Examples of organisational systems:
- The hierarchical structure in a metal working business
- The flat organisation of an event business
- The matrix organisation of a large car manufacturer

4) Culture

Culture covers the "soft" part of the competence dimension. We believe that any business model possesses a unique culture. You should therefore ask yourself: "What competences does this particular business model have when it comes to creating a unique culture or atmosphere?"

The business model may have a green profile (e.g. The Body Shop) or it may enjoy a certain exclusivity (e.g. Mercedes, Rolex, Chanel).
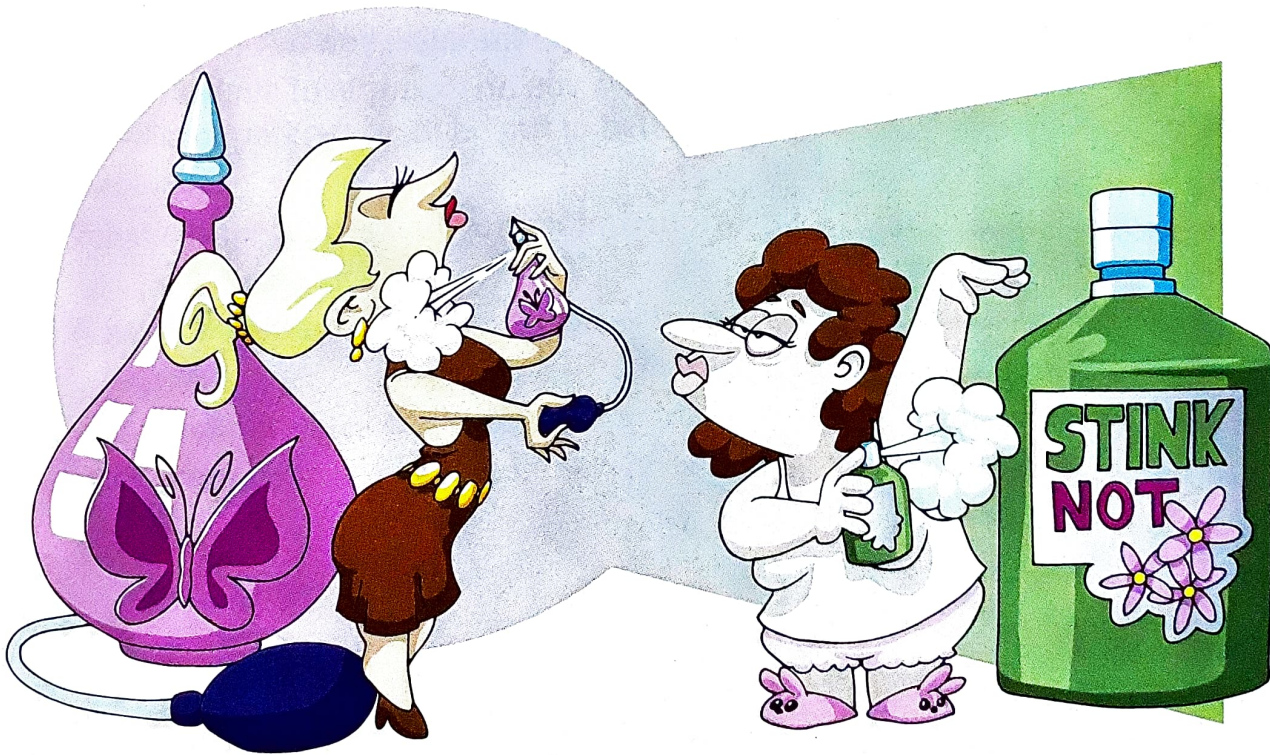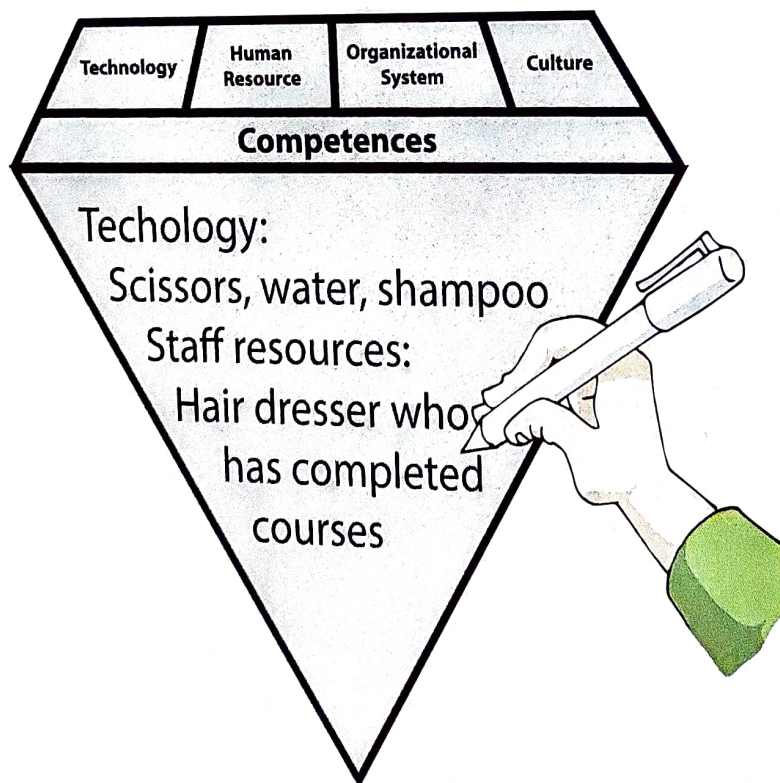

