



PROJECT NAME	Business Model Innovation
PROJECT SPONSOR	Scottish Enterprise

PROJECT ORIGIN AND DEVELOPMENT

Innovation has traditionally been associated with technology, where the new technology has allowed the creation of new or improved products or services. In recent years we have seen innovative products or services that do not fit the technology innovation paradigm; these can loosely be described as innovations in the business model. The term “Business Model” is commonly used but there is no definitive definition, no catalogue of examples, and no tools for business model innovation.

In terms of innovation systems then it is likely that we will always underestimate the system performance if we do not consider the impact of business model innovation.

Phase 1 will be the research phase cataloguing different business models in a variety of business sectors.

PROJECT AIMS AND OBJECTIVES

This is an experimental two phase project which seeks to contribute to a better understanding of the innovation system in Scotland by exploring one specific aspect of it, namely the business model. The area of business model mapping is not currently well defined and there are few if any proven existing models. The work of this project will be to develop a number of methodologies to be compared, with the outputs analysed to determine the best approach to take forward.

PROJECT ACTIVITIES

Phase One of this project is to develop a methodology to capture a “Business Model” this will involve:

- determining the current state of play with regard to Business Model innovation at a company level
- determining the correct state of play in the EU with regards to Business Model innovation monitoring
- develop three straw model approaches for capturing “Business Models”
- fix on an approach or combination of approaches, and use this to capture actual “Business Models” in six business areas.

As this is a new area the second phase of this project will only be undertaken if the work in phase one has achieved the following:

- in practical terms business models can be captured and in sufficient detail
- there is evidence that techniques for business model innovation could be developed
- that in terms of innovation systems there is a plausible connection between business model innovation and the performance of a regional innovation system.

Phase two of this project will look at:

- developing two techniques for business model innovation
- test the techniques with six companies
- analyse the possibility of developing future interventions in this area.



EUROPEAN STRUCTURAL FUNDS PROGRAMMES IN SCOTLAND PROJECT PROFILE

PROJECT STRUCTURE

This project will require close project management to co-ordinate the different aspects, including the use of external expertise for specific knowledge inputs. It is intended that Scottish Enterprise will manage this co-ordination and be an active participant in the development of this work. It is therefore proposed that senior member of Competitive Business Innovation Operations will directly manage this project.

Scottish Enterprise has in place European Funding Systems and Procedures which cover the preparation and submission of claims, record-keeping and monitoring, notification of significant changes, and compliance with conditions of grant, including publicity requirements. The Competitive Business team will be supported in the management of the EU funding aspects of the project by Scotland Europa. This will include a project start briefing meeting at which all the above aspects will be covered, and co-ordination of the claims process.

PROJECT FINANCE

Funding Partners	Scottish Enterprise
Total Costs (£)	£162,000
Eligible Costs (£)	£162,000
ERDF/ESF Support (£)	£ 81,000
Action Line	1 – The Scottish Innovation System

PROJECT PERFORMANCE

If the project is successful it will result in:

- development of a method to capture business models
- an appreciation of the impact of business models on the innovation system
- the development of an approach for business innovation
- a test of the approach with a small number of companies.

During the development of phase one an initial set of discussions would be held around the world to canvas support for the approach. During phase two an assessment of the possibility in collaborating with development agencies or companies would be carried out.

PROJECT FUTURE

At the appropriate point SE would intend to publish its results of this work both in Europe and the US. SE will also share the output with interested partners through involvement and presentations at suitable seminars and conferences.

PROJECT CONTACT

Mr Ian McCoull
 Scottish Enterprise
ian.mccoull@scotent.co.uk
 Tel:0141 248 2700