Will business model innovation replace strategic analysis?

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Purpose
This masterclass aims to consider a number of recent business articles and books that can help practitioners clarify the distinction between the strategy development and business model approaches and decide which is appropriate for their situation.

Design/methodology/approach
The article defines the difference between the two approaches this way: business models explain who your customers are and how you plan to make money by providing them with value; strategy identifies how you will beat competitors by being different.

Findings
The paper reveals that a business model approach has limitations. It will not help an organization develop a competitive advantage, outperform its competition, acquire or merge with another organization, or diversify. However, corporate strategy does not identify how to deliver unique value to meet customers' needs.

Practical implications
The main reason why organizations fail at business-model innovation is too much "tweaking" – incremental attempts at improvement in myriad projects when more radical change to its business model is the answer.

Originality/value
The article proposes that businesses need both strategy development and business model innovation to adapt and thrive as conditions change.

Keywords
Business model innovation, Strategy development, Strategic planning, Strategic thinking, Creative differentiation strategy, SWOT analysis, Business-model canvas, Competitive strategy

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Management scholars have discussed business model innovation as an important response mechanism in turbulent environments. The realization of business mode. Abraham S (2013) Will business model innovation replace strategic analysis? Strategy Leadersh 41(2):31–38. Article Google Scholar. Ahuja G, Lampert C (2001) Entrepreneurship in the large corporation: a longitudinal study of how established firms create breakthrough inventions. Strateg Manag J 22(6–7):521–543. Article Google Scholar. Al-Debei MM, Avison D (2011) Business model requirements and challenges in the mobile telecommunication sector. Strategic thinking includes choosing between different business models and sometimes switching to a new model to achieve the mission and goals of the strategy, just like a driver might change to snow tires in a storm or even buy a new car when an old one no longer serves the driver's needs. Founders must decide which model would most effectively serve their customers based on the products, services, and value they are offering and the resources that are available in the current business environment. How Do Founders Choose a Strategy? Blue ocean strategy requires innovation, leadership, and the imagination to sometimes serve customers who don't yet understand why they need what you are offering. 2. Choosing Between Cost and Differentiation.