Faculty of Business and Economics
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Balancing the creative business model

Essays on business models of creative organizations
within and between institutional fields

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Opening words

The making of this dissertation has been a process taking many years. I started this journey in late 2014, with the full expectation that it was not going to be easy. Throughout the years, it has been at times challenging, exciting, exhilarating, humbling, frustrating as well as enlightening. Now that I've reached the end of this process, I would like to express my deepest gratitude to many people that helped me along the way.

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With these important words being said, it is the moment to shift the attention to the content of this dissertation, which focuses on the business models used by creative organizations. Specifically, this dissertation has given me an interesting deep dive into the sector of architecture which has proven to be personally fascinating (after all, as G. Costanza famously proclaimed: “Nothing is higher than [an] architect”). As the artwork[1] by David Sparshott on the cover of the print version of this dissertation symbolically illustrates, this thesis attempts to further understand how creative organizations function by taking them apart into a multitude of interconnected components. By taking this approach, I hope that this dissertation sheds more light into how the separate components by itself are all pieces of the puzzle, but won’t work together well unless they all are connected into one working machine.

Walter van Andel

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[1] Illustration: *Anatomy of a Bike* © David Sparshott - davidsparshott.com

Executive summary

This dissertation focuses on business model solutions that small- and medium-sized creative organizations employ that can help them toward reaching long-term sustainability. The environment in which many creative organizations operate is highly complex and volatile and thus open for many tensions and conflicts. In order to fully understand how such an environment can play an influence on a creative organization, this dissertation at times takes on a specific focus on the sector of architecture. In recent years, the broader construction industry has been undergoing several significant trends that highly affect the manner of functioning of architectural firms.

Traditionally, there is a threefold division of roles within a construction project that consists of 1) an architectural client as the lead instigator of a project, 2) an architect that is responsible for the design, and 3) a contractor that leads the construction and engineering aspects of the project. This traditional division is increasingly being challenged due to a number of trends, which greatly affect the position of the architect in particular. First, advances in technological tools have created more opportunities for other players within the construction value chain to take up parts of the architectural role. Technologies such as Building Information Modeling have allowed an amplified standardization of significant parts of the creative process with ready-made solutions. Second, the increase in new governance forms for construction projects, such as Public-Private-Partnerships and other forms of integrated project delivery has resulted in new power dynamics that increase the role and importance of capital-rich actors such as contractors and project developers as they take the lead in the organization of these consortia, and as such take over many of the responsibilities of the original client role. These trends have caused many architects to experience a decrease in their professional autonomy in projects: many architects are increasingly feeling undervalued and marginalized. Moreover, the decrease in architects' professional autonomy in projects directly contradicts the desire for many architects to make a difference in society. This combination has led to the third trend which is currently being witnessed in the field of architecture, which is a surge in design activism.

In light of these significant challenges to the original role of architects within the larger construction value chain, it is increasingly often stated that the profession of architecture is seeing a crisis of identity. From a strategic point of view, different responses can currently be seen in order to address this. Most architectural firms decide to focus even more on the original core premises of architecture: the act of designing a building (and/or the broader built environment). As such, these organizations are increasingly faced with an infringement on their activities and degrees of freedom to perform these activities, leading to pressures in what goals they can set, pressures on their internal and external relations, pressures on what organizational processes they can perform, and pressures that relate to knowledge and skill development. A second response is of a smaller group of architectural firms that take on the opposite approach and try to reexamine their role by expanding it. These organizations - as experts in aesthetics and socio-spatial solutions to contemporary challenges - attempt to take on a larger role in projects by either initiating the projects themselves or taking control of the construction phases. In an effort to create more protection of 1) their role within the overall plot, and 2) the social and ecological outcomes of the constructions, these architects surpass their 'design' role and move towards including either client-activities (effectively initiating new

building projects) and/or those of the contractor (taking on building responsibilities). These two different responses – a focus on the core creative tasks on the one hand, and a focus on expanding beyond the creative tasks on the other – can be witnessed not only in the architectural sector but also in other creative fields where organizations often experience a similar marginalization of their role within larger value chains with the power balance shifting towards capital-rich players. This dissertation takes this dichotomy therefore as a demarcation to further explore the relationship between contextual influences and specific business model responses.

This dissertation takes the form of a papers-based dissertation, consisting of five separate studies. Paper A (chapter 2) provides a theoretical exploration into the specific context of the creative industries, as it investigates how the environment surrounding a creative organization can create opposing demands on the organization and can lead to issues in long-term sustainability. This chapter particular focuses on examining the role of the business model in dealing with the opposing demands. The specific environment is operationalized by the creative biotope, which is composed of four spheres that influence a sustainable artistic practice, with each domain containing its own norms for legitimacy: the market, domestic, peers, and civic. Correspondingly, each domain exudes its own influences and pressures on the creative organization on how to behave. Utilizing the activities-centered approach to business modeling, a long-term sustainable business model requires devising a system that takes on activities in each of these spheres. Finding a balance between these spheres – which each requires its own approach and activities – through thoughtful business modeling is one of the key challenges of operating as a creative organization, this chapter postulates.

Papers B and C (chapters 3 and 4) concentrate on creative organizations that focus on their core creative tasks. In paper B (chapter 3) typical underlying roles that can be used for business model configurations in creative industries are examined. This chapter introduces a conceptual framework that can be used for identifying common manners of operating within the creative industries focusing on the different underlying roles of the mass-producible content provider, the one-off experience provider, and the service provider. Moreover, a framework that could be used for identifying pathways for business model differentiation is introduced. Small and medium-sized organizations in the creative industries that face a power imbalance in its respective sector, this chapter states, have the challenging task of balancing between following the sector norm and subscribing to its typical role (the industry recipe), and breaking free from the norm and developing a business model based on a different underlying role or role combination. In paper C (chapter 3), the connection between organizational tensions and corresponding responses through specific business model choices for architectural firms is investigated. Three groups of tensions are identified, related to the firms' design activities, to their undertakings of getting assignments, and to office organization and administration. These tensions find a response through a system of business model activities designed with two main objectives in mind: 1) unlocking room for creativity and 2) strengthening the position of the architectural firm within a construction project with all its stakeholders. The paper finds that in order to mitigate the tensions, the organizations take on a systems-wide approach through different business model activities that interlock and enhance each other. In this way, each tension is counteracted and balanced through multiple business model activities.

Finally, papers D and E (chapters 5 and 6) focus on creative organizations that choose to go beyond performing their core creative tasks and take up other roles within their value ecology. Paper D (chapter 5) highlights the business model of Splendor Amsterdam, which exemplifies an alternative practice in which a group of musicians came together to collectively form and manage a music venue. By utilizing a commons approach to business modeling, this organization is able to unlock possibilities for artistic innovation of the artists individually. In particular, the musicians have devised a system that balances individual desires regarding artistic freedom with collective obligations that result from shared ownership. The case demonstrates that for such an initiative to thrive, organizational innovation (form) can function as an indispensable condition for unlocking artistic innovation (content) and that both elements are therefore unambiguously intertwined. The final paper E (chapter 6) looks at the emerging practice of alternatively-focused architectural firms. These comprise a subfield within the architecture sector in which organizations focus on co-production and community participation as they develop tools and designs that stimulate social and/or environmental change. By taking on a broader role than merely focusing on design, for instance by taking over the roles of the project initiator and/or constructor, these organizations deal with an institutionally pluralistic situation. The paper finds that by utilizing a combination of five 'business model tactics', these organizations are able to maneuver between these different institutional fields and achieve an impact with a wide range of interest groups. A shared theme throughout them is a high level of variability in strategy, identity, and form. This flexibility makes for a high degree of institutional agility making it possible to following simultaneously the rules of different institutional worlds.

The last chapter of this dissertation (chapter 7) bundles all results and provides more reflection on the results and concepts that were analyzed. It concludes that through the five empirical and theoretical studies, different balancing acts were identified that these organizations undertake, with each separate essay focusing on a different part of the equation. Overall, two major themes emerge from the analyses. The first theme that becomes clear throughout the different chapters is that a key component of balancing is the act of dealing with the complexity that surrounds these organizations in many forms. A key challenge to finding a balance in the business model comes from acknowledging and attempting to understand the (often-times quickly altering) complexity in a first instance through a constant scanning of the (internal and external) environment, as well as through sense-making of how the current, altering environment influences the organization's ability to achieve long-term ambitions. In a second instance, it requires the organizations to act upon their observations by devising new activity sets that help reduce the complexity or help to order the complexity in a manner that yields positive outcomes.

The second theme that emerges throughout this dissertation is that of challenging the present institutional order. As the papers D and E indicate, several creative organizations take the approach of scanning and sense-making of, and devising activities sets for achieving their personal goals in the complex environment to a different level. These organizations actively challenge the norms and institutional logics in respectively music production and architecture by going above and beyond the defined role of the creative producer. These individuals and organizations have concluded that the current complexity leaves them unable to fulfill their essential mission of achieving autonomy and artistic freedom in music production or reaching environmental and/or social goals through construction projects. As such, the cases in this

part exhibit a high degree of institutional entrepreneurship, a term which is related to activities that break with existing rules and practices. Questions of the long-term sustainability of the organizations are therefore inherently linked to the question of the long-term sustainability of the new reality they have created, with different possibilities for the evolution of this new reality are still at play and the final result of this possible transformation is at the moment impossible to predict. However, whether a creative organization focuses on its core creative tasks, or expands its core tasks by taking on other roles within the value ecology, it does become very clear that a thoughtfully created business model is essential to protect the importance of its position. As this dissertation shows, a balanced creative business model requires an overarching system-wide approach that balances multiple aspects of an organization: the short as well as long-term perspective; the perspective of all internal stakeholders (from the owners to the employees) and external stakeholders (from clients, governmental actors, to other people impacted such as neighbors); and the balance between artistry and commerce.

Nederlandstalige samenvatting

Dit proefschrift richt zich op businessmodel oplossingen die kleine en middelgrote creatieve organisaties gebruiken en die hen kunnen helpen om duurzaamheid op lange termijn te bereiken. De omgeving waarin veel creatieve organisaties opereren is zeer complex en volatiel en staat daardoor open voor veel spanningen en conflicten. Om volledig te begrijpen hoe een dergelijke omgeving een invloed kan hebben op een creatieve organisatie, neemt dit proefschrift bij tijden een specifieke focus op de sector van de architectuur. In de afgelopen jaren heeft de bredere bouwsector verschillende belangrijke trends doorgemaakt die van grote invloed zijn op het functioneren van architectenbureaus.

Traditioneel is er een drievoudige rolverdeling binnen een bouwproject dat bestaat uit 1) een architecturale opdrachtgever als aanjager van een project, 2) een architect die verantwoordelijk is voor het ontwerp, en 3) een aannemer die de bouw en de technische aspecten van het project leidt. Deze traditionele opdeling wordt steeds meer uitgedaagd door een aantal trends, die de positie van de architect sterk beïnvloeden. Ten eerste hebben de vooruitgang in technologische hulpmiddelen meer kansen gecreëerd voor andere spelers binnen de bouwwaardeketen om delen van de architecturale rol op zich te nemen. Technologieën zoals Building Information Modeling hebben een versterkte standaardisatie van belangrijke delen van het creatieve proces mogelijk gemaakt met kant-en-klare oplossingen. Ten tweede heeft de toename van nieuwe bestuursvormen voor bouwprojecten, zoals publiek-private partnerschappen en andere vormen van geïntegreerde projectoplevering, geleid tot een nieuwe machtsdynamiek die de rol en het belang van kapitaalrijke actoren zoals aannemers en projectontwikkelaars versterken. Deze trends hebben ertoe geleid dat veel architecten een afname van hun professionele autonomie in projecten hebben ervaren: veel architecten voelen zich steeds meer ondergewaardeerd en gemarginaliseerd. Bovendien is de afname van de professionele autonomie van architecten in projecten rechtstreeks in tegenspraak met de wens van veel architecten om een verschil te maken in de samenleving. Deze combinatie heeft geleid tot de derde trend die momenteel wordt waargenomen op het gebied van architectuur, namelijk een golf van design-activisme.

In het licht van deze belangrijke uitdagingen voor de oorspronkelijke rol van architecten binnen de grotere bouwwaardeketen, wordt steeds vaker gesteld dat het beroep van architectuur een identiteitscrisis kent. Vanuit strategisch oogpunt zijn er momenteel verschillende reacties te zien. De meeste architectenbureaus besluiten nog meer te focussen op de oorspronkelijke kernbezigheid van architectuur: het ontwerpen van een gebouw (en/of haar omgeving). Gegeven de trends worden deze organisaties steeds vaker geconfronteerd met een inbreuk op hun activiteiten en de mate van vrijheid om deze activiteiten uit te voeren, wat leidt tot druk op de doelen die ze kunnen stellen, druk op hun interne en externe relaties, druk op welke organisatieprocessen ze kunnen uitvoeren, en druk die verband houdt met de ontwikkeling van kennis en vaardigheden. Een tweede reactie is van een kleinere groep architectenbureaus die hun rol proberen te herzien door deze uit te breiden. Deze organisaties – als experts in esthetiek en sociaal-ruimtelijke oplossingen voor hedendaagse uitdagingen – proberen een grotere rol in projecten op zich te nemen door ofwel de projecten zelf te initiëren ofwel de bouwfases in handen te nemen. In een poging om meer bescherming te creëren van hun rol binnen het totale project, en de sociale en ecologische resultaten van de constructies, overstijgen deze architecten hun 'ontwerp'-rol en nemen zij activiteiten op van de

‘opdrachtgever’-rol (effectief initiëren van nieuwbouw projecten) en/of rol van de aannemer (bouwverantwoordelijkheid op zich nemen). Deze twee verschillende reacties – enerzijds een focus op de creatieve kerntaken en anderzijds een focus op het uitbreiden buiten de creatieve taken – zijn niet alleen zichtbaar in de architecten sector, maar ook in andere creatieve domeinen waar organisaties vaak een vergelijkbare marginalisatie van hun rol binnen grotere de waardeketen ervaren, waarbij de machtsbalans verschuift naar kapitaalrijke spelers. Dit proefschrift beschouwt deze tweedeling daarom als een afbakening om de relatie tussen contextuele invloeden en specifieke businessmodelreacties verder te onderzoeken.

Dit proefschrift heeft de vorm van een proefschrift op basis van essays, bestaande uit vijf afzonderlijke onderzoeken. Paper A (hoofdstuk 2) biedt een theoretische verkenning van de specifieke context van de creatieve industrie, omdat het onderzoekt hoe de omgeving rond een creatieve organisatie tegengestelde eisen kan stellen aan de organisatie en kan leiden tot problemen op het gebied van duurzaamheid op lange termijn. Dit hoofdstuk richt zich in het bijzonder op het onderzoeken van de rol van het bedrijfsmodel in het omgaan met de tegengestelde eisen. De specifieke omgeving wordt geoperationaliseerd door de creatieve biotoop, die is samengesteld uit vier sferen die een duurzame artistieke/creatieve praktijk beïnvloeden, waarbij elk domein zijn eigen normen voor legitimiteit bevat: de marktsfeer, de domestieke sfeer, de sfeer van de peers, en de civiele sfeer. Dienovereenkomstig straalt elk domein zijn eigen invloeden en druk uit op de creatieve organisatie over hoe ze zich moeten gedragen. Gebruikmakend van de op activiteiten gerichte benadering van businessmodellen, vereist een duurzaam bedrijfsmodel voor de lange termijn het ontwikkelen van een systeem dat activiteiten op elk van deze gebieden uitvoert. Het vinden van een balans tussen deze domeinen – die elk hun eigen aanpak en activiteiten vereisen – door middel van de creatie van doordachte businessmodellen is een van de belangrijkste uitdagingen van het opereren van een creatieve organisatie, stelt dit hoofdstuk.

Papers B en C (hoofdstukken 3 en 4) concentreren zich op creatieve organisaties die zich richten op hun creatieve kerntaken. In paper B (hoofdstuk 3) worden typische onderliggende rollen onderzocht die kunnen worden gebruikt voor configuraties van businessmodellen in creatieve industrieën. Dit hoofdstuk introduceert een conceptueel kader dat kan worden gebruikt om typische manieren van werken binnen de creatieve industrie te identificeren, waarbij de nadruk ligt op de verschillende onderliggende rollen van de ‘massaproduceerbare content’ aanbieder, de ‘eenmalige ervaring’ aanbieder en de ‘service’ aanbieder. Bovendien wordt een raamwerk geïntroduceerd dat kan worden gebruikt voor het identificeren van routes voor differentiatie van businessmodellen. In dit hoofdstuk wordt gesteld dat kleine en middelgrote organisaties in de creatieve industrie die geconfronteerd worden met een onevenwicht in de machtsrelaties in hun respectieve sector de uitdagende taak hebben om te balanceren tussen het volgen van de sectornorm en het volgen van haar typische rol (het ‘industrie recept’), en het loslaten van de norm en het ontwikkelen van een businessmodel op basis van een andere onderliggende rol of rolcombinatie. In paper C (hoofdstuk 3) wordt het verband tussen organisatorische spanningen en bijbehorende reacties door specifieke businessmodelkeuzes voor architectenbureaus onderzocht. Er worden drie groepen spanningen geïdentificeerd, gerelateerd aan de ontwerpactiviteiten van de bedrijven, hun activiteiten om opdrachten te verkrijgen, en de organisatie en administratie van het kantoor. Deze spanningen vinden hun weerslag in een systeem van businessmodelactiviteiten die zijn ontworpen met twee hoofddoelstellingen in gedachten: 1) ruimte voor creativiteit vrijmaken en

2) de positie van het architectenbureau binnen een bouwproject met al haar belanghebbenden versterken. De paper stelt dat de organisaties, om de spanningen te verminderen, een systeem brede aanpak hanteren door middel van verschillende bedrijfsmodelactiviteiten die geconnecteerd zijn en elkaar versterken. Op deze manier wordt elke spanning opgevangen en gebalanceerd door middel van meerdere businessmodelactiviteiten.

Ten slotte richten de papers D en E (hoofdstukken 5 en 6) zich op creatieve organisaties die ervoor kiezen om verder te gaan dan het uitvoeren van hun creatieve kerntaken en andere rollen op zich nemen binnen hun waarde-ecologie. Paper D (hoofdstuk 5) belicht het businessmodel van Splendor Amsterdam, dat een voorbeeld is van een alternatieve praktijk waarin een groep muzikanten zijn samengekomen om gezamenlijk een muzieklocatie te beheren. Door gebruik te maken van een commons-benadering van businessmodellen, is deze organisatie in staat om mogelijkheden voor artistieke innovatie van de muzikanten individueel te ontsluiten. Specifiek hebben de muzikanten een systeem bedacht dat individuele wensen met betrekking tot artistieke vrijheid in evenwicht brengt met collectieve verplichtingen die voortvloeien uit gedeeld eigendom. De casus laat zien dat organisatorische innovatie (vorm) als een onmisbare voorwaarde voor het ontsluiten van artistieke innovatie (inhoud) geldt, en dat beide elementen daardoor ondubbelzinnig met elkaar verweven zijn. De laatste paper E (hoofdstuk 6) gaat in op de opkomende praktijk van alternatieve architectenbureaus. Deze vormen een deelgebied binnen de architectuursector waarin organisaties zich richten op coproductie en gemeenschapsparticipatie bij het ontwikkelen van tools en ontwerpen die sociale en/of ecologische veranderingen stimuleren. Door een bredere rol op zich te nemen dan alleen te focussen op ontwerp, bijvoorbeeld door de rol van projectinitiator en/of aannemer over te nemen, gaan deze organisaties om met een institutioneel pluralistische situatie. De paper stelt vast dat door gebruik te maken van een combinatie van vijf ‘businessmodel tactieken’, deze organisaties in staat zijn om tussen deze verschillende institutionele velden te manoeuvreren en een impact te bereiken met een breed scala aan belangengroepen. Een gemeenschappelijk thema is een grote variatie in strategie, identiteit en vorm. Deze flexibiliteit zorgt voor een hoge mate van wendbaarheid, waardoor het mogelijk is om tegelijkertijd de regels van verschillende institutionele werelden te volgen.

Het laatste hoofdstuk van dit proefschrift (hoofdstuk 7) bundelt alle resultaten en geeft meer reflectie op de resultaten en concepten die werden geanalyseerd. Het concludeert dat door middel van de vijf empirische en theoretische studies verschillende balancering-methodieken werden geïdentificeerd die deze organisaties ondernemen, waarbij elk afzonderlijk essay zich richt op een ander deel van de uitdaging. Uit de analyses komen globaal twee grote thema's naar voren. Het eerste thema beschrijft dat een belangrijk onderdeel van balanceren het omgaan met de complexiteit is die deze organisaties in vele vormen omringt. Een belangrijke uitdaging voor het vinden van een balans in het businessmodel komt in eerste instantie van het erkennen en proberen te begrijpen van de (vaak snel veranderende) complexiteit door het constant scannen van de (interne en externe) omgeving, evenals door het aanvoelen van hoe de huidige, veranderende omgeving het vermogen beïnvloedt van de organisatie om lange termijn ambities te realiseren. In een tweede instantie moeten organisaties hun bevindingen in de praktijk uitvoeren door nieuwe groepen van activiteiten te ontwerpen die de complexiteit helpen verminderen of de complexiteit helpen ordenen op een manier dat positieve resultaten oplevert.

Het tweede thema dat in dit proefschrift naar voren komt, is het uitdagen van de huidige institutionele orde. Zoals de artikelen D en E aangeven, nemen verschillende creatieve organisaties de aanpak van het scannen, het begrijpen het ontwerpen van groepen activiteiten om hun persoonlijke doelen in de complexe omgeving te bereiken naar een ander niveau. Deze organisaties dagen de normen en institutionele logica's in respectievelijk muziekproductie en architectuur actief uit door verder te gaan dan de gedefinieerde rol van de creatieve producent. Deze individuen en organisaties hebben geconcludeerd dat de huidige complexiteit hen niet in staat stelt hun essentiële missie te vervullen, namelijk het bereiken van autonomie en artistieke vrijheid in muziekproductie of het bereiken van ecologische- en/of sociale doelen door middel van bouwprojecten. Als zodanig vertonen de casussen in dit deel een hoge mate van ‘institutioneel ondernemerschap’, een term die verband houdt met activiteiten die breken met bestaande regels en praktijken. Het vraagstuk van duurzaamheid op lange termijn van deze organisaties is daarom inherent verbonden met het vraagstuk naar de duurzaamheid op lange termijn van de nieuwe realiteit die ze hebben gecreëerd. Hierbij zijn verschillende mogelijkheden voor de evolutie van deze nieuwe realiteit die nog steeds in het spel zijn en het eindresultaat van deze mogelijke transformatie is op dit moment niet te voorspellen. Echter, of een creatieve organisatie zich nu concentreert op haar creatieve kerntaken of haar kerntaken uitbreidt door andere rollen binnen de waarde-ecologie op zich te nemen, het is evident dat een doordacht gecreëerd businessmodel essentieel is om het belang van haar positie te beschermen. Zoals dit proefschrift laat zien, vereist een gebalanceerd creatief businessmodel een overkoepelend systeem brede aanpak die meerdere aspecten van een organisatie in evenwicht houdt: zowel het korte als het lange termijn perspectief; het perspectief van alle interne belanghebbenden (van de eigenaren tot de werknemers) en externe belanghebbenden (van klanten, overheidsactoren, tot andere betrokkenen zoals buren); en de balans tussen kunstenaarschap en commercie.

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Part 1: Outlining the dissertation

1 Introduction

Interest in the concept of the business model has been growing in the last decade with both academics and practitioners alike. Business model thinking has indeed been hailed as a crucially important solution to innovation challenges in all sectors, including the creative industries. One of the foremost challenges that organizations from these sectors face is to achieve long-term stability and sustainability. Due to the specific context in which these organizations operate, it is claimed that a multitude of managerial and organizational tensions commonly exist, and it is widely asserted that management attempts to economize creativity and artistic motivation run the risk of damaging these resources. Finding a functioning model within this environment prone to tensions is a central task for many creative organizations, and many organizations seem to fail at the task at hand. Many entrepreneurs in creative industries run fragile, low-growth organizations in markets that have low barriers to entry and a high turnover of talent and ideas. As a result, it has been claimed, many of these do not realize their full potential (Leadbeater & Oakley, 1999).

Finding a balance that allows creative organizations to mediate different influences to achieve the possibility for long-term sustainability is a central interest in this doctoral research. To further explore this, one particular sector within the creative industries will receive the foremost focus in this dissertation: architecture. This sector is interesting for a number of reasons. First of all, architecture is exemplary of a creative field that is caught 'between art and commerce' (Caves, 2002), as architecture is both a design profession in which artistry and creativity are central, as well as a professional service towards the clients. As such, architects need to navigate creative, professional, and commercial goals, while simultaneously attempting to fulfill client, user, and societal needs (Lampel et al., 2000). Furthermore, architectural firms are often faced with clients with both ambitious aesthetic needs as well as a limited budget leading to additional challenges (Manzoni & Volker, 2017). As Gaim (2018) points out, in most cases, architectural firms cannot simply resort to some unremarkable halfway point between one extreme (aesthetics) and the other (efficiency), or choose one entirely at the expense of the other making architectural firms empirically suitable to study tensions. Finally, as the architectural design is the basis of most construction activities, architects are the central player within a large group of involved stakeholders, including clients, (sub)contractors, (local) governments, end-users, and neighbors. These elements make that the architectural occupation is met with a large number of different opinions, interests, influences, and possible paradoxical tensions, making it an interesting object of study in light of sustainable business model solutions.

This introductory chapter to my paper-based dissertation provides the overall background and framing for the compilation of articles that follows. This chapter opens with an overview of the theoretical lens of business models which will be used throughout the dissertation as the unit of analysis. This is followed by a reflection on management in the creative industries and the evolving practice of architecture. The role that architectural firms traditionally play within the building sector has been increasingly challenged and questioned in recent years, and

subsequently, many organizations within the fields of architecture and urbanism are forced to rethink their current operations and role within the construction ecosystem. As many of the concerns exhibited by architectural firms are also present in the broader creative industries, this dissertation will on occasion zoom out and reflect on the creative industries as a whole, or use examples from other creative disciplines to illustrate certain practices and trends. Finally, an introduction to organizational tensions, which is analyzed from an institutional theory point of view is presented. Together these components form the basis for the further exploration of the main research question in this dissertation, as a general need for research is identified at the intersection of these fields:

Main RQ: What are (elements of) business models that architectural firms and other creative organizations use to mitigate tensions in their functioning, and help toward reaching long-term sustainability?

The second part of this introductory chapter then serves to elaborate on the structure of the dissertation and the methodology used. The broad main research question is in this part broken down into a set of three sub-research questions, which are investigated independently within the separate articles compiled in this thesis. These articles are briefly introduced and related to each other before a brief outlook concludes this introductory chapter. A common theme throughout the independent research articles is the need for finding a balance. In each of the articles, a different aspect of this balancing act is highlighted. The articles can therefore be seen as stand-alone essays that shed light on a part of the issue as introduced in this introductory chapter, and alternate in focus between the creative industries as a whole, and the sector of architecture in particular. Overall, this dissertation can be categorized as a strategic management Ph.D. with a focus on sustainable performance in SME creative organizations. The field of strategic management of creative organizations has been evolving steadily in the past decades. This dissertation aims to contribute to this expanding knowledge by highlighting the role and use of business modeling in achieving organizational (and societal) goals.

1.1 Business models

Since the turn of the century, the term business model has surged into management vocabulary (Shafer et al., 2004). Indeed, it is more widely used and researched nowadays than almost any other concept in strategy (Baden-Fuller & Morgan, 2010). Driving factors behind this growth in interest in the subject include the ever-growing knowledge economy, the growth of the internet and e-commerce, the outsourcing and offshoring of many business activities, and the restructuring of the financial services industry around the world. In particular, the way in which companies make money nowadays is different from the industrial era, when scale was so important and the value capturing thesis was relatively simple (Teece, 2010).

Magretta (2002, p. 3) finds that “a good business model remains essential to every successful organization, whether it’s a new venture or an established player,” and Chesbrough (2010) states that the same idea or technology taken to market through two different business models

will yield two different economic outcomes. However, despite the alleged importance of the construct, the question for a long time remained what exactly is meant with the term business model. Michael Porter (2001, p. 73), as often cited, stated that the definition of a business model at that time was “murky at best,” and most often it simply seems to refer to a loose conception of how a company does business and generates revenue. Furthermore, according to Linder and Cantrell (2000), when people say ‘business model,’ they can mean any of three things: components of business models, real operating business models, and change models. Mahadevan (2000) added that consultants and practitioners often use the term to describe a unique aspect of a particular business venture. Chesbrough and Rosenbloom (2002) found that the meaning of the concept is regularly assumed to be implicit, and even though the term business model is often used these days, it is seldom defined explicitly. However, throughout the years, there has grown a general agreement – at least on a basic, practical level – on an explanation of the concept: it represents a description of how a firm does business (Richardson, 2008), and clearly, the notion refers in the first instance to a conceptual, rather than a financial, model of a business (Teece, 2010). In the early days of research on the topic in academic literature, many definitions of the concept have been suggested (Shafer et al., 2004), and even though there is still is a lack of a universally accepted definition and unanimous agreement on its compositional facets (Al-Debei & Avison, 2010; Morris et al., 2005; Osterwalder et al., 2005; Seddon et al., 2004), a consensus surrounding definition seems to be emerging. Understandably, diversity in the available business model definitions poses substantive challenges for delimiting the nature and components of a model and determining what constitutes a good model (Morris et al., 2005). Some researchers use a rather narrow definition of the term business model. By defining the position of a company in a value network, they describe how a company can make money. Stewart and Zhao (2000) for instance define a business model simply as a statement of how a firm will make money and sustain its profit stream over time. Most researchers, however, have a more holistic view of business models (Pateli & Giaglis, 2004). These authors view the concept, directly or indirectly, as the core ‘logic’ or ‘architecture’ behind value creation, delivery, and capture (e.g. Linder & Cantrell, 2000; Magretta, 2002; Osterwalder & Pigneur, 2010; Petrovic et al., 2001; Shafer et al., 2004; Timmers, 1998) or behind value creation and value appropriation (Zott & Amit, 2010). Following this view, business models are mostly seen as a reflection or the operationalization of an organization’s strategy (Casadesus-Masanell & Ricart, 2010), and as such, there is growing support among scholars that a business model can be regarded as a distinct unit of analysis, that can serve as a research focus to examine strategic behavior (Zott et al., 2011).

Concerning the content of a business model, again multiple viewpoints have been developed, mainly in the first years of the 21st century. For example, Osterwalder (2004) in his widely followed ‘business model generation’ approach finds nine essential building blocks (value proposition; customer segments; channels; customer relationships; revenue streams; key resources; key activities; key partners; and cost structure). Morris, Schindehutte and Allen (2005) distinguish six main components revolving around: how a firm creates value; for whom it creates value; what the firms’ internal source of advantage is; how the firm positions itself in the market; how the firm makes money; and what the ambitions of the firm and entrepreneur are. Johnson (2010), however, finds four main elements of a business model: the customer value proposition; key processes; key resources; and the profit formula. Demil and Lecocq (2010) in contrast find just three basic business model components: resources and

competences; the organization of the business within a value network or the firm boundaries; and the value propositions through the supply of products and services, which together determine the structure and the volume of costs and revenues of a business, its margin, and so, ultimately, its sustainability. In an attempt to merge the different albeit highly related interpretations, Al-Debei and Avison (2010) in a widely-cited article, developed a unified framework of the business model concept, in which they united the components into four value dimensions which together make up the composition of a business model: 1) the value proposition ("A way that demonstrates the business logic of creating value for customers and/or to each party involved through offering products and services that satisfy the needs of their target segments"), 2) the value architecture ("An architecture for the organization including its technological architecture and organizational infrastructure that allows the provisioning of products and services in addition to information flows"), 3) the value network ("A way in which an organization enables transactions through coordination and collaboration among parties and multiple companies"), and 4) value finance ("A way in which organizations manage issues related to costing, pricing, and revenue breakdown to sustain and improve its creation of revenue") (Al-Debei & Avison, 2010, p. 366).

Zott and Amit (2010) bring a different perspective to the theory of business models, which seems to be taking ground as a manner of further conceptualization. They define a business model as the bundle of specific actions/activities that are conducted to satisfy the perceived needs of the market, including the specification of the parties that conduct these activities, and how these activities are linked to each other. The 'activity system' enables the firm, in concert with its partners, to *create value* and also to *appropriate a share of that value*. The activity-based approach enables an analysis of how the organization, in dialogue with its environment, is able to create value and in what way the specific activities unlock the possibility to appropriate a share of that value. By focusing on specific activities that – in a coherent business model – represent direct operationalizations of the organization's strategy and its core values, as well as on how these activities are bonded together in a larger reinforcing scheme, this perspective takes on a holistic approach towards an organization's capacity for value creation and appropriation. This dissertation follows this description of a business model as it breaks down the process of the transformation of core values into specific activities - which is an approach that is especially suitable for organizational fields that are highly value-driven as is often the case in creative and cultural fields (Van Andel, 2020a). Moreover, it also highlights a fundamental issue that underlies these creative and cultural organizations: the distinction between value creation and value appropriation or capture. It is often suggested that the main purpose for artists is value creation, rather than value capture (Fuller et al., 2010) and that the commercial exploitation of the created value is often neglected under peer pressure (Thelwall, 2007). Zott and Amit's (2010) description highlights the importance of the combination of both value creation as well as value capture in a healthy business model. Furthermore, this approach to business models also emphasizes that value creation occurs through context-bound activities in dialogue with an environment and thus highlights the necessity of not focusing on the organization as a stand-alone entity, but on the behavior of the organization within the specific context of its (institutionally-induced) environment (see e.g. Poisson-de Haro & Montpetit, 2012), including residing norms and dominant logics on how to behave.

A second approach to business modeling that will be taken on in this dissertation is the use of business model tactics. While many academics in recent years have argued the potentiality of business model innovation for any organization, for many practitioners it seems that the applicability is often stuck on a rather conceptual and abstract level. By defining a business model as the 'overall logic through which an organization creates, delivers and captures value', (e.g. Magretta, 2002), the concept takes on a holistic perspective on how firms do business focusing on the 'big picture' rather than on small operational details. However, there seems to be a certain vagueness about how this 'holistic' rationality can be applied to day-to-day actions necessary to make this strategic tool function, especially in situations in which the organization is faced with unstable and difficult to navigate environments. One manner to deal with such circumstances is highlighted by Casadesus-Masanell and Ricart (2010). On a strategic level, these authors make an important distinction between business models on the one hand, and tactics on the other, which in their view happens in a sequential manner. In the first stage, firms choose a 'logic of value creation and value capture' (i.e., choose their business model), and in the second, they make tactical choices within their chosen business model framework in order to make the business model function. So, if the higher-order strategic tool of *business models* refers to the overall logic of the firm, the way it operates and how it creates value for its stakeholders, the lower-order strategic tool of *tactics* refers to the residual choices open to a firm by virtue of the business model it chooses to employ. Tactics are therefore what allows an organization to maneuver within its overall strategic (business model) direction. This dissertation will at times further elaborate on the importance of applying business model 'tactics' as a way of making a business model consistently work in everyday operations despite fast-changing circumstances.

Even though much has been written in recent years about business models, only a few studies have attempted to empirically measure business models, with case studies as the most used methodology. Zott and Amit (2007, 2010), however, have attempted to measure business model design themes as a variable on a range of performance indicators using a data set with information on business models of 150 publicly listed entrepreneurial firms. They identified four (not mutually exclusive) critical themes of business model design, which are potential sources of value creation. The novelty-centered business model theme focuses on new ways of conducting economic exchanges among various participants. It can be achieved, for example, by offering new combinations of products, services, and information, by connecting previously unconnected parties, by linking transaction participants in new ways, or by designing new transaction mechanisms. The lock-in business model theme incentivizes the focal firm's customers and strategic partners to engage in repeat transactions and prevent them from migrating. The complementarities-focused business model theme facilitates the bundling of separate yet complementary products, services, and activities. Finally, the efficiency-centered business model theme refers to the measures that firms may take to achieve transaction efficiency through their business models. It aims at reducing transaction costs for all transaction participants. As such, Zott and Amit (2007, 2010), conceptualize a working business model as a combination of activities, which can be aimed at a combination of different 'themes'. Decomposing a business model into different elements that together make up a coherent and functional system seems to be an upcoming approach within business model research, and will also be taken on in this dissertation.

1.2 Creative industries

The theoretical lens of the business model – conceptualized through its underlying activities – is used as the unit of analysis to further explore solutions to specific issues that architectural firms are currently facing. In recent years, research on architectural and other creative practices from an organizational standpoint has been increasing. This can be related to an increased academic focus on studying management practices and strategy within the broader creative industries, defined as those sectors that rely on the input of human creativity for creating economic, social and symbolic value (Guiette et al., 2010; Van Andel & Schramme, 2015).

The emergence of interest in the creative industries is related to the significance of knowledge to all aspects of economic production, distribution and consumption, and the growing importance of the services sector (Flew, 2002), and can be seen in a larger timeframe as an exponent of population growth, increased household income, increased leisure time, a more educated population, and the increase in the emancipation of women (Colbert, 2009). It is linked to the dynamics of the 'new economy', whose form is increasingly informational, global, and networked (Castells, 2000). The creative industries are highly visible because they exert an extraordinary influence on our values, our attitudes, and our lifestyles. They have long been the subject of intense public fascination, a fascination that has been nurtured and reinforced by extensive media coverage (Lampel et al., 2000).

Due to the specific context, many scholars are convinced that entrepreneurship, management, and business modeling within the creative industries adhere to different circumstances, regularities, and thought processes, both on the producer as on the consumer side. Despite their apparent importance, economists for a long time had largely ignored questions about why these industries are organized the way they are (Caves, 2002). Leadbeater and Oakley (1999) argue that entrepreneurs in the creative industries may have much to teach companies in other sectors, from retailing and consumer goods to software and biotechnology, in which competition is increasingly driven by innovation. Hamel (2000) argues that far more than technological resources, it is imagination that will make the difference between entrepreneurs in the new millennium. The dilemmas experienced by managers in the creative industries are therefore also to be found in a growing number of other industries where knowledge and creativity are key to sustaining competitive advantage (Lampel et al., 2000). In a time of age where the world is increasingly giving importance to the personalization of an individual consumer's experience (Prahalad & Krishnan, 2008), the creative industries are exemplary of industries where unique personalized co-created content is delivered (Hearn et al., 2007). A better knowledge of entrepreneurship within the creative industries can therefore prove to be valuable.

The overall structure of the creative industries is often polarized, where a small number of large firms account for a significant proportion of industry output and employment, and the rest of the industry is made up of large numbers of smaller enterprises, catering for niche markets (Jeffcutt & Pratt, 2002). These industries commonly revolve around entrepreneurial, innovative and often unorthodox collaborations, whereby numerous large, small and micro-businesses come together for the duration of a single project, then disband and form new

partnerships for the next project (Warren & Fuller, 2009). Moreover, these industries often display a need to coordinate diverse creative activities within a relatively short and often finite time frame. Since sunk investment costs are often only potentially realized in the first few weeks after products are released and highly dependent on publicity and reviews for sales (e.g. in films, music), organizations in these industries are sometimes referred to as being 'chart businesses' (Jeffcutt & Pratt, 2002).

Furthermore, the markets in which these entrepreneurs operate is often complex due to a specific set of characteristics that set these industries apart from conventional conceptions of an industry. For instance, in a wide-ranging study on the economics of the creative industries, Caves (2002) identified several distinctive characteristics that point to major risk and uncertainty about the economic outcomes of creative activities. These include a considerable uncertainty about the likely demand for a creative product, an unpredictability in the quality levels consumers see in the outputs, and an unpredictability in the capacity of their producers to continue to extract economic rents. Moreover, Colbert (2009) warns for the saturation of the markets, a surplus of supply relative to demand, and an almost infinite variety of creative products available.

Finally, it is claimed that several managerial and organizational tensions commonly exist within these creative businesses. It is widely suggested that management attempts to economize creativity and artistic motivation run the risk of damaging these resources; "Creative people tend to rebel at efforts to manage them overly systematically" (Florida, 2002). Moreover, entrepreneurs producing creative goods and services often pursue objectives that are not simply economic but are conditioned by the content of the output they are generating (Hutter & Throsby, 2008). Organizational performance is for many creative entrepreneurs therefore not solely defined in economic terms, but more often than not seen in more symbolic 'soft' indicators such as reputation, customer base, public awareness, and increased independence in following their creative ambitions. Finding the balance between economic and creative motives is central to many creative organizations. March (1991) in his foundational article on organizational learning states that a central concern of studies of adaptive processes is the relation between exploration of new possibilities and the exploitation of old certainties, in which exploration includes actions such as search, variation, discovery and innovation, and exploitation includes things such as refinement, efficiency, implementation, and execution. Tensions occur when organizations that solely focus on exploration are likely to suffer the cost of experimentation, without gaining the benefits of it. Conversely, organizations with a sole focus on exploitation are likely to find themselves unable to renew and become outdated. "As a result, maintaining an appropriate balance between exploration and exploitation is a primary factor in system survival and prosperity" (March, 1991). For many creative entrepreneurs, it is exactly (the lack of) these balances which cause unrest, as Eikhof and Haunschild (2007) find that a central paradox of creative production is that economic logics tend to crowd out creative logics, and thus endanger the resources vital to creative production.

Due to these industry-specific characteristics, many entrepreneurs in creative industries run fragile, low-growth companies in markets that have low barriers to entry and a high turnover of talent and ideas. As a result, it is claimed that many of these businesses do not realize their full potential (Leadbeater & Oakley, 1999). Achieving long-term sustainability can therefore be seen as an existential challenge for many creative organizations. In this study, long-term

sustainability is viewed as the ability to survive in the long run. Just as in any organization, this means that the organization should be able to continuously generate enough financial resources to keep their operations ongoing. However, long-term survival for creative organizations means that besides fulfilling the financial needs of the organization, a healthy environment that enables the fulfillment of the creative needs of the organization as well as of those of the people within that organization also needs to be preserved and nurtured. This is seen as an indispensable condition for the creation of a long-term sustainable creative organization.

