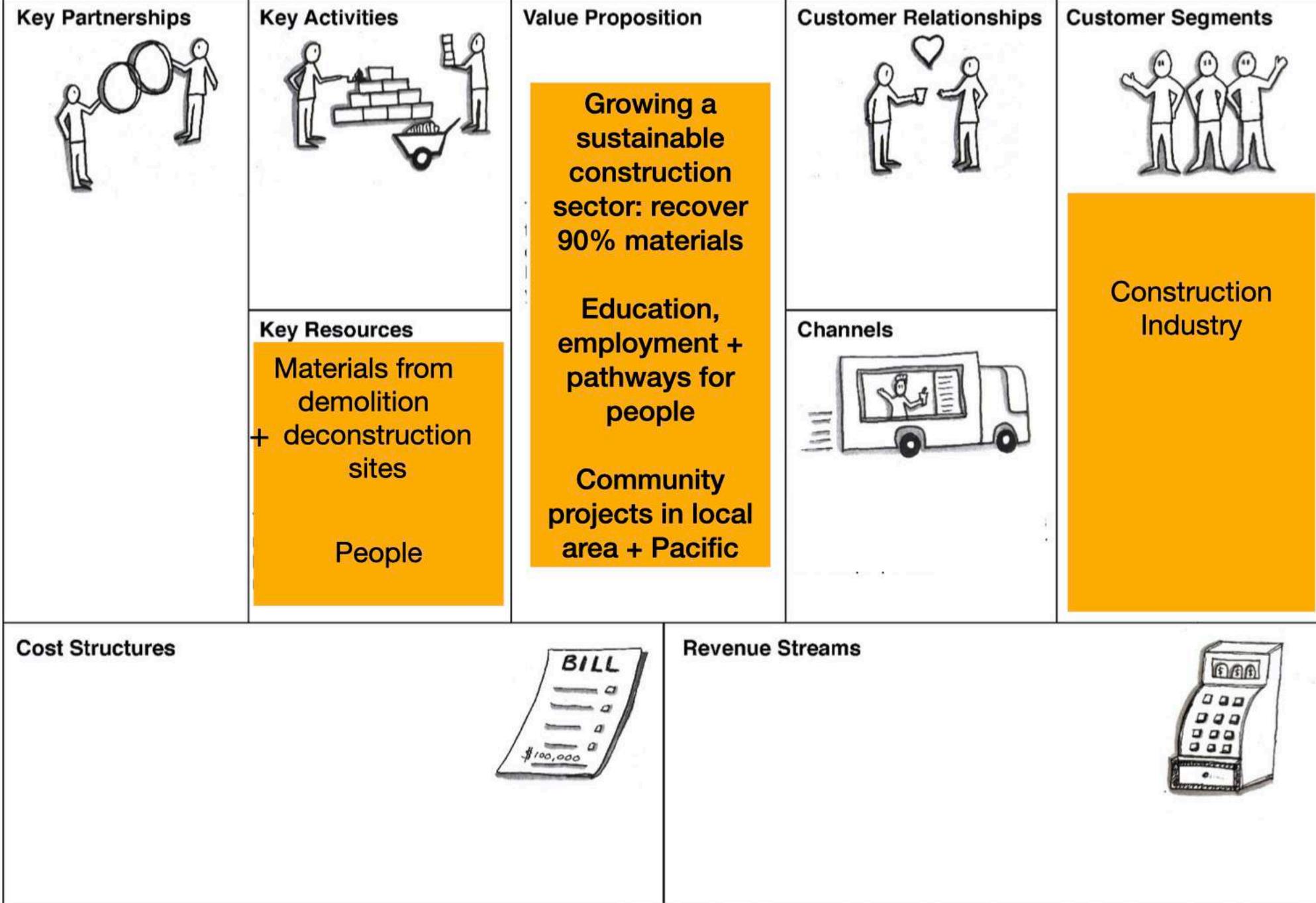
Building the future, Restoring the past.

[LEARN MORE](#)

We work to create a more sustainable construction sector and repurpose over 90% of the materials we salvage, to improve social outcomes and enable community projects locally and in the Pacific Islands.

Our greatest strength is our people. As experts in deconstruction, development and civil infrastructure, TROW Group invests heavily in training, innovation and technology to ensure our people are continuously improving and striving to exceed the best industry standards.

TROW Group believes there is huge value in supporting a circular economy and has repurposed thousands of tonnes of materials including over 500 tonnes from five major Auckland Council projects, trained, improved literacy skills and provided employment for over 1,000 people including the 50 jobs created for local youth, and provided valuable materials to community projects in New Zealand and the Pacific Islands.





