



NEW APPROACHES TO BUSINESS MODELING: DISRUPTION AND VALUE AS A FOCUS

NEW APPROACHES TO BUSINESS MODELING: DISRUPTION AND VALUE AS A FOCUS

Submitted on: 11/16/2021

Approved on: 11/18/2021

v. 1, ed. 11, p. 01-13, nov. 2021

DOI: 10.51473/rcmos.v1i11.223

Geisse Martins¹

Summary

This article presents a study on contemporary disruptive business modeling. To this end, we sought to focus on the phenomena of globalization as a continuous and uninterrupted process that moves the gears of the capitalist model in which economic, social and technological facts are engendered. Today's business organizations are freeing themselves from rigid models such as the guidelines contained in business plans so that they can achieve faster research and development processes for products and services with high added value for markets and customers. Innovation with the ability to deliver value to customers is now the cornerstone of administrators and managers in managing high-performance teams to create, prototype and launch products and services that are considered disruptive. New propositions to support agile strategies are presented to streamline processes and are already being used. New business proposals combined with new logistical movements linked to cutting-edge technology point to new scenarios in which new approaches, with new planning, organization and control, are on the radar of contemporary administration. In an effort to answer questions about what happens in this scenario, a bibliographic analysis and systematic observation methodology was used.

Key words: Disruptive. Planning. Modeling. Technology. Business.

Abstract

This article presents a study on contemporary disruptive business modeling. Therefore, we tried to target the phenomena of globalization as a continuous and uninterrupted process that moves the gears of the capitalist model in which economic, social and technological facts are engendered. Today's business organizations get rid of rigid models as were the guidelines contained in business plans so that they can obtain more speed in the Research and Development processes of products and services with high added value for markets and

¹Graduated in Pedagogy and Telecommunications, he has an MBA in Strategic Management and specialization in Neuroscience and Learning, Psychopedagogy, School Coordination/Supervision, School Inspection with an emphasis on Inclusive Special Education and Business Pedagogy. Master in Emerging Technologies in Education, master's degree in Administration from Must University and PhD in Education from Eikon University. Email: geisse@geisse.com.br

customers. Innovation with the ability to deliver value to customers is now the cornerstone of administrators and managers in managing high-performance teams for creating, prototyping and launching products and services that are considered disruptive. New proposals to support agile strategies are presented to streamline processes and are already being used. New business proposals added to new logistical movements linked to cutting-edge technology point to new scenarios in which new approaches, with new planning, organization and control, are fixed on the radar of contemporary administration. In the eagerness to answer questions about what happens in this scenario, bibliographic analysis methodology and systematic observation were used.

Keywords: Disruptive. Planning. Modeling. Technology. Business.

1. Introduction

The third phase of globalization begins shortly after the Second World War and is consolidated with the infamous Cold War, led by the two superpowers the United States and the Former Soviet Union. The Cold War can be understood as a conflict (emotional and social) between these two nations, in which each of them defended an economic model or system, as it was known until 1991. Led by Americans, the capitalist world was opposed to the socialist bloc led by the Russians. In this period of tension and political, economic and social transformations, some of the main characteristics that stood out were:

- rapid and pulsating evolution of information and scientific knowledge;
- development and expansion of the transport sector;
- evolution and speed in scientific knowledge in robotics and space technologies; It is
- gestation and birth of the internet.

To understand this, Coggiola (2014, p.154) helps us:

The period between the 16th and 18th centuries was that of so-called mercantilism, a concept associated with the global geographic exploration of the “Age of Discoveries” and the exploration of new territories by merchants, especially from England and the Netherlands; with the European colonization of Africa and the Americas, and with the rapid growth in foreign trade of European countries. Mercantilism was, in addition to a policy, a theoretical system based on the defense of trade for profit, although goods were still produced based on a non-capitalist mode of production. One of the aspects of mercantilist theory was bullionism, a doctrine that highlighted the importance of accumulating precious metals. Mercantilists argued that the State should export more goods than it imported, so that foreigners would have to pay the difference in precious metals. Its theorists stated that only raw materials that could not be extracted in the country itself should be imported, and promoted the

from the government, subsidies and the granting of commercial monopolies to groups of entrepreneurs, as well as protective tariffs, to encourage the national production of manufactured goods. European “entrepreneurs”, supported by state controls, subsidies and monopolies, still made the majority of their profits from the purchase and sale of goods.

