Innovating Markets by Putting Business Models to Work

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Abstract

The purpose of this research is to explore how business models are developed and put to work as frames for action in ways that innovate markets. Business models have the characteristics of frames, often being described as the configuration of multiple components or elements, surrounded by a narrative or logic that explains how the business works. We argue that business models frame action. Business model elements represent a way of framing what the business includes and manages and in this way are put to work by managers as they try to work out what to do next. This study draws upon the framing literature to understand how business models are put to work, and follows the development and use of a business model to conceptualize, mobilize and make new service-based offerings in IT services market and the industrial services market. The paper presents findings that show the chains of translation, framing and reframing of business models and their different components as they are put to work as frames for action. Our findings suggest that business models were put to work as diagnostic, prognostic and motivation tools and in so doing were transformed in business practices in ways that innovated markets.

Key Words: Business Models, Framing, Market Innovation
INTRODUCTION

The purpose of this research is to explore how business models are developed and put to work as frames for action in ways that innovate markets. We argue that such frames may help in the coordination of organisational work as managers try to make and shape markets. In the extant business model literature, business models have been described as narratives (Magretta 2002: 464), mental models (Storbacka and Nenonen 2011), schemas (Clarke and Freytag 2011) and cognitive mechanisms (Tikkanen et al., 2005) that explain how the business works. In this way, business models might be understood as market devices that can be 'put to work' in ways that enable entrepreneurs explore, shape and innovate markets (Doganova and Eyquem-Renault 2009). Understanding how a business works is important for three reasons. First, it helps managers to delegate and coordinate work and share ideas of how that work should be done within the firm, and for what purpose (Birkinshaw 2010). Second, it helps managers share ideas of how a market might be shaped through the coordinated effort of other organisations in the wider business network. The value of business networks is widely recognised by the interactive approach within the IMP tradition (Håkansson 1982) and highlights the need to enrol and mobilize others to act independently, collaboratively and collectively as they work towards making the imagined markets (Callon, Millo and Muniesa 2007). In this regard, making sense of and developing common meanings for action becomes vital. Third, collective action requires the recognition of the different roles of multiple actors across the network. Each actor plays a different role in shaping emerging markets. Such roles may be complementary, discordant or contradictory and it seems likely that putting business models to work is likely to foreground both complementation and tensions. Thus, understanding how managers frame their business models and put them to work in their organisations and wider business network, stands to generate valuable insights into market making practices.

Business models have the characteristics of frames, often being described as consisting of multiple components or elements (Osterwalder, Pigneur and Tucci 2005; Weill and Vitale 2001; Zott and Amit 2007). Mason and Spring (2011) identify three widely and consistently cited elements of business models as technology, market offering and network architecture. These elements represent a way of framing what the business model should include and what the business needs to manage. These frames can be understood as “schemata of interpretation” (Goffman 1974) that render events meaningful and “function to organize experience and guide action, whether individual or collective” (Snow et al. 1986: 464). In a business context frames often draw on ‘tales from the field’, anecdotes or stereotypes in a form of rhetoric or terminology that enables actors to make sense of work, roles and actions that need to be taken. However, the emergence of frames, which come to be privileged and accepted and acted upon have traditionally been understood through the study of social movements rather than in a business context (Benford and Snow 2000). In a social movement context, the constructing of the frame (the action of framing), is seen as equally important to the study of the frame itself. We argue that this is similarly valuable for the study of business models as frames for action.

The framing literature stands to make two key contributions to our understanding of business models. First the framing literature claims that frames emerge, 'bottom-up' through the spread, intérressement and enrolment of others (Benford and Snow 2000; Snow and Benford
Social movement scholars conceptualize framing as the process of actors becoming “actively engaged in the production of meaning for participants, antagonists, and observers” (Snow and Benford 1988: 198). However, if we recognise the materials of business models as having agency too, then these might also reasonably be expected to travel and influence others (Doganova and Eyquem-Renault 2009). Second, framing is a continuous, evolutionary process which is never complete. Framing is therefore impossible to take to conclusion since there are always relations which defy framing (Callon 1998). We argue that as business models travel and spread-out, it seems likely that they will be transformed and their performance translated into situated practices that are deeply contextualised. Further, we argue that as more actors encounter these business models (or at least representation of some of their elements) the transformation of them into practice is likely to cause reframing. Could such reframing innovate markets?

This study draws upon the framing literature to understand how business models are put to work. This qualitative study follows the development and use of a business model to conceptualize, mobilize and make new service-based offerings in IT and industrial markets. Adopting Richardson’s (1972) perspective on business networks and markets, we explore how the complex and far reaching connections across firms, networks and markets are created through the business modeling process in two software firms and a hydraulic platform manufacturer that set out to innovate their markets. The paper presents findings that show the chains of translation, framing and reframing of business models and their different components as they are put to work as frames for action. Our findings suggest that business models were put to work as diagnostic, prognostic and motivation tools and in so doing transformed business practices in ways that innovated markets.

The paper begins with a review of business model and framing literature. A conceptual framework for using business models as frames for action is introduced. After presenting the methodology used in the study, the analysis and findings of the empirical study are discussed. Theoretical and managerial implications are presented and the paper concludes with agenda for future research.

LITERATURE REVIEW

Business Models

Business models are claimed to be essential to every organization, whether it is a new venture or an established player (Magretta, 2002), and whether explicitly considered or implicitly embodied in the act of innovation (Chesbrough and Rosenbloom 2002). Hence the business model influences the choices and resulting activities of the company. Much of the previous literature on business models offers definitions of the concept which include elements and components. In this way, business models are widely conceptualized as descriptions, or representations of a reality (Magretta 2002; Osterwalder, Pigneur and Tucci 2005). A narrative which explains how they work together, often accompanies the business model elements. Magretta (2002) observes that a business model is nearly always characterized as a story that includes, precisely delineated characters, plausible motivations, and a plot. Such conceptualizations have been labeled the essentialist view of business models (Doganova and Eyquem-Renault 2009).
A key limitation of the main body of business model literature is that it creates a description of the firm at a single point in time, fails to consider the influence of the business network on the business model. It fails to show the power of the business models to bring about change (Mason and Spring 2011). While previous literature has mostly aimed to address the question ‘what are business models?’, recent studies have begun to explore critical questions, ‘what do business models do?’ (Doganova and Eyquem-Renault 2009), ‘why is the concept of business models useful?’ ‘who uses them, for what, and how?’(Baden-Fuller and Morgan 2010), and ‘how are business models created and practiced?’ (Mason and Spring 2011). What is common amongst this later stream of literature is the concern with the way business models are used or ‘put to work’.