In this section you and your business should therefore describe the culture and the activities that the business model applies in order to achieve this culture.

Examples of culture:
- An airline service provider with low prices and low service
- A hotel stay with a high level of service and many employees to assist you, an excellent hotel room
- A bank with a self-service attitude – the customer never meets any employees but only makes use of website and web login
- A petrol supplier who donates part of your purchase to a local sports club
- A business with a green profile who solely uses recycled material
- A socially responsible business who creates an image for themselves with a characteristic culture
- A business with a unique air of exclusivity – e.g. a particularly elegant wrapping that indicates luxury

This is how you do it

This point of the star will often be crowded. If that is the case, you have to settle for using only headlines. The figure below shows you an example of such a use of headlines.

| Technology | Human Resource | Organizational System | Culture |

Competences

Techology:
  Scissors, water, shampoo
  Staff resources:
    Hair dresser who
      has completed
        courses

Consider the Competences

Describing the competences involved in each individual business model will allow you and your business to realize what combination of competences that allows your business model to work. You may suddenly spot competences that could be put to better use, competences that are outdated, competences that your competitors will find it hard to copy, competences that are unique to your business, or competences that you may at a profit procure from someone else.

Questions:

1) What competences are required for the value chain functions of your business model to work?

2) What competences are essential to your business model?

3) What competences are not needed in your business model?

4) What competences can be put to better use?

5) What competences will your competitors find it difficult to copy?

6) What competences is your business model lacking?

7) What competences could you – at a profit – buy from your network partners?

Remember!
only internal competences belong in this dimension

Network

No business is isolated or can work without the help and involvement of a network. You therefore need to make a list of the networks involved in your business model. Such networks may include colleagues from other departments in your own business or they may be external partners such as suppliers, producers, sales representatives, auditors, educational institutions, freight companies etc.

In this way, every business has a network that constitutes a part of another business model.

Networks can be divided into three main groups:

1) Physical networks
Physical networks are people, animals and machines that make up part of the business model

2) Digital networks
Digital networks are IT systems that allow you to carry out certain functions. Such systems include net banking or secure cloud storage. A number of the networks are unnoticeable in our everyday work-life, and only seldom will we gain insight into or a comprehensive view of the way in which such networks function. Other networks are part of everyday use. However, all the networks help make the business model work. If the network breaks down or disappears for some time, the business model will no longer work. Only once the network has been restored or a new network has been established, will the business model work.

3) Virtual Networks

Virtual networks are networks that only appear when a task needs to be carried out. If there is no task to perform, the networks are invisible and most often we are not aware of their existence. Or we do not know of their existence until we need them. They are a sort of sleeping network which is activated when it is needed.

Virtual networks can be physical, digital or a combination of physical and digital networks. An example could be a person who is able to help in case of a hacker attack or it could be an emergency aid organization that acts in connection with natural disasters.

It is important that we distinguish between these three types as they each have their individual characteristics. For instance, virtual networks may make a business model less expensive, more flexible or less stock intensive.

In other words, networks are partners of the business model, and with this dimension the objective is to identify everyone who plays a role in your business model.

