

## Service Business Model Canvas: A Boundary Object Operating as a Business Development Tool

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**Abstract :** This study aims to increase understanding of the transition of business models in servitization. The significance of service in all business has increased dramatically during the past decades. Service-dominant logic (SDL) describes this change in the economy and questions the goods-dominant logic on which business has primarily been based in the past. A business model canvas is one of the most cited and used tools in defining and developing business models. The starting point of this paper lies in the notion that the traditional business model canvas is inherently goods-oriented and best suits for product-based business. However, the basic differences between goods and services necessitate changes in business model representations when proceeding in servitization. Therefore, new knowledge is needed on how the conception of business model and the business model canvas as its representation should be altered in servitized firms in order to better serve business developers and inter-firm co-creation. That is to say, compared to products, services are intangible and they are co-produced between the supplier and the customer. Value is always co-created in interaction between a supplier and a customer, and customer experience primarily depends on how well the interaction succeeds between the actors. The role of service experience is even stronger in service business compared to product business, as services are co-produced with the customer. This paper provides business model developers with a service business model canvas, which takes into account the intangible, interactive, and relational nature of service. The study employs a design science approach that contributes to theory development via design artifacts. This study utilizes qualitative data gathered in workshops with ten companies from various industries. In particular, key differences between Goods-dominant logic (GDL) and SDL-based business models are identified when an industrial firm proceeds in servitization. As the result of the study, an updated version of the business model canvas is provided based on service-dominant logic. The service business model canvas ensures a stronger customer focus and includes aspects salient for services, such as interaction between companies, service co-production, and customer experience. It can be used for the analysis and development of a current service business model of a company or for designing a new business model. It facilitates customer-focused new service design and service development. It aids in the identification of development needs, and facilitates the creation of a common view of the business model. Therefore, the service business model canvas can be regarded as a boundary object, which facilitates the creation of a common understanding of the business model between several actors involved. The study contributes to the business model and service business development disciplines by providing a managerial tool for practitioners in service development. It also provides research insight into how servitization challenges companies' business models.

**Keywords :** boundary object, business model canvas, managerial tool, service-dominant logic

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