THREE THEORIES TO FRAME THE CONCEPT OF BUSINESS MODEL IN CONTEXT OF FIRM FOUNDATION

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Abstract
The concept of Business Model appeared with the start ups born during the New Economy. The use of this concept now expands over its original field and the academic community considers it as a subject of study. However, there is a lack of conceptualization of the Business Model. This paper intends to conceptualize it in the firm foundation context. The Business Model appears here as a tool being used to define the core business, considered as the first convention around which resources holders agree "to embark" on business. The BM is the representation of a business expressing how the value is generated, remunerated and shared. That is why it has to become a convention, i.e. a collective conception influenced by the expectations of the stakeholders (in particular the entrepreneurs, the customers, the investors).

Keywords: Business model, Entrepreneurship, Conventions Theory, Stakeholders, Resource Based View

INTRODUCTION

In firm foundation context, an entrepreneur's major issue is convincing resource holders to adhere to his project. Without resources the project cannot be carried out. In a theoretical way, this crucial stake for the success of the future business can be expressed as follows: any entrepreneur carrying a project of firm foundation deploys an exercise of persuasion aiming at receiving the adhesion of resource holders to make them stakeholders; it is necessary to make them adhere to the proposed conventions so as to transform them into stakeholders. Those "conventions" constitute the core business that is henceforth materialized under the concept of "Business Model" (BM).

This concrete problem can be raised into a theoretical one using almost three corpuses: the conventions theory (adhesion to the business conventions), the stakeholders theory (to transform resources holders into stakeholders) and the resources based view (since it is a question of gathering the necessary resources and of joining them into competences appreciated by the markets). On this basis, the objective of this paper is to fill the lack of conceptualization of the BM in context of firm foundation.

All the specialities of management are concerned with the conceptualization of the BM considered as a convention of exchange between supply and demand. If the demonstration of a promise of exchange with customers constitutes the base of the exercise of persuasion deployed near the other stakeholders (one cannot imagine someone investing money in a business without believing the model will meet customers), one will consider that the value is appreciated by each stakeholder according to its own criteria of evaluation.

Each category of stakeholders (shareholders, customers, suppliers, employees, etc…) has its criteria of performance evaluation and, in order to gather the "best" resources, the entrepreneur adapts his argumentation to the interests of his interlocutor. To convince, he has to sell his "package", i.e., here, the value of his project and the share which he intends to make of the remuneration of this value. Thus, he not only has to consider the way in which the value that he creates, by the process he starts, will be remunerated, but also how he will distribute himself this remuneration. This created value and its related remuneration are considered in this paper in an entrepreneurial context, more precisely in the context of firm foundation.

To some extent, each category of stakeholders has bet on the value that will release the project, in particular when this one is based on an innovation, and takes part in the modelling of the offer by the requirements which it poses. Thus, the BM cannot be only conceived from the point of view of the entrepreneur. It is therefore not surprising to see the resources holders (potential stakeholders) ask the entrepreneur to demonstrate them that the conception of the offer is a good way of doing business, that the creation of value is justified, remunerated and shared (Verstraete, Saporta, 2006). This additional task expected from the entrepreneur (for example by the venture capitalists) is closely related to the blossoming of the start-ups during the New Economy era (Jouison, 2005). If the use of the BM expanded, it is that it exceeds a simple fashion and brings a considerable supplement of information on a great number of projects of firm foundation.

However, in particular in the context of firm foundation, the concept of BM remains timidly used by the researchers. Without making an exhaustive review of the literature (appendix 1 gathers some definitions), a simple research undertaken on the Ebsco-BSP database reveals that the exact expression “business model” appears for the first time in a reference published in 1960. It is employed regularly since the Eighties and more significantly in the mid-Nineties. In academic journals, the "takeoff" came later (2000) and the expression is a keyword since 1999.

Its increasing use shows the growing interest of the scientific community for the BM. This use remains mainly related to new technologies (Open Source, Peer-to-peer…), as in the special issue published in *Electronics Markets* (vol.11, n°1, 2001) or in the works of Gordijn (2002, 2003). This author conceives the BM as a formalization made necessary by the fact that a consortium of companies delivers together a unique service to the final consumer. Consequently, the participants must have a comprehension and a common conception of the offer. The formalization suggested by the author passes by a chart using a methodology called "e3 value" where the actors, the exchange of value, the activities creating value and the objects of the value are linked (Bosch and Al, 2004).

His works lead to instrumentations, but it seems to us they evacuate an effort of conceptualization within the framework of the firm foundation that can be made by the specialists in entrepreneurship. Thus, on the basis of the concrete issue presented at the beginning of this introduction, our conceptualization and its applications are developed in five sections. The first, second and third sections carry out a short review of the three corpuses applying them to firm foundation. The fourth section models their articulation in a diagram showing their possible instrumentation. The conceptualization of the concept of BM can also contribute to the theorization of the entrepreneurial phenomenon (fifth section). The conclusion evokes the practical uses rising from our work and proposes some research avenues, some of them being explored at present.

THE STAKEHOLDERS THEORY: THE BUSINESS MODEL TO TRANSFORM RESOURCES HOLDERS INTO STAKEHOLDERS

The company evolves in an environment composed of individuals or individual groups with whom it maintains relations aiming at making them true partners, i.e. who participates in its evolution. These stakeholders are not only shareholders and include the customers, the employees, the suppliers, etc with the regard of which the firm has responsibilities. The term “stakeholders” is dedicated to the whole of these partners. The Stakeholders Theory (ST) participates in a theoretical construction of the firm, which is the resultant of the structuring and the establishment of a "*corporation*" through which various groups/individuals, pursuing their own goal, reach this one notably thanks to their relationships with the firm (Donaldson and Preston, 1995). In other words, the firm is described as a constellation of cooperation and of diverging interests, sometimes generating problems of governance, and sometimes, moral and philosophical questions concerning the way of behaving in the multiple relationships with the stakeholders involved in the business.