Partners of the Business Model

Physical Network Partners	Digital Network Partners	Virtual Network Partners
Cleaning service	Uber	IT support
Cleaning service Security service and their dogs	LinkedIn	Actalliance
Computer and router	Google docs	VW mobility service who provides instant repair if a car breaks down on the motorway

This is how you do it

On the BeeStar, all networks of your business model.
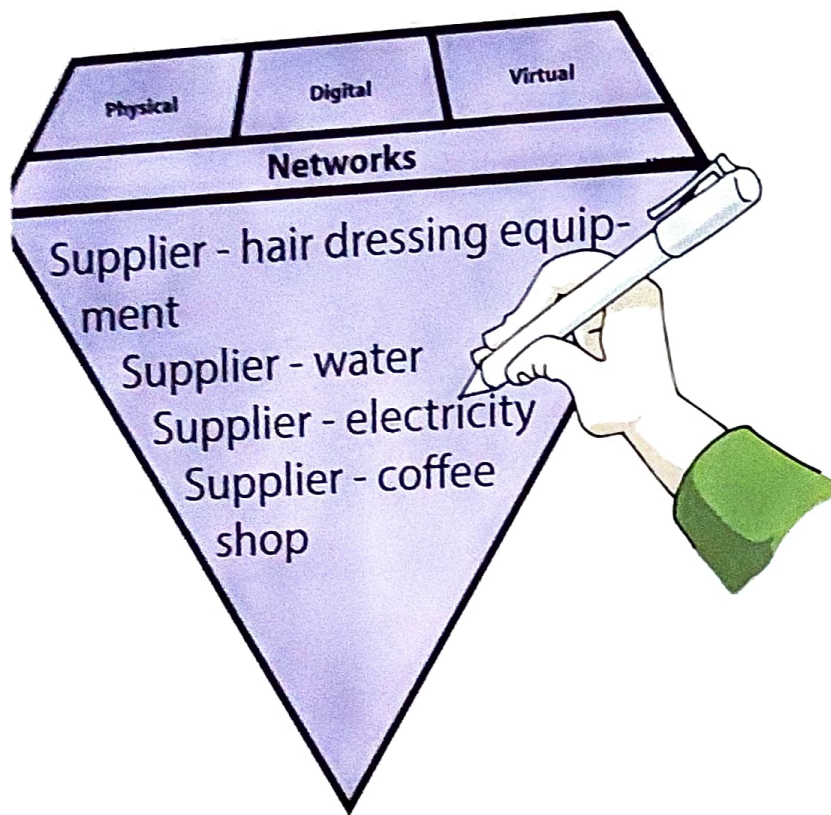
Consider the networks of the business model

When you have completed a list of all the networks that form part of your business model, you will be able to examine each network to determine whether it is the right one for that particular business model. You will be able to examine the value chain functions that are being provided by that network and to find out how important such networks are to your business model.

Questions:

1) Who plays a role in your business model?

2) What role does he/she/it play?

3) Is the network in question physical?

4) Is the network in question digital?

5) Is the network in question virtual?

6) Is the network the right one for your business model?

Value Formula

Every business model has one or more value formulas that the business applies in order to calculate the price of the proposed value. The value formula indicates the way in which the business model calculates price and costs.

The result of this calculation is a value formula which the business can quantify either in terms of money or in terms of other values. The result indicates whether you are about to profit or loose from the business model in question.

Turnover Minus Costs Equals Profit/Loss

The simple calculation above of either profit or loss corresponds to the value which is visible in the accounts. That value is quantified in terms of money. It is an obvious value formula and can actually be considered a profit formula.

Other Values

Other kinds of value formulae than the above profit formula exist. There are business models that do not focus on money, profit or loss. Or at least they do not exclusively focus on the financial aspect. Consequently, such other value formulae should be considered when painting the full picture of your business model.

A value is often meant to create earnings in terms of money. However, the purpose of a business can also be to create other values to the business. Such a value can be e.g. a website providing the customers with information (value = the desire to extend people's knowledge), or it can be a sponsorship to a local sports club (value = to help a certain group of people or to obtain publicity).

Consider the Value Formula of the Business Model

When you note down the value formula of your business model on the BeeStar and subsequently study it, you will gain a general view of the number and nature of the value formulae of your business model. It will now become apparent whether the business model is calculated to result in a profit, a loss or in other values.

For instance, you will see how the value formulae (i.e. prices, costs and other values) are calculated in your business. This will allow you to recognize the real value formulae of your business model and to decide on their importance to your business.