Entrepreneurship scholars have shifted the view of the business model as a description of the reality to a functionalist perspective which emphasizes business models as prospective, envisaging a future venture and the value creation logic it will involve (Doganova and Eyquem-Renault 2009). In this sense, business models may be representations of imagined businesses for imagined markets. Thus, it seems likely that business models are put to work as prognostic tools that help us speculate and foresee what might become and not just as diagnostic tools that help us understand and describe what is. Morris et al. (2005) see business models being put to work at various levels of aggregation; at the level of economic exchange, operations, and strategy. At the most basic level, the level of exchange, Morris et al. (2005), define business models in terms of the company’s economic model. At the operational level, the business model represents an architectural configuration. At the strategic level, business models emphasize the overall direction in the firm’s market positioning, interactions across firm boundaries, and growth opportunities. These multiple perspectives form a hierarchy suggesting that business models are put to work to answer different types of questions at different levels of analysis or abstraction within the firm and the business network. In this way, the detail and precision that business modeling practices reveal become more comprehensive as the model is applied at the micro level. This need for identifying and creating multiple sites of enquiry in order to better understand organizations and markets is increasingly recognized in the organization studies literature (Nicolini 2010; Schatzki 2006).

If business models are to be understood as complex combinations of elements that describe businesses and their connections with markets, how then are they put to work in different ways in order to perform these multiple functions in multiple sites? Chesbrough and Rosenbloom (2002) suggest that business models help to not only identify the different elements and functions of a business, but that they also show the links between them: articulating value propositions, identifying the market segments, defining the structure of the value chain, estimating the cost and profit potential, describing the position of the firm within the value network, and formulating the competitive strategy. It is perhaps because of the efforts of business models to capture, represent and explore business worlds and future possibilities for actions for the organizations inhabiting them, that managers and academics alike find the concept of business models so intriguing. Indeed, business models are much blamed when attempts to commercialize technological innovations fail. But it seems that most commentators on this subject assume that the business model is wrong in some way rather than the problem being related to how the model has been put to work (see for example, McCloskey 1983; Morgan 2001). This is an important distinction as the notion of putting models to work suggests that as the model is used as a prognostic or diagnostic tool, it is likely to be changed and transformed through its interaction with others. Thus there are no good or bad models, right or wrong models, but rather that models are understood as dynamic
and emergent; are both acted upon by the world as acting on the world through their use (Morgan 2001).

There have been numerous calls by scholars for further research into how business models are used and put to work. Teece (2010), Osterwalder et al. (2005) and Chesbrough (2010) argue for further studies into business model innovation, development and implementation. Baden-Fuller and Morgan (2010) argue that business models can act in multiple ways; as classifying devices to understand the business phenomena as well as acting as models of 'ideal types' of business that could or should be developed (also see, Morgan 2006). Business models may also act as models in the scientific sense: representatives for a class of things or schemas. Similarly, they may be understood as recipes like practical models of technology that can be copied by companies but are also open for variation and innovation within the constraints of the ingredients. What is important here is that business models are recognized as having the power to act or at least shape or frame the actions of others.

How business models act on the world, might be understood as a function of their construct. For example, some scholars see business model innovation as conceptually separate from technological innovation (Teece 2010), while others consider technological innovation part of the business modeling process (Mason and Spring 2011). For Teece (2010), business model development is triggered by technological innovation because the need to bring new discoveries to market and satisfy novel customer needs can trigger the need for changes in the network architecture or the market offering itself. For Mason and Spring (2011), it is the interactions between technological innovation, market innovation and network architecture that shapes what the business model becomes. Thus, in some cases, the technological innovation may be able to draw on an existing network architecture familiar to the firm, but in other cases, a specific, existing network architecture may not fit the circumstances of the technological or market opportunities (see Chesbrough and Rosenbloom 2002). However business models are conceptualized, they seem to act as some frame for action.

Business Models as Frames for Action

For research on business models, the framing perspective provides a useful approach to understand the development and use of business models: the dynamics of the models. An essential question to be addressed here is how companies frame their business models and how these frames prevent or advance market innovation.

The concept of frames has gained considerable recognition in the social sciences (Benford and Snow 2000). According to Oliver and Johnston (2000) frame theory is based in linguistic studies of interaction, referring to ways shared assumptions and meanings are represented and come to shape the interpretation of any particular event or action. Framing has also been strongly connected to literature on social movement (Benford and Snow 2000; Snow et al. 1986). Social movement theory sets out to explain how groups reach consensus and are mobilized to take action.

Within both linguistics and social movements, frames have been treated both as fixed and emergent. The former refers to frames that are relatively fixed templates of cultural knowledge, whereas the latter considers frames are under constant revision based on new occurrences and unexpected actions by others (Oliver and Johnston 2000). In the social movement literature, meaning construction has been conceptualized as ‘framing’ the action or
practice of creating frames (Benford and Snow 2000). By understanding business models as frames for action, business models can be conceptualized as devices to reach consensus and mobilize action among different actors.

According to Fiss and Hirsch (2005), the process of social construction and negotiation of the meaning has been primarily addressed in two related but distinct literatures: sense-making and framing. Fiss and Hirsch (2005) combine sense-making and framing, arguing that sense-making emphasizes the internal, self-conscious process of developing a coherent account of what is going on, while framing stresses the external, strategic process of creating specific meaning in line with political interests. The two perspectives focus on different aspects of the meaning-creation process. As framing focuses on whose meaning wins out in symbolic contests, sense-making focuses on the understanding of why such frame contests take place. Reckwitz (2002: 246) observes that social order is embedded in a collective cognitive and symbolic structures, in a ‘shared knowledge’ which enables a socially shared way of ascribing meaning to the world. How does the 'unconscious layer of knowledge' which enables a symbolic organization of reality relate to business and practices? We argue that the relationship between practices - what people do (and with what materials) - and meaning (or frames) are inseparable. Thus, understanding how business models are put to work becomes an important step in generating insights into how market-makers and managers frame their next innovative steps as they seek to innovate markets and grow their businesses.