It is important to highlight that, in this period, the genesis of telecommunications and information technology, in addition to a mixture of its various dimensions, began its processes of *pervasiveness* within societies. A little further on, in the fourth phase of globalization, technological advances (in telecommunications and information technology) had a direct and massive influence within capitalist models around the world, materializing in the organization of international economic blocs that were structured with the objective of facilitate their commercial relationships, enhancing their strengths and, as far as possible, mitigating their weaknesses.

In the meantime, organizations and companies sought to adapt to rapid changes, while, in political, economic and social scenarios, new technologies and logistical dynamics emerged and required innovations from within organizations, so that these innovations could come to fruition. as a competitive advantage and, if possible, guarantee continuity in your business.

It was from the 1990s onwards that the giants in the Digital Information and Knowledge Technologies (TDICs) sector consolidated themselves in the world market. Some of them, coming from garages and supported by an undeniable sense of disruption, deconstructed or remodeled the business models that prevailed until that moment.

Create and deliver both *stakeholders* for the consumer public, breaking with old paradigms at the same time that innovation sought to satisfy boiling and effervescent markets, it was the utopia that would be projected for the next 50 years ahead.

In this direction and sense, organizations of the future that seek to innovate in their processes and services are looking at new ways of modeling their products and services for a favorable adaptation to the impregnable. For entrepreneurs and managers of their respective businesses, disruptive technologies such as robotics and artificial intelligence that starred in the fictional universe are now a latent reality, and together with Data Mining and Big Data, they are the new frontier to be explored and incorporated into business intelligence. These new technologies and their potential no longer support the old transactional models, and they often lack adherence to concepts and modeling.

of old business plans, which generally hamper the dynamics of launching products and services that prove to be disruptive.

Junior and Campos (2008, p.27) states that “The faster a business can change its processes and the information systems that support it, the more prepared it will be to react to competitive events in the market”. The time to start projects needs to be aligned with their ability to support adjustments and changes during the course of effective execution.

Although the entire scenario of innovations and disruption appears promising and attracts the attention of administrators, managers and markets that appear heated and prone to absorb new products and services, some nagging questions arise, such as:

- In what areas can innovation occur so that the company can establish a competitive advantage over its competition?
- How can the organization install an innovation mindset?
- Through what resources and practices can we create this culture?

In an attempt to answer these questions and provide an investigation focused on bringing to light considerations, concepts, explaining and analyzing data and approaches to business modeling in the contemporary scenario, exploratory research and bibliographic analysis methodology were used, as well as observation of scenarios.

2 Theoretical Framework

Among the four phases of globalization, two deserve to be highlighted. The first phase, which occurred between the 15th century and the 19th century, when explorers of the seas and oceans ventured out on their ships to expand their markets and discovered the new world through maritime expansion; and the third phase, which began in 1945, shortly after the Second World War, and ended in 1991. In this phase, the development of sectors such as transport and the genesis of advances in information technology and telecommunications boosted giants in the Digital Telecommunications sectors Information and Knowledge (TDICs). Companies such as Microsoft, Apple, Amazon, IBM, Xerox, Google and Netscape knew how to adapt to political, economic and even social changes and, in addition, in the 1990s, they surfed the market trends that would direct companies and their managers in the following decades.

With innovative products and services, these technology titans, in addition to disruption, they innovated in their business models, which were transformed and adapted to market reality and the demands of their customers. Without any obstacles, the business models of these giants did not fit into the assumptions of the founding concepts of classical administration that directed concepts, norms and standards for the business plans of the majority of businesses existing up to that period. With a high level of disruption and use of new digital technologies, therefore, these companies not only broke with previous models, but also promoted a new proposal that branched out and spread as a new approach.

It is important to highlight that, according to Ostewalder and Pigneur (2011, p.14), “Business model can be understood and conceptualized as describing the logic of how an organization creates, distributes and captures value.