Questions:

1) What are the value formula(e) of your business model?

2) How does your business model calculate prices and costs?

3) What is the main purpose of your business model
   – financial earnings or other kinds of earnings?

4) How does your business model make money?

5) How does your business model make other kinds of earnings?
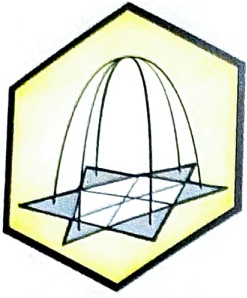
Relations

Relations is the seventh and final dimension in your business model. This dimension is found in the middle of the business model because relations are what hold together all the other dimensions of the business model. The purpose of a relation is to create, capture, deliver, receive and consume the values from one dimension to another and the values from one business model to another. Normally, the term *relations* is used to indicate relations between people. However, in the context of business models you need to think of the term as the channel or the cord that creates a relation or a contact between the dimensions of the business model.
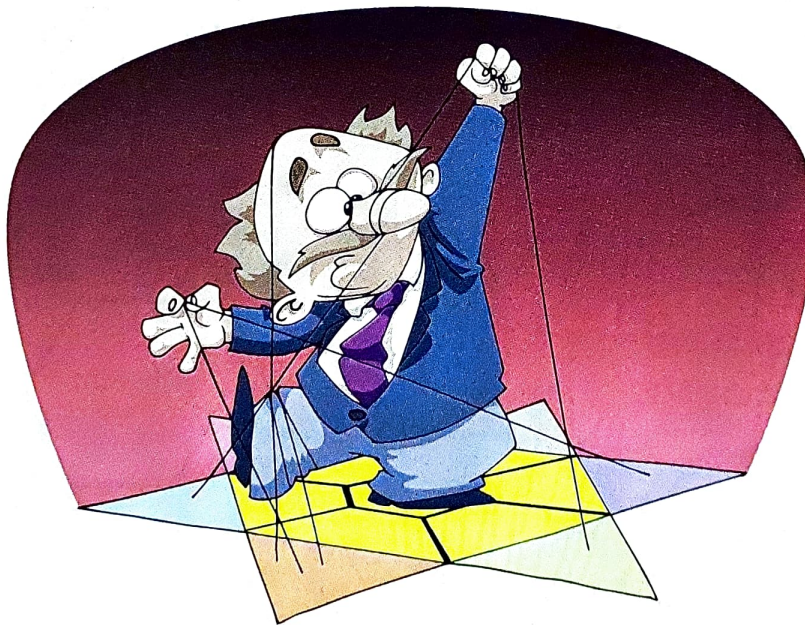
Such a channel can be physical, e.g. a cord or our senses (seeing, hearing, feeling, tasting, smelling). However, you can also create relations through a non-physical channel such as a wireless connection or a feeling. Ultimately, the channel can also be a combination of physical and non-physical channels. We call such channels *virtual relations*.