Snow and Benford (1988) distinguish between three kinds of framing tasks: diagnostic framing, prognostic framing, and motivational framing. Diagnostic framing refers to problem identification and attributions – a diagnosis of some event or aspect of social life as problematic and in need of alteration. Prognostic framing includes the articulation of a proposed solution to the problem, and the strategies for carrying out the plan – what needs to be done. Motivational framing provides the rationale for engaging in collective action including the construction of appropriate vocabularies of motive. Benford and Snow (2000) talk about agency: vocabularies of motive or socially constructed vocabularies as adherents with compelling accounts for engaging in collective action and for sustaining their participation.

Snow and Benford (1988) argue that the more the three framing tasks are interconnected, the more successful the mobilization effort (Figure 1.). Diagnostic and prognostic framing aim to achieve consensus mobilization, that is the agreement about the causes and solutions to a specific problem. Motivational framing, on the other hand concerns action mobilization, the rationale for action. Consensus mobilization may not necessarily lead to mobilization. Mobilization is understood to be contingent upon developing motivational frames that consist of a vocabulary of motives (Snow and Benford 1988). These include the generation of “selective incentives” for participation. These observations have important implications for the way we might see how business models are used: as an analytical tool for diagnosing problems, a prognostic tool for creating a solution to the problem, and even as a rationale for mobilizing collective action by re-presenting the business model differently and specifically, for different audiences (or social groups).

Benford and Snow (2000) also distinguish between the processes of frame development: 1) discursive processes, 2) strategic processes and, 3) contested processes. Discursive processes refer to talk: the speech acts and written communications among actors. Frames can be generated by two interactive, discursive processes, namely frame articulation and frame amplification. Strategic processes can be characterized as deliberative, utilitarian, and goal
directed. Here frames are developed and deployed to achieve a specific purpose. Contested processes refer to a situation where actors are not able to construct and impose on their intended audiences any version of the reality they want, but there are a variety of challenges confronting those who engage in framing activities. By looking at how business models are articulated, to what purpose, as well as what is shared and whom, we stand to generate insights into market innovation practices through the analysis of how business models are put to work.

Figure 1. Identifying Three Distinct Framing Tasks

Scheufele (1999:114) characterizes framing as a continuous process where “*certain outcomes of certain processes serve as inputs for subsequent processes*”, consisting of chains of framing. The framing process is affected by a number of elements of the socio-cultural context such political opportunity structure, cultural opportunities and constraints, and the targeted audiences (Benford and Snow 2000). Fiss and Hirsch (2005:30) suggest that, “*the concept of framing captures the processes by which actors influence the interpretations of reality among various audiences*”. Thus framing involves the generation of interpretive frames that not only differ from existing ones but that may also challenge them (Benford and Snow 2000). Business models as frames for action may generate market innovation by creating consensus among different actors of what the market is thus stabilizing a space for action. The processes of re-framing markets require practices that frame problems, solutions, and actions. Where these emergent frames are contested new frames are created.

Theoretical Framework

Drawing on the business model framework provided by Mason and Spring (2011) we look at how three core elements of business models (technology, network architecture and market offerings) are put to work as diagnostic, prognostic and motivational frames to mobilize others in ways that innovate markets (Snow and Benford 1988). The business model elements may be put to work in different ways (e.g. technology element as a diagnostic), resulting another element to work differently (e.g. market offering as a prognostic). We set out to generate insights into how managers make sense of and share market innovation ideas between individuals, groups, and organizations; framing the situation and what needs to be done (see Figure 2).
We also draw on Callon's (1998) notion of overflowing to explore business models as frames that are always incomplete. In this sense, we adopt a practice-based approach to the study of business models as frames for action to see how they are put to work. Framing understood is a continuous process. Thus, what is particularly interesting, is how the frames are created, problematized and how new frames emerge. How the different business model elements work as separate and interlinked frames, shape the diagnoses of problems and the creation of solutions.

METHODOLOGY

In order to understand how business models were being put to work to innovate markets we needed to identify sites where business models were being used in some way, shape or form in order to explore and take action of potential market opportunities. Using the Mason & Spring (2011) framework we began by looking for organizations that explicitly acknowledge that they were seeking to make changes to their market offerings; either through changing the way customers accessed products/services, artifacts, the activities engaged in by the organization or the value that customers would derive from the new market offering. At this stage, a business model framework using different business model elements (Morris, Schindehutte and Allen 2005; Osterwalder, Pigneur and Tucci 2005), was put to work by the researchers as a mapping device to help create an understanding of what different firms did and the type of change managers were hoping to bring about. Following recent initiatives by the Finnish government to promote the development of additional service offerings across more traditional product oriented sectors (see e.g. the Finnish Funding Agency for Technology and Innovation), we identified five firms that were attempting to address this type of market offering innovation. Of these five firms, three were identified as suitable sites of inquiry and agreed to participate in our study. All three firms were actively involved with service innovation as a way of transforming their market offerings and developing their business (see Table 1). For confidentiality, the names of the firms and their customers have been replaced with cover names.
Table 1. Firms & Their Market Innovation Intent

<table>
<thead>
<tr>
<th>Firm</th>
<th>Business Model</th>
<th>Technology</th>
<th>Market Offering</th>
<th>Market Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Co.</td>
<td>Co-development with a customer</td>
<td>Social media platform</td>
<td>Apply and develop a co-development facilitation service offering</td>
<td>Market for collaboration facilitation</td>
</tr>
<tr>
<td>Consult Co.</td>
<td>Co-development with customer and end-users</td>
<td>Mobile platform</td>
<td>Develop a mobile application for iPhones</td>
<td>Market for mobility</td>
</tr>
<tr>
<td>Equip Co.</td>
<td>Works with component suppliers &amp; customers through long-term relationships</td>
<td>Hydraulic equipment</td>
<td>Maintenance services (e.g. telecontrol service offering)</td>
<td>Market for maintenance and telecontrol services</td>
</tr>
</tbody>
</table>

Our aim was to understand how the business model was put to work as a frame for action. Having identified the firms we then adopted a staged approach to empirically studying market innovation efforts. We drew on the work of Pinch and Bijker (1984) to understand how managers, front-line workers, customers, suppliers and other actors were enrolled and took action framed by the various representations and translations of the business model as it travelled and transformed on its journey to and through the market. Drawing on both EPOR and SCOT\(^1\) approaches and more recent work by the market studies group (see Araujo, Kjellberg and Finch 2010), our approach was to empirically study contemporary market development and study in particular the ‘market offering controversies’ that emerged as managers took actions to innovate product markets by creating product/service bundles. In this way we began by examining the interpretative flexibility of business models and the emergent new market offerings. We found, the different business model elements (and specifically the market offering element) to be open to more than one interpretation. This shifted the focus of the development of a new market offering from the natural world (where it exists and can be observed materially in one form or another) to the social world, where its value or purpose is socially constructed through the interactions and relations of the actors engaging in the process of marketization. We wanted to know how interpretive flexibility was maintained, and when and how it became stabilized, in what form and how this then shaped action. The second stage focused on understanding how market offerings and markets become stabilized. Here we sort to understand how controversies were terminated and how consensus was reached (amongst which groups). Finally, the third stage attempts to understand the external stabilization of a market through the disruption and calming of a new market offering.