Figure 1–Canvas Model – Developed by Ostewalder and Pigneur



Source:Innovation in Business Models: a manual for visionaries, innovators and revolutionaries. River of January: Alta Books, 2010. p.18-19

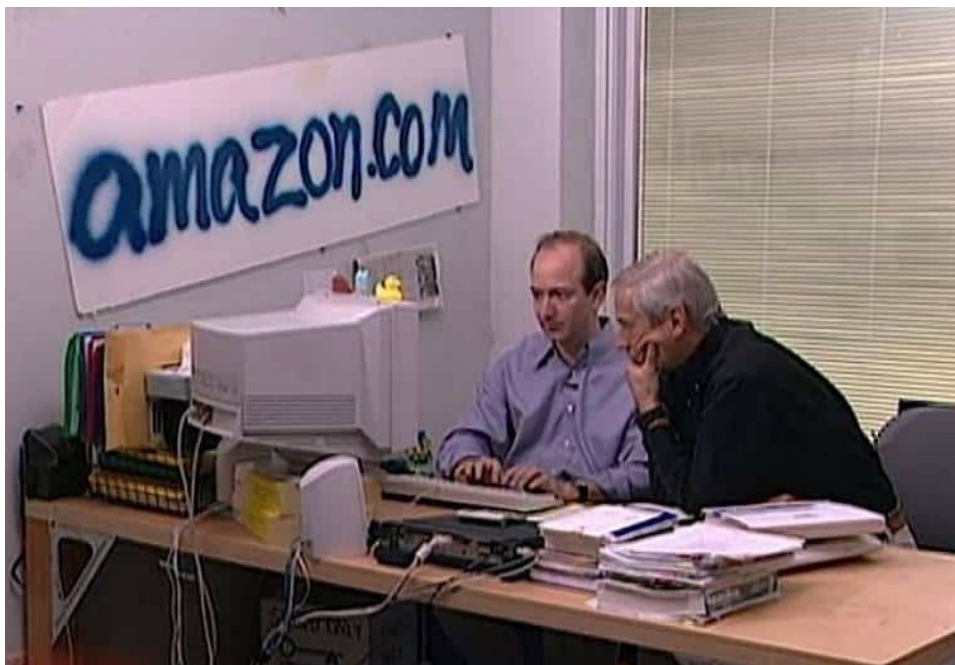
Unlike previous structures that were more rigid for composing business plans, the model proposed by Osterwalder and Pigneur (2011) was widely disseminated in the

market through his seminal work entitled *Business Model Generation* (The generation of business models). This explained methodology involved the participation and collaboration of more than 450 people, including countless experts for the creation of the infamous Canvas model, which prescribes aspects of order in innovation, prototyping and collaborative creation of products and services to deliver value to the market. and for those *stakeholders*.

It is certain and known to every company that the biggest challenge for organizations in their respective business models is to deliver value to their customers and the market. This delivery includes subjective aspects of a personal and even emotional nature; it is not something that can be clearly quantified or even measurable. As a rule, innovative and disruptive business models aim to meet and satisfy the desires and needs of segments that may already exist or have not even been created yet.

A good example to explain how innovation can happen and so that companies can establish competitive advantages over their competition is the case of Amazon, Jeff Bezos' company, which initially had sales as its model. *online* of books, already in 1994.

Figure 2–First headquarters of amazon.com



Source: *Electronic Magazine Small Businesses Big Business*

Without stocks or storage, it established solid partnerships with distribution centers and even small distributors, to speed up its logistics dynamics. At that time, the strategy was based on planning, organization and total transparency with its investors. In 2000, even in the face of turbulence, the company, through the remodeling of its business, introduced subscription services and colossal investments in technologies, such as data storage and processing in the cloud, through its arm called AWS (a technology company information). This new business model allowed investments in products and services, such as the Kindle (device for digital book reading), which in addition to being disruptive, innovated an entire market segment, establishing a huge competitive advantage.

In the same direction, Apple, created by Steve Jobs and Steve Wozniak, not only created computers that stood out from its competitor IBM, but incorporated concepts of innovation in the aesthetics of its products, justifying the higher values.

Figure 3–Steve Jobs and Steve Wozniak – Beginnings of Apple



Source: *uol rollstones*

Marketing strategies for home computers have diversified and aim for digital convergence through data, sound and image. This convergence culminates in

new business models based on a mindset of innovation and disruption in new products and services. The exponents iMac, iPad, AirPods, Apple TV and the most desired of all, the iPhone, are examples of the result of a business remodeling anchored by approaches driven by innovation. Other good examples of applying business models driven by an innovation mindset are iTunes and AppleStore, which evangelize their technocratic customers and encourage new ways of consuming digital products.

