



Business modeling for community centers

The growing need for a self-sufficient business model

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MSc in Business Administration

Track Innovation and Entrepreneurship

Date: November 27, 2014

Information page

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Abstract

Many social organizations face developments like the retrenchment of the government and the rise of a society of participation. Community center the Trefhoek is that type of social organization which has to deal with these developments. There is a growing need for organizations to become (more) self-sufficient in order to deal with these developments. The question is how community centers can become (more) self-sufficient.

The word 'how' refers to the concept of business modeling, which describes in a very basic sense 'how organizations work' (Magretta, 2002, p. 5). This concept is discussed by many authors who describe different definitions and components of business models. After a short discussion of the different definitions and components of business models, it is decided to further focus on the definition which is proposed by Osterwalder & Pigneur (2010): 'A business model describes the rationale of how an organization creates, delivers, and captures value' (Osterwalder & Pigneur, 2010, p.15). Osterwalder & Pigneur (2010) distinguish nine building blocks, namely customer segments, the value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partnerships and costs structure. Describing these nine building blocks leads to a business model canvas.

After knowing what a business model is, it is important to see which types of business models are described in literature, because existing business models have proven to work. There is a difference between business models for profit organizations and business models for non-profit organizations. Therefore is chosen to focus on the ten funding models of Foster (2009). The ten funding which are discussed in this report are Heartfelt Connector, Beneficiary Builder, Member Motivator, Big Bettor, Public Provider, Policy Innovator, Beneficiary Broker, Market Maker and Local Nationalizer.

Because in case of the ten funding models the Trefhoek still does not become self-sufficient and because every business model has a begin and an end, it is important to develop a new business model. The word value seems to play an important role in the concept of business modeling. Searching for literature on value directs to the Value Framework of den Ouden. With her Value Framework she describes value at four different levels and at four different perspectives. She describes also a Value flow Model which can be used to describe a new business model.

After the literature review and the methodology, this research focuses on the current business model of community center the Trefhoek, which is described with the use of these nine building blocks. Also a connection is made between the current business models and the ten funding models of Foster (2009). The business model of the Trefhoek comes most close to the funding model Public Provider, because the Trefhoek 'provides essential social services', namely the connection between people (Foster et al., 2009, p. 36).

Creativity is very important in the process of developing a new business model. Customer Insight, ideation, visual thinking, prototyping, storytelling and scenarios are techniques to develop a new business model. In this research is chosen to use the technique of ideation and a data collection method which can be used for ideation are brainstorm sessions. Six brainstorm sessions are held with community centers in the environment of the Trefhoek. The outcomes of the brainstorm sessions are translated into one value Framework of den Ouden. The following ideas are presented into the new Value flow model, namely (1) searching for sponsors, (2) creating a Buurtkamer plus, (3) invest in the community center by creating an attractive appearance and (4) keep the vast costs as

low as possible by searching for volunteers and invest in new technology to keep energy costs low. With the proposed solutions might arise some problems, for example how to approach sponsors in the current economic crises, but most of the problems can be tackled by a management which is willing to innovate. The proposed value flow model overlaps with some parts of the funding model 'Local Nationalizer', which proves that for at least a part the new business model works.

The method which is used has proven to be useful to generate a lot of new ideas. Using this method requires from the researcher to be able to translate the results into a Value Flow model, to stimulate creativity, to make the participant feel comfortable and to have a good understanding of the Value flow model. The retrenchment of the government and the rise of a society of participation are relevant for all community centers. However further research is needed to see if there are differences between the solutions which might work in community center over the country. Further research is also needed to see what the developments mean for other social organizations, like music clubs and sport clubs.

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1. Introduction / Problem definition

During the nineteenth century, the Netherlands became highly industrialized (Trommel & van der Veen, 1999). As a consequence, bad working conditions in factories, the extreme rise of wage work and urbanization became major problems in the Dutch society (Trommel & van der Veen, 1999). Poverty, physical decay and bad hygiene were the consequences of these social problems, and these consequences were the main reasons for the government to develop the welfare state in the twentieth century (Trommel & van der Veen, 1999). The focus of a welfare state lies on the collective protections of income and health risks in the society (de Gier, 2007), and the way this is developed in the Dutch society is very impressive (WR voor het regeringsbeleid, 2006). However the system of the welfare state is criticized and needs to be reconsidered (WR voor het regeringsbeleid, 2006; de Gier, 2007; Trommel & van der Veen, 1999; Tonkens, 2006; Hooijmans, 2012).

‘Economic changes, political shifts to the right, and rising costs associated with maturing welfare states’, are the main reason for the growing retrenchment of welfare states (Pierson, 1996, p. 145). Developments like the ageing population, individualization, immigration and the European context lead to necessary changes of the welfare state (de Gier, 2007). The welfare state has become too expensive and has as a consequence that citizens become too passive and dependent (Tonkens, 2006). Self-sufficiency and privatization are the two main drivers used by the government to led citizens become more active and independent (Tonkens, 2006). From 2007 the welfare state is transforming to an active society of participation, where the role of citizens and social organizations becomes more and more important (de Gier, 2007). The focus of the society of participation lies on labour performance and productivity (de Gier, 2007).

The term society of participation is a buzzword (de Gier, 2007). Most authors who defined the concept of a society of participation refer to a situation in which citizens and social organizations think and act actively in order to develop and perform policies (van Buuren & Edelenbos, 2008). Examples of social organizations are sport clubs, musical clubs, community centers, etc. These types of organizations all fulfill a societal need, like health, commitment, etc. There seems to be a move from ‘government’ to ‘governance’ (van Buuren & Edelenbos, 2008) and the role of all social organizations is changing from passive to active. The developments make it necessary for social organizations to look at their activities and to see how they can deal with these changes. Also because of the trend of privatization, which started around 1980, it is expected that organizations should tend to be more self-sufficient and that they will be more and more responsible for their own resources (Boorsma, 2010).

Community Center ‘De Trefhoek’, Almelo, is an example of an organization which also has to deal with these developments. At the moment the Trefhoek is totally financed by the government, but it is expected, as explained before, that they have to become more self-sufficient in the future. They are asking how to become self-sufficient and thus how to deal with this changing environment. In this report is investigated how community centers like ‘De Trefhoek’, totally financed by the government, can become more self-sufficient by acquiring their own resources, in order to deal with the retrenchment of the social welfare states and the rise of a society of participation. The research question is:

How can community centers, totally financed by the government, become more self-sufficient with regard to their business model, in order to deal with the retrenchment of the social welfare states and the rise of a society of participation?

In a very basic sense a business model is a 'story which tells how organizations work' (Magretta, 2002, p. 5). Community Center the Trefhoek searches for a new way to work, in order to become more self-sufficient. The word 'how' in the main question of this research therefore refers to the concept of business modeling, which will be the starting point of this research.

Before continuing it is important to shortly introduce the term 'community center'. A community center is a building within a neighborhood where the people from that specific neighborhood can meet for social activities, education, recreation, etc. (van der Wal, 2000). People from the neighborhood, different type of clubs and companies can rent a room in the community center for their own activities. Most of all a community center is a building with different rooms which can be rent and with the possibility to buy coffee or other drinks. Rent and selling drinks are for most community center the two most important types of income. The prices of the rent and drinks are lower because most community centers receive subsidiary from the government because of their social importance for the neighborhood. This is in a nutshell how community centers work. During this report this will become clearer.

This report is structured as follows. In the next section first the theoretical framework of this research will be discussed. After this theoretical framework the methodology of this research will be discussed, in which a description is given of the steps which will be taken in this research. After the methodology this report starts with a description of the current situation of the Trefhoek. In chapter five the results of this research will be discussed. These results will be presented in a value flow model (den Ouden, 2012). After the presentation of the results a discussion of these results will be given in chapter six. Chapter seven will focus on the evaluation of the method and further research. First the theoretical framework of this research will be discussed.

2. Theoretical Framework

As stated in the research question and introduction the question of how to become self-sufficient as a community center will be answered by looking at the business model of the Trefhoek. For this reason first a literature review on the concept of a business models will be given. Because the Trefhoek is a non-profit organizations different types of funding models will also be presented in this chapter. Literature on value will also be included in this theoretical framework, because value seems to play an important role in the concept of business modeling.

2.1 The concept of a business model

Osterwalder (2005) stated in 2005 that the concept of business models was relatively young. In 2011 Zott et al. (2011) wrote that the field of research was developed, but that researchers 'do not agree on what a business model is' and he also stated that 'e-business, strategic issues and innovation and technology management were the main themes of interest' (p.1020). On the other hand there were some emerging subjects within the concept of business models, namely (1) 'there was widespread acknowledgement that the business model is a new unit of analysis that is distinct from the product, firm, industry, or network; it was centered on a focal firm, but its boundaries are wider than those of the firm; (2) business models emphasize a system-level, holistic approach to explaining how firms "do business"; (3) the activities of a focal firm and its partners played an important role in the various conceptualizations of business models that have been proposed; and (4) business models seek to explain both value creation and value capture' (Zott et al., 2011, p.1020). Now, in 2014, researchers agree on the fact that business modeling contributes to an organization's success and the field of research around business models has developed, but the concept is still surrounded by vagueness and that there is still little to no agreement about the compositional facets (Al-Debei & Avison, 2010). In the following sections the concept of a business model is further explained. Different authors with their different opinions, definitions and components will be discussed. At the end of this chapter, the business model of the Trefhoek is given.

2.1.1 Definition and the components of a business model

Turbulence, risk and uncertainty are major factors which influence every organization (Carayannis et al., 2014). Organizations try to deal with these factors and are constantly seeking for a balance between stability and flexibility. A 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' (Osterwalder et al., 2005, p.4). Business models can contribute to an organization's success because the concept can help to 'understand, analyze, communicate, and manage strategic-oriented choices' (Al-Debei & Avison, 2010, p. 359; Osterwalder et al., 2005; Shafer et al., 2005).

As stated before there is no consensus about the definition of a business models. Many authors have defined the concept of a business model. Zott et al. (2011) conducted an extensive literature on the definitions of a business model and came to the conclusion based on the review of the main literature on business models that the authors focus on different aspects of the business model. Business models can be used in order to be a statement, to be descriptive, to be representative, to function as architecture, to function as a tool or model, to function as a structural template, to be used as a method, to function as a framework, to be used as a pattern, or to function as a set. In the following some definitions and their components will be discussed. In this paper the term components refers to the different parts of a business model. All components together form the business model. The selection of authors is based on the amount of citations of the papers. I have

chosen to use the articles which are most cited and used by other authors, because those are probably the most common definitions.

Timmers (1998) describes a business model as '(1) an architecture for the product, service and information flows, including a description of the various business actors and their roles, (2) a description of the potential benefits for the various business actors and (3) a description of the sources of revenues' (p. 2). Based on this definition it can be stated that Timmers (1998) sees a description of the product, service and information flow with the most important business actors, potential benefits and sources of revenues as the components of a business model. Besides the business model itself, it is also important to analyze the marketing strategy of a firm, because then it will become clear how 'competitive advantage is built, how the company positions itself, what the market mix is and which product-market strategy is followed' (Timmers, 1998, p. 2). In his article Timmers (1998) describes eleven potential business models which are based on 'value chain deconstruction and re-construction, which means identifying value chain elements, and identifying possible ways of integrating information along the chain' (p.3). 'Possible architectures for business models are then constructed by combining interaction patterns with value chain integration' (Timmers, 1998, p. 3).

Dubosson-Torbay et al., (2002) see a business model as 'an architecture of a firm and its network of partners for creating, marketing and delivering value and relationship capital to one or several segments of customers in order to generate profitable and sustainable revenue streams' (p.3). A business model can help organizations to 'structure its organization in a way to become more efficient, more flexible and responsive to customer demand, to forecast possible future scenarios and therefore to stay competitive' (Dubosson-Torbay et al., 2002, p. 2). In their article Dubosson-Torbay et al., (2002) propose a framework of a business model with four components, namely '(1) the products and services a firm offers, representing a substantial value to a target customer (value proposition), and for which he is willing to pay, (2) the relationship capital the firm creates and maintains with the customer, in order to satisfy him and to generate sustainable revenues, (3) the infrastructure and the network of partners that are necessary in order to create value and to maintain a good customer relationship and (4) the financial aspects that can be found throughout the three former components, such as cost and revenue structures' (p. 3).

Magretta (2002) states that at the heart a business model is a 'story which tells how organizations work' (Magretta, 2002, p. 5). Magretta (2002) states that a good business model should answer some questions, like who are the customers? How do we create value for the customers? How do we make profit with this business model? How do we combine creating value and keeping the costs appropriate? So in conclusion, according to Magretta (2002) a business model is a story which tells who the customers are, how value is created, how profit is generated and how cost are kept appropriate. Creating a new business model is writing a new story about (1) activities to create something and (2) activities to sell this creation (Magretta, 2002).

Chesbrough and Rosenbloom (2002) define a business model in the most basic sense as a way of 'doing business in order to generate revenue' (p. 533). They state that a business model consists of the following elements: '(1) The articulation of a value proposition, (2) the identification of a market segment, (3) the definition of the structure of the value chain, (4) an estimation of the cost structure and profit potential, (5) a description of the position of the firm in the value chain and (6) a

formulation of the competitive strategy' (Chesbrough & Rosenbloom, 2002, p. 533). In their article Chesbrough & Rosenbloom (2002) interpretate a business model as 'a construct that mediates the value creation process: it makes a translation between the technical and the economic domain, selecting and filtering technologies, and packaging them into particular configurations to be offered to a chosen target market' (p. 550). Chesbrough (2010) eight years later still refers to the article of Chesbrough & Rosenbloom (2002), by stating that a business model consists of the following elements: the value proposition, the market segment and a specification of the revenue generation mechanism, the structure of the value chain required to create and distribute the offering and complementary assets needed to support position in the chain, details the revenue mechanism(s) by which the firm will be paid for the offering, an estimation of the cost structure and profit potential, a description of the position of the firm within the value network linking suppliers and customers and a formulation of the competitive strategy by which the innovating firm will gain and hold advantage over rivals.

Morris et al. (2005) state that 'more than the sum of its parts, the business model captures the essence of how the business system will be focused and accordingly the following definition of a business model is proposed: A business model is a concise representation of how an interrelated set of decision variables in the areas of venture strategy, architecture, and economics are addressed to create sustainable competitive advantage in defined markets' (p.727). The components they use in their framework are 'factors related to the offering (value creation), market factors, internal capability factors, competitive strategy factors, economic factors and personal and investor factors' (Morris et al., 2005, p. 730). The purposed framework enables the used to 'design, describe, categorize, critique and analyze a business model for any type of company and can function as a useful backdrop for strategically adapting fundamental elements of a business' (Morris et al., 2005, p. 734).

Shafer et al. (2005) 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). This definition consists of four key terms, namely core logic, strategic choices, creating and capturing value and the value network. The first key term, core logic, suggests that a 'properly crafted business model helps articulate and make explicit key assumptions about cause-and-effect relationships and the internal consistency of strategic choices: the second key term' (Shafer et al., 2005, p. 202). 'The third term creating and capturing value reflects two fundamental functions that all organizations must perform to remain viable over an extended period of time (Shafer et al., 2005, p. 202). 'The fourth term value network refers to the role a firm chooses to play within its value network, which is an important element of the business model' (Shafer et al., 2005, p. 202). 'In each of these four key term can arise problems, like flawed assumptions' (Shafer et al., 2005, p. 204) After an extensive literature review Shafer et al. conclude that a business model consists of four elements, namely strategic choices (like customers, missions, revenues, etc.), create value, value network, and capturing value (Shafer et al., 2005, p. 202). An organization survives when it has the ability to create and capture value (Shafer et al., 2005).

Johnson et al., (2008) name four elements of a business model, namely the customer value proposition (how to create value), profit formula (how to generate money), key resources (which assets are needed) and key processes (which activities have to be done). 'Those four elements interlock and together create and deliver value' (Johnson et al., 2008, p. 60). These four elements are

the building blocks of any business model. 'The customer value proposition and the profit formula define value for the customer and the company, respectively; key resources and key processes describe how that value will be delivered to both the customer and the company' (Johnson et al., 2008, p. 61). Stability in the system is very important, because a change in one element also requires a change in another element (Johnson et al., 2008).

In their work Zott & Amit (2010) define a business model as 'the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities' (p.4). A business model can function as an outline to conduct business and to create value. Zott & Amit (2010) state that the business model can be described with the use of the activity system design framework, which consists of design elements and design themes. The content (activities), structure (linking activities) and the governance (who and where) are the so called design elements (Zott & Amit, 2010). Novelty (innovations), Lock-in-build (to retain stakeholders), complementarities and efficiency are the so called design themes (Zott & Amit, 2010). 'An activity system perspective encourages systemic, holistic thinking in business model design, instead of concentrating on isolated choices (Zott & Amit, 2010, p.8). The different opinions discussed in the previous are summarized in table 1.

Author	Definition	Components	Times cited by other authors
Timmers (1998)	'(1) an architecture for the product, service and information flows, including a description of the various business actors and their roles, (2) a description of the potential benefits for the various business actors and (3) a description of the sources of revenues' (Timmers, 1998, p. 2)	Description of the product, service and information flow with the most important business actors, potential benefits en sources of revenues as the components of a business model.	2133
Dubosson-Torbay et al., (2002)	'An architecture of a firm and its network of partners for creating, marketing and delivering value and relationship capital to one or several segments of customers in order to generate profitable and sustainable revenue streams' (Dubosson-Torbay et al., 2002, p. 3).	'(1) the products and services a firm offers, (2) the relationship capital the firm creates and maintains with the customer, (3) the infrastructure and the network of partners that are necessary in order to create value and to maintain a good customer relationship and (4) the financial aspects' (Dubosson-Torbay et al., 2002, p. 3).	362
Magretta (2002)	'A business model is a story which tells who the customers are, how value is created, how	Customers, create value, profit, combining creating value and keeping the costs	1543

	profit is made and how cost are kept appropriate' (p. 4).	appropriate.	
Chesbrough and Rosenbloom (2002); Chesbrough (2010)	'A way of doing business in order to generate revenue' (p. 533).	Value proposition, market segment, structure of the value chain, cost structure and profit potential, position of the firm in the value chain and the competitive strategy	Article from 2002 cited 1822 times, article from 2010 cited 505 times.
Morris et al., (2005)	'A business model is a concise representation of how an interrelated set of decision variables in the areas of venture strategy, architecture, and economics are addressed to create sustainable competitive advantage in defined markets' (Morris et al., 2005, p. 727).	'Factors related to the offering (value creation), market factors, internal capability factors, competitive strategy factors, economic factors and personal and investor factors' (Morris et al., 2005, p. 730).	890
Shafer et al., (2005)	Business model 'as a representation of a firm's underlying core logic and strategic choices for creating and capturing value within a value network' (Shafer et al., 2005, p. 202).	Strategic choices create value, value network, and capturing value.	681
Johnson et al., (2008)	A business model consists of the components customer value proposition (value creation), profit formula, key resources and key processes. 'Those four elements interlock and together create and deliver value' (Johnson et al., 2008, p. 60)	Customer value proposition (value creation), profit formula, key resources and key processes	701
Zott & Amit (2010)	'The content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities' (Amit & Zott, 2010, p.4)	Design elements (Content, structure and governance) and design themes (novelty, lock-in-build, complementarities, and efficiency).	409

Table 1 Different authors on the concept of business models

These eight articles only represent a part of the literature about the definition and the elements in business modelling. Creating value is the most central component of a business model which is mentioned by all authors. Other terms mentioned by the authors are a description (architecture) of the product or service of the firm, the network (actors) in the business model, customers, generating revenue and strategy. Most of the components mentioned by the authors overlap, but some focus more on the creation of value, while others focus more on how to generate revenues.

