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# APPLYING BUSINESS MODEL CANVAS IN AN INTERNAL PROJECT FUNDING CASE: IB-HUB

- Business Model Canvas applied with a project plan for improving internal Research, Development and Innovation project funding processes at Turku University of Applied Sciences.



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During the past few years, internal projects were launched at Turku University of Applied Sciences at a growing rate. One of these internal projects has been IB-HUB, which brought the idea of improving the internal Research, Development and Innovation project funding processes of Turku University of Applied Sciences. Idea was to apply the Business Model Canvas theory in the project planning.

Originally, the Business Model Canvas theory was developed to help companies to have an overview about their business model and ease the strategically thinking by seeing things connected rather than as separated blocks inside the company. Business Model Canvas brings the Value Proposition to the focus of observation and tides important aspects around it, bringing the business model to view in its' entity.

The research was taken into action by applying Business Model Canvas theory in the project planning to enhance and improve the quality of projects as well as to ease the work of Research, Development and Innovation steering group. By developing Business Model Canvas into a project tool, it can be added into the project planning stage and it can ease thinking process. This research aims to find out benefits and problems that may concern this new tool for project planning.

This research will also look at the NABC model as it is widely used in project planning as a supportive tool for more systematic approaches to the value proposition. There is comparison between the included theories in this research. As a result the research proves that Business Model Canvas is applicable to use in the internal project funding processes at Turku University of Applied Sciences.

### KEYWORDS:

Business Model Canvas, internal funding processes, project planning, organizational behavior, financing processes, Innovation, research and development, Business ICT and life sciences, the NABC model.

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**BUSINESS MODEL CANVASIN SOVELTAMISTA  
SISÄISEN PROJEKTIRAHOITUKSEN  
TAPAUKSEEN: IB-HUB, TURUN  
AMMATTIKORKEAKOULUSSA**

Sisäisten projektien määrä on kasvanut kiihtyvällä vauhdilla viime vuosien aikana Turun Ammattikorkeakoulussa. Idea sisäisen rahoituksen prosessin kehittämiseksi Tutkimus, Kehitys ja Innovaatio projektien kautta lähti liikkeelle yhdestä Turun Ammattikorkeakoulun sisäisestä projektista: IB-HUB. Idean lähtökohdaksi on Business Model Canvas teorian soveltaminen projektien suunnittelussa.

Alun perin Business Model Canvas teoria kehitettiin auttamaan yrityksiä näkemään liiketoimintamallinsa kokonaisuutena helpottamaan taktista ajattelua. Näkemällä asiat yhdessä eikä erillisinä osina liiketoimintaa, Business Model Canvas yhdistää fokuksen ja sitoo muut tärkeät näkökohdat sen ympärille. Tämä tuo liiketoimintamallin esille kokonaisuudessaan selvällä tavalla.

Tutkimus toteutettiin soveltamalla Business Model Canvas teoriaa projektien suunnittelussa. Teoria auttaa parantamaan projektien laatua ja helpottamaan tutkimus-, kehitys- ja innovaatio ohjausryhmän työtä. Business Model Canvas voidaan ottaa projektisuunnittelussa käyttöön kehittämään ja helpottamaan projektisuunnittelun prosessia. Tämän tutkimustyön tavoite on löytää hyödyt sekä mahdolliset ongelmat, jotka liittyvät tämän uuden työkalun käyttöön projektisuunnittelussa ja sisäisen projektirahoituksen prosesseissa.

Tämä tutkimus käy myös läpi NABC mallin. Kyseinen malli on hyvin laajalti käytetty tukevana työkaluna arvolupausten löytämiselle. NABC malli hyödyntää systemaattista lähestymistapaa projektisuunnittelussa. Lisäksi tutkimus sisältää näiden kahden mainitun teorian vertailua. Tutkimuksessa käy ilmi, että Business Model Canvas on hyödyllinen sisäisten projektien rahoitushaku prosessin kannalta Turun Ammattikorkeakoululla.

**ASIASANAT:**

projektisuunnittelu, sisäinen rahoitushaku prosessi, rahoitustoiminta, Liiketalous ICT ja Bioalat, Business Model Canvas, Tutkimus, Kehitys ja Innovaatio, organisaatiotoiminta, NABC malli

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## LIST OF ABBREVIATIONS

NABC	Need, Approach, Benefits and Competition. The NABC model can be used anywhere from basic research to commercialization projects, as well as for new business planning. The model has been developed in Stanford Research Institute 'SRI'.
JAMK	Jyväskylän Ammattikorkeakoulu, Jyväskylä University of Applied Sciences
BIL	(Liiketalous, ICT ja Bioalat) Business, ICT and Life Sciences at Turku University of Applied Sciences
DMU	Decision Making Unit, a group of individuals who make up the team for decision making (Friesner, 2014).
SME	Small and Medium sized Enterprises. (European Commission, 2005).

# 1 INTRODUCTION

## 1.1 BACKGROUND FOR THE RESEARCH

This research has been conducted on the growing number of internal project funding applications in Turku University of Applied Sciences. The main goal for the research is to find out the possible synergy that could boost the internal project funding processes with the Business Model Canvas theory. This research is limited to Business, ICT and Life Sciences (BIL) faculty of Turku University of Applied Sciences due to the limited amount of interviews done for the research and the subjective observation.

“The real problem may not be the one that looks like one at first sight” (Kananen, 2011, p. 33). Therefore in the research the weight is set on trying to see the projects overview easily and effectively by using the adapted tool in the original project plan. Business Model Canvas is a tool well used for finding the core idea of the business plan. This research will try to apply Business Model Canvas with the premade project plan of Turku University of Applied Sciences in case of the IB-HUB.

The method for researching the possible synergy is through a case of the internal project funding. The case project ‘IB-HUB’ is currently active and therefore the research may benefit the project by useful information regarding the internal funding process of Turku University of Applied Sciences. This research has been agreed with Innovative Business and Entrepreneurship research group from the BIL faculty. The goal is to test-drive Business Model Canvas with the project planning phase in the near future.

Business Model Canvas is planned to be a supportive tool in internal project funding processes among the already existing theoretical tools such as the NABC model. This research will additionally compare Business Model Canvas with the current supportive tool NABC model. The purpose for comparison is to find out the differences and benefits from both supportive theories.

## 1.2 RESEARCH QUESTIONS:

- What is the Business Model Canvas theory?
- Comparison between the NABC model and the Business Model Canvas theory. How are they different?
- How are the Research, Development and Innovation activities organized in Turku University of Applied Sciences?
- Case: How is IB-HUB project plan applied with Business Model Canvas and does the IB-HUB project plan fit with Business Model Canvas?
- Should Turku University of Applied Sciences take Business Model Canvas as a supportive tool for project planning processes?

## 1.3 RESEARCH GOALS:

- To introduce the Business Model Canvas theory for the reader
- To introduce the NABC model for the reader
- To find synergies between the Business Model Canvas theory and internal project funding of Turku University of Applied Sciences, with the case of IB-HUB.