It is worth emphasizing that both in the case of Amazon and Apple, two factors were decisive in enabling the development of products and services with high added value and a very high level of disruption. The first was the internet. With the advent of the global computer network (Internet) in its origin and development, which was for military purposes and driven by the conspiratorial ideas of the Cold War, it aimed to develop convergent technologies for exchanging information in a decentralized manner.

Within this context of convergence between telecommunications and information technology, the development of World Wide Web by physicist Tim Berners Lee opens up a universe of business possibilities. In fact, another factor was the popularization of the use of personal computers, and in this regard, Microsoft and IBM were the pioneers in establishing business models that sought constant evolution without ever being static.

New ideas were constantly validated through improvements and updates, including the participation of its customers. The range of products and services of these two giants not only added to the delivery of subjective values, but also determined the fluidity and agility that companies need to consolidate ideas, analyses, validation and belief in hypotheses of continuous improvement based on desires and market demands.

All this innovation and disruption deconstructed the rigid formalities of the old dogmas of classical administration and got closer to the model proposed by Osterwalder and Pigneur. These models applied by the titans of information technology inspire other innovative projects, such as Google, which from a simple search engine expands to areas such as education, social networks and even politics.

Not very different from the others already mentioned, Google (created by Sergey Brin and Larry Page) believes in digital convergence with other areas and, inexorably, its business model

business goes through constant remodeling and does not leave out its *dashboard* technologies such as artificial intelligence, telecommunications, robotics and vehicle automation.

This innovative behavior and culture of the company has always existed since the beginning, as argued by Levy (2012, np)

What I found was a company reveling in creative disarray, even if the creativity wasn't always as great as expected. Google had big goals and the entire company channeled the values of its founders. His mission was to collect and organize all the world's information – and that was just the beginning. From the beginning, its founders saw Google as a vehicle for realizing the dream of artificial intelligence to help humanity. To realize their dreams, Page and Brin had to build a gigantic company. At the same time, they tried to maintain as much of the canny, irreverent freedom of a new company as possible.

This diversity and breadth in its range of operations is due to the company maintaining momentum, relying on its ability to adapt and remodel its business with heavy investment in innovation and technology. The internet search sector is completely dominated by this huge company, which has an ingrained innovation mentality and understands that this is the core point of its business. Levy, in his book, makes it clear that since the beginning of the company's creation, in his words, “everything worked based on trust”, and this has always been and will always be the basis of Google.

Figure 5–Sergey Brin and Larry Page – Founders of Google



Source: napratika.org.br

In the other cases explained, innovation in their respective market niches required and still requires very strong attention in dealings concerning the use and application of information arising from knowledge management. However, there is a strong implication of synergy between TDICs and the immeasurable human capacity for creativity and decision-making, which is supported by focusing on customer needs and knowing how to interpret trends, breaking free from old models that often hold back possibilities.

As in the understanding of Malhotra (2000) *apud* Orofino (2011, p.2): “Innovation in business models requires information from knowledge management that is based on the synergy between the processing capacity of information technologies and the human decision-making capacity”.

Bergeron (2003) *apud* Orofino (2011, p.2): “Business models and knowledge management processes are related and vary depending on the management philosophy and organizational culture, causing one to be changed depending on the other”.

Within the approach of new business models, Ostewalder and Pigneur list five different patterns in which they are created to create new companies that aim at innovation and disruption.

The five standards proposed by the authors are:

- unbundled companies (*unbundling*);
- long tail (*long tail*);
- multifaceted (*multi-sided platforms*);
- free (*free*);
- open (*open*).

As the business models of countless companies or organizations have similar characteristics, these can be repeated and replicated both within the scope of industries and in the service provision sector. In effect, these models favor integration and dynamics through the use of new digital information technologies to boost practices to create and disseminate a culture of innovation and disruption.

An exponential example of this new way of conceiving a disruptive culture that strives for innovation are Elon Musk's two companies, SpaceX, Starlink and Tesla. All these companies are writing their respective names in history and it can even be conceived that they are inaugurating a new phase of globalization.