2.1.2 The nine building blocks of Osterwalder & Pigneur (2010)

In this report the definition of the study of Osterwalder & Pigneur (2010) is followed. Following this definition is decided for two reasons: (1) they capture all the dimensions mentioned by the other authors in this report and they extend on these components, and (2) their definition is most cited by other authors. In their research, Osterwalder & Pigneur (2010) use the following definition, which will be the leading definition in this research:

‘A business model describes the rationale of how an organization creates, delivers, and captures value’ (Osterwalder & Pigneur, 2010, p.15).

Besides this definition Osterwalder & Pigneur (2010) describe a framework for business modeling. The framework of Osterwalder & Pigneur (2010) describes a business model through the use of nine building blocks (read components). These nine blocks can be divided in four pillars which describe an organization, namely product, customer interface, infrastructure management and financial aspects (Osterwalder & Pigneur, 2005). The framework of Osterwalder has been applied and tested and has proven to be useful in order to describe the business model of an organization. Organizations like IBM, Deloitte and Ericson have all successfully used the framework of Osterwalder and Pigneur (2010). The following table describes the nine building blocks (Osterwalder & Pigneur, 2010).

Customer interface	<i>Customer segments:</i> ‘different groups of people or organizations an enterprise aims to reach and serve’ (Osterwalder & Pigneur, 2010, p.20). Customers with different needs, reached by different distribution channels, attracted by different types of relationships, with different profitabilities and the willingness to pay for the different aspects of the offer, belong to different segments. It is important for every organization to decide which segments are served, and which segments will be ignored.
Product	<i>Value proposition:</i> ‘the bundle of products and services that create value for a specific Customer segment’ (Osterwalder & Pigneur, 2010, p. 22). A value proposition is the reason why customers prefer one company over another: ‘it solves a problem or satisfies a need’ (Osterwalder & Pigneur, 2010, p. 22). A value proposition describes the total of benefits which a company can offer to a customer.
Customer interface	<i>Channels:</i> ‘describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition Communication, distribution, and sales Channels comprise a company's interface with customers’ (Osterwalder & Pigneur, 2010, p.26). Through the use of channels customers get a raising awareness of the products, they can evaluate the value proposition, customers can buy specific products and services, the value proposition is delivered to the customer and post-purchase customer support is provided (Osterwalder & Pigneur, 2010).
Customer interface	<i>Customer Relationships:</i> the (personal or automatic) relationship between the company and a specific Customer Segment (Osterwalder & Pigneur, 2010). The main motivations for customer relationships are the boost of sales, to acquire

	new customers or to retention customers (Osterwalder & Pigneur, 2010).
Financial Aspect	<i>Revenue Streams</i> : the sum of cash which is generated per customer, by one time payments (transaction revenues) or ongoing payments (recurring revenues) (Osterwalder & Pigneur, 2010).
Infrastructure Management	<i>Key Resources</i> : ‘the most important assets required making a business model work’ (Osterwalder & Pigneur, 2010, p. 34). Key resources are needed to have and offer a value proposition, to get access to markets, to build on relationships and to earn revenues, and they can be intellectual, human, financial or physical (Osterwalder & Pigneur, 2010). They differ per business model.
Infrastructure Management	<i>Key Activities</i> : ‘the most important things a company must do to make its business model work’ (Osterwalder & Pigneur, 2010, p. 36). Key activities are needed to have and offer a value proposition, to get access to markets, to build on relationships and to earn revenues (Osterwalder & Pigneur, 2010). They differ per business model.
Infrastructure Management	<i>Key Partnerships</i> : ‘the network of suppliers and partners that make the business model work’ (Osterwalder & Pigneur, 2010, p. 38). Partnerships can be formed by coopetition (between competitors, by strategic alliances, by joint ventures or through buyer-supplier relationships (Osterwalder & Pigneur, 2010).
Financial aspects	<i>Cost Structure</i> : ‘all costs incurred to operate a business model’ (Osterwalder & Pigneur, 2010, p. 40). The costs differ per business model.

Table 2 the nine building blocks of Osterwalder& Pigneur (2010)

The description of the nine building blocks leads to an overview of the business model, which is called the ‘business model canvas’ (Osterwalder & Pigneur, 2010, p.44). This overview is a helpful tool to design a business model, to illustrate the business model (and the different aspects of it), to think holistically, to translate the business model in processes, to motivate employees and to have a common understanding of the business, etc. (Osterwalder & Pigneur, 2010). In the case of the Trefhoek all nine elements are relevant. The business model of the Trefhoek will be discussed in the following section.

2.2 Types of business models: ten funding models by Foster et al. (2009)

Once ‘business enterprise is established, it either explicitly or implicitly employs a particular business model that describes the design or architecture of the value creation, delivery, and capture mechanisms it employs’ (Teece, 2010, p. 172). There is a difference between business models for profit organizations and business models for non-profit organizations. Creating value for a customer in a profit-organization mostly means that the customer will pay for this value. When a profit-organization creates value, it thus has ‘found its source of revenue’ (Foster, et al., 2009, p. 34). This is

not the case in non-profit organizations, because when a non-profit organization has ‘created value for a beneficiary, it has not identified its economic engine; that is a separate step’ (Foster et al., 2009, p. 34).

Business models presented here are selected on the basis of suitability in the case of the Trefhoek. For that reason the article of Foster et al. (2009) is taken into account, because they describe ten funding models for non-profit organizations like the Trefhoek. In the case of the Trefhoek it is important to become self-sufficient, because of the retrenchment of the government. Because the Trefhoek at the moment is totally financed by the government, it has to make choices about how to improve their fundraising and management in order to become self-sufficient. A business model incorporates choices about the cost structure and value proposition to the beneficiary, whereas a funding model focuses only on the funding, not on the programs and services offered to the beneficiary’ (Foster et al., 2009, p. 34). The funding model can serve as a basis, from which the Trefhoek can formulate their business model.

Foster et al., (2009) formulate ten funding models. They have based their funding models on three parameters, which are the ‘source of funds, the types of decision makers and the motivation of the decisions makers’ (Foster et al., 2009, p. 35). The description of the ten models can be ordered by the type of funder. The first three models, Heartfelt Connector, Beneficiary Builder, and Member Motivator, are funded by a lot individual foundation. The fourth model, the Big Bettor is funded by a single person or by a few individuals. The fifth, sixth and seventh model, the Public Provider, the Policy Innovator, and the Beneficiary Broker, are funded by the government. Model eight, Resource Recycler, is supported by a corporate foundation. The last two models, the Market Maker and the Local Nationalizer have both a mix of funders (Foster et al., 2009, p. 35).

In the previous section is stated to follow the definition of Osterwalder & Pigneur (2010). Therefore the ten funding models of Foster (2009) will be linked to the nine building Blocks of Osterwalder & Pigneur. This link will be made by describing the ten funding model with the use of the nine building blocks.

2.2.1 The Heartfelt Connector

These non-profits focus on ‘causes mostly situated in the environmental, international and medical area, that resonate with the existing concerns of large numbers of people at all income levels, and by creating a structured way for these people to connect where none had previously existed’ (Foster et al., 2009, p. 35). With the use of fundraising events, the model Heartfelt Connector tries to build on connections between people with particular religious beliefs, political interests or sporting interests. In the following table the model of the Heartfelt Connector is described with the use of the nine building blocks of Osterwalder.

<i>Building blocks</i>	<i>Heartfelt Connector</i>
<i>Customer segments</i>	Focus on a specific group of people, with particular religious beliefs, political interest or sporting interest.
<i>Value proposition</i>	Connecting people with the same interests.

<i>Channels</i>	Mostly people with the same interest, so they can be reached through special channels
<i>Customer Relationships</i>	Based on raising money: the more members, the better.
<i>Revenue Streams</i>	Revenues from funds of members.
<i>Key Resources</i>	Funds from the members.
<i>Key Activities</i>	Attract new members and keep the current members
<i>Key Partnerships</i>	Strong connections between people who have the same interest and strive for the same goal.
<i>Cost Structure</i>	Totally financed by funds from its members.

Table 3 Heartfelt Connector in terms of the Theory of Osterwalder & Pigneur (2010)

A specific example of a heartfelt connector is The Susan G. Komen Foundation (United States). This organization works together with 125 partners to fight against breast cancer. By the foundation of research grants, education, screening and treatments around, the organization tries to beat cancer as a life-threatening disease (Foster et al., 2009). In order to make this possible, they focus on funds by members and special events in order to raise money. The Susan G. Komen Foundation is comparable to the Dutch organization 'Pink Ribbon'. This organization also tries to get funds from their members and special events in order to fight against breast cancer. Like the Susan G. Komen Foundation, they focus on women, which they do by using the color 'pink'.

2.2.2 Beneficiary Builder

The model of the Beneficiary Builder is based on fees from people who benefited in the past from the services of the organization. The 'vast majority of their funding comes from fees that beneficiaries pay for the services the organization provides, but the total cost of delivering the benefit is not covered by the fees, and therefore the Beneficiary Builder tries to build long-term relationships with people who have benefited in the past from the service to provide supplemental support' (Foster et al., 2009, p. 35). These donations are of critical importance for the non-profit organization. The Beneficiary Builder focuses on people who have a strong relationship with the organizations from the past and are motivated by the belief that 'the benefit they received changed their life' (Foster et al., 2009, p. 36). In the following table the model of the Beneficiary Builder is described with the use of the nine building blocks of Osterwalder.

<i>Building blocks</i>	<i>Beneficiary Builder</i>
<i>Customer segments</i>	People who believe that the benefit they received from the non-profit organization has changed their life.
<i>Value proposition</i>	Create a feeling that people wants to do something back (give a donation) for the

	benefit they have received in the past.
<i>Channels</i>	Via a network: previous customers.
<i>Customer Relationships</i>	Based on long-term relationships.
<i>Revenue Streams</i>	Revenues from donations of previous customers.
<i>Key Resources</i>	Funds from previous customers.
<i>Key Activities</i>	Build on long term relationships with the customers.
<i>Key Partnerships</i>	Long term relationships with customers.
<i>Cost Structure</i>	The 'vast majority of their funding comes from fees that beneficiaries pay for the services the organization provides, but the total cost of delivering the benefit is not covered by the fees, and therefore the Beneficiary Builder tries to build long-term relationships with people who have benefited in the past from the service to provide supplemental support' (Foster et al., 2009, p. 35).

Table 4 Beneficiary Builder in terms of the Theory of Osterwalder& Pigneur (2010)

A specific example of a Beneficiary Builder is the Princeton University (United States). The Princeton University is an expert in selecting graduated students for donations. In the Netherlands there is no comparable University which generates money in the same way. Universities try to start with this, but they come all to the conclusion that it is very hard to motivate Dutch graduates to donate money (Foster et al., 2009).

2.2.3 Member Motivator

Other non-profit organizations (mostly involved in religion, environment, arts, culture and humanities) rely on individual donations. 'These individuals (who are members of the organization) donate money because the issue is integral to their everyday life and is something from which they draw a collective benefit' (Foster et al., 2009, p. 36). This model is not based on seeking a rationale for donations, but they connect with members (and donors) by offering or supporting the activities that they already seek' (Foster et al., 2009, p. 36).

<i>Building blocks</i>	<i>Member Motivator</i>
<i>Customer segments</i>	People who seek for the specific activities which are integral in their everyday life.
<i>Value proposition</i>	The organization offers activities which have a collective benefit.
<i>Channels</i>	Mostly people with the same interest, so they can be reached through special channels

<i>Customer Relationships</i>	Long term relationships.
<i>Revenue Streams</i>	Revenues from individual donations.
<i>Key Resources</i>	Funds from individuals.
<i>Key Activities</i>	Connecting with members (and donors) by offering or supporting the activities that they already seek' (Foster et al., 2009, p. 36).
<i>Key Partnerships</i>	Connecting with individuals.
<i>Cost Structure</i>	Totally financed by the donations from individuals, which are connected to the organization.

Table 5 Member Motivator in terms of the Theory of Osterwalder& Pigneur (2010)

An example of the Member Motivator is the National Wild Turkey Federation (NWTf). The organization focuses on the protection and expansion of turkey habitats and they promote the hunt for wild turkeys (Foster et al., 2009). The organization attracts members who benefit from the activities, like hunters. They become loyal to the organization and therefore start to donate money. In the Netherlands a specific example of an organization with this type of funding model is 'De bond tegen vloeken'. They attract members who are against swearing. People donate money so that the organization can do something to this problem.

2.2.4 Big Bettor

Other non-profit organizations (most in environment or medical research) make use of major donations from a 'few individuals or foundations in order to fund their operation' (Foster et al., 2009, p. 36). Most of the time, the founder of the organization is also the most important donor, because the organization tries to tackle issues which are important to them. In order to grow, other donors are needed. The organizations which chose for this model often need a huge amount of money in order to tackle important issues.

<i>Building blocks</i>	<i>Big Bettor</i>
<i>Customer segments</i>	People who want to donate for an item which is important to them.
<i>Value proposition</i>	Create a feeling that people who give money to the organization, can help to tackle an important issue which is important to them.
<i>Channels</i>	Mostly people with the same interest, so they can be reached through special channels.
<i>Customer Relationships</i>	Based on long-term relationships.

<i>Revenue Streams</i>	Revenues from donations of individuals, who wants to help to tackle an important issue.
<i>Key Resources</i>	Funds from individuals.
<i>Key Activities</i>	Seek for additional funders to whom the issue is also important.
<i>Key Partnerships</i>	Long term relationships with funders.
<i>Cost Structure</i>	Most of the time, the founder of the organization is the most important donator for the main part of the funding. In other to grow, other donators are needed.

Table 6 Big Bettor in terms of the Theory of Osterwalder& Pigneur (2010)

An organization with this type of funding model is Conservation International (CI). Their mission is to protect the biodiversity in the world and to promote that humans can live in harmony with the nature (Foster et al., 2009). People wants to donate money to the organization because the organization protects the Earth and by giving money people contribute to this important issue.

2.2.5 Public Provider

Some non-profits work together with the government in order to ‘provide essential social services, such as housing, human services, and education, for which the government has previously defined and allocated funding’ (Foster et al., 2009, p. 36). Sometimes the government requires specific actions from a non-profit organization in order to receive their funding. When the organization is growing, it had to look for other sources of funding in order to raise enough money for their activities.

<i>Building blocks</i>	<i>Public Provider</i>
<i>Customer segments</i>	Government, and for growth new donators.
<i>Value proposition</i>	To be a partner for the government in order to ‘provide essential social services, such as housing, human services, and education, for which the government has previously defined and allocated funding’ (Foster et al., 2009, p. 36).
<i>Channels</i>	Formal channels in the government departments.
<i>Customer Relationships</i>	Based on long-term relationships.
<i>Revenue Streams</i>	Revenues from donations of the government. In order to grow, the organization had to search for other donators.
<i>Key Resources</i>	Funds from the government.

<i>Key Activities</i>	Keep in contact with the government in order to stabilize the funds and seek for additional funders in order to grow.
<i>Key Partnerships</i>	Long term relationships with government.
<i>Cost Structure</i>	Vast majority of the costs are paid with the funding of the government. For additional activities or to grow, the organization had to search for other channels.

Table 7 Public Provider in terms of the Theory of Osterwalder & Pigneur (2010)

The Texas Migrant Council is an organization who uses the funding model of Public Provider. This organization gives support to families in migrant and immigrant societies. From its start the organization uses funds of the government in order to finance their activities, like the preparation of children for school for example (Foster et al., 2009). When the organization grew, they also had to search for other funds. For that reason they now receive funds from other government sources. The NMI ('Nederlandse Migratie Institute') is a Dutch organization who uses the funding model of Public Provider. The Ministry of Social Affairs supports this organization so that they can help migrants. They advise them with regulations, etc. In return for their activities they receive funds.

2.2.6 Policy Innovator

Some organizations fully rely on funding of the government. Their Unique Selling Point is that they have 'developed novel methods to address social issues that are not clearly compatible with existing government funding programs' (Foster et al., 2009, p. 38). The government supports their activities, because the organization has proven to be more effective.

<i>Building blocks</i>	<i>Policy Innovator</i>
<i>Customer segments</i>	Government
<i>Value proposition</i>	Organizations with this business model have 'developed novel methods to address social issues that are not clearly compatible with existing government funding programs' (Foster et al., 2009, p. 38).
<i>Channels</i>	Formal channels in the government departments.
<i>Customer Relationships</i>	Based on long-term relationships.
<i>Revenue Streams</i>	Revenues from donations of the government.
<i>Key Resources</i>	Funds from the government.
<i>Key Activities</i>	Keep in contact with the government in order to stabilize the funds.

<i>Key Partnerships</i>	Long term relationships with government.
<i>Cost Structure</i>	All costs are paid with the funds of the government.

Table 8 Policy innovator in terms of the Theory of Osterwalder& Pigneur (2010)

Help USA is an American example of an organization which uses the funding model of Policy Innovator. Help USA offers temporary housing for homeless people and affordable housing for families with a low income. This organization had an innovative approach to the housing crisis for homeless people. Funders are people who are interested in trying a new approach.

2.2.7 Beneficiary Broker

Other non-profit organizations compete with other organizations in order to 'provide government-funded or backed services to beneficiaries' (Foster et al., 2009, p. 38). The organizations mostly compete on areas like employment service, housing, student loans or health care. The customers (beneficiaries) are free to choose from which organizations they get the service, which is not the case in other government funding programs.

<i>Building blocks</i>	<i>Beneficiary Broker</i>
<i>Customer segments</i>	Beneficiaries who search for a specific service.
<i>Value proposition</i>	The organization has to prove to be the most attractive organization for the government in order to provide funds or services to their customers.
<i>Channels</i>	Formal channels in the government departments.
<i>Customer Relationships</i>	Short term: which organization is most attractive to the government?
<i>Revenue Streams</i>	Revenues from donations of the government if the organization is most attractive.
<i>Key Resources</i>	Funds from the government.
<i>Key Activities</i>	Be the most attractive organization for the government
<i>Key Partnerships</i>	Short term relationships with the government.
<i>Cost Structure</i>	Costs are mostly paid with the use of the government. The organization first had to prove to be the most attractive organization.

Table 9 Beneficiary Broker in terms of the Theory of Osterwalder& Pigneur (2010)

An example of an organization which used the Beneficiary Broker as a funding model is the Metropolitan Boston Housing Partnership. This is a regional American organization provides vouchers

to families in need. They also provide those families education and prevention programs. In return to be a reliable partner for the government they receive funds from the government. With those funds they cannot finance all the costs, so they also have to search for funds from corporations and foundations. Beter Wonen Vechtdal is a type of organization which provides the same service in the Netherlands as Metropolitan Boston Housing Partnership does in the United States.

2.2.8 Resource Recycler

Some non-profit organizations, mostly in food, agriculture, medical, and nutrition programs, base their operations on donations from corporations and other individuals. These organizations first collect goods, and then distribute these goods to people who cannot buy these goods on the market. Donations are mostly products which will get wasted or they are donated because 'the marginal cost of making the goods is low and they will not be distributed in markets that would compete with the producer' (Foster et al., 2009, p. 38). The 'donations typically account for the majority of revenues, but the organizations must raise additional funds to support their operating costs' (Foster et al., 2009, p. 38).

<i>Building blocks</i>	<i>Resource Recycler</i>
<i>Customer segments</i>	Corporations and other individuals
<i>Value proposition</i>	Wasted resources or low cost products get a second life: they are distributed to people who cannot afford them their self.
<i>Channels</i>	Different corporations have to be reached differently.
<i>Customer Relationships</i>	Long term in order to can continue with the activities.
<i>Revenue Streams</i>	Revenues from donations of corporations and other individuals.
<i>Key Resources</i>	Funds from corporations and other individuals.
<i>Key Activities</i>	Search for potential corporations and individuals.
<i>Key Partnerships</i>	Long term relationships with corporations and other individuals.
<i>Cost Structure</i>	The 'donations typically account for the majority of revenues, but the organizations must raise additional funds to support their operating costs' (Foster et al., 2009, p. 38).