## 1.4 RESEARCH CHAPTERS AND THE CONTENT

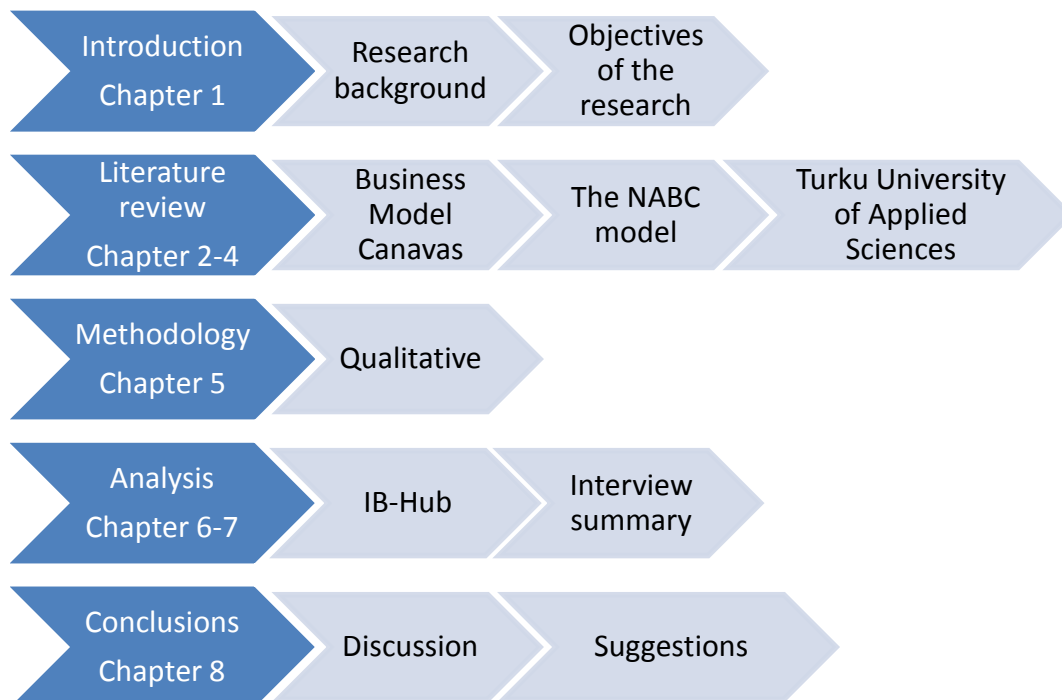


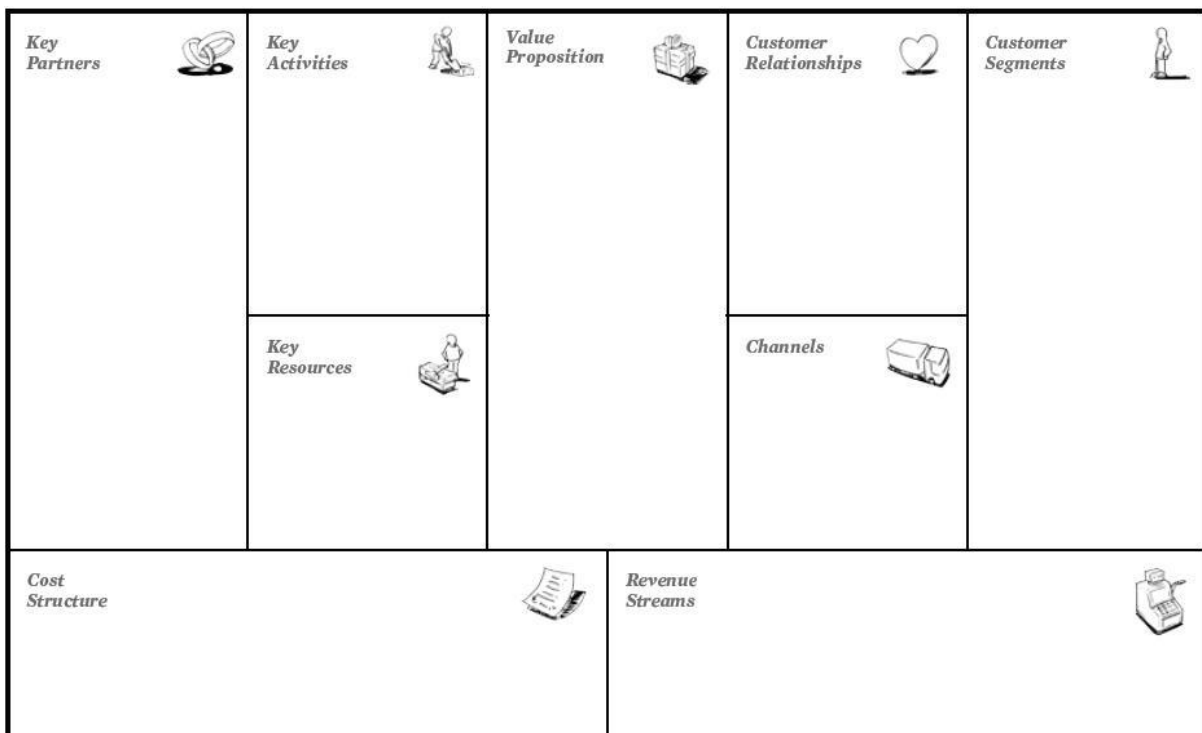
Figure 1: The figure represents the table of content for this research



## 2 DEFINING THE BUSINESS MODEL CANVAS THEORY

Business Model Canvas consists of 9 different parts, which are all related to each other at many separated levels. It could be considered as some sort of summary of the activities that a company or an organization has to perform in order to provide their value offering (products, services or other value offering) to their customers, partners and stakeholders. Business Model Canvas eases the observation of the business model case and its' activities. The canvas has been implemented in many ways to suit and serve the possible variety of different canvas users.

Observing the Business Model Canvas theory, should begin with going through all of the different building blocks of the canvas. There are in total nine blocks, which are: Key Partners, Key Activities, Key Resources, Value Proposition, Customer Relationships, Customer Segments, Channels, Cost Structure and Revenue Streams.



Picture 1: Business Model Canvas (Foundry, 2014).

## 2.1 VALUE PROPOSITION.

“The Value Propositions Building Block describes the bundle of products and services that create value for a specific Customer Segment” (Osterwalder et al., 2010, p. 22).

Value Proposition is located in the centre of Business Model Canvas for providing the optimal place for the value offering, which the user of Business Model Canvas desires to bring upfront for others to see and recognize. Focusing so strongly on the Value Proposition Building Block is usually taken as ‘Offer Driven’ method. Offer Driven means simply that the main weight of the business plan and ideology is based on the value proposition in more unique way than what the competitors are capable of.

Value Proposition is the element, which is considered as the most important for the business to success. Every organization, startup, project and other similar users that are using Business Model Canvas have their own value proposition for the key relationships. Through the value offering they are able to differentiate their businesses and offering from others and create stable business.” A startup also has figure out how it’s different or unique, and how it can convince users it’s the best choice” (Evans, 2013).

Therefore it is important to be able to recognize the value proposition which is offered to the customers. For this recognition phase there are several ways to ease the work and finding the right value proposition for the business. Presenting questions when creating a value proposal is very efficient way to find the right propositions that can be offered. Observing the problem that the value proposition is trying to solve out for the customer is important. Value Proposition Building Block can be different for each Customer Segment named in Business Model Canvas. Some Customer Segments are offered different benefits and values than others, based on the 20-80-30 rule from business to business marketing. Shortly presented: “20:80:30. This rule states that 80% of profit is generated by 20% of customers. While the 30% of customers that are not very profitable generate costs equal to half of the revenue generated by the most profitable customers.” (Comarch, 2010.)

## 2.2 CUSTOMER SEGMENTS

“The Customer Segments Building Block defines the different groups of people or organizations an enterprise aims to reach and serve” (Osterwalder et al., 2010, p. 20).

Customer Segment is located in the right corner of Business Model Canvas. The importance of this part is considerably high as targeting the right customers is very important in business to business just like in business to consumer markets. Sometimes the focus is mainly on customers and their needs from basic to exclusive requirements. This means that it is customer driven business model, as the focus of Business Model Canvas has been placed on the Customer Segment. When planning and forging the business according to different customer groups, there are some questions that need to be answered.

“For whom are we creating value? Who are our most important customers?” (Osterwalder et al., 2010, p. 21).

Choosing the most important customers or the customer segment may not be the easiest choice of the decision makers. The way customers are segmented may vary depending on the relationship they are able to create and contain with the company, their willingness to pay for additional services and extra value and their unique communication towards the value offered whether it is visiting the store, calling with a phone or booking online.

“Customer groups represent separate segments if:

- Their needs require and justify a distinct offer
- They are reached through different distribution channels
- They require different types of relationships
- They have substantially different profitability
- They are willing to pay for different aspects of the offer” (Osterwalder et al., 2010, p. 20).

## 2.3 CUSTOMER RELATIONSHIPS

Customer Relationships are formed between the organization and the customer. Some examples could be face to face communication, co-creation of content, professional transactional relationship, the relationship based exchange of information, self-service, automated services, personal assistance and so forth. (Osterwalder et al., 2010, p. 28.)

Customer relationships are driven by motivational factors such as: new customer acquisition, customer retention and boosting up the sales (Osterwalder et al., 2010, pp. 28-29).

There are other motivations, such as in business to business sales the relationship building can open up new deals between the partners. Even co-operations and ultimately acquisition of the partner company may be the motivations. This could be imagined in the case of Microsoft and Nokia. They had very good business to business relationship and they ended up merging mobile phone businesses together after co-operating in the mobile phone markets. "Many alliances fail... many also end up in a takeover" (Deresky, 2014, p. 239).

In business to consumer sector the additional motivations are more likely for long term customer relationship and empowering the brand's quality and services to the customers. This may be considered as the boosting up sales, or in other words up-selling.

In both business to business and business to the consumer fields it is advisable to open up the Customer Relationships Building Block, those which already exist and those which should exist. It is a remarkable cost sometimes to maintain a good customer relationship with a business partner or with a specific customer segment. If they are not observed, they may at one point create problematic situations for the business itself.

## 2.4 CHANNELS

“The methods by which the organization’s services will be delivered and the audiences reached.” (Chaffey, 2013).

Channels are the ways and methods for the organization to reach their audience and customers for the value proposition delivery. Depending on these channels and how they function, the customers will be either pleased for the service provided or disappointed with the system. This is why channels play such an important role in Business Model Canvas and in the strategical business planning. Some of the main functions of the Channels Building Block are to maintain and increase the customer awareness about the products and services provided by the company, assisting the customer to consider the value proposition given by the company and to deliver both the purchased product as well as the post-purchase customer support in case if the value proposition failed the customer.

Channels include five phases that are unique to each other as Osterwalder et al., (2010), state. The phases are as following:

### **1. Awareness**

- Increasing the information about the products and services available for the customers

### **2. Evaluation**

- Helping the customer to understand the value proposition and the benefits that are being offered.

### **3. Purchase**

- The method by which customer obtains and delivers the payment for the goods selected by customer itself.

### **4. Delivery**

- The actual transfer of the service or product to the customer.

### **5. After Sales**

- Service after the purchase has been completed. Such as, feedback inquiries, repair services and similar additional value packages. (Osterwalder, et al., 2010, pp. 26-27.)

## 2.5 KEY PARTNERS

“The Key Partnership Building Block describes the network of suppliers and partners that make the business model work” (Osterwalder et al., 2010, p. 38).

While another description about partner relationship is more open minded and generalized as a whole partnership idea.

“An individual or a company who has some degree of involvement with another entity's business dealings. The term 'business partner' can have a wide range of meanings, with one of the most frequent being a person who, along with another person, plays a significant role in owning, managing, or creating a company (two best friends who start a business together would consider themselves business partners). The term is frequently used for two businesses that cooperate, to any degree, such as a computer manufacturer who works exclusively with another company who supplies them with parts.” (Dictionary, 2014.)

Partnership with other company or individual can often become the block that supports all the actions inside the partnership companies. There are various reasons for forging a partnership with external parties. Some of these reasons are to economically benefit both parties, to develop new businesses, to assure reliable supplies for the customers or simply to create a more powerful branding image for the end customers and being able to offer high quality services alongside with the main value offering. One great example of such partnership would be “Walmart and FedEx” (Lambert, 2014).