Even though for many creative organizations, sustainability in terms of ecological considerations is an important goal to achieve – for instance, in a large-scale study across 160 countries, Gouvea et al. (2020) find a strong relationship between social entrepreneurship and creative industries, and many of the organizations studied in this dissertation explicitly focus on ecological sustainability as an outcome of their activities – this study focuses on business model elements that help the creative organization itself to survive on the long term. Therefore, sustainability in this study is viewed on the organizational level in regard to the above-mentioned fragility argument, and does not focus on sustainability from the point of view of ecological outcomes of the creative activities.

As is evident, the circumstances in which organizations within the creative industries operate are highly context-specific. For a more detailed investigation into this specific context, chapter 2 of this dissertation will further explore the concept of the 'creative biotope', and its connection to business model decisions. In his investigations on artists (2009) and artistic and creative organizations (2010), Gielen states that the industries in which these are active can be seen as a meshwork of differentiated networks and sub-networks in which different value regimes are at play. In his analyses, Gielen (2009, 2010) identifies four value regimes which, taken together, make up the subjectively formed internal and external environment that surrounds the living and working place of creatives: the 'creative biotope'.

Within the creative biotope, four 'domains' can be formed in which Gielen (2009) claims artistic practices can be located. First, the '*domestic domain'* is a development-orientated space where people do their own work in a self-reflexive manner in private (see e.g. Jacob & Grabner, 2010). The organizational activities frequently take place in their private homes, and their domestic life (e.g. children, private relationships) has a direct influence on, and is directly influenced by their professional life and their creativity. From an organizational perspective, this domestic domain also refers to a safe, intimate environment within the personal bounds of the organization in which members of the organization reflect individually and in group on the organizational values, mission and its (organizational) outcomes and where they work on exploring possibilities for new creative products and services, and as such constitutes the internal dynamics within an organization. Second, development and reflection can take place in a more externally connected manner, where the discussion takes place with a select group of knowledgeable experts: '*the domain of the peers*'. Within the domain of peers, exploration, experiment, and development are also central but take place in critical social interaction with other actors and organizations from their specific field. This exchange of ideas is important for any creative practice as it stimulates not only internal but also external reflexivity and creates a research-oriented climate (Gielen, 2010). Third, in the '*market domain***'**, the one-way selling of creative products is central. In this domain, the visible, completed product or service is

transferred to the acquiring party through a transactional relationship. Besides monetary gains, the market domain is also important in other senses: “Perhaps the art world needs this broad, heterogeneous recognition to a certain degree in order to legitimate or at least gain acceptance for its autonomous artistic, experimental and sometimes quite idiosyncratic place within a wider social context” as stated by Gielen (2009, p. 192). In other words, by proving a success in exploitation, the creatives can justify their other, more development-oriented explorative behaviors that are often not understood by the larger society. Fourth, in a more connected sense, the showcasing of developed ideas also takes place within a larger frame in the so-called ‘*civic domain*’. Creative products and works of art impact the broader civic environment, which goes beyond those who commission and/or purchase them. As organizations from the creative industries are often in the public eye as the subject of intense public fascination, which is nurtured and reinforced by extensive media coverage (Lampel et al., 2000), their ideas, actions, and products not only influence their direct customers but also the wider public. For instance, when a new architectural building is constructed in a city, this changes the direct living habitat for many people that are indirectly involved with the building (e.g. neighbors, commuters that need to pass the building site, etc.). This can lead to public debates on different topics, including ecology/environment, social equality (for who is the new construction intended, take for instance the debate on gentrification), etc. These four domains together form the subjectively defined living and working areas of creatives, as all creative organizations have activities in each of the four areas of the biotope. Each domain has its own constituents, norms, and logic, and consequently, each domain also exudes its own influences and pressures on the creative organization on how to behave. This ‘creative biotope’ therefore defines the environment in which these organizations exist, create, exploit, and find broader justification for their work as it connects to all creative practices.

The field of architecture is one in which many of the above-mentioned characteristics are omnipresent. This sector is typically composed of many small organizations and self-employed independent architects (and a small group of larger organizations) that work in a project-based manner as central figures in construction processes. However, the sector of architecture also has several distinctive characteristics. The following section focuses on the practice of architecture, and how it has evolved in recent decades.

1.3 The evolving practice of architecture

As Nobel laureate Herbert Simon proclaimed, to design is to devise “courses of action aimed at changing existing situations into preferred ones” (Simon, 1988, p. 67). In this manner, the field of architecture has for long been a crucial sector in determining our living environment, as for centuries the architect has been the keystone of every large construction project affecting the residential, recreational, and working lives through design. In this introductory chapter of the dissertation, a specific focus will be placed on the role of the architect and the architectural organization as this is currently being questioned, opening up avenues for strategic thinking and business modeling (thought) exercises. Already as early as 1567, Philibert Delorme distinguished the act of designing a building as a separate activity from that of the actual construction, providing a first attempt of defining the field of architecture in terms of a singular activity of designing (Galletti, 2014). Delorme even went as far as declaring ‘the art of building’ (i.e. architecture) a divine discipline. Later, however, for several centuries, the

architect was considered to be the 'master builder': the one person who was responsible for both the design and the quality of construction of a project, and the person that had enough knowledge and expertise to oversee a project from its most early inception to its final completion.[2] Henry Wotton in 1624 spoke of architecture as an operative art, in that the end-result must direct the operation. On this end-result, he famously stated that building well has three conditions: commodity, firmness, and delight, which still today are reflected in many architectural practices as aiming for habitability and usability (commodity), good engineering (firmness), and visual pleasure (delight) in a design (Blau, 1984). During the 19th and 20th century, the profession of the architect and its role transformed again towards specialization, spurred by construction projects that grew in both complexity and scale, and the rise of technological advances. This was when the master builder separated into two distinct professionals again; the designer and the builder (Burr & Jones, 2010), a distinction that became dominant practice throughout the last decades, and became cemented in laws and regulations.

However, due to a variety of factors in the changing environment such as an increase in complexity, regulations, and digitalization among others, many agree that the profession of the architect is again facing a new era. There seems to be a need to find a new place and role for architecture in a continuously evolving construction process: "What is the position of the architect in the construction process today and what will be the role of the architect in the future" (Burr & Jones, 2010, p. 123)? Organizations within the sectors of architecture and urbanism are increasingly feeling pressures from their competitive environments as they are exposed to financial, economic, and mental constraints (Bos-De Vos, 2017). Cohen et al. (2005) find that, given the vulnerability of architecture to changing economic conditions, the impact of deregulation, and an increasingly confident and demanding public, most architects see staying solvent as their main aim. Within this aim, creativity is absorbed as merely one of the facets of architecture alongside accounting and financial management, technical know-how, and market sensitivity (Cohen et al., 2005). For many architectural firms, it is difficult to survive financially. Most architects are poorly paid or work long hours to impossibly tight margins, and those practices with high-profile projects seem to exist purely through a form of voluntary labor from interns. US-based research recently found that architecture graduates had the highest rates of unemployment of all graduates, and even when they do gain employment, many will never actually work within the field of architecture (Hyde, 2012).

Moreover, in the architectural field, for a long time, there were not any substantial innovations concerning product or service models (Hyde, 2012). Architects' source of income was (and still is for many) largely a percentage of construction fees, and architects focus most of their efforts purely on the design process, a position that has become increasingly under pressure due to ongoing developments in society and the construction industry (Ahuja et al., 2017). This has led to some dire situations for many involved in architectural occupations. Many architectural firms struggle to uphold viable business models as the sector suffered severely

[2] The word architect derives from Ancient Greece, where ''arkhi'' meant head chief or master and ''tekton'' meant worker or builder i.e., the chief builder, master builder, director of works.

from the recent global economic recessions (Bos-De Vos, 2017). Moreover, many (European) architects do not have an optimistic outlook on the future. A large scale survey in 2014 by the American Institute of Architects found that while 54% of architects within the United States predicted positive growth for the next year, less than 7% of the architects in Europe shared the same sentiment (AIA, 2014).

Since the nineteen-eighties, academic researchers have increasingly been searching for the best ways to organize and manage architecture firms, based on the question of what is the "format that will enable the architecture firm to provide excellent service to the client, do outstanding work recognized by peers, and receive commensurate rewards in professional satisfaction and material returns" (Coxe et al., 1986, p. 52)? Answers thus far have not been so simple to find. However, in recent years there seems to be a shift in perspectives within the industry in which experimentations in form and function of the architectural firms are slowly being implemented, leading to new forms of collaborations, new roles and new responsibilities across the construction value chain (Volker & Klein, 2010). Moreover, driven by megatrends such as technology and demographics, shifts in the social, economic, and environmental context are shaping the business and practice of architecture and design for firms of all sizes (AIA, 2014).

1.3.1 Management of architectural firms

The activities of architectural firms can generally be regarded as project-based undertakings of creative professional service firms. This latter means that as an organization, architectural firms are hugely reliant on creative input, talent, and motivation of their staff to exercise their expertise and find one-off solutions to unique spatial challenges (Mangematin et al., 2013). As creative professional service firms, architectural firms constantly need to balance professionalism and efficiency with artistry and creativity in order to fulfill all goals set forward in each of the projects, leading to the practice of architecture often appearing to be a rather ad hoc process. "The uniqueness of each project, the distinctive qualities of every client, the idiosyncratic character of each award jury, the lack of control over such uncertainties as the conditions and costs of construction, new complexities of building regulation and financing, and the sheer problems of maintaining groups of people who can work well together all contribute to the makeshift character of architectural practice" (Blau, 1984, p. 10). However, despite the deceptive adhockery of the process of each individual project which seems to indicate that there cannot be any rule book or operating manual to address all of the scenarios an architectural firm may encounter, architectural practice is far from continuous improvisation. The activities that appear ad hoc and how a firm handles the unique and the uncertain are often governed by an organizational structure that is often a direct reflection and result of its foundational values: the business model.

In the past years, there have been a few yet limited studies that specifically focus on the management of architectural firms and their business models. Much of the research has emphasized the specific dependence architectural firms have on economic fluctuations (e.g. Blau, 1984) as well as on the wills, ambition, and budgets of their clients. For instance, Manzoni and Caporarello (2017) show how architectural firms are conscious that being too art-oriented or quality-driven can result in designs that are impossible to be realized because they do not meet clients' technical requirements or economic reality. Moreover, it has been

often claimed that architectural firms tend to struggle with their entrepreneurial side, an argument often made when considering creative organizations (e.g. Werthes et al., 2018).

Considering the financial model of the sector, scholars find not a lot of innovation in this area. “There has been no meaningful advance on architects working as developers/builders; source of income is still largely a percentage of construction fees, neatly limiting solutions to buildings, which is very limited indeed. In the main, business development means waiting for clients to ask” (Hyde, 2012, pp. 8–9). However, the lack of innovation in this financial model has caused considerable strain on the architectural firms as their work package in each project is steadily increasing. “Architects are doing more – providing BIM models, building analysis, and programming – for the same fee basis as ten or twenty years ago, which was before the architectural technology infusion. Our fee for service ratio has not kept up with the level of services we provide” (AIA, 2014, p. 16).

Bos-De Vos (2018) investigated what specific value propositions and value capture strategies are being employed by architectural firms in the Netherlands. The results found four types of value proposition, namely ‘project assistance’ (services to facilitate the start or further development of an urban area or real estate development), ‘product design’ (services that are delivered to come up with a design of an urban plan, building, or interior), ‘product development’ (process-oriented services that are needed to realize the designed product), and ‘business case development’ (services that are necessary to design and realize a marketable product, which has its own revenue stream). Furthermore, three types of project-specific value capture strategies were identified: strategies to negotiate one’s role in a project, strategies to capture value in the project-based interaction with a client, and strategies to attain firm goals in a project. In this regard, Bos-De Vos emphasizes that a focus on one of the strategies can negatively impact the potential for capturing values through another strategy and that thus a balancing is in order (Bos-De Vos, 2018).

1.3.2 Architecture in Flanders, Belgium

According to the most recent report on the creative industries of Flanders, Belgium, there are 14.273 full-time equivalents working in the sector of architecture in this region, with the majority (7.323) working as self-employed (often semi-structurally operating within a larger organizational structure). This calculation includes both people working in architectural firms and technical support organizations such as construction engineering firms and specialized research firms. The sector in total accounts for a net added value of well over a billion euro (€ 1.044.995.591), making it a sector of large (economic) impact (Flanders DC, 2019).

Architecture in Belgium is regulated through the federal law ‘for the protection of the title and the occupation of the architect’ as originally drafted in 1939. The law protects the title and the diploma of the architect, as it states that an architect (1) needs to be authorized to practice the profession of the architect, and be registered at the Order of Architects, and (2) its purpose and activity must be limited to the provision of services that are part of the profession of architect and may not be incompatible with this. The specific services – as defined in article 4 – include both the *design* of a building and the *control* of its construction, which implies that both activities are unmistakably connected. Moreover, article 5 states that officials of the state, the provinces, the municipalities, and the public institutions may not act as architects outside

their function (with the exception of teachers), and (in article 6) that the profession of architect is incompatible with that of a contractor of public or private works (Wet op de bescherming van den titel en van het beroep van architect, 1939, which can be translated as the: “law for the protection of the title and occupation of the architect”). In practice, this law implies a clear division of roles within the construction process, in which three distinct roles can be identified: the client, the contractor, and the architect, each with its own rules and laws to follow (Figure 1). The client – often referred to as ‘Bouwheer’ in Flanders – is the one who traditionally initiates the whole process, instructs an architect or architectural firm to design a building, arranges the tender, awards the work to a contractor and is then the contractor's client. The original intend of this law, as the title indicates, is to protect the role of the architect by ensuring that its activities cannot be taken over by one of the other players in the construction process. However, it explicitly also brings restrictions to the architect, as it limits the activities that architects can legally perform. Moreover, it could be wondered whether such strong legal protections on activities could limit the overall potential of players within a sector to institute or even aspire (strategic) innovation.

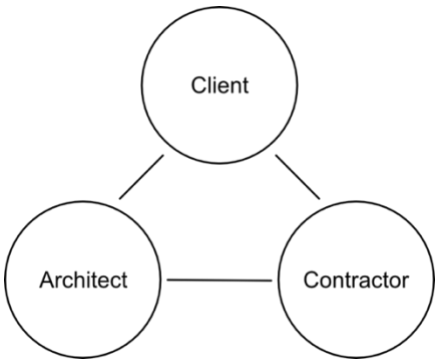


Figure 1 Three roles in the 1939 law ‘for the protection of the title and the occupation of the architect’

Currently some significant trends are undergoing the broader construction industry that highly affect the manner of functioning of architectural firms, as well as this separation of roles and responsibilities among the three main parties involved. These changes can be divided into three broad categories, which are changes in 1) process, 2) technology, and 3) attitude/mentality.

1.3.3 Process: project scope and definition

A first trend currently transforming the industry is that many architectural projects are increasingly being redefined as complete business cases (Avermaete & Teerds, 2016). This is often dubbed as ‘integrated practice’, which refers to a collection of organizational contract structures that include some degree of incorporation of the traditional design phases of Design, Build, and Maintain, often expanded with Finance and/or Operation in one package deal (dubbed variations of the acronym DBFMO, depending on what elements are included in the contract) being performed by a fixed consortium of firms. These types of contracts are typically connected to projects that are in nature long-lasting (some contracts go up to 20 or 30 years), in which the scope of the project, as well as its risks and benefits, can be well-

defined upfront. Governments in many European countries have been promoting these types of projects heavily for many of their public (infrastructure) projects in different sectors, such as education, urban development, healthcare, roads, social housing, sports, and tourism since early the 2000s, delegating many tasks and responsibilities to private sector actors. These 'Public-Private Partnerships' (PPPs) have become very popular for governments, as it has the claimed benefit that all parties involved can focus on their core tasks and that the expertise of the private parties involved can lead to more innovative and faster solutions to the challenges at hand. For governments it has the main advantage of keeping major investments off the balance sheet of the public sector (Willems et al., 2017), a practice that in recent years has caused public criticism for governments' shirking of responsibilities. Especially when the Finance component is added to the contract, indicating that the consortium is responsible for finding private parties (banks or institutional investors) that provide the capital, with the government being responsible for little to no investment. Relatedly, PPPs have been receiving criticism over the years for the often high costs in tendering, complex negotiations, and issues in execution due to differing or conflicting objectives among project stakeholders (Ke et al., 2009). Additional criticism relates to the dominance of 'value for money' evaluations, which follow strictly financial and commercial logics, combined with cost restraints on innovation often foregoing broader impact on and cost for society of large infrastructure projects (Willems et al., 2017). Moreover, it has been claimed that this system gives preference to more established architectural firms that are more easily chosen to be included in a larger consortium, making it more difficult for young firms to break through and get a fair chance.

This emerging trend in project delivery has the potential to dramatically shift the system and paradigm in which the profession of architecture delivers its services. As a large part of the responsibilities that are originally for the client are being transferred to the building team in which the builder/contractor takes on the leading position, the relationship of the architect towards this contractor can alter considerably. The architectural firms may no longer be positioned to provide design services directly to the end-user of the building, but instead will be contractually obligated to a contractor or financier (AIA, 2014). The role of the architect in being responsible for the quality of design, as well as having the responsibility of monitoring the quality of its construction can come under tension as they become dependent on the contractor for its assignments.

1.3.4 Technology: Building Information Modeling and 3D modeling

As construction projects are becoming progressively complex and difficult to manage due to among other the increased reciprocal interdependencies between different stakeholders (financiers, government, engineers, lawyers, contractors, suppliers, and architects), the construction industry has been looking for systems to reduce communication and coordination efforts between all parties involved. The largest and most disruptive technological advancement in the field of construction lately has been Building Information Modeling (BIM), an emerging technological and procedural shift within the broader construction industry which is generally understood as an overarching term to describe a variety of activities in object-oriented Computer-Aided Design. This supports the representation of building elements in terms of their 3D geometric and non-geometric (functional) attributes and relationships. It refers to a set of technologies and solutions aiming to enhance inter-organizational collaboration in the construction industry (Ghaffarianhoseini et al., 2017). BIM is argued to be

a catalyst for change poised to reduce the industry's fragmentation, improve its efficiency/effectiveness, and lower the high costs of inadequate interoperability. The main benefits of BIM include a possible reduction in or better control of time and costs, improvements in communication and coordination (Bryde et al., 2013). A different – not-yet operational on a large scale but upcoming – technological advancement is in the area of additive manufacturing (3D printing). The technology of 3D printing is still young and currently presents a lot of limitations, but there are high expectations and hopes for the future of 3D printed buildings and building components, promising a construction future in which building will be done faster, for lower cost, with environmentally more friendly material and be able to encompass increasingly complicated geometric shapes and forms (Hager et al., 2016). These advances in technologies are transforming the way architects work, create, and structure their firms (AIA, 2014), offer possibilities for architectural firms to take up a new role within the construction value chain, such as BIM integrators or product designers of 3D facades (Jia et al., 2017), but also offer new possibilities for the other players within this industry to take up some of the tasks that were originally that of an architect. For instance, companies that supply material to the construction industry are increasingly providing catalogs of off-the-shelf, fully designed building elements (e.g. fully designed parking garages, stairwells, etc.) which can be directly inserted into a computer-aided design plan of an architect. These technologies are therefore accelerating possibilities for vertical integration in the construction industry, and many architectural firms, therefore, witness that aspects of their traditional roles such as detailed engineering work, are becoming redundant or can be performed by other actors (Bos-De Vos, 2018), reducing architectural work more and more to aesthetics rather than the complete design.

1.3.5 Attitude: Increase in social responsibility

Throughout history, architects have always been interested in the social and cultural dimensions while creating architecture for people to last (Bay, 2010). Unique about architecture as a professional service occupation is that it not only serves the client, but it serves the public good as well, as illustrated by the following quote of renowned architect Daniel Libeskind “Architecture is a public art and we hold ourselves accountable not only to the client, but to the communities, and cities in which we build” (Manzoni & Caporarello, 2017, p. 57). In recent years, the focus on the public responsibility of architecture has been receiving an upheaval, which the American Institute of Architects (2014) has labeled as the renewed commitment to fundamental values in the field such as resilience, sustainability, equity, and social conscience. Markussen (2013) groups the efforts of designers (in the broader sense) that aim to promote social change, raise awareness about values and beliefs and question the constraints that mass production and consumerism place on people’s everyday life under the term ‘design activism’, which has seen a surge in interest in the past decade. In recent years, this has been further developing in two main directions: sustainable or green architecture which focuses on minimizing the number of resources consumed in the building's construction, use and operation, and social or commons-based architecture which focuses on the solutions architecture can bring to address social problems in society.

The nonprofit organization Architecture 2030 states that the building sector was responsible for nearly half (44,6%) of US CO_2 emissions in 2010, and the US Geological Survey estimates that 60% of materials flow in the US economy (excluding food and fuel) is consumed by the

construction industry (AIA, 2014). As designers of the built environment, architects have the opportunity to play a foundational role in countering these statistics and creating a more environmentally friendly world. Green architecture can be seen as a catch-all phrase that is part of a larger movement towards sustainability and uses environmentally friendly principles to design (Ragheb et al., 2016). There are several different manners in which this green architecture movement is reflected in architectural practice. Different manifestations include 'Resilient Design', 'Design for Demolition', and 'Design for the Circular Economy'. According to the Resilient Design Institute, Resilient Design can be seen as the intentional design of buildings, landscapes, communities, and regions in response to vulnerabilities to disaster and disruption of normal life (Fehrenbacher, 2013). The Design for Deconstruction movement aims to responsibly manage end-of-life building materials to minimize the consumption of raw materials. And in the circular economy logic, waste becomes the raw material for future production, and as such it describes an economy that is regenerative by design. Even though many architects support the essence of green architecture, they are dependent on clients to both want it, and be willing to invest in it, as such a construction often takes a larger initial investment both in monetary terms (many of the supplies are more expensive) and in time (it is often more time consuming to source the materials, execute the designs, and work with the materials).

Besides green architecture, there is also a surge in so-called social or commons-based architecture. As such, a growing subfield within architecture/urbanism is emerging, which can be characterized by goals that are related to a vision of a different, more egalitarian society (Markussen, 2013). Within the current economic context and the ever more imperious demands of global capitalism that approaches urban growth mostly based on economic calculations, many architects feel that they are gradually losing their importance. Within that setting, the evolving practice of 'commons-based' architecture shifts its focus from architecture for monetary gain to architecture for social gain by focuses on co-design, co-production and construction, and community participation, as these architects develop designs and tools that stimulate social change. 'A common', in its most basic form, is a general term that refers to a resource shared by a group of people (Hess & Ostrom, 2007). As such, a common – in the context of this setting urban land or city space – may be described as an asset that primarily fulfills the needs of its users, rather than the profits of its owners (De Angelis, 2017). Commons-based architecture and urbanism can be related to low-cost, small-scale, and intentionally functional modifications of the built environment (Bradley, 2015; Douglas, 2014). As an alternative to formal or top-down urban planning, it describes a civic-minded approach to improve a city's socio-cultural or aesthetic potential (Talen, 2015). Its spatial forms tend to be light, ad hoc, do not involve much capital or direct exchange value, and valorize the everyday rather than the monumental. In many of the Global North's metropolises, an intensification of such interventions as well as of their academic appellations can currently be witnessed. Diverse notions such as 'guerrilla urbanism' (Hou, 2010), 'tactical urbanism' (Lydon & Garcia, 2015), 'everyday urbanism' (Chase et al., 1999) and 'participatory urbanism' (Wortham-Galvin, 2013) all attempt to capture the various forms in which emerging architecture firms alter their city to suit the needs of citizens. Yet what unites these heterogeneous notions is a homogenous phenomenon: increasingly today, architects have started to work with the idea of city space as a collectively owned resource: a common. As such, commons-based architects alter city space for collective use. Results, then, may equally be shared, experienced, or used in common and do not end up in private property. During

participatory projects, commons-based architects tend to avoid top-down, corporate or privately-led development and thus generate what Hern (2010) calls ‘common ground’ or ‘common space’. Furthermore, commons-based urbanism, explicitly or subtly, heats debates about who is entitled to alter the city and what the latter should look like.

The emergence of the commons-based approach may be perceived within an overarching identity shift within architecture and urbanism. Instead of following the standard operating practices of performing commissioned design work assigned by city authorities and market players, commons-based architects tend to listen to citizens’ remarks, understand their problems, and develop tools that stimulate people to think critically and actively about the built environment (Gandolfi, 2009). As such, architecture can be (re)defined as an instrument for legitimizing people’s role in society and its potential to stimulate social change (Gandolfi, 2008). This new development was among others identified by renowned architectural critic Ole Bouman, who advocated for the world of architecture to go once again ‘beyond itself’, with one important way to do that is to give up the eternal preconditions of architecture: client, program, budget, and site (Guido, 2009). In such a way, architects can reclaim autonomy, long-term relevance, and legitimacy (Bouman, 2008).

1.3.6 Impact on the position of the architect

The three trends as described above seem to have a strong effect on the position of the architect within the traditional threefold division of roles within a construction project of client / contractor / architect. First, the advances in technological tools have created more opportunities for other players within the construction value chain to take up parts of the architectural role. These new technologies such as BIM are profoundly changing the process of design, building, and communication and therefore alter the activities, responsibilities, and value chains that accompany these processes (Bryde et al., 2013). Moreover, new techniques of communication are changing consumer expectations of access to information and options, making clients both more sophisticated as well as more demanding consumers, adding many new activities to the architects’ spectrum of work without affecting the architects’ compensation. Second, the increase in new governance forms for construction projects, such as PPP and other forms of integrated project delivery has resulted in more diverse, often marginalized, roles for architectural firms involved in projects, with increased responsibilities for contractors or consortia of large organizations that are able to offer clients all-inclusive service delivery (Bos-De Vos, 2018). In effect, this changes the power dynamics within the construction value chain, making the architect contractually obligated to the contractor instead of the end-user of the building.

Duffy and Rabeneck (2013) argue that the construction industry has been increasingly shifting the focus away from delivering architectural value that benefits society in the long run towards easy project delivery. Rather than designing to maximize the potential benefits for the public good, the interests of most architects they argue have become dependent on and therefore aligned with the interests of the construction industry, in itself limiting the role the architect plays in the whole. Third, a surge in design activism among architects has caused many architects themselves to reposition themselves and seeking new roles and taking on new positionings as the singular focus on design is often seen as being too limited and too much dependent on other (more capital-strong) participants in the building process to make an

impact. This has led to a decrease in architects' professional autonomy in projects and resulted in many architects feeling undervalued and marginalized (Ahuja et al., 2017).

Due to these developments, it is therefore increasingly often stated that the profession of architecture is seeing a crisis of identity and role in the industry (see e.g. Jia et al., 2017). Avermaete and Teerds wonder what role the architect can still play in light of all these structural changes within the construction industry: "What happens when contractors surpass independent architects and start to act as designers? What do architects have to offer in participative projects of local agency, when inhabitants are likely to plan, organize, develop, and design their dwelling environments themselves" (2016, p. 7)? From an industry-level perspective, it appears that the traditional strict separation of roles is increasingly being challenged, and a blurring of roles is taking place, in which all actors are within the construction value chain are able, at times, to take on different roles including the traditional design role (see Figure 2). As such, an infringement on the position of the architectural firm is at hand, and the question thus arises what business model solutions do architectural firms use to position themselves within this evolving construction value chain? Bos-De Vos (2018) states that architectural firms are increasingly challenged to reconsider the services that they deliver and how they deliver them. This dissertation takes this evolving construction value chain as the contextual background to investigate architectural firms' business model responses.

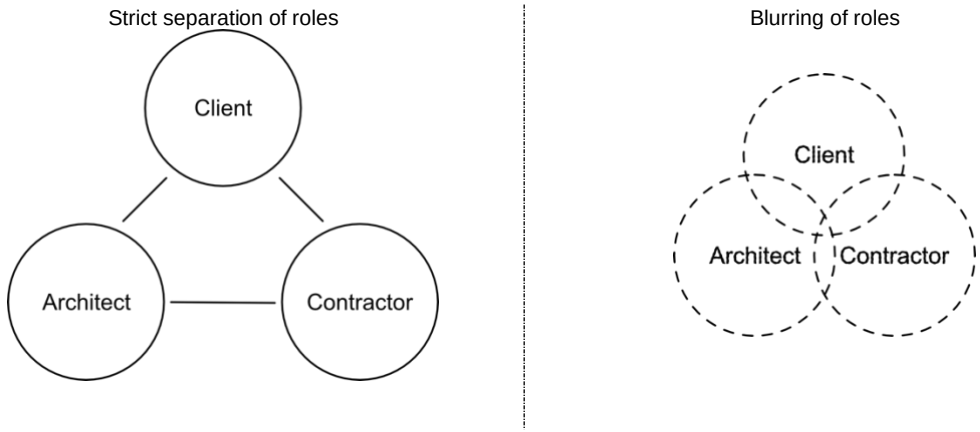


Figure 2 Strict separation of roles versus blurring of roles

1.4 Contextual influence

To further investigate the specific business model responses architectural firms take on, this dissertation takes on a contextual lens, using an institutional theory approach. Architecture can be seen as a creative field in which the designer takes on a central role among numerous professionals. Those that are involved during the construction phase include, but are not limited to, architects, general contractors, construction managers, engineers, consultants, sub-contractors, inspectors, developers, bankers, and building tenants (Burr & Jones, 2010). As all design –especially true in the case of architecture – is situated and therefore carried out from an embedded position, challenges for architects can arise from multiple angles. Architectural design involves many participants and encompasses a range of interactions and interdependencies among architects, their designs, contractors, financiers, clients, and end-users, who are often united through a common concern or challenge but are also divided

through differing visions and realities. Architects and their organizations therefore act as important intermediaries that 1) act on the physical world; 2) address human needs; and 3) generate the built environment (Simonsen et al., 2014). Many of the design challenges that architects face are therefore inherently a) linked to a complex environment in which many projects cross the boundaries of several organizations, stakeholders, and user groups; b) including of projects that must meet the expectations of many organizations, and stakeholders; and c) facing differing and contrasting demands at every level of production, distribution, reception, and control. Combined, the rapid increase in complexity as is experienced in recent years may require a qualitatively different approach to professional architectural practice as was the case in earlier times: "past environments were simpler. They made simpler demands" (Simonsen et al., 2014, p. viii). Furthermore, architecture – especially in urban development – is a contextual challenge, where every context (location, population, etc.) desires a different solution. "It is hence impossible to define 'top-down' what is the optimal solution, and truly sustainable solutions should hence involve the local context in its broadest sense (people, sub-soil, nature, infrastructure, etc.). The challenge is hence not only in finding the 'right' solution but also in creating the conditions in which 'right' solutions can be realized" (Klein Woolthuis et al., 2013, p. 94). Maneuvering within this context can be a complex endeavor, and many architects feel confronted with a plethora of paradoxical demands that can lead to tensions.

1.4.1 Organizational tensions

As is often stated, every organization exists in a specific physical, technological, cultural, and social environment to which it must adapt (e.g. W. R. Scott & Davis, 2006). No organization is self-sufficient, all depend for survival on the types of relations it establishes with the larger systems of which they are a part. From a strategic point of view, the environment is often seen as a repository of resources and opportunities, but it can also be seen as a source of constraints, demands, and threats. Therefore, institutional theory states that in order to really understand individual and organizational behavior, this must be viewed from its social and institutional context, and this institutional context both provides opportunity for agency and change as well as delivers the basis for (ir)regular organizational behavior (Kraatz & Block, 2008). Hoffman (1999, p. 351) describes institutions as the "rules, norms, and beliefs that describe reality for the organization, explaining what is and is not, what can be acted upon and what cannot." As such, institutions act as the system of rules that structure social interaction, and typically refers to both informal institutions such as unwritten customs, traditions, and behavior patterns important to a (particular part of) society, and to specific formal institutions such as laws and regulations set forth by a relevant authority. According to institutional theory, organizations thrive if they can follow the 'logics' of their sector. These 'institutional logics' are "the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality" (Thornton & Ocasio, 1999, p. 804). They can therefore be regarded as the norms to which actors within a certain context behave and are formed through a natural evolution in a particular industry.

Following this theory, organizations act reactively to their environment with a goal of seeking legitimacy in the eyes of a diverse group of stakeholders (customers, shareholders, investors,

government, employees, etc.). The degree to which they manage to adhere to these logics determines their level of legitimacy, which is often described as the amount of cultural support for an organization or the extent to which the array of established cultural accounts provide explanations for its existence, functioning, jurisdiction, and lack of alternatives (Meyer & Scott, 1983). Validity within their environment therefore dominates other goal-seeking behavior such as the search for efficiency, which is often claimed to be the main organizational goal in rational models of choice. Organizations therefore need a societal mandate, or legitimacy to operate and this is gained by conforming to societal expectations (Boxenbaum & Jonsson, 2008). The acceptance of an organization's right to exist and to pursue its affairs in its chosen manner is therefore important (Kraatz & Block, 2008). Or, as Suchman (1995, p. 574) states, "legitimacy is a generalized perception or assumption that the actions of an entity are […] proper, or appropriate within some socially constructed systems of norms, values, beliefs, and definitions." Legitimacy is therefore a concept that is socially constructed and emerges out of the subject's relation to other rules, laws, norms, values, and cognitive frameworks in a larger social system (Kraatz & Block, 2008). As such, Deephouse et al. (2017) state that a completely legitimate organization would be one about which no question could be raised: Every goal, mean, resource, and control system is necessary, specified, complete, and without alternative. Perfect legitimation is therefore perfect theory: without uncertainty and confronted by no alternatives.

Architecture as a sector, and the act of performing architectural design is influenced heavily by both formal and informal institutions. Formal institutions include laws and regulations set forth not only by the (federal) government – such as the 1939 law 'for the protection of the title and the occupation of the architect' as covered in section 1.3.2 – but also through regulatory bodies such as the Flemish 'Orde van Architecten' (translation 'Order of Architects), which is the legal body that is responsible for drawing up and enforcing ethics (the architectural deontology) and for all matters relating to the profession of the architect in Belgium. Other significant actors in setting (in)formal institutions in the sector of architecture in Flanders are the Flemish Bouwmeester – an architect commissioned to develop and execute a long-term spatial vision for the region of Flanders among others by providing guidance in the composition of competitions for public and semi-public contracts – (regional) sectoral organizations such as the Flanders Architecture Institute (VAi), which is the main center for information about architecture from Flanders and Brussels through exhibitions, lectures, debates, publications, and events and is the publisher of the annual Flanders Architectural Review, the schools of architecture (the Henry Van de Velde-instituut of the University of Antwerp, the Faculty of Architecture of the KU Leuven, and the Department of Architecture of Hasselt University), and several authoritative publications such as the architectural magazine A+. Following institutional theory, these actors help shape the habits and beliefs, and therefore influence the (business model) activities enacted by many of the players within the sector of architecture as they together set the norms on how to behave, and what activities are legitimate and appropriate. However, even though these actors all influence the overall sector of architecture in the region of Flanders, this does not mean that only a singular norm on how to behave exists. In reality, the (internal and external) environment in which many organizations act is conferred by internal and external stakeholders who hold conflicting and contested beliefs about the appropriateness of organizational action (Glynn et al., 2000). This is also the case in the specific situation in which many creative organizations such as architectural firms are positioned, which indicates that different 'logics' can be present.

Some research has focused specifically on these contested beliefs and the resulting professional logics within architecture. Thornton, Jones, and Kury (2005) typified two competing logics to be present within the architecture profession: aesthetics and efficiency. According to the aesthetics logic, these authors state that "the identity of the architect is that of the *artist-entrepreneur*, who as a (solo) practitioner uses the design skills of his or her small boutique firm to enhance the beauty of the built environment. Their legitimacy stems from their reputations as artists and the visibility of their buildings within communities and throughout history" (Thornton et al., 2005, p. 25). Within the contrasting logic of efficiency, legitimacy is derived from using science and technology to resolve building problems, generally regarding efficient and economical usage. In these cases, the identity of the architect is that of the *architect-engineer*. Additionally, Cohen et al. (2005) found in their analysis of architects' discourse that the field is comprised of three dominant discourses: architecture as a creative endeavor; architecture as a business activity; and architecture as a public service, emphasizing that they do not claim that architects themselves fit neatly into one of the three categories per se. Relatedly, in studying rhetorical strategies of architects, Jones and Livne-Tarandach (2008) find that even as different logics exist within the sector, architects strategically and pragmatically combine keywords from different logics in their rhetoric when competing for projects, allowing them to appeal to multiple, diverse interests.

In such a context, an organization is thus faced with multiple logics. Taking on this viewpoint has several implications regarding thoughts on strategic actions, as organizations are inclined to align their organizational structure, practices, and their value set with institutional norms and expectations. Moreover, it is often claimed in institutional theory that highly successful organizations – that thus have acquired a large share of legitimacy – are mimicked, resulting in isomorphism between organizations within one industry. Manners to become successful, therefore, are in part determined by the normative framework residing in the environment. Gaining success is preceded by achieving the norm, which is the perception of what constitutes 'good' behavior within the industry. However, complex sectoral situations consisting of multiple logics therefore pose a significant entrepreneurial challenge: what choices have to be made, and what (strategic) actions have to be pursued to navigate through this myriad of norms and pressures? This is a central question within this dissertation, as this research project examines the influence of the specific context in which architectural firms are embedded, and the role of business modeling as a strategic answer to the resulting challenges.

The existence of different norms and legitimacy claims can result in (paradoxical) tensions for the firms facing them. Paradoxical tensions are "cognitively and socially constructed polarities that mask simultaneity of conflicting truths. Unlike continua, dilemmas, or either/or choices, paradoxical tensions signify two sides of the same coin" (Lewis, 2000, p. 761). Accordingly, Schad et al. (2016) state that paradoxes are persistent contradictions between interdependent elements, highlighting that both contradicting choices are also highly related. Tensions occur because the conflicting demands "seem logical in isolation but absurd and irrational when appearing simultaneously" (Lewis, 2000, p. 760). Examples of paradoxical tensions include autonomy vs dependence, reason vs imagination, and exploration vs exploitation. The latter paradox is one that is often referred to in management literature, in which exploration is the search for new possibilities – a process that relies on capabilities of risk-taking, experimentation, and play – while exploitation is the focus on and use of old certainties, which

relies on polar opposite capabilities of refinement, efficiency and implementation (March, 1991). In the past, paradoxical tensions were often viewed in terms of tradeoffs or either-or situations. Business model solutions advocated in the past often therefore proposed spatial separation: creating physically separate business units or two distinct organizations, each charged with dealing with one of the two oppositional choices (e.g. Porter, 1996).

Previous research on paradoxes and tensions in architectural firms have been limited, but the few studies have provided several interesting findings. In analogy with Manzoni and Caporarello (2017), the previous findings have been grouped under the four categories of paradox that Lewis (2000) distinguished: *performing* paradoxes that relate to goals, *belonging* paradoxes that relate to relationships, *organizing* paradoxes that relate to process and *learning* paradoxes that relate to knowledge.

In the *performing* sphere, there is a constant tension for architects in their efforts in creating a project that is both symbolic on a high level as well as profitable (Manzoni & Caporarello, 2017), or the common creative industries tension between artistry on the one hand and pragmatism on the other (Caves, 2002). DeFillippi, Grabher, and Jones (2007) find that this tension can make its way down to the individual level, and consequently confront an individual's professional and artistic attitude against the overarching organizational logic. This tension between artistry and pragmatism is amplified by the fact that clients' budgets are often limited, while their ambitions regarding aesthetics can be large (Manzoni & Volker, 2017).

Relating to *relationships*, a second tension that has been uncovered is in projecting the lead architect's point of view on a design, while incorporating the ideas of others involved, such as clients or contractors (Manzoni & Caporarello, 2017). The history of clientage in architecture and how it influences design and the corresponding outcomes have been a central topic of many historical analyses of the field (Blau, 1984). As the earlier mentioned changing power relations between the three core roles within a construction project (the architect, the contractor, the client) indicate, the role of the architect as the sole responsible provider of design and aesthetics is rapidly changing, with impetus, knowledge, and expertise coming from all stakeholders involved. This could lead to relational tensions between the lead architect and others whose voice would like to be heard.

The third group of tensions is related to *organizing* practices and procedures. Gaim (2018) states that the creative basis of the work of architectural firms has peculiar characteristics when it comes to workflows, sources of status, work styles, modes of thinking, and dominant logics, which is also fortified by architects' training which emphasizes innovation, problem-solving, and the creative process. Therefore, the work of architectural firms can be assumed to be somewhat divergent, impulsive, and messy (DeFillippi et al., 2007). This is in stark contrast with another key process within the practice of architecture, which is the very structured method of detailing all the plans so that all aspects of the whole fit together, are in code with regulations and are delivered in a format that is directly useable by (sub)contractors (see the increasing popularity of technological tools to this effect, such as BIM as earlier mentioned). As such, the processes of architectural practice balance between order and chaos, organization and disorganization, stability, and change (Gaim, 2018), or as Manzoni and Caporarello (2017) describe, architecture needs to be musical (creative), structured and emotional all at the same time.

A final group of tensions is referred to as *learning* paradoxes. This conveys to the field as architecture as a constantly growing knowledge base to which all future designs can relate. On an industry level, Picon (2013) states that an important role in architecture is dedicated to its history, which emphasizes that architecture is as much a tradition as a discipline. “A tradition, a living tradition that is, is not something static. At each stage, it implies transmission, but also a series of reinterpretations as well as abandons, the price to pay for innovation” (Picon, 2013, p. 132). This group of tensions has also been found on organizational and individual levels, as found by Manzoni and Caporarello (2017, p. 60) who describe a need for balancing the interplay between innovation (new knowledge) and tradition (old knowledge): “as a company grows larger, there is a risk of buildings becoming less unexpected and surprising, because a signature […] can become cumbersome.”

As the field of architecture is currently – as mentioned in section 1.3 – witnessing significant challenges to its original role within the larger construction value chain which is increasingly marginalized, such tensions are currently paramount. From a strategic point of view, different responses can currently be seen. Most architectural firms decide to focus even more on the original core premises of architecture: the act of designing a building and the built environment. Within this institutionally-defined sphere of architecture, these organizations are increasingly faced with an infringement on their activities and degrees of freedom to perform these activities, leading to increasing pressures and corresponding tensions regarding what goals they can set, their internal and external relations, the organizational processes they can perform, and pressures and tensions that relate to knowledge and skill development.