The values of a business model cannot be delivered from one dimension to another through the relations unless the relations are able to create, capture, deliver, receive and consume the values. When the relations are able to do that, we say that they are *fully connected*. It is a main characteristic of relations that they are established, maintained for a short or a long period, and are then disconnected.
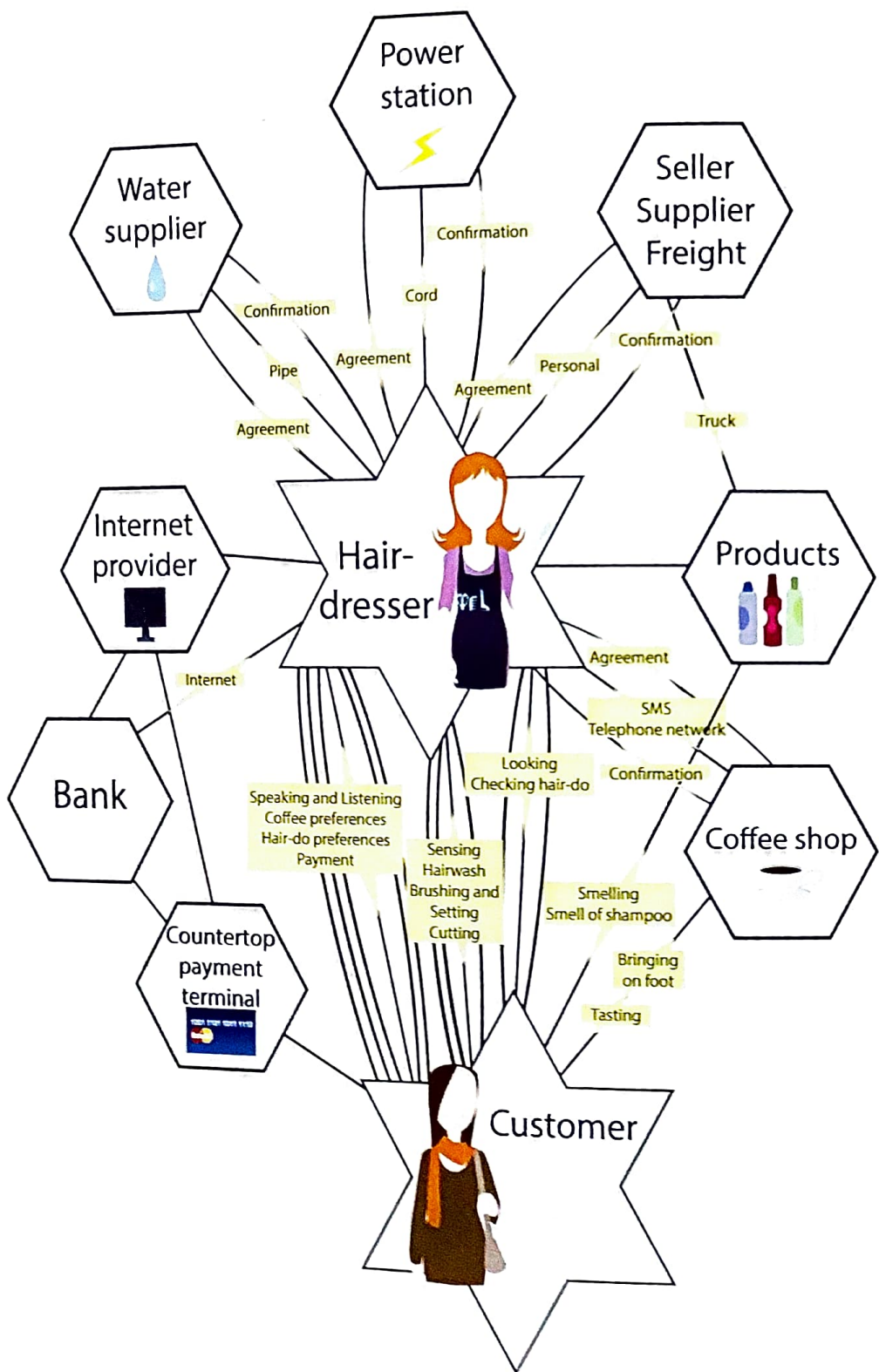
Values delivered through fully connected relations are consumed in the business model. If we look at an example from the previously mentioned hairdresser, we note that the customer decides on his/her choice of coffee whereupon the hairdresser texts the coffee bar. The assistant at the coffee bar brews the coffee and delivers it to the hairdresser's customer. The customer drinks the coffee. In this way, the relation is fully connected.

This is What you Gain by Considering the Relations

When you retrace the relations between the various dimensions and maintain your focus on the actual channel, you clearly see how the dimensions of your business model are related to each other. This drawing will allow you to thoroughly examine whether the relations of your business model are properly connected and communicating.

You are now also able to estimate the likelihood of the future success of your business model. Considering the relations in this way – now – will provide you with valuable data that allows you – at a later point in time – to adjust and improve your business models. For instance, you can identify existing relations ('As Is') through the use of the BeeStar and subsequently work on another BeeStar showing new possible relations ('To B').

Remember!
Relations can be both internal and/or external

Questions:

1) What relations does your business model have?

2) Which of such relations are "connected" and which are "un-connected"?

3) Which relations are connected to other business models?

4) Which relations are creating value?

5) Which relations result in costs?

What Next?

The BeeStar is a basic tool to work with in Multi Business Model Innovation. It is a tool that can be used in many ways.

Downloading

During this phase, you and your colleagues will only consider the business model from your own (or from your business') point of view. You will have to gather all available information (= downloading) and to distribute the information on their separate BeeStars (= mapping) according to an 'As Is' business model or to a 'To Be' business model. During this process you must continue to look at the business model exclusively from *your* point of view.