According to Preston and Sapienza (1990), the ST appeared in the thirties, when General Electric identified four categories of major actors of its business: shareholders, employees, customers and community (in the “social” meaning of the term). Today, this conception widens and all the parts/groups contributing to the development of the company are taken into account. It would be a form of democratization in the sense that there is a need for passing from a “shareholder view” to a “partnership view” of the firm, which was established within "*Principles of Corporate Governance*" of the American Law Institute (Charreaux, 1998; Caby and Hirigoyen, 2001).

Freeman and Reed (1983) find the modern meaning of the terminology in an internal memorandum of the Stanford Research Institute: the stakeholders are the groups whose support is necessary unless the company would cease existing. They propose two definitions of the stakeholders. The first refers to the “close” stakeholders: « *Any identifiable group or individual on witch the organization is dependent for its continued survival.* » (p.91). The second is broader: « *Any identifiable group or individual who can affect the achievement of an organization’s objectives or who is affected by the achievement of an organization’s objectives*. » (p.91). On the basis of the previous definitions, Clarkson (1995) distinguishes two categories: primary stakeholders and secondary stakeholders. The first includes the groups essential to the survival of the company (the shareholders, the investors, the employees, the customers, the suppliers...). An organization is then seen like a whole of primary stakeholders.Those have singular interests in terms of rules, objectives, and responsibilities, reached through the complex, direct or indirect relationships, establishes between them by the firm. The unity holds thanks to the value that the firm generates durably for each group. If any of these groups is dissatisfied, the system does not hold anymore. The second category defines the groups influencing or influenced by the decisions of the firm, but not involved in a transaction essential with the survival of the entity (influence group, media, insurance…). For example, a group of this category can mobilize the public opinion with regard to the company. If its survival is then not ineluctably committed, in some cases, it can nevertheless be seriously questioned.

Force is to note that the literature mobilizing ST is mainly devoted to the existing firm, whereas it can also be interesting in the case of the nascent firm. Entrepreneurship does not reject the established firm of its field of study, but remains primarily interested in the emergence (Gartner, 1995) or in the impulse (Verstraete 1997; 200 5) of the organization (which are conceptions exceeding the only firm foundation).

Inherent dynamics to the impulse supposes an energy subscribed near resources holders (initially the entrepreneur himself) that must be satisfied durably to maintain the relations built around the proposed business convention (see following section). The BM, which constitutes the base of the entrepreneur’s strategic vision, is a crystallization of the relationships with the stakeholders. It states also the question of the governance of the nascent organization since its survival depends on the durable adhesion of these stakeholders, and therefore on the value which is also durably brought to them. For this reason, the entrepreneur must show to the resources holders, he wishes "to embark" in his business, what is the heart of his business, i.e.

the model with which he intends to bring the value he will be able to be remunerated for by the market. This model must be sufficiently understandable so that each one recognizes that, indeed, it is a good way of generating value, which a turnover will reward. At the end of this demonstration, it will be easier for these stakeholders to explain what the real business of the company is (even if the only actor who has a complete representation of it is the entrepreneur). In exchange of the resources they provide to the entrepreneur, the holders, then “transformed” in stakeholders, await remuneration. The BM is seen here as a conceptualization of the business, a whole showing both in a concrete way how the money will come in and, in a more abstracted way, how will be the relationships of exchanges with the stakeholders will take place.

THE CONVENTIONS THEORY: THE BUSINESS MODEL IS A CONVENTION OF BUSINESS

Like institutionalism, Conventions Theory (CT), which was born in the Eighties, combines a macro-economic approach with a voluntarily approach individuals acting. Without rejecting the neo-classic theory completely, CT indeed adopts a certain individualism, but remains distant from the traditional “*homo economicus*”. It is about a "contextualist" stream. Sometimes sees as the sociological mirror of the transaction cost theory, CT considers that the economic relation, which is submitted to uncertainty and permanent negotiation, can appear through a whole of mechanisms, explicit or not, between individuals (codes, rules, conventions, contracts). Those mechanisms guide the actors’ behaviour and are essential to coordinate and maintain a social bond. This theory grants a significant place to beliefs and representations. It also studies adjustment or “non commercial coordination”.

According to Gomez (1996): "*convention is a social construction, because it exists concretely only by the accumulation of mimetic behaviours, to which it gives, like a social mirror, their meaning*."(p.145). With rules and in parallel to the contracts, convention is a way to adjust inter-subjective behaviours (Gomez, 1994), a means to coordinate agents based on collective cognitive systems (Munier and Orléan, 1993). It is a regular procedure of solving problems collectively established through a procedural rationality; nevertheless it is presented to the actors in an objective form (Dupuy and al, 1989).

It must "*be apprehended both as the result of individual actions and as a framework restricting the subjects* " (ibid p.143). It makes it possible to understand how a collective logic is constituted and how the behaviours of the members of a population can reveal certain regularity in a recurring situation (Orléan, 1994). It supposed fixed conditions of conformity and beliefs controlled by a base of common knowledge about people's behaviour.

To "transform" a resources holder in a stakeholder of a project of firm foundation, the entrepreneurial process being at its beginning or already quite advanced, he has to adhere to the entrepreneur's proposition and to believe in its survival. This proposition can be understood by CT. This theory is an effort of articulation between individuals' behaviours and conventions collectively accepted by the recognition of a symbolic universe system establishing the rules of the economic game and constituting a place of shared representations making it possible to set up standards of economic and social behaviours. First of all, a convention refers to the behaviour adopted by an individual expecting from others to do the same (at least, at a given moment because convention is an evolutionary mode of regulation). In our context of study, the customers' behaviour is obviously crucial, an investor can only follow if, explicitly or implicitly and a minima, the BM (as a business convention) appears able to convince a sufficient number of customers, i.e. generating the adequate turnover (it is far from being the only financial criterion but it is the essential starting point).