# Interface®

From 'sustainable' to regenerative  
Business leading not following

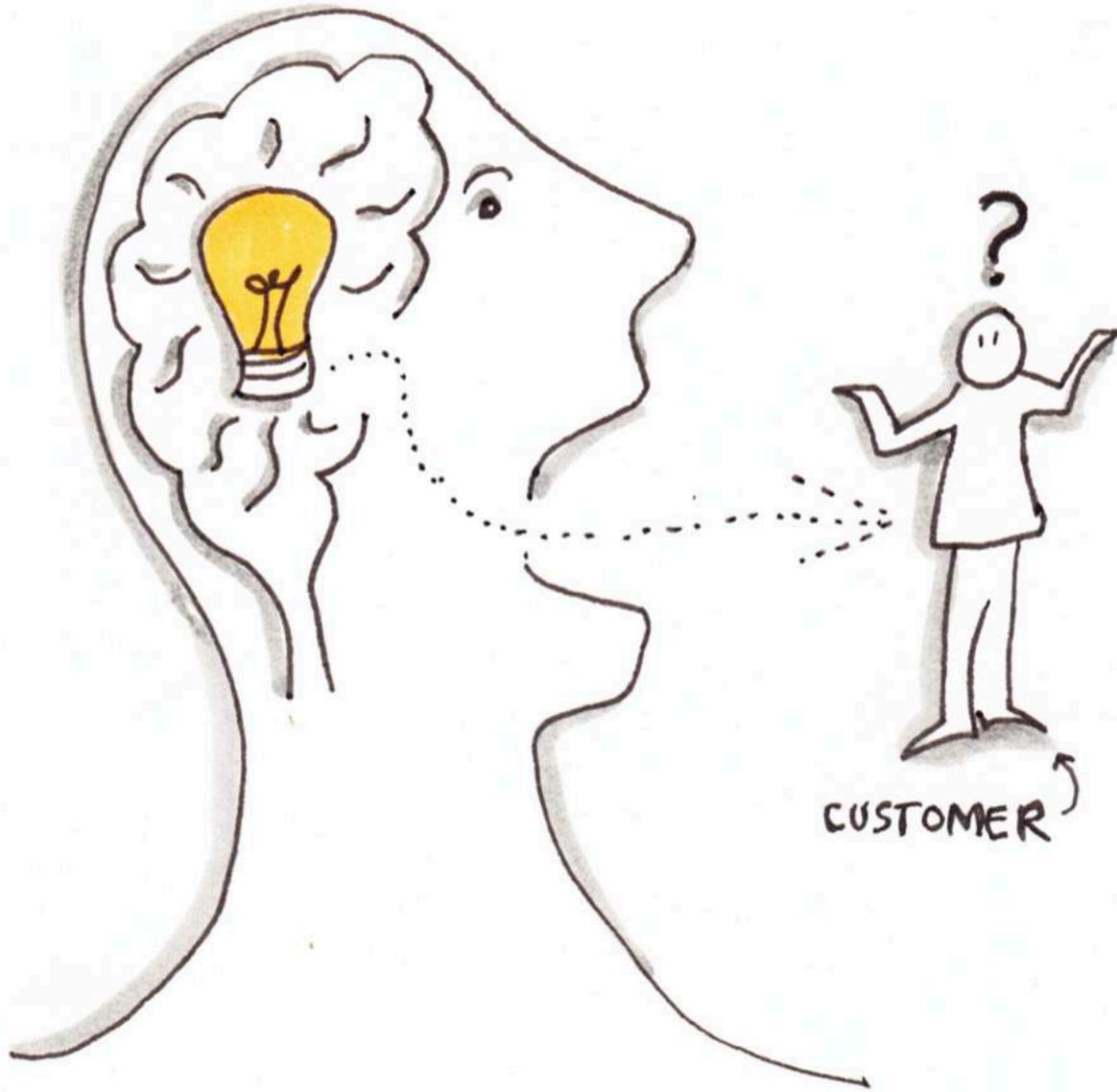


**Having achieved their Mission Zero targets, innovative flooring company Interface is now stepping up and becoming regenerative with their Climate Take Back program.**

- Interface has been manufacturing in Australia for almost 50 years
- All Interface flooring product is 100% carbon neutral across the entire product life-cycle
- Interface's ReEntry program keeps carpet out of landfill
- Interface launched the world's first carbon negative carpet tile in 2020
- The company aims to be carbon negative by 2040