SpaceX, by sending the first civilians into space, not only inaugurates a new business format around the world, but also outlines the first concepts of interplanetary logistics. Together with Starlink, it advances diametrically with its internet products and services through the development of satellite constellations, with the bold objective of providing internet access with high transmission rates anywhere on planet Earth. Tesla, with its electric cars, sets in motion new concepts for using vehicles and their added services, harmonizing new business models that involve innovation in *designer*, prototyping and delivering high value to the market and its customers.

It is not an exaggeration to think that companies like Amazon, Apple, Microsoft and Elon Musk's billion-dollar companies are setting a new historical milestone in globalization, with the convergence between telecommunications, logistics, information, knowledge and consumption on a global level. They all mix technology with new product and service propositions that meet consumer demands that have not yet been declared and satisfy market demands regarding environmental issues and project recycling.

This new indelible milestone by Elon Musk's visionaries and giants boosts countless sectors of the economy and serves as a model for understanding the application of new business models that mobilize billions of dollars and overheat markets in contemporary times.

Final considerations

When the Genoese navigator and explorer Christopher Columbus, in 1492, sets foot on the soil of the New World and opens a new period of contact and mercantilist expansion for Europe, more precisely for the Spanish, who financed his journey, maintaining the same proportions a while later, on August 20, 1969, when astronauts Neil Armstrong and Buzz Aldrin, landing on lunar soil, took the lead in the space race in the middle of the Cold War and also promoted the use and application of new technologies on planet Earth.

The first space travels inaugurated not only a space adventure. Investments in this sector boosted other areas, such as transportation, IT telecommunications. The 1990s were the stage for the germination and growth of countless companies

and organizations that knew how to surf and adapt to new demands and desires for products and services.

Over the internet and advances in information technology and telecommunications, the main companies that today stand out on the world stage, in addition to the use and application of new Digital Information and Knowledge Technologies (TDICs), emerged with disruptive business models that supported and further support constant innovations.

The giants in the Information Technology sectors broke with the old models of classical management that subordinated concepts that even directed business plans that served as a kind of philosopher's stone in this universe.

The new proposal called the Canvas Model, presented by Ostewalder and Pigneur (2011), which has the advice of more than a hundred experts, a more synthesized and no less powerful model, aims to direct entrepreneurship strategies in projects that qualify as being of innovation and disruption. In addition to simplifying understanding, this model also streamlines processes and provides greater speed in prototyping products and services, seeking to focus administrators on the business model to create and deliver value to their markets and customers.

In contemporary times, it is possible to glimpse how these new approaches have been adopted by companies and organizations that stand out on the world stage. Amazon, Apple and, more recently, SpaceX, Starlink and Tesla set a new milestone in the history of globalization as, in addition to astronomical investments in innovation and disruption in their products and services, they aim to deliver high added value for its markets and customers with the use and application of Digital Information and Communication Technologies (TDICs).

It can be concluded that these new giants, while opening new horizons, including interplanetary ones, use interchangeable business models that can be changed to satisfy the demand for new products and services with high added value for consumers. *stakeholders*. Just as in the past, as courageous travelers in their wooden ships across the world's oceans discovered new worlds, these visionary billionaires of the present time are writing new chapters in administration and the business world.

References

AZEVEDO JUNIOR, DP DE CAMPOS, R. de. **Definition of software requirements based on a business modeling architecture**. Production [online]. 2008, vol. 18, no. 1, p. 26-46. Recovered in Oct. 9, 2021, on <https://doi.org/10.1590/S0103-65132008000100003> .

COGGIOLA, O. History of Capitalism: from the Origins to the First World War. 2014, **academia.edu**. Retrieved Oct. 9, 2021, in https://www.academia.edu/10020357/Hist%C3%B3ria_do_Capitalismo_das_Origens_at%C3%A9_a_I_Guerra_Mundial .

OSTERWALDER, A. PIGNEUR, Y. **Business Model Generation**-Innovation in Business Models: a manual for visionaries, innovators and revolutionaries. Rio de Janeiro: Alta Books. 2010.

OROFINO, SE **Knowledge Creation Techniques in the Development of Business Models**. Federal University of Santa Catarina Postgraduate program in Engineering and Knowledge Management. Florianópolis – SC, 2011.

STEVEN, L. **Google the biography**. São Paulo: Universo dos Livros, 2012.