A second response is of a smaller group of architectural firms that take on the opposite approach and try to reexamine their role by expanding it towards the traditional roles of the client and/or the contractor. This can be highly linked to the earlier described surge in design activism, in which architects feel that the singular focus on design alone is insufficient or lacking in (political) power to create the (social) change that they aspire in terms of solutions towards sustainability or in addressing social problems in society. As experts in aesthetics and socio-spatial solutions to contemporary challenges, these organizations attempt to take on a larger role in projects by either initiating the projects themselves, or by taking control of the construction phases, thereby taking more control of the agenda of the project and its outcomes.

However, by expanding their activities into the different roles, they are essentially also expanding their institutional environment, from the mostly defined sphere of architecture to a yet undefined blurred position that covers multiple spheres. In these situations, the question of legitimacy becomes even more diverse. Instead of solely dealing with the competing logics that are present within the institutionally-defined sphere of that of the ‘standard’ architectural firm, these organizations face a situation which can be described as institutional pluralism: the situation faced by an organization that operates within multiple institutional spheres. “If institutions are broadly understood as ‘the rules of the game’ that direct and circumscribe organizational behavior, then the organization confronting institutional pluralism plays in two or more games at the same time” (Kraatz & Block, 2008, p. 243). The consequence being that they are a part of multiple discourses, and are therefore faced with multiple and differing legitimacy claims. This can lead to situations in which behaviors deemed appropriate by one particular institutional sphere, are deemed inappropriate by others. By going beyond the

defined position, activities, and identity of that of an architectural firm these firms expand their institutional environment to include logics that belong to other realities as well. In this (for many internal and external stakeholders) unclear position, questions regarding the organization's legitimacy and identity becoming paramount. In some instances and in some projects, these organizations will perform as architects, while in others, they might perform in a different position, for instance, that of the project owner or the constructor. In again other cases, they might act as artists, consultants, and/or (academic) researchers. As such, they are constantly shifting identities as well as institutional realities, with a large variety of legitimacy claims to adhere to. This situation can provide both many challenges – a pluralistic institutional environment does not provide a clear behavioral mandate on how to behave – as well as opportunities – a pluralistic environment gives an organization more openings to deviate and thus find its own path. However, importantly, no organization can realistically be all things to all people at all times (Kraatz & Block, 2008), implying that choices have to be made, with potential tensions as a consequence. In order to maintain such a reality in a long-term sustainable manner, a need for tactically maneuvering between multiple institutional fields is required. Figure 3 illustrates these two different responses. As such, a dichotomy seems to be forming between architectural firms that focus on the traditional design phase and attempt to find business model solutions to protect their traditional role (the majority of firms), and architectural firms that expand their activities by including those of the client (effectively initiating new building projects) and/or contractor (taking on construction responsibilities). This dissertation takes this dichotomy as a demarcation to further investigate specific business model responses.

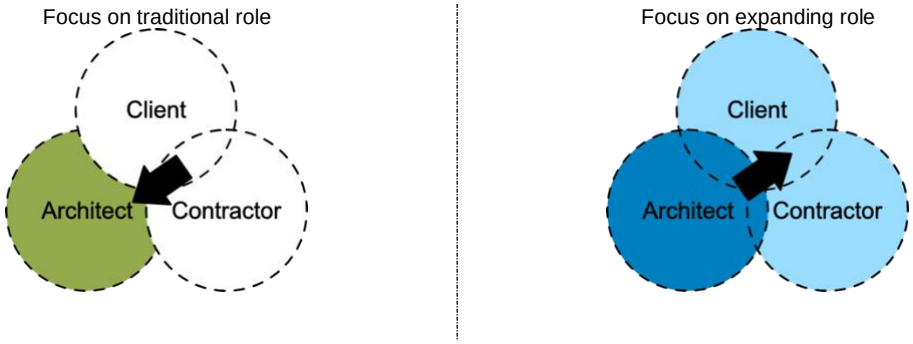


Figure 3 Focus on the traditional role vs an expanding role

1.5 Goal and research questions

Given the above described evolving practice of architecture and its resulting trend towards a seemingly marginalized role of architects within the construction value chain, this dissertation attempts to explore what answers in terms of elements of business model solutions can be found that help architectural firms in specific – and other creative organizations in general – mitigate pressures and help towards reaching long-term sustainability. This has been translated into a main research question and three sub-research questions that are researched in this dissertation.

Main RQ: What are (elements of) business models that architectural firms and other creative organizations use to mitigate tensions in their functioning, and help toward reaching long-term sustainability?

To help find answers to this main question, three sub-research questions have been formed that each highlight a separate aspect of the research conundrum.

The first aspect that is researched is a continuation of this introductory chapter and examines the theoretical relationship between the three core elements of this dissertation: business models, management of creative organizations, and institutional theory. In particular, this leads to the first sub-research question that investigates what the role of business models is in dealing with the specific context of creative industries and the opposing demands on organizations.

Sub RQ i: What is the role of a business model in dealing with opposing demands that result from the institutional environment of creative organizations?

As has been highlighted above, different responses to pressures on the current role of architecture within the construction value chain are forming. For architectural firms that choose to increase the focus on their architectural core business of designing buildings and the built environment, this dissertation will investigate what business model solutions they employ to deal with the ominous marginalized role, leading to sub-research question ii.

Sub RQ ii: What are elements of business model solutions that mitigate tensions within a singular institutional sphere?

Architectural firms that decide to expand their focus beyond designing into other areas within the value chain of the construction industry (such as the roles of the client or the contractor) are faced with a different situation. In this case, they are entering dimensions in which legitimation of their role is not apparent due to a lack of a residing normative framework of these new undertakings. As such they are facing challenges of institutionally pluralistic environments, in which they have differing legitimacy claims on how to behave. Sub research question iii focuses on how business modeling can help to find legitimacy in such situations.

Sub RQ iii: How can business modeling help in finding legitimacy in institutionally pluralistic environments?

Combined, the main research question and the three sub research questions are the main focus of this dissertation.

1.6 Summary of the methodological approach

1.6.1 Theoretical perspective

This section is used to further clarify the theoretical perspective taken on in this dissertation. It answers the question of what the philosophical orientation is that has guided the researcher's actions and research. On the ontological spectrum from (naïve) realist to (radical) relativist of Potter and Hepburn (2005), this dissertation takes on an approach of relativism, as it takes the stance that multiple realities exist which are subjectively constructed. In this research, it is assumed that there is no single external reality, but rather that the nature of reality is contextually determined. This is also in line with the theoretical perspective taken in previous sections. The existence of facts and objects are relative depending on the researcher, the research subjects, and where/when the research is conducted. As a large portion of this research is focused on human decision making, it is assumed in this approach of relativism that these decisions are made in complex, contextually dependent and potentially unpredictable ways, and a great role can be ascribed to emotions, (cultural and educational) background, social norms, and past experiences. Accordingly, the epistemology stance – which relates to the question of how knowledge is created – takes on a contextual constructionist position which assumes that knowledge is contextual and perspective dependent, and meaning is created from the interplay between the subject and its object. In this approach, knowledge acquisition is thought to be value-laden, contextually unique. The value of constructionist research is in generating contextual understandings of a defined topic or problem (Moon & Blackman, 2014). This position is used to gather data not to predict, but rather to understand the phenomena at hand, using an approach of interpretivism: the researcher uses forms of interpretations of reality, and assumes that these are culturally derived and based on context-bounded subjective experiences.

In all, these positions have led to a qualitative approach to the method in which participants' experiences and meanings are of the main focus. This indicates that a priori definitions by the researcher are deliberately avoided (Potter & Hepburn, 2005). For instance, the researcher did not attempt to assess the participants' understanding of the concept of the business model as it is currently being debated in academic circles, but relied on the respondent's interpretation of the concept. Furthermore, the theoretical perspective indicates a certain lack of researcher subjectivity, which is acknowledged in interpreting the data (Potter & Hepburn, 2005). This does, however, not correspond with a lack of validity, which has been attempted to be assured through the use of transparency, rigor, and reflexivity, as is further explained in the following sections.

1.6.2 Data corpus and data sets

The data corpus – all the data collected for this particular dissertation – consists of two separate data sets. The first, and main, data set singles out the sector that is of primary focus in this dissertation: the sector of architecture. However, in order to find a solid base of understanding of business models for creative organizations, the data set on architectural firms is complemented with a secondary data set that takes a broad approach and focuses on organizations from different sectors within the creative industries.

Data set 1: architectural organizations

Performing a case selection for a study such as this one requires some form of classification of architectural organizations into groups. Classifying, however, is a difficult task which is often not suitable for a perfectionist: it requires you to mix what, in a deeper sense, is unmixable, to blend into composites that which does not blend. However, the simplification of the vast field of architecture into two classifications as used in this dissertation helped to create a meaningful research overview that allowed further case selection. This classification is derived directly from the theoretical overview in this chapter and divides the architectural field into two groups of firms that display different responses to the imminent danger of the diminished role of architectural firms within the construction value chain. This comes down to on the one side organizations that maintain and enhance their focus on the traditional role of architecture (within an institutional field, see Figure 4), and on the other side organizations that decide to open their focus to an expanding role of architectural firms (Between institutional fields, see Figure 4). This division is not meant to display a statistical representation of the field of architecture, as a clear majority of firms are situated in the first pillar. Rather it is a division on strategical philosophy of options open to the firms.

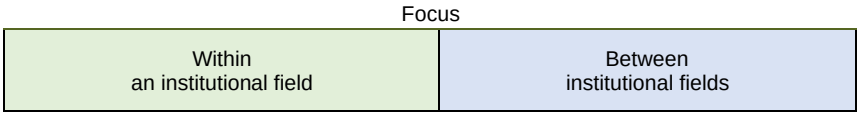


Figure 4 Research categorization

As this dissertation takes on a contextual approach to the study of business model solutions, all organizations selected to study for this share at least one important contextual characteristic which is that every organization is based in, or has performed projects in the region of Flanders, Belgium. Limiting the variability in this aspect allows for more cross-case comparability: all organizations studied experience a similar (regulatory and institutional) environment. This indicates that all organizations are faced with the same formal institutions in terms of laws and regulations, informal institutions in terms of residing norms (even though these are subjectively perceived), and overarching trends in terms of changes in process, technology, and attitude as were highlighted in section 1.3. This does, however, limit the case selection to organizations which are all based in or around the region of Flanders, Belgium.

To ensure good representation of the Flanders, Belgium architectural field and to allow different perspectives to appear, a (stratified over the two different clusters from the research grid) purposeful sampling technique of ‘intensity sampling’ (Patton, 2002) was utilized. Intensity sampling involves selecting cases that are ‘excellent or rich examples of the phenomenon of interest, but not highly unusual cases […] cases that manifest sufficient intensity to illuminate the nature of success or failure, but not at the extreme’ (Patton, 2002, p. 234). Using expert advice for case selection, architectural firms with diverse focus orientations and ages and sizes were selected using several criteria. The expert advice was the result of interviews with representatives of architectural sector organizations, including the Flemish Architecture Institute (Vlaams Architectuur instituut, VAi), and the regional organizations Architectuurwijzer and AR-TUR, as well as information gathered during the ‘Architecture in Flanders Expert Meeting’ in December 2018, organized by the VAi to discuss the current state of architectural culture in Flanders. Besides the criteria that the organizations had to come from architecture or urbanism, must be located or had done projects in Flanders,

and had to be identified by sector experts, cases were also selected on their willingness to cooperate, and on their size in which very large architectural firms were not considered as they are first not very common in Flanders and therefore represent clear outliers (in 2015, only 13 architectural organizations out of 9.417 - which equals just 0,13% - reported more than 30 employees (Van Andel & Schramme, 2015)), and second arguably because of their size adhere to their own specific contextualization that makes any comparison render obsolete. Moreover, as has been emphasized by the American Institute of Architects, smaller firms tend to be more nimble in making changes to their organizations and much of the innovation in entrepreneurship and business models are coming from small and mid-sized firms in this sector (AIA, 2014). When zooming in on the chosen architectural firms, a broad representation of different architectural project types (private residential, residential development, offices/industrial projects, governmental/public buildings, and geographical masterplans) is present, as well as different geographical locations throughout the region of Flanders (with a few organizations from abroad, different governance forms, and different types of client organizations (public, semi-public and private). Figure 5 displays the organizations chosen to be included in this research, plotted into the research grid. In order to gain more insights into each separate research grid quadrant, two case organizations were chosen in each of the areas to be researched more in-depth. These are highlighted in bold.

	Focus
Within an institutional field	Between institutional fields
Architects in Motion AWG architecten De Gouden Liniaal Architecten Faktordertig Neutelings Riedijk Architecten TALUD TRANS architecture I urbanism	Endeavour BC Architects Cab42 Rotor Raumlabor Recetas Urbanas ZUS

Figure 5 Case selection in the research grid

Below, a short introductory description of each of these cases is provided.

Architects in Motion

Architects in Motion (AIM) is the continuation of a rich heritage in architecture from Turnhout, Belgium. This partnership grew from the architectural bureau Atelier Vanhout & Ass. The story of Atelier Vanhout & Ass. starts in 1955, with architect Carli Vanhout. Starting in 1964 an intensive partnership began between brothers-in-law and architects Carli Vanhout and Paul Schellekens, the latter being the son of provincial architect Jozef Schellekens. Since 2002, this partnership has been relaunched by Luc Vanhout and Bart Janssens under the AIM name. Currently, the partnership consists of 35 employees, including 28 designers (architects, architectural engineers, urban planners, interior designers, architect-assistants), representing a mix of ages, experience, and expertise. In addition, the partnership daily appeals to twenty full-time equivalents through external collaboration with stability engineers, technical systems, acoustics, and other specialists. Together, the architects work on a wide variety of architectural projects, ranging from singular and multiple housing, industrial complexes, retail accommodations, public buildings, healthcare facilities, as well as interior design.

awg Architecten

Founded by former Flemish Bouwmeester b0b Van Reeth in 1971 as the CV Architectenwerkgroep (AWG) and re-established in 2001 as awg architects cvba, the Antwerp, Belgium based cooperative entity awg architecten is currently composed of a core team of 5 partners and a multidisciplinary team of 25 employees. awg architecten works on a wide variety of commissions for urban design and architecture in Belgium, the Netherlands, and further abroad. The main part of the work lies in urban design, architectural work, where many of the projects often involve a combination of residential construction with commercial functionalities such as a retail program. awg architecten has specialized in particular in complex and difficult assignments where the boundary between urban design and architecture is very thin or even non-existent. These are often very laborious projects, in which different modules cannot simply be repetitively designed but have to be modeled and introduced into the existing urban environment. In recent years, AWG Architects has expanded its mix by also carrying out other types of projects in addition to these inner-city projects such as the design for the Sint Sixtus abbey in Westvleteren, the Holocaust museum in Mechelen and the Rabobank building in Doetinchem, for example.

BC Architects, Studies & Materials

The letters BC the name of this architectural firm stands for Brussels Cooperation, which indicates the organization's strong desire for their projects to be embedded within place and people. The organization, which started in 2012, is comprised of three entities that each cater to a different set of goals. *BC Architects* is a private limited liability company, which delivers full architectural services for a building project, ranging from small scale renovations to urban developments. Its architecture is sensitive to people, context, and materials. BC architects benefit from the knowledge created through *BC Studies*, its lab for social, material, and architectural innovation, which they use for extensive research on local materials and innovative building processes. Furthermore, BC believes that, in order to have a positive impact on our society, architects need to intervene beyond the narrow definition of the professional who designs and controls the execution of buildings. Hence, BC ventures into

material production, contracting, storytelling, knowledge transfer, and community organization, through its third vehicle: *BC Materials*.

Cab42
Cab42 is the independent architectural practice of Dutch architect Christiaan Weiler. Located currently in Bordeaux, France, Christiaan Weiler has been active as an architect for over 20 years and is active in independent practice since 2009. Since its founding, cab42 has offered urban and architectural consulting, concepts, design, and construction services, and pursues technical and programmatic innovation to propose sustainable solutions for spatial planning. The leading motives of his work are technical and programmatical innovation for sustainability requirements, preferably with decentralized low-tech solutions. His professional approach considers architecture not as an objective in itself, but as a means to organize performance in terms of environment, services, technique, and economy. Design is applied as an operational tool and a societal expression, and the processes it entails offer a cross-sectoral methodology. In recent years, cab42 has made a transition, in which it is not primarily focusing on the building aspect of architecture, but rather on research and advice for program management.

Endeavour
Endeavour (Antwerp, Belgium), firstly, specializes in what the organization itself labels as 'socio-spatial innovation' as a means to pursue its mission of 'increasing the social value of spatial projects.' Endeavour was developed out of a shared interest in the social dimension and increasing focus on co-productive approaches in urban planning. As such, it aims to address the gap between urban design practice on the one hand and socially innovative neighborhood development on the other (Tasan-Kok et al., 2016). One example of Endeavour's commons-based approach is the project 'Let's Buy the Oudaan Together'. The Oudaan, a 1950s modernist police tower in Antwerp, was declared for sale by the local government, who intended to sell it off in a market system. Against this background, Endeavour participated in a consortium of socially engaged local stakeholders in order to buy back and initiate the tower's redevelopment as an open process by constructing a co-creative value framework. The organization argues that it could 'not adopt a passive position over the profit-oriented sale of an object of such metropolitan importance and scope'.

Faktordertig
Faktordertig is a creative collective of four architects from Antwerp, Belgium. Founded in 2017, Faktordertig initially was started by six architects who worked as colleagues at a larger architectural firm. As they all had the ambition to work on more personal projects on the side, the architects came together to form an architectural firm in which each of them can combine architecture with their personal interests. As such, the organization has evolved into a broader platform for architecture and design, which also works on interior and furniture design, and is comprised of four of the original founding members.

De Gouden Liniaal Architecten
De Gouden Liniaal Architecten (Dutch for the Golden Ruler Architects) was founded by four friends from architectural college. The firm is based in Genk in the Limburg province of Belgium and has evolved into one of the premier architectural firms from their region, which as well as created many designs throughout the rest of Belgium. The firm has received much critical acclaim for several of their designs, such as the observation tower in Negenoord, a

former gravel extraction area, which is now transformed into a nature reserve called Maasvalley Riverpark. Besides public works, the firm focuses on a variety of different projects, ranging from private residential projects, collective housing, education, and special needs facilities, commercial buildings, as well as urban development plans. De Gouden Liniaal Architecten is currently comprised of two directors and seven employees.

Neutelings Riedijk Architecten

Neutelings Riedijk Architects is a medium-sized architecture firm based in Rotterdam, the Netherlands, founded by Willem Jan Neutelings and Michiel Riedijk in 1989. The firm focuses exclusively on large-scale, complex projects for public and cultural institutions such as museums, libraries, performing arts venues, concert halls, and educational facilities. At present, the office has a staff of about thirty people, predominantly architects. Some of their most acclaimed buildings are the Shipping and Transport College in Rotterdam (2005), the Netherlands Institute for Sound and Vision in Hilversum (2006), the Museum aan de Stroom in Antwerp (2010), cultural venue Rozet in Arnhem (2013), the City Hall of Deventer (2016), and the Flanders governmental administration building Herman Teirlinck in Brussels (2017).

Raumlabor

Raumlabor (translated as 'space laboratory') is a collective of eight architects based in Berlin, Germany, that work at the intersection of architecture, city planning, art, and urban intervention. They have been exploring alternative and playful modes of architectural production since 1999, usually proposing temporary projects that transform the urban landscape through what they call 'urban prototypes' (Berggren & Altés Arlandis, 2013). Raumlabor is driven by questions about space as a cultural, social, political, and economic condition for living together in the contemporary city, questions that might trigger a significant discourse about how we want to live together in the future and how we can contribute to pushing this vision into a wider public. Contrary to the modernist, state-led tradition of urban planning in terms of a better future through enhanced technology, Raumlabor adopts the slogan 'Bye Bye Utopia'. The organization strives towards an urban commonwealth that is focused, in the here and now ('Real Utopias'), on citizens' needs rather than on speculators' profits. One example of Raumlabor's commons-based approach is the 'Coop Campus': together with socio-cultural and neighborhood associations, Raumlabor reoccupied and redeveloped a former cemetery, which is now used for bringing refugees together through gardening and education.

Recetas Urbanas

Recetas Urbanas (translated as 'urban prescriptions') is the practice of Seville-based Spanish architect Santiago Cirugeda, whose mission it is to 'work from the citizen's point of view'. Cirugeda uses subversive urban interventions to raise awareness about the progressive decline of truly 'public' space and the segregation of urban inhabitants who cannot afford to live downtown (Gandolfi, 2009). Recetas Urbanas is known as a reference for low-cost, self-built projects that need the expertise of someone familiar with navigating – and often exploiting or hacking – Spain's complicated planning bureaucracy (De Sousa, 2014). Cirugeda shows how citizens can get some of their dwelling desires fulfilled without breaking the law (Markussen, 2013). Each project is designed according to the needs of its users and built by the users themselves. Afterward, the architect releases the instructions online, in an Ikea self-assembly format, complete with legal advice for others to copy (Gandolfi, 2009). It is for this

reason that the work of Recetas Urbanas may also be labeled as ‘open-source architecture’. One example of Recetas Urbanas’ commons-based approach is ‘La Carpa’. With La Carpa, the organization turned a vacant lot in Seville into a self-built cultural center with recycled materials. The space functioned without any kind of subsidy and offered a home for socio-cultural activities for several years until local authorities dismantled the project in 2014.

Rotor DC
Rotor DC is a Brussels-based cooperative design practice that investigates the organization of the material environment through research and design specifically focused on the reuse of building material. Since 2013, the organization launched a spin-off operation named Rotor Deconstruction, which facilitates the reuse of salvaged building components, as the team dismantles, conditions and sells materials, as well as provides assistance to building owners, contractors, and architects on the subject. The organization offers a 3-in1 solution as their services stretch from architecture/design (with a specific focus on reused material), contracting & salvaging as well as transportation of the salvaged material. Besides projects in architecture and interior design, Rotor DC as a research center also produce exhibitions, books, economic models, and policy proposals.

TALUD
The Leuven, Belgium, based architectural firm TALUD has been founded in 2013 and focuses on a wide range of spatial design projects with an emphasis on quality of living. The name is an abbreviation of Team for Architecture, Landscape, Urbanism, and Design, which displays the organization’s focus on a holistic approach with a combination of different spatial disciplines. Recently, TALUD has acquired a long-established architectural design firm from Vilvoorde, Belgium, effectively enlarging the size of the firm to eight architects.

TRANS architecture I urbanism
TRANS architecture and urbanism was established in 2011 in Ghent, Belgium and is the architectural practice of Bram Aerts and Carolien Pasmans. In a short period of time, TRANS has acquired a strong reputation and was declared laureate in numerous competitions. The team consists of ten (engineering) architects and urban developers, working on an ever-expanding portfolio. The academic activities of Bram Aerts and Carolien Pasmans, both at the KU Leuven as the University of Antwerp, are further enrichment to the design practice in which TRANS very consciously acts within the wide and rich tradition of architecture. With their project ‘Ryhove Urban Factory’ Trans was nominated for a Belgian Building Award in 2019 and was on the shortlist of the Mies van der Rohe Awards.

ZUS
ZUS [Zones Urbaines Sensibles] develops solicited and unsolicited design and research in architecture, urbanism, and landscape design. ZUS contributes to the changing urban landscape through its dedication to architecture’s public role. Founded in 2001 by Elma van Boxel and Kristian Koreman, the studio consists of an international, 25-strong, multidisciplinary team, with offices in Rotterdam and New York. ZUS has received numerous national and international awards for their work. For instance, ZUS received much critical acclaim for their elevated pedestrian walkway ‘the Luchtsingel’ in Rotterdam. This pathway allows access to other parts of the central station area of Rotterdam by passing over elements that otherwise represented discontinuities: roads, tracks, and platforms. The Luchtsingel

project started as part of the “Urban Initiative” launched by the city of Rotterdam in 2011 whose objective was to implement requalification projects proposed by citizens. The construction of the walkway was partially financed by a crowdfunding campaign which has given the work a social meaning: though managed by the administration, it belongs to the collectivity.

Data set 2: creative organizations

The second data set within the complete data corpus contains organizations from the broader creative industries. Entrepreneurs in the creative industries who want to successfully respond to specific challenges and potential barriers to growth must make very conscious choices in their business model. The goal of this data set is therefore to uncover more knowledge on what elements make up a successful business model for such creative enterprises. For this, business models of organizations that have proven to be resilient and/or successful within their respective sectors have been selected to be analyzed (see intermezzo paper B and intermezzo paper D in chapters 3 and 5). These analyses are meant to provide a more solid base of understanding business modeling in creative industries, and as such can provide a framework to further comprehend the specific analysis of business models in architecture.

The organizations in this data set were selected to represent ‘success’ in their respective industries. As self-determined success for creative organizations can usually be considered from multiple angles, a number of different criteria were used to identify successful organizations. First, when overall sector data allowed, a measurable criterion of revenue growth was utilized. In this case, a list of all organizations within a specific sector of the creative industries was compiled, including the financial data of each organization. For this, the standardized methodology of the economic impact measurement of the Creative Industries in Flanders as developed by the Antwerp Management School – Flanders DC knowledge center was applied (see for more information on this methodology: Van Andel & Schramme, 2015). The organizations selected on this criterion demonstrated rapid growth in turnover in the period preceding the selection moment. However, as success for creative organizations is not always seen in the light of mere revenue (growth), and as overall sector data was not always available, additional criteria were also used to complete the selection procedure. For example, artistic success was also looked at in the form of prizes and recommendations by experts from the various sectors. In the selection process, it was important that all organizations were independent organizations, as this enables them to make crucial strategic and financial decisions autonomously from a regulatory parent company. Finally, the organizations are all from Belgium and the Netherlands, in order to control for differing (market) circumstances. As (cultural) policies, entrepreneurial support, and economic conditions vary greatly among continents, and even within continents among countries and regions, it was deemed important for this study to select cases that face a similar (institutional) environment. They are therefore selected based on a theoretical sampling: that is, on the basis of specific characteristics rather than on the basis of representativeness. This data set does not therefore have the ambition to make generalizing statements about the creative industries as a sector, but rather about how specifically selected companies have substantiated their relative success. The focus is on understanding and discussing the business models of these companies. Following this procedure, the following organizations are selected to be part of this data set.

Boondoggle

Boondoggle is a creative full-service agency that employs ninety people. The Leuven, Belgium, based agency delivers both through-the-line advertising campaigns and innovative digital products and services. Boondoggle manages a portfolio of international and local customers such as Chivas, MoneYou, KraftHeinz, Nomad Food Group, Achmea, Rabobank, NATO, Flanders DC, VLAIO, Ministry of Defense, SKM, Beiersdorf and the Flemish newspaper De Morgen. Since its foundation, the agency has received numerous awards, among which multiple Golden Lions at the Cannes Lions festival, which are considered to be the Oscars of the communications sector.

Excelsior Recordings

Excelsior Recordings is an independent record label located in Amsterdam, the Netherlands that publishes music from bands such as Spinvis, Triggerfinger, Fixkes, Alamo Race Track, and Tim Knol. In a small team of on average five permanent employees, Excelsior Recordings releases around 15 to 20 albums a year, in three different forms: digital, on CD, and on vinyl. Since its founding in 1995, the label has become known for its consistent high quality and its idiosyncratic, intelligent and accessible music.

FLEX/theINNOVATIONLAB

The Dutch design agency FLEX/theINNOVATIONLAB (henceforth referred to as FLEX) is a renowned Delft office for industrial design, specialized in the development of consumer products, professional products, and packaging. FLEX works for multinationals such as Philips, Grolsch, HERO, TEFAL, AB InBev, and SaraLee as well as SMEs. Well-known designs include the cable winding system "Cable Turtle", the Flexa paint bucket "1-2 Paint", the Grolsch (bracket) bottle and the packaging of Hero's Fruit2Day.

Over the years FLEX has received a number of internationally renowned design awards. For example, FLEX has won awards for various designs at the "red dot design awards", the largest and most renowned design competition in the world, and has been distinguished several times by the I.D. Magazine Annual Design Review. In addition, several designs are on display in prestigious museums around the world. The '9 O'clock' wall clock, for example, has been given a place in the permanent collection of the Stedelijk Museum Amsterdam in addition to a number of international design awards, and the 'Cable Turtle', a product that rolls up and conceals electronic cables, is part of the permanent collection of the Museum of Modern Art (MoMA) in New York.

Natale

Natale is a family business that houses two fashion collections, Fragile & Nathalie Vleeschouwer. Both are the creative brainchildren of designer Nathalie Vleeschouwer. This Antwerp based fashion design company has expanded its first line - maternity brand Fragile - over the past twenty years into a global brand with flagship stores in Antwerp, Brasschaat, Lier, and The Hague. In addition, the brand is also sold in maternity boutiques in Belgium, Denmark, Germany, Finland, France, Great Britain, Ireland, Japan, Luxembourg, Mexico, the Netherlands, Austria, Spain, the United States, and Switzerland. In 2011, a second non-maternity line was added – Nathalie Vleeschouwer – which further expands the theme of effortless elegance in an original palette of colors, prints, and fabrics to a larger audience. In

2010, Nathalie Vleeschouwer was awarded the Women in Enterprise and Development (WOMED) award, the prize for female entrepreneur of the year in Flanders, Belgium.

Larian Studios
Larian Studios from Ghent, Belgium, is a game developer that plays a significant role in the worldwide market of "triple A-games". This studio became particularly known for the epic fantasy role-playing game saga "Divinity" and a number of children's games that were made for television broadcasters such as VRT ("Ketnet Kick") and BBC. Over the years, Larian Studios games have won many international prizes. In 2010, for example, the company won the game 'Divinity II: The Dragon Knight Saga' at the RPGWatch awards, organized by the largest worldwide community of role-playing game players, an editor's choice (silver) and a gamer's choice (bronze) award for game of the year. In 2010, the game "Monkey Labs" was also a finalist for a Medea award, a European award for innovation and good practices in the use of media (audio, video, graphics, and animations) in education. Larian Studios is also a global top player in a commercial sense. In June 2011, the "Divinity II: The Dragon Knight Saga" game from Larian Studios was the best-selling game on Steam for four days, the largest online digital video gaming sales platform that accounts for 70% of worldwide online sales.

Loge10 Theaterproducties
Loge10 Theaterproducties was founded by producer and director Bruno Van Heystraeten with the aim of reviving repertoire theater. Over the years, the Antwerp production company has developed into a fully-fledged producer of popular repertoire theater for a wide audience. It is an active production house that specializes in producing comedies, thrillers, music theater, drama and events, and currently delivers two to three productions each theater season.

Little Miss Robot
Little Miss Robot is a digital creative studio in Ghent. Since its foundation in 2009, the company has grown to a team of approximately fifteen employees and has created a portfolio with over 100 digital products in industries such as publishing, radio, news, finance, government, healthcare, and recycling.

nWave
Production company and distributor nWave Pictures is one of the leading producers of 3D animation films in various forms in the world. Since its founding in 1992 by Ben Stassen and Eric Dillens, the Brussels-based company has been at the forefront of 3D development. nWave Pictures has developed into becoming one of the most dominant and productive 3D filmmakers and distributors in the world. The company works as a mini Hollywood studio in the sense that it develops, finances, produces, and distributes projects. Over the years, the company has grown from a player focused on a number of niche markets within the film world to a leading supplier of (specialty) 3D films worldwide, employing around 130 people.

Splendor Amsterdam
Since 2013, Splendor unites composers, musicians, and stage artists, who came together to form an artist-run cooperative that independently exploits a music venue in which the musicians have complete autonomy. In this initiative, an old centrally located Amsterdam bathhouse was transformed into a professionally equipped music house, which is operated in its entirety by a group of 50 top-flight professional musicians (among which players of the main

Dutch orchestras such as the Concertgebouw Orchestra, Rotterdam Philharmonic, and the Radio Orchestras, as well as names from the world of opera, jazz, electronics, and ethnic music) that felt the necessity for having a place for experimentation outside of the institutionalized environments in which they are employed.

Studio Wim Delvoye
Wim Delvoye is one of the most famous contemporary visual artists from Belgium. Since the early 1990s, the artist has created and exhibited many well-known works at major international exhibitions. The artist gained fame in particular with his living tattooed pigs and his Cloacas: a series of installations that mimic the human digestive system and produce droppings. In recent years, Delvoye has focused primarily on creating Gothic sculptures. His ever-growing steel-made Gothic tower "Torre" - after every exhibition, Delvoye adds a segment from below - is a well-known example of this. Delvoye's art is exhibited worldwide and is highly regarded in the international art world.

Uitgeverij Podium
Podium publishing house is an independent Dutch publishing house with a varied fund list. They focus on Dutch fiction, translated literature, poetry, and quality non-fiction. Since its founding in 1997, the Amsterdam publishing house has grown annually in turnover, profit, and volume of issues and has developed into one of the most successful in the Netherlands. Selling over 1.2 million copies domestically, Kluun's 'Komt een vrouw bij de dokter' even is the most successful novel in Dutch literature to date. With a team of approximately ten people, the publishing house publishes around 30 titles per year.

1.6.3 Data gathering

Even though each individual chapter in this dissertation has its own data gathering and analysis approach as is indicated in each chapter, an overall process can be distilled. The process of data gathering and analysis employed draws mainly on the work by Braun and Clarke (2006; 2013) using thematic analysis, as well as on Miles and Huberman (1994) for a practical approach towards coding. This approach entails continuous comparison of data and concepts throughout the analysis phase. Since in this study data analysis intertwined with data collection, a constant back and forth commenced between data gathering, analysis, and the discovery of emerging concepts.

For data gathering, a multi-pronged approach was used that consisted primarily of on-site interviews and observations at all the firms as well as a review of pertinent internal documentation, online information, and published material from outside sources. Drawing on themes identified from the theoretical review, initial interview questions were developed into an interview guide (see 9.1 for a generic interview guide used with the architecture firms). The interview guide was designed to provide insights into how the interviewees perceived the current practice of architecture, and which business model decisions were being made in response to these. It was made sure that the interview guide provided flexibility for self-identified topics to be raised as appropriate. As such, questions asked within interviews were not rigid and prescriptive, using the flexibility of the interview guide to explore aspects within an interview that seemed vital. This enabled theoretically relevant data to provide meaningful insights outside the pre-set focus of inquiry (Corbin & Strauss, 1990). Furthermore, for each

interview, the interview guide expanded with particular questions that arose during pre-interview desk research on the particular interviewee and his/her organization.

In conducting the interviews, a questionnaire guide was used that moved from the broad to the specific, funneling down from subjects such as the (personal) history of the interviewee and the organization, and the organization's corporate vision and mission to the specifics such as concrete (business model) actions and decisions for instance in business development and sales. As this dissertation takes on the activity-systems approach to business modeling (see e.g. Zott & Amit, 2010), throughout the interviews specific emphasis was placed by the interviewer to uncover the specific choices made and activities undertaken by the organization and its leadership.

The questionnaire guide was used for eliciting responses rather than following it systematically and exhaustively. Basic topics had to be covered, but the order of questions and their wording was ad hoc. In correspondence to the constructionist approach, importance was given to the subjectively perceived reality of the interviewee and his/her own assessment of the importance of topics. Therefore, the interviewee was allowed to take the lead, to dictate the direction and length of discussion of particular questions, and introduce new avenues of topics as long as it stayed connected to the topic of the business model of the organization, and corresponding activities and choices that were made. As a result, during the interviews, new questions were developed that resulted from the interviewee's answers to gain further insight about statements made by the interviewee. Therefore, through this unstructured part of the interview, room was left for the unexpected and newly emerging subjects.

In the generic interview guide, the first set of questions focused on the interviewee's and the organization's historical trajectory and its stated mission/vision as is often found on (online) communication. The second set of questions addressed the company's internal working model, including the size of the organization, the type of employees, and the relationship the organization has with its employees, and internal processes. The third set of questions elicited information about the organization's choices in architectural activities, types of assignments, and types of clients. The interview guide finished with a set of questions on the architectural field in general, the positioning of focus organization within this field, and the (public) role of the architect.

The interview guide was designed to simultaneously uncover the key components of the business model, as well as elicited information on the subjectively perceived surrounding. Within the interview guide, care is taken to include manners to uncover information on all four value dimensions of business models (see earlier, Al-Debei & Avison, 2010): the Value Proposition (in the 1st and 4th set of questions), the Value Architecture (in the 2nd and 3rd set of questions), the Value Network (in the 2nd and 3rd set of questions) and the Value Finance (in the 3rd set of questions). In terms of the subjectively perceived environment, the questions gauge the perception the interviewee has in regard to the different dimensions that comprise the creative biotope (see 9.1).

The topic of organizational tensions and paradoxes was not explicitly addressed in the interview protocol as is common in paradox research. This is for instance highlighted by

Manzoni and Volker (2017) who cite examples of studies by El-Sawad, Arnold, and Cohen (2004) and Brady and Maylor (2010) in which instances of paradoxes emerged through analysis of the transcripts and thus becoming the core of the paper. In the case of Manzoni and Volker (2017), the finding of tensions arose out of systematic and iterative comparisons of data, leading to the development of emerging categories of tensions. Moreover, as the topic of organizational tension in this dissertation is seen as a result of the subjectively perceived contextual environment (see earlier), there is no a priori list of these tensions. This approach of finding tensions within the transcripts has led to multiple observations of tensions. For example, the following quote from one of the interviews exemplifies a tension felt within an organization of balancing the needs of an individual employee and the overall organizational goals and ambitions:

> *"There is always an interaction. Yes, we have our ambitions and we have to do certain things. But, on the other hand, if someone likes to do something, you know that they will do a better job, a higher quality, stay longer, be happy, if they can do what they want to do. It is searching in between those." Arch.firm.6*

In the fourteen architectural organizations from data set 1, twenty-three semi-structured interviews with professionals who were responsible for, or had distinctive knowledge of the strategic decisions taken in the organizations were used for data collection. In the context of this study, interviews with managing partners and senior project architects were used, taking these roles as an expression of the organizational viewpoint. In general, the interviewees seemed to be interested in the concept of business modeling, however, none considered themselves explicitly knowledgeable on the subject. This data collection was complemented with an analysis of ten internal and external policy documents in which the organizations reflected on their inner workings, seven public presentations, as well as field observations and multiple undocumented informal conversations. Furthermore, the data on the architectural firms was complemented with three expert-interviews with architecture professionals from sector organizations in Flanders (Flanders Architecture Institute – VAi, the platform for information about architecture from Flanders and Brussels; Architectuurwijzer – a cultural architecture organization, rooted in the province of Limburg; and AR-TUR – the center for architecture, urbanism and landscaping in the Kempen region), and discussions recorded at during the 'Architecture in Flanders Expert Meeting' in December 2018, organized by the VAi to debate the current state of architectural culture in Flanders where the most salient issues currently facing architecture in Flanders were discussed among a select group of insider experts. Besides the narrow focus on the field of architecture, this dissertation also reviews business modeling from a broader, creative industries wide approach (see chapters 3 and 5). For this, an additional eleven creative organizations (see Data set 2: creative organizations) were studied through fourteen interviews. The specific data gathering procedures of these chapters are explained in more detail in the respective chapters 3 and 5). The interviews generally lasted between one and two hours and were audio-recorded and transcribed verbatim. Table 1 gives an overview of the data sources in the different single studies.

Table 1 Basic data characteristics of the single studies

	Outlining the dissertation		Business modeling **within** an institutional sphere		Business modeling **between** institutional spheres	
		Paper A	Intermezzo B	Paper C	Intermezzo D	Paper E

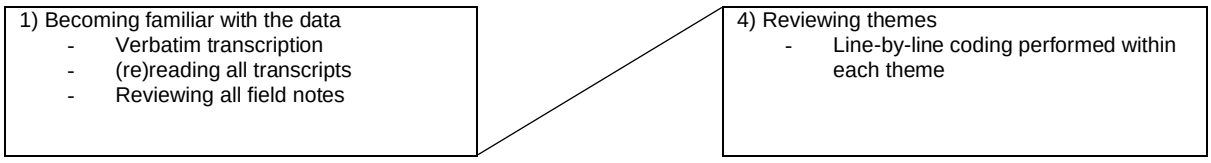
	Chapter 1	Chapter 2	Chapter 3	Chapter 4	Chapter 5	Chapter 6
Title	Introduction to the dissertation	Balancing the creative business model	An exploratory study into business models for creative organizations	Combating tensions through business model choices. Business modeling in architecture	Artistic innovation from within the cracks. Unlocking musical creativity	Business Model Tactics for Maneuvering Between Institutional Fields
Non-literature data sources	3 Interviews with sector organizations 2 Sector discussion groups	Theoretical paper	12 Interviews with executives	9 Interviews with executives 2 Internal and external policy documents 2 Public presentations 3 Interviews with sector organizations 2 Sector discussion groups	2 Interviews with executives 1 Public presentation	14 Interviews with executives 8 Internal and external policy documents 5 Public presentations 3 Interviews with sector organizations 2 Sector discussion groups
Setting	Architecture	Creative industries	Creative industries	Architecture	Music production	Architecture

1.6.4 Analytic procedure

For the analytic approach, this dissertation takes on thematic analysis as the main procedure. Within the plethora of qualitative approaches, thematic analysis should be seen as one of the foundational methods for qualitative analysis which is highly compatible with the constructionist paradigm (Clarke & Braun, 2013). Thematic analysis is a method for identifying, analyzing, and reporting patterns (themes) within data, which at a minimum organizes and describes the data set in rich detail, but can take the analysis further by offering interpretations of various aspects of the research topic (Boyatzis, 1998). An often-voiced critique around qualitative research approaches (such as among others thematic analysis) is the oftentimes absence of a traceable process, including a clear and concise overview of the steps undertaken in the process, making qualitative research an 'anything goes' activity.

In order to enhance transparency in the analytic procedure, this dissertation therefore follows the six-phase guide for thematic analysis by Braun and Clarke (2006): 1) becoming familiar with the data, 2) generating initial codes, 3) searching for themes, 4) reviewing themes, 5) defining themes and 6) write-up (see Figure 6). Below this process is explained in more detail.

It is important to note that this process is not meant to a per definition linear one. As Braun and Clarke (2006) explicitly note, thematic analysis involves a constant moving back and forward between the entire data set and the coded extracts of the data. As such, the researcher can and should move forward and back between the different phases, as has been done throughout the analysis, whereby audio recordings, field notes, and transcripts were revisited often throughout early data pattern discovery to ensure the analysis was indeed indicative of the data.