**How**

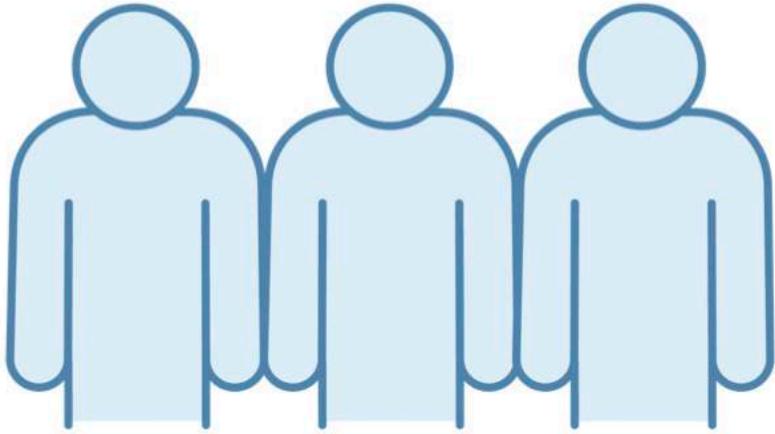




**No Business  
Model  
Survives First  
Contact with  
a Customer.**

Steve Blank

## Where to Start



- Who are 'your' people – the people that are at the core of your business?
- Start with your people...always start with the people. Watch, get curious, listen.



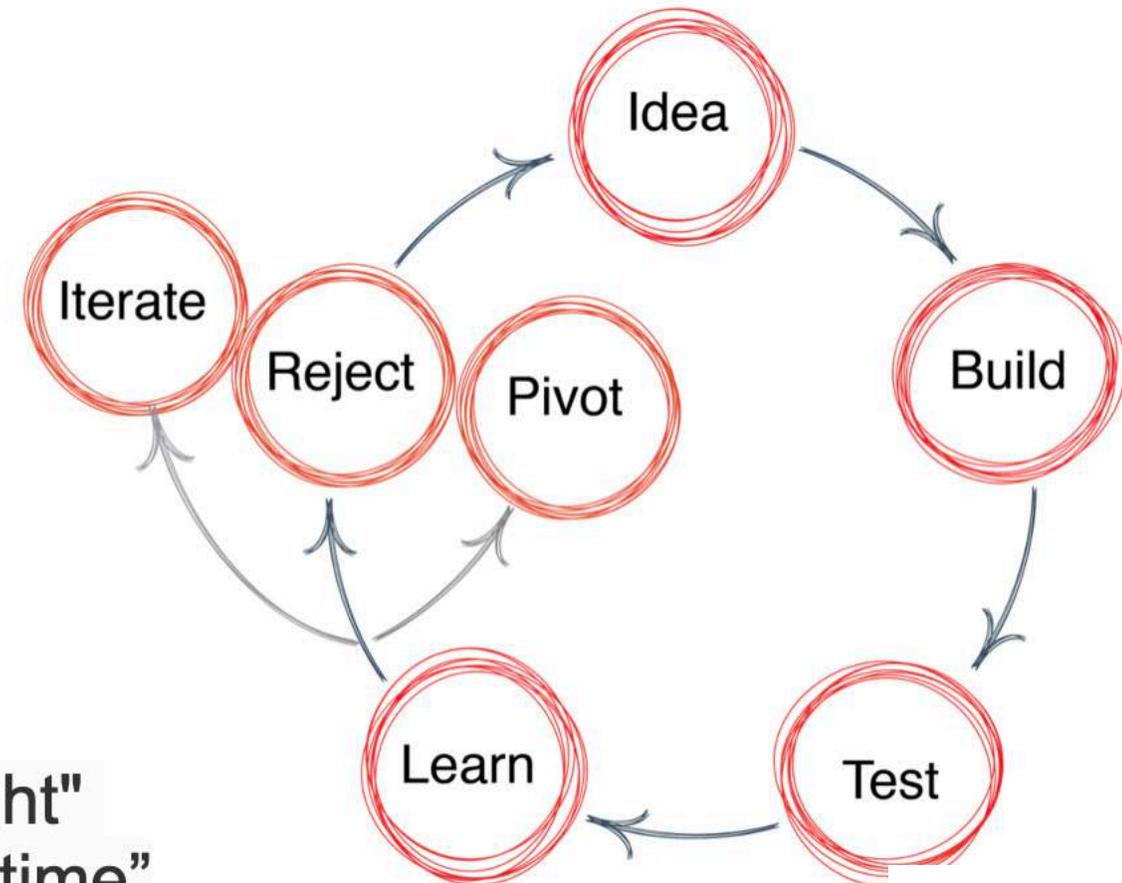
- What problems do your people have?
- What pain points do they experience in their lives + businesses?
- How are they currently addressing the problems...and how effective + efficient is this?