The BM is inevitably confronted with conventions in the environment, whether the entrepreneur respects it or proposes a new vision of the business which will have to become a convention (it will be the case of an innovation).

To convince his potential stakeholders, the entrepreneur is not able to propose them an optimal (un-risked) project, but he can submit a reasonable project he will be able to justify.

Yet, in order to convince, the entrepreneur is confronted with conventions on three distinct levels

Ø The first, relative to any project, is to show the intensity and the quality of the work provided within the framework of the entrepreneurial process. This process starts with an idea. This idea needs to be tested in order to measure the opportunity. This opportunity constitutes the bases of the BM to which a "launching strategy" (planed over at least three years) is added and the whole is formalized in a Business Plan. For this reason, the Business Plan cannot be reduced to words laid down on paper. It represents the development of an entrepreneurial project, i.e. all the work made upstream, the imagined launching downstream and how all can be financed regarding the estimated performances. The BM can be reasonably located at the middle of the process, since it is justifiable before the total formalization of the project, but its conception request at least the existence of an opportunity. The Business Plan is a written document, the BM a representation having to become shared.

Ø The second relates to the economic sector in which companies have their own conception of what is business and, therefore, of the related conventions. A new convention can be proposed, for example a radical innovation, but it implies to be patient (sociology of the innovation) and to establish partnerships to build the future "standard". The innovating entrepreneur’s role is to transform the market to help the process of innovation and then, when the conditions of economic viability are gathered, to adjust the innovation at the market (Benavent, Verstraete, 2000). In stable environments, it is very hard to succeed without knowing the conventions of the sector.

Ø The third relates to the solicited resources holders. They share their own conventions and the entrepreneur must know those conventions in order to be heard by them. For example, it is partly (but not completely) appropriate to know and understand conventions in the financial field to negotiate with the bank, the venture capital, etc.

In other words, the entrepreneur has to conceive a convention that resources holders will agree to consider as a good way of making business and will bet that the project will control in an optimal way the exchanges of value between all the categories of stakeholders. The exercise of persuasion fits directly in the conception of a BM which is seen here like the convention revealing the way in which the entrepreneur intend to gather and succeed.

THE RESOURCES BASED VIEW: A MODEL IN EVOLUTION DEPENDING ON THE RESOURCES GATHERED AND THE COMPETENCES BUILT TO REACH THE OBJECTIVES

Penrose (1959) is often considered as the first author who wrote about the resources. According to her, the construction of a strategic trajectory results from the entrepreneur's perception of the environment (on the basis of his competitive position) combined with the productive possibilities of his firm. The leader's vision holds a central place and the market demand is a question of perception conditioned by the resources available to exploit opportunity. The firm is defined thus by what it can do (Grant, 1991). Wernerfelt (1984) defines a resource as a tangible or intangible asset (financial capital, relational capital, expertise of employees, management abilities of the decision makers…). The firm benefits from these resources in a more or less permanent way. The mobilization of the resources of the firm and the capacity of this one to coordinate them serve the realization of the activities allowing reaching the objectives. The corresponding routines and processes improve by the training and the diffusion of know-how in the organization. The use of a competence reinforces it and it becomes difficult for a competitor to imitate a know-how built on experiment. Competences become a key concept of strategy, since the firm proposes at the market what it does best (*core competencies*).

In this view, a firm is a unique arrangement of resources on which the strategy is based to take competitive advantages. It is necessary to build a true competence with these resources and with the capacity to combine them. This competence is an assessable, rare, expensive to imitate and non-substitutable capacity (Barney, 1995).
Competences become dynamic by the training and the incorporation of new resources (including for example the arrival of new employees with new knowledge and experiments). Strategy implies to know if competitors have the resources engaged in the competences built by the firm (Doz, 1994).

The appreciation of the BM largely depends on the competences pointed by the appraisers (at the beginning resources holders) of the project of creation. However, these competences cannot be built without the resources brought by them. It is for example the paradox of the raise of funds: these funds make certainly it possible to acquire the goods and to finance the activity, but, more strategically, to build true competences of the project. For some projects, in particular in the valorisation of research (for example spin-off firms), it is difficult to conceive the BM without having partly gathered some competences necessary to the exercise of persuasion to be deployed near certain groups (ex: to gather resources to develop a prototype).
The entrepreneur must show how he will arrange the resources to make capacities of them. Those show concretely how the things are made or will be done by the firm. It is not sufficient to take a competitive advantage because, according to the model of

the resources, this one results from competences resulting from his capacities to make things well. The capacity must be assessable (a market answers or will answer, in other words an opportunity is possible), rare (referring to the protection of know-how, sometimes under a patent), non-imitable (the customers recognize the generic value of the offer and each stakeholder perceives a singular relation advantageous to him), not easily substitutable by another capacity (the entrepreneur must have a clear idea of the organization he impels by the gathering of the resources that it mobilizes). The entrepreneur shows then how several capacities (that he has or that he intends to build) provide him a competitive advantage. From the point of view of the resources holders, these competences aim at obtaining a better return on investment.

The opposite does not lead systematically to failure, but it is reasonable to imagine the difficulties that will face the companies unable to develop some key competences. This construction composes with time and, obviously, the needs change according to the evolution of the project. It is not rare (but not frequent), to see projects, rather "small", evolve to markets that the effective foundation of the company revealed: it has put in contact new potential stakeholders therefore registered in the social network of the entrepreneur. Consequently, the BM evolves (like any convention).

Nevertheless, early, in the construction of its BM, the entrepreneur will all the more be persuasive that the resources he mobilizes will transform into competences (generic value of the model), therefore in more significant returns on investment for the investors, even for all the stakeholders of the project to which the concept of value must be adapted (singular value of the model). One should not see inevitably there a strategy of differentiation, or an obligatory innovation, but rather a “singularization” of the relationships, at least a test in this direction. In other words, the BM is also a convention that put on light what distinguishes from competition, and the entrepreneur will know better, on this basis, to show how the stakeholder gains being in relation with him. Competition starts with the search for resources, these last being neither abundantly available, nor inexhaustible.