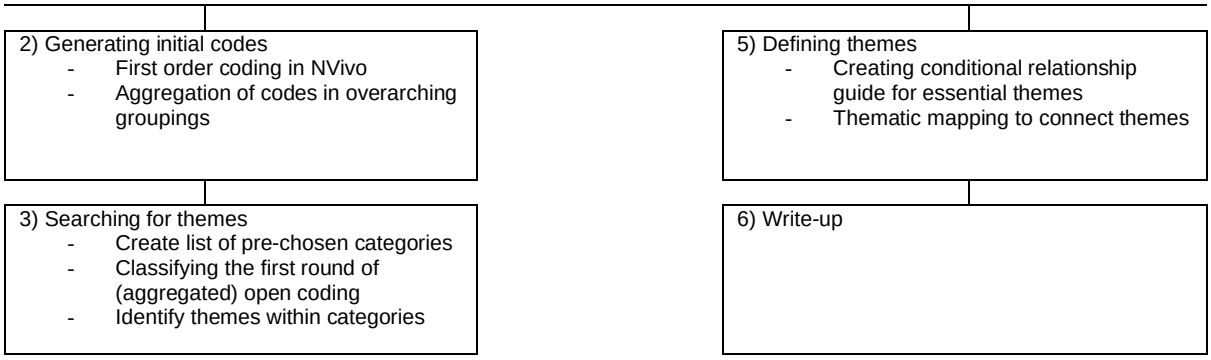


Figure 6 Analytic procedure

Another important note to keep in mind is that the cross-case analysis performed through this approach does not have the aim to generalize findings across the whole population of architecture firms, or creative organizations in a broader sense. Rather, the cross-case analysis aims to explore the issue of business model decisions in situations of paradoxical tensions within the context of architectural firms, and thus attempt to bring new possible explanations about the 'black box' inner workings of business model development.

1) Familiarization with the data

In a first step, it is important that the researcher becomes intimately familiar with the data corpus available. Thematic analysis prescribes a multiple-level reading of all text, starting with a level that reflects immediate meanings, moving up to a critical analytic level throughout the analysis procedure. Familiarization with the data commenced with (re)listening to all recorded tapes, transcribing each interview verbatim, and rereading the transcripts, along with a revisiting of field notes taken throughout the research process. Moreover, a condensed case report with elementary information from desk research as well as the interviews was written about several organizations in the data corpus.

2) First-order coding

After performing the first moments of familiarization with the data, a first-order coding step commenced. In this step, the original transcripts were coded into larger chunks using NVivo, with codes reflecting the main content of each passage (a passage ranging from a sentence segment to multiple sentences). Each code was formed using the wording from the original text (in the original language) and reflected the content of the passage as closely as possible, without attempts for interpretation in order to reduce early coder bias. After finalizing the first-order coding step, these initial codes were aggregated and clustered into overarching groupings, following a 'meaning rule': labels were compared and contrasted against similar labels, forming common groupings that represented larger chunks of data that refer to a similar topic.

3) Searching for themes

From the aggregated coding groupings, themes were identified in a third step. A theme captures something important about the data in relation to the research question, and represents some level of patterned response or meaning within the data set (Braun & Clarke, 2006), and searching for them involves an active process of constructing them from coding the codes (Clarke & Braun, 2013). As such, it is highly analogous to the process of axial

coding, which is used in the grounded theory approach. No rigid rules were followed as to how prevalent in terms of occurrences a specific pattern needs to be considered a theme. Researcher judgment is applied here to evaluate the significance of a certain pattern in relation to the overall research focus, with little dependence on quantifiable measures. Themes or patterns within data can be identified in two primary ways in thematic analysis: in an inductive or 'bottom-up' way, or in a theoretical or deductive or 'top-down' way. This dissertation takes on a primarily bottom-up, inductive approach to theme identification, structured within a partly pre-defined framework of categories which was deduced from the theoretical pre-study.

The second-order coding analysis commenced therefore by the top-down development of a crude framework to classify the first round of (aggregated/grouped) open coding. This initial framework consisted of a list of six pre-structured categories that were used to guide the analyses (Table 2). Using this framework for guiding the further subsequent rounds of coding and analysis provided a further possibility for small-scale data reduction into relevant categories, while not constricting the analysis by specific hypotheses that could induce researcher biases at this stage. All aggregated codes from the second step were assigned to one or several of these primary coding categories. It is important to note that these categories are not mutually exclusive, meaning that (aggregated) codes that could be attributed to multiple overarching categories were duplicated and assigned to each applicable category.

Table 2 Pre-structured coding framework

Main coding category	Description
Architectural sector	References to the inner working of the architectural sector
Business model actions and activities	References to specific business model actions undertaken
The creative biotope	References to the subjectively formed internal and external environment that surrounds the living and working place of creatives
Internal organization	References to how the architectural firm is organized
Paradoxes / Tensions	References to specific tensions felt by the architectural firm
Values and beliefs	References to specific convictions, values, beliefs, and norms

The subsequent inductive phase consisted of a process of second-order coding the aggregated grouping codes from step 2 (now placed within the pre-structured framework), mostly without trying to fit it into a theory-based coding frame, or the researcher's analytic preconceptions. In this sense, this form of thematic analysis is data-driven and as such resembles the elements of grounded theory. This process was aimed to be the first attempt of theme identification, in which the themes found stayed close to the original data, minimizing data-interpreter bias. This data-driven process step resulted in themes that not necessarily bear close relationship to the actual questions that were asked to the participants, but uncovered principal themes that could be extracted from the respondents' answers. For the theme identification, a semantic approach is utilized, indicating that themes are identified within the explicit or surface meanings of the data, and the analyst is not looking for anything beyond what a participant has said or what has been written at this stage of the research process.

4) Reviewing themes

To further understand the content of the most relevant categories, line-by-line coding was applied. This technique was aimed at coming to a full understanding of the content of each theme and allows for further analysis of each theme in relation to its coded extracts as well as to the rest of its data set. The line by line coding helps to define the nature of each individual theme as it breaks down each separate segment into its core components. As such, it helps to further define and explain the story each theme tells, coming to the essence of each theme. For aligning the analysis of each passage, the number of words per line is fixed at approximately fifteen. Figure 7 gives an example of the line by line coding of one segment. This coding segment was given the overall code “looking at urban planning with the eyes of artists” (in step 2) and is part of the second-order coding named “multidisciplinary” which groups codes that indicate a multidisciplinary approach that combines different viewpoints and backgrounds to architecture, which is placed in the prechosen coding category “Business Model actions and activities” (in step 3). The line by line coding of this segment re-emphasizes that for this organization, urban space needs to be understood as being on the edge of different fields. Utilizing their capacity to look at this issue from the eyes of an artist allows them to bring a deeper understanding to that. As evident, this sort of analysis brings a deeper understanding to the first-order and second-order coding categories assigned to the segment. By merely focusing on following a standardized qualitative routine of coding transcripts, and second-order coding these codes, a researcher runs the risk of reducing the data beyond the essence and nuance that is hidden in the text. The line by line coding, however, brings the analysis back to a deeper level, creating a more thorough understanding of each theme.

Reference 2 – 3.76% Coverage	Looking at urban planning with eyes of artist
***** interest in architectural and urbanistic processes had an impact on how their practice shaped, that cannot be underestimated, and led to an extended understanding of space at the edges of architecture, urbanism, art and activism, by creating links between different fields and bridging architectural strategies into the context of art, and creating spatial performances and performing spaces	Interest in processes shaped the practice Extended understanding of space on edge of fields Linking different fields Looking through the eyes of artist Bringing architecture in context of art

Figure 7 Example of line-by-line coding

5) Defining and naming themes

Utilizing the line by line coding analysis, in a fifth step, each theme is explicitly defined and named. To structure this step, a conditional relationship guide as developed by Scott (2004) is created. “When grounded theory analysts code reflectively, we are acting very much like investigative reporters, asking the questions, what, when, where, why, how, and with what result or consequence (Strauss & Corbin, 1998). Answering these questions weaves the loose array of concepts and categories we unraveled and sorted in open coding back together into a pattern. The constant comparative nature of the questions ensures that our patterns are not merely woven into two-dimensional pictures of reality, but rather woven into the much more complex, three-dimensional constructivist ecology of the participant” (K. W. Scott, 2004, p. 115). Table 3 provides an example of the conditional relationship guide, which in this case is developed for one particular theme: Multifaceted identities. The guide provides for each theme answers to the questions: What is [the category]? Why does [the category] occur? How does [the category] occur? When does [the category] occur? With what consequence does [the category] occur or is [the category] understood?

Table 3 Conditional relationship guide example

Category: Multifaceted identities

What	Why	How	When	Consequence
Playing with multiple identities	Every identity has its own instruments, approaches roles and, coalitions. It can shield an organization from being placed into a specific position.	The organizations present themselves as collectives of individuals The organizations take on different roles at different times and to different audiences The organizations organize themselves in multiple organizational structures, each with its own functions and audiences	The different identities are played out at different moments, for instance: In conversation with different interest groups While finding assignments To achieve neutrality while dealing with tensions within a project	If an organization can create tools that enable multiple identities without invoking crises, but you can borrow from the different identities, it gives you a lot of freedom The organization is not something fixed, rather something fluid and adaptable

As a final refinement of the themes, and to arrive to a complete understanding of the theme, including its subthemes and their interaction and relation to one another, thematic mapping is applied. A thematic map illustrates the relationships between themes and provides a narrative that binds all related information together (M. Maguire & Delahunt, 2017).

6) Writing up

The final step in the analytical procedure involves the write up of the research, which involves weaving together the uncovered themes into an analytic narrative to tell the reader a coherent and persuasive story about the data and contextualizing it in relation to existing literature. In the next section (1.7 Structure of this thesis), an overview is presented of how the gathered data has been divided into separate research objects in this dissertation, and how these are reflected in different chapters.

1.7 Structure of this thesis

Following the logic of a paper-based dissertation, the before-mentioned sub-research questions are answered in standalone essays which are displayed in adapted form in the different chapters of this dissertation. Adaptations to the articles are made in order to remove redundancies which are caused by duplication of explanations of theoretical concepts, further elaborations on certain particular aspects of the papers that were reduced in published form due to length restrictions, as well as additions were made to connect the separate articles together in the larger scheme of this dissertation. The thesis is structured into four parts, which are briefly outlined below. The parts follow the sequence and logic of the sub-research questions presented above. That is, the first part (chapters 1 and 2) investigates the theoretical connection between business models and the specific context of creative organizations. The second part (chapters 3 and 4) then focuses on business modeling practices that deal with a singular institutional environment (within an institutional field, see Figure 8), while the third part (chapters 5 and 6) deals with business modeling beyond a singular institutional environment (between institutional fields, see Figure 9). In the concluding fourth part (chapter 7) both research areas are taken together to find a broad reflection on the overall research question of how to balance a creative business model. Most of the chapters focus largely on the sector of architecture (this introductory chapter 1, as well as the empirical papers in chapters 4 and

6, and the overall reflection in chapter 7 as this is a main application in this dissertation. However, in other instances, a broader view is taken on broader parts of the creative and cultural sectors. This broader view is used to further frame the research on business models of creative organizations on the one hand (as has been done in chapters 2, 3, and 5) and to frame the insights from the architectural sector in a larger picture on the other. For a complete overview of all studies used in this dissertation, Table 4 matches research aims and articles, along with their research design & setting and publication outlet & status. Below follows a short introduction to each of the four parts and its corresponding chapters.

Part 1: Outlining the dissertation

The first part of this dissertation aims to outline the research and consists of two chapters: this introductory chapter and a theoretical paper that connects the theoretical concepts.

Chapter 1: Introduction

- Outlining the research questions, the main theoretical concepts, and the approach used in this dissertation.

Chapter 2: Paper A - Balancing the Creative Business Model

- This chapter consists of a theoretical paper that attempts to relate the separate theoretical concepts into a research framework. This paper sketches the relationship between business modeling and the contextual environment of creative organizations.
    - This chapter is based on the journal article: Van Andel, W. (2020a). Balancing the creative business model. *International Journal of Entrepreneurship and Small Business, 40*(2), 230-246.

Part 2: Business modeling within an institutional field

The second part is where empirical data is introduced into this dissertation. This part focuses on business modeling practices that deal with a singular institutional environment. The paper presented in chapter 3 is intended as an intermezzo (B) to introduce this field of research and focuses on business model roles creative organizations can use to create a differentiated business model within their sector. This intermezzo concentrates on the broader creative and cultural sectors. Chapter 4 focuses on specific business model solutions of architectural firms that have decided to focus on their core activity of design in lieu of the increasing pressures on their field. This corresponds to the left column of the research grid (see Figure 8).

Within an institutional field	Between institutional fields

Figure 8 Business modeling within an institutional field

Chapter 3: Intermezzo paper B - An exploratory study into business models for creative organizations

- This intermezzo chapter consists of an empirical paper aimed at introducing the concept of business modeling within the broader creative industries.
    - Based on the book: Van Andel, W., & Vandenbempt, K. (2012). *Creative jumpers: Businessmodellen van groeiondernemingen in creatieve industrieën*. Leuven: Acco. (in Dutch).

Chapter 4: Paper C - Combating tensions through business model choices. Business modeling in architecture.

- The empirical Paper C that is presented in chapter 4 focuses on specific business model choices architectural firms make to mitigate tensions as they experience them.

Part 3: Business modeling between institutional fields

In the third part, the empirical focus shifts to business model solutions found to deal with tensions that are the result of an institutionally pluralistic environment (the right column of the research grid, see Figure 9). This part is again composed of two chapters, of which the first (chapter 5) presents intermezzo paper D in which a business model of one specific case is introduced to emphasize how a business model solution could be formed in such an environment. The case introduced in this intermezzo is from the field of music production (Splendor Amsterdam). After the introductory intermezzo, this part will continue with chapter 6 which returns the focus to the field of architecture and urbanism as it introduces the necessity of using business model tactics for maneuvering between institutional fields for a particular type of architectural firms.

Within an institutional field	Between institutional fields

Figure 9 Business modeling between institutional fields

Chapter 5: Intermezzo paper D - Unlocking musical creativity

- This intermezzo introduces the topic of creative organizations that make a shift from their original core focus to take on other roles within their value ecology. As an illustrative example, the business model of one such venture is analyzed in this paper.
    - Based on the paper: Van Andel. W., Herman, A. & Schramme, A. Artistic innovation from within the cracks. Unlocking musical creativity.

Chapter 6: Paper E - Maneuvering in between institutional fields

- Paper E, which is presented in chapter 6, details an analysis of business model tactics used by architectural firms that deliberately have expanded their focus beyond their design activities into other parts of the value ecology. As such these organizations break out from their institutionally protected reality into a situation of institutional plurality, providing challenges in their business modeling.
    - An earlier version of this paper is published in the Journal of Business Models: Van Andel, W. (2019). Tactical Shapeshifting in Business Modeling. *Journal of Business Models*, *7*(4), 53–58.

Part 4: Overall reflection

In the fourth, and final part of this dissertation, both research paths are taken together for an overall reflection on the main research question (focusing on the complete research grid, see Figure 10), cultivating in the concluding chapter of this thesis: chapter 7.

Within an institutional field	Between institutional fields

Figure 10 Business modeling in architecture

Chapter 7: Overall reflection business modeling in architecture

- This final chapter provides a short overview of the results of the different studies, complemented with a meta-level analysis and reflections on its contribution to theory, limitations, and future research recommendations.

Table 4 provides a schematic overview of the different chapters in this dissertation.

Table 4 Overview of chapters

	Part 1: Outlining the dissertation		Part 2: Business modeling **within** an institutional sphere		Part 3: Business modeling **between** institutional spheres		Part 4: Overall reflection
	Introduction	Paper A	Intermezzo B	Paper C	Intermezzo D	Paper E	
	Chapter 1	Chapter 2	Chapter 3	Chapter 4	Chapter 5	Chapter 6	Chapter 7
Title	Introduction to the dissertation	Balancing the creative business model	An exploratory study into business models for creative organizations	Combating tensions through business model choices. Business modeling in architecture.	Artistic innovation from within the cracks. Unlocking musical creativity	Business Model Tactics for Maneuvering Between Institutional Fields	Overall reflection
Aim	Introducing the dissertation topics	Theoretically proposing relationships between main concepts	Introducing business modeling in creative organizations	Displaying business model solutions for dealing with organizational tensions	Introducing an example of business modeling in an inter-institutional creative organization	Highlighting business model tactics used in an institutionally pluralistic environment	Providing an overall reflection on the (sub) research questions. Linking the previous chapters

Publication outlets	-	IJESB[3] Book chapter[4]	Book[5]	-	-	JBM[6]	-
Authors of the original publication	Van Andel	Van Andel	Van Andel & Vandenbempt	Van Andel	Van Andel, Herman & Schramme	Van Andel	Van Andel
Method	-	Theoretical paper	Qualitative multiple case study design	Qualitative multiple case study design	Qualitative single case study design	Qualitative multiple case study design	-
Setting	Architecture / creative industries	Creative industries	Creative industries	Architecture	Music production	Architecture	Architecture / creative industries

In line with existing discussions in business model research that emphasize the importance of a deeper understanding of the system of links between elements in the firm and those outside comprising the logic underlying a firm's strategy (Baden-Fuller & Mangematin, 2013; Schneider & Spieth, 2013; Zott et al., 2011), and current thoughts on institutional paradoxes that call for a better integration of ideas from institutional theory with strategic management scholarship (Durand, 2012; Vermeulen et al., 2016), this thesis aims to work towards more cross-fertilization across these related domains.

1.7.1 Related Publications

As part of this research, the following publications have been produced that directly or indirectly relate to the topic of this thesis.

Published journal articles

1. Van Andel, W. (2020a). Balancing the creative business model. *International Journal of Entrepreneurship and Small Business, 40*(2), 230–246.
2. Van Andel, W. (2019b). Tactical Shapeshifting in Business Modeling. *Journal of Business Models*, *7*(4), 53–58.
3. Gielen, P., Volont, L., & Van Andel, W. (2018). Creativity under pressure. The effects of de-institutionalization and marketization on creative labor. *Art and Identity Politics*, *19*, 15–34.

Book

4. Van Andel, W., & Vandenbempt, K. (2012). *Creative jumpers: Businessmodellen van groeiondernemingen in creatieve industrieën*. Acco. (in Dutch)

[3] International Journal of Entrepreneurship and Small Business; [4] Een cultureel businessmodel in balans. In A. Schramme & B. Delft (Eds.), *Businessmodellen in de culturele sector. Hype, noodzaak of schrikbeeld?;* [5] *Creative Jumpers: Businessmodellen van groeiondernemingen in creatieve industrieën* (book in Dutch); [6] Journal of Business Models

Book chapters

5. Van Andel, W. (2020b). Cultureel Ondernemerschap en Businessmodellen. In A. Schramme (Eds.), *Handboek cultuurmanagement*. Lannoo Campus. (forthcoming, in Dutch)
6. Van Andel, W. (2019a). Een cultureel businessmodel in balans. In A. Schramme & B. Delft (Eds.), *Businessmodellen in de culturele sector. Hype, noodzaak of schrikbeeld?* Lannoo Campus. (in Dutch)
7. Schramme, A., & Van Andel, W. (2018). Businessmodellen in de modesector. Theorie en praktijk. In R. Houben, G. Straetmans, E. Van Zimmeren, & Vanhees (Eds.), *Mode & Recht* (pp. 15–31). Intersentia. (in Dutch)
8. Van Andel, W., & Volont, L. (2018). Blockchain: Tragedy in Cyberspace? How the Commoner Could Benefit from the Free-Rider. In N. Dockx & P. Gielen, *Exploring Commonism—A New Aesthetics Of The Real*. Valiz.
9. Van Andel, W., & Schramme, A. (2016). Exploring Entrepreneurial Actions of Creative Entrepreneurs and its Consequences for Entrepreneurship Education. In O. Kuhlke, A. Schramme, & R. Kooyman (Eds.), *Creating Cultural Capital. Cultural Entrepreneurship in Theory, Pedagogy and Practice* (pp. 56–68). Eburon Academic Publishers.
10. Van Andel, W., Demol, M., & Schramme, A. (2014). Internationalization strategies of the fashion industry. In A. Schramme, F. Rinaldi, & K. Nobbs (Eds.), *Fashion Management* (pp. 101–122). Lannoo Publishers.
11. Van Andel, W., Jacobs, S., & Schramme, A. (2014). Contribution of the creative industries to innovation. In A. Schramme, R. Kooyman, & G. Hagoort (Eds.), *Beyond Frames: Dynamics between the creative industries, knowledge institutions and the urban context* (pp. 20–28). Eburon Publishers.

2 Paper A: Balancing the creative business model

Article in brief. In this article, the relationship between the main building blocks of this dissertation is established through theoretic combining, resulting in a number of propositions on their interdependencies. In particular, the article researches in what manner the strategic concept of *business modeling* can help *creative organizations* achieving *long-term sustainability* by mitigating contradictory demands from their *complex environments*. In this manner, this article functions as a first attempt to align the separate theoretical components that are present in Part 1: outlining the dissertation.

Entrepreneurship within the creative industries is said to adhere to specific circumstances, rules, and norms. This article takes on an exploration into the specific context of these industries as it investigates how the environment surrounding a creative organization can create opposing demands on the organization, leading to issues in long-term sustainability. The specific environment is operationalized by the creative biotope, which is composed of four spheres that influence a sustainable artistic practice, with each domain containing its own norms for legitimacy. Correspondingly, each domain exudes its own influences and pressures on the creative organization on how to behave. This article postulates that the business model, defined as the active operationalization of an organization's strategy, can be used as a balancing mechanism to mitigate these tensions. This leads to eight theoretically derived propositions on the relationship between the business model and tensions resulting from the creative environment.

This chapter is based on the paper "Balancing the creative business model", currently in press in the *International Journal of Entrepreneurship and Small Business*.

- Van Andel, W. (2020a). Balancing the creative business model. *International Journal of Entrepreneurship and Small Business, 40*(2), 230-246.

And has been published in adapted form as a book chapter in the book: *Businessmodellen in de culturele sector*. (in Dutch)

- Van Andel, W. (2019a). Een cultureel businessmodel in balans. In A. Schramme & B. Delft (Eds.), *Businessmodellen in de culturele sector. Hype, noodzaak of schrikbeeld?* Leuven, Belgium: Lannoo Campus.

Part 1 Outlining the dissertation	Part 2 Business modeling within an institutional field	Part 3 Business modeling between institutional fields	Part 4 Overall reflection

2.1 Introduction

Because of its large influence in our private life, the creative industries have traditionally been under great public interest. The creative industries are considered to be those industries in which creative intangible inputs represent the major contributing factors in the value chain (Hearn et al., 2007), encompassing artistic (performing arts, visual arts), media and entertainment (audio-visual media, gaming, literature, music) as well as applied creative (architecture, design, fashion) sectors. With an ever-increasing focus on innovation and creativity in – at least – the Western world, many look towards these industries for inspiration from their output, and increasingly so also from their organizational practices. In a time of age where the world is increasingly giving importance to the personalization of an individual consumer's experience (Prahalad & Krishnan, 2008) and where the lines between producer and consumer, as well as between owner and user are increasingly blurred (Richter et al., 2015), the creative industries are exemplary of industries where unique personalized co-created content is delivered (Hearn et al., 2007). Due to the specific context, many scholars are convinced that entrepreneurship within the creative industries adhere to different circumstances, regularities, and thought processes (Van Andel et al., 2011). Hearn, Roodhouse, and Blakey (2007) therefore suggest that it would be unwise to adopt uncritically models derived from other industry sectors without considering the particular dynamics of the creative industries. A better knowledge of entrepreneurship within the creative industries can therefore prove to be valuable.

This article focuses on the group that is oftentimes referred to as 'core creatives' within these industries: the organizations or individuals that provide the main creative input within the value chain of the sector (e.g. architects, designers, artists, composers, etc.). Entrepreneurship and entrepreneurial strategy of these organizations and self-employed individuals – grouped together and denoted as 'creative organizations' in this study – have often been described in terms of the tension that occurs between an emphasis on artistic practices on the one side, and commerce on the other (see e.g. Caves, 2002). Balancing this tension is frequently declared to be the major hurdle for success and innovation, both in creative and commercial terms. However, this article postulates that the specific context in which these particular organizations operate is more complex and holds more conflicts than just the single tension between art and commerce. Creative organizations operate in an environment that is prone to a multitude of (external) conflicting pressures. Oftentimes, this context results in contradictory demands, leading to opposing tensions that these organizations have to deal with. This article posits that managing these tensions is a key element in achieving long-term sustainable entrepreneurship in these industries. In this regard, long-term sustainability refers not only to economic survival, but moreover and importantly, a *sustainable* business or career in creative industries, is one that is also continuously able to nurture its creative needs and replenish its artistic and creative output (Lampel et al., 2000), satisfy its emotional well-being (Werthes et al., 2018), and maintain its relevance in the public debate.

Therefore, this article attempts to further investigate this specific, complex context, its resulting organizational tensions, and the organizations' manners of incorporating these tensions in their organizational configuration. Specifically, it conceptually investigates the following research question: what role do business models play in dealing with opposing tensions resulting from the specific environment of creative organizations? This investigation leads to

the development of eight theoretically derived propositions on the relationship between the business model of creative enterprises and tensions resulting from the creative environment.

2.2 Contextual influence

Institutional theory states that in order to understand individual and organizational behavior, it must be located in a social and institutional context, and this institutional context both regularizes behavior and provides opportunity for agency and change (Kraatz & Block, 2008). According to this theory, organizations thrive if they can follow the 'logics' of their sector, and thereby establish their legitimacy (i.e. accepted as doing the right thing) in the eyes of outside stakeholders (customers, shareholders, investors, government, etc.). These 'institutional logics' are "the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality" (Thornton & Ocasio, 1999, p. 804). They can therefore be regarded as the norms to which actors within a certain context behave and are formed through a natural evolution in a particular industry.

Taking on this viewpoint has several implications regarding thoughts on entrepreneurial actions (Messeghem et al., 2014). As stated, organizations gain legitimacy from their environment and are inclined to align their organizational structure, practices and their value set with institutional norms and expectations, while determining their organizational strategy through an exchange with their environment. Moreover, it is often claimed that highly successful organizations – that thus have acquired a large share of legitimacy – are mimicked, resulting in isomorphism between organizations within one industry. Manners to become successful, therefore, are in part determined by the normative framework residing in the environment. Gaining success is preceded by achieving the norm, which is the perception of what constitutes 'good' behavior within the industry. Considering this theory as a background, this paper examines the influence of the specific context in which creative organizations are embedded (regarded from the viewpoint of the creative biotope), and the effect this context has on business model development.

2.2.1 The creative biotope

In his investigations on artists (2009) and artistic and creative organizations (2010), Gielen states that the global art system can be seen as a meshwork of differentiated networks and sub-networks in which different value regimes are at play. In these analyses, Gielen (2009, 2010) identifies two distinctions that provide insight into the value regimes that are at play within the creative industries. Taken together, these separate value regimes make up the subjectively formed internal and external environment that surrounds the living and working place of creatives: the so-called 'creative biotope'. For this paper, the concept of the creative biotope has been applied to the 'meso' organizational level. As such, the creative biotope will act as a framework for identifying and classifying institutional pressures that act upon a creative organization. This framework is chosen as it firstly offers a high-level structure that can be applied to the whole spectrum of different sectors within the creative industries, it secondly has been proven to be empirically valid (Van Winkel et al., 2012), and it thirdly leaves considerable flexibility for individual organizational interpretations of their own specific context.

The foundation of the creative biotope lies on two distinctions. First, a division can be made between a focus on the one hand on more development-oriented and on the other hand more production-oriented set of practices. A focus on development-oriented activities allows the creative person or organization to pursue new creative expressions, designs, etc. These activities follow an investigative, explorative approach and are reflexive. Vision-development about the resulting (portfolio of) products/services and (long-term) position and role within the wider field is often an important part. On the other end, production-focused activities place their emphasis on performativity by pursuing the goal of showing and trading/selling of the completed creative works. Within these processes, finished creative expressions find external connections and are consumed, exchanged, discussed, and judged by audiences in different forms ranging from individual buyers to the broad civic society. In this distinction between development and production, it is important to note that these binary opposites are not mutually exclusive in the sense that the processes of reflexivity and showing of visible products often go hand in hand.

The second distinction focuses on the degree of artistic and social embeddedness. Following the perspective of Actor-Network theory (see e.g. Latour, 1996), this distinction highlights the importance of networks and 'networking', as it is often emphasized that a good professional network can provide possibilities for growth, expansion, etc. In the creative industries, an elaborate network can help both in development – by finding a stimulating artistic or intellectual context, with room for artistic mentoring and opportunities for meaningful, substantive discussions – as in exploitation – through connected galleries, curators, and publishers for instance. However, it is important to highlight that not every process within creative organizations needs to be executed in highly-networked environments, as processes that are focused on self-transformation and reflexivity also need small, more intimate settings in which thoughts and ideas can incubate.

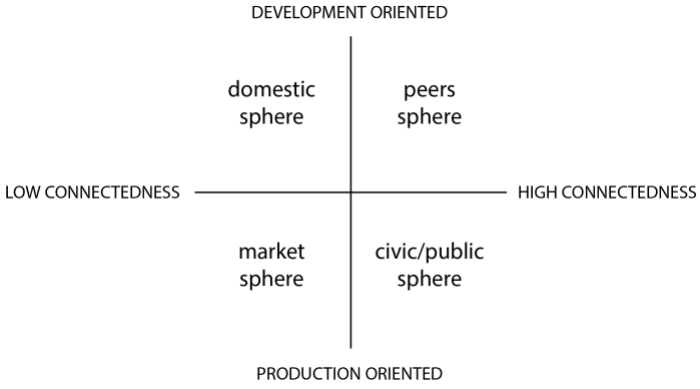


Figure 11 The creative biotope (Gielen, 2010)

By juxtaposing both distinctions, four 'domains' can be formed in which Gielen (2009) claims artistic practices can be located (Figure 11). First, the development of and (self-) reflection on vision, ideas, and products can take shape inside an internal, safe environment without much connection outside of the private surrounding. This '*domestic domain'* is a development-orientated space where people do their own work in a self-reflexive way in private (Jacob & Grabner, 2010; Sjöholm, 2013). Many creative organizations are inherently intertwined with this domestic domain. Oftentimes, these organizations start from projects between intimate

friends and are therefore directly connected to the personal lives of all involved. The organizational activities frequently take place in their private homes, and their domestic life (e.g. children, private relationships) has a direct influence on and is directly influenced by their professional life and their creativity. From an organizational perspective, this domestic domain also refers to a safe, intimate environment within the personal bounds of the organization in which members of the organization reflect individually and in group on the organizational values, mission and its (organizational) outcomes and where they work on exploring possibilities for new creative products and services, and as such constitutes the internal dynamics within an organization. This can be manifested both on the organizational level, in the form of intragroup dynamics, as on the individual level of each of the members of the organization in which personal aspects of their work, career, and private life are balanced. As Caves (2002) indicated, creative workers exhibit a great amount of care about their product, and are as such very much personally involved with what they produce. See for instance Peltoniemi (2009) for an interesting description of how entrepreneurship and new product development in the gaming industry entails an elaborate social and interactive process. Together, these organizational members form the internal anchor that provides an evaluative mirror towards all actions performed by the organization.

Second, development and reflection can take place in a more externally connected manner, where the discussion takes place with a select group of knowledgeable experts: '*the domain of the peers*'. Within the domain of peers, exploration, experiment, and development are also central but take place in critical social interaction with other actors and organizations from their specific field. This exchange of ideas is important for any creative practice as it stimulates not only internal but also external reflexivity and creates a research-oriented climate (Gielen, 2010). Communicating within the domain of the peers encourages creative development on a high level, which often may not yet be comprehensible, accessible, or even desirable for the general public (Gielen, 2009). Moreover, not only ideas and limits are tested within the close community, but it is often the total organization that is under scrutiny. This domain is highly valued within professional circles, where it enjoys the legitimacy it needs and can – as Boltanski and Thévenot (2006) put it – lead to 'grandeur'. The domain of the peers can consist of both informal meetings between professionals in which aspects of the sector and an organization's place within it are discussed, and more formal expressions in the form of specialized sector publications, industry-specific conferences, and particular awards and recognitions endowed by colleagues.

Within the more production-oriented practices, there are also two domains that can be distinguished, both with an emphasis on practices that have the aim of exploiting and/or showcasing developed creative works. In the '*market domain***'**, the one-way selling of creative products is central. In this domain, the visible, completed product or service is transferred to the acquiring party in a one-on-one transaction. Usually, there is little or no space for interaction or discussion with the creative professional (the exception being client-generated assignments in which the creative organization delivers a one-off service against a specific client brief). Besides monetary gains, the market domain is also important in other senses: "Perhaps the art world needs this broad, heterogeneous recognition to a certain degree in order to legitimate or at least gain acceptance for its autonomous artistic, experimental and sometimes quite idiosyncratic place within a wider social context" as stated by Gielen (2009, p. 192). In other words, by proving success in exploitation, the creatives can justify their other,

more development-oriented explorative behaviors that are often not understood by the larger society. It is important to note that the market should not only be referred to as the private market, as public institutions (i.e. governments) can also be involved when it functions as the customer (e.g. through commissioned work), or in many forms of subsidies in which the creative organizations are in competition with each other for attaining the resource.

Finally, in a more connected sense, the showcasing of developed ideas also takes place within a larger frame. Creative products and works of art impact the broader civic environment, which goes beyond those who commission and/or purchase them. As organizations from the creative industries are often in the public eye as the subject of intense public fascination, which is nurtured and reinforced by extensive media coverage (Lampel et al., 2000), their ideas, actions, and products not only influence their direct customers but also the wider public. For instance, when a new architectural building is constructed in a city, this changes the direct living habitat for many people that are indirectly involved with the building (e.g. neighbors, commuters that need to pass the building site, etc.). This can lead to public debates on different topics, including ecology/environment, social equality (for who is the new construction intended, take for instance the debate on gentrification), etc. Moreover, these influences not only exhibit itself in the physical habitat of society but also on an emotional level as new creative works often trigger a wide range of emotions. This so-called '*civic domain*', consequently can be seen as the place for public debate in which creatives communicate their thoughts and vision with the broad society and can find justification for their ideas and actions in public. The civic domain plays an important role in the 'economy of ideas' where people have to constantly communicate and substantiate their ideas and test them in public. In this way, the civic domain functions for ascertaining social embeddedness and in certain cases social acceptance of the creative work. Public debate and legitimation are therefore crucial. Organizations repeatedly need to justify their actions in this open space, with success often relying much on emotional, sometimes sentimental, and rarely scientifically verifiable arguments (Gielen, 2010).

These four domains together form the subjectively defined living and working areas of creatives, as all creative organizations have activities in each of the four areas of the biotope. Each domain has its own constituents, norms, and logic, and consequently, each domain also exudes its own influences and pressures on the creative organization on how to behave. This 'creative biotope' therefore defines the environment in which these organizations exist, create, exploit, and find broader justification for their work as it connects to all creative practices. In such, the biotope is a relevant construct on an organizational level: the 'creative biotope' can be seen as a framework that can be utilized to further understand creative organizational and entrepreneurial actions in relation to its internal and external environment. Furthermore, as is evident from the description of the different domains, oftentimes these pressures will oppose each other. Since institutional theory states that the specific context defines the rules to behave – and therefore the manners to achieve legitimacy – arguably a *sustainable* creative practice can only be guaranteed by achieving a balance between the four domains. As a business model is often seen as a reflection or the operationalization of an organization's strategy (Casadesus-Masanell & Ricart, 2010), connecting internal organizational capabilities with the external organizational environment (Zott & Amit, 2008), and since there is growing support among scholars that a business model can be regarded as an important and distinct unit of analysis (Zott et al., 2011), it can serve as a research focus to examine strategic

behavior. This paper argues that the business model can be used as the balancing mechanism necessary to incorporate the often-differing legitimacy claims that can result from the complex (external) environment.

2.3 Business models

For many entrepreneurs, especially those that must solve coordination problems in a world of novelty and systemic change, designing the business model is a salient and continuous issue and can be seen as one of their most important undertakings. “One of the central design tasks of entrepreneurs is to delineate the ways in which their new businesses transact with suppliers, customers, and partners” (Zott & Amit, 2007). Since the turn of the century, the term business model has surged into management vocabulary (Shafer et al., 2004). Indeed, it is more widely used and researched nowadays than almost any other concept in strategy (Baden-Fuller & Morgan, 2010). On a basic, practical level, there is general agreement on the definition of a business model: it is simply a description of how a firm does business (Richardson, 2008), and clearly, the notion refers in the first instance to a conceptual, rather than a financial, model of a business (Teece, 2010). Corollary, Chesbrough and Rosenbloom (2002) find that the meaning of the concept is regularly assumed to be implicit, and even though the term business model is often used these days, it is seldom defined explicitly. Since its first appearance in academic literature, many different definitions of the business model concept has been proposed, with the commonality that most authors view the concept, directly or indirectly, as the core ‘logic’ or ‘architecture’ behind value creation (Linder & Cantrell, 2000; Magretta, 2002; Petrovic et al., 2001; Shafer et al., 2004; Teece, 2010; Timmers, 1998).

Still, over the years, many different perspectives have been developed in literature on how to approach the concept, leading to yet still problems of concept clarity (Foss & Saebi, 2017). This is exemplified by Zott, Amit and Massa (2011, p. 1022), who state that “at a general level, the business model has been referred to as a *statement* (Stewart & Zhao, 2000), a *description* (Applegate, 2000; Weill & Vitale, 2001), a *representation* (Morris et al., 2005; Shafer et al., 2004), an *architecture* (Dubosson-Torbay et al., 2002; Timmers, 1998), a *conceptual tool or model* (George & Bock, 2011; Osterwalder, 2004; Osterwalder et al., 2005), a *structural template* (Amit & Zott, 2001), a *method* (Afuah & Tucci, 2001), a *framework* (Afuah, 2004), a *pattern* (Brousseau & Penard, 2006), and a set (Seelos & Mair, 2007).”

Early research focused mainly on defining the concept and determining business model building blocks, culminating in a surge of practical business model tools that help (aspiring) entrepreneurs untangle their business model in subcomponents (such as the widely known business model canvas by Osterwalder and Pigneur (2010)). Academically, more recent attention has shifted towards the manner in which business models actually work. Particularly, two aspects of the inner workings of business models have been gaining ground in literature. Firstly, Demil and Lecocq (2010) highlight the dynamic nature that is inherent in the development of a business model, indicating the intricate reciprocity between the resources and competencies, organizational structure, and propositions for value delivery. Secondly, an ‘activity-centered’ approach has been developed, in which the business model has been defined as the bundle of specific interdependent activities that are conducted to satisfy perceived external needs, including the specification of the parties that conduct these

activities, and how these activities are linked to each other (Zott & Amit, 2010). The activity system enables the firm, in concert with its environment, to create value and also to appropriate a share of that value. Interdependencies among activities and involved firms and individuals are central to the concept of an activity system and provide insights into the processes that enable the evolution of a focal firm's activity system over time as its competitive environment changes. These interdependencies are purposefully created and shaped by entrepreneurs by designing and adjusting not only the organizational activities, but also the links that bind these activities together into an overall system, or business model (Zott & Amit, 2010). This paper follows both perspectives as they highlight the fundamental inner workings that underlie businesses in creative industries: how an organization identifies and creates value for public/consumers/themselves within an interlinked network of partners (which is highly analogous to the inner working of many creative organizations), in a dynamic (often project-based) manner combining a multitude of activities in a single (logical) system. Furthermore, the activity-centered approach highlights a system of total value creation for all parties involved, making the effects of a business model transcend firm boundaries leading to an emphasis on value distribution on multiple layers. This also highlights emphasizes the importance of social action and interaction as the micro-foundation of business, which again is highly relevant when considering the open way in which many creative organizations conduct their operations. It is often suggested that the main purpose for artists is value creation, rather than value capture (Fuller et al., 2010), and that the exploitation of the created value is often neglected under peer pressure (Thelwall, 2007). Zott and Amit's (2010) description highlights the importance of the combination of both value creation and value capture in a sound business model.

Markides (2013) states that a key issue being addressed in the growing literature on business model innovation is how to compete with multiple (conflicting) interests simultaneously, as is the case within the context of the creative biotope. Harnessing multiple tensions within a single business model is challenging because each of the opposing domains may require a different and often incompatible activity set. This, according to Markides (2013), can be framed as the ambidexterity challenge of business models. Therefore, ideas and theoretical concepts from ambidexterity literature can be used to explore issues pertinent to business model configurations dealing with a multitude of different tensions or domains.

2.4 Propositions

Combining the theories on the organizational context – interpreted from the viewpoint of the creative biotope – and business models in creative industries leads to a set of eight propositions that further define their interrelationship. These propositions are clustered into three themes that reflect current literature streams on business models: 1) defining and positioning the concept of the business model, 2) explaining and interpreting heterogeneity among business models, and 3) explaining (the need for) business model innovation.

2.4.1 Positioning the business model

Since organizations – according to institutional theory – act reactively to their environment with a goal of seeking legitimacy, and since the business model can be seen in terms of

specific activities that are conducted to satisfy perceived (external) needs, the business model can arguably be regarded as the coping mechanism to deal with potentially opposing tensions from the environment. Thereby, it seems that the business model can play a central role in mitigating influences resulting from the external context within which an organization is embedded. In the case of creative organizations, the business model can be used to absorb differing requirements and demands for legitimacy that result from the different domains that make up each organization's individual creative biotope. As each domain exudes its own influences onto the creative organization, contradictions can occur when these influences are not mutually aligned. Especially in a turbulent environment as is often the case in the creative industries, contradictions can add to the fragility of many organizations, diminishing the potential for long-term sustainability. A strong business model defines which combination of legitimacy claims will receive attention through specific entrepreneurial actions, and which legitimacy claims will not – ensuring that these entrepreneurial actions together form a 'logical story' (Magretta, 2002) in which each of the different claims that is deemed important finds its place and the actions chosen to confront these claims reinforce each other. Such a strong business model consequently can act as a balancing mechanism that allows these multiple alignments to co-exist, by making active choices on which legitimacy claims to receive attention, actively resolving existing and upcoming contradictions, and thereby increases the likelihood for long-term survival. As such, the business model holds a central position within the creative biotope. Figure 2 illustrates how a potential business model configuration within the creative biotope can place particular emphasis on legitimacy claims from domestic and civil spheres.