In keeping with SCOT, we understand the developmental process of a market offering as an alternation of various and selection. Thus, we recognize a multi-direction model. That is, as the different groups of actors are recognized as identifying and framing problems, such problems might be usefully positioned to confront each other, creating tensions in contested but innovative spaces. From these contested spaces new understandings and new possibilities can be realized (Stark 2009). Such outcomes could conceivably destabilize and then re-stabilize markets as exchange spaces that are advantageous in some way to the core group – the company and its allies that imagined and precipitated the change.

To observe this change we adopted a practice-based approach by looking at what the different actors did in this process of market innovation. Using qualitative methods we collected data regarding the practices of actors as they went about their work, paying attention to the business model tools they used to frame their actions and the actions of others that they tried to enroll and mobilize (see Table 2). We wanted to understand how they used their business model tools, how they represented the business model (or elements of it) to different groups in different ways for different outcomes (see Doganova and Eyquem-Renault 2009). In this way we sort to identify chains of translation between the ‘big idea’ of the business – what Magretta (2002) might call the narrative that explains what the firm does – and the specific actions of front-line workers as they try to innovate markets through the development of new market offerings.

### Table 2: Data forms and Sources for Each of the Three Firms Studied

<table>
<thead>
<tr>
<th>Firm</th>
<th>Data</th>
<th>Observations</th>
<th>Documentation</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Co.</td>
<td>Interviews</td>
<td>3 consultants, 2 managers, 2 customers</td>
<td>2 workshops, meetings</td>
<td>Company web pages and brochures, project report, press releases</td>
</tr>
<tr>
<td>Consult Co.</td>
<td>Vice president (twice), consultant</td>
<td>Workshop, meetings</td>
<td>Company web pages and brochures, project report, press releases</td>
<td>2 online Delphi-questionnaire rounds</td>
</tr>
<tr>
<td>Equip Co.</td>
<td>CEO, 2 managers, 1 customer</td>
<td>Workshop, meetings</td>
<td>Company web pages and brochures, project report, press releases</td>
<td></td>
</tr>
</tbody>
</table>

This research forms part of a larger research project. The empirical data consists of semi-structured interviews conducted in the companies at different stages of developing their service business. Each interview lasted approximately an hour, and was audio-recorded and transcribed. The interviewees were asked to tell about how they develop their services and service business. They described their actions (and the actions of those they encountered through their work) as they developed specific service-based offering. Additionally internal and publicly available documents were collected (Turner 1981). In two of the companies, two rounds of online questionnaire were conducted among the company representatives, partners and customers enquiring into imagined future changes to the business model elements.

### ANALYSIS AND FINDINGS

Of our three firms, two made successful market interventions by creating market offerings that began to change the market in their favor, and one firm seems to have stalled severely. This section begins with a brief description of IT Co's firm settings, before showing how their business model was put to work on a specific project. Subsequently we provide a brief description of the two remaining cases, before examining the patterns of practice across the cases.

Our study looked at how the business model was put to work in each context, how the business model was represented and used with different audiences and how these representations framed the actions of those trying to develop new market offerings. Using
Bendford and Snow’s (1988) concept of frames being put to work as diagnostic, prognostic and mobilizing tools, we followed the business model as it travelled, to see how it framed action and innovated markets.

Innovating Markets at IT Co.

IT Co. is a general Information Technology (IT) consultancy and software house that develops, integrates and creates interfaces for a number of business processes and business analytic tasks for both public and private sector organizations. Often building software on widely available platform products (such as the Microsoft’s Sharepoint platform or the Oracle’s Enterprise Manager platform), the company’s aim is to create products that provide their customers with the “power to manage […] mission-critical business information” (IT Co. brochure).

Founded in Finland in 1968, IT Co. is now a global operation employing over 18000 professionals in over thirty countries worldwide. Traditionally, as with many firms in this sector, IT Co. have framed their competitive advantage as “superior product offerings” and concordantly, superior IT expertise for the specific markets within which they have traditionally focused (Northern Europe, Germany, Poland and Russia). However, as globalization has pulled the company’s customers into new markets, so they have followed and in so doing have faced the challenge of increasing complex integrative systems, by implementing software packages in diverse cultural settings where situated practices are not always as similar as such large projects might require. Now IT Co. finds itself exploring competitive advantage through the frame of its market expertise. This has generated internal organizational conversations amongst senior managers around how the company might capitalize on this market knowledge through the provision of additional service offerings to customers. Such a transformation would represent a significant shift in the logic of the business and has resulted in managers emphasizing issues such as “understanding the genuine customer needs and our customers’ business, and reacting fast and acquiring the right experts to provide solutions to customer problems” (Senior Consultant, IT Co.). What is significant here is the shift in focus from a product offering to a ‘solution’ and a ‘service’ as a market offering. As a senior executive at IT Co. put it,

“By talking about services or service based business... we started discussing with customers about offering them solutions to their business problems – instead of offering IT.”

For the management team at IT Co., this meant developing a new network architecture that effectively combined and disparate areas of expertise in specific geographic, industry and technology sectors in ways that created opportunities for new market offerings to be realized. However, what IT Co. found was that through the process of trying to understand the potential for new market offerings, the market with which they intended to engage had to be reframed and in this way was transformed.

We followed the efforts of a group of actors operating in the public sector market as they tried to create and innovate new service oriented market offerings. The project we focus on here is the development of a children’s playground facility in a local town. The challenge faced by the customer (the local governmental office, referred to here as the ‘municipal organization’) was framed as, “how to engage the locals in developing a playground facility that would be safe and well used by the local community without the process consuming huge
amounts of time and money”. As IT Co. had a role in creating this frame, our question became, where did this framing come from and how did it shape action?

At first there were no obvious candidate for ‘servitization’ but as the team spoke with customers some ideas surfaced. In this sense, we see the public sector group’s understanding of the network architecture was being put to work. They began by mapping the actors in their sector, identifying customers and initiatives that customers were involved in that might offer opportunities for the company’s products to add value in through their use. Here we see both the technology and network architecture components of the business model being put to work and represented to create a shared frame amongst the IT Co. group (Figure 3). The business model is being put to work to as a diagnostic frame to frame the challenges faced by the actors in the market.