CONCEPTUALIZATION OF THE BUSINESS MODEL IN CONTEXT OF FIRM FOUNDATION

On the basis of these three corpuses, the BM can be schematically represented by figure 1.

From the CT axis, in the sphere of firm foundation or in entrepreneurial situations, it is conventional that a business plan is presented. It has an important place, not for what it is "physically", i.e. a written document synthesizing the project and exposing the strategic vision of the entrepreneur planned, for example, over three years. This place results from what the business plan reveals, i.e. the process beginning with an idea for which an opportunity emerges and a strategy of firm foundation authorizing the exploitation of the BM. The BM is situated in the middle of the process, since, on the one hand, it is not reasonable to talk about a model as long as an opportunity is not highlighted and, on the other hand, it can be communicated before the strategic vision is formalized in a business plan, which can be observed following high technology projects. The BM consists in modelling an offer likely to interest the holders of the resources often necessary to go further in the development of the project, i.e., inter alia, to imagine their arrangement in competences by the formalization of a strategic vision laid on the business plan.

Then, CT indicates, at the same time, that conventions control the functioning of the invested sectors and that each resources holder's met by the entrepreneur operates in a professional environment having its own conventions. The entrepreneur may find it very beneficial to be prepared to this for better negotiating.

From the ST axis, resources holders' must perceive the BM value, i.e., generally, believe in its potential to garner sufficient sales turnover (generic value). A resources holder's cannot transform himself into a stakeholder if it does not believe possible the meeting of the future activity with the customers. The "consumer value" is, in this sense, the foundation of the BM (Bely, 2005). But it is not enough, because it is still necessary to agree on the mode of remuneration of the value exchanged on the market (the start-up indeed showed the problems which the choice of a way of remuneration of the created value could pose: on the Web, consumers are not always ready to pay for the service offered to them). A first obliged way consists in convincing that the financial returns will be actually in transit through the channel envisaged in the model (generic remuneration). The second corresponds to the share of this remuneration (singular or specific remuneration), since what interests the resources holders prepared to become stakeholders is what they will gain to support the project (singular value). The resources holders' not perceiving the BM value keep being resources holders' and the stakeholders which do not agree with the remuneration of the value (of the BM but also of the value they bring) do not take part in the design of the BM which loses then its potential stakeholders. In this sense, the resources holders', and moreover the stakeholders, influence the offer, therefore the BM. Using a metaphor, they take part in the recipe of the cake which they perceive as appetizing even copious, while wishing it to go on growing bigger and, in return of what they bring, they negotiate a portion – a share – of the cake…

