

# Business Model Renewal and Raw Materials Management in the Process Industry

## A project in Research for Innovation

– the overarching strategic research programme of Halmstad University, supported by The Knowledge Foundation

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### Partners:

Höganäs AB, IntierraRMG AB

### Background and Motivation

The project targets the business model challenges facing process industries in the wake of recent developments within the mineral and metals industries, and the broader socio-political environment in which this industry is situated. A key assumption of the project is that the ability to base business models on effective management of raw materials is a key prerequisite to sustained competitiveness for firms within process industries.

### Research Problem and Approach

The overall aim of the project is to investigate resource dependence concerns related to raw material management in the design and renewal of business models. Given the context of process industry and how value is created within such industries, process companies can reap great advantages by developing an effective raw materials management approach. At present, however, extant research does not allow for qualified advice to be given to companies about how to do this.

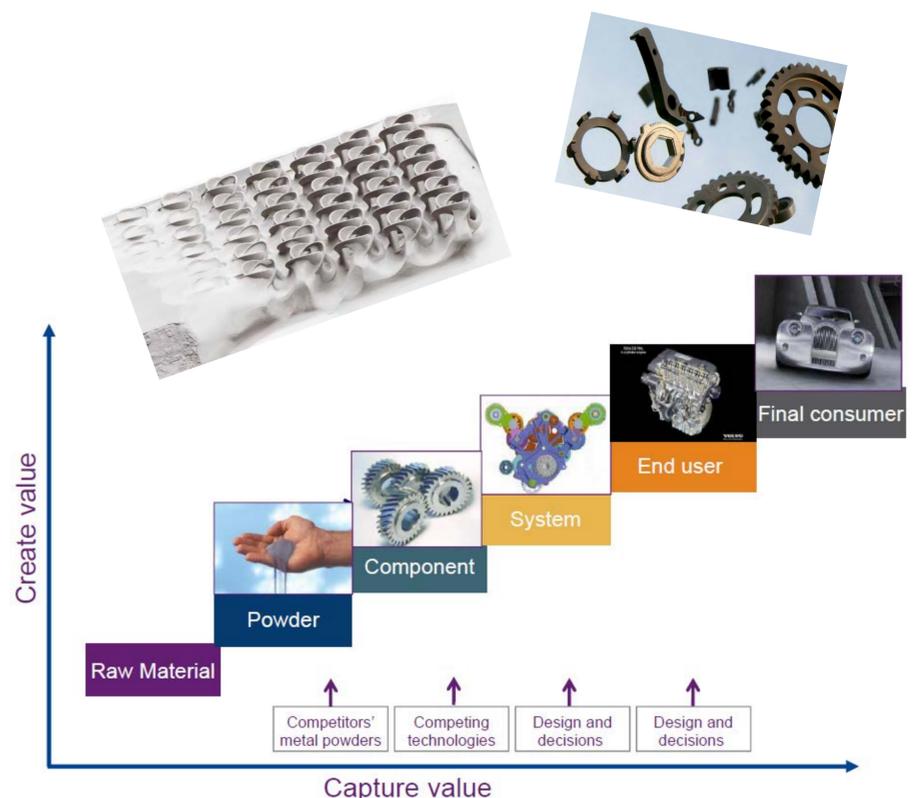
The project is designed as a cooperative endeavor among Höganäs AB, RMG and HH. The project is divided into three interrelated and to some extent parallel phases. The first phase was an *explorative phase* in which initial preparation and research was made that guided the later empirical investigations. The second phase was an *execution phase* in which the main bulk of the empirical research was conducted. The third phase is an *extension phase* in which the results from the empirical research will be implemented at Höganäs AB and RMG, and findings from the project will be generalized beyond the case of Höganäs.

### Goals

From a practical point of view, the aim is to improve the participating companies' abilities to resolve business model challenges, directly (Höganäs) and indirectly (RMG). Theoretical, the aim is to develop a more theoretically elaborated approach to business model innovation that can provide a better understanding of how to best create, organize and implement viable and profitable business models in a way that take into account the resource dependencies of the firm.

### Results so Far

1. A framework for "Raw Materials Management".
2. An investigation of the relationship between supply strategy and the business model of the firm →
3. Guidelines for "A long term perspective on supply strategy".
4. A longitudinal study of 200 years of business model innovation.



### Publications (selected):

- Florén, H., Frishammar, J., Lee, C., Ericsson, M. & Gustafsson, S. (2013), A framework for raw materials management in process industries, paper presented at *R&D Management Conference*, Manchester, UK, June 26-28.
- Florén, H. & Lee, C. (2013), The business model and supply strategy: What is the connection between them?, paper presented at the *20th EurOMA Conference*, Dublin, Ireland, June 7-12.
- Florén, H., Gabrielsson, J. & Lee, C. (2013), Survival through Business Model Innovation – An Historical Case Study, paper presented at *6th ISPIM Innovation Symposium*, Melbourne, Australia, December 8-11.
- Lee, C., Altmann, P. & Florén, H. (2013), The interplay between customer needs and supplier input in business model innovation, paper presented at *6th EurOMA Workshop on Writing & Journal Publishing for Non-Native English-Speaking Researchers in Operations Management*, Barcelona, Spain, November 7-8.
- Alessandro Agostini (2014), *Adapting the business model: How firms should deal with different types of changes*, unpublished student report, Högskolan i Halmstad, Sweden.
- Anton Löf & Magnus Ericsson (2014), *Mapping out the trends in the mining industry, past, present & future*, unpublished working paper, IntierraRMG, Solna, Stockholm.
- Florén, H., Gabrielsson, J. & Lee, C. (2014), Survival through business model innovation: A historical case study using sequence analysis, paper submitted to the *14th Annual European Academy of Management Conference*, June 4-7, València, Spain.
- Altmann, P. & Lee, C. (2014), Cognition, resources and capabilities: Developing a model by assessing two centuries of change, accepted for publication at *9th Colloquium on Organizational Change & Development*, Essen, Germany, September 12-13.
- Lee, C. (2014), Becoming a different type of company: how resources and capabilities shape business model innovation at Alpha, working paper, Högskolan i Halmstad, Sweden.

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