

Genesis of Entrepreneur Business Models in New Ventures

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Abstract : In this article, we endeavor to explore how a new business model comes into existence in the Australian cloud-computing eco-system. Findings from multiple case study methodology reveal that to develop a business model new ventures adopt a three-phase approach. In the first phase, labelled as business model ideation (BMID) various ideas for a viable business model are generated from both internal and external networks of the entrepreneurial team and the most viable one is chosen. Strategic consensus and commitment are generated in the second phase. This phase is a business modelling strategic action phase. We labelled this phase as business model strategic commitment (BMSC) because through commitment and the subsequent actions of executives resources are pooled, coordinated and allocated to the business model. Three complementary sets of resources shape the business model: managerial (MnRs), marketing (MRs) and technological resources (TRs). The third phase is the market-test phase where the business model is reified through the delivery of the intended value to customers and conversion of revenue into profit. We labelled this phase business model actualization (BMAC). Theoretical and managerial implications of these findings will be discussed and several directions for future research will be illuminated.

Keywords : entrepreneur business model, high-tech venture, resources, conversion of revenue

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