Table 10 Resource Recycler in terms of the Theory of Osterwalder & Pigneur (2010)

The Greater Boston Food Bank is an example of an organization which uses the Resource Recycler funding model. They distribute food to other organization which cannot buy this for themselves (Foster et al., 2009). These types of organizations are homeless organizations, senior centers, etc.

They acquire the food from retailers and manufacturers, hotels and restaurant. They also get donations from individuals and the government. The Voedselbank is a Dutch organization which is comparable to the Greater Boston Food Bank. They also get food which they distribute to people who are very poor.

2.2.9 Market Maker

Some non-profit organizations 'provide a service that straddles an altruistic donor and a payor motivated by market forces' (Foster, 2009, p. 39). One major example of this kind of non-profit organization is organ donation. In most cases there is money available in order to pay for the service, but it is illegal or inhuman to do so. For non-profit organizations with this business models, which operate mostly in areas like health & diseases or environmental protection, revenues are generated 'fees or donations that are directly linked to their activities' (Foster et al., 2009, p. 39)

<i>Building blocks</i>	<i>Market Maker</i>
<i>Customer segments</i>	Customers, who are directly linked to their activities, for example people who need a donor.
<i>Value proposition</i>	The organizations offer their customers a special service for which they cannot pay or for which it is illegal to pay.
<i>Channels</i>	Customers have a special need and therefore they have to be reached via different channels.
<i>Customer Relationships</i>	Short term relationships: ones the service is offered, the relationship will come to an end.
<i>Revenue Streams</i>	Revenues are generated 'fees or donations that are directly linked to their activities' (Foster et al., 2009, p. 39).
<i>Key Resources</i>	Revenues from fees and donations directly linked their operations. Mostly done by health care providers and order corporations.
<i>Key Activities</i>	Providing the service.
<i>Key Partnerships</i>	Short term relationships: after delivering the service, the relationship ends.
<i>Cost Structure</i>	Revenues are generated 'fees or donations that are directly linked to their activities' (Foster et al., 2009, p. 39).

Table 11 Market maker in terms of the Theory of Osterwalder& Pigneur (2010)

The market maker funding model is used by The American Kidney Fund. They help people with low income with kidney failure pay for dialysis (Foster et al., 2009). The organization is the leader in financial aid for this kind of patients. They are funded by health care providers and order corporations. A Dutch organization which is using this type of business model is the 'Nierstichting'. They not totally following this business model because they are also collecting money from individual households, but they are also dependant of money donated by health care providers and for example the government.

2.2.10 Local Nationalizer

Some nonprofit organizations focus on issues like poverty, children, education, and adult role models: issues which are important to the local community. These organizations mostly 'have grown large by creating a national network of locally based operations' (Foster et al., 2009, p. 39). The government on itself is not able to solve the problem, so therefore they ask for help from these organizations. Revenues come from local donations from individuals or corporations or special events. The government does not give a lot of funds.

<i>Building blocks</i>	<i>Local Nationalizer</i>
<i>Customer segments</i>	Individuals and corporations.
<i>Value proposition</i>	The organization helps to tackle issues which are important to the total national community.
<i>Channels</i>	Customers can be reached through national channels.
<i>Customer Relationships</i>	Based on long term.
<i>Revenue Streams</i>	Revenues come from local donations from individuals or corporations or special events. The government does not give a lot of funds.
<i>Key Resources</i>	Funds from individuals and corporations.
<i>Key Activities</i>	Tackling national issues.
<i>Key Partnerships</i>	Long term relationships.
<i>Cost Structure</i>	Revenues come from local donations from individuals or corporations or special events. The government does not give a lot of funds.

Table 12 Local Nationalizer in terms of the Theory of Osterwalder & Pigneur (2010)

Teach for America is an organization which uses the Local Nationalizer as a funding model. This organization selects, educates and places people, in order to let them teach in schools in the whole

country (Foster et al., 2009). Funders are people who are interested in the improvement of the quality of education.

2.3 Developing a new business model: value

The concept of value seems to play an important role in this research. Both delivering and creating value play an important role in the concept of business models. Furthermore the main differences in the funding models were found in the value proposition of those models. Correspondingly the other authors who have discussed the concept of business modeling often mention the word 'value' or 'value proposition'. What is value?

Many authors have written about this concept and propose a definition. There is a great diversity in the definitions of value. Three authors who are most cited by other authors and their definitions are presented in table 13.

Author	Definition	Times cited
Anderson & Narus (1998)	'Value in business markets is the worth in monetary terms of the technical, economic, service and social benefits a customer company receives in exchange for the price it pays for a market offering' (Anderson & Narus, 1998, p. 54)	670
Zeithaml (1988)	'Value is the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given' (Zeithaml, 1988, p. 14)	9642
Woodruff (1997)	'Customer value is a customer perceives preference for and evaluation of those product attributes, attribute performance, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations' (Woodruff, 1997, p. 142).	3499

Table 13 Different authors on the concept of value

Only within these three definitions one may already notice some major differences. For example Anderson & Narus (1998) focus on the price which is paid for a product, while Zeithaml (1988) focus on utility and Woodruff (1997) on the evaluation of attributes.

Searching for literature on the concept of value also directed to a book of Elke den Ouden 'Innovation Design' (2012). In her book she explains the concept of value with the use of a value framework. She also described the value flow model. Because of the extensiveness of her model and the possibility to use the model in practice, it is chosen to follow her explanation of the concept of value.

Den Ouden uses the Oxford Dictionary of English to define value: 'value' is 'the regard that something is held to deserve; the importance, worth or usefulness of something; the material or monetary worth of something; the worth of something compared to the price paid or asked' (den Ouden, 2012, p. 21). This definition focuses both on the objective view of value (which is measurable) as the subjective view of value (which can be different per user). Understanding what things are valued by people, and why, is essential for understanding their feelings toward new solutions, and what actions can be expected (den Ouden, 2012, p. 22).

Den Ouden (2012) describes the concept of value with regard to transformational innovations. The answer to the current societal problems, like the retrenchment of the welfare state and the rise of the society of participation which the Trefhoek is facing, is not another economic reform; on the contrary, a dynamic equilibrium between the economic, social and environmental dimensions needs to be restored (den Ouden, 2012, p. 9). This can be created by a transformational and innovative solution. Because of her focus on value and her focus on transformational and innovative solutions, it is decided to focus on the Value Flow Model of den Ouden.

‘The purpose of the Value Flow Model is to show how different elements are integrated to provide a coherent view of the value proposition, how it is enriched with complementary offerings from different organizations, which actors are needed in the supplying and enabling network and how the value flows through the total ecosystem’ (den Ouden, 2012, p. 162). The model can thus help to create a bigger view of the network of an organization and the value which is delivered to the different parties in the network. Because the Trefhoek has to deal with several parties, like the government, citizens, etc. it is important to know which value is delivered to whom.

2.3.1 Different levels of value

In her book den Ouden explains that there are different levels of value and that value can be perceived differently by users, by organizations, by ecosystems and by the society. These different levels overlap, but on the other hand value has a different meaning at every level. In the following sections the value per level will be explained.

Value for the User

The target of every innovation is the user, who will use the system, service or product. The use of this system, product or service must be a pleasurable experience and it is necessary that the user continues using the product, system or service for a longer period. The user can be anyone, from a doctor to a salesman, and does not have necessarily to be the buyer. In order to create value for the user the value proposition had to be attractive, which means that it has to represent a understanding of the ‘motivational values of the user, especially for innovations that aim to change user behavior’ (den Ouden, 2012, p. 14). Ignoring these motivational values of the user may have as a consequence that the user stops using the product or service, which has as a consequence that the value at the other levels will also be lost. If a larger group of users is needed in order to create impact at a higher level it is also important to understand the differences between individual users and user groups and their differences in cultural and personal preferences. It is very important to create a pleasurable experience for the user, to stimulate them to use the product, service or system more often.

Value for the Organization

The second level is about the organizations which design, produce and sell the new and innovative product, service or systems. Those organizations can be either for-profit or not for-profit. Nonprofit organizations create added value for the customer which means also sustainable value for the organization itself. Organizations also create value for their employees by providing a job. ‘In business management, an organization is characterized by a more formal pattern of social relationships and by having a defined goal’ (den Ouden, 2012, p. 15). This defined goal is often communicated to all stakeholders and serves as a guideline for employees. The strategy is a representation of the direction which the organizations like to follow, which should be understood and well interpreted by the employees with regard to their work. Innovation is mostly led by targets which are defined from the top of the organization. In order to encourage bottom-up innovation

(started from the employees), the organization should encourage creative thinking at all levels in the organizations. 'Organizations are also social systems that interact with other social systems whose values and goals are oriented towards those of the wider society' (den Ouden, 2012, p. 15). There are different strategies for an organization to create value. The three most known strategies are the strategies of Michael Porter which are lowest costs, differentiation and focus. These strategies can be translated into three value disciplines: 'operational excellence—offering the best price and/or the least inconvenience to the customer; customer intimacy—understanding the fulfillment of customer needs; and product leadership—delivering unique value products' (den Ouden, 2012, p. 16).

Value for the Ecosystem

Most changes in business models need more than one organizations or user groups in order to be successful. These organizations and user groups come together in a larger system which is called the ecosystem. 'Ecosystems include all stakeholders that have a direct or indirect role in the various phases of the innovation: the definition, creation, realization and extension' (den Ouden, 2012, p. 17). Ecosystems makes that organizations can deliver more value by working together, than they could deliver if they would work on their own. 'Successful ecosystems require mutual commitment and mutual dependence to create inter-organizational systems that promote the creation of value' (den Ouden, 2012, p. 17). 'A business ecosystem can be defined as an economic community supported by a foundation of interacting organizations and individuals, which produces goods and services of value to customers, who themselves are members of the same ecosystem' (den Ouden, 2012, p. 17). Suppliers, competitors, lead producers and other stakeholders are also part of this system. The relations within the ecosystem may change over time and the roles of the different parties may also change. The ecosystem will evolve, which also means that the value proposition of the ecosystem evolves.

Value for Society

The users, organizations and ecosystems are all part of a higher level, namely the society. The effect of innovations on society can be very impressive, but these effects are often underestimated. Organizations need a more integral view on value in order to create innovations which deliver value to both users as society. 'Such an integral view should include potential harmful effects, and support creative processes to reduce harm and increase value' (den Ouden, 2012, p. 18). Understanding the issues in the society can also lead to new transformational innovations in order to improve the quality of life.

2.3.2 Value from different perspectives

Den Ouden (2012) also describes value from different perspectives, namely from the economic point of view, from the psychological point of view, from the sociological point of view and from the ecological point of view. These views will be discussed in the following.

The Economic View

Economy concerns about 'production, consumption and the transfer of wealth' and can be seen as 'the art of money making' (den Ouden, 2012, p. 23). In micro-economics the focus lies on individuals, while in the macro-economics the focus lies on the economy as a whole. The individuals in the micro-economics make decisions about what they want and focus on getting the most for the least amount of effort. Classical micro-economics make a distinction between the use of value, the exchange of value, the labor of value and the surplus value. The use of value determines how useful a specific product or service might be for a person or situation, which plays a central role in the process of

design. Exchange value focuses on the price of a specific product or service on the market. In this context ‘value of a product or service is defined as the greatest amount of money that consumers are prepared to pay for it’ (den Ouden, 2012, p. 25). Labor Value is the amount of labor by humans which is invested in producing the good. Surplus value is the difference between the price of the product and the costs of producing the product.

‘Macroeconomics is the branch of economics that analyzes then national economy at an aggregate level, and is concerned with national income: the income accruing to a nation by virtue of its productive activities’ (den Ouden, 2012, p. 27), measured with the Gross Domestic Product (GDP). The GDP is defined as ‘the total amount of goods and services produced by a country annually and gives an indication of the strength of the national industry’ (den Ouden, 2012, p. 28). The wealth of all individuals in the society all contribute to the wealth of the total society. In order to gain as much wealth for the society, every individual should do what he / she can do best.

Economic Value Concepts

The following table gives an overview of the different definitions of value which were given in the previous section.

	User	Organization	Ecosystem	Society
Value Definitions	Use-value Exchange value	Exchange value Labor Value Surplus value	Exchange value Surplus value	Wealth GDP
Value concept	Value for money	Profit	Stability	Prosperity

Table 14 Economic Value Concepts

The value concept is added in order to make things practical. These concepts can be applied in order to address the values at the different levels. The economic value of a product or service at the user-level is value for money. ‘The user, or customer, will strive to achieve the maximum exchange and use value for his money’ (den Ouden, 2012, p. 29). In this concept the intangible value is also included, for example the value of an experience. The value concept on the level of the organization is profit, which is the difference between the costs of the development, production and delivering of the product and the income which the organization can gain. This concept shows a difference between profit organizations, who will strive for maximizing this profit, and nonprofit organizations that focus on covering their costs. For each organization the control of costs and income is important for long-term survival (den Ouden, 2012, p. 30). Stability is the value concept at the level of the ecosystem. In order to be successful on the long term is stability within the ecosystem, which can be reached by adapting to changing conditions. At the level of the society wealth is an important value concept. Wealth is maximized when citizens do what they can do best. A wealthy economy had a high GDP and can provide for example good health care and education to their citizens.

Economic value is an enabler for psychological, sociological and ecological value. Those views will be discussed in the following sections.

The Psychological View

Psychology as a science focuses on the study of the human mind and its functions. ‘Value in the perspective of psychology is a desirable trans-situational goal, serving as a guiding principle in people’s lives’ (den Ouden, 2012, p. 31), and focuses both on human values as motivational values

(how values influence behavior). In order to measure value in a psychological context, one should focus on measuring happiness. 'Subjective Well-being and Happiness Subjective well-being concerns the assessment of people's evaluative reaction to their lives and societies: their normative ideals, subjective experiences and ability to select the goods and services they desire' (den Ouden, 2012, p. 31). Organizations can create the greatest value when as many people are as happy as possible. Therefore it is important to focus on human value which represents what is desirable for individuals and in societies. Human values can be an inspiration for innovations. All values express a type of motivational goal. 'People have three universal requirements of human existence: biological needs, requisites of coordinated social interaction and demands of group survival and functioning' (den Ouden, 2012, p. 32). These requirements are used by individuals and groups to explain, coordinate and rationalize behavior. It is important for organizations to understand these motivational values, in order to be able to successfully implement transformational innovations. In the context of innovation it is important to understand what drives people, as this influences their willingness to buy and use certain products and services. But more importantly, it can inspire meaningful innovations that support people in a higher level of well-being, belonging and meaning (den Ouden, 2014, p. 34).

Psychological Value Concepts

The following table gives an overview of the different definitions of value which were given in the previous section.

	User	Organization	Ecosystem	Society
Value Definitions	Human values, motivational values, happiness, contentment.	Organizational values	Organizational values	Subjective well-being happiness, contentment
Value concept	Happiness	Core values	Shared drivers	Well-being

Table 15 Psychological Value Concepts

Again in this table the value concepts are added in order to make things practical. As stated before, to measure value in a psychological context, one should focus on measuring happiness. Therefore this is the value concept at the level of the user. 'By addressing the values of users, and being able to communicate this, prospective users can be expected to adopt the innovation and use it extensively, thereby increasing their overall happiness or life satisfaction' (den Ouden, 2012, p. 35). 'Core values' is the value concept at the level of the organization. A core value of an organization reflects the reason of being and motivates managers and employees to contribute at the creation of value. A shared driver is the value concept at the level of the ecosystem. In order to create new benefits to the members of the ecosystem, the members should share the overall mission of the ecosystem. This overall mission is not fixed, but adaptive to the environment. The value concept at the level of the organization is the well-being. The well-being of the society has an important impact on the level of well-being of individual and therefore should be taken into account by organizations

The sociological view.

In the sociological view, sociologists 'speak of social or cultural values as mechanisms of solidarity and collective identity' (den Ouden, 2012, p. 37). In this context the roles of individuals are very important. We are what other people think we are, but sometimes some persons only see us in one specific role. A person can for example be a father, a husband, a lawyer, but also a basketball player. Every person has different roles, but sometimes people only focus on one role. 'Value Systems

Sociologists use the term ‘value system’ for the system that guides the judgment of what is true, beautiful, good, proper or desirable in human life’ (den Ouden, 2012, p. 38). The social environment with all its levels (micro, macro, etc.) influences the experience of individuals. Value systems are different in every culture. Culture is the way people see the world and how they make their decisions and judgments. Values are an important element of culture. If an organization considers innovations to a wide target audience, it should have a good understanding of these differences of value.

Sociological Value Concepts

The following table gives an overview of the different definitions of value which were given in the previous section.

	User	Organization	Ecosystem	Society
Value Definitions	Value as a meaning, signification, symbolic value, sentimental value.	Social significance, image value	Network value, affiliation	Cultural value, historical value, social significance.
Value concept	Belonging	Social responsibility	Reciprocity	Meaningful life

Table 16 Sociological Value Concepts

‘Social value is defined as the non-economic value that society puts on a resource and that is recognized by most, if not all, people, such as the benefits to human health of clean air and water’ (den Ouden, 2012, p. 42). Belonging is the value concept at the level of the user and is an important measure of happiness. ‘Through the group with which people identify, or to which they would like to belong, they have a cultural perspective that provides the context for attribution of a meaning to products and services’ (den Ouden, 2012, p. 43). For organizations it is important to understand these mechanisms, because the process of adoption of innovations is influenced by this process. Social responsibility is the value concept at the level of the organization and focuses on the impact of the behavior of the organization on the society. Reciprocity is the value concept at the level of the ecosystem. ‘Reciprocity means that in the end all members of the system contribute from their own strengths and competences, and are paid in return in a value that is of worth to them’ (den Ouden, 2012, p. 46). Long-term relationships within the ecosystem create stability within the ecosystem and create a balance for all members. Meaningful Life is the value concept at the level of the society. ‘The ultimate value of society is the greatest happiness of the greatest number of people’ (den Ouden, 2012, p. 46).

The ecological view

Ecologists study ‘phenomena in the physical and biological environment of organisms that affect their survival in the broadest sense’ (den Ouden, 2012, p. 46). ‘Value in the perspective of ecology considers the earth as a whole, with man just being part of a larger ecosystem, which is a more holistic view of values’ (den Ouden, 2012, p. 47). Biodiversity also plays an important role in this context and delivers value which can be categorized in six categories, namely (1) ‘direct, extractive, use value: production of timber or the collection of animals and plants for food, (2) direct, non-extractive use value: recreation and tourism, (3) ecological function value: flood control, climate regulation, photosynthesis, nutrient cycles, waste assimilation, (4) option value: the potential use of plants for future drugs, genes for plant breeding, importance of plants as a source of chemical

substances to complement new technologies, or as a substitute for depleted resources, (5) existence (non-use) value: sympathy for the natural environment and the mere existence of particular species, and (6) bequest value: altruistic benefit from the knowledge that others might benefit from a resource in the future’ (den Ouden, 2012, p. 48). It is difficult to translate the importance of biodiversity into hard numbers, in other words to value biodiversity. On the other hand nature has also a positive influence on human wellbeing, because humans have beneficial psychological effects from the nature and nature also has a healing effect. Environments also stimulate people to be creative. The ecological view is the most holistic view of the four mentioned sciences. ‘It covers not only the social relationships of people, but also their relationships with their physical surroundings’ (den Ouden, 2012, p. 52).

Ecological Value Concepts

The following table gives an overview of the different definitions of value which were given in the previous section.