For the motivational part of forming the partnerships it may be beneficial to extract three different aspects why a company usually forms a partnership with another company as Osterwalder et al., (2010) state:”

1. Optimization and economy of scale
2. Reduction of risk and uncertainty
3. Acquisition of particular resources and activities”

(Osterwalder et al., 2010, p. 39.)

## 2.6 KEY ACTIVITIES

Key Activities are the processes inside the organization, which produce the additional value to the services. These processes increase the total offering and value of it, therefore increasing the possibilities of improved revenue. Key Activities Building Block describes the internal processes of the organization, while they can include some of the external activities in addition. Key Activities are related strongly with the Key Resources and the Value Proposition as it is the tool which brings the value offering and makes it possible to offer.

Key Activities can be categorized into areas of activities. For an example **Production**, **Problem Solving** and **Platform/Network** as described by Osterwalder et al., (2010, pp. 36-37):

**Production** activities are compared with designing, making and delivering products or services in substantial quantities and/or of premium quality. Production activities are usually the dominating activities in manufacturing firms, less dominating in the service segment businesses.

**Problem solving** then again includes activities that focus on finding solutions to individual customer problems. These activities require a high amount of knowledge management, active learning and organized background operations of the firm. The typical examples of problem solving activities focused could be hospitals and consultancy companies.

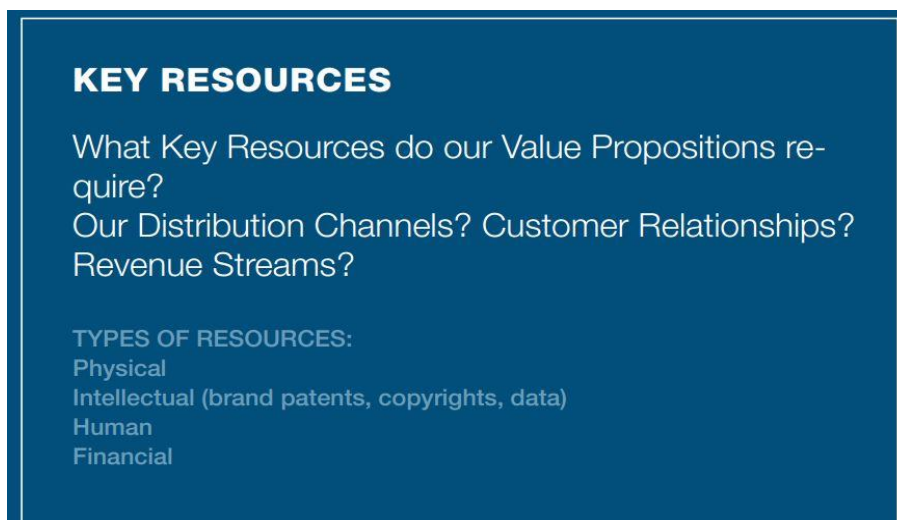
**Platform/Network** based businesses are relied to their key resources (platforms and networks). Key activities in this category mainly relate with the promotion of the business platform, management of the platform and service provisioning. Some examples of this type of businesses are: Alibaba, Online poker websites, and Blizzard Entertainment.

## 2.7 KEY RESOURCES

Key Resources are there to support and make the Key Activities possible. Human resources, financial situation, available equipment, and many other physical as well as tangible resource can be part of the organizations Key Resources. Of course as the name points out, this part is only to list the Key Resources of the organization, leaving out the resources which are not crucial for the activities to take place.

All similar businesses do not always require the same resources in order to have their business model work. Some companies are relying more on the intellectual resources (books, brands, patents, copyrights and so forth) rather than the physical resources (warehousing, logistical infrastructure, tools for heavy lifting and so forth). Even though some resources vary from company to another, it is guaranteed that there will always be human and financial resources required. Key Resources are the “most important assets required to make a business model work”. (Osterwalder et al., 2010, pp. 34-35.)

Key Resources are connected with the Key Activities and Key Partners. Key Partners might provide some of the Key Resources, which are then afterwards needed for performing the Key Activities. This way Business Model Canvas is able to connect your mindset into a systematical overview about the business model.



Picture 2: Key Resources Building Block (Arrowhead, 2014).



## 2.8 COST STRUCTURE

“Different cost-elements, these should be checked against activities and resources. Costs are classically broken down into Fixed and Variable costs and economies of scale.” (Chaffey, 2013).

Cost structures are important for the general picture of the business model, they define the profitability of the organization along with the revenue stream part. The Cost Structure can show the organization where they could possibly reduce their costs and by doing so improve their profitability.

If the Cost Structure is torn apart into segments, we can find multiple categories for the costs from creating and delivering the value, Customer Relationships, Key Activities, obtaining Key Resources and other similar costs. Some of these categories are: **Cost-driven** and **Value-driven**. The cost structures have some of the following characteristics: Fixed costs, Variable costs, Economies of scale, Economies of scope and so forth. (Osterwalder et al., 2010, pp. 40-41.)

**Cost-driven** business models target their activities to reduce all costs whenever it can possibly be done. These models tend to have high automation, outsourcing and low price value proposition. Examples of these cost-driven businesses could be toothpaste producers, massive restaurants for hospitals and the public sectors trying to minimize their costs for general management.

**Value-driven** businesses are targeting their activities towards their value proposition, ignoring some of the cost implications. These types of businesses focus on offering luxurious value proposal to their customers and by doing so their value offerings are often tailored to the customer's needs. Examples could be luxury restaurants, private hospitals and exclusive tourism companies.

Additionally, costs can be seen from the production point of view: where you separate the Indirect and Direct costs of manufacturing and add the sales and general administration costs. On top of that you add profit to receive the sales price for the final product. (Hiroyuki, 2014.)

## 2.9 REVENUE STREAM

“This is the method by which a business derives income. Common online options are: advertisement revenue, subscription fees, and sales of physical or virtual goods or affiliate based commission arrangements. Licensing and leasing are other alternatives” (Chaffey, 2013.)

Revenue Streams can be supporting partnerships or governmental financial support to the business. However, as in the definition of Revenue Stream we can observe that “The Revenue Stream Building Block represents the cast a company generates from each Customer Segment (cost must be subtracted from revenues to create earnings)” (Osterwalder et al., 2010, pp. 30-33).

Looking at the definition from Chaffey (2013) and comparing with Osterwalder, Pigneur, & Smith (2010) we can clearly see that the definitions are coming from two point of views: one more focused towards online Revenue Streams and the other more generalized to any business model. Revenue Stream connects with the Customer Segments Building Block, as it tries to find the answers to how much customers are willing to pay for their value offering. This leads the businesses to have multiple ways for generating Revenue Streams from the quite various and unique Customer Segments that they might have. Some of these ways to generate Revenue Streams could be:

Assets sale, Usage fee, Subscription fees, Lending/Renting/Leasing, Licensing, Brokerage fees and Advertising (Osterwalder et al., 2010, p 31).

All of the mentioned ways to receive revenue may have different pricing mechanisms. The pricing method may affect the revenue level dramatically. There are nearly as many pricing types as there are Revenue Streams, and they are unnecessary to be categorized for the purposes of this research.

### 3 THE NABC MODEL

The NABC model is a supportive tool for development, presentation and project management. It was created in the United States of America by the Stanford Research Institute, 'SRI'. The model has been adopted since the beginning with several other subjects, and been used to support the reasoning behind ideas. The NABC term is formed by four words, which all had their first letter taken into the term. For understanding the NABC model, it is important to understand the words that form the term itself.

**“N for Need.** N is the most important factor in the method. An idea without a practical need for it remains just what it is: a good idea and nothing more” (Christian, 2012). Need is the core purpose of the project to be funded, and is used in Turku University of Applied Sciences to describe the value proposition of the idea. This basically is equal to, Value Proposition in Business Model Canvas.

**“A for Approach.** A is usually a point of departure for most activities, but with the NABC method, A always comes after N” (Christian, 2012). Approach is the way the projects are going to perform and act. Basically this Approach is almost equal to the Key Partners, Key Activities, and Key Resources Building Blocks in Business Model Canvas.

**“B for Benefit.** B stands for the innovative elements of an idea, in other words that which constitutes its uniqueness” (Christian, 2012). Benefits are defined in project funding by the value that is generated both for the organization and the customers. This could include both Value Proposition and the Channels used to reach the Customer Segment in Business Model Canvas.

**“C for Competition.** C stands for a study of the competition existing in the area concerned. C is often mistaken for N. C, however, focuses on the reality within which a concept has to function” (Christian, 2012). Competition is something unique in the NABC model, which Business Model Canvas lack. Competition in the project funding is important although sometimes difficult to measure.

## **4 RESEARCH, DEVELOPMENT AND INNOVATION**

“Research, Development and Innovation Services at Turku University of Applied Sciences are functioning in a key position within the innovation system of Southwestern Finland, Turku University of Applied Sciences represents the top tier of multidisciplinary applied research and development in the country. Our active co-operation with working life and other higher education institutions ensures two-way exchanges of the most up-to-date knowledge and practical applications, all of which can be directly integrated into our study programmes and correspondingly employed in the business world.” (Turku University of Applied Sciences, 2014.)

### **4.1 RESEARCH, DEVELOPMENT AND INNOVATION DEPARTMENT**

Research, Development and Innovation in Turku University of Applied Sciences has been split into different areas, according to the major educational subjects that are being offered as degree programmes, located inside the different Faculties. Under these research divisions, there are at least 28 different research groups. These research groups are the key element for the Research, Development and Innovation activities taken place in Turku University of Applied Sciences. The research groups are using innovation pedagogy as their way of working, meaning that they are combining students and lecturers and experts into this pool of research resources and through the diverse range of perspectives the participants can learn from one another.