You might also decide to work with the business model of one of your competitors and to compare it to your own model. Still, you need to keep looking at it from *your* point of view. Downloading is about seeing the business model from an inside-out perspective.
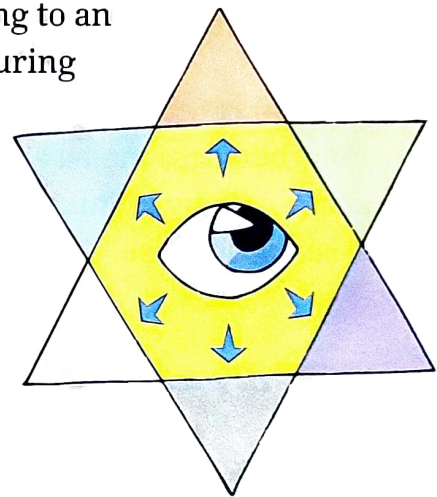
Try downloading together with your employees or your colleagues and take your time to discuss and put questions to each other. For each of the seven dimensions in this book we have listed a number of questions that you can put to each other. Perhaps you will discover that even when you look at the same business model, you may not have the same understanding or perception of the model. Take your time listening to each other and make an effort to explain your views so that you may reach a shared understanding that you can transfer to and preserve on the BeeStar.

When you have put all your business models in front of you, you will have a good overview of what is actually going on in your business and of the way in which your business models operate – or do not operate.

Seeing

During this phase you will look at your business models from the point of view of others. For instance, you can try taking a look at your business model from the point of view of your customers, your network or of your employees. Most often this will paint a completely different picture of your business model because you will now be looking at the model from an outside-in perspective.
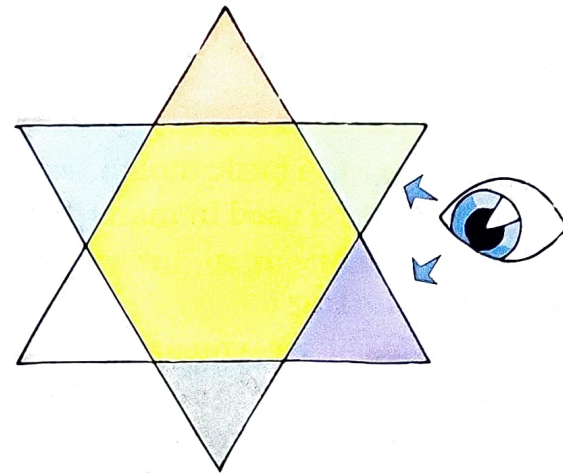
Seeing might reveal to you that the values you believed yourselves to be sending from your business model are not the values that your customers receive, conceive or expect to receive. This will provide you with new knowledge that you need for the sensing phase. The sensing phase is the actual business model innovation phase.

Sensing

The sensing phase is the phase during which you build new business models and change your 'As Is' models. In this phase you use the downloading and seeing phases to gain ideas for:
· Changes to an 'As Is' business model
· New 'To Be' business models

We recommend that prior to initiating the sensing phase; you use the downloading and seeing phases to make a thorough compilation of raw material to be used for the actual business model innovation. This does not mean that you may not get ideas during the downloading and sensing phase. If ideas occur to you during these phases, you note them down immediately but refrain from discussing them until the sensing phase.
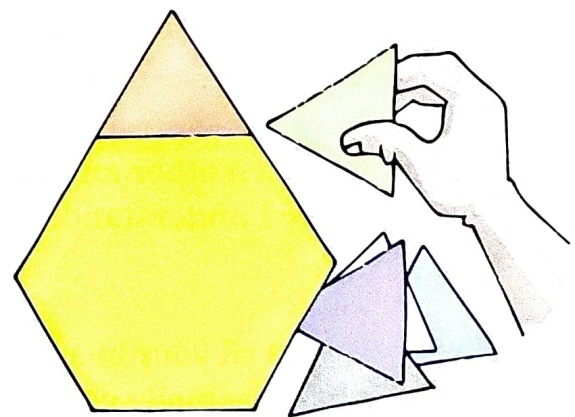
Take care not to get too excited to move on to the generating of ideas as this will induce you to ignore the downloading and seeing phases. Research has shown that it is vital that thorough downloading and seeing phases are completed before the sensing phase is begun. The knowledge and information that you gather during the downloading and seeing phases is essential to the ensuing process, and it is during the two first phases that you often find value-creating opportunities for business model innovation.

In our next book you will read about Multi Business Model Innovation, and you and your business will be guided through the innovation processes of business model innovation.