> *Proposition 1. A business model that tolerates the contradictions of multiple alignments and actively resolves the tensions that ensue, increases the organization's likelihood of long-term survival.*

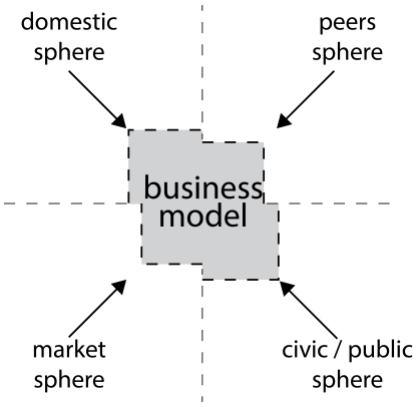


Figure 12 The placement of the business model in mitigating external pressures

2.4.2 Heterogeneity among business models

Consequently, the requirement of a balance between all different influence spheres for long-term sustainability does not imply that the organization should place an emphasis on all spheres equally, as has been illustrated in Figure 12. A balance can also be achieved while

the subjectively perceived pressures resulting from one of the spheres greatly exceeds that of the others. Such a (temporary) emphasis by the organization on a particular sphere occurs often and can lead to important choices in its business model. For instance, young organizations and organizations that are in a process of reinvention often have a temporal focus on the domestic sphere in which internal reflection on products and organizational foundations is of main importance. On the other hand, creatives that are for instance in search of an increase of status within the in-crowd of their sector, are also known to focus on conceptual pieces to show and discuss their vision and abilities with a select group of their peers. A focus on exploitation often occurs as well, when finished ideas are taken to market and the emphasis lies on the recuperation of the invested resources such as time, reputation, and creativity. Finally, organizations can have a (temporal) focus on their public environment, such as when they are searching for their social positioning or a broader social acceptance of their outputs. In all of these cases, a viable business model can be constructed that momentarily brings balance to all the contrasting impetus from the creative biotope. The balancing act therefore refers to the reduction, elimination, or incorporation of incompatible or paradoxical institutional pressures into daily operations. Different focus combinations consequently lead to different, yet still possibly viable business models.

> *Proposition 2. A different focus combination of the four spheres will lead to different, possibly viable business model configurations*

There are differing reasons behind organizations' decisions to focus on a particular sphere of the biotope. As an organization's biotope is subjectively perceived, each organization will experience and therefore define these external and internal forces in its own manner. Already in the 1980s, Daft and Weick (1984) defined organizations as interpretation systems: organizations all interact with the environment, but it is the interpretation of the information of the external world that defines the consequential choices to be made. Isomorphism, often declared as an important effect of institutional forces, will hence not necessarily occur sector-wide, as multiple realities of individual creative biotopes will exist within a single sector. Consequently, a multitude of different business model configurations will co-exist within a single creative sector. For example, while many architectural firms are organized according to a market logic in which the company is organized to best respond to design competitions, a trend is also growing in which architectural firms practice so-called 'unsolicited architecture', indicating that they free themselves from determinations such as "client, program, budget, and site" and work completely according to civil needs (Guido, 2009, p. 85).

> *Proposition 3. As the creative biotope is subjectively perceived, a multitude of different business model configurations will co-exist within a single creative sector.*

Moreover, not only the subjective perception of one's own biotope leads to different possibilities in terms of strategic answers through the business model, so does the degree and number of inter-institutional incompatibilities between the differing demands of the separate spheres. The situation faced by an organization that operates within multiple institutional spheres is also referred to as institutional pluralism. "If institutions are broadly understood as 'the rules of the game' that direct and circumscribe organizational behavior, then the organization confronting institutional pluralism plays in two or more games at the same time. […] It is a participant in multiple discourses and/or a member of more than one

institutional category" (Kraatz & Block, 2008, p. 243). Following Ocasio and Radoynovska (2016), it can be stated that the larger this pluralism, the more frames and logics are available for the construction of alternative models. This therefore increases the number of available solutions that are to be conceived to deal with these incompatibilities. For instance, when it is the norm in your segment of the fashion industry to participate in haute couture shows during the Paris fashion week biannually (a norm that can emanate from the peers' as well as the market spheres), this can cause incompatibilities with the domestic sphere, as the constant (time) pressure can lead to creative and physical strain within the organization. The greater this degree of incompatibility is subjectively perceived, the larger the realm of possibilities for different strategic solutions, ranging from internal organizational changes (e.g. different teams for different seasons) to product and market adjustments.

> *Proposition 4. The greater the pluralism due to the degree of incompatibility between the demands from the four spheres, the greater the possibility of heterogeneity in business model solutions.*

2.4.3 Business model innovation

As per Proposition 1, finding a business model that balances the four spheres of the biotope is important for long-term sustainability. However, this does not imply that a business model should remain the same throughout an organization's life. Business model innovation is an important, yet often-underutilized source of future value creation. The need for innovation can come from external sources, such as when contradictions due to the pluralism between the four spheres become too large to manage through the current business model. Especially in a turbulent environment, such as often experienced in the creative industries, changes in the institutional environment – the creative biotope – occur often, leading to different realities frequently. Consider for example the case of symphonic orchestras as illustrated by Glynn and Lounsbury (2005) that under increasing resource constraints due to declining patronage, government support, and attendance are increasingly drawn to more 'mainstream' or 'pop' interpretations of classical music. By many actors within this industry, such as many music critics as well as musicians, this trend is perceived as creating a cultural threat to the 'pure' canon of 'highbrow' music associated with the symphony, leading to ever-increasing tensions between 'aesthetic' (coming from domestic and/or peers' spheres) and 'market' logics. As is evidenced by this example, the continuous growth of misaligned interests, therefore, increases the necessity as well as the opportunities for business model innovation, and this type of innovation is oftentimes of crucial importance to maintain the necessary balance within the business model.

> *Proposition 5. Business model innovation can be triggered by situations in which pluralism between the four spheres of the biotope becomes too large to handle within the current business model.*

However, this need for innovation can also occur in situations in which the environment remains relatively the same. As the organization develops, its perception of the biotope, on the current importance of each of the separate spheres, and on the subjectively perceived legitimacy claims resulting from each of these domains will also evolve. In this manner, a previous business model configuration that holds particular emphases therefore can become

outdated due to changes in organizational preferences and perceptions. For instance, if for too long no attention is placed on the domestic sphere, much needed internal reflection on the organization, its values and mission, and its products/services is missing, possibly leading to internal questioning of the organization's vision. When the focus is held too long on the domestic sphere, on the other hand, the organization runs in danger of not externally validating its ideas, which might lead to financial problems or rejection of the non-validated ideas within the sector or the broader public. When emphasis is not placed on the peers for an extended time, an external high-level reflection on the organization and its work is missing, leaving the organization open for non-acceptance within its sector. Too much, or too long a focus on the peers might make an organization out of touch with its internal core, and/or with the broader external environment. A lack of focus on the market sphere can lead to financial problems, while too much focus on the market can have a lasting negative effect in terms of the image of the creative organization (e.g. giving the organization an image of being too commercial, sell-outs). Finally, neglecting the civic sphere for too long can lead to social rejection of the organization and an image of egocentrism, while too much focus on this sphere can lead to a risk of lacking activities that further enhances the creative development of the organization such as in the domestic or peers sphere, moreover leaving the organization also exposed to possible financial issues due to decreased emphasis on the market. As it seems, the spheres depend on each other in an almost cyclical manner, and the importance of each sphere increases the longer no attention is spent on it. *Active* balancing is therefore required, which makes sure that the business model can be adjusted to reflect both changes in the institutional environment, as well as evolving perceptions of importance within the organization.

> *Proposition 6. A focus for an extended time on a single domain can decrease the likelihood of long-term sustainability and increase the need for business model innovation.*

Besides making more permanent adjustments to the business model, creative organizations often use other tactics for shifting attention temporarily to other spheres. Activities of these organizations commonly revolve around entrepreneurial, innovative and often unorthodox collaborations, whereby numerous large, small and micro-businesses come together for the duration of a single project, then disband and form new partnerships for the next project (DeFillippi et al., 2007). This project-based nature of many undertakings in the creative industries gives opportunities to keep the main focus on a stable configuration of the business model while using projects to temporarily focus on other spheres that run the risk of getting neglected. For instance, an architecture firm that focusses on commercial assignments might occasionally develop a conceptual work exemplary of the firm's vision that is being admitted in sector-specific award shows in order to give sufficient attention to the peers' sphere and claim their legitimacy in that area. As such, by using specific short-term projects, a creative organization can simulate temporal focus on a different configuration of legitimacy claims from the four spheres, while not losing their more permanent business model configuration.

> *Proposition 7. Project-based activities can be used to temporarily relieve the organization from legitimacy claims outside of their current focus.*

Finally, besides using project-based activities geared toward different configurations of the biotope, institutional theory provides an additional solution to relieve an organization from legitimacy claims that lay outside of their focus: decoupling. This refers to the practice when

organizations only superficially abide by institutional pressure by making a disconnect between organizational practice and structure (Boxenbaum & Jonsson, 2008). In that case, what the organizations claim to do is not the same as what they do in reality. As such, organizations bank on gaining legitimacy without actually adapting towards what is prescribed based on institutional pressures, trusting that people will believe that the organization actually does what it says it does. Meyer and Rowan (1977) state that this is a pragmatic response to conflicting pressures to ensure both legitimacy and practical efficiency. Decoupling can however also prove to be a very dangerous tactic, as close inspection of the actual practices can expose an organization as being deceptive in their claims (Boxenbaum & Jonsson, 2008). As stated, the public often has a large fascination with organizations from the creative industries, leading to them regularly being in the public eye (Lampel et al., 2000). Therefore, their activities are often under scrutiny, making decoupling an even more risky endeavor for these companies, with large public consequences at risk (e.g. consider the large public backlash against fashion companies using underpaid and under-protected labor). The practice of decoupling can consequently jeopardize long-term sustainability as public scrutiny of actions by creative organizations is often significant.

> *Proposition 8. The action of decoupling in order to claim legitimacy without actually adapting to the pressure jeopardizes the organization's likelihood of long-term sustainability.*

2.5 Concluding remarks

As all creative organizations deal with the existence of competing demands to some degree, tensions are at minimum present in a latent form. At one point in time, these might surface, become salient and require an organizational response in one form or another in which case they can be considered both as a call for and a source of creativity (Gaim, 2018). Traditionally, approaches to deal with pluralistic influence has been to either try to eliminate pluralism by focusing on a single 'logic' and its resulting legitimacy claims, to perform a spatial or temporal separation in which organizational activities that adhere to specific logics are strictly separated from each other, or to balance disparate demands by finding more deeply internal and external cooperative solutions (Kraatz & Block, 2008). This paper further explores this last solution, as it is postulated that a major role a business model can play in a creative organization is to act as a balancing mechanism that can absorb possible tensions. Moreover, it has theorized this relationship by considering the business model processes of organizations from the creative industries, using the creative biotope as a framework for conceptualizing the specific context in which these creative organizations act.

Classical accounts of institutional theory state that the institutional environment exerts considerable pressure on organizations to conform to taken-for-granted rules and practices, leading to isomorphism (see for example the discourse started by DiMaggio & Powell, 1983). However, an increasing hybridization of activities and blurring of sector boundaries (Bromley & Meyer, 2017) – as is often observed in the creative industries – makes it less logical to find singular 'industry recipes' leading to more idiosyncrasy and less isomorphism. Furthermore, as is contested in this article, legitimacy is often multidimensional and case-specific, leading to organization-contingent readings of the environment. As per contingency theory, it's the

organization's task to utilize this context-specific situation to find alignment among key variables such as industry conditions and organizational processes in order to obtain optimal performance. The greater the number of diverging influences that approach an organization, the wider the spectrum of available choices. It is important to note here that there is not one 'best' configuration in any particular situation – multiple organizational configurations can be equally effective in achieving high performance as is stressed in the concept of equifinality (Fiss, 2007) – and that choices can be taken in both a reactive as in a proactive, anticipatory manner.

This paper aims to make two important contributions. First, this study aims to conceptually increase the current thinking on organizational structures of creative industries. As creativity and innovation are increasingly becoming key differentiators for all organizations in the Western economies, knowledge on the internal mechanisms at work in the creative industries can prove invaluable as these creative organizations are inherently combining business and creativity. These organizations are therefore often regarded as exemplary for the 'new economy' and more insights in the pathways for 'success' within these sectors can prove valuable for entrepreneurs within as well as far beyond the creative industries. Furthermore, this paper also aims to contribute to the growing business model literature, by theorizing that the business model is crucial in the interplay between the organization and the environment through the ability to balance conflicting interests. As such, the business model has a role beyond merely value creation and capture, as is often described, coming closer to the system-level holistic function that has often been touted. This focus on the evolving dynamics between the business model and the institutional context adds different theoretical possibilities to the often statically viewed business model concept.

In this paper, finding pathways for long-term sustainability is the main purpose. However, it is important to note that organizational sustainability in terms of economic performance is not only determined by the firm's own actions and its corresponding business model configuration, but also by other factors such as its competitors and other external circumstances (e.g. changes in tastes, technologies, fashion, etc.). Nevertheless, this paper does claim that using smart business model configuration and innovation, a system can be created that ensures sustainability on multiple levels. By continuously and purposively rebalancing the business model in order to consider the changing institutional environment, as well as the changing needs and perceptions from an organizational point of view, an intentional cycle can be established that takes account of all four spheres of the creative biotope establishing the circumstances for sustainable creativity.

Part 2: Business modeling within an institutional field

In part 2 is where empirical data is introduced into this dissertation. This part focuses on business modeling practices that deal with a singular institutional environment and consists of two chapters. Chapter 3 is intended as an introductory intermezzo to introduce this field of research, concentrating on the broader creative and cultural sectors. Using illustrative cases, typical fundamental underlying roles that creative organizations can use to create their individual business model configuration are highlighted. Moreover, the paper introduces a framework that can be used to identify distinguishing configurations that creative organizations can use to differentiate from the leading 'industry recipe'.

This introductory chapter is followed by a second empirical paper (chapter 4) that focuses on the sector of architecture. Particularly, it focuses on specific business model activities that architectural firms undertake that help them mitigate the most pressing tensions that experience. The paper finds that the tensions, related to their design activities, their undertakings of getting assignments as well as to office organization and administration find a response through a system of business model activities designed to unlock room for creativity and to strengthen the position of the architectural firm within a construction project with all its stakeholders. As this part focuses on creative organizations that operate within their institutionally-defined environment, it corresponds to the left column of the research grid (see Figure 13), and relates to sub research question ii:

Sub RQ ii: What are elements of business model solutions that mitigate tensions within a singular institutional sphere?

Within an institutional field	Between institutional fields

Figure 13 Business modeling within an institutional field

3 Intermezzo paper B: An explorative study into business models for creative organizations

Article in brief. This intermezzo is aimed at exploring business modeling for creative organizations. In this chapter, typical underlying roles that can be used for business model configurations in creative industries are examined, and as such, this chapter serves as an introduction to the first major theme of this dissertation: business modeling within a singular institutional sphere. The paper introduces a conceptual framework that can be used for identifying common manners of operating within the creative industries, and as such also functions as a framework that could be used for identifying pathways for business model differentiation by breaking the 'industry recipe.'

This chapter is based on the book "Creative Jumpers: Businessmodellen van groeiondernemingen in creatieve industrieën", and was presented in an early stage of development as a conference paper at the 11th AIMAC conference.

- Van Andel, W., & Vandenbempt, K. (2012). Creative Jumpers: Businessmodellen van groeiondernemingen in creatieve industrieën. Acco.
- Van Andel, W., Vandenbempt, K., & Kenis, P. (2011, July 3). *What makes Creative Companies 'Jump': An explorative study into successful business models for Creative Industries*. 11th International Conference on Arts and Cultural Management, AIMAC 2011, Antwerp, Belgium.

Part 1 Outlining the dissertation	Part 2 Business modeling within an institutional field	Part 3 Business modeling between institutional fields	Part 4 Overall reflection

3.1 Introduction

The creative industries are increasingly becoming key economic sectors in the Western world. Especially in a time when far more than technological resources, it is imagination that will make the difference between entrepreneurs (G. Hamel, 2000). It has been claimed that the 'new economy' has creativity as its core and that the creative industries are at the center of this (Townley et al., 2009). A good understanding of these industries and their ways of working can therefore prove to be valuable not only to the creative industries itself but also to the economy as a whole.

Hearn, Roodhouse, and Blakey (2007) suggest that it would be unwise to uncritically adopt models derived from other industry sectors without considering the particular dynamic of the creative industries. Therefore, this paper focuses specifically on business models of organizations within these industries. Business models represent the 'logic' or 'architecture' behind value creation and appropriation and serve as the link between strategy and operational practices (Zott & Amit, 2010). Business models that take the specific characteristics and challenges of the creative industries into account have thus far not been extensively described in literature. The paper therefore aims to increase the current knowledge on this concept within the creative industries by analyzing a conceptual framework of business model configurations within the creative industries. This paper thereby addresses the following issues:

- Identification of a framework for analyzing business model configurations within the creative industries.
- Identification of possibilities to differentiate from the dominant 'industry recipe' within creative industry segments.

3.1.1 Creative Industries

The creative industries are considered to be those industries in which creative intangible inputs represent the major contributing factors in the value chain (Hearn et al., 2007). These industries are increasingly considered to be key economic sectors in the Western world. The emergence of the creative industries is related to the significance of knowledge to all aspects of economic production, distribution and consumption, and the growing importance of the services sector (Flew, 2002), and can be seen in a larger timeframe as an exponent of population growth, increased household income, increased leisure time, a more educated population, and the increase in the emancipation of women (Colbert, 2009). It is linked to the dynamics of the 'new economy', whose form is increasingly informational, global, and networked (Castells, 2000). The creative industries are highly visible because they exert an extraordinary influence on our values, our attitudes, and our lifestyles. They have long been the subject of intense public fascination, a fascination that has been nurtured and reinforced by extensive media coverage (Lampel et al., 2000). Despite their apparent importance, the manner in which these industries are organized had been largely ignored by social scientists until the early 2000s (Caves, 2002). However, in a time of age where the world is increasingly giving importance to the personalization of an individual consumer's experience (Prahalad & Krishnan, 2008), the creative industries are often seen as exemplary of industries were unique

personalized co-created content is delivered (Hearn et al., 2007). A better knowledge of the determinants of organizational success within the creative industries can therefore prove to be valuable.

Since the early 2000s, some studies have emerged that focus on the overall structure of the creative industries. These find that commonly a small number of large firms account for a significant proportion of industry output and employment, and the rest of the industry is made up of large numbers of smaller enterprises, catering for niche markets (Jeffcutt & Pratt, 2002). These industries revolve around entrepreneurial, innovative and often unorthodox collaborations, whereby numerous large, small and micro-businesses come together for the duration of a single project, then disband and form new partnerships for the next project (Warren & Fuller, 2009). Furthermore, the market in which these organizations operate is often complex due to a specific set of characteristics that set these industries apart from conventional conceptions of an industry. For instance, in a wide-ranging study of the economics of the creative industries, Caves (2002) identified several distinctive characteristics that point to major risks and uncertainty about the economic outcomes of creative activities. These include a considerable uncertainty about the likely demand for a creative product, an unpredictability in the quality levels consumers see in the outputs, a frequently collective nature of creative production, and an unpredictability in the capacity of their producers to continue to extract economic rents. Furthermore, these industries often display a need to coordinate diverse creative activities within a relatively short and often finite time frame. Since sunk investment costs are often only potentially realized in the few weeks after products are released and highly dependent on publicity and reviews for sales (e.g. in films, music) organizations in these industries are sometimes referred to as being ‘chart businesses’ (Jeffcutt & Pratt, 2002). Many entrepreneurs in these industries run fragile, low-growth companies in markets that have low barriers to entry and a high turnover of talent and ideas. Their businesses are often under-capitalized and lack the management skills and bargaining power to deal with national and international publishers and distributors. As a result, many of these businesses do not realize their full potential for growth (Leadbeater & Oakley, 1999). Moreover, it is also widely acknowledged that management attempts to economize creativity and artistic motivation run the risk of damaging these resources: “Creative people tend to rebel at efforts to manage them overly systematically” (Florida, 2002, p. 133). It is often found that organizations and individuals producing creative goods and services often pursue objectives that are not simply economic but are conditioned by the content of the output they are generating (Hutter & Throsby, 2008). Eikhof and Haunschild (2007) add that a central paradox of creative production is that economic logics tend to crowd out creative logics, and thus endanger the resources vital to creative production. Finally, Colbert (2009) warns for the saturation of the markets, a surplus of supply relative to demand, and an almost infinite variety of creative products available. These market conditions and intrinsic characteristics of the industries can make it difficult for smaller organizations to further develop and achieve long-term sustainability. Creating a thoughtful business model that takes the intricacies of the creative industries into account can possibly help these organizations in this endeavor. However, the concept of business modeling within the creative industries has been relatively little studied and is therefore still little understood.

3.1.2 Business models

Over the past few years, the term business model has surged into management vocabulary, becoming more widely used and researched nowadays than almost any other concept in strategy (Baden-Fuller & Morgan, 2010). Magretta (2002, p. 3) finds that "a good business model remains essential to every successful organization, whether it's a new venture or an established player," and Chesbrough (2010) states that the same idea or technology taken to market through two different business models will yield two different economic outcomes. In the past two decades, many definitions of the concept have been suggested. Some researchers use a rather narrow definition of the term business model. By defining the position of a company in a value network, they describe how a company can make money. Stewart and Zhao (2000) for instance define a business model simply as a statement of how a firm will make money and sustain its profit stream over time. Most researchers, however, have a more holistic view of business models (Pateli & Giaglis, 2004). These authors view the concept, directly or indirectly, as the core 'logic' or 'architecture' behind value creation (e.g. Linder & Cantrell, 2000; Magretta, 2002; Petrovic et al., 2001; Shafer et al., 2004; Timmers, 1998). Zott and Amit (2010) add to this viewpoint by defining e a business model as the bundle of specific activities that are conducted to satisfy the perceived needs of the market, including the specification of the parties that conduct these activities, and how these activities are linked to each other. The 'activity system' enables the firm, in concert with its partners, to create value and also to appropriate a share of that value. This paper follows this viewpoint as it highlights two fundamental issues that underlie businesses – how an organization identifies and creates value for its audiences through specific activities, and how it captures some of this value through returns. This distinction between value creation and value appropriation is especially important for organizations in the creative industries. It is often suggested that the main purpose for artists and creatives is value creation, not value capture (Fuller et al., 2010) and that the exploitation of the created value is often neglected under peer pressure (Thelwall, 2007).

Even though much has been written in recent years about business models, only a few studies have attempted to empirically measure business models, with case studies as the most used methodology. Zott and Amit (2007, 2010), however, have attempted to measure business model design themes as a variable on a range of performance indicators using a data set with information on business models of 150 publicly listed entrepreneurial firms. They identified four (not mutually exclusive) critical themes of business model design, which are potential sources of value creation.

- The **novelty-centered** business model theme focuses on new ways of conducting economic exchanges among various participants. It can be achieved, for example, by offering new combinations of products, services, and information, by connecting previously unconnected parties, by linking transaction participants in new ways, or by designing new transaction mechanisms.
- The **lock-in** business model theme incentivizes the focal firm's customers and strategic partners to engage in repeat transactions and prevent them from migrating.
- The **complementarities-focused** business model theme facilitates the bundling of separate yet complementary products, services, and activities.

- Finally, the **efficiency-centered** business model theme refers to the measures that firms may take to achieve transaction efficiency through their business models. It aims at reducing transaction costs for all transaction participants.

As such, Zott and Amit (2007, 2010), conceptualize a working business model as a combination of activities, which can be aimed at a combination of different 'themes'.

While it is clear that managers need a good understanding of how business models work if their organizations are to thrive, there is as yet no academic agreement as to the distinctive features of superior business models (Casadesus-Masanell & Ricart, 2010). However, certainly, the success or failure of a company's business model depends largely on how it interacts with models of other players in the industry, as "almost any business model will perform brilliantly if a company is lucky enough to be the only one in a market" (Casadesus-Masanell & Ricart, 2011, p. 102). Therefore, having a differentiated but at the same time effective and efficient architecture for an enterprise's business model is important to the establishment of competitive advantage (Teece, 2010). This external look to the sector is regularly neglected when designing a business model, resulting in too many companies rushing to market with identical business models and no strategies to differentiate themselves (Magretta, 2002). As is evident, in competitive markets with large dominant players as in the creative industries, a framework for identifying the leading business model logic and can provide a useful tool for evaluating differentiation opportunities. This paper therefore explores specific underlying determinants of business models within these industries, as well as the possibilities to use those determinants as differentiators.

As illustrative material, this paper uses data material from ten organizations active in the creative industries. The data formed part of a larger research on fast-growing organizations within the creative industries. Therefore, the selected organizations can be identified as 'gazelle' organizations, indicating that they had doubled their turnover or employment over the four-year period prior to this study. In addition to this hard criterion of growth, additional criteria were also used in the selection process. For example, artistic success was also examined in the form of prizes and recommendations by experts from the various sectors. In the selection process, it was important that all organizations were independent organizations, enabling them to make critical strategic and financial decisions autonomously from a regulatory parent company. Finally, the companies are all from Belgium and the Netherlands, making their (regulatory) context relatively similar and enabling more substantial cross-case analysis. The selected organizations include advertising agency Boondoggle, music publisher Excelsior Records, product design firm Flex, fashion label Fragile, video game developer Larian Studios, digital agency Little Miss Robot, theater producer Loge10 productions, movie studio nWave Pictures, publishing house Podium, and visual artist Wim Delvoye. A total of twelve interviews were conducted on-site, which lasted between 60 and 80 minutes and were transcribed verbatim. The quotes used to illustrate the different findings are anonymized.

3.2 Generic underlying roles for creative business models

In their fundamental research on business models for e-businesses, Weill and Vitale (2001) identified eight types of business model roles that are used in e-commerce. Each of these

atomic business model roles describes the essence of a different way to conduct business electronically and can be combined in multiple ways to form the basis of new e-commerce business models. In that way, these atomic e-business models are the foundational building blocks for e-business initiatives. Similarly, in the creative industries a set of three generic or atomic roles that can form the basis of a business model can be distinguished (Nielsén, 2008):

- **Mass producible-*content* providers**. Organizations that take on this role focus on the possibility of leveraging on mass production of the creative output, such as music records, films, newspapers, and magazines through active exploitation of intellectual property rights. In this role, ownership and distribution rights of the content are key, and content can be provided directly to the customer, or through third-party distributors. The subjective value and project-based nature of the creative content products are characteristics that distinguish it from more traditional manufactured products.
- **One-off *experience* providers**. In this role, the organizations focus on delivering a one-off experience, often in a direct, live encounter with the consumer. This includes on the one hand a plethora of events and performances such as in theater, festivals, and concerts, and on the other one-off productions of unique pieces of art that provide a unique experience to the audience. The model of such products is based on the uniqueness of the experience.
- ***Service* providers**. The creativity of the organizations can be hired as a service in this role. Examples include contracted design services, architecture, etc. The service provider works mostly in assignment of a client, delivering a one-off service against a specific client brief. Most commonly, the client receives the ownership rights of the creative content after production.

In the following sections, each of the generic roles is explained in more detail, highlighting the multiple avenues the organizations choosing these underlying roles have to employ value creation and value appropriation activities.

3.2.1 Generic role 1: Mass producible-content providers

Value creation for mass producible-content providers occurs in two distinct phases. In the first phase, a creative product is being created in a joint effort between several creative and non-creative people and organizations. Next, this creative product is being produced on a larger scale and delivered to consumers through (mass) distribution. From a business modeling perspective, there are multiple ways in which an organization can create (excess) value by utilizing this role (Table 5).

A first obvious, and most important activity, revolves around developing the creative content. An important focus in this endeavor, some of the case organizations mention, is in maintaining ownership of the intellectual property of the creations.

> *"Try to keep ownership yourself, that you are not dependent on a third party. That has been very important to us, we have always been able to keep our own IP, we have always fought very hard for that." Creative.Org.5*

For many creative producers, this is however not always possible, as many of them depend on backers to pre-finance their production. This role is often taken on by publishers that guide the creative producers in commercializing their creativity. As many creative organizations are limited in size, and as projects within the creative sectors are often diverse and require different inputs depending on the project content, it is important to develop a thorough network of allies that help to create, produce and distribute the unique content. A common manner of working is often that creative development and branding is coordinated in-house, albeit involving different external parties, while production and distribution occur through partner organizations.

> *"We outsource the production itself. So, we don't do that ourselves. I could also do part of the production in my own workshop, but that is limited. […] I do have a small production studio not far from here with which we work very well, which almost feels like my own studio, […] Forty to fifty percent of our production is there. It is only a small facility, so we just make sure that the capacity they have is filled and the rest has to be made abroad." Creative.Org.4*

With content being created in a networked process, and mass-produced to be retailed in the open market, it is important that the creative content producers develop a strong and recognizable identity and reputation. This helps in attracting a critical mass of users and customers (often grouped in communities around a common interest) and helps build repeat purchases which is an important aspect of continued success in this role.

> *"I think Excelsior we reach a certain level in terms of quality, in different areas. […] And there are actually a lot of people who blindly buy all our new releases." Creative.Org.2*

A final value creation activity being utilized in this role is the building of strong media relationships. As content providers rely on repeat purchases, it is paramount to create a buzz around every new release. Continued strong relations with media that directly communicate with your base are important to broadcast your message and announce new creative goods.

> *"That release date is a reason for the press, radio, and TV to report on us. […] And if you know how to combine all that attention, both radio/TV and the written press, then you can go in many directions. […] That concentrated attention usually works. And if that translates into sales, then it will be very high in the bestsellers lists right away. That can cause a snowball effect. […] You try to direct things like that as much as possible. That attention is very important." Creative.Org.2*

In terms of value appropriation, creative content providers typically rely on charging relatively low margins on produced products. These products are released on a continuous basis, aimed at creating sufficiently large sales volumes to recover the investment costs. As mentioned, it is important to retain the IP rights over the creation, which can be a source for continued income.

> *"We still live from our library from the '90s, and without effort. So that's a really great profitable business because of the library. Because those productions have been*

> *amortized for a long time, all of which are producing a profit. So that's our business model." Creative.Org.8*

Moreover, for some mass producible-content producers, given that they have retained the IP rights to their creations, it is possible to further exploit their creative exploits through merchandising. Due to improved possibilities caused by digitalization, increasingly mass producible-content providers attempt to self-publicize their creations in an effort to regain more control over the exploitation process.

Table 5 Mass producible-content providers

Value creation activities	Value appropriation activities
- Develop and produce creative content - Establish a network of allies through which content is created and disseminated - Attain a critical mass of users/customers - Brand content to create customer recognition and reputation - Build a community around a common interest - Build strong media relationships	- Margins on produced products - Large volumes - Direct sales of goods - The exploitation of IP rights through different channels - Merchandising

3.2.2 Generic role 2: One-off experience providers

The second generic role that can be distinguished focuses on providing a one-off, unique experience. This experience can be in the form of a live-based performance in front of an audience, or in the form of a one-off piece of art that provides a unique experience. In the case of the former, the projects undertaken in this role are often more personnel-intensive such as is the case in theater production, festivals, etc. Even though these experiences are all unique, a form of repetition can still be implemented in them. Every live-based performance such as a theater show is a unique piece of art that is being performed on the spot, however, the same performance format can be repeated to a new audience on a different moment in time. The same holds for unique pieces of art, that often are part of a series within a theme and as such have an element of repetition. Moreover, a unique piece of art can be conceptualized within an exhibition that can be recreated in different places and moments. As such, a combination of both forms can occur when the unique pieces of art are used as part of an exposition, such as a (temporary) museum exhibition.

In terms of value creation activities, besides providing a unique and authentic experience, the focus within this role relies on several components. Within the live-based experiences, as well as in some of the experiences based on one-off unique pieces of art, the creation of the experience is reliant on a community of creators (in creative and supporting functions) that come together in the preparation as well as in the delivery of the experience. Maintaining such a community of creators that are able to translate the vision into a unique and authentic experience is therefore an important value creation activity.

> *"You go back to the people you like to work with and who you can rely on first, who are good and who also accept that they won't receive large wages because that is not possible. But I want to have the right people in the right place per production." Creative.Org.7*

Furthermore, the organizations need to have the ability to attract an audience for their one-off experiences. For this, an important value creation activity focuses on building strong media relationships that can help to create and maintain audience awareness.

> *"And then we try to get the media there. With our last show, we got all the media we could get. But that is also very hard work to get them all there. But well that again gives us leads for the next one." Creative.Org.7*

Finally, to achieve continued success within this role, a strong reputation that is based on delivering appreciated experiences is one of the key focuses. This reputation is connected to many situation-specific details. For instance, in the case of delivering a live-based performance, the reputation could be dependent on the musicians or actors involved in the show. On the other hand, in the case of on-off unique pieces of art, it could be related to the buyers of the object, or of the exhibition in which it is displayed.

> *"The price also depends on which collector buys it. If we know that the work will go to a very good collection, we are also willing to consider a discount. […] It is also important to have a good work in a good museum, and not just in a private collection where no one will ever see it." Creative.Org.1*

In terms of value appropriation, typical revenue streams in this role come from (one-time, or subscription-based) ticketing of the experiences, or from (license) sales of the one-off pieces of art. Furthermore, these types of experiences are in cases able to attract outside finance through sponsorships, philanthropy, or (state and local) subsidies.

Table 6 Experience providers

Value creation activities	Value appropriation activities
- Uniqueness and authenticity of the experience - Build a community of creators - Build strong media relationships - Build a reputation for excellence	- Ticket income - Membership fees - Sponsorship / Philanthropy / Subsidies

3.2.3 Generic role 3: Service providers

For organizations that take on the role of a service provider, the third generic role, value creation relies on delivering the ultimate service to their clients (Table 7). In this role, the creativity that houses within the organizations is entirely at the disposal of the customer, and value creation occurs through an interactive process in which the creative input from the service provider is combined with the unique insights of the client in terms of the context the creativity needs to be applied to (for instance, specific knowledge about the industry they are in, the location, etc.).

> *"Designing is a means, and no more than that, a means to achieve higher business goals for the client and for us, for our own long-term survival. That purely business aspect of creativity has been central to us from day one." Creative.Org.3*

> *"You often see that in other agencies, the customer is almost a necessary evil. No, just as we like to be a valuable partner to them, we also see them as a valuable partner. Where they know their business better than anyone. We are never going to have that same knowledge. So, it is better that we should also know the customer as well as possible and get as much information as possible there. So that is the most important partner in our story." Creative.Org.10*

In this regard, providing an effective service is deemed to be very important in order to gain the trust of the clients.

> *"Why do we have long-term relations? By very emphatically demonstrating effectiveness, showing that we will be effective on the hours spent on the assignment. […] You make very clear agreements with regard to finances, very clear agreements about the schedules, deadline is deadline, keep agreements. Striving for success together. Also, point the customer at possibilities to achieve maximum success by simply making it a different design." Creative.Org.3*

In order to be able to create unique value for the clients, the organizations focus on having clear expertise in a specific domain. As such, they can contribute specific services to the clients that lack this knowledge, being for instance in terms of design, digital tools, etc.

> *"We have some strong creative people who were also reputed before they came here, they make the difference. We have a number of people who really have expertise in the field and they are crucial people within the company." Creative.Org.10*

Oftentimes, the clients rely on their service provider to not only provide a single, one-time service but also to periodically keep them up to date on developments in their areas of expertise. For instance, as the digital world keeps developing rapidly, many clients lack the knowledge and the resources to keep themselves informed on what these developments are, and what impact they can have for their immediate and long-term future. For the service providers, therefore, keeping themselves knowledgeable on their field, and foreseeing current and future trends is an important value-creating activity.

> *"We think it is very important that we stay current. That also helps us to be sharp, it is very important to have that knowledge in-house. Otherwise, we will not come up with more innovative services and products than the customer himself, who have more intimate knowledge of their industry." Creative.Org.10*

A final avenue for value creation activities is building up a network of complementary service providers. A service provider that is able to integrate and consolidate the offerings of many

third parties into a single channel that provides a complete one-stop-shop service has the possibility to generate a large value to the clients. As such, the organization can capitalize on the relationship it has with the client and help them provide clarity within the huge array of creative offerings that provide a partial solution to their needs. Many service providers, therefore, attempt to unburden their client from this search by providing a complete offering that goes beyond their inhouse expertise but includes the expertise of other service providers with who they have continuous partnerships.

> *"We hire them on a freelance basis for projects because if they are really specialized in their field, they simply have to work for different companies because not every project needs their services. We have several people who are very good, who are specialized in their profession and we just work with it on a freelance basis. There are certain 'friends at home' I say who do projects on a regular basis." Creative.Org.6*

Table 7 provides an overview of these value creation activities. In terms of value appropriation, these service providers mostly rely on one-off fees based on the services provided. However, in certain cases, the service providers can gain fixed returns from a client under contract by providing continuous services.

Table 7 Service providers

Value creation activities	Value appropriation activities
- Offer complete and effective service - Be a leader in a specific domain (e.g., design, digital) - Build a network of complementary service providers - Integrate and consolidate the offerings of many third parties into a single channel - Understand and foresee future trends	- One-time income for services provided to customers - Fixed contract income for continuous services

3.3 The three roles in perspective

As indicated earlier, Zott and Amit (2007, 2010) have conceptualized a working business model as a combination of activities, which can be aimed at a combination of four (not mutually exclusive) critical design themes: the novelty-centered (focusing on the offering), lock-in (focusing on customers), complementarities-focused (focusing on partnerships), and efficiency-centered (focusing on the value chain, and operations) business model themes. When reviewing the three generic roles that can be distinguished in creative industries, it becomes apparent that these roles typically take on a combination of these design themes (Table 8).

Organizations focusing on the mass producible-content providers role, for instance, take on both the novelty-centered as well as the efficiency-centered themes in different parts of their process. As stated, within this role a creative product is being created in a joint effort between several creative and non-creative people and organizations in the first phase. The novelty-centered design theme comes to the front for this phase, as value creation activities in this

part focus on developing distinguishing creative content, leading to an offering of new combinations of products, and services often developed in a new value constellation with new creative partners involved. In the second phase, this creative product is being produced on a larger scale and delivered to consumers through (mass) distribution. Due to the small margins involved in many of these products, the business model underlying this process often relies on an efficiency-centered design theme.

In the past, it was common to split both phases over different entities, with a creative developer focusing on the first phase and a publisher on the second. However, as indicated above, increasingly more creative developers are attempting to take control of a larger part of this process and therefore take on both the novelty-centered theme as well as the efficiency-centered theme within their organization.

> *"As developers, we supply the raw materials, the creative product, and the distance between developer and consumer is actually huge in a classic model because it typically goes from developer to publisher, then it ends up with a distributor, then usually again with a warehouse, which has another distributor. Then it ends up with a number of chains and a number of individual shops. […] So, we started experimenting with the distribution. And in digital distribution, you have an online shop and there you have costs of goods and costs of operation, but that is almost nothing while you achieve direct to customer sales, with the advent of digital distribution that has all become easier." Creative.Org.5*

Organizations that take on the role of the one-off experience providers, typically focus on the novelty-centered design theme as well, with for a significant portion of these organizations an additional focus on the complementarities-focused design theme. As the value creation activities revolve around providing a unique and authentic experience, novelty-focused design themes centered around developing innovative new performances and unique works of art help to set these organizations apart. Moreover, as a one-off experience is often organized in a joint effort between multiple (creative and supporting) organizations, a bundling of different offerings and activities is often provided (e.g., think about all the different offerings from a variety of providers presented to the audience at a festival).

Finally, when using the role of the service provider to form the basis of the business model configuration, the lock-in, complementarities-focused, and efficiency-centered design themes come to the center. The lock-in and complementarities-focused design themes in this regard are inherently linked in this case, as key value creation and appropriation activities for service providers concentrate on extending one-time assignments and achieving repeat business. This is often attempted through being able to serve as a one-stop-shop for a wide variety of creative needs that clients might have. By combining the offerings of multiple external parties, combined with extensive insights on the clients and their sector as well as the offering of a (cost) efficient service can help achieve synergetic benefits and reduce the need to shop around.

Table 8 Main value drivers for generic roles

	Novelty	Lock-in	Complementarities	Efficiency

Mass-producible content providers	X			X
One-off experience providers	X		X	
Service providers		X	X	X

3.4 Breaking the industry recipe

As is evident, each generic role has different characteristics and typical value creation and appropriation possibilities. These roles, however, are certainly not mutually exclusive and many creative entrepreneurs utilize a combination of two or all three of the roles available. For instance, a musician is often both a mass-producible content creator (by making records) and a provider of live-based experience products (by giving concerts) and can at times also provide a service, for instance when the musician records a specific tune for a video game or movie. The three business model roles should therefore not be seen as separate realities, but more as building blocks that each, to a certain degree, can be present to form the basis for a creative organization's differentiated business model configuration. In order to be able to facilitate the identification of possible configurations, a three-axis creative business model role framework is introduced in Figure 14.