	User	Organization	Ecosystem	Society
Value Definitions	Human Development, Creativity, Spirituality	Business spirituality, creativity.	Earth concerned values	Biodiversity, Gross National Happiness.
Value concept	Eco-footprint	Eco-effectiveness	Sustainability	Livability of the environment

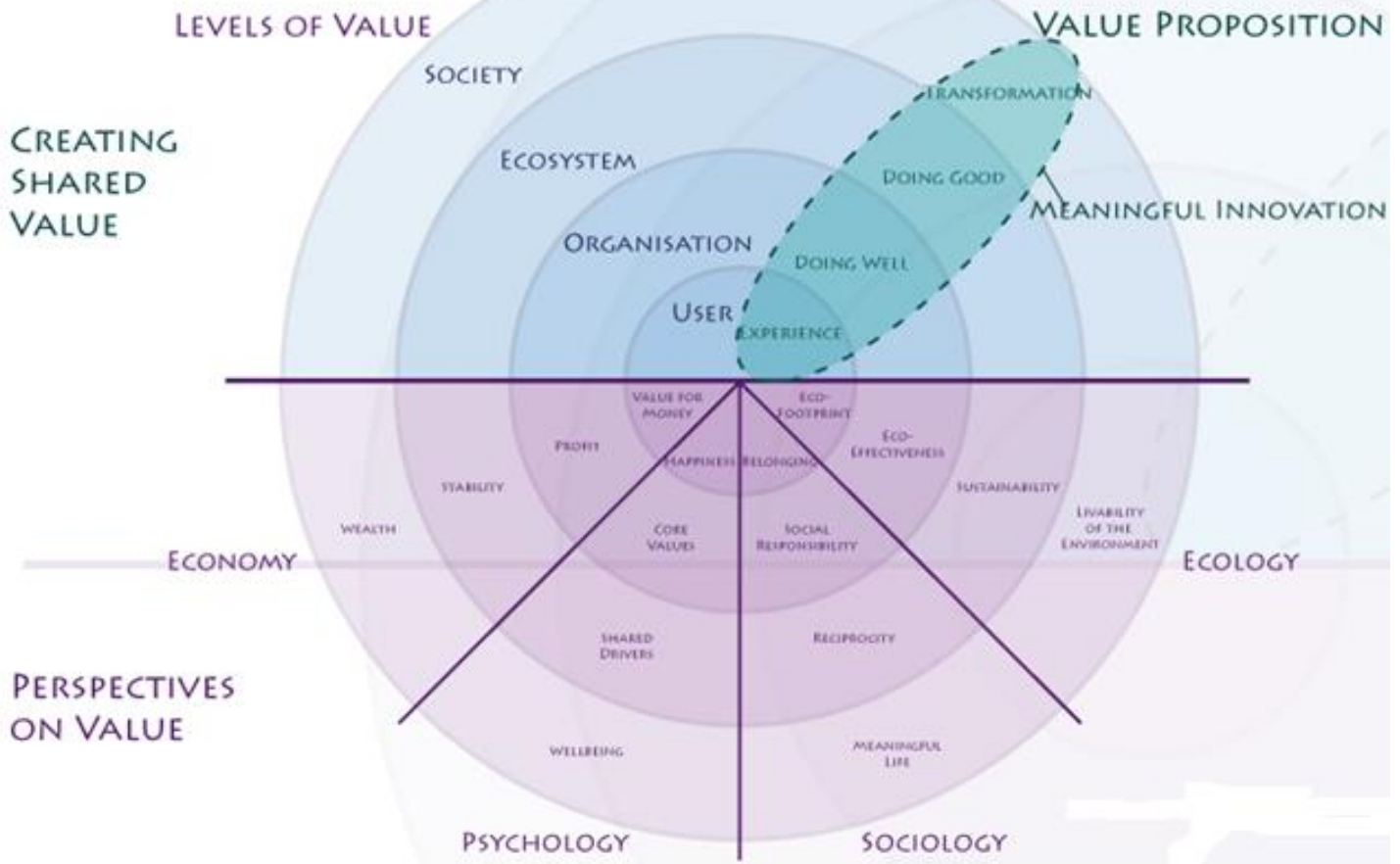
Table 17 Ecological Value Concepts

Eco-footprint is the value concept at the user level. Every person consumes resources like products and services. ‘By selecting products and services, users have the options of choosing between different alternatives with different ecological footprints’ (den Ouden, 2012, p. 52), which are both related to the production process as the environmental impact. Eco-Effectiveness is the value concept at the level of the organization. This concept refers to the eco-friendly innovation within organizations. By implementing this successfully, organizations can differentiate them from customers. Sustainability is the value concept at the level of the ecosystem. ‘Sustainability is about the disposition, the mindset, and behaviors which shape and sustain relationships—relationships with family, friends, customers, investors, employees, borrowers, fellow citizens, the community, the environment, and with nature’ (den Ouden, 2012, p. 54). Acting sustainable means that you take the effects of your actions on those relationships into account. At the societal level, the livability of the environment is the value concept. Here the importance for the human well-being and health are important, but also the physical beauty of the environment plays a role here.

2.3.3 The Value Framework

The aforementioned four levels (user, organization, ecosystem and society) and the four view (economic, psychological, sociological and ecological), can be combined into one Value Framework (den Ouden, 2012, p. 92).

VALUE FRAMEWORK



Picture 1 The Value Framework (den Ouden, 2012)

The picture should be read as follows. If an innovation had value for a user, it provides value for money in an economic perspective, happiness in from the psychological perspective, belonging in the sociological sense, and the reduction of the footprint from the ecological perspective. ‘Similarly, an innovation is considered valuable to an organization if it creates profit, enhances the organization’s core values and contributes to its social responsibility and eco-effectiveness’ (den Ouden, 2012, p. 56). Every innovation can be evaluated with the use of this framework, in order to see which elements are addressed by an innovation and which insights must be overlooked. By improving the aspects which are not well addressed an innovation can be enriched.

2.3.4 New Value Propositions

To be beneficial for the society, the user, the organization and the ecosystem, the innovation should address different levels of value. To really tackle the problem in the case of the Trefhoek, to become more self-sufficient as a consequence of governmental decisions, requires a change in behavior and a change in thinking, a so called transformational innovation. ‘Changing behavior is much more likely

to happen if people recognize the need for change, because it is a pleasurable experience, or because it is fun to do so' (den Ouden, 2012, p. 61). It is important to notice that 'meaningful innovations combine the creation of value at all four levels' (den Ouden, 2012, p. 61). In the next section is discussed how new value propositions can be defined in order to create value for all four levels with the use of the Value Framework. First is shortly focused on the concept of value proposition.

To return to the nine building blocks of Osterwalder a 'Value proposition is the bundle of products and services that create value for a specific Customer segment' (Osterwalder & Pigneur, 2010, p. 22). 'A value proposition is the reason why customers prefer one company over another: it solves a problem or satisfies a need' (Osterwalder & Pigneur, 2010, p. 22). A value proposition describes the total of benefits which a company can offer to a customer. Den Ouden (2012) refers in her book to Johnson et al. (2012) who define a value proposition as 'clear, simple statement of the tangible and intangible benefits of a new solution, together with an approximate price' (den Ouden, 2012, p. 62). The benefits for the customer should be increased or the sacrifices should be reduced by the value proposition. Besides that the value proposition should take the own competences and resources of the organization into account and should describe how they can create competitive advantage. 'The key dimensions of customer value to be addressed in the value proposition are: economic (price); functional (solutions); emotional (experience); and symbolic (meaning)' (den Ouden, 2012, p. 62).

As stated before the case of the Trefhoek requires a transformational innovation. These types of innovations are different from regular products and service, because there are often a combination of related products and services and they are likely to create value for the long term. 'The value proposition for a transformational innovation therefore should be crafted as an exchange of value that is described in terms of perceived benefits or reduced costs, shows clearly to whom that value should flow and how, is delivered over a time frame longer than a single transaction, is often co-created through interaction between two or more parties, and is broadly congruent with the relationship objectives set for a particular market' (den Ouden, 2012, p. 62). In the following is described how value can be delivered by transformational innovations per level.

New value propositions for the User

'The core of transformational innovations is how users change their behavior to improve the quality of their lives' (den Ouden, 2012, p. 66). When people have to make sacrifices, they are not likely to change their behavior, but when a pleasurable experience is offered, they will. 'New value propositions will need to offer a pleasurable experience for the user, which seduces him or her to change behavior and keep on using the product or service to contribute to an increased quality of life' (den Ouden, 2012, p. 74). Solutions should offer value for money to the user, so users can justify their purchase and extended use, they should contribute to personal happiness, by fulfilling personal dreams, they should enable the users to belong to a group and they should enable the user to reduce their ecological footprint for a livable planet. As one may notice, those are the four elements per view of the value framework at the user level: value for money, happiness, belonging and eco-footprint.

New value propositions for the Organization

Organizations get new business opportunities by transformational innovations. Organizations who see these opportunities will take the lead by searching for solutions for these challenges. 'It is important for an organization to find a superior value proposition: one that is clear to the users, and

provides a simple statement of the tangible and intangible benefits; one that fits with the organization's strategy and enables the organization to provide real added value; one that provides the opportunity for a sustainable business and enables continuity of the organization' (den Ouden, 2012, p. 75). Today's organizations focus on innovations driven by the end-user: focusing on their unknown needs. Also social innovations, innovations for meeting a social need, create opportunities for organizations. Networking and open innovations between organizations can contribute to breakthrough innovations. It is a good development, but not easy to obtain. In order to create transformational innovations, most of the time the organization should renew itself.

'The challenge in creating new value propositions for transformational innovations is to enable organizations to 'do well'; new value propositions will need to provide an opportunity for sustainable value to ensure continuation of the organization' (den Ouden, 2012, p. 81). The new value proposition should provide profit for the organization, the core values of the organization should be represented in the new value proposition, and social responsibility and eco-effectiveness should be expressed clearly in the value proposition. Profit, core values, social responsibility and eco-effectiveness are the four elements in the value framework at the level of the organization.

New value propositions for the Ecosystem

Transformational innovations mostly require a new eco-system with multiple stakeholders involved. Those new ecosystems play an important role to distribute value among the stakeholders. 'The main objective of the ecosystem is to ensure that the value it creates for society, the users, and the organizations is sustainable' (den Ouden, 2012, p. 83). Shared value is the connection between both societal as economic progress. Value propositions which address this shared value should be clear about the value for the different stakeholders. 'The challenge in creating new value propositions for transformational innovations at ecosystem level is to enable 'doing good'; New value propositions will need to allow the creation of ecosystems that can adapt to inherent changes and dynamics over a longer period of time and keep providing value for all stakeholders' (den Ouden, 2012, p. 85). Economic stability should be provided by the value proposition; the proposition should deliver economic value to the stakeholders. Besides that the shared drivers of the most important shareholders should serve as a basis for the value proposition. 'The value proposition should enable reciprocal relationships between the members of the ecosystem', and at last the value proposition should also enable sustainability within the ecosystem in ecological terms (den Ouden, 2012, p. 86). One should notice the four element of the value framework at the level of the ecosystem namely, stability, shared drivers, reciprocity and sustainability.

New value propositions for the Society

'Value propositions at societal level aim to enable social change: a transformation is needed because a lasting change needs to be anchored into the daily lives of the citizens' (den Ouden, 2012, p. 87). Innovations at this level require individuals to change their behavior, because they have only effect when a larger group changes their behavior. 'Achieving lasting change in large groups of users is directly linked to the core of the Value Framework: creating an engaging experience for users. The challenge is to create this experience in such a way that it appeals to large groups of people, through a business model that is scalable' (den Ouden, 2012, p. 89). 'The challenge in creating new value propositions for transformational innovations at societal level is to achieve a transformation; New value propositions will need to improve the quality of life for society as a whole and care for people and planet' (den Ouden, 2012, p. 91). The new value proposition should create wealth for the society

and should also address the wellbeing of the society. This also means to enable individuals to contribute to the society and have a meaningful life. Besides that the livability of the environment should be discussed in the value framework. At the level of the society wealth, wellbeing, meaningful life and livability are the aspects of the value framework.

2.3.5 Business modelling connected with eco-systems

Until so far the value framework is explained, and how this framework could be used to formulate new value propositions for transformational innovations. In the context of transformational innovations the term ecosystems is being used increasingly. This term refers to the fact that innovation is no longer an isolated activity, but that it is a combination of different products and services. 'Ecosystems for transformational innovation aim to bring together those organizations and stakeholders that affect or are affected by the innovation' (den Ouden, 2012, p. 143).

'Meaningful innovations aim to realize value: for different stakeholders; at different levels; and from the economic, psychological, sociological and ecological perspective' (den Ouden, 2012, p. 99). The creation of shared value requires collaboration between all the parties and a good understanding of the people and their needs. 'The role of the ecosystem in the creation and realization of meaningful innovations is to ensure that its members can keep providing value for all the stakeholders, despite inherent changes and dynamics that occur over a longer period of Time' (den Ouden, 2012, p. 152).

In the beginning of this research the concept of business modelling was discussed. This was included, because the main focus of this report is to investigate which type of business model the organization the Trefhoek could implement in order to become more self-sufficient. The definition of a business model according to Osterwalder (2010) is:

'A business model describes the rationale of how an organization creates, delivers, and captures value' (Osterwalder & Pigneur, 2010, p.15).

Linking this definition to the eco-systems as discussed in this chapter, 'this also deals with the creation and addition of value, as well as the exchange of value between the actors' (den Ouden, 2012, p. 154). 'The design decisions in a business model for ecosystems include: what offerings from which actors are provided to which other actors; what are the elements of those offerings; and which value-creating or value-adding activities are performed by which actors' (den Ouden, 2012, p. 154). Den Ouden (2012) states that the Business Model Canvas, as described by Osterwalder (2010) can be used for traditional business models. For new business models, which are needed in the case of the Trefhoek, den Ouden suggests the Value Flow Model, because this model 'focusses on the offerings and interaction of an organization with its customers, but also on the flow of value between the different parties of the total eco-system' (den Ouden, 2012, p. 154). The traditional literature on business models does not provide a total solution in the case of the Trefhoek. A more developed model is needed and therefore this research further focuses on the Value Flow model of den Ouden (2012).

2.3.6 Ecosystems

Innovation is something which organizations can no longer do in isolation, because in many cases organizations have to work together in order to innovate successful (den Ouden, 2012). 'Ecosystems for transformational innovation aim to bring together those organizations and stakeholders that

affect or are affected by the innovation' and ensures that sustainable value is delivered to all members of this ecosystem (den Ouden, 2012, p. 143).

Ecosystems are a specific form of a network. 'Networks offer a highly feasible way to use and enhance intangible assets such as tacit knowledge and technological innovation and have an open-ended quality, which is most useful when resources are variable and the environment uncertain' (den Ouden, 2012, p. 146). Networking is built on trust and helps the organization to learn better. Innovation in ecosystems therefore also has to deal with questions like: 'With whom to collaborate?; Why collaborate?; and Are the skills available to make the collaboration work?' (den Ouden, 2012, p. 146). 'The role of the ecosystem in the creation and realization of meaningful innovations is to ensure that its members can keep providing value for all the stakeholders, despite inherent changes and dynamics that occur over a longer period of time' (den Ouden, 2012, p. 152).

2.3.7 Designing a new ecosystem: The Value Flow Model

As stated before 'the design decisions in a business model for ecosystems include: what offerings from which actors are provided to which other actors; what are the elements of those offerings; and which value-creating or value-adding activities are performed by which actors' (den Ouden, 2012, p. 154). For designing a new ecosystem the Value Flow Model of den Ouden is an appropriate tool. In a Value Flow Model, specific interaction within a network are visualized, in order 'to provide a perspective for understanding value-creating roles and relationships, and to offer a dynamic view of how both financial and non-financial assets are converted into negotiable forms of value' (den Ouden, 2012, p. 154). Value models are a useful tool to explore new business networks. The Value Flow model consists of different elements, which together give an overview of how the value proposition is created 'out of complementary offerings from different organizations, and how the related value flows through the ecosystem' (den Ouden, 2012, p. 155). In the following section the different elements will be discussed.

- **Actors:** In the beginning of the ecosystem design project, actors are identified as roles, like customers, suppliers, etc. actors can be individuals, little groups or large groups of people. Sometimes it is difficult to clearly identify all the roles.
- **Motivations:** The element motivation is related to the actors: the interests and purposes of the actors or the goals they wish to realize. Understanding differences in motivation is very important for the design of the network. The value framework as discussed earlier in this chapter is an excellent tool to identify the individual drivers per actor.
- **Compatibility and Influence:** 'The compatibility of the main motivations of the actors with the value proposition under development, and commonality of behavior and values with the initiating members of the ecosystem is the third element in the value flow model; for each actor, there is an indication of whether his motivation and behavior are positively compatible (+), neutral (=) or not compatible (-) with the value proposition and the initiating members of the ecosystem' (den Ouden, 2012, p. 156). Besides the compatibility also the influence of the actor in the decision making process is important. If the influence is high, the compatibility of this actor will also be higher.
- **Investments and Throughput Time:** For the actors in the eco-system it is important to make a rough indication of the monetary investments. Besides that it is also important to make an indication of the throughput time of the offering.

- *Transactions*: 'Transactions can be activities that originate with one actor and end with another, or resources, information or items that are shared or exchanged between two actors' (den Ouden, p. 158). The content of these transactions can be goods and services, money and credits, information or intangibles.
- *Core Value Proposition*: 'The core value proposition consists of a description of the end-customer, users and those actors who exchange value directly with the end-customers or users' (den Ouden, 2012, p. 159).
- *Complementary Offerings*: 'The complementary offerings can make the total bundle of offerings more attractive for the customers, and they may also address additional target groups' (den Ouden, 2012, p. 161).
- *Supplying and Enabling Network*: 'The supplying and enabling network includes those actors and transactions that deliver components for integration into the value proposition or that play a role in enabling the value proposition' (den Ouden, 2012, p. 161).
- *Other Stakeholders*: Other stakeholders are those 'who are affected by the value proposition, but who are not directly involved in it' (den Ouden, 2012, p. 161).

'The purpose of the Value Flow Model is to show how different elements are integrated to provide a coherent view of the value proposition, how it is enriched with complementary offerings from different organizations, which actors are needed in the supplying and enabling network and how the value flows through the total ecosystem' (den Ouden, 2012, p. 162). In order to create a new ecosystem different steps have to be taken, namely (1) the formulation of the initial value proposition, (2) the selection of parties for ideation and the enrichment of the value proposition, (3) the identification of the stakeholders and their interest, (4) the definition of the roles and value flows of and between the different stakeholders and (5) the selection of parties for the realization and implementation of the new ecosystem (den Ouden, 2012).

3. Methodology

In this section the methodology of this research will be explained. After reading this section it is clear which steps are needed in order to answer the main question of this research, namely:

How can community centers, totally financed by the government, become more self-sufficient with regard to their business model, in order to deal with the retrenchment of the social welfare states and the rise of a society of participation?

3.1 The concept of a business model

In a very basic sense a business model is a 'story which tells how organizations work' (Magretta, 2002, p. 5). Community Center the Trefhoek searches for a new way to work, in order to become more self-sufficient. The word 'how' in the main question of this research therefore refers to the concept of business modeling. In the first chapter the concept of a business model will be discussed. Many authors have written about this concept and for that reason a little discussion was given in the theoretical framework. The authors are selected on basis of most citations by other authors. Besides the definitions the different components of business models which are distinguished by the authors, are also discussed, because those components make it easier to describe a business model of an organization.

In this research the definition of Osterwalder & Pigneur (2010) will be followed. Following this definition was decided for two reasons: (1) they capture all the dimensions mentioned by the other authors in this report and they extend on these components, and (2) their definition is most cited by other authors. Osterwalder & Pigneur (2010) also describe a framework for business modelling which is more extensive than the components described by the other authors. To relate the concept of business modelling to the case of the Trefhoek the framework of Osterwalder & Pigneur is used in order to describe the business model of the Trefhoek.