Turku University of Applied Sciences engages in diverse and extensive research, development and innovation activities. They participate in short development projects as well as major projects spanning several years, both nationally and internationally. In practice, these projects serve to develop products, services and processes – and innovations. (Turku University of Applied Sciences, 2014.)

## 4.2 RESEARCH, DEVELOPMENT AND INNOVATION ROLES

As previously mentioned, the Research, Development and Innovation activities are divided between teaching faculties. Each faculty has its own Research, Development and Innovation Manager, who is controlling the research groups inside that faculty. In addition there is a Director of Research and Development. These roles may have changed during the currently ongoing organizational changes of Turku University of Applied Sciences.

The Director of Research and Development is controlling the overall activities of the research groups. On top of that there is a Research, Development and Innovation steering group, which includes also the Vice Rector. All the faculty specific Research, Development and Innovation managers, Director of Research and Development and Vice Rector are the “Decision Making Unit” (Friesner,2014) of the Research, Development and Innovation activities.

The Decision Making Unit of Research, Development and Innovation is controlling the following activities according to Turku University of Applied Sciences:

- the supervision of Research, Development And Innovation activities
- networking
- forecasting and planning
- monitoring and developmental evaluation
- reporting to the Executive Board

(Turku University of Applied Sciences, 2014)

Above these roles there are still multiple roles, which do not directly take part in the activities however are part of many research groups and they take part in the steering group meetings. Attached to the appendix, we have the entire crew of Turku University of Applied Sciences from 2014 onwards as newly appointed. These massive crew changes are part of the re-design of Turku University of Applied Sciences as an organization due to the Polytechnic reform 2011-2014 (Ministry of Education and Culture, 2014).

### 4.3 RESEARCH, DEVELOPMENT AND INNOVATION STATISTICS 2013

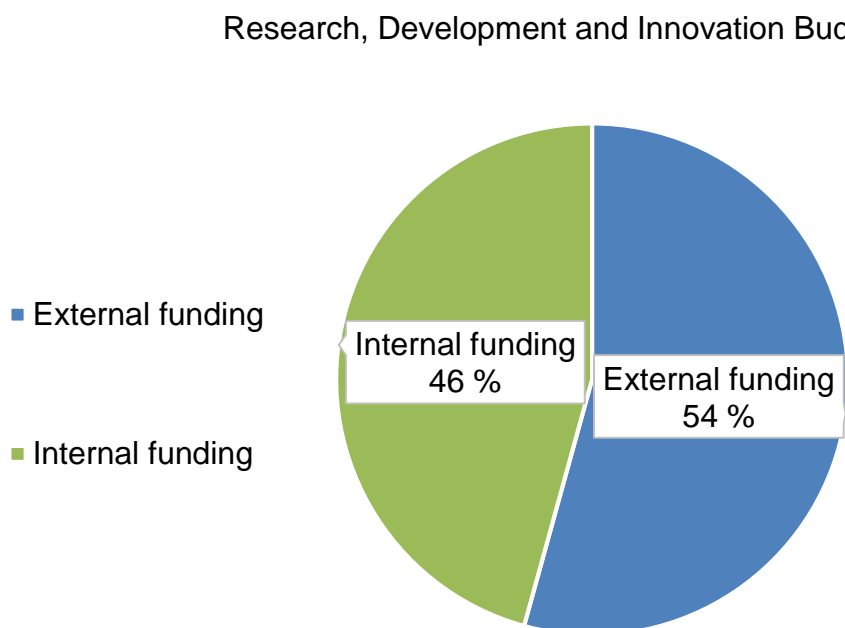


Figure 2: Research, Development and Innovation Budget for 2013 split (Turku University of Applied Sciences, 2014).

The budget statistic shows the split between internal and external funding for the Research, Development and Innovation projects in Turku University of Applied Sciences for the year 2013. It is statistically good that the external funding is larger than the internal funding amount. This means that the projects are more funded externally by other organizations and partners than internally. Previously in 2012 this statistic was 50% for both internal and external funding. (Turku University of Applied Sciences, 2012.)

Looking at the Research, Development and Innovation Projects in Turku University of Applied Sciences during 2003-2013 Figure 3, we can easily observe that the number of newly found projects is increasing during the year 2013. These statistics are not yet available for 2014. However there is 'definitely increase in the project amounts' (Interviews, 2014).

In 2012, there were 240 ongoing projects and 100 newly founded projects. This shows clear growth in the past two years for Research, Development and Innovation project activities. (Turku University of Applied Sciences, 2012.)

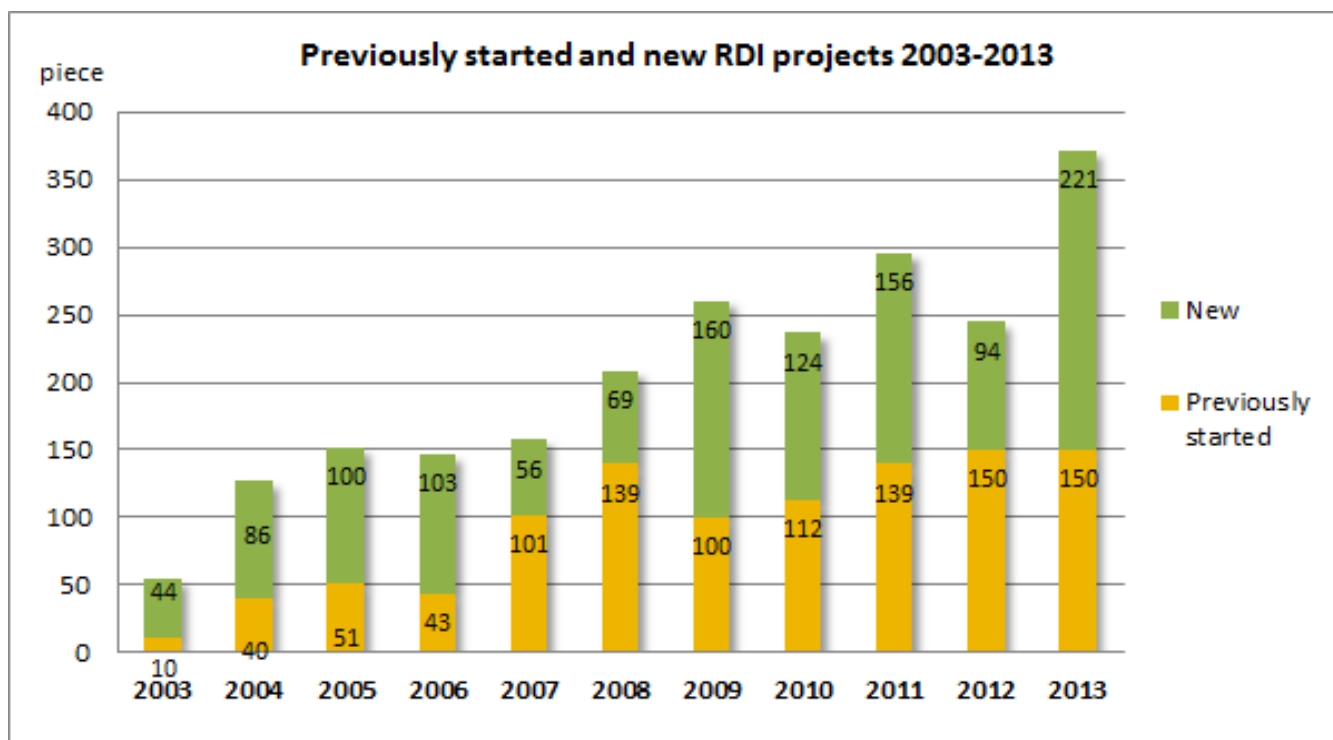


Figure 3: Research, Development and Innovation Projects 2003-2013 (Turku University of Applied Sciences, 2014).

#### 4.4 EXAMPLE RESEARCH, DEVELOPMENT AND INNOVATION PROJECTS

For a better view over Turku University of Applied Sciences Research, Development and Innovation projects it is helpful to have a couple of examples. These examples have been bigger co-operational projects with diverse groups of partners and customers.

- “IB-HUB” project is meant to offer internationalization services for small and medium sized companies in South-West Finland. The project has been running since 2013 and it involves students, lecturers and experts in its activities. The goal is to create a great “project factory” to which any local company can come and approach the IB-HUB staff and get some help to their internationalization problems. IB-HUB is offering normal project based solutions for also other than internationalization issues and organizing seminars such as Internationalization Seminar and Open Innovation Seminar annually. The project has so far obtained great interest in public organizations and companies by acquiring partners and customers in the local area.

- “WISE (White Space Test Environment for Broadcast Frequencies) project develops methods for the efficient use of frequencies. In addition to a test environment, the project has developed software tools for the testing and development of future wireless technologies by carrying out RF measurements to identify potential disturbances, for example. The test environment consists of the Turku digital television test network, the radio laboratory at Turku University of Applied Sciences and a geolocation database. The project has an extensive cooperation network of 15 companies and organizations, including universities and the Finnish Communications Regulatory Authority”. (Turku University of Applied Sciences, 2014.)

#### 4.5 PROJECT JOURNEY THROUGH BIL FACULTY IN TURKU UNIVERSITY OF APPLIED SCIENCES

For a new project to begin the journey towards Turku University of Applied Sciences Research, Development and Innovation internal funding processes, it has to go through the Figure 4. The idea comes up on a student or a staff member and then it needs to be sketched (**1**, Figure 4). (Interviews, 2014.)