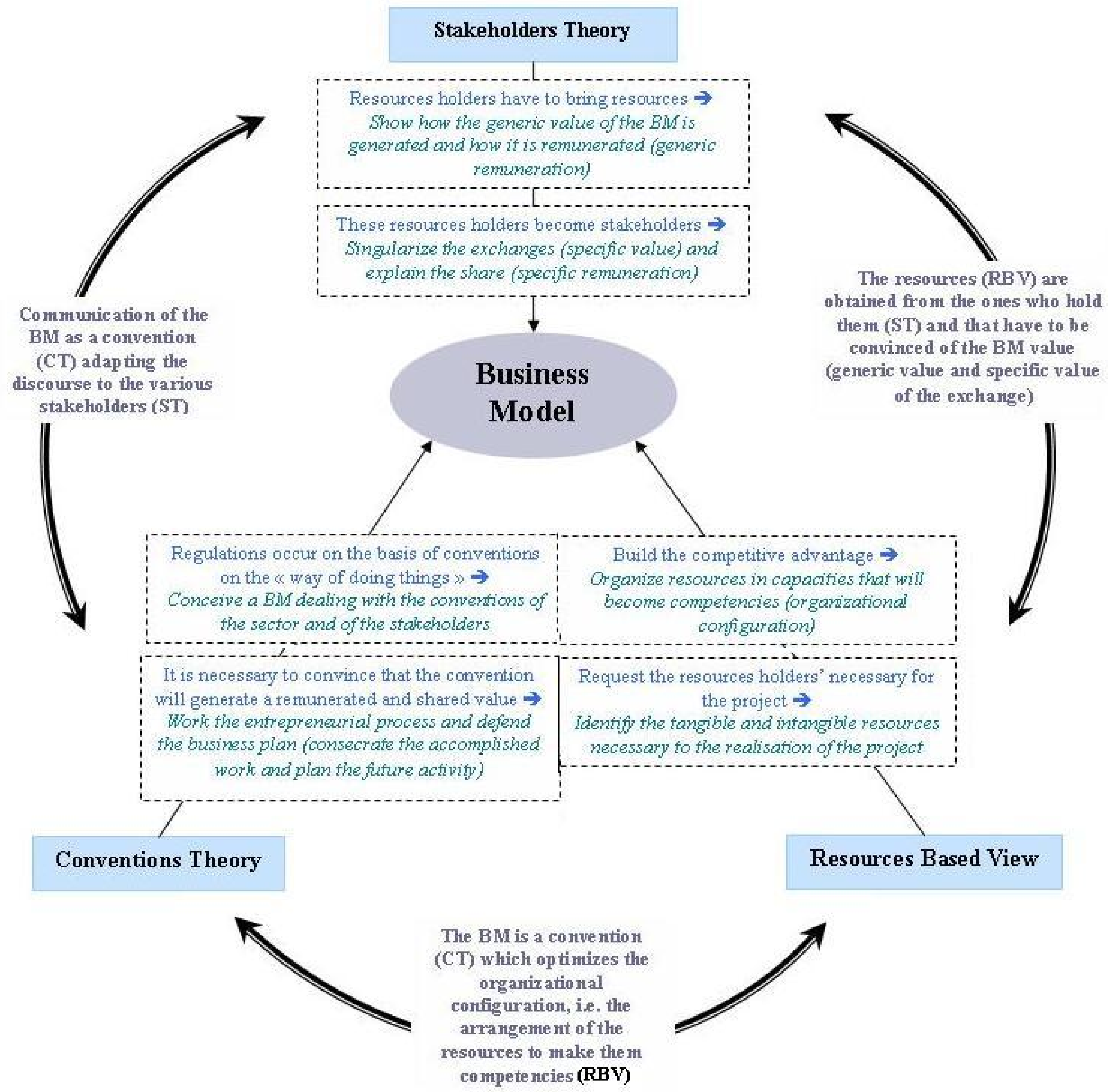


Figure 1. The Business Model as a combination of ST, CT and RBV

The three axes are indissociable in the realization of the BM. The figure reveals the primary links, which give a movement to the model showing that, finally, this one is never completely finalized but justifiable as soon as it allows shaping an offer. The RBV is related to the ST since the resources are obtained from holders whom adhesion to the BM (which they influence) transforms into stakeholders. It is related to CT since the BM is conceived on the basis of resources which can be mobilized and the convention is built on the arrangement of the resources in an optimal configuration. CT and ST meet by the exercise of persuasion deployed to convince the resources holders and to keep the stakeholders. But secondary links exist cannot reveal with the risk to make its reading difficult.

DISCUSSION: CONTRIBUTION OF THE CONCEPTUALIZATION OF THE BM TO THE THEORIZATIONS IN ENTREPRENEURSHIP

Entrepreneurship is crossed by various streams, others would say by various paradigms. In a paper in French, Verstraete and Fayolle (2005) retain four of them: the business opportunity, the value creation, the innovation and organization foundation. Without making here a review of literature of these streams, we evoke what the BM can bring to each one of them.

Ø The business opportunity is registered in the Austrian School by one of its most quoted representatives, namely Kirzner (1973). He emphasised the arbitration for which it is advisable to proceed about the price allowing a purchaser and a salesman to meet on dynamic markets. The opportunity comes from a dysfunction in a market, an imperfection or an economic imbalance likely to be exploited by an entrepreneur who, by his action, brings back the market to a relative equilibrium. Opportunity is considered here, above all, like a source of profit made possible by the existence of a solvent demand and the availability of the necessary resources. The innovation which a vigilant entrepreneur will be able to put on the market can be transformed into revenue. The developments of the former sections show that the BM can be part of this paradigm. The entrepreneur builds his offer on the basis of a business idea that he must find, develop and, as long as it is possible, protect. It is necessary for him then to check, or estimate, up to what point it exists, today, a market for this idea. Under this condition, he can model his offer on an opportunity of business. One knows that it is not sufficient but, in particular for ambitious projects, it is the minimum to convince the resources holders' to bring these last. In other words, without the demonstration of a business opportunity, it is very difficult to convince a potential partner. We have seen that a stakeholder's support is not unconditional.

Indeed, in addition to an endogenous process (where the entrepreneur passes from the idea to the opportunity to elaborate a first version of the BM), it is necessary to consider an exogenous process where the resources holders' have expectations before engaging completely. In that way, they take part as well in the formalization as in the founding of the BM. In this perspective, the BM conceals the "recipe" allowing the offer and the demand to meet. This relation will evolve so that the organization persists in the exploitation of new opportunities.

ØThe value creation was empirically identified as a core topic by Gartner (1990). It has been defined by Ronstad (1984, p.28): « *Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in term of equity, time, and/or career commitment of providing value for some product or service. The product or service itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skills and resources*."

The BM can enrich this paradigm of value creation (value more or less new) under the condition the value is considered relatively to the stakeholder with which an exchange takes place. More largely, the BM is the core of all the exchanges of value which it allowed and from which the organization and its network of stakeholders crystallize.

ØThe paradigm of the innovation falls under the Schumpeterian tradition because of the role which this author confers to the entrepreneur. This last activates new combinations aiming at exploiting new objects of consumption (products, services or exploitation of new sources of raw materials), new methods of production and transport, new markets or new types of industrial engineering. If Schumpeter does not formulate its thesis in that way, it seems reasonable to consider that the weakest existing combinations will suffer in the fight related to the obtaining of the resources and will be destroyed by the creation of new combinations more relevant. The conceptualization of the BM can be useful for this vision of the creative destruction. Indeed, this modelling must become a convention around which a whole of stakeholders will agree and, if an arbitration is necessary, will choose to sacrifice the combinations from where they draw less value to prefer the new combination (or the new BM) from where they expect to draw more. The articulation of the CT, with the ST and the RBV in the modelling of the BM can make it possible to understand the innovation as the passage from a combination which is not convincing any more to an other, new, and optimizing the exchanges of value. Within the framework of a radical innovation, the network of singular value exchange is new.

ØThe paradigm of the organization foundation is not still reduced to the firm foundation. We prefer from now on to speak about organisational emergence or about the impulse of an organization. The expression “impulse” makes it possible to include the emergence, which stays obviously relevant, since the impulse also relates to the "initial push" former to the institutionalization of the entity and being able to go on once this one is created (the institutionalization of the entity is recorded by the Right which confers to it its legal statute answering the principles of responsibility and property). In other words, the organisational process relative to the entrepreneurial phenomenon generates an entity (firm, association, or any other type of organisational structure of various fields such as the social and solidarity economy, art, culture, etc…), but the related dynamics exists before the institutionalization of this entity. The BM is, from this point of view, the “essence” of the crystallization of the resources in an organization not immediately institutionalized but nevertheless activated. This crystallization links the network of stakeholders which takes part in the organisational dynamics in progress since they are the resources holders’ needed by the entrepreneur or the entrepreneurial team for the realization the project. From a strategic point of view, the BM makes it possible to understand that the competitive advantage is built on the basis of the gathered resources, which are neither inexhaustible nor available in any place or time. To optimize the realization of his project, the entrepreneur must convince of the resources holders’ of the interest to work with him. His competitors do the same. Obtaining these resources, or perhaps the guarantee to obtain them, constitutes the first tangible demonstration of the nascent organization. It is not a question of saying that entrepreneurship starts there. The BM does not aim at marking out the phenomenon (when this one begins, and when it stops). It contributes to understand the related organisational phenomenon.