3.2 Types of business models.

After explaining the concept of a business model and relating this to the case of the Trefhoek it is important to see which different types of business models are described in literature. This is important because in most cases current business models have shown that they are effective, since they are already used by other organizations. It is also known in which situations these business models are most effective. For this reason it is decided to focus on current, well known business models.

After searching for all-round business models it could be concluded that those business models could not perfectly be applied in case of the Trefhoek. This is because 'non-profit, for profit, and public sector organizations differ from each other in mission and approach' (Goulet & Frank, 2002, p. 201). Because of these differences between non-profit, for profit and public sector organizations and because the Trefhoek is a non-profit organizations, it is chosen to focus on the ten funding model for non-profit organizations of Foster (2009). In this article ten funding models for non-profit organizations are described, which are used by the largest nonprofit-organizations in the United States. The ten models which are described are thus common-used and adapted to the situation of non-profit organizations.

The ten funding models are already described in the theoretical framework. Because of the conclusion in to focus on the definition of Osterwalder & Pigneur (2010) all the models are described in light of this theory.

3.3 Data collection: which type of business model is suitable for the Trefhoek?

After knowing what the concept of a business model is and which types of business models there are in literature, the report will focus on the question of which type of business model might be suitable for the Trefhoek. 'Good business model designs are likely to be highly situational, and the design process is likely to involve iterative processes' (Teece, 2010, p. 174). The funding models as discussed in the theoretical framework focus on generating more money from different parties instead of only the government and are good examples of business models which have proven to 'work'. However in this situation the Trefhoek still does not become self-sufficient. They are in that case not (totally) dependent of the government anymore, but still from other parties from which they get financial aid. This financial aid stays insecure, because when the parties decide not to finance anymore the Trefhoek still has the same problem. Funding organizations nowadays get less and less income, due to the retrenchment of member and the government, and therefore have a very critical attitude towards requests from new parties for financial aid.

Besides the partial dependency which is still the case in one of the ten funding models, there is another reason why the existing funding models are not suitable enough for the case of the Trefhoek. This is because every business model has an end of existence ('Op weg naar nieuwe businessmodellen'. n.d). Just like a product, a business model has a life cycle which runs from rise to fall. The more developments and changes in the environment, the faster a business model is going through this life cycle. Due to the fast developments and changes in today's life, the funding business models from the past are not effective anymore and therefore cannot be applied in the case of the Trefhoek.

For those two reasons this research is about developing a specific (new) business model for the case of the Trefhoek instead of implementing an existing business model. The following section therefore will focus on possible ways to develop a business model. In their book Osterwalder & Pigneur (2010) identify six business model design techniques, namely 'Customer Insights, Ideation, Visual Thinking, Prototyping, Storytelling, and Scenarios' (p. 125). These techniques will be described in the following:

- **Customer Insights** is a way of developing a business model by understanding the customers. Understanding customers can lead to identification of new and unmet desires (Fetterhoff & Voelkel, 2006). Customer insights consists of three components, namely '(1) what job the customer is trying to do, (2) what outcome the customer is trying to achieve, and (3) constraints that may block the adoption of a different approach' (Fetterhoff & Voelkel, 2006, p. 15). The Customer Insights influences the decisions which an organization takes with regard to the different components of a business model (Osterwalder & Pigneur, 2010).
- **Ideation** is 'the formation of ideas and involves the conception of original thoughts' (Reid & Moriarty, 1983, p. 119). 'Getting ideas', 'creativity' and 'creative problem solving' are examples of synonyms for 'ideation' (Reid & Moriarty, 1983, p. 119). Business modeling with the use of ideation makes it possible to generate as many ideas as possible in order to select the most appropriate ones (Osterwalder & Pigneur, 2010). Ideation contains of two phases,

namely the generation of ideas and the translation of those ideas into a smaller number of applicable solutions (Osterwalder & Pigneur, 2010).

- **Visual thinking** is the use of visual tools to get ideas and to discuss the meaning of those ideas (Osterwalder & Pigneur, 2010). Because brains function by constructing patterns, it can be helpful to visualize these patterns to make it easier to generate ideas (Hyerly, 1996). The use of words, pictures or stories are examples of visual thinking tools (Osterwalder & Pigneur, 2010).
- **Prototyping** 'is a technique which represent potential future business model' (Osterwalder & Pigneur, 2010, p.162). A prototype can be a rough draft, but also a more extensive idea (Osterwalder & Pigneur, 2010). In literature a prototype 'is the first thing in its kind' (Wall, 1991, p. 10)
- **Storytelling** is a technique which can help to communicate the new business model in order to start a discussion of this business model (Osterwalder & Pigneur, 2010). According to Magretta (2002), 'designing a business model can be compared with writing a story' (p. 4). Mostly new business models are difficult to communicate, so in this case transforming this business model into a story can be a helpful tool (Osterwalder & Pigneur, 2010).
- **Scenarios** are also a helpful tool in order to make things concrete (Osterwalder & Pigneur, 2010). The scenarios can be based on a description of potential customers, but also on the description of the future environment (Osterwalder & Pigneur, 2010).

It is chosen to focus on the process of ideation, because in order to develop a new business model for the Trefhoek, it is important to generate new and different ideas about business modeling in this context: creative thinking. For this research it is necessary to get as much ideas as possible in order to select the best ones. 'The best ideas' are those ideas which can be best applied in every community center and which are therefore not only applicable for one community center which has some specific and unique characteristics.

Techniques like scenarios, storytelling and prototyping all require from the researcher to develop a new business model (or parts of it) on forehand in order to create discussion in the brainstorm sessions about this new model. In this research those techniques are therefore not appropriate, because it is necessary to get the input from the participants instead of giving them already a possible solution. Ideas from the participants are important because they have more knowledge about community centers in general due to their experience. The risk of using scenarios, storytelling or prototyping is that participants are already formed by the proposed solution and therefore creativity might be lost. Also visual thinking is difficult to use, because the case of the Trefhoek is difficult to translate in visual tools. A customer insight is a technique which purely focuses on the customers, which are in case of the Trefhoek the people from the neighborhood.

The importance of generating new ideas with the use of ideation makes it necessary to find a data collection technique with which this can be realized. Brainstorming is that kind of technique which can be used in order to collect new ideas from groups and can be best used for creative problem solving (Gallupe et al., 1992; Rawlinson, 1981). 'Typical brainstorming instructions prompt group members to generate as many ideas as possible, to evaluate uncritically their own ideas before expressing them, to evaluate uncritically other people's ideas when they are expressed, and to improve or combine ideas already suggested' (Mullen et al., 1991, p. 3). 'In brainstorm sessions there are some rules which are important to guarantee as much ideas as possible and also as much

qualitative ideas as possible, namely do not criticize, quantity is wanted, combine and improve suggested ideas, and say all ideas that come to mind, no matter how 'wild' (Sutton & Hargadon, 1996, p. 685).

3.3.1 Value

The word 'value' seems to play an important role in this report. As showed in the first and second section of the theoretical framework, delivering and creating value play an important role in the concept of business models. Also the main differences in the funding models were found in the value proposition of the models. Searching for literature on value leads to a book of Elke van Ouden 'Innovation Design' (2012). In her book she explains the concept of value with the use of a value framework. She also described the value flow model. 'The purpose of the Value Flow Model is to show how different elements are integrated to provide a coherent view of the value proposition, how it is enriched with complementary offerings from different organizations, which actors are needed in the supplying and enabling network and how the value flows through the total ecosystem' (den Ouden, 2012, p. 162). The model can thus help to create a bigger view of the network of an organization and the value which is delivered to the different parties in the network. Because the Trefhoek has to deal with several parties, like the government, citizens, etc. it is important to know which value is delivered to whom. Therefore it is chosen to use the value flow model to develop a specific type of business model for the Trefhoek. The value framework and the value flow model will be already extensively described in the theoretical framework. The value flow model will be used in the brainstorm sessions and afterwards for the formulation of a new business model.

3.3.2 Unit of analysis

It is chosen to conduct several brainstorm sessions with members from other community centers in the environment of the Trefhoek. The selection of the community centers will be non-randomized, because community centers are selected based on their characteristics. The community centers which will be approached for this study are:

- Dorpshuis 't Haarschut, Kloosterhaar, because of their experience with 'noaberschap' and because they are already mostly self-sufficient. 'Noaberschap' is a term which refers to taking care and looking after people which live in the neighborhood.
- Wijkcentrum Eninver, Almelo, because of their variety in facilities and because they are part of a larger organization Acress. The management is done by Acress; Eninver is only responsible for the activities within the community center. They are not comparable to the Trefhoek.
- Wijkcentrum 't Dok, Almelo, because they are comparable to the Trefhoek with regard to structure and the level of self-sufficiency.
- Wijkvereniging Baalder, Hardenberg, because they were facing financial problems for many years, but at the moment are very successful.
- Wijkcentrum de Wiekstee, Hardenberg, because they are comparable to the Trefhoek with regard to structure and the level of self-sufficiency.
- Wijkcentrum het Uilennest, Hardenberg, because they are comparable to the Trefhoek with regard to structure and the level of self-sufficiency.

Different literature showed that there are no clear rules about the size of the groups in the brainstorm sessions (Mashoed, 2006). It is chosen to ask two to four people per group to participate in order to avoid chaos and to create a good discussion.

3.3.3 Data collection

Community center will be contacted by phone. A little introduction of the research will be given. If the community centers are willing to participate arrangements for further contact will be made. Maybe some prefer e-mail, while others prefer phone. To keep in touch with everybody and to maximize the change that people will participate in this research, a flexible approach will be adopted to this point. It will be tried to convince the potential participants of the importance of this research, also for their organization in the future. Governments reduce their funding and therefore every community center will be influenced by this development.

After some hours of phoning it is discovered that six community centers in Almelo were part of a larger organization, namely Accres. These six community centers are Eninver, 't Nije Veurbrook, Möll'nwiek, Schelf, Goossenmaat and the Schöppe, and they have all the same manager, namely Huub Melenhorst.

In order to be well prepared for the brainstorm sessions it is important to practice. Therefore it is planned to do a pilot for the brainstorm sessions with Huub Melenhorst, in order to see whether the things which will be used in the brainstorm sessions might work or not. Huub Melenhorst works in community centers from 1994 until now and therefore has a lot of experience with community centers and also knows a lot about different community centers in Almelo. The pilot was structured as follows. First some main information was asked about his job within the community centers, some main information about the different community centers and his view on the future of community centers. After this introduction the value flow model of den Ouden was explained. In appendix 1, one can find the format which is used for this explanation. After the explanation some discussion followed about potential new stakeholders who could help the Trefhoek to become more self-sufficient.

During the pilot it became clear that the model of den Ouden (2012) is quite difficult for people who have never heard of the model and have no knowledge about Business Administration. In the pilot it did go very well, but this might be different in another brainstorm session. The reason why the model of den Ouden (2012) is difficult is because of the difference between the roles of the stakeholders and the complexity in the flows between the stakeholders. Time is needed to get a good understanding of the model and that is not possible within a few minutes during a brainstorm session.

For this reason it is chosen to work with the use of a question list, based on the model of den Ouden. With the use of question list it is tried to create structure within the session and to make sure that from every session in essence the same information is generated. The question list can be found in appendix 2.

Friday the 12th of September the first official brainstorm session with community center Baalder took place. In the brainstorm session with community center Baalder it was also noticed that using the question list was also quite difficult, because it was too much based on the model. Again the time was too short to clearly explain the model of den Ouden (2012). Therefore in the second session with

community center Dorpshuis 't Haarschut it was decided to not use the model and to ask questions in order to create some discussion. These questions were more open and therefore created more interaction between the participants. These questions were chosen because they can be translated directly into terms of the value flow model:

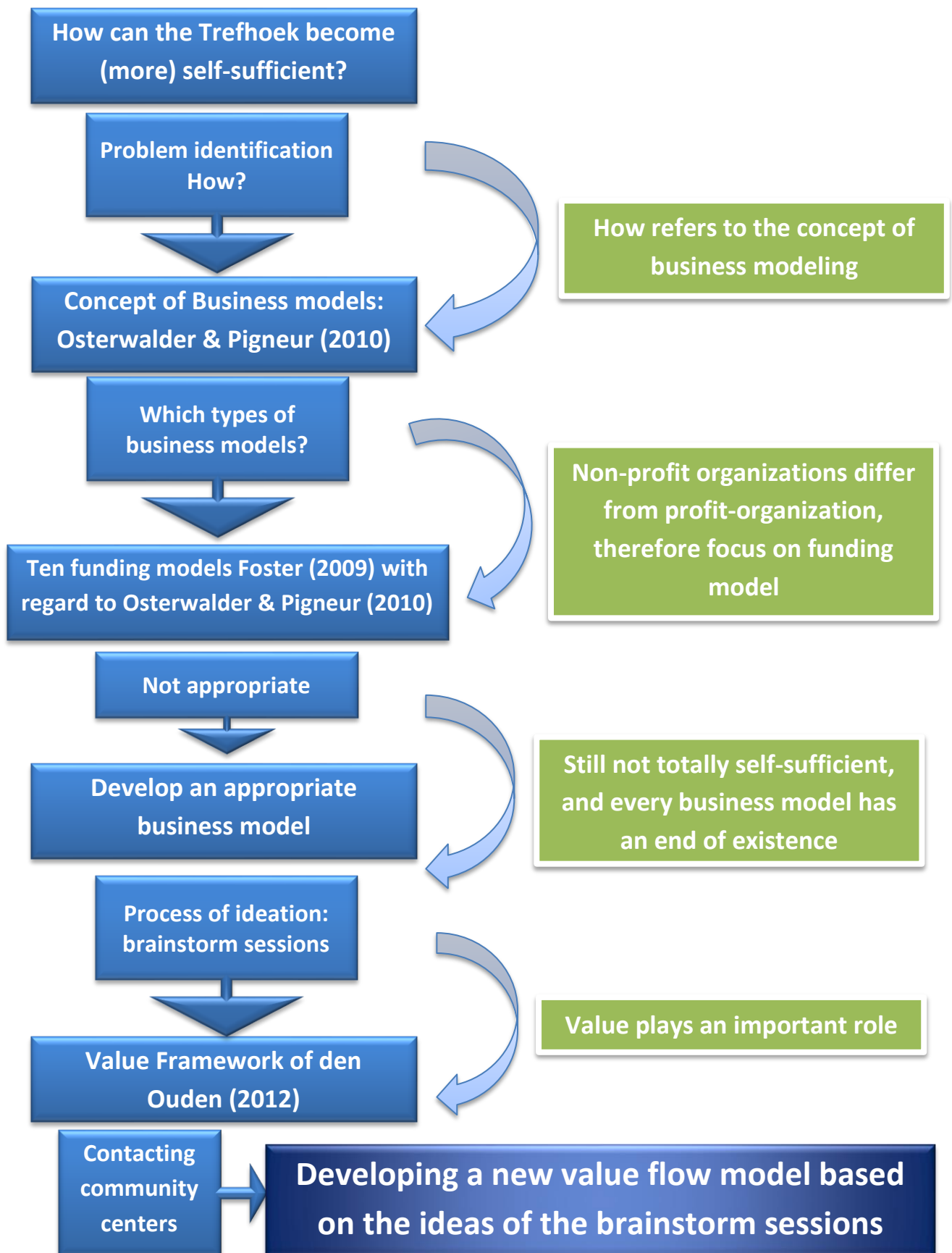
- How does your community center deal with the retrenchment of the government? In other words, what is a new way of earning money? Which parties participate? These questions help to identify potential new stakeholders.
- How do you approach these new stakeholders? Do the parties have connections to other parties? These questions help to identify the flows between the stakeholders.
- Which stakeholders are crucial for your core value proposition and how? Which stakeholders can make the community center more attractive? Which stakeholders are indirectly involved? These questions help to identify the role of the stakeholders.

There was also some interrogation on the answers and in the brainstorm sessions the ideas from the other community centers were used. For example the ideas of a 'Buurtkamer plus' from community center Dorpshuis 't Haarschut were also mentioned in the sessions with community center 't Dok, de Wiekstee and 't Uilennest. The goal behind this was to create again discussion about these ideas. The switching from the question list to the more open sessions turned out to be a good decision, because it created more interaction, discussion and openness in the brainstorm session.

3.3.4 Analysis

It is chosen to record the brainstorm sessions to be able to analyze the data several times. The brainstorm session will be analyzed by listening to the interview and making a short summary of the ideas per brainstorm session. Every interview will be analyzed by focusing on the main ideas of the community center on how to become more self-sufficient.

The results of these brainstorm sessions will be a lot of ideas, which will be translated into one value flow model of den Ouden (2012). In fact the value flow model, which can serve as a new business model because it describes different actors and the value flows between them, will be a general model which is useful for every community center (or other organization) which also has to deal with retrenchment of the government and which also has to become (or had the wish) to become more self-sufficient. The model will thus be general applicable (with of course some remarks because what might work in one situation does not have to work in the other situation). The results and the translation of these results in a value flow model will be discussed in chapter 5. This chapter will give an overview of the results. The discussion of these results will be discussed in chapter 6. The following figure presents an overview of the different steps which are taken in this research.



Picture 2 Overview methodology

4. The current situation of the Trefhoek

In this chapter the current situation of the Trefhoek will be discussed. First the current business model will be discussed, with the use of the nine building blocks of Osterwalder & Pigneur (2010) as discussed in the theoretical framework. Besides the description of this business a link will be made between the current business model and the ten funding models. Which funding model comes must close to the current model of the Trefhoek? At the end of the chapter will be explained how to search for a suitable business model of the Trefhoek.

4.1 The business model of the Trefhoek

Based on three interviews and the annual report of the Trefhoek, the business model of the Trefhoek will be described by the use of the nine building blocks of Osterwalder & Pigneur (2010).

Community Center 'the Trefhoek' is a non-profit foundation. The main goal of the organization is to support the welfare of citizens in the neighborhood 'Sluitersveld' in Almelo. To reach this goal, the Trefhoek has to take care that the community center is managed, functionaries are recruited and that they offer activities in order to use the community center.

The daily management of the Trefhoek consists of three people, namely Arnoud Cornellisen, Ben Striekenwold and Maurice Duzijn. They determine the direction of the Trefhoek and they take care that functionaries are recruited in order to take care of the daily state of affairs. The functionaries take care that the rooms are available for customers (cleaning, offer coffee), and that the rooms are rent to citizens. At the moment 3.2 FTE are employed in the Trefhoek. The main activities in the community center are provided by the parties who rent the room in the community center. For example a women's association rent a room from the Trefhoek, but they take care of the activities themselves. The employees of the Trefhoek offer coffee and take care that the room is clean. They also clean the room afterwards. Some activities like computer lessons and the billiards are activities which the community center the Trefhoek provides them. However most activities are organized by the clubs who rent the rooms from the Trefhoek.

4.1.1 Customer segment

The customer segment of the Trefhoek is 'all the citizens of the neighborhood Sluitersveld'. The neighborhood consists of people with different ages, different backgrounds, etc. The neighborhood 'Sluitersveld in Almelo' consists of five parts which are 'West-Sluitersveldslanden', 'Ootmarsumsestraat en omgeving', 'Marktgraven', 'Rumerslanden' en 'Verspreide Huizen Wijk 13'.

The Trefhoek does not have a specific target group within the neighborhood. They focus on all the people in the neighborhood. However the people of the age of 50 and older mostly make use of the community center. The need of this target group is to have a place where they can meet with people who have the same interests. The Trefhoek actively tries to interest other parties like health care institutes and housing associations to rent a room in the Trefhoek.