Based on the observations, there is already an existing sketch paper for new ideas to guide the new project. This sketch paper currently includes the NABC model to support the thinking process. However, there are some projects that have difficult times to fill up the NABC model, and it does not bring the best part into the view from the project.

After the project planning phase is over, the idea is presented in the research group (**2**). After presentation it might be improved inside the research group, sparring group or with the Project Coordinator. The project might bounce back and forth these parties while being shaped into a good form (**3, 4**). (Interviews, 2014.)

Once the project plan is finalized and it is ready for the internal funding, then it will be sent onward to the Research, Development and Innovation steering group.



Sending the project proposal to the Research, Development and Innovation steering group works through “Projektori” the internal project database of Turku University of Applied Sciences (5). (Interviews, 2014.)

During a steering group session the project will be introduced to the group and then decided whether it shall pass to the Principle or not. If the steering group approves it, then it will be sent to the Principle who will sign the project internal fund request (6). After the funds have been permitted, the news will be spread among all the parties involved with the project since it had been planned (7). Now the project may begin to use the resources given. (Interviews, 2014.)

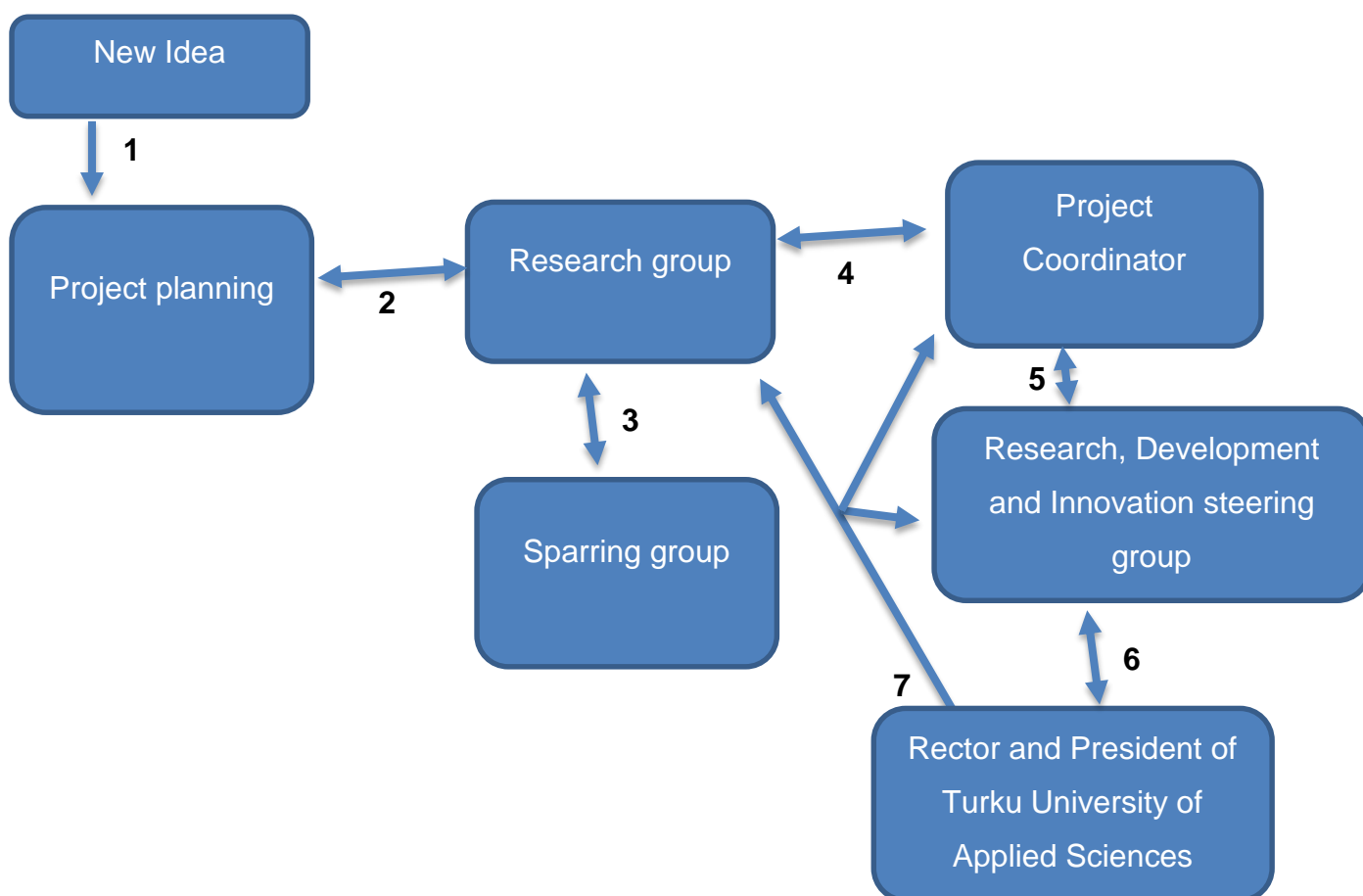


Figure 4: A new journey for the new idea through BIL faculty in Turku University of Applied Sciences (Interviews, 2014).

## 5 RESEARCH METHODOLOGY

This research has greatly been following the guidelines of “Rafting through the thesis process” (Kananen, 2011, pp. 36-69) a step by step guide from JAMK.

Plan for the data collection is mainly qualitative. There are different types of materials that this research will obtain, observational materials from one Research, Development and Innovation group during 2014 and specified documents about different projects from BIL faculty in Turku University of Applied Sciences. After the basic gathering has been completed the focused interview part will begin. The face to face focused interviews are done in order to collect the ‘tacit’ knowledge about the research subject and to make it more ‘explicit’ through the documentation of the interviews (K.G.Saur & Hobohm, 2004, p. 41).

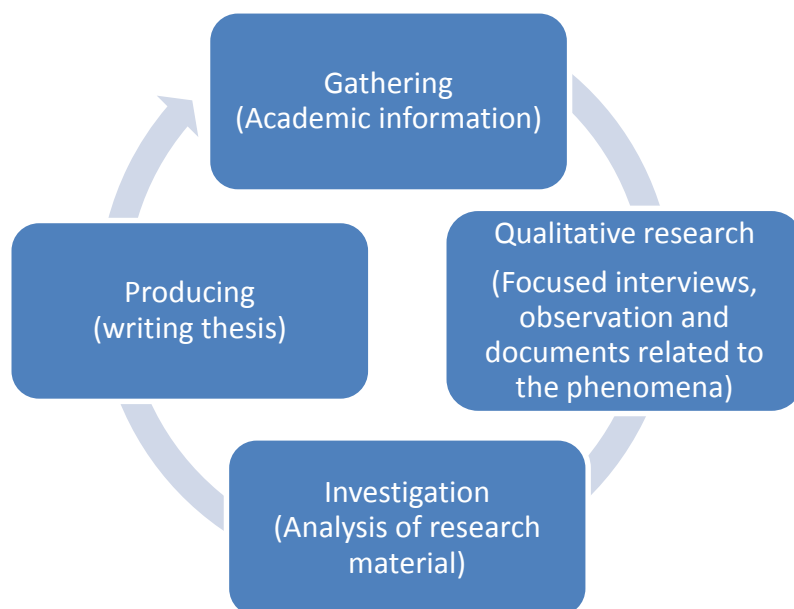


Figure 5: Thesis creation process.

### 5.1 QUALITATIVE RESEARCH

This research is a qualitative research, therefore flexible and without a clear process of measuring the theory with the case. For this reason, the research process is a loop of gathering, qualitative research, investigation and producing. These phases repeat each other for as long as the research is in lack of information, answers and has not reached the research goal entirely. As a qualitative research, the way the research is presented will be first going through the theory, after which the empirical section is brought up to the observation of the reader. This way the theory being applied is clear and easy to connect with the case situation of this research.

### 5.1.1 PRACTICAL TEST: CASE IB-HUB

In this research, we go through Business Model Canvas with one case project. This case project has been chosen as the example due to the existing and available information of the project. The purpose of using the example of IB-HUB is to help promote the project as one of the internal Research, Development and Innovation projects of Turku University of Applied Sciences. As the IB-HUB project is still active, it is important to look at Business Model Canvas for IB-HUB to help the project with future internal funding applications and to have a general understanding of what IB-HUB is all about. IB-HUB was chosen to be part of the research as the researcher had been observing the proceeding of the project since the beginning of it. This made it easier to build a bridge between theory and practice, and apply Business Model Canvas on IB-HUB.

### 5.1.2 SELECTION OF INTERVIEWEES

For this thesis research there were approximately a handful of possible interviewees. The method for choosing the interviewees was simple. The interviewees were chosen from the Research, Development and Innovation group in which this thesis research has been supported. The group supported the research by allowing observation of the group meetings. From this Research, Development and Innovation group, it was most useful to choose the Manager and Project Coordinator for the interviews.

The selection of interviewees was based on the observation of the Innovative business and entrepreneurship Research, Development and Innovation group's activities during 2014. This observation was very beneficial for the selection process as it had given information about possible interviewees and clarified their status in Turku University of Applied Sciences organization to the interviewer. In addition it would had been probably good to interview a project member from the IB-HUB case, nevertheless it was decided to be left out of this research as the researcher has been closely working with the IB-HUB project in the past and has a good amount of knowledge and information about IB-HUB.

### 5.1.3 FOCUSED INTERVIEW

“In a focused interview, the aim is to approach the phenomena from different angles in order to understand it thoroughly” (Kananen, 2011, p. 54). The answer that focused interview is proclaiming to reveal is like the core of an onion. It slowly peels off one layer until it reaches the core answer to the research problem. This is why the focused interview questions tend to have a follow-up question, as the answer to the previous question might have revealed a new layer of the onion. This way the follow up question will dig deeper and create a sequel of answers towards the core answer. This is the process of switching from general answers about the phenomena into more specific and detailed ones. This interview theory was used during the interviews for this research.