CONCLUSION

The conceptualization operated here was thought in the context of firm foundation. It seems to us it can serve the existing and mature company. In agreement with Chesbrough (2003), the BM is useful to understand how the companies of any size can convert their technological potential into economic value. Technology can capture value, by transferring it through the foundation of a company, but also by "licensing" or by the exploitation of a new technology in the BM (or one of the BM) of the firm.

This research avenue is not very far away from the problems of technology transfer resulting from university research. We currently undertake a research on the topic of the entrepreneurial team where a firm foundation resulting from a process of research valorisation (*university spin-off*) is used as empirical material because, in most cases, the initiative is carried by several individuals joining. We use the BM first to understand the concept of entrepreneurial team because it makes it possible to identify who, from an endogenous point of view, is in the heart of the design of this BM and thus to encircle the entrepreneurial team (distinct from the management team). By taking an exogenous point of view then, the BM clarifies the concept of collective entrepreneurship since it makes it possible to identify which stakeholders were very implied in the foundation of the company and the BM constitutes at the same time its premises and, to some extent, its mission.

A new work, in progress, is carried out downstream from the conceptualization presented in this communication. This conceptualization serves the elaboration of the BM which will have to be communicated. We already could notice how more convincing are the entrepreneurs when they are trained to the BM. Today, working explicitly on the exercise of persuasion, which passes by the communication of the BM, it appeared rather obviously that the entrepreneur makes a "translation" to be understandable by the resources holders and/or stakeholders to which he exposes the BM. The lighting brought by the Translation Theory (Callon, 1986; Latour, 1989; Callon et Latour, 1991; Amblard et al. 1996) is for this reason interesting: this theory makes it possible to better understand the communication of the BM and can help the entrepreneurs to persuade. It did not seem judicious to add this theory to the three axes of figure 1, because it concerns another dimension. On the theoretical level, our work concerns now a processual approach where the theory of the translation clarifies the communication of the BM.

In the research in entrepreneurship pedagogy, we have undertaken a teaching experiment for several years with more than 2000 students. This work showed the usefulness of this conceptualization by its development in several teaching programs, in particular on the clearness shown by the students in the exercise of persuasion deployed near the resources holders they try to transform into stakeholders. Jurys composed of professionals (bank, capital risk, institutional investor, etc...) gathered at the end of the study to appreciate the students' business plans were unanimous on, on the one hand, their clearness in the exercise of persuasion deployed to get their adhesion and, on the other hand, on the intrinsic quality of the business plans.

More prosaically, theory led us to practice. Indeed each axis of figure 1 provided us the tools to be mobilized at the same time within a teaching framework and a professional framework. In addition to the Business Plan (tool largely consecrated by the literature and the practice), for example, on the basis of the RBV axis, the entrepreneurs are led to fill a table recapitulating the necessary resources, their owners, the expectations of these latter, what it is advisable to obtain from them in the construction of a competitive advantage etc. This matrix makes it possible to draw up the map of the business network which the BM can launch. The entrepreneur thus also obtains a useful tool for the decision-making (ex: why work with such potential stakeholder rather than another), for the valorisation of the project (first estimate of the financing implicated by the gathering and the arrangement of the resources), for the understanding of its business network, etc. After this first article, the objective will be to present how the conceptualization allowed the design of an "entrepreneur's suitcase". Appendix 2 presents partly the questions concretely asked to the entrepreneur to lead him to reason and carry out an effort of formalization of his BM.

Other researches in progress aim at understanding the interest of the BM in singular entrepreneurial contexts, as the artisan company or the firm with fast and early internationalization (ex: *international the new ventures*, *born global*…).

We explore also the possibility of using cognitive cartography to help the entrepreneur to represent his BM.

Lastly, the BM is an object making it possible to link the field of entrepreneurship to that of strategy and one will consult with profit the article of Lecocq, Demil and Warnier (2006) aiming at showing the interest of the BM as a strategic tool, in particular in the commercial, financial dimensions and organisational dimensions of a company, by situating it between the formalization of the strategy and the deployment of the functional policies. From this point of view, an institutional reading of the BM, resuming works considering that collective representations explain the organisational forms, the management systems and the frontiers of the entity could be even convened (for example: Bendix, 1959; DiMaggio, Powell, 1983; Abrahamson, Fombrun, 1994; Desreumaux, 1995).