**Figure 3. Representation of what was trying to be achieved**

*Source: IT Co. PowerPoint presentation*

One public sector customer, City of Lakeside had recently taken deliberate steps towards developing ‘user-driven’ services. The idea behind their approach was to involve the citizens of Lakeside in the strategic and practical development of services to be offered by them for their local community. Lakeside’s problem was how to do this without spending additional time and monies, while at the same time offering services that were of value to the local community. IT Co. identified this problem as an opportunity for them to develop a new service offering. Could IT Co. offer a platform and facilitate a co-development space where both the municipal representatives and the citizens could come together to share ideas and develop concepts and plan practical steps to implement new or better services and facilities for the community? The municipal representatives and IT Co. employees began discussions to explore possibilities. Out of these discussion came the idea to set up a digital space where the citizens and municipal representatives could come together to share ideas and create dialectic of service and facility provision for the town. Lakeside identified a specific project to experiment with this idea. The idea was to build a shared recreation facility for the city. This facility became a playground as a result of the co-development initiative. As the city representative put it,

“The main objective was to involve children and the citizens in general in the development work and to exploit social media as efficiently as possible in this, since it is the system that youngsters currently and children in future will use.”
The role of IT Co. was twofold: to provide the IT infrastructure for the digital space to happen and to facilitate the co-development effort. The solution that would become IT Co.’s market offering would be a product service bundle. IT Co. put its technology element of its business model to work as a diagnostic tool. This revealed two important issues; 1) that the most appropriate infrastructure for the IT platform would be some form of social media and 2) that no ‘expertise’ on social media existed within IT Co.. The Public Sector team at IT Co. then turned to the network architecture model of their business to understand if and where IT Co. might access social-media expertise. Using the network architecture model as a diagnostic revealed no such expertise. IT Co. now reframed a single problem into two separate but related problems: 1) as a search for social media expertise that could be accessed and bought-in and 2) social-media as an area around which IT Co. needed to build capabilities. They began to transform their network architecture by sharing representations of what the project might become with social media experts from outside of their firm and by linking this firm with the Lakeside playground project. In this way, IT Co. were framing market innovation and translating the IT Co. business model into a representation that would mobilize others (the social-network experts) to enroll and act to shape this emergent market – the market for Collaboration Technologies.

“This whole co-development through social media is to some extent new in the public sector... hence you need to acquire and update knowledge. --- Due to the nature of the co-development and social media, subcontracting is new... it was rather short term and fast-spaced.” (Senior consultant, IT Co.)

The social media platform was designed to enable researchers, multiple citizen groups (childcare professionals, local citizens, a youth unemployment institution and local parents with children), together with municipal representatives to develop a dialogue of possibilities around ‘imagined’ facilities that might be created and delivered by the municipal organization. Digital space discussions were also supported by kick-off workshops that took place both in digital space and in physical space where actors from the different groups could meet each other face-to-face. Workshops were facilitated by two independent research bodies; one focusing on supporting IT Co.’s service development process and the other focusing on applying methods of service design to the social-media platform as a product in its own right. In this way, we see one framing of action touching the collective effort of new service development at multiple levels: for the IT Co. team the frame is translated into the new ‘collaboration facilitation’ market offering. For the municipality team, the frame is translated into the imagined facility (the playground) through collaboration.

IT Co. acknowledged that while they had, through their experimentation, identified a new market offering (Co-development Facilitation) they also realized that the product offering needed to support this offering was not agile or cost effective enough for a wider market audience. As the project manager from IT Co. said,

“The digital [social media] platform was not sufficient for further development, and it was not supposed to be. We also wanted to gain experiences of how such a (non-tailored) product is suitable for this”.

This would require further product development. Now the technology model was put to work as a prognostic tool to see how an effective product might be developed. At the same time, IT Co. began to reframe the market, not as a market for collaboration technologies, but as a market for collaboration facilitation; including collaboration technologies and facilitation services to make such initiatives work, and to analyze and evaluate the data generated through such initiatives. The development of the collaboration service offering is described in
Figure 4. The model is not a linear representation, but it describes the multiple connections between the business model elements put to work, and the main actors (social groups) involved in this.

Figure 4. A Multi-directional Model of the Developmental Process of the Collaboration Services Market Offering

Innovating Markets at Consult Co.

Founded in 1992, Consult Co. is a medium sized, international IT consulting firm. Employing approximately 1,300 people, with eleven offices in four countries, Consult Co. offers technological expertise for business and operational improvement. Providing high-technology products and services, Consult Co. has worked with multinationals including Nokia, Motorola, Siemens, Tele2 and 3. The company claims to have, “no commercial ties to vendors, products or technologies” (Consult Co. brochure) and identify eight markets within which they specialize: telecoms, mobility, simulation technology, business-critical systems, media, gaming and platforms, securities trading and IT for vehicles.

Consult Co. face the challenge of market innovation by shifting the market frame from being one that expects to buy consultancy services through a more traditional product-oriented market. This is the same phenomenon as IT Co. face but Consult Co. have framed the problem as a market innovation problem while trying to understand and imagine the market offering that might work in this new market. The challenge for Consult Co. is that customers have traditionally bought IT services by paying for a project based on technological expertise deployed at an hourly rate (e.g. selling a Java expert at X$ per hour to develop a project that is estimated to take Y hours). Customers that want to buy Consult Co. services are not always expert customers and do not always know how to buy or specify what it is they need. Indeed, the very concept of consultancy is premised on the notion of problem definition and solution generation. Often knowledge intensive work in this industry is about understanding
and redefining the problem the customer faces and so no such price can be specified. However, customers often ask Consult Co. for “flexibility”, while simultaneously requesting precision and detail in the specification of costs per hour.

“Customers do not even know how to buy services...” (Vice president, Consult Co.)

One way in which Consult Co. have tried to address the challenge of the market is to create multiple market offerings that can be combined and or recombined by the company to the particular needs of the customer in a way that gives the customer clarity on what they are paying for. Thus instead of offering a ‘project’, consultancy, technological, managerial, operational services are offered each of which can be configured to customer needs. The challenge with this is that non-expert customers may not always see the value of some of the services and so might elect not to pay for (or buy) services that Consult Co. may consider central to the success of ‘the project’. This attempt to bundle of market offerings has also created co-ordination challenges for Consult Co. in the way they manage and deliver the overall project.