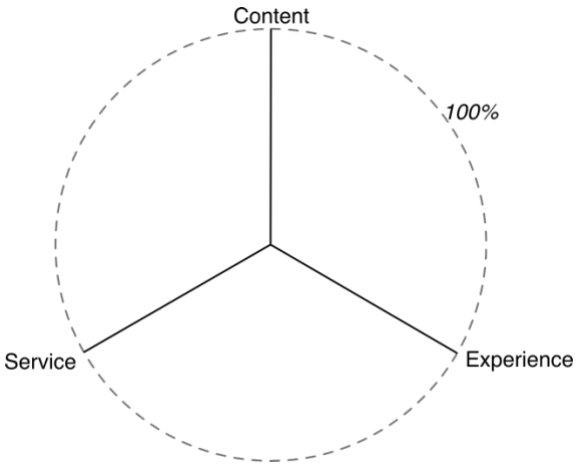


Figure 14 Creative business model role framework

Within this framework, numerous configurations that underlie an individual organization's business model can be formed. It is important to note that there is no one 'best' configuration in any particular situation. Multiple organizational configurations can be equally effective in achieving 'success', as is stressed in the concept of equifinality (Fiss, 2007). However, within each separate sector in the creative industries, a certain focus on one of the three business model roles is commonly dominant, with organizations typically copying each other's approach, especially that of the industry leaders. A practice that is often referred to as following the 'dominant industry recipe' (Spender, 1989). For instance, in the gaming industry, most developers work with a focus on producing their own video games and convert their creative ideas into exploitable mass-produced software (Cohendet & Simon, 2007). The dominant business model logic in this sector is therefore clearly on creating mass producible-content. A

smaller but significant portion of the market has dedicated itself to developing custom made (often educational) games for companies and organizations (Michael & Chen, 2005). These so-called 'serious game' developers focus on a different orientation within the framework as their main objective is to offer a made-to-order value-enhancing service to their clients. Hence, in this sector overall there is a dominant focus on one role, combined with a clear secondary focus on a different of the three roles as identified earlier. However, for an individual organization, countless configurations are possible. Consider for instance a video game developer that combines all three roles, by 1) creating mass-producible video games, 2) developing games as a service for clients and 3) organizing large scale gaming tournaments as an experience-provider (see Figure 15 for a possible configuration of roles in this example).

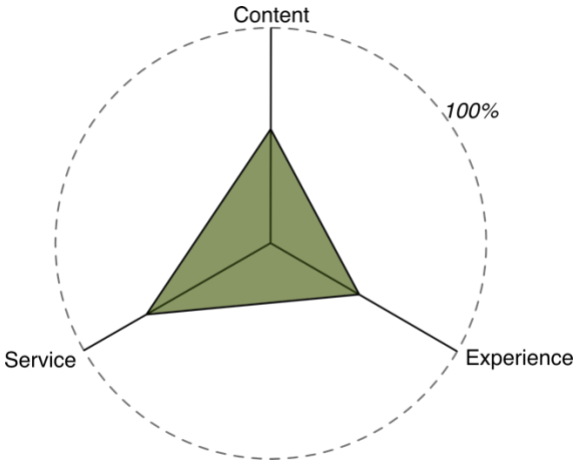


Figure 15 Fictional video game developer

As stated earlier, the structure of the creative industries often finds a small number of large firms that control most of the output and employment (Jeffcutt & Pratt, 2002). For smaller organizations, this poses significant challenges in achieving success. One option for a creative entrepreneur is to find a variety within the dominant business model configuration that enables the company to differentiate enough to gain a competitive edge. For instance, the creative entrepreneur can cater to a particular customer segment or niche or can differentiate by offering a unique product, service, or quality level for instance. Through the use of the framework, however, alternative options for differentiation can be reached. This article posits that a focus away from the dominant underlying role can provide creative organizations with an additional opportunity to mitigate away from the pressure of the larger companies and provide a basis to achieve success in these industries. In this way, the creative organization is able to deliver the output of its creativity in novel forms to new audiences, thereby opening the opportunity for value innovation by breaking free from taken-for-granted assumptions about their sector and its ways of working, and to reach previously unmet audience desires thus creating the possibility to set the organization apart from the industry-recipe-following competition.

In five of the ten examined cases, a combined focus on two of the three generic roles can be found, with the cases portraying a clear focus on one of the roles, combined with a secondary focus on a different role. Together these combinations form the basis of the specific business model of these organizations, allowing them to differentiate from the norm and breaking the

industry recipe. nWave Pictures, Larian Studios, and Boondoggle display a combined focus on creating mass-producible creative content and providing a creative service. Movie studio nWave Pictures mainly focuses on creating its own content in the form of 3D feature films. However, albeit on a smaller scale and mainly when discovering a new market, the organization also works for clients in which they make a (3D) film tailor-made for the customer, for instance for theme parks (Figure 16). Game developer Larian Studios has a similar configuration where the main focus is on creating PC games in-house such as the "Divinity" series that can then be distributed after reproduction. In addition, the developer also creates specific (serious) games for clients as a service provider on request (Figure 16). The advertising agency Boondoggle has a main focus in the business model on being a service provider, whereby a custom-made communication campaign is produced in response to a customer request. In addition, through their LifeLabs initiative, an increasingly larger part of their activities focuses on creating new products and services that can be mass-produced (Figure 17).

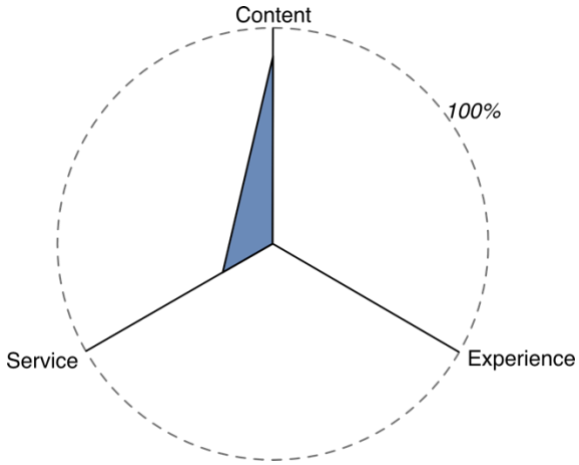


Figure 16 Focus on content (main) and service

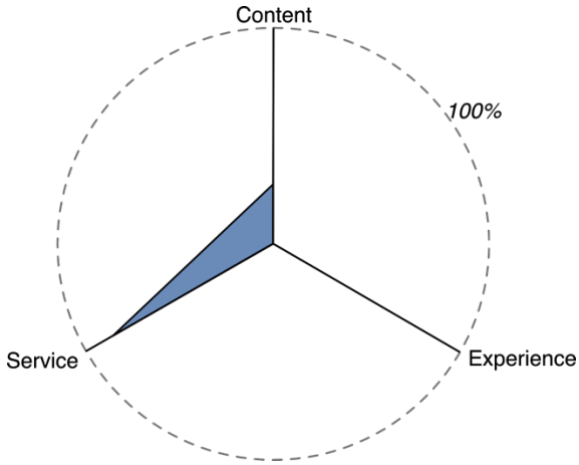


Figure 17 Focus on content and service (main)

Publishing house Podium follows a combined strategy on delivering mass-producible creative content and delivering an experience. As is standard for a publishing house, their main focus is on mass-distribution of content in the form of books. In addition to standard publishing tasks, Podium publishing house is increasingly taking more steps in exploiting the stories in adjacent areas. As a result, the publishing house is progressively acting as a ‘one-stop’ publishing house, which, in addition to performing the publishing tasks, also offers experience-oriented services as agents to its authors and the public. For example, the publishing house organizes stage performances for its renowned authors (Figure 18). Finally, digital agency Little Miss Robot follows a combined strategy for taking on the role of a service provider, as well as creating experiences to its clients and their consumers. Within its main focus on functioning as a service provider, the organization creates customized digital applications for their clients. In addition, Little Miss Robot follows an experience-based role by offering workshops and lectures on innovative digital opportunities for businesses and consumers (Figure 19).

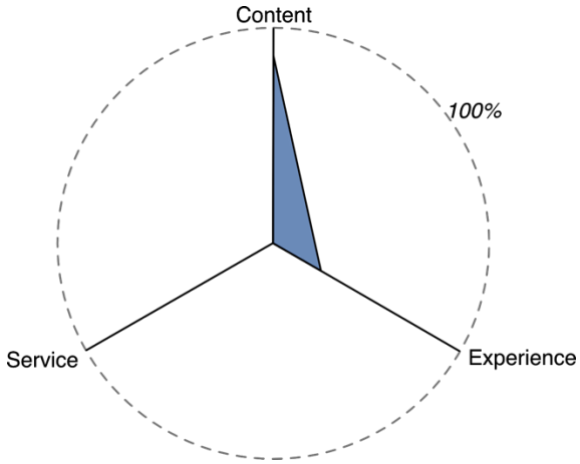


Figure 18 Focus on content (main) and experience

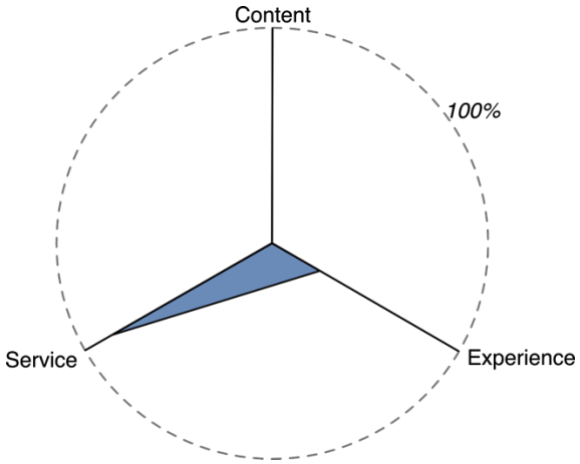


Figure 19 Focus on service (main) and experience

3.5 Concluding remarks

This paper introduced a conceptual framework for evaluating the roles underlying business model configurations in the creative industries, illustrated by a variety of case examples. This paper posits that the framework can be a useful tool for two reasons. First, the framework provides the opportunity to evaluate a single organization's business model logic against the logics of competitors as well as the industry recipe in the sector. Second, the framework can be used as a starting point for analyzing opportunities for differentiation. Especially in markets with a few large dominant players as is mostly the case in the creative industries (Jeffcutt & Pratt, 2002), such an analysis can provide useful insights. The framework is built on the premise that the same final state – organizational success – can be reached through a variety of different paths, and that the success of an organization's business model is contingent on how it relates to models of other players in the industry (Casadesus-Masanell & Ricart, 2011). It is clear that differentiating from the sector's industry recipe is certainly not the only way to become successful. The framework does however give a structure to explore additional differentiation options.

Differentiating from the industry recipe is not always easy, however. For instance, the concept of active inertia (Sull, 1999) is an illustration that breaking through established patterns is very difficult as even very successful organizations have difficulties in adapting to a new way of doing business. Small and medium-sized organizations in the creative industries that face a power imbalance in their respective sector, therefore have the challenging task of balancing between following the sector norm and subscribing to its recipe, and breaking free from the norm, and developing a different underlying logic.

4 Paper C: Combating tensions through business model choices. The case of architecture

Article in brief. This paper investigates the connection between organizational tensions and corresponding responses through specific business model choices for architectural firms. The data finds that the tensions – which are related to the firms' design activities, to their undertakings of getting assignments, and to office organization and administration – find a response through a system of business model activities designed to unlock room for creativity and to strengthen the position of the architectural firm within a construction project with all its stakeholders.

Part 1 Outlining the dissertation	Part 2 Business modeling within an institutional field	Part 3 Business modeling between institutional fields	Part 4 Overall reflection

4.1 Introduction

Organizations within the sector of architecture are increasingly feeling pressure from their competitive environments as they are progressively exposed to financial, economic, and mental constraints (Bos-De Vos, 2017). Due to a variety of factors in the changing environment such as an increase in complexity and regulations among others, many agree that the profession of the architect is facing a new era filled with many challenges. For a long time, there have not been any substantial innovations concerning product or service models (Hyde, 2012). Architects' source of income was and remains largely a percentage of construction fees, and architects focus most of their efforts purely on the design process, a position that has become increasingly under pressure due to ongoing developments in society and the construction industry (Ahuja et al., 2017). This has led to some dire situations for many involved in architectural occupations, and many architectural firms struggle to uphold viable business models as the sector suffered severely from the recent global economic recessions (Bos-De Vos, 2017). For many, it is therefore difficult to survive financially.

The activities of architectural firms can be regarded as project-based undertakings of creative professional service firms. This latter means that as an organization, architectural firms are hugely reliant on the creative input, talent, and motivation of their staff to exercise their expertise and find one-off solutions to unique spatial challenges (Mangematin et al., 2013). As creative professional service firms, architectural firms constantly need to balance professionalism and efficiency with artistry and creativity in order to fulfill all goals set forward in each of the projects, leading to the practice of architecture often appearing to be a rather ad hoc process, dependent on the uniqueness of each project. However, despite the deceptive adhockery of the process of each individual project which seems to indicate that there cannot be any rule book or operating manual to address all of the scenarios an architectural firm may encounter, architectural practice is far from continuous improvisation and often relies on strict protocols.

In the past years, there have been a few studies that specifically focus on the management of architectural firms and its business models, often focusing on the specific dependence architectural firms have on economic fluctuations as well as on the wills, ambition, and budgets of their clients. For instance, Manzoni and Caporarello (2017) show how architectural firms are conscious that being too art-oriented or quality-driven can result in designs that are impossible to be realized because they do not meet clients' technical or economic requirements. Moreover, it has been often claimed that architectural firms tend to struggle with their entrepreneurial side, an argument often made when considering creative organizations (e.g. Werthes et al., 2018).

Bos-De Vos (2018) investigated what specific value propositions and value capture strategies are being employed by architectural firms in the Netherlands. The results found four types of value proposition, namely 'project assistance' (services to facilitate the start or further development of an urban area or real estate development), 'product design' (services that are delivered to come up with a design of an urban plan, building, or interior), 'product development' (process-oriented services that are needed to realize the designed product), and 'business case development' (services that are necessary to design and realize a

marketable product, which has its own revenue stream). Furthermore, three types of project-specific value capture strategies were identified: strategies to negotiate one's role in a project, strategies to capture value in the project-based interaction with a client, and strategies to attain firm goals in a project.

4.1.1 Trends in construction projects

In recent years, the broader construction industry has been undergoing several significant trends that highly affect the manner of functioning of architectural firms. In particular, the separation of roles and responsibilities among the three main parties involved in any construction project: the client, the contractor, and the architect is being challenged. These changes can be divided into three broad categories, which are changes in 1) technology, 2) process, and 3) attitude/mentality. The trends seem to have a strong effect on the position of the architect as its once-powerful position of the lead in a construction project seems to slowly erode.

First, the advances in technological tools have created more opportunities for different players within the construction value chain to take up parts of the traditional architectural role of designing. These new technologies such as Building Information Modeling (BIM) are profoundly changing the process of designing, building, and communicating and therefore alter the activities, responsibilities, and value chains that accompany these processes (Bryde et al., 2013). Moreover, other new techniques of communication and information distribution are changing consumer expectations of access to information and options, making clients both more sophisticated as well as more demanding consumers, adding many new activities to the architects' spectrum of work without affecting the architects' compensation. Second, the increase in new governance forms for construction projects, such as Public Private Partnerships (PPPs) and other forms of integrated project delivery has resulted in more diverse, often marginalized, roles for architectural firms involved in projects, with increased responsibilities for contractors or consortia of large organizations that are able to offer clients all-inclusive service delivery (Bos-De Vos, 2018). In effect, this changes the power dynamics within the construction value chain, making the architect often contractually obligated to the contractor instead of the end-user of the building. Duffy and Rabeneck (2013) argue that the construction industry has been increasingly shifting the focus away from delivering architectural value that benefits society in the long run towards easy project delivery. Rather than designing to maximize the potential benefits for the public good, the interests of most architects, they argue, have become dependent on and therefore aligned with the interests of the construction industry, in itself limiting the role the architect plays in the whole. Third, a surge in design activism among architects has caused many architects themselves to reposition themselves and seeking new roles and taking on new positionings as the singular focus on design is often seen as being too limited and too much dependent on other (more capital-strong) participants in the building process to make an impact, leading to a decrease in architects' professional autonomy in projects and resulting in many architects feeling undervalued and marginalized (Ahuja et al., 2017).

Due to these broader developments, it is therefore increasingly often stated that the profession of architecture is seeing a crisis of identity and role in the industry (see e.g. Jia et al., 2017). As a result, managerial challenges are rising, as the increasing pressure on architects is

causing the need for fundamental choices in the way these firms are operating. The question thus arises what business model solutions do architectural firms use to position themselves within the larger construction value chain and deal with the current tensions? In this paper, this will be explored further using an institutional theory approach to the concept of business modeling.

4.1.2 Tensions and organizational responses

As is often stated, every organization exists in a specific physical, technological, cultural, and social environment to which it must adapt (e.g. W. R. Scott & Davis, 2006). No organization is self-sufficient, all depend for survival on the types of relations it establishes with the larger systems of which they are a part. From a strategic point of view, the environment is then seen as a repository of resources and opportunities, but it can also be seen as a source of constraints, demands, and threats. Therefore, institutional theory states that in order to really understand individual and organizational behavior, this must be viewed from its social and institutional context, and this institutional context both provides opportunity for agency and change as well as delivers the basis for (ir)regular organizational behavior (Kraatz & Block, 2008).

Following this theory, organizations act reactively to their environment, which contains internal and external stakeholders who hold conflicting and contested beliefs about the appropriateness of certain specific organizational actions (Glynn et al., 2000), and who pose conflicting pressures on how to behave. This can result in (paradoxical) tensions for the firms facing them. Paradoxical tensions are “cognitively and socially constructed polarities that mask simultaneity of conflicting truths. Unlike continua, dilemmas, or either/or choices, paradoxical tensions signify two sides of the same coin” (Lewis, 2000, p. 761). Accordingly, Schad et al. (2016) state that paradoxes are persistent contradictions between interdependent elements, highlighting that both contradicting choices are also highly related. Tensions occur because the conflicting demands “seem logical in isolation but absurd and irrational when appearing simultaneously” (Lewis, 2000, p. 760). Examples of paradoxical tensions include autonomy vs dependence, reason vs imagination, and exploration vs exploitation. The latter paradox is one that is often referred to in management literature, in which exploration is the search for new possibilities – a process that relies on capabilities of risk-taking, experimentation, and play – while exploitation is the focus on and use of old certainties, which relies on polar opposite capabilities of refinement, efficiency and implementation (March, 1991).

As is evident, the existence of organizational tensions poses challenges to an organization’s business model. In the past decades, several manners of conceptualizing business models have been proposed in literature. This paper takes on the approach of Zott and Amit (2010) who define a business model as the bundle of specific activities that are conducted to satisfy the perceived needs of the market, including the specification of the parties that conduct these activities, and how these activities are linked to each other. The ‘activity system’ enables the firm, in concert with its partners, to create value and also to appropriate a share of that value. As such, this approach is a further conceptualization of the most shared viewpoint that regards business models as the system that creates, delivers, and captures value. The activity-based approach enables an analysis of how the organization, in dialogue with its environment, is

able to create value and in what way the specific activities unlock the possibility to appropriate a share of that value. By focusing on specific activities that represent direct operationalizations of the organization's core values, as well as on how these activities are bonded together in a larger coherent and reinforcing scheme, this perspective takes on a holistic approach towards an organization's capacity for value creation and appropriation.

In the past, paradoxical tensions were often viewed in terms of tradeoffs or either-or situations. Business model solutions advocated in the past often therefore proposed spatial separation: creating physically separate business units or two distinct organizations, each charged with dealing with one of the two oppositional choices (e.g. Porter, 1996). Previous research particularly focused on paradoxes and tensions in architectural firms have been limited, especially connected to business model solutions. However, the few studies have provided some interesting findings. In analogy with Manzoni and Caporarello (2017), the previous findings have been grouped under the four categories of paradox that Lewis (2000) distinguished: performing paradoxes that relate to goals, belonging paradoxes that relate to relationships, organizing paradoxes that relate to process, and learning paradoxes that relate to knowledge.

In the *performing* sphere, there is a constant tension for architects in their efforts in creating a project that is both symbolic on a high level as well as profitable (Manzoni & Caporarello, 2017), or the common creative industries tension between artistry on the one hand and pragmatism on the other (Caves, 2002). DeFillippi, Grabher, and Jones (2007) find that this tension can make its way down to the individual level, and consequently confront an individual's professional and artistic attitude against the overarching organizational logic. This tension between artistry and pragmatism is amplified by the fact that clients' budgets are often limited, while their ambitions regarding aesthetics can be large (Manzoni & Volker, 2017).

Relating to *relationships*, a second tension that has been uncovered is in projecting the lead architect's point of view on a design, while incorporating the ideas of others involved, such as clients or contractors (Manzoni & Caporarello, 2017). The history of clientage in architecture and how it influences design and the corresponding outcomes have been central topics of many historical analyses of the field (Blau, 1984). As the earlier mentioned changing power relations between the three core roles within a construction project (the architect, the contractor, the client) indicate, the role of the architect as the sole responsible provider of design and aesthetics is rapidly changing, with impetus, knowledge, and expertise coming from all stakeholders involved. This could lead to relational tensions between the lead architect and others whose voice would like to be heard.

The third group of tensions is related to *organizing* practices and procedures. Gaim (2018) states that the creative basis of the work of architectural firms has peculiar characteristics when it comes to workflows, sources of status, work styles, modes of thinking, and dominant logics, which is also fortified by architects' training which emphasizes innovation, problem-solving, and the creative process. Therefore, the work of architectural firms can be assumed to be somewhat divergent, impulsive, and messy (DeFillippi et al., 2007). This is in stark contrast with another key process within the practice of architecture, which is the very structured method of detailing all the plans so that all aspects of the whole fit together, are in code with regulations and are delivered in a format that is directly useable by (sub)contractors

(see the increasing popularity of technological tools to this effect, such as BIM as earlier mentioned). As such, the processes of architectural practice balance between order and chaos, organization and disorganization, stability, and change (Gaim, 2018), or as Manzoni and Caporarello (2017) describe, architecture needs to be musical (creative), structured and emotional all at the same time.

A final group of tensions is referred to as *learning* paradoxes. This conveys to the field as architecture as a constantly growing knowledge base to which all future designs can relate. On an industry level, Picon (2013) states that an important role in architecture is dedicated to its history, which emphasizes that architecture is as much a tradition as a discipline. “A tradition, a living tradition that is, is not something static. At each stage, it implies transmission, but also a series of reinterpretations as well as abandons, the price to pay for innovation” (Picon, 2013, p. 132). This group of tensions has also been found on organizational and individual levels, as found by Manzoni and Caporarello (2017, p. 60) who describe a need for balancing the interplay between innovation (new knowledge) and tradition (old knowledge): “as a company grows larger, there is a risk of buildings becoming less unexpected and surprising, because a signature […] can become cumbersome.”

This paper focuses on these kinds of organizational tensions, as it researches how particular business model choices and activities of architectural firms help them to mitigate the tensions they are confronted with.

4.2 Approach

This paper follows a multiple case study research design, which enables studying the phenomenon of institutional plurality and its complex relation with business modeling. Moreover, the holistic and contextualized research setting (Yin, 1994) has a natural fit with the before-mentioned holistic nature of business models (Zott & Amit, 2010), and allows for both in-depth within-case analysis as well as cross-case comparisons necessary to find emerging patterns (Eisenhardt & Graebner, 2007). Through a method of purposeful intensity sampling, seven cases are selected that provide “excellent examples of the phenomenon of interest, but not highly unusual cases… cases that manifest sufficient intensity to illuminate the nature of success or failure, but not at the extreme” (Patton, 2002, p. 234). Using expert advice for case selection, architectural firms with diverse focus orientations and ages and sizes were selected using several criteria. The expert advice was the result of interviews with representatives of architectural sector organizations, including the Flemish Architecture Institute (Vlaams Architectuur instituut, VAi), and the regional organizations Architectuurwijzer and AR-TUR, as well as information gathered during the ‘Architecture in Flanders Expert Meeting’ in December 2018, organized by the VAi to discuss the current state of architectural culture in Flanders. Besides the criteria that the organizations had to come from architecture or urbanism, must be located or had done projects in the region of Flanders, Belgium, to ensure similarity in context, and had to be identified by sector experts, cases were also selected on their willingness to cooperate, and their size in which very large architectural firms were not considered as they are firstly not very common in Flanders and therefore represent clear outliers (in 2015, only 13 architectural organizations out of 9.417 - which equals just 0,13% - reported more than 30 employees (Van Andel & Schramme, 2015)), and secondly arguably

because of their size adhere to their own specific contextualization that makes any comparison render obsolete. Moreover, as has been emphasized by the American Institute of Architects, smaller firms tend to be more nimble in making changes to their organizations and much of the innovation in entrepreneurship and business models are coming from small and mid-sized firms in this sector (AIA, 2014). When zooming in on the chosen architectural firms, a broad representation of different architectural project types (private residential, residential development, offices/industrial projects, governmental/public buildings, and geographical masterplans) is present, as well as different geographical locations throughout the region of Flanders (and one organization from abroad), different governance forms, and different types of client organizations (public, semi-public and private). The chosen cases are Architects in Motion (Turnhout, Belgium), AWG Architecten (Antwerp, Belgium), Faktordertig (Antwerp, Belgium), de Gouden Liniaal Architecten (Genk, Belgium), Neutelings Riedijk Architecten (Rotterdam, the Netherlands), Talud (Leuven, Belgium), and Trans architecture I urbanism (Gent, Belgium).

A combination of different data sources was adopted to acquire a deeper understanding of the dynamics involved in order to diversify data and reduce biases (Patton, 2002). Data for this paper were collected through a combination of nine semi-structured in-depth interviews with the members of the different organizations, and – to further understand the context of architecture in Flanders and its current challenges – complemented with three expert-interviews with architecture professionals from sector organizations in Flanders (Flanders Architecture Institute – VAi, the platform for information about architecture from Flanders and Brussels; Architectuurwijzer – a cultural architecture organization, rooted in the province of Limburg; and AR-TUR – the center for architecture, urbanism and landscaping in the Kempen region), and discussions recorded at during the 'Architecture in Flanders Expert Meeting' in December 2018, organized by the VAi to debate the current state of architectural culture in Flanders where the most salient issues currently facing architecture in Flanders were discussed among a select group of insider experts. Moreover, an analysis was performed on internal and external policy documents in which the organizations reflected on their inner workings and public presentations. An interview guide was designed to provide insights into how the interviewees perceived the current practice of architecture, and which business model decisions were being made in response to these. It was made sure that the interview guide provided flexibility for self-identified topics to be raised as appropriate.

4.2.1 Analytic procedure

Through thematic analysis, themes have been identified, analyzed, and interpreted. In order to enhance transparency in the analytic procedure, this paper has followed the six-phase guide for thematic analysis by Braun and Clarke (2006): 1) becoming familiar with the data, 2) generating initial codes, 3) searching for themes, 4) reviewing themes, 5) defining themes and 6) write-up.

Familiarity with the data was achieved through (re)listening to all tapes, transcribing each interview verbatim, and rereading the transcripts, along with a revisiting of field notes taken throughout the research process. Next, in a first-order coding step the original transcripts were coded into larger chunks using NVivo, with codes reflecting the main content of each passage (a passage ranging from a sentence segment to multiple sentences). Each code was formed

using the wording from the original text (in the original language) and reflected the content of the passage as closely as possible, without attempts for interpretation in order to reduce early coder bias. After finalizing the first-order coding step, these initial codes were aggregated into overarching groups, following a 'meaning rule': labels were compared and contrasted against similar labels, forming common groups that represented larger chunks of data that refer to a similar topic.

These first-order aggregated coding results were further organized by placing the groups of codes within one or several of five pre-defined general categories that were used to guide the analyses. These pre-defined general categories represented the main topics in the research (Table 9). It is important to note that these categories were not mutually exclusive, meaning that groups of codes that could be attributed to multiple general categories were duplicated and assigned to each applicable category.

Table 9 Pre-defined general coding categories

Main coding category	Description
Architectural sector	References to the inner working of the architectural sector
Business model actions and activities	References to specific business model actions undertaken
Internal organization	References to how the focus firm is organized
Paradoxes / Tensions	References to specific tensions felt by the focus firm
Values and beliefs	References to specific convictions, values, beliefs, and norms of the focus firm/interviewee

Within the general categories, themes were identified in the next step through a process of second-order coding. A theme captures something important about the data in relation to the research question, and represents some level of patterned response or meaning within the data set (Braun & Clarke, 2006), and searching for them involves an active process of constructing them from coding the codes (Clarke & Braun, 2013). As such, it is highly analogous to the process of axial coding, which is used in the grounded theory approach. No rigid rules were followed as to how prevalent in terms of occurrences a specific pattern needs to be considered a theme. Researcher judgment is applied here to evaluate the significance of a certain pattern in relation to the overall research focus, with little dependence on quantifiable measures. In this sense, this form of thematic analysis is data-driven and as such resembles the elements of grounded theory. This process was aimed as the first attempt of theme identification, in which the themes found stayed close to the original data, minimizing data-interpreter bias. This data-driven process step resulted in themes that not necessarily bear a close relationship with the actual questions that were asked to the participants, but uncovered overarching themes that could be extracted from the respondents' answers. For the theme identification, a semantic approach is utilized, indicating that themes are identified within the explicit or surface meanings of the data, and the analyst is not looking for anything beyond what a participant has said or what has been written at this stage of the research process.

To further understand the content of the most relevant themes, line by line coding was applied. This technique was aimed at coming to a full understanding of the content of each theme and allows for further analysis of each theme in relation to its coded extracts as well as to the rest

of its data set. The line by line coding helps to define the nature of each individual theme as it breaks down each separate segment into its core components. As such, it helps to further define and explain the story each theme tells, coming to the essence of each theme. For aligning the analysis of each passage, the number of words per line is fixed at approximately fifteen. The advantage of this extra step in the analysis is that it brings a deeper understanding to the first-order and second-order coding categories assigned to the segment. By merely focusing on following a standardized qualitative routine of coding transcripts, and second-order coding these codes, a researcher runs the risk of reducing the data beyond the essence and nuance that is hidden in the text. The line by line coding, however, brings the analysis back to a deeper level, creating a more thorough understanding of each theme.

Utilizing the line by line coding analysis, in a fifth step, all arguments within a single theme are internally categorized, highlighting the different manifestations that are inherent in a particular theme. To further structure this step of defining the content of each theme, a conditional relationship guide as developed by Scott (2004) is created. “When grounded theory analysts code reflectively, we are acting very much like investigative reporters, asking the questions, what, why, when, how, and with what result or consequence (Strauss & Corbin, 1998). Answering these questions weaves the loose array of concepts and categories we unraveled and sorted in open coding back together into a pattern. The constant comparative nature of the questions ensures that our patterns are not merely woven into two-dimensional pictures of reality, but rather woven into the much more complex, three-dimensional constructivist ecology of the participant” (K. W. Scott, 2004, p. 115). Table 10 provides the setup of the conditional relationship guide. The guide provides for each theme answers to the questions: What is [the category]? Why does [the category] occur? How does [the category] occur? When does [the category] occur? With what consequence does [the category] occur or is [the category] understood? For this paper, the standard conditional relationship guide has been utilized in an adapted form to further categorize the business model responses by the architectural firms, in which the column when refers to specific actions employed by the architectural firms, and the column consequence refers to the tensions combatted by each business model choice.

Table 10 Conditional relationship guide example

Category: name				
What	Why	How	When	Consequence
What is [the category]?	Why does [the category] occur?	How does [the category] occur? What practices are manifestations of [the category]?	When does [the category] occur?	With what consequence does [the category] occur?

As a final refinement of the themes, and to arrive at a complete understanding of the theme, including its subthemes and their interaction and relation to one another, thematic mapping is applied. A thematic map or thematic network illustrates the relationships between themes and provides a narrative that binds all related information together (M. Maguire & Delahunt, 2017). These networks are web-like illustrations that summarize the main themes constituting the research. “The thematic networks technique is a robust and highly sensitive tool for the systematization and presentation of qualitative analyses” (Attride-Stirling, 2001, p. 385).

It is important to note that this process has not been interpreted as a per definition linear one. As Braun and Clarke (2006) explicitly note, thematic analysis involves a constant moving back and forward between the entire data set and the coded extracts of the data. As such, the researcher can and should move forward and back between the different phases, as has been done throughout the analysis, whereby audio recordings, field notes, and transcripts were revisited often throughout early data pattern discovery to ensure the analysis was indeed indicative of the data. Another important note to keep in mind is that the cross-case analysis performed through this approach does not have the aim to generalize findings across the whole population of alternative architecture firms. Rather, the cross-case analysis aims to explore the issue of business model decisions in situations of organizational tensions within the context of architectural firms, and thus attempt to bring new possible explanations about the 'black box' inner workings of business modeling in this particular situation.

4.3 Results

The findings show that the work of an architectural firm can in essence be divided into four blocks that either concern *core design activities* or *supporting activities* (Figure 20). Within the group of core design activities are all the activities involved in actually carrying out the assignment. Activities in this block range from creating the design, to communicating with clients, contractors, and other stakeholders involved, and overseeing the construction site among others. From the data, it is clear that the different design assignments can be divided broadly into two separate sections. On the one hand, there are the assignments that can be assembled under the umbrella *meaningful projects*: the design projects that bring internal pride, and external esteem to the office. These are the assignments that the architects enjoy working on, and are the projects that the architects envisioned working on while training for their craft in their education. Typical examples range from the design of large public buildings, complex urban assignments to designing the dream residential home for a family. However, many architects and architectural firms aren't able to survive solely on this type of assignment, as they are often highly competitive, don't come in frequently, and as a result are often largely underpaid. Therefore, a second type of assignment can be assembled under the umbrella *necessary projects*: all architectural projects that the architectural firms undertake that provides them with the profits and cashflows to sustain their operations. Examples of these often less creative and challenging design jobs range from repetitive design work for larger real estate developers to small-time renovations and extensions in private residential constructions.

Closely related to this first group of core design activities are all the activities that are necessary for getting an assignment: the *work to get assignments*. This category spans both the *core design activities* and the *supporting activities* groupings, since in order to get assignments, architects need to perform design-related activities (entering into design competitions, creating design visions and delivering preliminary visualizations based on client briefs), as well as supporting activities (prospecting, networking, etc.). A fourth building block of the total work package of an architectural firm is all the work that needs to be done to organize the firm. This includes all office administration regarding (work) contracts, online presence, office finance, as well as keeping up to date with regulations, technical developments, etc. Moreover, it involves essential strategic tasks, such as strategic thinking

and planning, as well as environmental scanning in order to prepare the organization for current and future challenges.

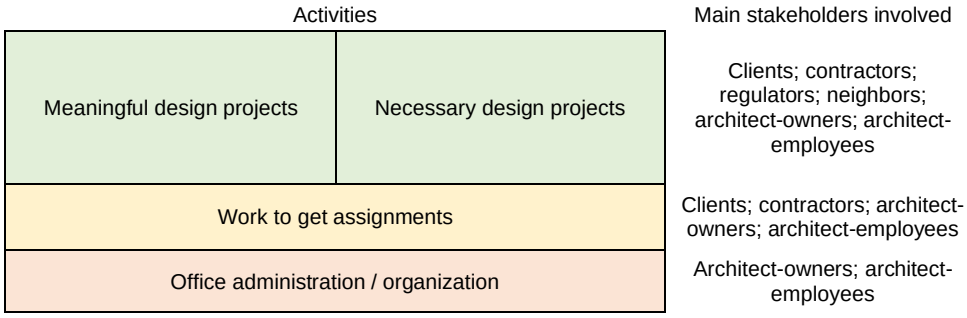


Figure 20 The work of an architectural firm

As every block has different activities, tensions can result from a variety of sources. First, tensions can result as available time and resources need to be divided over the four blocks, with each block needing a minimum amount of time, energy, and resources spent for the whole operation to function in the long run. Second, as each type of activity involves different stakeholders, each with its own agenda, tensions can arise when dealing with these influences the architectural firm's operations. The following section presents the most salient tensions as they are experienced by the focus firms. These tensions are grouped by the activities they most closely refer to (design activities, getting assignments, and office organization (see Table 11).

Table 11 Tensions as experienced by focus firms

Tensions related to design activities
Balancing different interests
Balancing different inputs into the (design) process
Balancing project choices
Tensions related to getting assignments
Balancing investment of resources towards finding assignments
Balancing between design brief and creative optimal solution
Tensions related to office organization and administration
Balancing between allocating resources between design and supporting activities
Balancing firm goals and individual employees' goals

4.3.1 Tensions

Tension related to design activities

The first group of tensions relates directly to the core function of architectural firms: their design activities. Within this group, three sources of tensions are distinguished. First, a balancing of different interests is required, as any construction project entails a complex assembly of different stakeholders, each with its own needs and desires. Second, the architects need to balance different inputs into their design process, giving possibilities for

conflicts. Third, architects need to make important choices regarding the projects they choose to undertake.

Balancing different interests

The first source of organizational tensions comes from the understanding that architecture is a service-providing occupation (Bos-De Vos, 2017). Therefore, per definition, an architect doesn't work purely on its own creations, but rather (mostly) works on assignment. In general, an architectural work starts from a request from a public or private client, which could be as diverse as the end-user, a public governmental organization, or a for-profit developer for example, and needs to adhere to a client brief as well as it needs to use a given location that both provides opportunities and poses challenges. Moreover, each design needs to fit in with local and national regulations and societal norms and needs to consider besides the direct client also the needs of the future inhabitants and users of the construction in case these are not the direct clients, as well as its current and possible future neighbors.

> *"The interest goes even further than the interest of the developer because they sell it. What we have to do is defend those interests that are not the interests of the developer but with an understanding of what that developer asks for." Arch.firm.3*

Considering these elements means that the architectural design process by definition is not performed in total freedom, but the actual creative and artistic freedom is very limited and contingent. This freedom is increasingly being limited as indicated in the earlier-mentioned trends in the construction industry which are changing the prior power dynamics within a project. For instance, entries into design competitions are increasingly organized by complete consortia that are formed around the main contractor or developer of the build, who then functions as the central figure. The architectural firm is in those cases under legal contract of the builder instead of the actual initiator of the design competition, or the end-user.

> *"Then we are actually organized under a contractor or consortium. In those cases, you are actually broad aboard just to make a difference in the competitions, because as an architect you have to come up with the right idea. So, your client is actually the contractor, who then works from a kind of profit model rather than looking for how they can actually strive for maximum quality." Arch.firm.1*

> *"Recently, I ran into a colleague and he said he was depressed after doing three DBFMs, you're being used: 'I choose a particular material, and the contractor says it is too expensive you can choose an alternative between this and that.' Every time you have to give in, to give in, to give in. In the end, you realize that it's not the project I initially designed." Arch.firm.2*

Moreover, one important parameter in any construction process is the available budget, which is often not sufficient for realizing all the desires that are embedded in the design brief. Especially in times of economic downturn, discussions about budgets and resource allocation can become sharp and contentious, even if additional investment in the design phase can in the end prove to be profitable for all parties involved.

> *"And developers come and push and have their return on investment in mind. But I do think you should try to keep pushing back for that 20% and say: 'we know what we're doing. Every day we study how to build in a city, in a village, in the green, next to the water, …'" Arch.firm.4*

> *"If an architect or a designer can work one hour longer to optimize a project again in function of modulation or efficiency, you save a multitude of that flimsy fee. It is incomprehensible that people do not understand that if you force an architect or a designer to work on a very low fee, that that cannot lead to more or higher profits in the end. That's fiction." Arch.firm.7*

A final point of potential tension is that for most clients, their assignment is a one-time project, while for the architect this particular project is also part of their long-term learning process, which will also form part of their career-based portfolio. Moreover, everything that is being built will also be part of the urban environment for many years to come. In that sense, any newly constructed building has a direct relation to previously designed buildings that have been part of a city and its atmosphere for many years and will be compared in quality and aesthetics to previous realizations. As such, again different interests are at play.

> *"For them, that is a finality, but for us, we are in a growth process with results that end up in the world and in public space, and people have to look at it for 50 or 100 years. For us, it is part of our learning and development." Arch.firm.7*

> *"I think it is important to think: what are we actually building as architects? We will build what our city will look like in the next 50 years and then I think it deserves a little more reflection than we can sometimes give." Arch.firm.4*

> *"The evidence in history is overwhelming that you have not done as well as many others have done before you. It can be very paralyzing if you look at what others have realized in the past. But in the end, we concluded that if you continue to mirror yourself, then nothing will happen anymore." Arch.firm.7*

Balancing different inputs into the design process

The increased complexity of construction processes, coupled with the outside knowledge and expertise required to execute a successful design process can be a second source of tension as it brings a requirement to work with a large number of different specialists and stakeholders at the same time. The socio-economic, social, and cultural changes, as well as the rapidly changing legal framework, are almost impossible to follow as an individual architect or small firm, making it almost a requirement to work with outside specialists and incorporate their input into the design work. This increase in the number of specialists involved can bring tensions

as the architect is not the only advisor to the client but usually form a part of a larger, multidisciplinary team. As such, the architect often does not operate in complete freedom in the area for which they are mostly exclusively responsible.

> *"Architects who are not surrounded by a multidisciplinary team can no longer follow the pace. They are threatened to merely undergo the design and construction process in the future and slip down to become the fifth wheel." Arch.firm.2*

> *"Ever since the industrialization in the 18th and 19th century, more and more specialists emerged: a constructor, a specialist for HVSC, a safety advisor, a fire safety advisor and so you see that the position of the architect is also subject to change because he should relate increasingly more to those other advisers of the client as well." Arch.firm.1*

Balancing project choices

The third source of tensions that are directly related to the core activity of design is linked to the fact that not all architectural projects give the same amount of satisfaction and require the same amount of creativity and artistry. The architects from the focus firms clearly make a distinction between on the one hand assignments that are meaningful to them in a certain way (e.g. because it gives prestige, it posed an architectural challenge, or it involved the satisfaction of working on making the dream build come true for the future inhabitants), and on the other hand the assignments that were necessary to execute because they provided the needed cashflow. Oftentimes, architects operate at a loss when working on the most meaningful projects, as these costs take a considerably larger investment in time and resources to develop, and they are often more highly sought after by other architects which gives a lot of competition on winning the assignment which could lead to price concessions.

> *"We are not averse to working with a developer. We now have one project with a developer for 50 apartments and yes, that is our salvation. We have about 20 projects per year and this one project can make up for 18 or 19 loss-making projects." Arch.firm.5*

While many of the more meaningful projects come with their own concerns, as they might give the most satisfaction but are not always the easiest to work on.

> *"That direct contact with a resident is still one of the most beautiful things, you get a lot of satisfaction from it. But, it is so intensive working with people and their family life. People do not take time off to go to an architect: 'Can't we meet in the evening or during the weekend?' But if you build 20 houses per year, then you spend all your weeknights on it, and we no longer liked that. So yes, we had to find some balance in that." Arch.firm.5*

Similarly, a project that starts out as a very meaningful project can throughout the extended execution time develop aspects that are unwanted (e.g. budget cuts, last-minute changes in the client's specifications), or against the architectural firm's core values (e.g. replacing previous eco-friendly decisions). This can cause the firms to be forced to make consequential decisions.