APPENDIX 1: Definitions of the Business Model

References (by chronological order)	Definitions	Fields authors	Application of the BM
Viscio, Pasternack (1996 in Alt and Zimmermann 2001)	*"They developed a new business model comprising five elements: global core, business units, services, governance and linkages." (in Alt et Zimmermann, 2001)*	Strategy	General
Timmers (1998)	*« An architecture for the product, service and information flows, including a description of the various business and their roles; a description of the potential benefits for the various business actors; and a description of the sources of revenues ».*	Communication and information management	New Economy
Venkatraman, Henderson (1998)	*« The Business Model is a coordinated plan to design strategy along all three vectors: the customer interaction vector, the asset configuration vector and the knowledge leverage vector. » (p.46)*	Strategy	New Economy
Master, Alidjidi (1999)	*The Business Model is composed of three elements: a proposed value, an adequate management of time and a typology of the ecosystem then of the specific positioning of the company.* *"The Business Model of a company is essentially the structure of its offer, its way of generating incomes, its organization and the structure of costs which results from it, its way of tying adequate alliances and the position in the chain of value which results from it. » (p.11).*	Management (consultants)	New Economy
Benavent, Verstraete (2000)	*The Business Model is a unit "large which includes the relations with the suppliers, the partnerships, the interactions between several markets and can result in choices which define the conditions and the reality of the business. » (p.89).*	Entrepreneurship	New technologies
Tapscott et al. (2000 in Alt et Zimmermann 2001)	*« [Business webs] are inventing new value propositions, transforming the rules of competition, and mobilizing people and resources to unprecedented levels of performance… a b-web is a distinct system of suppliers, distributors, commerce service providers, and customers that use the Internet for their primary business communications and transactions. » (in Alt et Zimmermann, 2001)*	Management/ strategy (consultants)	New Economy
Kraemer et al. (2000)	*They identify four blocks constituting the BM : "direct sales, direct customer relationships, customer segmentation for sales and service, and build-to-order production. » (p.8-9)*	Information technology	E-business
Alt, Zimmermann (2001)	*We will distinguish six generic elements of a Business Model : Mission, Structure, Processes, Revenues, Legal issues and Technology. […] We propose the presented six generic elements as a comprehensive framework in order to develop sustainable business models in the new economy. When designing a business model all six generic elements and the dynamics of the respective elements have to be considered. (p.5-7)*	Communication and information management	New Economy
Linder, Cantrell (2001)	*« A business model is your company's logic for making money in the current business environment. It includes the value propositions you work out with all tour important stakeholders and the operations you put in place to make good on your promises and to make use of what you get in return. » (p.13)*	Strategy (Strategic change)	General
Amit, Zott (2001)	*« A business model depicts the contents, structure and governance of transactions designed so as to create value through the exploitation of business opportunities. » (p.511)*	Strategy	E-business
Magretta (2002)	*"A successful business model represents a better way than the existing alternatives. […] Creating a business model is, then, a lot like writing a new story." (p.88)* *"A business model's great strength as a planning tool is that it focuses attention on how the elements of the system fit into a working whole." (p.90) "Business Models describe, as a system, how the pieces of a business fit together." (p.91)*	Strategy	New technologies

References (by chronological order)	**Definitions**	**Fields authors**	**Application of the BM**
Chesbrough (2003)	*« The Business Model is a useful framework to link these technical decisions to economic outcomes. Although the term business model is usually applied in the context of entrepreneurial firms, it also has value in understanding how companies of all sizes can convert their technological potential into economic value "(p.63)* *"the functions of a BM are as follows: the value proposition,, the market segment, the structure of the value chain, the cost structure, the position of the company within the value network, the competitive strategy "(p.64-65)*	Strategy	Innovation/ New technologies
Warnier, Demil, Lecocq (2004); Lecoq, Demil, Warnier (2006)	*"We define the Business Model as the choices which a company makes to generate incomes" (2004, p.9)* *"The business model is an intermediate concept between strategy and operational management" (2004, p.20)*	Strategy	General
Mitchell et Bruckner Coles (2004)	*« By a business model, we mean the combination of « who », « what », « when », « why », « where », « how » and « how much » an organization employed to serve its customers, end users and other stakeholders (including but not limited to employees, partners, suppliers, distributors, lenders, shareholders and the communities affected by the organization's activities. » (p.40)*	Management/ strategy (consultants)	General
Osterwalder (2004)	*« A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing a company's logic of earning money. It is a description of the value a company offers to one or several segments of customers and the architecture of the firm and its network of partners for creating, marketing and delivering this value and relationship capital, in order to generate profitable and sustainable revenue streams. »(p.15)*	Management software	General
Shafer, Smith, Linder (2005)	*« We define a Business Model as a representation of a firm's underlying core logic and strategic choices for creating and capturing value within a value network. » (p.202)*	Strategy	General
Morris, Schindehutte, Allen (2005)	*They propose a BM composed with 6 elements that will be studied at three levels. These elements are: Factors relating to offering, Market offering, Internal capability factors, Competitive strategy factors, Economic factors, Growth/Exit factors. And the three levels: Foundation level ("the model is defined in terms of a standardized set of decisions that can be quantified"), Proprietary level ("the model becomes a form of intellectual property, with some entrepreneurs actually obtaining patents for their models"), Rules level ("rules provide a clearer sense of the firm's value proposition and are a source of guidance regarding actions that might compromise the value equation"). (p.734)*	Entrepreneurship	General
Pigneur, Osterwalder (2005)	*« We describe the business model's place in the firm as the blueprint of how a company does business. It is the translation of strategic issues, such as strategic positioning and strategic goals into a conceptual model that explicitly states how the business functions. The business model serves as a building plan that allows designing and realizing the business structure and systems that constitute the company's operational and physical form. » (p.2)* *« A Business Model is a conceptual tool containing a set of objects and their relationships with the objective to express the business logic of a specific firm. Therefore, we must consider which concepts and relationships allow a simplified description and representation of what value is provided to customers, how this is done and which financial consequences.. » (p.3)*	Management software	General

References (by chronological order)	Definitions	Fields authors	Application of the BM
Bély (2005)	*"To position an offer on the market, to draw the processes which ensure at the same time the value of the offer and the economic performance of the company and, finally, to choose a system of control and management, it is to build the business model. "(p.53)* *It is a question "of aligning" these three links of the business model so that this one is "winning".*	Marketing	General
Jim Wu (2005)	*« As defined by Betz (2002), a business model is an abstraction of a business identifying how that business profitability makes money. Business models are abstract about how inputs to an organization are transformed to value-adding outputs. […] A good business model remains essential to every successful organization, whether it is a new venture or an established player. » (p.115)*	Logistic	E-commerce
Tikkanen et al. (2005)	*« We define the business model of a firm as a system manifested in the components and related material and cognitive aspects. Key components of the business model include the company's network of relationships, operations embodied in the company's business processes and resource base, and the finance and accounting concepts of the company » (p.792)* *« The business model framework has tangible benefits to practioners :* • *They can investigate the evolution of their business models.* • *It is systemic. It demonstrates that firm processes emerge from each other and their coordination is key to maintining competitive advantage.* • *The business model is a cognitive mechanism.* • *The business model framework has proven to be a useful tool in business education. It encapsulates the key areas of management and contextualises them in the realm of managerial action. » (p.804-805)*	Strategy and finance	General
Pateli et Giaglis (2005)	*« A business model must explicitly account for the need for partnership and provide the best possible answers to the questions regarding the type of value that each partner will contribute based on its core competence, the distribution of revenues and profits between them, the type of service offerings, and the business structures that will be required to implement the changes. » (p.168.)*	Strategy (changement)	E-business

APPENDIX 2. Document of assistance to the development of the Model Business

This document aims at helping the formalization of the BM. Some of the questions presented here are used as guide. In other words, the list of the questions is not exhaustive and the author is not expected to answer by respecting the order suggested. The document comprises 7 pages and implies an effort of synthesis. Above all, it is necessary to give "meaning" and the desire for reading by a personal and singular presentation of your BM.