# Stop planning + Start Testing:

Look for the 'best option' + execute

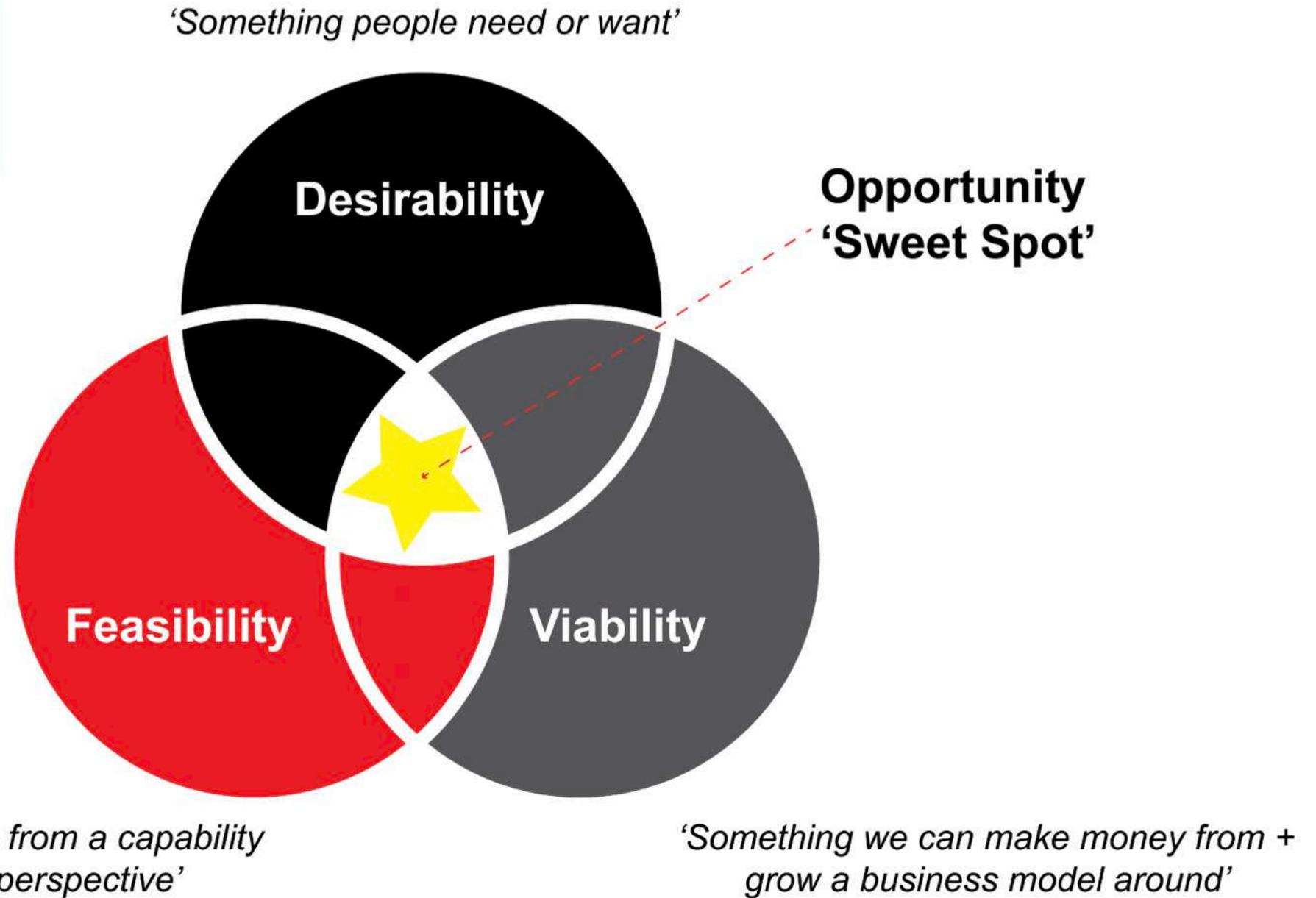
Test, fail early and often, in order to improve chances of succeeding

## Planning Process



“We need to put less effort into being “right” and more into becoming less wrong over time”

# Opportunity Sweet Spot



Ingrid Burkett  
[i.burkett@griffith.edu.au](mailto:i.burkett@griffith.edu.au)  
Co-Director, Yunus Centre