Next it will be good to go through some of the ‘open-ended’ and ‘close-ended’ question types that are commonly used in the focused interviews and presented by Kananen (2011, pp. 54-56).

**Dichotomous questions** are very general and usually the answer is short. The questions can be the starting questions for a much larger set of questions following after a simple answer. In this research, the dichotomous questions were used to screen the answer and to allow the interviewer to follow up the dichotomous question with a non-dichotomous question to get more depth to the answer. As an example question for this research: “Are you familiar with the Business Model Canvas theory?”

**Non-dichotomous questions** are the opposite of dichotomous questions, which try to specify the phenomenon and find the core answer. These are commonly used during the interview after the dichotomous questions to bring up the topic again from another angle and to get a better idea about the phenomenon. As an example question for this research: “Have you ever used Business Model Canvas in projects?” (To be asked after the Dichotomous question example).

**Leading questions** are usually used in order to lead the topic of the interview into the next theme of the whole phenomenon. They are typically quite manipulative, giving an influence to the interviewee and guiding the answer in one direction.

This is very favorable method in interviews if the interviewer already has an idea of the phenomenon and wants to dig deeper into the core problem and fast. They can nonetheless jeopardize the reliability of the interview work if used too much and in wrong way (Kananen, 2011, p. 56).

As an example of leading questions in this research we can use a question from the last thematic part about Business Model Canvas: "Should Business Model Canvas be a part of the executive summary or just as an appendix file?" In this example question the thinking is directed towards the project plan description file, leaving out other possibilities from the thinking process.

## 5.2 DOCUMENTATION OF THE INTERVIEW

Documentation of the interviewees were done by recording the interviews with Apple's iPhone 5s device. The recordings were then later on saved on computer device for transcription phase.

Recording allowed the interviewer in this research to focus on the interviewee more specifically and bring out their ideas on a paper separately from the recording. Recording is a good method for documenting the interviews, as it allows the researcher to go back to the authentic situation and repeat it as many times as necessary (Kananen, 2011, p. 56).

The risk of recording the interview always exists, if the recording system meets a failure or for some reason does not clearly record the interview. This risk opposed a very great threat to the research as the interviews were done in an open environment with random people around instead of a closed area with only the interviewer and interviewee. For avoiding this risk, the interviewer made notes during the interview on the question papers in this research.

### 5.2.1 LEVELS OF TRANSCRIPTIONS

“Transcription refers to converting various kinds of recordings into a document which can be managed manually or electronically with various kinds of analysis methods” (Kananen, 2011, p. 57).

Usually focused interviews are to be transcribed as accurately as possible. This includes gestures, actions, hand moves and other situational remarkable events of the focused interview that may occur. When the focused interview is recorded, it limits out the body language of the interview situation and therefore it is hard to be transcribed into the summary of the interview. Therefore it is important to make a clear cut decision about what is necessary and make a transcription for the good parts.

There are several levels and techniques for doing a transcription. Most usually interviewers use word for word, standard language or propositional techniques. Word for word is the most precise and accurate, however it is at the same time only rarely needed. Standard language is taking everything into proper literature from slang and dialectical expressions. Propositional technique is more about transcribing the key messages or observations only. (Kananen, 2011, p. 57.)

### 5.2.2 PROJECTED TECHNIQUE IN THE INTERVIEW

Projected methods utilize pictures, tables and other forms of visual material. Using the projected method in an interview requires the researcher to have a good understanding about the phenomenon already and the ability to connect the used material into the research. This method was used in this particular research during the interviews. The interviewees received a picture of the Business Model Canvas theory and based on the picture the last thematic questions were asked. The projected method allowed the interviewees to focus on the theory at hand and imagine the theory being used in the internal funding processes of Turku University of Applied Sciences. This way the answers to the last interview questions were more realistic and reliable as the interviewee was able to connect the theory with the focused process. (Kananen, 2011, p. 64.)

## 6 THE INTERNAL FUNDING CASE: IB-HUB

This chapter is meant for the presentation of the project case: IB-HUB. In addition, the chapter will present the applied Business Model Canvas theory on IB-HUB. The applied version of the theory on IB-HUB case was also presented during the interviews and it has received positive feedback during the interviews. IB-HUB has already applied for the internal Research, Development and Innovation funding before this theory was applied to the project planning.

### 6.1 INTRODUCTION OF IB-HUB

“IB-HUB is an international, multilingual team of business students and experts – faculty and staff – at Turku University of Applied Sciences” (IB-HUB, 2014). IB-HUB’s main mission is to “...enhance your business results and to develop our students’ competences with real world projects.” (IB-HUB, 2014).

IB-HUB is aiming to provide help for the SMEs in South-West Finland for growth and expanding their businesses to a multinational level. IB-HUB is formed by a group of Turku University of Applied Sciences lecturers and experts who aid students with their company cases.

These cases are often projects, which the company has requested to be done in co-operation with the students of IB-HUB. As a project, IB-HUB started with different project name and a rough idea of project factory. This project factory was to be run by students and coached by the lecturers as a part of the degree activities. From this the idea grew into internationalization themed project factory, which later on was named as IB-HUB.

The first activities, which IB-HUB was establishing, was the organizational structure, website for IB-HUB and Internationalization seminar 2013. These mentioned activities took mostly place in 2013 and since that they have been the building ground for the IB-HUB organization.

Later in 2013, IB-HUB took over another seminar “Open Innovation Seminar 2014”, which had already been run independently by students and teachers in the previous years. This gave IB-HUB a trademark of these two main events per year, with a growing number of actual company cases for students to tackle upon.

This project was later in 2014 presented in the Innovative Business and Entrepreneurship Research, Development and Innovation group as a project for applying EU funding and internal funding. Currently, IB-HUB has a manager to lead the development of this project. As the current IB-HUB Manager, Nicolas Le Grand promises to develop learning and business opportunities for Turku University of Applied Sciences students and IB-HUB clients, by co-operating together. (IB-HUB, 2014, p. 2.)

## 6.2 IB-HUB CASE TESTED ON BUSINESS MODEL CANVAS

As a project with actual need for a business model, the Business Model Canvas theory supports IB-HUB excellently. Here we can reflect on the previous pages about the Business Model Canvas theory and go through the different parts of IB-HUB’s Business Model Canvas.

As the project is capable of defining all the different Building Blocks and filling them according to the block requirements, we can have a good overview of this IB-HUB project. It is clear, offers extensive support to comparing the project strengths with its weaknesses and a layout that can be analysed from many perspectives. One of these perspectives is the Channels, through which the Value Proposition is delivered to the Customer Segment and how the Customer Relationship is affected by this Channels activity. It is quite usual that projects do not go through this type of perspectives when trying to plan their idea. (Interviews, 2014.)

This application of Business Model Canvas together with the IB-HUB case proves the suitability of Business Model Canvas in project planning phase. This means that Business Model Canvas is also applicable in other BIL faculty Research, Development and Innovation projects in Turku University of Applied Sciences.



## 6.3 BUSINESS MODEL CANVAS OF IB-HUB

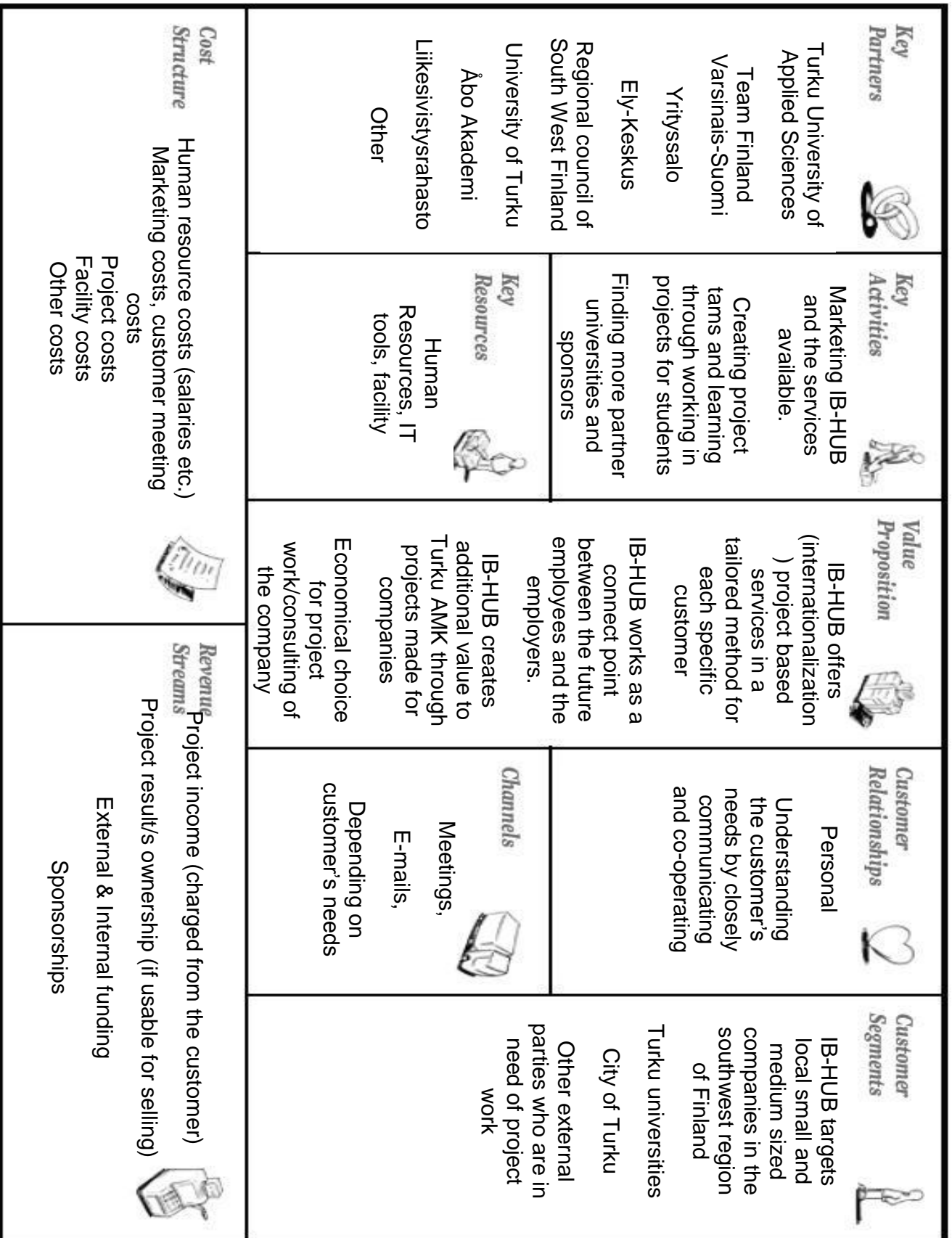


Figure 6: IB-HUB Project Plan (v05, 2013) applied with Business model Canvas (Foundry, 2014).