The first page indicates your address and telephone number, the temporary (or definitive) name of your project, the date.

The second page corresponds to the axis of conventions (CT).
After consulting this page, the reader might be able to answer the following questions:

- What is your idea?
  - From where does it come from?
  - How did you work it?
  - Can it be protected and is it (ex: patent)? If you can't protect the idea, do you know how to protect your market (ex: development of consumer loyalty)?
- Is there an opportunity for this idea?
  - What are the generic criteria propitious to your project (ex: growth of the market's size, change of the modes of consumption)?
  - What is the market? Have you analyzed its opportunities and threats?
  - Do you know your potential turnover? What are your objectives?
  - What is your target of customers?
  - How did you approach your target? How did you delimit it?
  - What are your Key Factors of Success and your Strategic Factors of Risk?
- Which are conventions in the sector where fits the project?
  - How have you known the rules or the conventions on the way of making business in your sector (ex: professional experience, network, research)?
  - What are your competitors in this sector and how do you think they would answer the questions of this document?
- What are the conventions specific to the potential stakeholders of your project?
  - How have you heard about the criteria they use to decide whether or not they support a project (professional experience, research, discussion with professionals, advice…)?

The third page corresponds to the axis of the resources (RBV).

- What are the resources (tangible and intangible) necessary to the project?
- What will you do with these resources? How will you arrange them? How will you use them? What will be able to do with them? What competences will you build? What will be your competitive advantages based on these competences?

The fourth page corresponds to the axis of the stakeholders (ST).

- What are the resources holders that it is necessary for you to transform into stakeholders? How will you do for, on the one hand, contacting them and, on the other hand, persuading them?

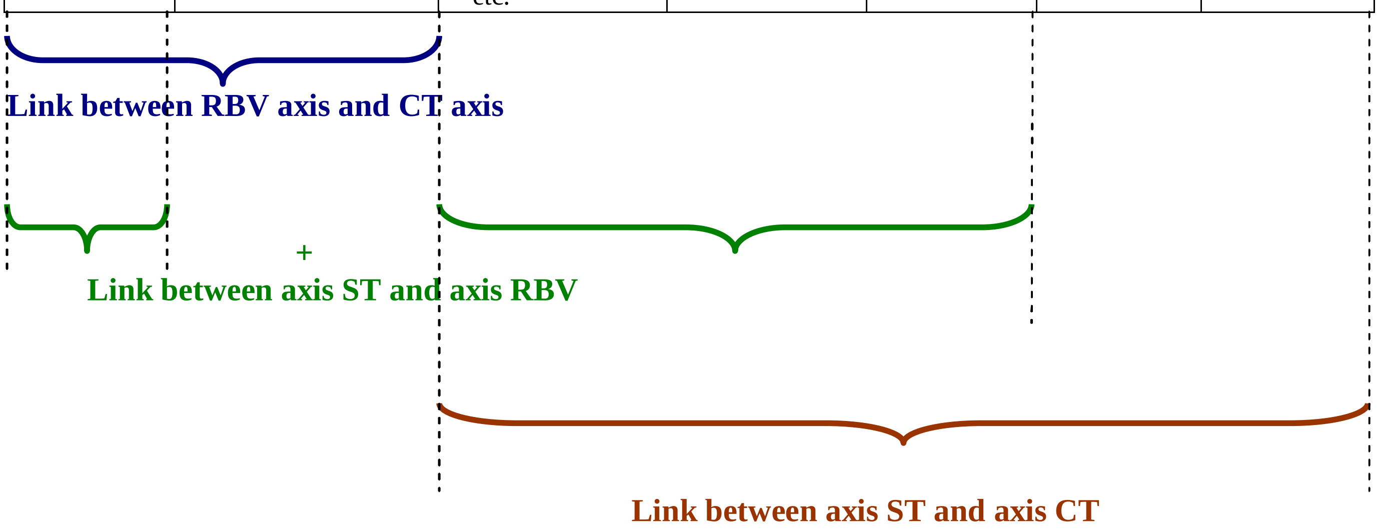
- What generic value is generated by your project? How is it generated? How is it remunerated (volume and channel)?
- What singular/specific value is generated for your project for each category of stakeholder? How is it generated and then refunded (share of the cake)? How to enlarge the cake?
- Have you anticipated the capacity and the attitude of the stakeholders?

The fifth page is the "drawing" of your BM.
No precise instruction is given about it but this page has two objectives: to account for the value chain of the project (how the resources are exploited to build and propose an offer which will meet a market) and for the exchanges of value between the company and its stakeholders (the main ones). You can justify by a paragraph of 10 lines maximum the stakeholders selected.

The sixth page is a first drafting of the pages "synthesis of the project" that will be included in the Business Plan.

The seventh page contains the following matrix, filled in detail.

Resources necessary to the project	Use of the resource and competence which it contributes to develop	Stakeholder	Value awaited by the stakeholder	Value to be drawn from the stakeholder	Capacity of the stakeholder	The attitude of the stakeholder
		<u>Customers category:</u> - private individuals - company HBX - … <u>Shareholders category:</u> - … etc.				



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