> *"But then you have been investing quite a long time anyway and those are difficult decisions because that costs turnover… I can imagine that others put their principles aside and then continue with a difficult project or whatever to save the turnover. But wasn't it said that the more you say yes, the higher the turnover the more you say no, the higher the gains?" Arch.firm.7*

Comparably, all of the architects mentioned the need for a certain type of balancing between 'dream' or 'unique and artistic' projects, and 'necessary' or 'repetitive' projects.

> *"I'm not saying that everything we do now are my dream projects. That is the ambition at some point. […] In the beginning, you are balancing, you must have projects so you take on everything, but you also have to make sure that at some point you say, I do not do that. Because otherwise your network will not be expanded in a certain direction and the same projects will continue to come and there will be no room for the other projects. You have to dare to leave enough space and that is very difficult." Arch.firm.4*

> *"You have to ask yourself when talking about a sustainable model for architectural firms, what is the balance between creating unique pieces and the work that is repetitive. So, the work where you actually create a unique 'work of art,' or something that can and will be copied, literally. And you have that balance in the types of works: museums vs. houses that can be repeated endlessly. But you also have that balance within a project itself, elements within it." Arch.firm.1*

> *"You have to keep doing private residencies to keep in touch with what an individual person or family needs, which changes over time. From the moment you only build for developers or only social housing that is about repetition, then you build for an unknown client. So, you automatically do things that make an abstraction of living, and is not focused on an individual's housing needs." Arch.firm.5*

Tensions related to getting work

Besides tensions related to the design activities, the second group of tensions can be distinguished that include tensions that relate to the group of activities designed to getting work. In particular, two main sources of tensions are distinguished. On the one hand, architectural firms need to balance their investment of resources towards finding assignments, and on the other, a balancing act needs to be performed between strictly adhering to the design brief as it is presented to the architects and crafting a creative optimal solution when competing for a new assignment.

Balancing investment of resources towards finding assignments

Even though it does happen that architects get asked directly for a particular assignment (e.g. often in the case of smaller residential housing projects), participating in design competitions is the most common way of getting prestigious and larger-scale assignments as an architect. Such participation is often unpaid, or in the cases that compensation for participating is

provided, this does not cover the investment required in terms of hours and budget most of the time.

> *"It used to be almost at the direct request of cities and developers. More and more under the influence of the market, the selection is based on the candidate's submission of a vision or through competitions. And looking at the energy and time that we have to spend in competitions in recent years is that you must enter ten competitions to win one. And that requires a lot from an agency." Arch.firm.3*

> *"The compensation is actually always too little; it is only in competitions initiated by the Flemish Government Architect that you really… nowadays that is 10,000 to 20,000 euros to participate in a competition. And that is realistic because you often invest 1,000 hours in it. And then you still make a loss, but you will not perish. But in small competitions, then it is between 1,500 to 4,000 euros for actual reasonably large public buildings, which is actually absurd because we make a lot of losses there. But yes, that is one of the few ways for us to get such an assignment." Arch.firm.5*

> *"In some we step in. We don't always agree with the systems of those competitions, but yes, if you want to do those things you sometimes have to participate because otherwise you just will not be able to do anything at all. You can of course be very rigid about this and say 'we will not do that,' but in the long run you will compete yourself out of the market." Arch.firm.1*

All firms interviewed agreed that the burden placed upon the organization to compete is very large. This is similar for both the smaller as well as the relatively larger agencies.

> *"In a large agency, with a portfolio where deadlines have to be met, when a competition comes in and you are forced to answer those kinds of things in the short term, then something like that will impact you a lot. […] We can say that we are as horizontal as we can, but you are always dealing with employees. And at some point, they just go crazy. They make too many hours, need holidays and recuperation. We are dealing with that. You cannot go on endlessly." Arch.firm.3*

Balancing between design brief and creative optimal solution

The second source of tension in the process of getting work for the architectural firms is in the design brief the firms are confronted with. One common complaint is that the amount of detail required in competitions is steadily increasing, to the point that it stifles the actual quality that can be delivered.

> *"You can see that what has to be delivered in a competition is increasing all the time and it is out of proportion, in my opinion, to making a better or a more correct choice. Increasingly more is being asked, and I am not convinced that a more correct or better*

> *decision can be made, while I myself see that certain things are not discussed at all that I think are very crucial to making the right choice." Arch.firm.1*

> *"Sometimes we get the question: 'could you make a vision by next week? It doesn't have to be much, but we would like to know what it will look like.' Then I think what are you actually asking of us? If there is one thing we cannot promise in advance, it is what it will look like. We do not have a catalog of this is how our projects look like. You start from the context, and who is the client, what is the question, what is the difficulty, and who are we, what have we experienced in the past, and what are we experiencing now? You can create a project together with the client. And within the competition format that is often partly excluded." Arch.firm.3*

In addition, commonly the people responsible for making the design brief, and the people that are selected to form the decision-making body in a competition often do not have the expertise in spatial matters and architecture to be able to focus on the right details.

> *"This is certainly the case in competitions. There are 12 people there, and perhaps two of them have a spatial background." Arch.firm.6*

Additionally, an extra concern raised by the architectural firm is that the act of designing is not finished after the drawings are presented to the client. Many decisions are still made during the build itself, and it is exactly these decisions that make the difference for a project to become high-quality architecture. By requiring too many decisions to be made in an early stage, such as in the competition phase, the room for further adjustments gets limited.

> *"They [the clients] think: design, then sketch and hand it over. But then it actually starts. It has to be realized. […] You have the design but most of the details are determined during the construction process. I'm going to use that material, I'm going to use those eaves, that rain drain, that window sill, those window profiles, those window handles. All details that ultimately determine at the end whether you have architecture or not." Arch.firm.2*

Tensions within office organization and administration

A third and final group of tensions relate to the needs any firm has of organizing and administrating their business. The first collection of these tensions relates to the balancing between allocating resources towards design and towards support activities. Next, any architectural firm deals with a group of individuals internally. Their employees are creative professionals with their own ambitions and ideas, which need to be managed and can cause tensions in the organization when differing opinions and ambitions exist. The third collection of tensions relates to the necessity of the organizations to balance the fulfillment of short-term necessities with the long-term goals of the firm.

Balancing between allocating resources towards design and support activities

Architectural firms are typically composed of mostly professionally-trained specialists. From the partners to the lower-level employees, typically all are architects or urbanism

professionals. They usually do not hire (a limited amount of) dedicated support personnel until the organizations reach a larger size. However, as with any organization, there is still a multitude of administrative functions that need to be fulfilled. This ranges from IT and website tasks, HR management, to networking and acquisitions among others. Especially the partners at the firms need to find a balance between managing the firm on the one hand and performing the core function of design on the other. Tensions are looming in the fact that these partners of the firm are often the unique differentiators the office has in terms of their design capabilities, but also are the ones on which the office relies on for acquisitions and networking and have the responsibility towards the office organization.

> *"You also notice that very much in those agencies that are growing very fast, in the long run, those partner architects are only busy looking for work, representation, finalizing contracts and in the end, they are designing very little." Arch.firm.1*

> *"As the partner, you lose touch with your end product, something I always enjoyed before. Now I, for example, still always do the feasibility studies myself which I like to do a lot. And I notice that actually, that is something that we are strong in." Arch.firm.5*

> *"An individual architect that is building houses, that is no longer sustainable. Then I can go to a training about ventilation, about legislation, about this and that, almost every night. And when do I still have to work on my network, manage my contracts, and then design in between? So that is not possible. You can only do that if you make a type of cooperation." Arch.firm.2*

Making sure all the office organizational tasks get completed, in combination with providing valuable input in the design activities can become a large burden for some partner architects.

> *"For some, it functions better to work independently than for others. I have the task to check those plans and then I am the bottleneck at some point. Because I also have to do all administration, bring in new projects, customer conversations, that is almost already a full-time job. The review of those plans is in addition to that." Arch.firm.5*

Especially in demanding periods, for example when many deadlines come together, choices on what to focus on need to be made. This could mean that certain invaluable processes get set aside, such as for example joint meetings, moments for organizational reflection, and long-term vision development.

> *"The problem at our office is now at this moment it is very busy. We have a lot of deadlines that come together at once. So, the tension rises a bit. Certain things that are part of organizing our agency then gets moved to the background. For example, office meetings related to the change of building specifications are being moved forward for a moment." Arch.firm.2*

> *"Those meetings have actually completely stopped […] So we have no dedicated meeting moment. Now, that also means that you can make some decisions much faster, without having to organize a whole new meeting. Some decisions are much smoother, but other things, because you do not take the time to discuss 'now let us see what comes our way. What do we do with it? Do we really want this or not?' […] We actually have too few moments when we are purely concerned with the management of the agency or with our vision." Arch.firm.5*

Balancing firm goals and individual employees' goals

The second source of tensions within the area of office organization is aligning the goals of the individuals that work at the architectural firm with those of the overall firm. It is often said that creative individuals, such as many architects are, have a natural propensity to work on their own creative endeavors (e.g. Bilton, 2007). It is therefore a challenge to incorporate that within the structure of a firm, with overall goals to strive for.

> *"That is always an interplay. We have our ambitions and we have to do certain things. But, on the other hand, if someone likes to do something, you know that they will do a better job, give a higher quality, stay longer at the firm, be happy if they can do what they want to do. It's balancing those things." Arch.firm.6*

> *"Hopefully you get that the employees, but this is not self-evident, have maximum involvement and commitment. That they can do their own thing and as such contribute, as long as it fits within the global attitude. […] We try to use the employees as much as possible according to their motivation, their personality, and their interests. However, making sure that we don't create any kind of islands. That someone only draws building facades, and that someone only works on project development." Arch.firm.3*

The same can actually also occur on the level of the partners, where the partners might have different individual goals that need to become aligned.

> *"Sometimes it is also a search. How do you keep the balance between everybody's goals? Everybody is different, but we are still one group and we also agree on certain things." Arch.firm.4*

Relatedly, a common issue that comes up with many SMEs, such as these firms, is the question of what the pathways for internal growth are that these firms can offer their employees. As a firm of limited size, typically organized in a very flat, horizontal manner, with a limited number of partner positions, there are little avenues for employees to move up. This can mean that promising architects leave the firm after a while to either join one of the few larger firms or (more typical) start working (more) on their own account.

> *"I hear from employees who have worked for a different agency for a long time that they say: yes, what about us? They are about 40 years old and then say: yes, maybe it should be our time to come up. There is a chance that those people will say: we are gone because we want to be respected ourselves under our own name." Arch.firm.2*

> *"But we sometimes notice that this question is asked by the employees: 'What is my perspective?' And then we answer: 'what you make of it yourself.' But I notice that people often ask about the position they are at within the organization. […] On the other hand, that is also our handicap. We are with thirty and we have always said we want to remain compact. We have six partners, and it won't be adding a seventh or an eighth soon. It cannot be the case that we have 15 partners and 15 employees. That's a bit of a tricky situation. We are looking for interim solutions to bind people. Because really taking them into the cooperative is of course the ultimate way to bind them." Arch.firm.3*

The particular issue of size, and finding the 'right' size for the organization is something that many of the architectural firms battle. Within the sample of organizations in this study, the firm size ranges from four to approximately 30 employees, with each size having its own challenges. For smaller organizations, it can be difficult to deal with absentees and to organize in times in which many deadlines come together. While the larger organizations have more concerns regarding monitoring all the activities, planning, and communication, as well as making sure the firm has sufficient assignments for all employees.

> *"And it could be that for a bigger structure, it might be easier to deal with this. But for us, it means that when two people are ill for a week or are on holiday, then immediately 20% of our capacity is missing. And if at that moment a deadline gets closer, it gets a bit more intense." Arch.firm.7*

> *"For the time being, how it is organized, I can grow to 10 people. Now we are organized very horizontally and we have projects for all employees depending on their level of experience. They execute them from A to Z, I supervise and do quality control. I participate in the conversations with the customers. I ensure that deadlines are monitored. But beyond this size, we need to see, because then you actually have to work with project architects or managers who will then lead a team. You will get a completely different structure." Arch.firm.6*

Effects of the tensions

Two overarching effects can be witnessed as an outcome of these tensions. First, it is becoming increasingly apparent that architectural firms experience a diminishing room for creativity. This is evident by their experience of feeling increasingly more subject to the influence of the different (capital-rich) stakeholders involved, coupled with the increase of the competition-format in which details and decision making about the design are pushed forward and consolidated in a progressively earlier moment in the design process. Second, the position of the architectural firm as the central player within a construction project is

increasingly being challenged, with the emphasis shifting towards constructor or developer-led consortia. Given the plethora of the before-mentioned potential tensions looming for architectural firms, well-thought-out value-creating and appropriating activities as part of the firm's business model are needed to be able to function within this challenging environment. When examining the specific actions these firms undertake, it becomes apparent that the architectural firms engage in a constant balancing act on different levels through their business model choices.

4.3.2 Business model choices

In order to combat the tensions as they are experienced by the architectural firms, they take several specific actions within their business model configuration. These actions can be clustered around the overarching themes of unlocking room for creativity and strengthening the position of the architectural firm within construction processes, with each theme displaying several groups of actions.

As a business model is most commonly described as the system through which an organization is able to create and appropriate value, the following description of each business model element that is being introduced by the organizations to combat tensions is described by these two parts of the definition: how is each uncovered business model responsible to either create value for the organization and/or help appropriate the value in terms of returns to the organization. Furthermore, for each business model response some examples of how this is being implemented by the case organizations are provided, as well as the connections to one or several of the tensions that are described previously are laid out.

Unlocking room for creativity

A first significant outcome of the tensions that have been found to be present at the architectural firms is that their space for creativity is being limited. To combat this, the organizations have taken on three particular business model choices consisting of different actions that are especially aimed at creating this room to express their creativity within each assignment: 1) focusing on efficiency and structure, 2) providing external continuity, and 3) ensuring internal variety. These business model choices each help the architectural firm in their value creation and/or appropriation in different manners.

Focusing on efficiency and structure

The first group of actions being performed is to focus on efficiency and structure in the design process. As found above, the ever-increasing amount of regulation and resulting complexity, combined with an increasing focus on cost-effectiveness, and shifts in the power relations within the construction value ecosystems, among others, have reduced the degrees of freedom that architects can work with. This decrease in maneuverability can stifle the possibility of creative solutions. In order to unlock some room for creativity within this plethora of requirements and conditions, the organizations claim a tightly structured process is required, which is portrayed through several specific actions and business model choices at the case organizations (Table 12). By incorporating these business model actions, the organizations are able to mitigate some of the beforementioned tensions. In particular, being very structured enables a firm to increase the possibility for any project to become a meaningful one, as it allows the architects to save some of the limited resources that are

budgeted for a project and use them to go above and beyond. Additionally, efficiency in its operations can help an organization free up slack resources, which can then be used for competing in competitions, as well as help find a better balance between allocating resources towards design as well as towards support activities.

> *"If the organization of the design process is organized efficiently and goal-oriented, there is room and freedom for creativity. Space to creatively conceive something that stands out and offers added value for the client and society that exceeds what is strictly required." Arch.firm.1*

There are multiple manners in which the case organizations apply this business model choice. For example, several organizations expressed the key importance of having a very professional, and structured internal process, as expressed in the following quote.

> *"We believe that the art of management of an architectural firm lies in a disciplined organization of the design process. After all, a strict organization of this process ensures that the room for creativity within that straitjacket can be safeguarded from preconditions and requirements, while it can even increase." Arch.firm.1*

Such a controlled internal process is for example supported through a highly structured IT filing system.

> *"And also, the professional organization of your service and your programs and an IT expert who takes care of everything in that area so that no minute is wasted searching for a file. Everyone has learned the coding system from heart. That is a professionalization in one area in order to free up more time for the real work." Arch.firm.7*

A different expression of this idea is through very tight scheduling.

> *"Every day is planned six months in advance. We have a rough idea of what we will do on Tuesday in four months. Of course, things change and of course, the scheduled tasks are not done in that case. But we have a fairly good view of the periods of high intensity and so we try to pull and push on those plans a little with our clients so that it goes as smoothly as possible. Really detailed schedules are made per half-day, three weeks ahead. That everyone knows okay that morning I do that, that afternoon I do that." Arch.firm.7*

Another manner in which some organizations attempt to achieve efficiency advantages is through exploiting the new possibilities of technologies, such as Building Information Modeling software.

> *"The software is a lot more expensive, but once you are familiar with it, you can draw your project and you can draw it in 3D and you get cuts, building plans, visualizations… And if there are changes, you can generate all that output again much faster. You spend more time in your model but you don't waste any more time generating the output. […] Yes, it [building information modeling] takes more time and more effort, but you can actually deliver more quality in the architecture itself and it is becoming more manageable. Because you can eventually solve certain issues and they will be translated throughout the project.*

> *You will immediately see conflicts in another place that you would otherwise only discover four days later and then you'd be forced to rework your entire drawing. We don't have that now." Arch.firm.6*

A final example of the focus on efficiency and structure is that most organizations opt for a system in which all employees share a part of the administrative burden. This has the advantage that all employees are aware of and involved with the different operations of the firm, which helps to provide a more efficient service to the client.

> *"For example, in a project the architects do everything. […] They take care of the telephone traffic, correspondence, email exchange, they take care of that themselves. That is integrated, we have no secretariat that does that. […] Because we have noticed that the longer your hierarchical line is, the more information disappears down." Arch.firm.3*

> *"What we do is a division of tasks. In addition to the projects, everyone is expected to be responsible for part of the agency's organization." Arch.firm.2*

These efficiency-focused actions support the overall business model of the organizations at different levels. First, it enables an enhanced value creation. By being efficient and structured, slack resources are created (in terms of time and money) that can be allocated towards extra value creation in the form of artistry. Moreover, an efficient and structured process gives clarity and security to the client throughout the construction process, making sure the value that is created transitions to the client and other stakeholders in a translucent manner. Second, the focus on efficiency in the process, and the resulting gains enable the organization to appropriate the excess value that is being created in a monetary sense, as resources are not wasted on internal costs in terms of time and money spent. Additionally, the excess value that can be produced enables the architectural firm to inject more creativity and artistry in a project, leading to better architecture and as such an improved addition to the overall long-term portfolio of the firm.

Table 12 Focusing on efficiency and structure

Category: Focusing on efficiency and structure				
What	Why	How	Examples of actions	Tensions contested
A set of actions aimed at structuring the process	In order to safeguard room for creativity and artistry in a project, a focus on efficiency and structure can save resources (time and budget) that can be allocated towards creativity	Value creation: By being efficient and structured, slack resources are created (time + money) that can be allocated to extra value creation (artistry) An efficient and structured process gives clarity and security to the client throughout the construction process Value appropriation: By being efficient and structured, the possibility exists to have a net positive value creation process, in which excess value can be captured (for instance through a 'richer' portfolio	Detailed planning activities Making use of technological advances (e.g. BIM) Sharing administrative burdens	Balancing project choices - meaningful vs. necessary projects Balancing resources for finding assignments Balancing design and supporting activities

Providing external continuity and transparency

Providing continuity and transparency towards external stakeholders is the basis for the second group of actions that are aimed at creating more space for creativity. A creative process can often be characterized by free and seemingly ad-hoc like behavior (Bilton, 2007; Jeffcutt & Pratt, 2002; e.g. Townley et al., 2009), which can cause distress for external parties involved such as clients and construction partners. For them, the uncertainty that is partly inherent to design processes can cause problems in their own preparations, as they are dependent on the creative outcomes to plan their endeavors such as purchasing, project scheduling, communication, etc. By providing as much continuity as possible to these external parties, the architectural firms can build up trust that can be leveraged towards unlocking creative freedom internally.

> *"The contact with the client is direct and we can react very quickly, while at larger agencies […] Out of necessity, the clients there hardly ever see the main architects. […] I'm exaggerating a bit now, but that is much less personal and direct. That can scare a contractor or a client, that they say: 'we won't go to that agency because you always get an employee there, who changes every six months.'" Arch.firm.5*

A common approach to providing external continuity is by having a fixed team representing the architectural firm towards their external stakeholders, typically composed of one of the partner architects which functions as the lead architect and a fixed (group of) assistant(s).

> *"For the continuity of the process, it is of crucial importance that the responsible architect and the mandated client form a direct relationship from start to finish as much as possible." Arch.firm.1*

> *"The quality benefits greatly if you let the same team follow a project from start to finish. This means that it is determined fairly quickly at the outset which of the partners will follow up the project in the first place, and then a permanent duo is almost immediately chosen on the project." Arch.firm.3*

The second group of actions focusses on providing clarity and transparency through the contract with the client. By having very thorough contracts which discuss all potential situations, protection is guaranteed towards the client in terms of what to expect, as well as towards the architectural firm.

> *"We handle our contracts very carefully. We have not had a problem with a contract for 25 years, no legal proceedings are pending because we do this very carefully." Arch.firm.1*

> *"In the beginning, I also worked with a contract of four pages that actually contained nothing. […] While now, the first eight pages are about the construction project itself. What is it about? What do you expect? The budget estimate and the construction program are included as an attachment. And then per phase: what are we going to do? And then you have 12 pages of general provisions with building regulations. What are my duties? What are reasons for breaking the agreement? What do you legally need to arrange for insurance? Those things are all there." Arch.firm.6*

This focus on providing continuity can also find its expression in terms of the overall firm portfolio. Some firms deliberately choose to work towards a product portfolio of realized and conceived projects that displays a large degree of consistency. Such consistency is not always possible with larger architectural firms, which are often composed of different lead architects with their own portfolios within a firm. However, providing continuity within the overall portfolio over time can reduce the anxiety with external stakeholders as the consistency provides security in expectations.

> *"Because the partner architects are so guiding and dominant, you get a kind of consistency in the things we do and in the overall oeuvre. That is not the case with the very large agencies, where there are different project leaders, and project x, y, and z are almost the signature of the project leader. You get different portfolios within one firm, while here you get a kind of consistency because they are very much on top of it." Arch.firm.1*

Besides achieving consistency in the portfolio, the focus on external continuity also manifests itself in the thinking towards the long-term survival of the organization. By not making the

organization dependent on a single main architect, but rather make sure that the survival of the firm in the long term is not tied to the presence of a particular person in the firm.

> *"But that the firm can continue without me being there. That is my intention. And so that we have people who at a certain moment, suppose I disappear, that others can come forward. You have to see it as a train that does that every year ... where everyone moves up a wagon." Arch.firm.2*

> *"It is not that you have an architect who gathers an oeuvre together and when that architect disappears that the oeuvre is finished and then the whole thing disappears." Arch.firm.3*

Some of the ways these organizations attempt to incorporate this long-term viewpoint into their operations is by devising manners in which juniors can grow within the structure and eventually become partners. Furthermore, some of these organizations have deliberately chosen not to name their organization after their main or most important architect, leaving the possibility for existence beyond that person possible.

By applying the choice to provide maximum external continuity, value creation is achieved in the form of extra security and consistency that is being created for the external stakeholders of the firm (Table 13). This focus on providing continuity and security can lead to increased trust among players involved, and longer-term relations. Moreover, a consistent portfolio, that is not relying on a single personality can provide long-term possibilities for value appropriation.

Table 13 Providing external continuity

Category: Providing external continuity				
What	Why	How	Examples of actions	Tensions contested
A set of actions aimed at providing external relations continuity in the process	A creative process can be characterized by free and seemingly ad-hoc like behavior, which can cause distress for external parties involved such as clients and construction partners. By providing as much continuity as possible to these external parties, the architectural firms can build up trust that can be used to unlock creative freedom internally.	Value creation: By providing continuity to external stakeholders, the architectural firms provide stakeholders security as well as aid them in organizing their internal processes. Value appropriation: Providing continuity and security can lead to increased trust and longer-term relations. A consistent portfolio, that is not relying on a single personality, can provide long-term possibilities for value capture.	Fixed architectural team as permanent contact for the external stakeholders Providing thorough and transparent contracts Focus on creating a consistent portfolio Providing continuity by not relying on one or a limited group of main architect(s)	Balancing different interests Balancing project choices - overall firm portfolio

Ensuring internal variety

The third manner in which the architectural firms attempt to unlock room for creativity is through performing specific actions designed at ensuring internal variety and protecting the internal atmosphere. By designing the internal processes around providing variety to the individuals involved and harnessing their personal interests, the firm has the possibility to maximize each individual's creative input as well as their commitment to the firm.

The application of this business model element can be witnessed in a variety of forms. First, many organizations place an importance on creating and protecting a creative internal atmosphere by not creating too many fixed structures and processes. Rotation of employees among different team compositions, or even different work stations are mentioned as examples to achieve this.

> *"Because we are in different buildings, and work on different floors it is easy to form groups. We need to ensure that we don't create cliques, so we regularly shift workspaces." Arch.firm.2*

Furthermore, the organizations also attempt to create variety within the work packages of the individual employees. This can for instance be achieved by having employees working on an assortment of different projects simultaneously, letting them work in different team compositions, or work on different aspects in different projects.

> *"We also try to work on multiple projects simultaneously. That is not always easy to organize, but you can become too fixated in a project. Being focused on a project and at the same keeping a distance, we find that to be quite essential." Arch.firm.3*

> *"I like to keep it that way, different types of work and people like that too. They sometimes like to do a [large commercial building] but preferably also work on two residential houses as well. […] Otherwise, it gets boring. Let's say you only build showrooms for car sales. How boring is that? […]. So, we don't do that. I also try to ensure that we work 50% for the public sector and 50% for the private sector. One goes faster than the other, but they complement each other well." Arch.firm.2*

> *"There are not many people that are parked in a project, that has never happened for more than two months. […] We try to mix small and large projects because the small ones go very fast then you go through the different phases at a faster pace. A building site sometimes takes two years, but if you can combine that with other work, it is a bit refreshing." Arch.firm.7*

A final example of how these case organizations implement this business model element is by creating space for personal development and personal cultural exploration. Most of the organizations emphasized their active support and encouragement to employees to seek

additional training in whatever field that is relevant and, most importantly, of interest of that particular employee. This benefits the organization by keeping the employee engaged and stimulated on a developmental level, as well as helping the organization stay up to date on the many advances in the architectural and construction world.

> *"Everyone can come to me and say: 'In two weeks I would like to do that training. Is that okay?' […] We'll pay for it. Take a day off or if it is really useful, then we just pay the people to go to that training." Arch.firm.6*

> *"You have to organize that a bit, at a certain moment it happens automatically. People come spontaneously and say: 'I would like to go to that training because then I can share that with the group.'" Arch.firm.2*

In a different example, one of the case organizations only work four out of five working days, keeping the last day of the week open for all employees to not only arrange things in their personal life but also to allow them to spend time on cultural activities.

> *"Everyone is free on Friday because we are convinced that creativity must be nurtured from life itself. That it is necessary to have time for the family, time to go to the theater, read a book, or spend on extra education." Arch.firm.1*

Table 14 Ensuring internal variety

Category: Ensuring internal variety				
What	Why	How	Examples of actions	Tensions contested
A set of actions aimed at providing internal variety and protecting the internal atmosphere	By designing the internal processes around providing variety to the individuals involved and harnessing their personal interests, the firm has the possibility to maximize each individuals' creative input and commitment to the firm.	Value creation: Variety in the internal processes support creative processes and can lead to higher creativity in the architectural projects, and to more satisfied and committed employees	Keeping no fixed structures Creating possibilities for individual ownership Making time available for personal development and reflection	Balancing different interests Balancing different inputs Balancing firm and individual goals Balancing design and support activities

Strengthening the position

The second significant outcome of the uncovered tensions is that the power position and former dominance of the architectural firm within the construction value chain are increasingly reducing. In order to contest this, three business model choices have been found within the case organizations that are especially aimed at strengthening their position: 1) redefining the design challenge, 2) engaging in smart cooperation, and 3) spreading the risk. These business

model choices each help the architectural firm in their value creation and/or appropriation in different manners.

Redefining the design challenge

A first business model decision through which architectural firms attempt to place themselves in a stronger position is by deliberately redefining the original design brief that they are dealt with. As stated, in the process of getting work as an architectural firm, different tensions are typically at play. Since many architectural firms have limitations in terms of the available resources that they can invest in their acquisition process, they need to make smart choices in regard to which assignments they are competing for. Additionally, smart choices need to be made in regard to their approach towards meeting all the requirements that are in the initial design brief, while simultaneously coming up with an optimal solution that is also obtainable considering the budget, time frame and other factors. Moreover, after winning the assignment bid, tensions could arise between the interests of the architectural firm versus the interests of other parties involved, such as the contractors. Furthermore, the design brief with all its specifications is not always realistic. A construction needs to be achieved given many constraints, such as the clients' budget, (zoning) regulations, or physical aspects of the construction area. This means that often, several wishes that are mentioned in the client's brief are not possible and compromises need to be made. In order to attempt to combat these tensions, the case organizations utilized a technique of redefining the design brief that they were presented with. Besides acting as a reliever for the above-mentioned tensions, this is also necessary as a client is not always capable of defining and describing the actual 'pain' that needs to be solved in the construction, as is illustrated by the following excerpt:

> *"And that is something I remembered from my internship where was said: 'we provide an answer to the question that the client could not ask.' What a beautiful description of what made them successful at the time and I think that is also the case with us. The client has an essential question, but is not an architect, or is somewhat inept in formulating that question." Arch.firm.7*

In implementing this business model choice, the interviewees mention several specific manners in which this can be successfully achieved. One theme that emerges is the necessity of having a close, direct, and honest relationship with the client, which should result in a constructive dialogue.

> *"But the personal connection as well. You always have the opportunity to present your design yourself. And we always notice that – and rightly so – that personal connection also weighs heavily. One should feel like working with you. Because sometimes you will be working together for 10 years. […] I don't expect that when I draw a project or make a sketch, that the client just starts nodding across the table. There are architects who want it like that: 'I say so and you have to comply...' There are also clients who think like in such a manner, 'I am a client, so you do ...' that also exists. But I expect to receive, in an educated way, I will not say a counter-reaction, but some sort of response." Arch.firm.3*

This personal dialogue can then be used to better form an interpretation of the situation at hand. However, this is not always easy in the design competition format. Finding a way to have a discussion with the potential client beforehand is however still viewed as vitally

important in understanding the challenge ahead, and safeguarding the position of the architect.

> *"I think we are hypersensitive to certain things, and to others not at all. For example, the tone in a client's explanation of a problem he or she has. We think it is extremely important to talk to the client in advance. Even if that is just in a collective moment. And that is very bizarre, but by being in that place or in the room with that client, after half an hour or an hour, something can become unconsciously clear to us that immediately excludes 90% of the solutions. And that is very tiring to then discuss it in the office, because people who have not been there have not experienced that, and will not detect it and we can sometimes not explain that: that is not going to work, that is not what is important. So being able to say what is important quickly, that is important and we really have to work hard on that. That reduces the risk." Arch.firm.7*

While making an alternative interpretation of the situation at hand and its underlying parameters, possibilities open up to improve the relative position of the architectural firm in the construction process. For example, the architectural firm can play more to its internal strengths or can reshape the parameters to guarantee more room for quality within the build.

> *"We are not always in favor of the system of competitions, but yes, if you want to do those things then you sometimes have to participate because otherwise you just will not be able to work at all. […] We try, I would say, to deal with that in a way that we ask: 'okay, how can we safeguard our position? How can we strive for quality? For example, do we agree on a construction cost per square meter?' We say for example: 'look, we don't want to design under that price, because then we think that we can no longer offer the quality we need.' […] So, agreeing on things like that does help to try to guarantee the quality a lot." Arch.firm.1*

By better understanding and reshaping the issue at hand, an excess of value can be created as the solution offered exceeds the solutions possible in the original brief. As such, this business model choice helps to better match the (latent) desires that are incorporated in the design brief with (economic) realities, while at the same time providing additional opportunities for the architectural firm to stand out and carve a stronger position for itself (Table 15).

Table 15 Redefining the design challenge

Category: Redefining the design challenge				
What	Why	How	Examples of actions	Tensions contested
Defining the design challenge differently than how the client had formulated it in the early stages of the process, or in the design competition.	A client is not always capable of defining and describing the actual 'pain' that needs to be solved in the construction. The design brief with all its specifications is not always realistic, given the client's budget, (zoning) regulations, or physical aspects of the construction area.	Value creation: Creating value in the creative process by better understanding the issue at hand. Matching the (latent) desires that are incorporated in the design brief with (economic) realities and the architects' internal strengths.	Using dialogue with the client to make a reinterpretation of the challenge at hand. Using the reinterpretation for changing parameters to the advantage of the architectural firm	Balancing different interests Balancing resources for competing Balancing the design brief and creative optimal solution

Smart cooperation

The second set of actions is aimed at creating smart partnerships that can artificially enlarge the reach and scope of the architectural firm. Balancing the struggle between the need for structure and the need for unstructured creativity, a common conundrum for many creative organizations, often appears in the form of finding the 'right' size of the firm. This optimal size is dependent on a balancing between several factors, most notably on the one hand being large enough and having the resources and manpower to be deemed 'professional' and to be able to compete in competitions, while on the other hand being small enough to be 'manageable'.

> *"You come across as much more professional to governments because they immediately feel your scale. Because they can see from your social security certificate that you have six employees as salaried staff." Arch.firm.6*

> *"We don't want to be an agency with a lot of people, not even 15 or so. We were with seven and since last week an eighth has been added. […] At a time when that becomes too large, you have less control over it, and our involvement is gone and that would not benefit our architecture." Arch.firm.5*

This balancing leads to a common choice of keeping the creative organization limited in size, often with no less than five, and no more than 30 employees (Van Andel & Schramme, 2015). This does pose organizational challenges in competing for and executing assignments, as resources are understandably limited. Therefore, engaging in smart cooperation and partnerships is a business model choice that all of the case organizations implement.

For instance, a commonly used approach is jointly tendering for a competition with a second architectural firm. This reduces the resources necessary for entering a competition (which is often an unpaid investment), making the investment less risky. If won, the revenues of each assignment are obviously less as they are shared, however, the architectural firm can claim

the reference as part of the overall portfolio to the fullest. And these references are important for the long-term survival of the architectural firm, as a portfolio of good references is often the selection criteria for being shortlisted in new competitions and assignments.

> *"And usually not being the only architectural firm in a project, which is a risk mitigation strategy by engaging in collaborations with others. What is good about it, something we only recently realized ourselves, is that what you lose is only half if you don't win the competition, because you have shared the risk of both time and money with the partner. Of course, the opportunities are also only half as big, everyone gets only half of the turnover, but you win the reference for the full 100%." Arch.firm.7*

One key advantage of making smart partnerships is that the architectural firms can place themselves in a stronger position because it enables them to focus on those activities they excel at while outsourcing other parts.

> *"And a lot of the technical details, or making sales drawings for brokers, or making certain production drawings which are of course absolutely relevant parts of our work, we outsource those because we believe that this is not necessarily part of the core of our work." Arch.firm.1*

For example, one of the focus firms uses this strategy as a large part of their approach to building, as they always attempt to take the lead in composing the construction consortium, a practice that more and more is taken over by project developers and contractors in recent years. However, by creating the consortia themselves, organized around the architectural firm as the central player, they are able to place themselves in the key position.

> *"We do work in construction teams, with engineers specialized in stability, technique, acoustics, energy performance, safety, etc. We appoint them in advance. We meet with the client and then we will consult the market with the contractors. The contractor likes to be at the table from day one. But that team is organized around us, not the contractor, and we manage that. And that is how we build hospitals and major urban development projects." Arch.firm.2*

Moreover, the business model choice of cooperation can also protect the architectural firms in economic downturns. As the construction industry can largely be affected by economic tides, smart cooperation can help architectural firms survive these. One particular focus firm for example uses partnerships to enlarge their reach well beyond their physical capacities and work on many different assignments simultaneously in times of abundance. However, in times when assignments are scarcer, they can counteract this by doing more of the work that they would normally subcontract in house.

> *"We can at the same time be a very large office and at the same time, a very compact office and that makes it possible that we can choose almost on a project basis if it exceeds our physical possibilities, then we work together. […] On the other hand, it also gives us the flexibility, for example in crisis years, to have some sort of buffer. Then we can take that buffer out and we are going to that outsourced work within the office." Arch.firm.3*

As is evident, smartly utilizing partnerships can artificially inflate the size of the organization, picking many of the benefits of a larger organization, for instance in terms of the number of assignments the organization can tender for, the number of assignments the organization can work on simultaneously, and the possibility to more rapidly build up a portfolio of references, without the need of managing a large organization.

Table 16 Smart cooperation

Category: Smart cooperation				
What	Why	How	Examples of actions	Tensions contested
A set of actions aimed at creating smart partnerships	Smart partnerships can artificially enlarge the reach and scope of the firm, making it possible for a firm to work on more assignments simultaneously, while delimiting some of the risk involved in doing things alone.	Value creation: An excess of value is created by 1) being able to focus on the core strengths of the company and outsourcing other tasks, and 2) being able to work on more assignments simultaneously Value appropriation: By using partnerships in economic upturns, and bringing work in house in times of downturn, the firms are able to mitigate economic risks and provide more stability in the long-term.	Collaborating in tenders for competitions, sharing the workload, while competing for full references Focus on core tasks and capabilities, while collaborating for other tasks Using partnerships to increase reach in times of abundance, while decreasing this buffer in times of economic downturn	Balancing different inputs Balancing resources for competing

Spreading the risk

As is evident thus far, there is much risk inherent in the current way of working in the construction industry for architectural firms, and reducing the risk is a permanent concern for many. Within the business modeling of the focus firms, mitigating risk plays a large part, with several actions aimed specifically at spreading the risks they face. A large portion of the risk is related to the resources necessary to get assignments, and the related uncertainty. Engaging in smart partnerships, as detailed earlier, is one of the actions used to mitigate some of that risk. However, even after winning the competition, the risk of recovering the full investment is not negated, as the following quote exemplifies.

> *"In the cases where our agency was selected for a competition, we won one in four times in the past 25 years. This is manageable in management terms, this means that the investment of three lost competitions must be recouped in one won competition. In practice, however, we note that we have only built and realized one in ten projects in the past 25 years. Projects sometimes never get off the ground after a competition, or they start and stop often when the design is already in an advanced stage after the final design or the specification phase. The difference between the 25% of the matches we win and the 10% that we build is hardly manageable." Arch.firm.1*

One answer can be to attempt to forego the competition system by attempting to work on a permanent basis with large-scale project developers which can generate a lot of repeat

business. This can guarantee a certain amount of work, and can (partly) eliminate the need for entering competitions to get new assignments. However, this strategy also has a degree of potential risk inherited, as such a fixed partnership creates a high degree of dependence on capital-rich players in the construction process which regularly have different (cost-effective) interests rather than architectural and artistic/creative interests in mind. Moreover, the work that many of these project developers provide is often not of a highly creative content, and as such is not helpful for generating an esteemed portfolio. Many architectural firms therefore consciously avoid such a decision.

> *"So, we are not the agency that only builds apartments or just houses. There are still agencies that opt for this. […] There are very large architectural firms that, through their network, have a kind of framework contract with promoters, that say 'look, every new potential construction site in this region, I have an architect for that.' […] The market is right now that you quickly find yourself in such a fixed construction. Now, because that usually yields good results and because it is a certain habit, it is also difficult for the architects to get out. When I sometimes hear other architects say: 'competitions, we never participate in competitions, we do not have to do that because we are only doing things like this.' But at the same time, you hear from some of those 'I actually want to get out of that because I get the same customer all the time, I always have to comply, I also want some more creative things like you.' […] So, that is what we have always said that we never want to get into that, that we are dependent on a number of promoters." Arch.firm.5*

Dependence, however, does not only surface in the form of having a single or a few very important clients, but it can also surface in the form of having a limited number of assignments the firm works on simultaneously.

> *"There are trends that lead to a policy of spreading the risk of running an architectural firm. Especially in our office where we work with a relatively small team on a limited number of large projects. If a project unexpectedly falls or comes to a halt, an imminent gap in turnover may threaten us. Because of this increased risk, we use the rule of thumb that a project should never represent more than 20% of turnover." Arch.firm.1*

Besides reducing dependency, many architectural firms have a need of employing other manners of spreading risks. Within the case organizations, this is sometimes attempted by expanding the scope of the architectural firm beyond merely architectural design. One logical expansion that can be made, is by combining architectural services with urban planning assignments, a service for which additional training and certification are required. The advantage of urban planning assignments versus architectural assignments is that in the case of the former the end results remain on a planning level, therefore foregoing all risks involved during the construction phase itself.

> *"We distinguish ourselves a bit from other architectural firms that do not have that diploma and are unable to differentiate themselves that way. They only do architectural assignments. We actually do quite a lot of urban development assignments, which broadens our perspective." Arch.firm.5*

> *"It is on a different level, you work on scale, making streets, making public squares but your responsibility is less than with architecture because there nothing can go wrong. In buildings, a thousand and one things can go wrong on the construction site if something happens, or if the contractor is not paid, or if the builder does not agree with something, or the inhabitants are living there for a month and leaks start developing. All the time we have phone calls like that, at least once a week. That is also one of the reasons why one of our partners has stopped working, and that he is now only involved in urban planning assignments. Nothing can go wrong there, you are working on a systematic level without a built end result, which gives satisfaction in that sense." Arch.firm.5*

Adding different services to the organization therefore can work beneficial, as it enables the organization to broaden its scope, as well as accommodate more of the interests of the individual employees of the organization.

> *"One of us was working in fashion. Someone was involved in bio-ecological building. Someone wanted to do more furniture design. Side paths of architecture, that we wanted to be involved in." Arch.firm.4*

Considering the fact that contexts and regulations are becoming increasingly complex, having broad multidisciplinary expertise in-house can set a firm apart from its competitors. Furthermore, being able to offer a more complete service can help to strengthen the position as it can help to place the architectural firm more as the central player in the construction process.