## 7 INTERVIEW SUMMARY

For the research there were two person interviewed from BIL faculty in Turku University of Applied Sciences. The interviews were done both with the same set of questions from which the interviewer continued with another set of questions unique to both interviewees. The purpose was to see the BIL faculty from different points of views in order to:

1. empower the results with academic reliability
2. to find differences from the interviews, which could be compared.

The interviews were performed in Finnish as both of the interviewees preferred their national language and they have been used to create the interview summary.

### 7.1 INTRODUCTION OF THE INTERVIEWEES

This introduction part is to present the interviewees that have taken effort into this research by being interviewed. This is only a short introduction to their professional life and what is the effect they are able to bring into the research.

#### **Jaana Kallio-Gerlander,**

Head of Business and Research.

Reason for choosing Jaana to be part of the research was natural, as she is the Head of Business and Research and a member of the steering group. Her knowledge about how the internal funding processes are done is clear and reliable. She is able to make changes, propose new tools for the internal funding process and compare this research with her everyday work. Therefore her interview provides valuable point of view to the current situation on how Research, Development and Innovation works in general at Turku University of Applied Sciences.

**Tiina Suni,**

Project Manager and Coordinator of the Faculty of Business, ICT and Life sciences.

Reason for selecting Tiina to be the other interviewee was based on her working position. She works closely with multiple projects from BIL faculty, participates in two research groups, observes and goes through a lot of Research, Development and Innovation projects for the internal funding. Tiina is in a position to suggest and implement part of this research in her daily working life. Tiina works closely with Jaana, providing a good chance to compare and measure the opinions and information by both interviewees.

There were three main sections for the interview, which were categorized by different themes. These themes were: project funding in Turku University of Applied Sciences, internal project funding processes inside BIL faculty in Turku University of Applied Sciences and Business Model Canvas applied to internal project funding processes and compared with the NABC model.

## 7.2 PROJECT FUNDING IN TURKU UNIVERSITY OF APPLIED SCIENCES

Research, Development and Innovation project funding has grown much in the past ten years of working inside Turku University of Applied Sciences. In the previous years, projects have been more personally attached and having personal interests as the motives for suggesting a new project idea. Nowadays, the projects are planned in the Turku University of Applied Sciences strategy and therefore they have a great impact on the general management and organizational activities.

Projects have grown in size, resource usage as well as the amount of external partners involved. Projects took a new form during the past few years, becoming more applied and supportive based towards the society and the economy.

In the past it was more important to research some very detailed and narrowed down scope projects. Nowadays it is important to find a wide understanding and application of the research project in the general picture.

Research projects are a part of the Turku University of Applied Sciences strategy as to serve the local companies and assist them with their problems by offering solutions that benefit both parties. The impact of research projects has started to affect much wider audience inside Turku University of Applied Sciences than what it had back at the start of 2000 century. It even means that some of the employees are mainly employed due to project activities in Turku University of Applied Sciences.

The observations reveal that some of the growing needs of project based Research, Development and Innovation activities inside Turku University of Applied Sciences have come directly from the need for finding funding for the activities performed inside the organization. This effect comes from the Polytechnic reform 2011-2014 (Ministry of Education and Culture, 2014).

The public support for base activities has been reduced during the past few years, giving a reason for seeking the external funding through Research, Development and Innovation projects. This works both in good and bad, encouraging the organization to reach out from within, while giving much harder time to fulfill the given requirements due to the lack of public support.

#### 7.2.1 INTERNAL PROJECT FUNDING PROCESSES INSIDE BIL FACULTY IN TURKU UNIVERSITY OF APPLIED SCIENCES

Project process inside Turku University of Applied Sciences is actually dividing opinions. The journey of a new project is presented in Figure 4, p. 24. Looking closer at the idea planning phase where the raw idea is taken to Research, Development and Innovation group is crucial. According to the interviews made for the research, every 3<sup>rd</sup> or 4<sup>th</sup> project idea is far from being usable.

According to the observation, this effect creates a massive amount of working hours that could be spent better. These ideas that are not very well thought through before sending onwards to the Research, Development and Innovation group are seen nearly weekly in Turku University of Applied Sciences.

Observation reveals that the reason for this phenomenon could be the lack of instructions and knowledge among Turku University of Applied Sciences staff members such as: How Research, Development and Innovation works and what are the processes for a new idea to go through before it can apply for funding.

There are additional reasons to this, as the fact that the project might be too narrow or lacking the meta level thought. Some ideas for projects are similar although they do not meet inside Turku University of Applied Sciences organization as things are divided into faculties. As there is no coordination between faculties and Research, Development and Innovation groups that would try to bring these similar project ideas together. These reasons are only one piece of the whole picture. Part of the phenomenon could be the size of Turku University of Applied Sciences organization. According to the observation, as the Research, Development and Innovation activities grew during the years into larger quantities, the control and coordination of these activities suffered.

In addition the activity of the staff members in Research, Development and Innovation has started to divide into two groups. There are active staff members, and there are those who are less knowledgeable about the whole Research, Development and Innovation. Therefore it is highly important to keep mentioning Research, Development and Innovation in several places and try to reach the information about activities to every corner of Turku University of Applied Sciences.

From around 40 to 50 projects that are ideas and planned somewhat further, only 10-15 projects actually end up receiving funding and to start up the project. This is of course only the case in BIL faculty. There are hundreds of projects and ideas coming and going to the work desk of Head of Business and Research annually.

## 7.2.2 BUSINESS MODEL CANVAS APPLIED WITH PROJECT PLAN AND COMPARED WITH THE NABC MODEL

Visibility of the project for both presenting it in the Research, Development and Innovation steering group, as well as planning the raw idea into a project form could be eased by using Business Model Canvas presented in the earlier chapters of this research. Business Model Canvas is allowing the project to keep the 'big picture' of the project itself, while focusing on a specific subject to the project. Business Model Canvas clarifies the project idea and makes it easily understandable. Both interviewees agreed that adopting Business Model Canvas into project planning in the Research, Development and Innovation as an extra tool for managing and comparing projects is a good idea.

The clarity of Business Model Canvas is beneficial for comparing the projects with each other as proved by the case of IB-HUB. Interviewees were interested to observe the IB-HUB case from Business Model Canvas as it was visual and impressive. The visuality of Business Model Canvas is definitely having a strong benefit when it comes to applying it to the project planning as an additional tool.

Comparing Business Model Canvas together with the currently used NABC model, there were similar opinions around the comparison. They are two different theories with different way of looking at the content. The other was developed as a business model while the other was created as a systematic method for approaching the value proposition. Similarities from these two theories can be found in trying to bring the value proposition out from the mass of information and to bind relevant information around the target of observation in a business minded point of view. Differences are mainly in the way of presenting the value proposition and some additional components, such as: the NABC model's 'C', the Channels, Revenue Stream and Cost Structure from Business Model Canvas.

The general opinion of the interviewees was to keep both theories available for the Research, Development and Innovation projects. Then it could be the choice of the project manager to take either one of the theories into use and apply it in the internal project idea planning stage.

## 8 CONCLUSION OF THE FINDINGS

The research results clearly show the need for improvements in the internal funding processes of Research, Development and Innovation inside BIL faculty in Turku University of Applied Sciences. There are many improvements to be done, while as one of the project planning based improvements, it is noted that Business Model Canvas definitely works as a tool to reflect the project idea upon. The research clarified the theory of Business Model Canvas, as well as implemented it into internal project funding processes. Applying the theory into internal project funding processes (Figure 6, p 33.) was proven to be effective way to look at the project from a more business point of view and gain advantage through the visuality for the project.

### 8.1 DISCUSSION OF THE FINDINGS

According to findings from applying the Business Model Canvas theory in a project and the interviews (2014) done for this research, it is highly possible to adopt the Business Model Canvas theory as an additional tool for internal project funding processes and use it as a part of the Research, Development and Innovation activities. Business Model Canvas should not remove the current theories and processes from being used yet, but it may give a choice in the internal funding processes. No matter which of the implementation method used, the Business Model Canvas could be added as an additional tool for being used in Research, Development and Innovation projects. Other improvements that were not attached to the research objectives were found in addition to the main topic.