4.1.2 Value proposition

People rent of the room of the community center for lower prices. People rent a room in order for their own activities, like for example a club meeting or a try-out. The Trefhoek is placed central in the neighborhood. The value proposition in one sentence is that the Trefhoek offers customers the possibility to rent a room on a central place in the neighborhood, for a relatively low price. Besides that the Trefhoek brings people in the neighborhood together: unites them.

4.1.3 Channels

For the Trefhoek their network is very important to attract new customers which become interested in the community center. The network consists of current customer (music club, sport clubs, committees), the municipality and the committee of the neighborhood Sluitersveld. Via them the Trefhoek get access to (new) customers. With all the parties the Trefhoek has direct contact. Via their current customers they can reach new customers. For example the current customer who come to the Trefhoek individually, reach other new customers by mouth-to-mouth communication. People who come to the community center via the committee of the neighborhood also contact new people to join them in the activities in the Trefhoek. So for all the customers the Trefhoek uses mouth to mouth communication in order to reach new customers. Because the Trefhoek does not organize many activities they do not have anything to promote themselves. For that reason they use the current renters in order to attract the citizens to the community center. The committee of the neighborhood Sluitersveld plays a very important role in this process.

Besides the current network the Trefhoek is also building on their network to contact new parties like housing corporations, shop owners, companies, etc. They try to reach them in order to let them become new renters in the community centers.

4.1.4 Customer relationships

The relationship that the Trefhoek has with their clients is based on the long-term: the intention of the Trefhoek is to attract parties for a longer period. More and more people from the neighborhood are interested in renting a room in order to give the party. In those cases they do not just want to rent the room, but they are also interested in other services like catering, etc. At the moment the Trefhoek is not able to fulfill these needs.

4.1.5 Revenues streams

The people pay a standard price to rent a room in the community center. These prices are a bit lower, to keep them affordable for all the people in the society. These revenues do not cover all the costs and therefore most of the costs are paid with the use of subsidy. In the following the income statement of the Trefhoek will be further explained.

4.1.6 Key resources

The main resource for the Trefhoek at the moment is the subsidy from the government. If the government decides to stop this, the Trefhoek cannot exist anymore. With this subsidy the Trefhoek can finance personal costs and housing costs, but also other costs which they cannot finance with the use of the rent.

4.1.7 Key activities

Key activities in order to make this business model work are the facility activities (like cleaning, selling coffee, etc.), to supervise the community center when there are activities and the administrative activities (collecting the rent, registering, etc.). The core business of the Trefhoek is the rent of rooms. Besides that the Trefhoek organizes a few activities, but that is, as stated before, very minimal.

4.1.8 Key partnerships

The Trefhoek cooperates with clubs, the government and the committee of the neighborhood on a structural basis. Besides those they also cooperate sometimes with SCOOP, health facilities and

housing associations. In the future the Trefhoek would like to play central role between government and citizens with regard to the society of participation.

4.1.9 Cost structure

Personal costs and energy costs are the two most important expenses for the Trefhoek. These expenses are paid with the use of subsidy. In 2011 the Trefhoek had the following income statement:

		%
Earnings	€ 193.471	100
Direct costs	€ 14.681	7,6
Added Value	€ 178.790	92,4
Main costs:		
Salaries	€ 61.237	31,7
Social and pension costs	€ 13.091	6,8
Depreciation	€ 5.657	2,9
Other personnel costs	€ 2.349	1,2
Housing costs	€ 59.319	30,6
Administer costs	€ 10.089	5,2
Selling costs	€ 145	0,1
General costs	€ 8.104	4,2
Total costs	€ 159.991	82,8
Business result	€ 18.799	9,7
Interest (earned – paid)	€ -2.392	
Result	16,407	8,5

Table 18 Income statement Trefhoek

The earnings consist of rent, subsidy of the government, activities and the selling of coffee (drinks). Direct costs are the costs of activities (€1.104), costs for the buffet (€8.674) and expense allowance (€4.903). The term buffet refers to the selling of coffee and drinks. The personal costs are the costs for personal and other personnel costs are the costs for volunteers. Housing costs include the costs for energy, cleaning and insurances. As one can see the personnel costs and the housing costs together count for 62.3% of the subsidiary (social costs and pension costs not even included). Looking further in the annual report of the Trefhoek shows that the earnings consist of subsidy (€127.059), Rent (€32.528), earnings by activities (€6.383), earning from the buffet (€23.508) and other earning (€3,993).

The balance sheet of the Trefhoek is the following:

Activa						Passiva					
Long term fixed assets											
				%		Financed with long-term resources					
Fixed Assets		€ 67.312	50,1							%	
						Finances of the foundation		€ 88.766	66,1		
						Long term dept		€ 21.200	15,7		
Short term fixed assets											
				%				€ 109.966	81,8		
Stocks		€ 3.578	2,6								
Claims		€ 49.712	37			Financed with short term resources					
Working capital		€ 13.779	10,3							%	
						Short term dept		€ 24.415	18,2		
		€ 67.069	49,9								
		€ 134.381	100					€ 134.381	100		

Picture 3 Balance sheet the Trefhoek

In short major earnings of the Trefhoek are subsidy, rent and earnings from the buffet. Major costs of the Trefhoek are personnel costs and housing costs. The question is how the Trefhoek can become less dependent from subsidy from the local government. Some possible business models are discussed in the following chapter.

4.2 The Trefhoek and the ten funding models

After the explanation of the current business model of the Trefhoek it is interesting to see which type of the ten funding models, as explained in the theoretical framework comes most close to the current situation of the Trefhoek.

As stated in the previous section, the Trefhoek is totally dependent of the subsidy (funding) of the government. The government expects something in return from the community center. Every community center has social responsibility for the people within the community. A community center is a center where people can meet and where people get united. The Trefhoek uses fund of the government in order to finance their activities.

The business model of the Trefhoek comes most close to the funding model *Public Provider*, because the Trefhoek 'provides essential social services', namely the connection between people (Foster et al., 2009, p. 36). As stated in the introduction, the fund of the government is expected to be less. Therefore this type of funding model is not suitable anymore. It is necessary to search for a new business model which is more suitable for the Trefhoek.

4.3 How to become self-sufficient?

As already explained in the methodology section the funding models discussed in the theoretical framework have proven to work, but they are not suitable in case of the Trefhoek. This is because the Trefhoek is still dependent from other parties in these funding models and because every funding model has a begin and an end, just like a business model. This life cycle process of a business model goes faster when the environment is changing fast, which is the case nowadays. This makes it necessary to focus on developing a new business model, which will be done with brainstorm sessions with the different community centers as mentioned in the methodology section. In the next chapter the results of these sessions will be discussed. The results will be discussed with the use of the Value Flow Model of den Ouden (2012), which is explained in the theoretical framework.

5. Results: A new business model for the Trefhoek

In this chapter the different ideas from the brainstorm sessions will be discussed. A summary of all the brainstorm sessions can be found in appendix 3. The main ideas of the brainstorm sessions will be discussed with the use of the Value Flow Model, which is already explained in the theoretical framework. First a short review of the theory of the Value Flow Model will be given. After this review the main ideas of the brainstorm sessions will be discussed. These ideas will then be discussed with the use of the elements of the Value Flow Model.

5.1 A short review on the Value Flow Model

Innovation is something which organizations can no longer do in isolation, because in many cases organizations have to work together in order to innovate successful (den Ouden, 2012). 'Ecosystems for transformational innovation aim to bring together those organizations and stakeholders that affect or are affected by the innovation' and ensures that sustainable value is delivered to all members of this ecosystem (den Ouden, 2012, p. 143).

As stated before 'the design decisions in a business model for ecosystems include: what offerings from which actors are provided to which other actors; what are the elements of those offerings; and which value-creating or value-adding activities are performed by which actors' (den Ouden, 2012, p. 154). For designing a new ecosystem the Value Flow Model of den Ouden is an appropriate tool. In a Value Flow Model, specific interaction within a network are visualized, in order 'to provide a perspective for understanding value-creating roles and relationships, and to offer a dynamic view of how both financial and non-financial assets are converted into negotiable forms of value' (den Ouden, 2012, p. 154). The Value Flow Model consists of different elements, which together give an overview of how the value proposition is created 'out of complementary offerings from different organizations, and how the related value flows through the ecosystem' (den Ouden, 2012, p. 155). In the following section the different elements of the Value Flow Model will be discussed.

- **Actors:** In the beginning of the ecosystem design project, actors are identified as roles, like customers, suppliers, etc. actors can be individuals, little groups or large groups of people. Sometimes it is difficult to clearly identify all the roles.
- **Motivations:** The element motivation is related to the actors: the interests and purposes of the actors or the goals they wish to realize. Understanding differences in motivation is very important for the design of the network. The value framework as discussed earlier in this chapter is an excellent tool to identify the individual drivers per actor.
- **Compatibility and Influence:** 'The compatibility of the main motivations of the actors with the value proposition under development, and commonality of behavior and values with the initiating members of the ecosystem is the third element in the value flow model; for each actor, there is an indication of whether his motivation and behavior are positively compatible (+), neutral (=) or not compatible (-) with the value proposition and the initiating members of the ecosystem' (den Ouden, 2012, p. 156). Besides the compatibility also the influence of the actor in the decision making process is important. If the influence is high, the compatibility of this actor will also be higher.
- **Investments and Throughput Time:** For the actors in the eco-system it is important to make a rough indication of the monetary investments. Besides that it is also important to make an indication of the throughput time of the offering.

- *Transactions*: 'Transactions can be activities that originate with one actor and end with another, or resources, information or items that are shared or exchanged between two actors' (den Ouden, p. 158). The content of these transactions can be goods and services, money and credits, information or intangibles.
- *Core Value Proposition*: 'The core value proposition consists of a description of the end-customer, users and those actors who exchange value directly with the end-customers or users' (den Ouden, 2012, p. 159).
- *Complementary Offerings*: 'The complementary offerings can make the total bundle of offerings more attractive for the customers, and they may also address additional target groups' (den Ouden, 2012, p. 161).
- *Supplying and Enabling Network*: 'The supplying and enabling network includes those actors and transactions that deliver components for integration into the value proposition or that play a role in enabling the value proposition' (den Ouden, 2012, p. 161).
- *Other Stakeholders*: Other stakeholders are those 'who are affected by the value proposition, but who are not directly involved in it' (den Ouden, 2012, p. 161).

'The purpose of the Value Flow Model is to show how different elements are integrated to provide a coherent view of the value proposition, how it is enriched with complementary offerings from different organizations, which actors are needed in the supplying and enabling network and how the value flows through the total ecosystem' (den Ouden, 2012, p. 162). In the following section first the main ideas of the brainstorm sessions will be discussed.

5.2 Summing up the main ideas

As one might notice while reading the summaries in appendix 3, the answers with regard to self-sufficiency differ a lot per community center. In the brainstorm sessions as an introduction there were some questions asked about the main information of a community center (management, environment, size, etc.). These questions are presented in appendix 2.

Looking at this general information about the community centers, the differences in the answers on self-sufficiency can be explained by differences in the environment of the community center. In some neighborhoods there are for example not many companies who would like to sponsor the community center, because they already sponsor a lot of other organizations. Also the idea of the Buurtkamer is not possible in some neighborhoods because there are already other initiatives which fulfill this need.

The presentation of the main ideas will first focus on the ideas which are mentioned more than one of two times. Thereafter also the ideas which are mentioned by one or two community centers will be presented.

5.2.1 Keep costs as low as possible: mentioned by all the community centers

Every community center states that it is very important to keep costs as low as possible. This can be done by looking for more volunteers within the community center. One community center states that a community center can attract new volunteers by asking them for activities which they like to do. The community center thus has to organize activities which are attractive to both volunteers as the people in the neighborhood. Another possibility to keep costs low is by searching for financial support to invest in solar panels or other new techniques in order to save energy costs. Many governmental organizations give financial support like loans to organizations like community centers.

They stimulate organizations to invest in energy-neutral techniques in order to save the environment. Another way is to search for sponsors which would like to give financial support to the community center in order to be able to invest in new technology.

5.2.2. Social responsibility: mentioned by all the community centers

All community centers have stated that every community center always has social responsibility for the people in the neighborhood. It must be a place where people from the neighborhood meet. This is important in order to prevent that people become isolated and to stimulate cohesion within the neighborhood. Activities within the community center must be adapted to the preferences of the neighborhood.

5.2.3 Attractive appearance: mentioned by four community centers

It is important that a community center has an attractive appearance and that the facilities within the community center are up to date (for example the availability of a beamer, free Wi-Fi, etc.). Also a flexible interior design is desirable. An attractive appearance is important to attract new commercial parties like health care organizations or housing associations, but also to attract new people from the neighborhood. Many community centers have an old-fashioned image and therefore the younger people within the neighborhood do not visit the community center very often. So to attract people from all age-levels to the community center and to attract new parties who want to rent a room it is important to pimp the image of the community center and to invest in new facilities and the appearance of the building.

5.2.4 How to become self-sufficient

Until now the main ideas mentioned by almost all community centers are discussed. The research will now focus on four major ideas which are mentioned by one or sometimes two community centers in order to become self-sufficient:

- Acquisition by a larger organization, named Acress: Acress is a covering organization which owns more than one community centers. Because Acress owns more community centers, financial risks can be spread and costs will decrease because of a larger scale. The community center which becomes part of Acress can only focus on organizing the activities for the neighborhood. Acress is responsible for the management and the rent of rooms.
- Search for companies who want to sponsor the community center on a structural basis.
- Create a Buurtkamer plus where people meet and where organizations can hold office hours. In this way the community center can also work together with the health organizations.
- The community center must be totally managed by volunteers to keep the costs as low as possible.

Acquisition by a larger organization might be a solution, but in this case the management is done by a larger organization. If one decides to do this, a part of the autonomy of the current management will disappear. This might be a good a solution, but not desirable because there is a good chance that there will be conflicts about decision making.

Searching for sponsors might be a good solution in order to become self-sufficient. This is a structural way of earning money and can be a good alternative for the subsidiary of the government. It might be difficult in times of financial crises, because then companies are not very willing to give money if

they are have financial problems. A community center therefore must not get totally dependable from sponsoring.

Creating a Buurtkamer plus is a good manner to become more self-sufficient, and also not to forget the social responsibility of a community center. The community center then attracts more people to the community center and brings the people together in order to prevent isolation and to stimulate connection. On the order hand if there are health care organizations which plan to do office hours at the same time, the community center earns money by renting the room. In this situation the community center still might be dependable from subsidiary. Because they are having such an important function for the neighborhood and they also fulfilling tasks which are due to changing regulation more and more the responsibility of the local government, the government cannot ignore this and therefore must give some subsidiary in return.

To manage the community center totally with the use of volunteers is a good way to save costs. The community center then has no personnel costs. If they on the other hand also keep energy costs low by preventing in new technology, the major vast costs are increasingly reduced.

5.3 A new value flow model

It is suggested to combine the following ideas, namely (1) searching for sponsors, (2) creating a Buurtkamer plus, (3) invest in the community center by creating an attractive appearance and (4) keep the vast costs as low as possible by searching for volunteers and invest in new technology to keep energy costs low. In this situation new income is generated by sponsoring and attracting new parties like health care organizations (which will come sooner to a community center with an attractive appearance). In this situation also major vast costs are as low as possible so that the income does not have to be so high to cover those vast costs. In this situation the community center also fulfills their social responsibility: bring together people from the neighborhood. In the new situation the core value proposition is 'to be an attractive central place in the neighborhood where people meet and get medical help'.

These ideas will be translated into one Value Flow Model of den Ouden (2012). First the ideas will be explained in terms of the elements of the Value Flow Model, which are explained in the theoretical framework of this research and also in section 5.1. The elements are actors, motivations, compatibility and influence, investment and throughput time, transactions, core value proposition, complementary offerings, supplying and enabling network and other stakeholders. It is chosen to discuss the elements per actor. After the explanation, the elements will be presented in a Value Flow Model.

5.3.1 The Trefhoek and the neighborhood (core value proposition)

As stated before 'the core value proposition consists of a description of the end-customer, users and those actors who exchange value directly with the end-customers or users' (den Ouden, 2012, p. 159). The actors within this core value proposition are the Trefhoek and the people from the neighborhood, but also the indirect actors which are involved due to the people in the neighborhood. In the following the different elements of the Value Flow Model will be discussed for each actor.

The Trefhoek and the people from the neighborhood

The actors within the core value proposition are the Trefhoek and the neighborhood. The motivation of the Trefhoek with regard to the neighborhood is to give the neighborhood a central place where they can participate in activities and get into contact with other citizens from the neighborhood. People in the neighborhood will have a need for a central place, because nowadays people get more and more isolated. For the people in the neighborhood it is also attractive to have a place where they can meet other people and also get medical help. The motivations of the Trefhoek and the neighborhood are therefore positively compatible. The influence of the neighborhood on decisions is higher, because they are part of the core value proposition. The investment of the neighborhood will be lower, because the price they pay for activities will still be lower. The throughput-time may be longer, because for the people in the neighborhood it may be a bit rare to get medical help within the community center, instead of going to for example a family doctor. Transactions between the Trefhoek and the neighborhood are activities (goods and services), money for participating in those activities (money and credits) and socialization (intangible value).

Indirect stakeholders involved due to the neighborhood

Indirect actors which are involved due to the neighborhood are the society and the government. The motivations for the society are happy and socialized citizens. There is a positive compatibility between the motivations of the society and the people from the neighborhood and the Trefhoek. The influence of the society on the decision-making process is less, because they are indirect stakeholders and therefore not directly involved in the value proposition. No investment of the society is asked. The throughput of the society may also be longer, because they have to get used to the ideas that medical help can be centralized within a community center. The transactions between the people from the neighborhood and the society are happy and socialized citizens (intangible value).

The motivation for the government is also happy and socialized citizens in the neighborhood. For the government there is another motivation, namely that community center the Trefhoek helps the government with regulation. The compatibility of motivations between the neighborhood and the government and also between the Trefhoek and the government is positive. The influence of the government on the decision-making process will be less, because they are just like the society indirectly involved in the core value proposition. If they decide to give financial aid to the community center in return for the social responsibility of the Trefhoek, their influence will become bigger. If the government decides to give financial aid to the community center, this is an investment. Basically no investment from the government is asked. The throughput time of the government will be longer, because current processes have to be reformed; the government transfers a part of their responsibility with regard to health care to the community center. The transactions between the government and the neighborhood are happy and socialized citizens (intangible value). The transaction between the Trefhoek and the government is helping to deal with new regulation (intangible value).

5.3.2 Health care organizations and building contractors (complementary offerings)

Actors who offer complementary offerings are health care organizations and the building contractor. Complementary offerings can as stated before 'make the total bundle of offerings more attractive for the customers' (den Ouden, 2012, p. 161). First the health care organizations will be discussed.

Health care organizations

Creating a Buurtkamer plus is one thing, but making it attractive for the people in the neighborhood makes it important to attract health care organizations. Those organizations offer medical help for the people of the neighborhood who come to the community center. The people of the neighborhood in return pay for this medical help. People can also get (medical) information from the health care organizations. The motivation of the health care organizations is to offer medical help and consequently to 'earn money'. Both the Trefhoek and the health care organizations have the wish that there are as many people as possible within the community center. For this reason there motivation is compatible. Health care organizations have a little influence on the decision making. They make the core value proposition more attractive and therefore they might have some influence on decision making. The investment of health care organizations is bigger because they have to rent a room within the community center. On the other hand their income might become bigger. Also throughput time might be longer, because the health care organizations must get used to the fact that they are working on different locations. The transaction from the health care organization to the neighborhood is medical help (goods and services), for which they get income in return (money and credits). The transaction from the health care organization to the Trefhoek is making the community center more attractive to attract more people to the community center (intangible value).