What is interesting in this market is that the speed of change of technologies and their emergent and new application mean that the services and expertise that are needed are dynamic and rapidly changing. As the Vice President of Consult Co. explained,

“Since the data systems and architectures continuously get more complex, it is not enough anymore to provide narrow and special competencies such as Oracle EPS or a specific finance module of SAP”.

Similarly, competencies can quickly ‘spill over’ to competitors requiring continuous action and reaction from Consult Co.. The need for IT Co. to up-date its social-media competences is an excellent example of just this phenomena within this sector. How then do Consult Co. put their business model to work to develop market offerings in a way that creates market innovation that works in their favour and may even stabilitize their competitive advantage at least in the medium term?

A few years ago, Consult Co. developed a demo of a new mobile application for the iPhone platform, based their interpretation of a changing market segment (specifically the increasing number of downloads and use of applications on smart phones). They saw this as a solution for the end users:

“...by getting feedback from our customer’s customers, who actually use the services, we identified end users’ needs and we sold the services to our customers before they even acknowledge the needs themselves“ (Vice president, Consult Co.).

Consult Co. identified the potential actors in this new market and offered the demo, emphasizing the possibility for their customer differentiate themselves in this new market and gain competitive advantage. The business model was put to work as a prognostic frame to frame the possibilities in the new market. However, the application was seen as a security risk by the potential customers and none of them wanted to buy or offer it to their own customers. Here we see both the technology and network architecture components of the business model being put to work as both diagnostic and prognostic frames but the mobilization frame did not motivate other to collaborate and act. This caused overflowing as the externality of ‘security' became foregrounded by potential customers and it became clear that reframing was needed.

Consult Co. put the technology element of its business model to work again, as a prognostic frame; “mobile technology is one of our key competencies” as the vice president states. Then
the company turned to the network architecture element to identify the potential co-development partners. This took some time.

The market, to which Consult Co. intended to offer the technology, had to be reframed, since the risks were seen too high until a similar application was launched by Consult Co.’s competitor, which resulted in increasing demand for similar applications in the market. Here we can see how the market was reframed through a new market offering. As the vice president of Consult Co. put it, “after this breakthrough in the market with the first actor in public, everyone wanted the same and you had to answer to the competition”. However, it was not enough to convince the market with the new technology earlier but took some time for the market offering to reframe the market.

Following this, Consult Co. started cooperation with Count Co. to develop and launch a similar application for the customer’s customers. Consult Co. and Count Co. had had a long partnership which facilitated the partner selection. Since this was Count Co.’s first mobile application implemented in an individual device, they needed a partner who could answer to their business needs. As a Count Co. representative stated in a press release, "Consult Co. impressed with their references and wide-ranging competencies from developing the concept to producing it”.

The cooperation was intensive among Consult Co. and Count Co. in designing the first demo version of the application to be tested and evaluated by the end users. The earlier developed demo by Consult Co. and the visions of Count Co. facilitated this development work. Several actors were involved in the development process: actors from Consult Co. were the project manager, user experience team and programmers from a software development team abroad, and from Count Co. the product manager, a marketing team, and programmers. Consult Co. put its network architecture to work as motivational frame to mobilize action among the different actors to develop and launch a new mobile application in a fast and tight schedule: “...trust in the customer relationship and the kind of partnership enables doing something new instead of old. Experimenting something new always entails a risk for the customer as well, and therefore trust is necessary to be willing to take the risk. If we had been a new IT house, I dare to say they wouldn’t have chosen us.” (Vice president, Consult Co.)

In the co-development process, Consult Co. also engaged the end users. Users from different customer segments were involved (young and old people, consumers and private sector customers) and were approached through Count Co.. The usability of the application was evaluated through different mechanisms and in several phases by the end users, e.g. by testing the prototypes and demos in workshops. Consult Co. framed its market offering and translated its business model to mobilize other (the customer, end-users) to enroll and shape the market innovation.

Not Managing to Innovate Markets at Equip Co.

Equip Co. is an international firm involved in the design and manufacture of truck mounted equipment. Founded in the 1960s and now employing about 300 people worldwide, Equip Co. have traditionally based their business model on the manufacture and sale of high quality, reliable equipment internationally to industrial and public sector markets. Two areas for service innovation have been identified by the company representatives: 1) training, associated with the use of the equipment and 2) maintenance contracts. Such equipment
typically have a long but demanding life cycle and are regularly in service for twenty years or more. Recently, Equip Co. have made efforts in developing a digital service offering for telecontrolling the devices, where the potential for growing the share of services in their business is seen by one of the managers as having,  
“All kinds of proactive approaches to the equipment over the internet will help us in the future and that is where we need to invest”.

This company surprised us. We found a hotly contested narrative around what the business model was and how new market offerings were likely to be achieved. The consensus and framing of the business logic appeared to be much more around product innovation. The more speaking to people the more contested service innovation or the idea of a ‘service model’, appeared to be. A service model needs to focus on service oriented revenue streams as part of the company’s growth strategy. However, challenges among the sales representatives had been identified by senior executives. One executive observed,  
“They [sales reps] don’t understand, they see it [offering maintenance contracts] as an obstacle in selling a device with low maintenance costs. They feel they cannot offer this [maintenance contracts] since the competitors don’t offer it either, so why would you want to offer something more expensive...”

Similarly, another executive of Equip Co. explained,  
“...it is challenging for customers to buy proactive maintenance, and for us to sell and market it”.

While at the same time a service manager suggested that,  
“We are trying to offer maintenance contracts proactively, whereas previously the customer bought the device and only afterwards the maintenance tried to sell something... The only possibility to grow the net revenues [generated by services] in our industry is through these kinds of inspections and general overhauls... we are on the way towards long term maintenance contracts, but it takes time.”

And the development manager suggested that,  
“To be able to grow the portion of net revenues generated by services requires the development of new service offerings – selling traditional maintenance contracts is not enough”.

Sales teams appeared motivated to sell equipment (products) and did not appear interested in developing customer relationships or service-based market offerings that could support the care and use of products in the field. Perhaps because of the nature of the product, perhaps because of the risk averse nature of the market, we found no frames to mobilize the sale of training packages or maintenance services with the sale of the equipment. We looked at representations of the company’s business model to try and find frames that might mobilize service development actions. We found nothing that might suggest a need to develop the service side of the business.