Some of these improvements based on the observation and the interviews (2014), would be to reduce the time it takes to have the internal funding application signed by the rector after it has been approved in the Research, Development and Innovation steering group's session. Other improvements could be to spread the knowledge about Research, Development and Innovation activities to all the employees. The employees are mainly divided into two, Research, Development and Innovation activists and those who are totally

unfamiliar with Turku University of Applied Sciences Research, Development and Innovation activities. Therefore it would be highly recommended to have further research about the different faculties and their understanding of the Research, Development and Innovation task inside the organization.

## 8.2 SUGGESTION/S BASED ON THE FINDINGS

Many new suggestions came up during the process of the research. These suggestions are both easily adopted and simple to understand from the employee's perspective. The time taken to adopt some of these suggestions may be hindered by the large size of Turku University of Applied Sciences. Therefore it could be first implemented in the BIL faculty. These suggestions are based on the interviews of the Research, Development and Innovation in Turku University of Applied Sciences.

As the Business Model Canvas theory is not yet widely used to improve funding processes, it would be good to have a test-drive phase for implementing it into the Research, Development and Innovation project planning. Suggestions for where Business Model Canvas should be placed in the project planning were different. One suggestion was for Business Model Canvas to be adopted in the very early and late phases of internal funding, while the other suggestion was to adopt it more when starting to apply for external funding.

All in all, projects could apply Business Model Canvas as an additional tool during any phase of the project planning. It is suggested that there could be a free choice between Business Model Canvas and the NABC models. This is because some projects are not easily described with NABC, while some projects are not easily described with Business Model Canvas. This could create a better ground for comparing projects and understanding the core idea in the project.



The suggestions based on the researcher's observations are to implement Business Model Canvas in the very beginning of a new idea molding, so that the group manager could use Business Model Canvas later in the internal funding process to explain about the project to the steering group. Another suggestion is to implement Business Model Canvas as a tool, which the project can choose for presenting the idea in their project plan.

It would be suggested to allow a choice of method to be used when introducing a new idea to the Research, Development and Innovation group, not forcing new projects to follow one single type of molding theory. In other words, choosing between NABC and Business Model Canvas should be allowed, or using them both. This choice would be up to the project manager when planning the project plan. Further research is suggested to be done upon the Business Model Canvas and internal funding processes. It could be beneficial to run test-drive for the new tool before implementation. In full understanding about the theory, Business Model Canvas could improve and hasten the internal funding processes and make it easier for the steering group to see the idea of the project in a larger picture.

As the project planning and process from Research, Development and Innovation group to receiving the funding is taking quite long or the communication is not visible enough, there is much to be improved. The process could be speeded up by having more Research, Development and Innovation steering meetings and taking more time to go through the individual project contents. This could improve the final results for the resource usage in comparison to the benefits from funding a project.

Additional research is suggested to be conducted to find out about the Research, Development and Innovation situation in the whole Turku University of Applied Sciences. It would be beneficial to find the best processes and activities performed by all of these different faculties and how they could be brought together to maximize the performance of the internal funding processes at Turku University of Applied Sciences.

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## **Appendix 1. Interview for the Research, Development and Innovation in Turku University of Applied Sciences**

### **Interview Vol1.**

Present the idea of why we are having the interview and what is the topic

We are here to discuss about internal funding processes of Turku University of applied sciences. We are discussing the possible synergies of Business Model Canvas with the project plan and IB-HUB case project. This interview is part of a thesis research work carried out by a BBA student of Turku University of applied sciences.

#### **The interviewer:**

Tom Sivén, BBA student of Turku University of Applied Sciences

#### **The interviewees:**

Jaana Kallio-Gerlander, Head of Business and Research

Tiina Suni, Project Manager & Project Coordinator

#### **Questions:**

##### **General questions:**

- How have the projects made by Turku University of Applied Sciences changed in the past years, have they become more international or national based?
  - Have the project size grown by for example amount of Human Resources used, other resource needs?
  - How many projects have you applied funding for in the past three years?  
/How many projects have you received as funding applications in the past three years?
- |       |        |       |
|-------|--------|-------|
|       | >10    | 11-25 |
| 25-50 | 50-100 | <100  |

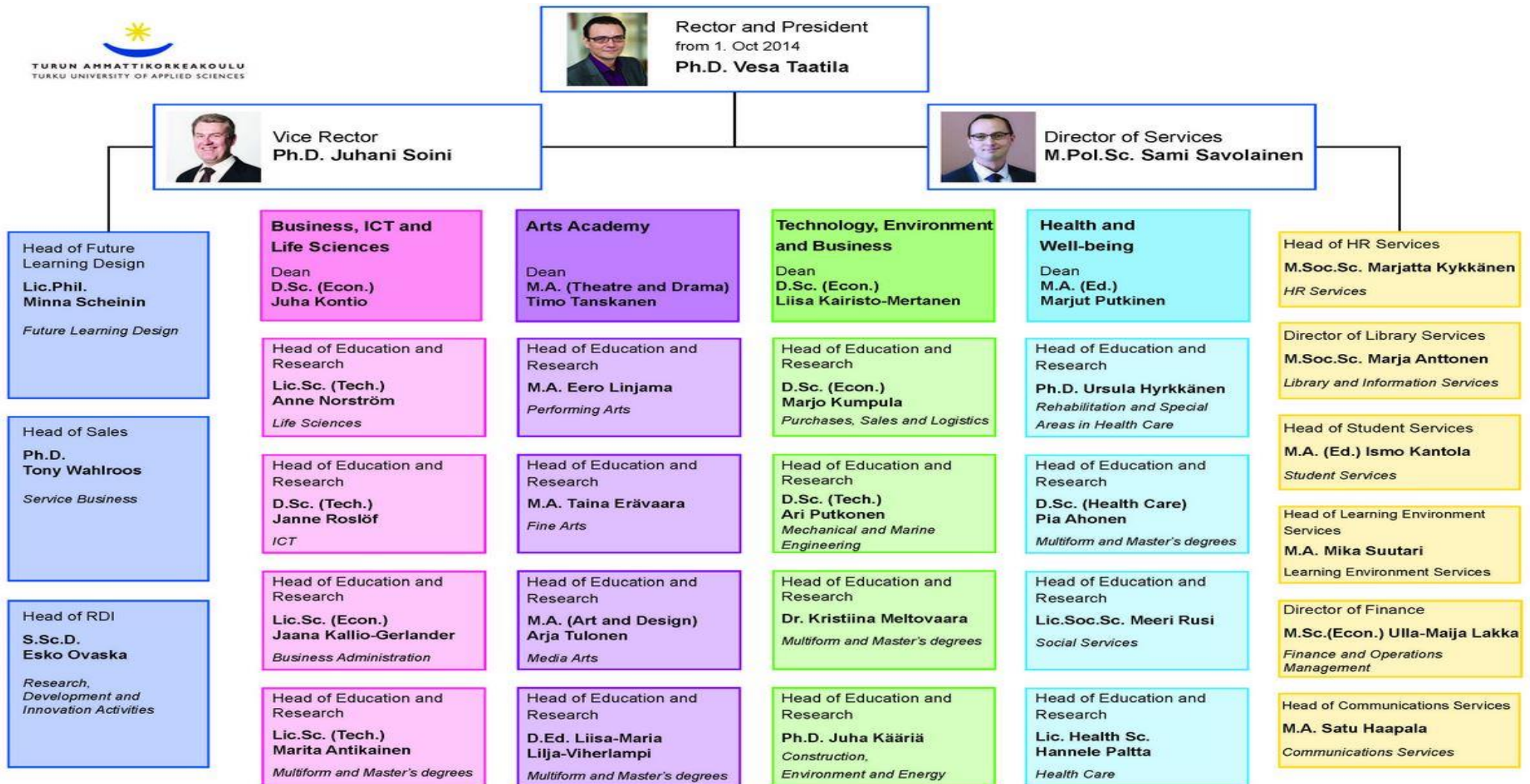
- Has the amount of newly found projects increased during the past five years or decreased in your opinion? Any reasons why the phenomenon?
- How was the projects funded before the changes in Turku University of Applied Sciences organization?
- How the projects are/will be funded in the current situation/future of Turku University of Applied Sciences?
- How does the internal project funding process work inside Turku University of Applied Sciences currently?
- What kind of projects draw more interest for receiving funding?
  - Why does XXX kind of projects draw more interest?
- How often do you meet a project idea that is not completely thought through before receiving it?
  - How would you improve the situation?
- Do you feel that the current internal funding system is working as it should, or does it require improvements?
  - What type of improvements?
- Have you found the internal funding process of Turku University of Applied Sciences to be (you can choose multiple answers)
  - a) Too complex
  - b) Great!!
  - c) Difficult to use and apply
- Are you familiar with the Business Model Canvas theory created by Alexander Osterwalder?
  - Have you ever used Business Model Canvas in projects?

### **Case related questions:**

Case topic is about the internal funding process of the: IB-HUB. *Present the IB-HUB project plan v.05 without Business Model Canvas. Then introduce the edited version of the same project plan and ask differences.*

- How could the project improve the internal funding method used?
- Does the edited version stand out because of Business Model Canvas as a part of the executive summary?
- Should Business Model Canvas be a part of the executive summary or just as an appendix file?
- How does this example project plan with Business Model Canvas support the internal funding process for a project?
- Do you find any benefit for having the Business Model Canvas theory attached to the project plan?
- Would you be able to apply Business Model Canvas and use it for a project in the future?

## Appendix 2. The crew of Turku University of Applied Sciences



The Heads of Education and Research will start in their new posts on 1 January 2015. The new Heads in the faculty of Development and Administration will start in their posts on 1 October 2014.

The new management crew of Turku University of Applied Sciences (Turku University of Applied Sciences, 2014).