Building contractor

In order to create an attractive appearance of the community center, it is important to ask a building contractor. A building contractor can rebuild the community center to make it more attractive for the community center itself, the people in the neighborhood and also for the health care organizations who rent a room. The motivation of the building contractor is to bring in new work for its employees. This motivation is positively compatible to the motivation of the Trefhoek in order to create an attractive appearance. The building contractor has very little influence on the decision-making process. The only influence they have might be restriction of ideas of the community center due to regulation or impossibilities. The building contractor has no investment, because the community pays for labour and materials. There is also no throughput time. The transactions of the building contractors are delivering an attractive appearance to the community center (goods and services), to the health care organizations (goods and services) and to the neighborhood (intangible value). In return the building contractor receives money for labour and materials (money and credits).

5.3.3 Sponsors, volunteers and installer of energy-saving technology (Supplying and enabling network)

'The supplying and enabling network includes those actors and transactions that deliver components for integration into the value proposition or that play a role in enabling the value proposition' (den Ouden, 2012, p. 161). In this Value Flow Model the supplying and enabling network consists of sponsors, volunteers and the installer of energy-saving technology.

Sponsors

The sponsors are asked for financial aid on a structural basis, in order to obtain money. In return for this financial aid they receive appreciation from the community center and the people from the neighborhood. The compatibility between the motivations of the Trefhoek and the sponsors is neutral, because it is not clear how important appreciation is for the sponsor. On the other the

money of the sponsor is very important for the Trefhoek. For this reason the sponsor can have major impact on decision-making process. The investment of the sponsor is very big and therefore the throughput time can also be longer. The transactions between the community center and the sponsor are support (money and credits) and appreciation (intangible value).

Volunteers

Volunteers are asked to do voluntary work in the community center in order to keep personal costs low. In return they receive appreciation and they are socially active. The compatibility between the motivations of the volunteers and the sponsors is also neutral, because it is not clear how important it is for the volunteers to be socially active and to be appreciated. Saving personnel costs is very important for the Trefhoek and therefore the possible influence on decision-making is also bigger. The throughput time might be longer if volunteers must get used to the fact that they do voluntary work. The investment of the volunteers can be expressed in terms of time and energy. The transactions from the Trefhoek to the volunteers are social activity and appreciation (intangible value), and from the volunteers to the Trefhoek saving personnel costs and time (money & credits).

Installer of energy-saving technology

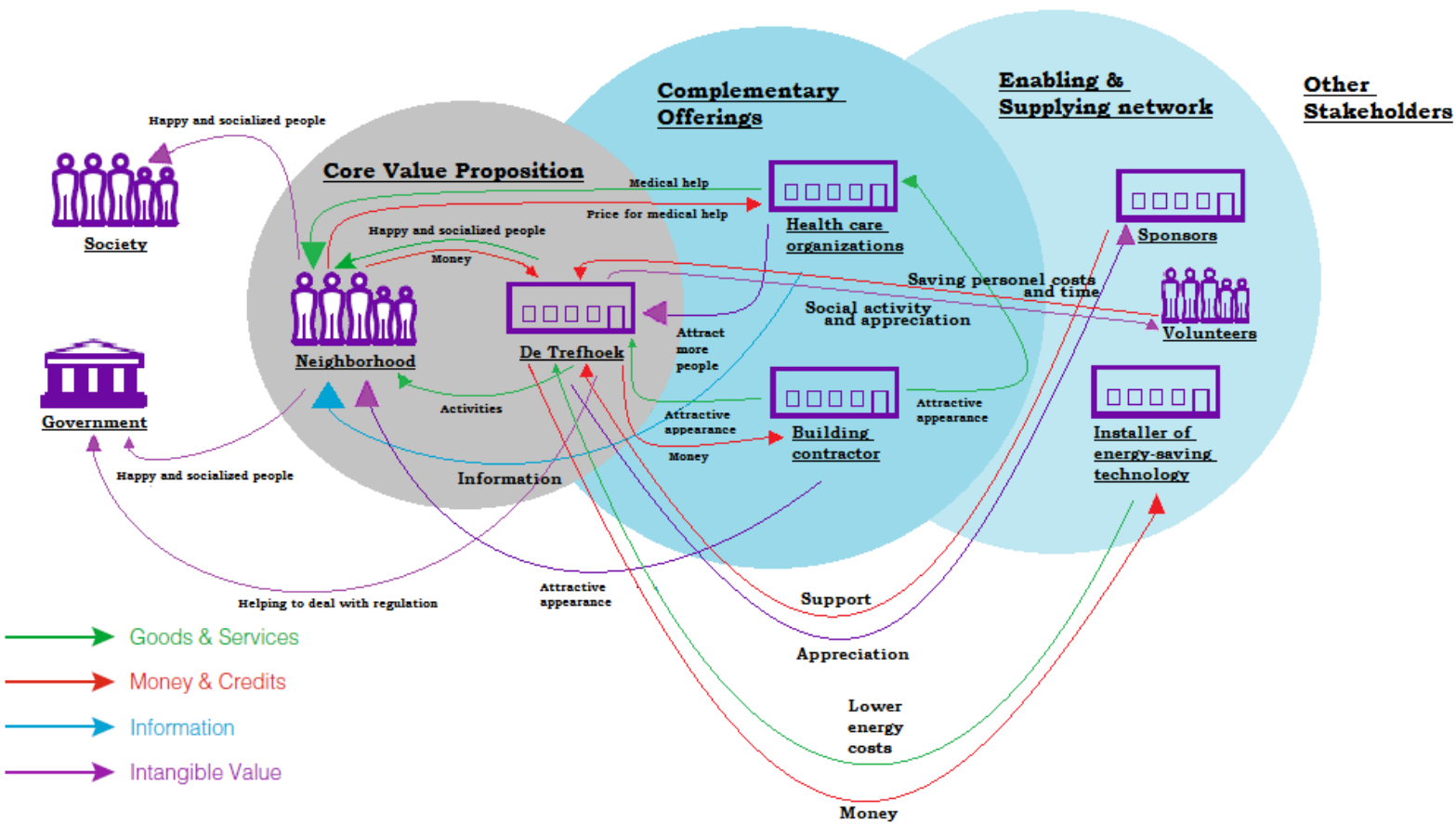
The installer of energy saving technology has as a main motivation to install technology which leads to lower energy costs; earning money. The compatibility of this motivation is positively compatible to the motivation of the Trefhoek to invest in this type of technology. The installer does not have a lot of influence on the decision-making process. There is no investment from the installer, only in terms of goods and services. In return the installer receives money for materials and labour. There is no throughput time. The transaction from the installer to the Trefhoek is lower energy costs by installing appropriate technology (goods and services). The transaction from the Trefhoek to the installer is money for paying for the installation of this technology.

5.3.4 Other stakeholders

Other stakeholders are those who are affected by the value proposition, but who are not directly involved in it. At the moment it is hard to say who might be other stakeholders. This will become clearer if this proposed Value Flow Model (ecosystem) is applied in practice.

5.3.5 The Value Flow Model

All the main ideas will be presented in one Value Flow Model. In this model one can see which actors are important in the new business model of the Trefhoek, which transactions happen between these stakeholders and which value is delivered to whom. A community center has to try to create this type of value network, as suggested in the value flow model, in order to become self-sufficient. Within this Value Flow Model the compatibility, influence, investment and throughput time are left out of consideration, because they are already discussed in the previous and adding them to the picture makes it probably more unclear. The proposed Value Flow Model:



Picture 4 Value Flow Model

In the following chapter the results from the brainstorm sessions will be discussed.

6 Discussion and Conclusions

6.1 Applicability of the results

Chapter 5 focused on four main ideas which were the results of the brainstorm sessions. As one might have noticed the ideas from the six community centers were very different. Together they form a quite extensive solution to the need for (more) self-sufficiency. It is chosen to combine the following ideas: (1) searching for sponsors, (2) creating a *Buurtkamer plus*, (3) invest in the community center by creating an attractive appearance and (4) keep the vast costs as low as possible by searching for volunteers and invest in new technology to keep energy costs low.

The question is now: is the new Value flow model applicable for every community center? For the major part it is, but in total and for every community center unfortunately not. In the following section is explained why.

6.1.1 Why not totally applicable

For a major part the proposed Value flow model is applicable, but some proposed solutions might not work for every community center. In the brainstorm sessions there were also asked questions about the main information of the community center. The reason for this was that in case if the results from the community center were very different they maybe could be subscribed to the individual characteristics or the environment of the community center. The following section will focus on problems which might arise with the proposed solutions and take the individual characteristics of the community center into account.

(1) Due to the economic crises it is very difficult to find companies who would like to give financial aid to non-profit organizations. Also in an environment which has companies who do already a lot with *sponsoring*, it is difficult to find financial aid. Therefore for every community center it is difficult to find sponsor who would like to support the community center.

(2) The creation of a *Buurtkamer plus* also depends from parties in the environment. Are there any health care organizations who want to rent a room? Is it attractive for the people in the neighborhood to come the community center for medical help? Are there not already organizations in the environment who offer a *Buurtkamer plus*? For example in Hardenberg two community centers stated that there is already a *Buurtkamer* (no *Buurtkamer plus*) in the environment and that it is therefore not possible to create another *Buurtkamer*.

The creation of an attractive appearance is something which every community center can do. The only reason why a community center might not be able to create this is because there is no money or because there are no volunteers who can help. This is also the case with the last main idea, namely keeping costs low by searching for volunteers and to invest in new technology. There has to be money to invest in the community center. However, for a community center there are a lot of possibilities in fundraising. One community center has, due to funds and sponsoring from local companies, invested in an attractive appearance and in technology in order to keep energy costs low. There are possibilities to overcome those aforementioned problems.

6.1.2 My own experience

In my time off I am already five years a chairperson of a korfbal play association. Due to those activities I have quite some experience with the search for volunteers and the search for sponsors

and funding. In order to be successful the management of the community center has to be dedicated. It is very important that the management is persistence and tries not to give up. My club has received an amount of money to build new changing rooms. It has cost me three years of lobbying and waiting before we got this money. With this example I illustrate that the ones who stick with their plan and take time to get things done, will be the ones who eventually win. It is important that the management of the community center has one or two persons who have this enthusiasm. This person is mostly able to also motivate the other members of the management.

To be short: if the organization has (part of) the management which is willing to innovate, the value flow model as presented in chapter 5, will be (totally) applicable and thus is it possible to overcome the problems discussed in the previous paragraph. It is the management which can move the environment.

6.1.3 Degree of self-sufficiency

Is it possible to become totally self-sufficient as a community center? The answer to this question is that every community center can. In this research three community centers participated which are almost self-sufficient, but who face difficulties with regard to their finances. For those community centers their vast costs are very low, because they work with volunteers and / or they have invested in technology to keep energy costs low. Two of them exploit the building from the government and pay rent for using the building. One community center owns also the building and still is self-sufficient. Because this community center does not exploit the building they have the ability to use the building for commercial ends like parties and theme-nights. This is another form of income. Following the proposed Value flow model leads to more income and less costs. If the income is more than the costs, the community center is in a very basic sense totally self-sufficient.

6.2 Connecting the results with the ten funding models

In the theoretical framework is focused on the ten funding models of Foster (2009). As stated before those funding models were not appropriate in case of the Trefhoek, because the Trefhoek still does not become self-sufficient and because every business model has a begin and an end. It is chosen to develop a new business model, which was presented in this chapter.

At this point it is interesting to see whether the proposed new business model has some overlap with (part of) a funding model. This is interesting because the funding models have, as stated before, proven to work. If some parts of the proposed business model are comparable to elements of one of the ten funding models, it can be stated that those elements of the proposed business model have proven to work.

The funding model which comes most close to the proposed business model is the funding model 'Local Nationalizer'. This is because with the creation of a Buurtkamer plus, the community center 'focuses on a problem which the government has to deal with': the transformation from regulations which has a consequence that the 'Wet Maatschappelijke Ondersteuning (WMO)' will move to the responsibility of the local government. The community center helps to deal with this problem by offering a central place where people can meet and get medical help. Medical costs as a consequence will be lower, because for example the government does not have to pay for taxis in order to drive to people to different locations. All medical help will be centralized in the community center.

In the funding model of Local Nationalizer, the government does not give a lot of funds. Finances come from individuals or companies who sponsor the community center. This is also the case in the proposed new business model.

Based on the overlap between the funding model 'Local Nationalizer' and the proposed business model, it can be stated that it is possible for a community center to focus on a problem which cannot be solved by the government (socialization) and to generate finances from individuals or other parties. In this model the government does not give a lot of funds, which means that a community center can exist without financial aid from the government and therefore become self-sufficient. The main part of the proposed new business model, namely creating a Buurtkamer plus and search for other parties to generate funding has proven to work.

7. Limitations and implications for further research.

7.1 Evaluation of the method

In this research it is chosen to use the method brainstorm sessions. The reason to choose for this method was to get as much ideas as possible. The outcomes of the sessions were many ideas, so therefore it can be concluded that this method for data collection was very suitable.

Within these brainstorm sessions the model of den Ouden (2012) was used. Using this model within the brainstorm sessions seemed to be too difficult for the participants in this study. After the first session it was therefore decided to not use the model, but to ask some questions based on the model. The first question list seemed to be too difficult because it was too much based on terms of the model. Therefore it was decided to focus on three main questions. These questions were:

- How does your community center deal with the retrenchment of the government? In order words, what is a new way of earning money? Which parties participate? These questions help to identify potential new stakeholders.
- How do you approach these new stakeholders? Do the parties have connections to other parties? These questions help to identify the flows between the stakeholders.
- Which stakeholders are crucial for your core value proposition and how? Which stakeholders can make the community center more attractive? Which stakeholders are indirectly involved? These questions help to identify the role of the stakeholders.

In order to evaluate the brainstorm sessions gain the model of den Ouden (2012) was used. Because the aforementioned question could be directly translated into this model, all ideas could be combined into one Value flow model.

The Value flow model is too difficult to understand for people who have no knowledge about Business Administration. Mainly the terms used in this model are too difficult to understand for a major part of the population. People cannot think in terms of networks and value flows. They use other terms than used in the model.

On the other hand the Value flow model is a very useful tool to formulate a new business model, because it gives a good overview of the new network of the organization. Because questions about the main information of the community center were asked and other terminology was used which was understandable for many people, the required information was generated, which could be translated into the Value flow model.

7.2 Recommendations for applying the method

As stated in the previous sections using the model of den Ouden was quite difficult. Using this method thus requires some adaptations from the researcher. It was very useful to work with a question list. Formulating the terms from the Value flow model in normal terms seemed to be a very crucial step in this research. Doing this enabled to get the required information and to translate this information into a Value flow model.

When one decides to work with brainstorm sessions and to use the model of den Ouden, some recommendations must be given. First of all translate the term of the model into a language which is understandable for the major part of the population. It is important to make an estimation of the

knowledge of the people who participate in the brainstorm sessions. One can adapt the questions to this level of knowledge.

Second the level of creativity in the brainstorm sessions is very important. The sessions have to produce as much ideas as possible and therefore creativity is needed. The researcher can stimulate creativity by asking the right questions. For example asking a question like if the contrary of the current activities of the community might be an option can stimulate interaction and discussion. Also try to ask question to every participant. In every group there will be one person who automatically answers all the questions. This has to be avoided, because also other persons might have good ideas.

A third recommendation is to make the participants feel comfortable. When they are comfortable they are not scared to mention new ideas which they think might be 'stupid'. Be serious, but also try to make a small joke sometimes. This helps to make the sessions a bit more light, which will stimulate the creativity in the sessions.

A fourth and last recommendation is that the researcher has to know the Value flow model by heart before he/she starts with the brainstorm sessions. When one knows what he/she wants to create with the outcomes of the study, one can focus on these points during the brainstorm sessions. This helps to get as much *good* ideas as possible.

7.3 Importance, relevance of this study

The retrenchment of the government and the need to become (more) self-sufficient is an issue which is important for every community center. This research is therefore relevant for all the community centers in the Netherlands.

Not only community centers have to deal with the retrenchment of the government and have to become more self-sufficient: every social organization has to deal with this. Sport clubs, music clubs, etc. all have to become more self-sufficient and need to search for new methods to earn their own money. The environment and circumstances of the other social clubs are different than those of a community center, but in essence they have to deal with the same developments.

7.4 Limitations and implications for further research

The proposed value flow model is based on the brainstorm sessions with community centers. It is tried to reach a diverse amount of community centers to participate. Community centers from both a city as a village were selected, self-sufficient community centers, community centers under supervision of a larger organization and community center which became successful after a period of decline. For this reason it can be very carefully stated that this research is generalizable. However further research is needed to see if there are differences between the provinces or parts of the country.

Further research can also focus on another type of organization, for example a sport club. They have different characteristics and a different environment, so therefore another research is needed to see which type of solutions might work for those organizations. When one for example focuses on a sport club it is again necessary to focus on different types of sport clubs (soccer, baseball, korfbal, etc.).

7.5 The case of the Trefhoek

How can this research be applied in case of the Trefhoek? The answer to this question will be discussed by focusing on the four main ideas which were the results of the value flow model. These solutions will also be discussed in combination.

First of all it is important that the Trefhoek starts to look for companies who would like to *sponsor* the community center. This can be focused on structural sponsoring, but the Trefhoek can also focus on parties who would like to sponsor for an attractive appearance or who would like to sponsor for new technology to keep energy costs low. Searching for sponsoring costs time and persistence. It is necessary for the Trefhoek to form a project group which is focusing on sponsoring.

The second solution is the *creation of a Buurtkamer plus*. This is something that the Trefhoek can do in collaboration with the local government, but also with 'de Wijkvereniging'. The government can help to identify and contact the parties which can come to the community center. 'De Wijkvereniging' can help to attract new people to the community center.

Major costs of the Trefhoek are the energy costs and personnel costs. It is important *to keep these costs as low as possible*. The energy costs can be lowered by investing in new technology, for which the Trefhoek can find sponsoring. On the other hand the community center has to be critical to the personnel costs. At the moment 3.2 FTE works in the community center. As a community center you have to ask yourself the question: 'is it necessary and even possible for the future'? Is it possible to work with volunteers and to continue with the community center in the future? Those are questions which the management of the community center has to answer. Hereby it is very important to focus on both the advantages as disadvantages of working with volunteers.