A key theme that emerged within the Equip Co. business model was a focus on safety: safety of the technology, safety of the operating environment and safety embedded in industry legislation. Safety has been an industry issue. Equip Co. is actively involved in working with legislators to influence safety regulation and through the industry federation they are working to develop universal standards of safety and training. Yet, despite such important safety considerations the chain of translation between safety and market offering and
customer value seems to have broken down. We found no association between the creation of new service offerings such as training and maintenance and safety. The framing of safety is still very much focused on the product.

Despite this breakdown in the chain of translation, clearly new frames did exist, as we saw in the claim from the service manager that felt the opportunity to develop and sell maintenance and ‘care’ services was necessary, and from the development manager that emphasized the need to develop other service offerings. Benford and Snow (1989) suggest that frames fail when the diagnostic component of the ideology works in an unintended or in a surprising way. Perhaps this is the case here. Our data did not reveal how the service ideology or service logic (as it is often referred to in marketing texts), was given meaning in this context. To know this we would have to know much more about the sensemaking of the protagonists within Equip Co. We would need to know more about how the service logic has become associated with hopelessness or powerlessness. Why service and market innovation are considered unachievable, inaccessible and why actors assume themselves impotent to act in this way.

The question also arises as to what can be done about this. How might the ‘service opportunity’ be reframed and circulated in ways that gives it legitimacy and mobilizes others? Benford and Snow (1989:202) recognize that frames can be ‘prods to action’. For Equip Co., there seems some disjunction between the service frame as a diagnostic and a prognostic. Allowing frames spaces in which they can be connected and linked in chains of translation - where there is a logic, a legitimacy between the problem (diagnostic frame), the potential solution (the prognostic frame) and the required action (the mobilization frame) seems crucial. Allowing such multiple and inter-related frames space to be heard and circulated in low risk environments that don’t threaten the core business, seems pertinent. While Benford and Snow (1988) argue that such frames need consensus to mobilize others, Stark (2009) recognizes the value of contested frames and embraces the ‘sense of dissonance’ that such controversies engender (also see Pinch and Bijker 1989; Callon 1998).

In his work on the nature of innovation in organizations, Stark (2009) suggests that competing frames can be usefully brought together in spaces that are designed to allow controversies to be aired, confronted and explored. However, what we found at Equip Co. was that business models frames excluded the notion of service design, service innovation and service marketing offerings (either as part of a bundle or as a market offering in its own right) and as such new, competing or challenging frames that were introduced were rejected or ignored since they were not seen as potential for growth. The closure of any potentially new market offerings was achieved through the presentation of a solution that created rhetorical closure of almost any given problem (i.e. maintenance or training ‘problems’). In order for transformation to happen, the relevant social groups must see the problem as being solved (Pinch and Bijker 1989). At Equip Co., we saw how senior managers repeatedly used the existing business model as the way of creating rhetorical closure on emergent service ideas. For example, when the service manager wanted to offer the maintenance services as part of a market offering bundle, thus increasing the awareness of service based business, an executive at top management saw,

"...the customer, such as the fire department, needs proper equipment that is reliable and their men know how to use it – I cannot think of how a service business could bring some additional value to it."

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Without management support, the service manager was persuaded that existing maintenance services could be accessed by the customer if and when needed and service innovation was therefore unnecessary and redundant. The development manager faced a similar situation when he started to develop the telecontrol service offering. At first he faced troubles with insufficient technology, and once the technological challenges have been solved, he has encountered resistance among the employees in Equip Co.,

“...honestly, I have already started to feel quite isolated in this project, people don’t seem to be interested.”

In this way the business model has been put to work as a stabilizing device to prevent change and frame action that supports the status quo. As a prognostic device the business model is used to demobilize action that might have brought about change. However, what needs to be noticed here is that Equip Co. has had success in product–oriented markets and can be considered as a market-leader. Therefore there may not be any need to grow through service innovations but it is justifiable to abandon the service-model at this point and use the existing business model as a stabilizing device in the market. Also the notion of timing is important: it takes time to adopt the new service-model not just in Equip Co. but also in their customers who may not be ready to make e.g. long-term maintenance contracts.

This raises interesting questions about how innovation spaces can be created where controversies and contested frames can be explored and explicated; where overflowing of current frames can be recognized and reframing can take place (Callon, 1998). Stark (2009) suggests that organizations need to create experimental spaces by adopting heterarchical structures where such tensions can be explored. Such structures may offer the opportunity for firms to experiment safely with new and different business models: technologies, networks and market offerings in different markets. Such spaces may also facilitate the tight linking between frames as diagnostic, prognostic and motivational as a group works through the framing process. Innovation spaces may support a faster shift from type of frame to another and so engaging multiple actors in the reframing process through their everyday practices, embodying and incorporating their knowing through their actions.

Market Innovation and Reframing of Markets

Very little has been written on market innovation. A search on Google Scholar revealed just two papers on market innovation per se. Johne (1999:7) defined market innovation as “improving the mix of target markets and how chosen markets are best served.” A key limitation of this view is that it assumes that markets exist out there and the work of marketing managers is to find them, describe them and target them. In contrast, our findings suggest that the process of developing new market offerings emerges through the practices of managers and front-line workers putting their business models to work, and can indeed lead to new markets being made. Did a market for social-media based collaboration exist before IT Co. worked with Lakeside? We would argue that it did not.

Recent work emerging from the Market Studies group takes this line (Araujo, Kjellberg and Finch 2010; Hagberg and Kjellberg 2010; Kjellberg and Helgesson 2006) though this body of work tends to refer to market-making (see for example, Araujo 2007) or market creation (Humphreys 2010). Harrison and Kjellberg (2010) describe how Biacore, a producer of affinity biosensors were, “in the enviable position of creating its own market” (Abelin, 1997:3). Taking ten years to create the ‘research lab market’ for biosensors. Harrison and Kjellberg (2010) show how Biacore worked with lab technicians to develop the applications
of their biosensors – iteratively moving between enrolling and mobilizing customers and shaping the market offering ‘in the making’ (their biosensors). In this way, creating a market – a relatively homogeneous group of customers for a specific market offering - is less of a managerial evaluative practice (what many marketing scholars refer to as segmenting markets) and more of a series of interconnection practices that enable firms to connect firms with markets (see Quinn, Hines and Bennison 2007). This view assumes that firms, their networks, technologies, market offerings and markets are always ‘in the making’ and that managers take actions that temporarily stabilize the relationships between them that enable them to trade, and more specifically that managerial work is central to doing this in favour of the firm.