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Appendix 1 Format pilot

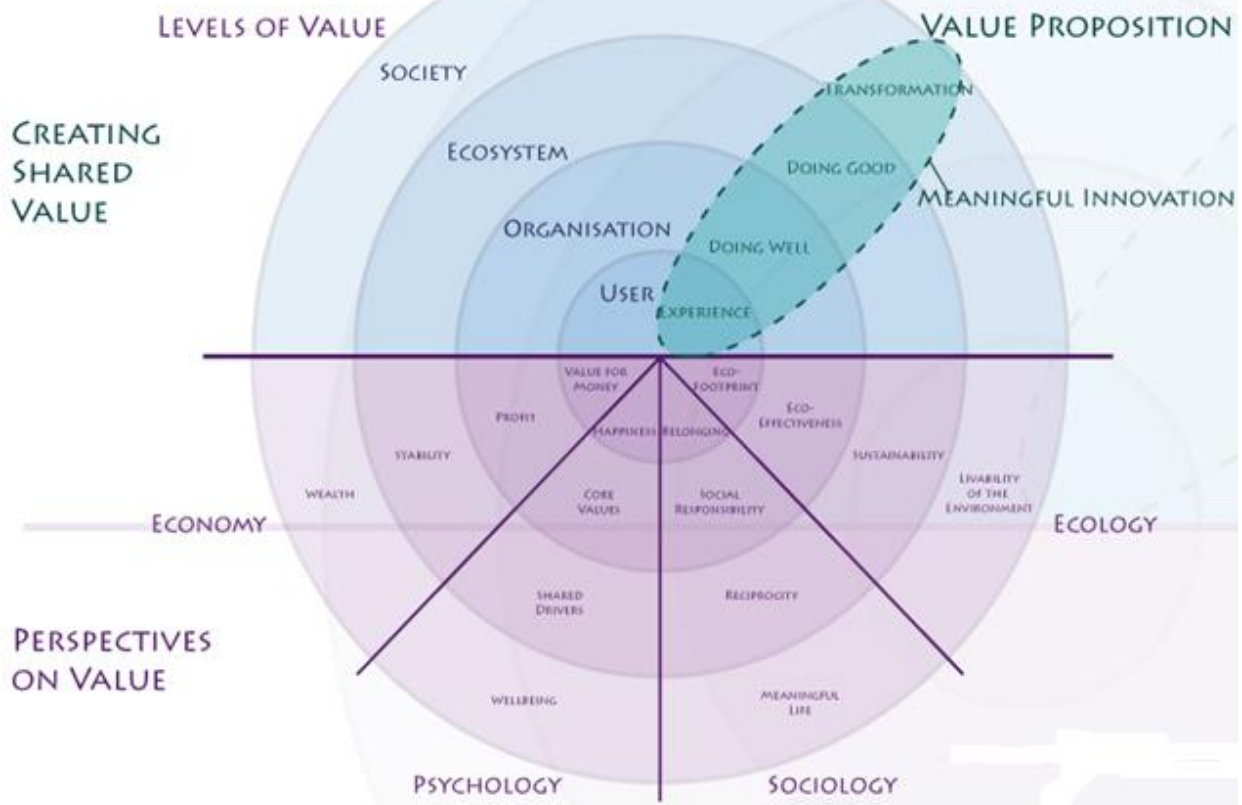
Current situation of the Trefhoek:

- De Trefhoek is a community center situated in the neighborhood Sluitersveld in Almelo. This community center has a management and a daily supervisor. The management contains three persons. Besides the supervisor there also work other people, totally 3,2 FTE.
- The Trefhoek is a non-profit organization. Daily activities are the rent o rooms, maintenance and cleaning of the rooms, serving coffee and other rinks, and some minor activities like a pool club and a digital course. Main users of the community center are social clubs, but also other parties rent a room in the community center. The main customers of the Trefhoek are the people within the community center.
- Rooms are rented to social clubs, the government and the commission of the neighborhood. They rent room for a low price. They can rent rooms for a low price because they get subsidiary from the government. The rent of the rooms has to stay lower, in order to stay attractive for the people in the neighborhood.

Explanation model den Ouden (2012):

In order to become more self-sufficient the Trefhoek must transform their business model. For this reason I have researched the concept of a business model and the different types of business model. I came to the conclusion that there is no existing business model which could be implied in the case of the Trefhoek, because no business model focuses on how to become more self-sufficient as a non-profit organization. For that reason I began to search for a manner to develop a new business model. This can be done by the value Framework of den Ouden (2012), which focuses on the concept of value. In her model den Ouden distinguished value at four levels, namely value for the user, for the organization, for the ecosystem of the organization and for the society. The community center delivers different types of value to the different levels. Besides the levels den Ouden also distinguishes four different perspectives of value, namely the economical, psychological, sociological and the ecological perspective of value. Value for money is an example for a value concept in the economical perspective at the level of the user.

VALUE FRAMEWORK



Picture 5 Value Framework

The model can help to create innovative transformation. In the case of the Trefhoek this is very important to transform their business model in order to deal with the retrenchment of the government and to become self-sufficient. The environment of the Trefhoek will also be affected. In light of the theory of den Ouden (2012) we have to design a new ecosystem for the Trefhoek. Ecosystems try to bring together those organizations and participants that affect or are affected by the innovation and ensure that sustainable value is delivered to all members of this ecosystem. Ecosystems are a specific form of a network. Innovation in ecosystems therefore also has to deal with questions like: 'With whom to collaborate?; Why collaborate?; and Are the skills available to make the collaboration work?' (Den Ouden, 2012, p. 146). 'The role of the ecosystem in the creation and realization of meaningful innovations is to ensure that its members can keep providing value for all the stakeholders, despite inherent changes and dynamics that occur over a longer period of time' (den Ouden, 2012, p. 152).

'Design decisions in a business model for ecosystems include: what offerings from which actors are provided to which other actors; what are the elements of those offerings; and which value-creating or value-adding activities are performed by which actors' (den Ouden, 2012, p. 154). For designing a new ecosystem the Value Flow Model of den Ouden is an appropriate tool. In a Value Flow Model, specific interaction within a network are visualized, in order 'to provide a perspective for understanding value-creating roles and relationships, and to offer a dynamic view of how both financial and non-financial assets are converted into negotiable forms of value' (den Ouden, 2012, p.

154). Value models are a useful tool to explore new business networks. The Value Flow model consists of different elements:

- **Actors:** In the beginning of the ecosystem design project, actors are identified as roles, like customers, suppliers, etc. actors can be individuals, little groups or large groups of people. Sometimes it is difficult to clearly identify all the roles.
- **Motivations:** The element motivation is related to the actors: the interests and purposes of the actors or the goals they wish to realize. Understanding differences in motivation is very important for the design of the network. The value framework as discussed earlier in this chapter is an excellent tool to identify the individual drivers per actor.
- **Compatibility and Influence:** 'The compatibility of the main motivations of the actors with the value proposition under development, and commonality of behavior and values with the initiating members of the ecosystem is the third element in the value flow model; for each actor, there is an indication of whether his motivation and behavior are positively compatible (+), neutral (=) or not compatible (-) with the value proposition and the initiating members of the ecosystem' (den Ouden, 2012, p. 156). Besides the compatibility also the influence of the actor in the decision making process is important. If the influence is high, the compatibility of this actor will also be higher.
- **Investments and Throughput Time:** For the actors in the eco-system it is important to make a rough indication of the monetary investments. Besides that it is also important to make an indication of the throughput time of the offering.
- **Transactions:** 'Transactions can be activities that originate with one actor and end with another, or resources, information or items that are shared or exchanged between two actors' (den Ouden, p. 158). The content of these transactions can be goods and services, money and credits, information or intangibles.
- **Core Value Proposition:** 'The core value proposition consists of a description of the end-customer, users and those actors who exchange value directly with the end-customers or users' (den Ouden, 2012, p. 159).
- **Complementary Offerings:** 'The complementary offerings can make the total bundle of offerings more attractive for the customers, and they may also address additional target groups' (den Ouden, 2012, p. 161).
- **Supplying and Enabling Network:** 'The supplying and enabling network includes those actors and transactions that deliver components for integration into the value proposition or that play a role in enabling the value proposition' (den Ouden, 2012, p. 161).
- **Other Stakeholders:** Other stakeholders are those 'who are affected by the value proposition, but who are not directly involved in it' (den Ouden, 2012, p. 161).

'The purpose of the Value Flow Model is to show how different elements are integrated to provide a coherent view of the value proposition, how it is enriched with complementary offerings from different organizations, which actors are needed in the supplying and enabling network and how the value flows through the total ecosystem' (den Ouden, 2012, p. 162). In this session we will try to formulate a new ecosystem for the case of the Trefhoek.

Appendix 2 Format Brainstorm sessions

1. Welcome and thank the members for their willingness to participate

2. Introduction (information about the things which I would like to discuss).

3. Can you tell me something about the community center (structure, income, main costs, activities, rent, and degree of self-sufficiency)?

4. The case of the Trefhoek.

De Trefhoek is a community center situated in the neighborhood Sluitersveld in Almelo. This community center has a management and a daily supervisor. The management contains three persons. Besides the supervisor there also work other people, totally 3,2 FTE.

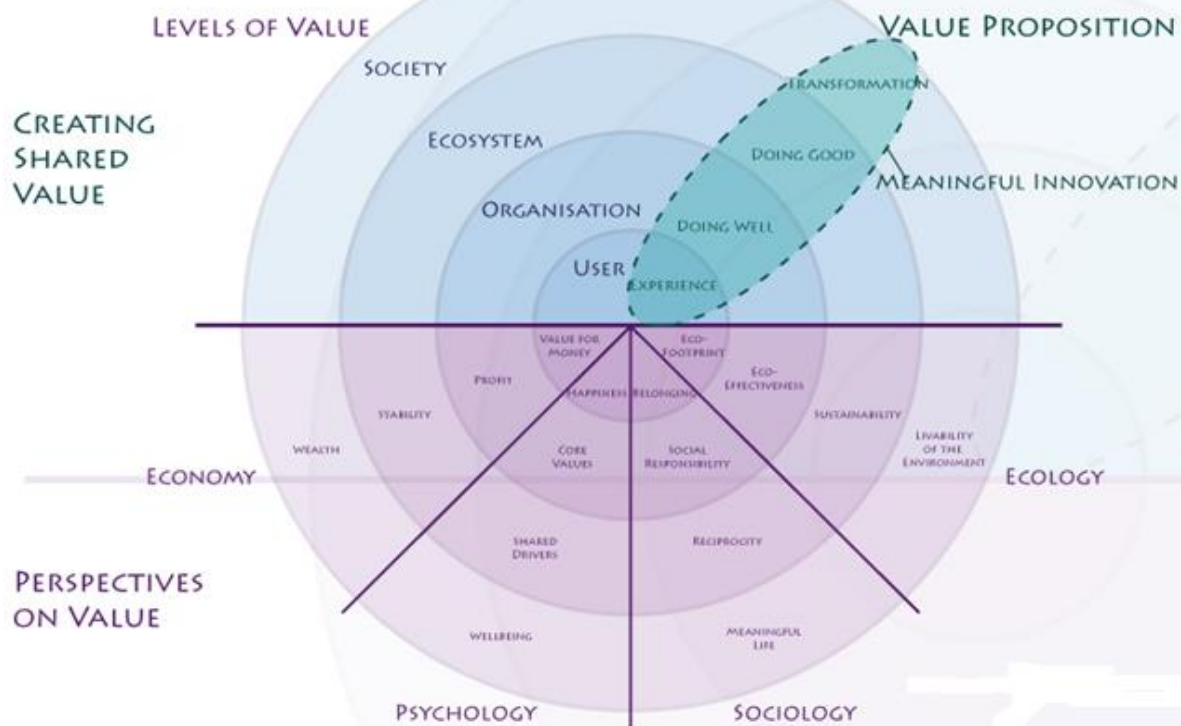
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5. Model of den Ouden (2012)

In order to become more self-sufficient the Trefhoek must transform their business model. For this reason I have researched the concept of a business model and the different types of business model. I came to the conclusion that there is no existing business model which could be implied in the case of the Trefhoek, because no business model focuses on how to become more self-sufficient as a non-profit organization. For that reason I began to search for a manner to develop a new business model. This can be done by the value Framework of den Ouden (2012), which focuses on the concept of value. In her model den Ouden distinguished value at four levels, namely value for the user, for the organization, for the ecosystem of the organization and for the society. The community center delivers different types of value to the different levels. Besides the levels den Ouden also distinguishes four different perspectives of value, namely the economical, psychological, sociological and the ecological perspective of value. Value for money is an example for a value concept in the economical perspective at the level of the user.

VALUE FRAMEWORK



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'The purpose of the Value Flow Model is to show how different elements are integrated to provide a coherent view of the value proposition, how it is enriched with complementary offerings from different organizations, which actors are needed in the supplying and enabling network and how the value flows through the total ecosystem' (den Ouden, 2012, p. 162). In this session we will try to formulate a new ecosystem for the case of the Trefhoek.

6. Brainstorming

During the following section I will ask a few questions with which I can design an ecosystem. Please answer this question with regard to self-sufficiency. Give an example of an ecosystem: a health care organization.

Actors:

- What might be a new core value proposition in case if the Trefhoek becomes more self-sufficient?
- Who are direct customers of the Trefhoek?
- Who are the actors which make the activities of the Trefhoek more attractive?
- Who enable the Trefhoek to deliver their service?
- Who are the other stakeholders?

Motivation of actors:

- What are the motivations for the direct customer?
- What are the motivations of the actors which make the activities of the Trefhoek more attractive?
- What are the motivations of the enablers?
- What are the motivations of other stakeholders?

Compatibility of interests.

- To what extent are the interest of the direct customers compatible to the new value proposition and how many influence do they have on the decision-making process and the success of the new value proposition?
- To what extent are the interest of the stakeholder who make the service more attractive compatible to the new value proposition and how many influence do they have on the decision-making process and the success of the new value proposition?
- To what extent are the interests of the enablers compatible to the new value proposition and how many influence do they have on the decision-making process and the success of the new value proposition?
- To what extent are the interests of the other stakeholders compatible to the new value proposition and how many influence do they have on the decision-making process and the success of the new value proposition?

Investment and throughput time:

- What is the investment of the direct customers and how long will it take before they accept the new value proposition?
- What is the investment of the stakeholders who make the service more attractive and how long will it take before they accept the new value proposition?
- What is the investment of the enablers and how long will it take before they accept the new value proposition?
- What is the investment of the other stakeholders and how long will it take before they accept the new value proposition?

Transactions

- Which types of transactions are there between the different actors? From the Trefhoek to direct customers, stakeholder who make the service more attractive, to supporting stakeholders, to other stakeholders, between stakeholders, etc. Transactions are goods and service, money, information of intangible transactions.

Appendix 3 Summaries brainstorm sessions

In this section a summary per brainstorm session will be given.

Results pilot

In the pilot Huub Melenhorst mentioned the following ideas:

- Become part of Accres, who will manage the community center. Accres is an organization which manages different community centers. Accres knows how to attract new parties in a community center and because they own more community centers they can spread financial risks. Being part of Accres enables a community center to focus on activities for the neighborhood, because they do not have to focus on the exploitation of a community center.
- Huub Melenhorst states that it is very difficult to become self-sufficient as a community center. Six community centers in Almelo therefore decided a few years ago to become part of Accres. The other community centers like the Trefhoek have decided to stay independent.
- Activities within the community center have to be adapted to the demands of the people within the neighborhood.
- In order to earn money, community centers have to focus on other parties (like companies or governmental parties) instead of people in the neighborhood. The people in the neighborhood cannot pay a lot of money in order to come to activities. Therefore the community center has to focus on commercial parties, like companies. They can pay a higher price, and enable the community center to pay essential costs, like personnel and energy costs. Those companies can be attracted with the use of networking. This costs a lot of energy and time. Community centers which are part of Accres do not have to think of these activities, because Accres takes care of this.
- You have to create added value for the potential new companies. An attractive room with modern facilities like Wi-Fi and to fulfill the specific needs of a customer, help to attract new companies. As a community center you have to create a professional image for the outside world.
- A community center has to focus on three things: the people in the neighborhood, to attract new companies who want to rent a room and to lobby with the government. It is different per community center what the possibilities are in the specific environment of the community center. Therefore it is important first to focus on a research in order to identify the possibilities and needs of the environment.

Results Interview community center Baalder.

The ideas mentioned in the interview with community center Baalder were the following:

- Search for companies who want to give financials aid or materials for the community center in return for free advertising at the community center. Parties are approached via a clear plan of advertisement. They become sponsor for a year at least. The community center can then focus on activities for the neighborhood and are self-sufficient in case if the government reduces subsidiary.
- Besides that the community center should focus on the collaboration with other parties like health care organizations or education. They are then responsible for the management of the community center. The community center can then focus on the organization of activities for the neighborhood.

- The community center can also attract new companies for the rent of rooms. They can ask a higher price for these companies.
- You have to organize activities that are attractive to the neighborhood. You must test which activities are effective and which are not and focus on every age-level. Subsidiary of government will never stop, because of the importance of community centers for the society. If it becomes less, community center Baalder has is at least more self-sufficient because of the sponsoring. Also fund-raising for non-recurring activities (like the pimping of the community center), is important for every community center.

Results Interview community center 't Haarschut.

The ideas mentioned in the interview with community center 't Haarschut were the following:

- First of all it is important to keep costs as low as possible. This can be done with the use of volunteers or solar panels. Volunteers can be attracted by asking them for activities which they like to do.
- Besides that it is important to look at the needs and demands from the neighborhood. The question is: How important is the continued existence of the community center for the neighborhood and what do they want to do in order to help the center survive?
- The community center 't Haarschut states that it is important to keep costs low and to make the community center have an attractive appearance. 't Haarschut therefore invests in the building by painting, buy new things like a beamer, etc. It is important to become interesting for every age-level in the neighborhood. The image of the community center must be transformed from old to new and attractive. A community center has to transform over time and not to stick in old goals.
- Groups from the neighborhood must get the chance to organize activities in the community center. This is a good way to create public support for the community center and also to attract new and different customers to the community center.
- A new idea is to create a Buurtkamer plus. This is the possibility for people to meet each other in the community center. At the same time other parties like health care organizations and parties from the government can be in the community for office hours etc. This is a bottom-up initiative in order to show that the community center is concerned with societal issues. On the other hand it is also possible to attract new parties to the community center to hire a room and thus to create more income. Because the community center is concerned with issues in the society and helps the government to overcome these change in regulation, the government neglect the community center because they are of major importance to the community and the government. They have to give financial support because the community center is crucial for people in the neighborhood. In order to attract new people from the neighborhood to the community center you must organize activities which people like. Therefore a questionnaire can help to investigate which activities people in the neighborhood like.
- In order to let a Buurtkamer succeed is that there are a few people who are very enthusiastic and capable to start this project. Is very important to create public support.

Results Interview community center 't Dok.

The ideas mentioned in the interview with community center 't Dok were the following:

- If other community centers in Almelo are positive about Accres, 't Dok will also become part of Accres, who will manage the community center. Accres is an organization which manages different community centers. Accres knows how to attract new parties in a community center and because they own more community centers they can spread financial risks. Being part of Accres enables a community center to focus on activities for the neighborhood, because they do not have to focus on the exploitation of a community center.
- As a community center it is important to keep costs low by searching for environment friendly technology and volunteers.
- 't Dok also states that a community center has to play a societal role: to be a place where people can meet and where other organizations like health care organizations or governmental organizations are centralized in order to give information or have office hours. When this initiative comes from the community center the public support will be higher because the community center has a central place in the neighborhood.
- Community centers are always dependent from subsidiary from the government.

Results Interview community center 'de Wiekstee'.

The ideas mentioned in the interview with community center 'de Wiekstee' were the following:

- De Wiekstee states that nowadays it is very difficult to become self-sufficient.
- In the neighborhood 'Baalderveld' there are a lot of other organizations who focus on 'noaberschap' and which focus on helping the government with the change in regulations. De Wiekstee does not see this as a task of the community center. It is not possible for a community center to purely focus on the societal task. This is because everything must be realized with the use of volunteers. These tasks will become too big for volunteers.
- Also becoming more commercial is not possible, because everything must be done with the use of volunteers. They keep costs low because they have no personnel costs and they only pay rent to the government. They have no subsidiary, because they have a big financial buffer from the past.
- De Wiekstee states that they cannot do a lot to attract new parties to the community center. They wait until the economic crisis comes to an end and hope people will come to the community center.
- A Buurtkamer plus is a good idea, but will not be realizable in the neighborhood of de Wiekstee, because the facilities are already in the neighborhood.

Results Interview community center 'Uilennest'.

The ideas mentioned in the interview with community center 'Uilennest' were the following:

- It is important to work only with volunteers to keep costs low. The only major costs of the community center are then energy costs and rent for the room. The community center generates income through the rent of rooms and the selling of coffee and other drinks.
- Sponsoring is not possible in the neighborhood is not possible because the companies in Hardenberg all do already a lot in sponsoring. Also the environment of the Uilennest is more ancient than other neighborhood so therefore some activities do not work out very well. The Buurtkamer has already been installed in different areas in the direct environment of the Uilennest.

- The community center Uilennest states that a community center has a great social responsibility to be a center where people from different ages and with different backgrounds can meet to prevent that they become isolated.
- In order to become self-sufficient the management must be done by volunteers. People must become aware of the social importance of the community center.
- It is very important from the environment what might work and what does not work.