We argue that the practice of framing, reframing and overflowing represents an important part of making markets happen. In this paper we have drawn on the notion of business models as frames for action and looked at how managers and front-line workers have drawn on, translated, represented and put different business model elements to work. By describing this process, we have foregrounded the iterative and entangled nature of the development of technologies, market offerings and markets. We have also shown, through the case of Equip Co., where frames don’t work and how frames can create rhetorical closure on innovation and change. Three key observations can be made from this work.

First, business models and their elements can be used as ‘prods for action’. In business, just as with social movement theory, different groups of people with different interests may be mobilized in ways that bring about both collective actions and individual action that shape a space for further action. Thus the frames we create through business models and the way these are translated to mobilize different audiences towards a solution around which some form of consensus is formed (Snow and Benford 1988), seem likely to, in turn frame markets and market innovation (Harrison and Kjellberg 2010).

Second, business models are put to work in different ways (c.f. Morgan 2001). In the cases presented here we have focused on the way they have been put to work as diagnostic, prognostic, and mobilization devices. But we have also used them as mapping devices in our research design. Not intending to judge or evaluate what we saw in the first instance, but just to help us describe and order what we thought might be there.

Third, our findings show the entanglement of practices that crisscross organizations, markets and networks. Understanding this entanglement helps us see the connections between frames as they are put to work in different ways (as diagnostic, prognostic and mobilizers) through the translation chains they build as they do their work: for example the representations of problems affects the imagined solution, and who should then be enrolled and mobilized in what ways to create that solution. Similarly, we see how this chain of translations often foregrounding new knowledge. That is, new learning takes place through the framing practices. This leads to overflowing and reframing. Thus our market makers are always moving between technologies and markets, customers’ problems and potential market offerings, business networks and new technologies, new technologies and potential solutions. Such reframing we argue, result in the overflowing of market frames (traditionally referred to as market segments) and it is when connections are made between new market frames and other market actors that such frames become stabilized sufficiently for the meaning of the frame to be shared by other market actors and for the market might be claimed to have been ‘made’. This is market innovation as it happens.
CONCLUSIONS AND IMPLICATIONS

The research set out to explore how business models are developed and put to work as frames for action in ways that innovate markets. Findings show the chains of translation created through the process of framing and reframing of business models elements and their connections to one another and frontline workers and managers go about their work. We looked at how business models were put to work as diagnostic, prognostic and motivation devices and in so doing were transformed in business practices in ways that innovated markets. What we see here are the inter-related nature of framing of problems and solutions. Drawing on framing theory we recognize the integrative value of the different elements of the business model as being central to the way problems and solutions are framed and actions taken. Framing affects the agency or performativity of the business and market logic. That is, how frames are represented affects what actions follow, and indeed, if others are enrolled and mobilized into action (Callon, 1998; Benford and Snow, 1988). Without these forms of co-ordinate action, markets cannot happen.

The iterative nature of managerial work can be usefully understood in terms of framing and overflowing. According to Callon (1998), framing is never over and impossible to take to conclusion since there are always relations which defy framing. Relations which remain outside the frame are referred to as externalities. Our research showed how actors, through their interactions, constantly discovered new externalities, which lead them to re-frame, internalizing the externalities and repeating the process as new externalities appear. Our research showed that almost any frame can be subject to overflowing. This has useful application for the business model literature. For example, business model innovation can start with re-framing an “overflowing” situation, with multiple possible but uncertain applications of a technology, requiring the entrepreneurs to choose a path to follow and mark out some limitations (e.g. concerning the actors to be taken into account) (Doganova and Eyquem-Renault 2009). Although “the choice of a business model constraints other choices” (Chesbrough and Rosenbloom 2002: 536), exploring the various possibilities before choices are made, is essential to the dynamics of the business model. With different assets, resources, and market positions, companies see opportunities differently (Chesbrough 2007), and consequently develop different business models. Doing this with multiple and varied market actors seems to reveal previously unimagined possibilities for both markets and market offerings and use of market offering. These observations lead to three key contributions of our research.

First, our research contributes to the business model literature by showing how business models are translated, fragmented, transformed and reframed through the creation of numerous and varied representations and frames of problems and solutions. These form chains of translation, from model to solution, to mobilization argument, to reframing of solution or problem in iterative cycles that both translate and transform the business model through experimentation and through situated practice.

Second, we see how presentation and representation of what a business model or business model element means in a specific site for the specific groups working with it. The art of representation is one not to be underestimated and it seems a fruitful site for further research. That is how we use business model tools to help us evaluate and make judgments about what needs to be done.
Third, the key criticism and perhaps the most appealing characteristic of business models is their holistic nature. Indeed, we have heard at many conference paper presentations, academic criticizing the concept of business models, claiming that ‘if they are everything, they must also be nothing’. We do not accept this argument. What we have shown here, at least in part, is that the very fact that business models are made of different element that are taken apart, disassembled and then put to work as diagnostic, prognostic and mobilization tools before being reassembled in ways that often transforms the whole, is precisely the power of business models and is the essence of how they work. In this sense two things matter. First, understanding the chains of translation that link practices with the idea, logic or narrative captured by the business model per se. This helps actors work out how to take the next innovative step in performing their organization’s business model through situated practices of their work. And second, by explicitly understanding why business models are more than the sum of their parts. As business models are shared and used to enroll and mobilize others they spread out. They frame actions of customers, suppliers and users. But they also travel back home, in ‘good’ organization's they go like the salmon, back to their birthplace (all be it in their translated form) where they can be put to work again to transform the whole. In this way business models are transformative in all their forms.

Finally the development of a new market offering can lead to the reframing of a market. From public sector products to collaboration services – notice even the term public sector has vanished.

This research has some essential implications for managers innovating new market offerings and markets. Allowing spaces for frames in which they can be connected and linked in chains of translation, from the problem (diagnostic frame) to the potential solution (the prognostic frame) and the required action (the mobilization frame), seems crucial. Managers need to pay attention to how such innovation spaces can be created. Stark (2009) suggests that organizations need to create experimental spaces by adopting heterarchical structures which may offer the opportunity for firms to experiment safely with new business models. It is also important to understand the way business model is used: too often it is used to understand a problem in a way that prevents it to be used as prognostic in any other directions than the one, whereas managers need to pay attention to using the business model as diagnostic in multiple ways (diagnosing multiple possibilities). Therefore, it is important to identify the critical points where the business model shifts from diagnostic to prognostic and motivational use.

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