> *"For the time being, we use architecture as our base and look broadly from there. But we have noticed that this interdisciplinary approach is starting to catch on more and more with people who want to develop a project." Arch.firm.6*

> *"We do interior architecture, the finish, the technical installations, not like in the past when the technical installation was making a lighting plan and placing power outlets. That has now evolved considerably: drawing out kitchens, stairs, built-in cabinets, and so on, that's the big picture. We think it is important that that building can be delivered in its entirety and that urban planning is becoming more and more important. That people have a lot of land and go to the city and say 'can I build on this?', The city says 'no, these are the conditions….' In the past, you just had to have an allotment plan drawn up by the surveyor. That is no longer accepted, now you have to think about it all."Arch.firm.5*

> *"I have always believed very hard in that cross-pollination. I notice that when I am designing, mainly with houses, I automatically think about the interior. I also notice that your projects are then so much better. And the same is if you understand the social relevance of a project and the context and sometimes through a simple intervention, you can also mean something for your environment. […] From that perspective, that multidisciplinary is important." Arch.firm.6*

> *"What you notice is that you're increasingly more sidelined, and you are only checking the construction site on aesthetic values. […] That is skimping on the activities for architects. That is why multidisciplinary in terms of stability, energy-saving techniques, and the like, that it is interesting to have that in-house." Arch.firm.2*

The risk spreading activities as described by the focus firms help them provide more long-term security for the firm, as well as strengthen their position. By reducing the dependence the firms have on certain clients, assignments, or their reliance on singular activities, these firms are able to avoid being forced in subordinate positions which are open for exploitation, providing the firms with more possibilities for appropriating their fair share of the value creation.

Table 17 Spreading the risk

Category: Spreading the risk				
What	Why	How	Examples of actions	Tensions contested
A set of actions aimed at decreasing the risk profile of the organization	The volatile environment in which architectural firms operate is inherently risky and can threaten long-term survival	Value appropriation: By reducing the dependence the firms have on certain clients, assignments, or their reliance on singular activities, these firms are able to avoid being forced in subordinate positions that are open for exploitation	Reducing dependence on a limited number of clients and assignments Engaging in multidisciplinary activities to spread the risk, and regain control	Balancing different interests Balancing firm and individual goals

4.4 Concluding remarks

Figure 21 displays an overview of the connections between the most salient tensions as they are experienced by the focus firms and the specific business model choices these firms have undertaken in order to combat them. As the overview shows, the firms engage in a multi-level mitigation process: every tension is being combatted through multiple business model choices, and through a multitude of different underlying actions.

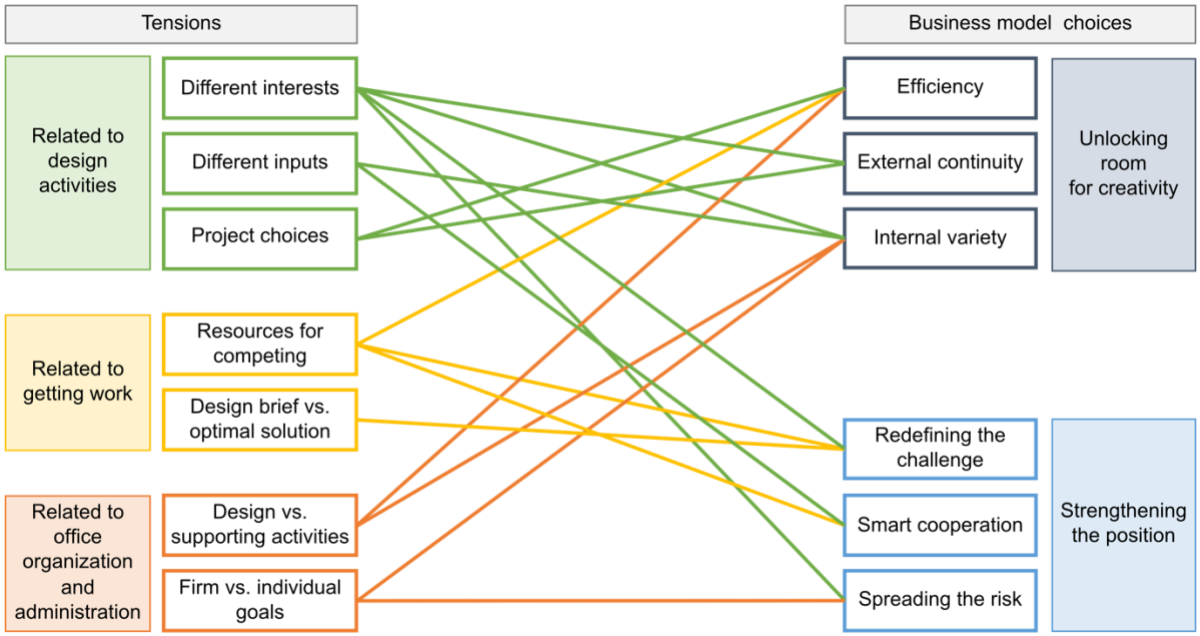


Figure 21 Overview of findings

Following Zott and Amit (2010, 2013), this paper sees a business model as a carefully chosen *bundle* of activities that enable an organization to create and appropriate value. These activities, they claim, are all interdependent, and work together to form a holistic system. The data in this paper indicate that it takes a systems approach to combat the multitude of organizational tensions experienced, with a specific subset of the business model activities the organizations engage in are (consciously, or unconsciously) designed to function as a tension reliever. Moreover, the data highlights the constant balancing act the organizations engage in. As the business model works as an interconnect system, every choice made has consequences in other areas, leaving the organizations to constantly walk the delicate lines in between.

The focus firms demonstrate that the challenge of dealing with the tensions is not straightforward, however, it is part of their daily routine and reality. Business modeling in this context is therefore unmistakably interconnected to this challenge and an analysis of the business model of firms in such situations, therefore, needs to take the complexity of organizational life including the tensions as experienced by the firms into account. This paper aimed to uncover some of this interconnectivity between these areas of interest. As such the paper aims to contribute to an understanding of the business modeling challenge of architectural firms (which can on extension possibly be replicated in other creative contexts), as well as an understanding of the connection between tensions and organizational responses.

Part 3: Business modeling between institutional fields

In the third part of this dissertation, the focus shifts to business modeling practices that deal with multiple institutional environments. Chapter 5 is intended as an introductory intermezzo (paper D) that demonstrates a case example from the creative fields (Splendor Amsterdam) that deals with such a situation. The paper focuses on a group of professionally-trained musicians that, due to contextual changes, are feeling increasingly limited in their ability to pursue artistic freedom. In order to safeguard room for their creativity, these musicians have decided to break through their traditional role within the value constellation in the music sector to collectively form and manage a music venue. As such, the case example demonstrates a shift in institutional environments for this group of musicians, who move from a clearly institutionally-defined role to a situation in which they operate in multiple institutional environments. The paper focuses on the specific business model choices undertaken by the organization and serves as an introductory illustrative example of the possibilities and challenges of arranging a creative organization by taking on an alternative (expanded) role.

Correspondingly, paper E, which is presented in chapter 6, details an analysis of business model tactics used by architectural firms that deliberately have expanded their focus beyond their design activities into other parts of the value ecology. As such these organizations also break out from their institutionally protected reality into a situation of institutional plurality, providing challenges for their business modeling. The paper focuses on their use of business model tactics in maneuvering within this ambiguous situation. Together, the two papers that form part 3 of this dissertation correspond to the right column of the research grid (see Figure 22) and relate to sub research question iii.

Sub RQ iii: How can business modeling help in finding legitimacy in institutionally pluralistic environments?

Within an institutional field	Between institutional fields

Figure 22 Business modeling within an institutional field

5 Intermezzo paper D: Unlocking musical creativity

Article in brief. This intermezzo is aimed at outlining a single case example of a functioning business model of a cultural organization that decided to place itself in a hybrid position from an institutional standpoint. The case in point, Splendor Amsterdam, exemplifies an alternative practice in which a group of musicians came together to collectively form and manage a music venue. By utilizing a commons approach to business modeling, this organization is able to unlock possibilities for artistic innovation of the artists themselves. As such, this case example serves as an interesting introduction to the second theme of business modeling between institutional fields.

Over the last decade, classical music organizations have been struck particularly hard by declines in the cultural sector, with organizations within this field collectively reacting similarly with a turn towards predictability in terms of content and form. However, increasingly a desire for artistic innovation has led to the emergence of new organizational initiatives that actively explore the possibility to foster their creativity in the most unrestricted form, while also being more adapted to the eclectic demands of the present-day audience and financial challenges of current society. Through a single case-study of the business model of artist-run music venue Splendor Amsterdam, this paper explores the overall potential of such an alternative practice. The case exemplifies that for such an initiative to thrive, organizational innovation (form) can function as an indispensable condition for unlocking artistic innovation (content) and that both elements are therefore unambiguously intertwined.

This chapter is based on the paper “Artistic innovation from within the cracks. Unlocking musical creativity”.

- Van Andel, W., Herman, A., & Schramme, A. Artistic innovation from within the cracks. Unlocking musical creativity.

Part 1 Outlining the dissertation	Part 2 Business modeling within an institutional field	Part 3 Business modeling between institutional fields	Part 4 Overall reflection

5.1 Introduction

In cultural fields that significantly rely on governmental support, artists depend on institutions to the extent that their artistic endeavors are mediated by those institutions (Becker, 1984). Therefore, any disruptive change in the institution's ecosystem (in the form of policy measures, austerity, labor conditions, …) will have an impact on the artist's creative options. Aphoristically, one could say that the production side (artist) and the presentation side (the artist's arena) of the art world are closely connected and depend on each other's fluctuations. The reciprocal nature of this truism, however, holds an often-underestimated potential, as creativity often emerges within the cracks of this principle. While traditional institutions such as the symphony orchestra, the museum and the theater are renegotiating their role in the face of possibly fatal budget cuts, alternative organizations are taking shape outside of the traditional and largely subsidized art institutions.

However, as new creative possibilities emerge, so do new organizational constraints. Since the game-changing appearance of Baumol's notorious cost disease within literature on arts organizations, researchers have occupied themselves with exploring the commensurability of artistic and organizational discourses (Castañer & Campos, 2002; Caves, 2002; Lacertosa, 2015). Baumol and Bowen (1966) presented the economic dilemma of financing the performing arts in the face of inevitably rising unit costs. These tensions between aesthetics and pragmatics have been well-described in macro-sociological terms as well as at the microlevel of artistic innovation, but there seems to exist little meso-level research that assesses both discourses on the level of the specific organization. The question rises what business and organizational model, if any, provides complete freedom to the artists (in terms of creative production and exposure) while balancing the financial necessities of operating an arts organization?

Over the last decade, classical music organizations have been struck particularly hard by declines in the cultural sector. Arguments over government funding, homogeneous audience bases and the perceived irrelevance of a reproductive institution in an innovation-oriented society dominate the global classical music scene (Glynn, 2000; M. Hamel, 2016; Hunt et al., 2004). As this broader socioeconomic environment seems to be globally universal, also a collective mindset within the music industry can be identified, often denoted as the 'dominant logic' (Prahalad & Bettis, 1986), or the 'industry recipe' (Spender, 1989). This dominant logic is reflected in shared beliefs across firms, and collective responses, causing music organizations around the world to largely react similarly to the current situation by adopting the same organizational structure. At the heart of this industry-wide adoption of a certain dominant logic is the concept of legitimacy (Bhansing et al., 2017). Glynn (2000) asserts that conflicts over legitimacy (which she calls 'identity') easily translate to conflicts over crisis management: legitimacy issues bring into conflict the dual elements of economic utility (where financial return symbolizes success and grants legitimacy) and normative ideology (where artistic creativity and excellence symbolize success and grants legitimacy). Various studies agree that economic crises in particular tend to favor the business mentality within an art organization (Glynn, 2000, 2002; M. Hamel, 2016; Kremp, 2010; Ramnarine, 2011). Problems regarding income and resource acquisition like subsidizing money or private funding prompt managers to favor predictability over uncertainty. As such, an organizational profile is a product of implicit (spontaneous) or explicit (strategic) exchange with a competitive or

associated environment. DiMaggio and Powell (1983) affirm: “Organizations compete not just for resources and customers, but for political power and institutional legitimacy, for social as well as economic fitness”. This Darwinist quest for fitness goes beyond issues of economic sustainability. As sociologist Arthur Stinchcombe (2013) asserts, a high degree of formal and industry-homogeneous organization usually correlates to a high level of product uniformity. Traditional art institutions generally operate under relatively strict constraints, which often makes them incapable of providing the logistic and organizational flexibility that is required for experimental, often capricious artistic production (Urrutiaguer, 2014). In the aesthetic domain, this turn to predictability has favored a certain selection of artworks from the past, a canon, over contemporary works of art that have not yet endured a historical selection process (Herman, 2019). Symphony orchestras and music venues, for example, have thus evolved from actively producing cultural bodies to gatekeepers of intangible cultural heritage that strategically stand beyond any argument over legitimacy. As such, artistic parameters are receptive to the dominant logic laid out by organizational rationalism.

The resulting gap between artistic aspirations and performance potential has sparked resistance and has provoked alternative assessments of musical practice to materialize. From the 1970s onwards, musicians have repeatedly voiced their wish to reconcile creative freedom with the pragmatic logic of arts organizations (Flanagan, 2012). The resulting discussion led to the reinforcement of boundaries between a small niche of specialized ensembles which were highly focused on artistic renewal and experimentation, and the larger field of traditional orchestras that increased their focus on performing the standardized repertoire. In the wake of the financial crisis of 2008 and the following austerity measures that took place within the Netherlands’ cultural sector, increasingly alternative musical ensembles and venues have taken shape attempting to break open this stalemate between the experimental and the traditional realms. The emergence and advance of new organizational initiatives exemplify artists’ ubiquitous urge to develop models that actively explore the possibility to foster their creativity in the most unrestricted form, while also being more adapted to the eclectic demands of the present-day audience and financial challenges of current society. The motivation for engagement in an alternative circuit of musical production is shown to originate in a perceived gap between the artist’s aspirations and his actual performance (Castañer & Campos, 2002). Although the long-term impact of these seminal initiatives is not yet clear, an understanding of their novel approach to music production, programming, management, and financing might help to explain, on the one hand, why art organizations have generally remained tied to the dominant logic of long-established forms, and on the other hand, how adaptations and variations to the dominant logic occur in the face of mimetic pressures.

5.2 Approach: business model lens

Through an in-depth case study of Splendor Amsterdam, this paper attempts to explore the overall potential of an alternative practice that challenges the classic music industry’s dominant logic, including the enablers, drivers, and any significant barriers associated with this manner of organizing. The case study method is particularly well suited for describing the mechanisms and context of a particular phenomenon in a specific setting (Yin, 1994). And, as the aim here is not to test existing theories, but rather to reflect on a new occurrence and to let the theory build by drawing links and conclusions based on what is observed, a single in-

depth case study is especially suitable for observing and analyzing new phenomena (Eisenhardt, 1989). Data on the Splendor case have been collected during two on-site visits, in a series of three interviews with key representatives: the chairman and co-founder David Dramm, and the venue manager Norman van Dartel.

To structure the analysis, this paper takes on the lens of the business model concept. In the past two decades, many different approaches to the business model concept have been proposed in academic literature, with the commonality that most authors view the concept, directly or indirectly, as the core 'logic' or 'architecture' behind value creation (Linder & Cantrell, 2000; Magretta, 2002; Petrovic et al., 2001; Shafer et al., 2004; Timmers, 1998). In recent years, an 'activity-centered' approach is gaining ground, in which the business model has been defined as the bundle of specific activities that are conducted to satisfy perceived internal and external needs, including the specification of the parties that conduct these activities, and how these activities are linked to each other (Zott & Amit, 2010). The activity system enables an analysis of how the organization, in dialogue with its environment, is able to create value and in what way the specific activities unlock the possibility to appropriate a share of that value. By focusing on specific activities that represent direct operationalizations of the organization's core values, as well as on the manner in which these activities are bonded together in a larger coherent and reinforcing scheme, this perspective takes on a holistic approach towards an organization's capacity for value creation and appropriation. This paper follows this description of a business model as it breaks down the process of the transformation of core values into specific activities - which is an approach that is especially suitable for organizational fields that are highly value-driven as is often the case in cultural fields (Van Andel, 2020a). Moreover, it also highlights a fundamental issue that underlies cultural organizations: the distinction between value creation and value appropriation or capture. It is often suggested that the main purpose for artists is value creation, rather than value capture (Fuller et al., 2010) and that the commercial exploitation of the created value is often neglected under peer pressure (Thelwall, 2007). Zott and Amit's (2010) description highlights the importance of the combination of both value creation as well as value capture in a healthy business model. Furthermore, this approach to business models also emphasizes that value creation occurs in dialogue with an environment and thus highlights the necessity of not focusing on the organization as a stand-alone entity, but on the behavior of the organization within the specific context of its (institutionally-induced) environment (see e.g. Poisson-de Haro & Montpetit, 2012), including residing norms and dominant logics on how to behave. Therefore, in this paper, the concept of the business model is used to analyze which specific business model actions are undertaken by our focus organization, and how they relate to the residing dominant norms within the sector.

5.3 Case study: Splendor

Since 2013, Splendor unites composers, musicians, and stage artists, who came together to form an artist-run cooperative that independently exploits a music venue in which the musicians have complete autonomy. In this initiative, an old centrally located Amsterdam bathhouse was transformed into a professionally equipped music house, which is operated in its entirety by a group of 50 top-flight professional musicians (among which players of the main Dutch orchestras such as the Concertgebouw Orchestra, Rotterdam Philharmonic, and the

Radio Orchestras, as well as names from the world of opera, jazz, electronics, and ethnic music) that felt the necessity for having a place for experimentation outside of the institutionalized environments in which they are employed. Utilizing a specific organizational model in which responsibility for all aspects of the organization (from acquiring finances to musical programming) is shared among all members, Splendor is an example in which 'commoning' is an integral part of their business model. Through their organizational decisions, Splendor is able to fully utilize the twofold character of a common good (De Angelis, 2017): on the one hand, Splendor exemplifies a use-value for a plurality (by providing artistic freedom to all connected artists), on the other, it requires a plurality claiming and sustaining the ownership of the common good. Together, these two elements form the core values of the Splendor business model: a strive for complete artistic freedom and autonomy, and a collectively shared sense of ownership and responsibility. Through operationalizing these core values, the artists have created a venue through which they are free to practice and perform, as well as are capable of reevaluating and changing the often-distant relationship between the artists and the public.

In order to make the Splendor business model financially viable, the organization has developed a financial model that is dependent on different types of income. The city of Amsterdam carried the renovation costs of the building, which they in return rent out to the Splendor organization. However, as a start-up investment, Splendor needed €300.000 for further adaptations to the building and the purchase and installation of materials. Utilizing the cooperative rationale, the initial capital input came from the 50 musicians, who each invested €1.000 in the form of a corporate bond, giving the organization an instant, one-time capital input of €50.000. The remaining €250.000 was raised through private investors, who in return for providing capital – in the form of purchasing a ten-year bond – received a private concert by one or some of the musicians at home as dividends. Operational costs are covered by a combination of individual ticket sales for concerts (of which 70% goes to the organizing musician, and 30% to the venue) and income coming from the approximately 1200 Splendor members. For a yearly contribution of €120, these public members are entitled to a number of free concerts. Finally, income through the in-house exploitation of food and beverages goes to the venue.

The organizational form of Splendor is that of a foundation, consisting of two parallel layers: the musicians on the one hand, and a facilitating small management team (composed of all trained musicians) that support daily operations on the other. As artistic autonomy is at the core of the project, all artistic decisions are distributed among all musicians, exemplifying a genuine form of shared leadership. The group of musicians displays a high degree of diversity, both in terms of instruments as well as in musical styles employed. On the one hand, this diversity offers unique opportunities for cross-fertilized artistic innovation through unexpected combinations. Moreover, this also provides possibilities to fully utilize the venue's capacity and opportunities, as various musicians tend to use the building in different ways, and on different moments of the week (e.g. some concerts are more suited for a Sunday afternoon, while others might be more appropriate for a Friday night). Additionally, the diversity of musicians combined with their connection to established institutions (e.g. large orchestras) provides Splendor with a large and diverse audience base.

5.3.1 Artistic freedom and autonomy

The first and foremost goal of Splendor is to create an environment with complete artistic independence. As a general rule, Splendor does not make a formal procedure for something unless it is absolutely required. Splendor was meant to be a place free of institutional and artistic boundaries, where anything is possible and appreciated. In terms of musical content, there are no limitations: repertoire and newly composed avant-garde music are equally welcomed, as well as experimentation in content, concept, and artist-audience relationship is embraced. Such a place was missing in the Amsterdam musical landscape: “We needed somewhere to play little ideas, and make small concerts. That was important. And maybe a place to work” Van Dartel states.

Based on this premise of artistic autonomy, Splendor has made several business model decisions that enable the organization to further exploit their vision. First, Splendor has decided to employ a ‘no-programming program’ for the venue. Splendor has an open agenda, in which each of the 50 musicians can reserve a slot for any of the three possible performance spaces (housing an audience of 100, 60, or 30 people) in the building on a first-come, first-served basis. The musicians can reserve a place for a rehearsal or concert of themselves but are also free to program a concert played by outside musicians that they deem interesting to showcase. By lack of a Splendor programmer, all partaking musicians are free to create whichever work of art they want, without having to answer to anyone but themselves. Indeed, every musician is responsible for his/her own projects, both artistically and financially speaking, as their fees depend on the number of people that attend the concerts. Based on the same logic, Splendor has deliberately decided to claim any subsidies, as this choice could push Splendor into a context of more institutionalization. Subsidies often come with their own set of stipulations toward the organization in terms of elements such as organizational structures, reporting, expectations, and a certain balance in musicians, concerts, reach, etc. (Stockenstrand & Ander, 2014). As such, the autonomy which forms the essence of this endeavor could be reduced drastically.

5.3.2 Shared ownership and responsibility

A second foundational element of the Splendor business model concerns a sharing of ownership and responsibility. Propelled by the aforementioned legitimacy crisis in the classical music field, and its resulting pressure on the subsidizing system on which it relies, many organizations within this field are increasingly requiring additional tasks and responsibilities from their musicians (e.g. playing commercially popular music to attract new/young audiences, engaging in educational activities, etc.). However, this has been known to lead to friction, as this increase in responsibilities is often not met with a corresponding increase in artistic ownership. Splendor, on the other hand, has devised a system of obligations as well as rights. Through this system, each artist has certain duties towards the organization as a whole, which collectively unlocks possibilities for unrestricted personal artistic endeavors. In return for their commitment to the project, and the initial €1.000 investment, each musician literally received the key to the building. The venue is available to them for 365 days per year, day and night for any musical endeavor, from rehearsals to performances, to create and explore, to produce and to program in whatever manner they find interesting. Besides the initial investment, each musician commits themselves to give one ‘member-concert’ per year, in which the Splendor

members have free entrance. On average a Splendor member attends six out of the possible 50 member-concerts yearly. As there is no intervening programmer, and as all musicians have collectively invested financially as well as in terms of time and effort in the project, Splendor is truly a representative of a 'common good': it is owned, produced and sustained by all. Key in making this system work is that all musicians through the sense of ownership understand that the organization as a whole needs to balance artistic vision with pragmatic issues (availability of time and space, and overall financial viability). As such, Splendor will never interfere in the content of the programming of the individual musicians, but the venue manager does give suggestions on how to maximize the use of the building. For example, it is always allowed to give a concert that will probably only attract a very limited amount of people, but then it might be suggested to plan it on the same evening as another small concert so that they can work that day with just a limited staff for the bar.

The sense of co-ownership is not limited to just the musicians, as the organization deliberately attempts to induce a sense of co-ownership at the audience (especially with the members) as well. The audience's input is vital for the success of the operation, which goes beyond the merely financial aspect that they bring in. Splendor concerts are deliberately organized in order to enhance the artist-audience connection. By cultivating an informal setting during the concerts – which often includes many moments of interaction with the audience – as well as after the concerts where artists and audience meet at the bar for discussion afterward, a sense of artistic exchange occurs. For example, concerts often have intermediary discussion moments in which the audience can offer suggestions for improvements, after which the same program is repeated however this time taking the provided feedback into account. Such a 'work in progress' approach enables feedback loops between artists and audience that is nearly impossible in the more distant institutionalized classical music settings. As such, Splendor is more than a one-way music venue, but it profiles itself as a peer-to-peer as well as an artist-to-audience meeting and workspace where musicians can freely communicate with their audience and with each other.

5.4 Discussion

In March of 2018, the 1000th concert was performed in Splendor's main hall, kicking off the musical festivities of the organization's 5-year anniversary. The Splendor story has become an enormous success in Amsterdam. The organization's business model indeed presents a model beyond the traditional combined market and state approach, seemingly avoiding the artistic constraints that are commonly associated with both. However, Splendor attracts criticism as well and continues to face limitations and difficulties along the way.

Firstly, Splendor realizes that neighbor organizations in the Amsterdam region might feel that their alternative concert circuit contaminates the music market. Currently, Splendor strictly follows its policy of having a 'no-programming' program: all musicians have complete freedom to plan concerts at the venue as they see fit. On some occasions, Splendor musicians performed a low-threshold try-out of a concert that was programmed in traditional venues such as The Royal Concertgebouw just one day later for up to three times the Splendor ticket price. Although these overlaps are avoided in the form of an informal gentlemen's agreement, the lack of any programming strategy hinders this distortion of competition.

Secondly, the Splendor committee acknowledges that the organization may become a victim of its own success. The question arises whether the idealized manner of non-programming can remain manageable as pragmatic issues (e.g. economic viability) impose themselves, as pragmatic considerations are sometimes necessary to guarantee artistic freedom. Even within the current model, there are also some minor restrictions in terms of program feasibility. As a minimum of pragmatic necessities has to be considered (bills have to be paid, the staff has to be compensated and the building needs to be maintained), a certain balance has to be struck that maximizes the use of the building. While Van Dartel contends that a learning curve irons out most asymmetries, he equally admits that he sometimes applies 'soft coaching' to fully exploit the building's possibilities. "The goal is not to do as many concerts as possible but to keep this freedom we need to make it work. We need to make some choices."

These choices equally manifest themselves as practical restrictions. For example, only 50 musicians can take part in the Splendor system. An increased number of participating musicians would require a larger building, logistic upgrades, more sophisticated planning tools, and all the wage costs associated with these changes. A democratically chosen representative committee of Splendor musicians decides on the eligibility of candidates who show interest in joining the Splendor team when a position becomes vacant. As this selection process is unavoidable, certain criteria have to be met in order to be considered as a Splendor musician. These selection criteria do not consider musical virtuosity – as a high level of excellence is an a priori requirement – but mainly cover the musician's intrinsic motivation, the capability to inspire and complementarity to the existing group. Thus, despite the adage of radical artistic openness, the Splendor model is enclosed by the 50 professional musicians. As Nobel prize winner Elinor Ostrom defined in her first rule of managing commons: a clearly defined boundary (including who has access and who has not) is necessary to sustainably manage the commons (Ostrom, 1990). The question arises whether the current organizational model has the potential to upscale beyond this number. As stated, the Splendor project only works through the shared responsibility of all members, as it requires all claiming and sustaining the ownership of the common good. Van Dartel: "Everybody is responsible for the building; everybody is an owner. It's not my party, it's from everybody." The Splendor representatives agree on the improbability to upscale this model in a manner that the plurality still works as a plurality and feels like one. Upscaling the model would most likely amount to assuming the organizational model of the traditional concert venue, which would position Splendor in direct competition with more muscular players in the field. As such, the artistic independence that is the added value of the Splendor business model would be compromised.

Thirdly, there are uncertainties over the possibility to duplicate the Splendor model or even deploy it as a new standard model. As the unique possibilities of the Splendor model seem to resonate with many more musicians, requests came to see whether the model could be copied in other cities. Specifically, a funder in Rotterdam has made a venue available and inquired whether Splendor's initial drivers would be willing to duplicate the model there. As the Rotterdam situation is launched from a more top-down approach then the bottom-up initiative that started Splendor Amsterdam, the organization is faced with many questions that can only be answered over time. For example, questions arise surrounding what organizational and business model elements are opportune to be copied, and what elements need to be adjusted to the particular contextual situation.

Finally, similar to the previous point, there is anxiety both within and without the Splendor ranks, that the organization's business model might become a harmful precedent that can be strategically used by policy administrators to justify the abolition of subsidies. If the Splendor model would be put forward as an exemplary design for self-governance, the model could easily be appropriated by a logic of austerity. In 2015, the city of Amsterdam awarded its annual Amsterdam Prize for the Arts, the most important cultural prize in the city, to Splendor. In the jury report, the artistic and creative profile that Amsterdam cultivates as a city is explicitly referred to:

> *"I AMsterdam: that is the motto to promote Amsterdam and to profile the city as an international, dynamic environment (…) and a laboratory for innovation. These qualities can be brought back to the present sub-climate in which creative people find themselves at home. People who not only make beautiful things, but also show what they like and, that way, reflect upon the city and society" (Amsterdams Fonds voor de Kunst, 2015).*

Further on, the report emphasizes the exemplary role Splendor plays in the city of Amsterdam:

> *"Splendor reflects the spirit of our time in the best sense: independent, through all musical genres, professional and cooperative at a high level. (…) The jury hopes that Amsterdam will be woken up by your work, time and again" (Amsterdams Fonds voor de Kunst, 2015).*

This calling to the entrepreneurial attitude, formulated as the emblematic spirit of our time, can lead to the perverse result that artists and organizations are now expected to fully maintain themselves. Applied on a larger scale, this would arguably enhance market conformism of creative organizations, undermining the artistically emancipatory movement of the alternative organization. The aforementioned coordination problem between pragmatic necessities of the presentation sphere and artistic aspirations of the production sphere can thus take the form of a vicious cycle: creative solutions to institutional crises may in time lead to the intensification of the very same crisis.

The reality is that most of Splendor's 50 members are established musicians who have stable incomes elsewhere. For example, Splendor's musicians include musicians of the renowned Royal Concertgebouw Orchestra and The Netherlands Philharmonic Orchestra. The appeal of Splendor is not the financial return, but the fact that it provides musicians with a convenient space, in the material as well as in the non-material sense, to launch their creative endeavors in whichever way they see fit. This artistic rationale of creative freedom is generally weaker in traditional institutions, as a result of organizational inertia. The fact that large art organizations have larger financial resources principally enables them to engage in artistic experimentation, but the same secure comfort leads them to avoid changes that would potentially affect it negatively (Castañer & Campos, 2002; Glynn, 2002).

5.5 Concluding remarks

Developed out of a sensed urgency among a group of musicians for more autonomy, the Splendor case is exemplary of an alternatively organized artistic organization that effectively is able to face one of the existential challenges of a modern arts organization: how to create

a business model that unlocks possibilities for artistic innovation while covering all financial necessities. The case example indicates that an answer to this challenge lies in two important dimensions that an arts organization can innovate in: content and form. Moreover, the case exemplifies that the two dimensions are heavily intertwined, meaning that organizational innovation (form) can function as an indispensable condition for enabling artistic innovation (content).

Central to Splendor's artistic profile is the open program approach where repertoire and experiment are equally valued. This no-restriction policy cultivates a feeling of artistic ownership by the musicians that is often lacking in traditional institutions. Importantly, Van Dartel has stressed that the way Splendor works, is not the outcome of any organizational or artistic planning and preferences. The present situation characterized by heterogeneity of both musicians, concerts, and artistic currents, as well as its growing success of Splendor, is claimed to be the accidental outcome of the open structure and a product of what is considered artistically urgent by the artists themselves. However, the strength of the business model is not from focusing on a planned outcome, but rather on being true to the foundational premises: the Splendor core values, which have been stable, well-defined and broadly recognized among all participating partners: musicians, audience, and government alike. Building up from shared core values as a consistent, impermeable base, the next steps in designing a strong business model are closer to an art than to a science in which many paths can be taken that possibly reach different conclusions. Important are that all choices that are made together reinforce one another, and come together in a logical, coherent manner. For example, Splendor's choice of limiting the group to 50 musicians reinforced their core value of shared ownership, which in turn ensures that all participants contribute to maintaining the system of rights and responsibilities that unlocks the possibility for artistic autonomy.

The eventual failure of earlier initiatives for exploring innovative musical practices arguably lies in the fact that, despite their strive for artistic innovation, they did not assume any novel organizational form to mediate between pragmatic necessities and their artistic aspirations. This only led them to reinforce the existing asymmetries between artistic content and organizational form. The Splendor model, on the other hand, almost literally emerges from within the cracks of the dominant system; not as a parasitic actor, but as a bridge between traditional institutions that offer stability and security, and an alternative field that offers more prospect for artistic development but is often withdrawn in artistic isolation. As such, the Splendor model of an artist-run cooperative has the potential to play an interesting complementary role in many cultural fields currently under pressure for innovation.

Despite limitations to the model, such as the uncertain potential for upscaling and duplication, the Splendor model enables cross-fertilization between established institutions and the innovative field, because the same musicians are involved in both systems. The resulting logical story that is unlocked as a constant dialogue through the Splendor business model is what ultimately creates and captures value for the larger community involved with Splendor, be it the artists, audience, as well as the larger artistic ecosystem of Amsterdam. In order to fulfill its prolific role, however, the Splendor model seems bound to remain complementary to the current dominant logic. Precisely because Splendor is unable to provide any financial security, the organization can only survive by virtue of an overarching, institutionalized subsidizing system. Should the subsidizing system collapse (be it as an

austerity measure, as a result of the recuperation of alternative models like Splendor, or both), Splendor could only adopt the dominant logic of pragmatism and reconcile itself to the constraints of artistic freedom. Within the current situation, the Splendor model provides a valuable, and perhaps even necessary addition to the current classical music ecosystem, unlocking musical creativity with prospects for artistic development.

6 Paper E: Business model tactics for maneuvering between institutional fields

Article in brief. This paper looks at the emerging practice of alternatively-focused architectural firms. These comprise a subfield within the architecture sector in which organizations focus on co-production and community participation as they develop tools and designs that stimulate social change. By taking on a broader role than merely focusing on design, for instance by taking over the roles of the project initiator and/or constructor, these organizations deal with an institutionally pluralistic situation. The paper finds that by utilizing a combination of five 'business model tactics', these organizations are able to maneuver between these different institutional fields and achieve an impact with a wide range of interest groups. A shared theme throughout them is a high level of variability in strategy, identity, and form. This flexibility makes for a high degree of institutional agility making it possible to following simultaneously the rules of different institutional worlds.

This chapter is a revised and expanded version of the article "Tactical Shapeshifting in Business Modeling", published in the *Journal of Business Models*, 2019 volume 7, issue 4.

- Van Andel, W. (2019). Tactical Shapeshifting in Business Modeling. *Journal of Business Models*, *7*(4), 53–58.

Part 1 Outlining the dissertation	Part 2 Business modeling within an institutional field	Part 3 Business modeling between institutional fields	Part 4 Overall reflection

6.1 Introduction

Organizations within the sectors of architecture and urbanism are increasingly feeling pressure from their competitive environments as they are exposed to financial, economic, and mental constraints (Bos-De Vos, 2017). For many of them, it is difficult to survive financially, and many architectural firms struggle to uphold viable business models as the sector suffered severely from the recent global economic recessions (Bos-De Vos, 2017). Besides financially, there also seems to be a crisis of identity waving through the architectural world, in which architects and scholars alike are attempting to redefine the role of the architect, its priorities, and scopes. Within this context, many architects feel that they are gradually losing their position of importance, squeezed as they are between the 'Star System' of architecture that focuses on reputation and imagery, and the ever more imperious demands of global capitalism that approaches urban development exclusively on the basis of economic calculations (Gandolfi, 2009). Therefore, in recent years, subfields within architecture/urbanism are emerging, which can be characterized by a vision of a different role of architects and architecture in society.

6.2 A new role of architecture

There are several trends in the current construction industry that have a profound effect on the position of the architect. Traditionally, there is a threefold division of roles within a construction project that consists of 1) an architectural client as the lead instigator of a project, 2) an architect that is responsible for the design, and 3) a contractor that leads the construction and engineering aspects of the project (see Figure 23). This traditional division is increasingly being challenged due to a number of trends, which greatly affect the position of the architect in particular.

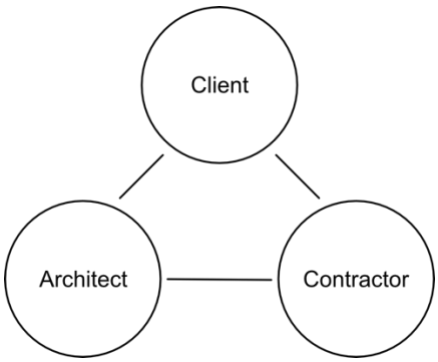


Figure 23 Three roles in a construction project

First, advances in technological tools have created more opportunities for other players within the construction value chain to take up parts of the architectural role. Technologies such as Building Information Modeling have allowed an amplified standardization of significant parts of the creative process with ready-made solutions. As a result, this is profoundly changing the process of design, building, and communication and therefore alter the activities, responsibilities, and value chains that accompany these processes (Bryde et al., 2013). By

exploiting the possibilities of these new technologies, project developers and contractors can increasingly take up a larger share of the overall design process as they themselves are becoming increasingly capable of taking on design responsibilities. Moreover, new techniques of communication are changing consumer expectations of access to information and options, making clients both more sophisticated as well as more demanding consumers, adding many new activities to the architects' spectrum of work without positively affecting the architects' compensation.

Second, the increase in new governance forms for construction projects, such as Public-Private-Partnerships and other forms of integrated project delivery (e.g. so-called DBFMO constructions in which a fixed consortium becomes responsible for the Design, Build, Finance, Maintenance and/or Operations of a new construction, depending on what elements are included in the contract) has resulted in new power dynamics within the construction value chain. These new governance forms have increased the role and importance of capital-rich actors such as contractors and project developers as they take the lead in the organization of these consortia, and as such take over many of the responsibilities of the original client role. For instance, in many Public-Private-Partnership constructions that are being created for the development of new public buildings, it is not the public client such as the governmental agency that initiates the project, but it rather is the contractor who is responsible for financing the construction process (and often also for financing the exploitation), which in turn gives the contractor also the right to make many of the important decisions in regard to architectural choices: which architect to hire, what design brief to use, etc. The architect - in turn - is therefore contractually obligated to the (for-profit) contractor, and not the (not-for-profit) governmental agency, leading often to marginalized almost pro forma roles for the architectural firms involved in projects, with increased responsibilities for contractors or consortia of large organizations that are able to offer clients an all-inclusive service delivery (Bos-De Vos, 2018). In effect, this changes the power dynamics within the construction value chain. As a result, Duffy and Rabeneck (2013) argue that the construction industry has been increasingly shifting the focus away from delivering architectural value that benefits society in the long run towards easy project delivery and profit maximization. Rather than designing to maximize the potential benefits for the public good, the interests of most architects they argue have become dependent on and therefore aligned with the interests of the construction industry, in itself limiting the role the architect plays in the whole.

The two previously mentioned trends have caused many architects to experience a decrease in their professional autonomy in projects: many architects are increasingly feeling undervalued and marginalized (Ahuja et al., 2017). Moreover, the decrease in architects' professional autonomy in projects directly contradicts the desire for many architects to make a difference in society. This combination has led to the third trend which is currently being witnessed in the field of architecture, which is a surge in design activism. In this movement, many architects are attempting to reposition themselves by seeking new roles in society, and taking on new positionings as the singular focus on design is increasingly limiting their opportunities to make a societal impact since they are too much dependent on other (more capital-strong) participants in the construction process. The resulting new subfields that are forming within architecture can be characterized by different goals, often related to a vision of a different, more egalitarian society (see e.g. Markussen, 2013). Therefore, these architects attempt to take on more central roles as they go beyond merely designing and are often the

active lead instigators of the projects, rather than being limited to being the party commissioned for the aesthetics of a build. Within these subfields – which commonly focus on societal issues such as ecology, equality and the social fabric of the (urban) society – architects take on roles that go past the narrow scope of design, as they either initiate projects that adhere to their vision, and/or take control of the construction process by building the designs themselves together with the end-users in an effort to create social cohesion around a project and to rule out the efficiency-focused and profit-maximizing role contractors or consortia of large organizations (as is the case in so-called commons-based architecture or autonomous architecture), or in an effort to protect the ecological properties of their designs.

6.2.1 Strategic responses

In light of these significant challenges to the original role of architects within the larger construction value chain, it is increasingly often stated that the profession of architecture is seeing a crisis of identity (Jia et al., 2017). Avermaete and Teerds therefore wonder what role the architect can still play in light of all these structural changes within the construction industry: “What happens when contractors surpass independent architects and start to act as designers” (2016, p. 7)? From a strategic point of view, different responses can currently be seen.

Most architectural firms decide to focus even more on the original core premises of architecture: the act of designing a building (and/or the broader built environment). As such, these organizations are increasingly faced with an infringement on their activities and degrees of freedom to perform these activities, leading to pressures in what goals they can set, pressures on their internal and external relations, pressures on what organizational processes they can perform, and pressures that relate to knowledge and skill development (see e.g. Bos-De Vos, 2018). A second response is of a smaller group of architectural firms that take on the opposite approach and try to reexamine their role by expanding it. These organizations - as experts in aesthetics and socio-spatial solutions to contemporary challenges - attempt to take on a larger role in projects by either initiating the projects themselves or taking control of the construction phases. In an effort to create more protection of 1) their role within the overall plot, and 2) the social and ecological outcomes of the constructions, these architects surpass their ‘design’ role and move towards including either client-activities (effectively initiating new building projects) and/or those of the contractor (taking on building responsibilities) (see Figure 24).

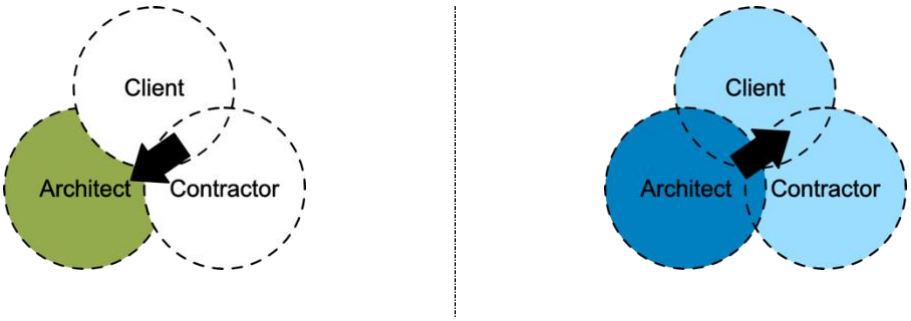


Figure 24 Focus on the traditional role vs an expanding role

This paper focuses specifically on such architectural firms that transcend the traditional roles and span their activities to include activities that are conventionally assigned to other players. Often driven by a high degree of idealism, these architectural firms position themselves in somewhat of an unclear position. In the traditional construction value chain, their role and responsibilities as well as those of the other players are very well defined. By increasingly blurring the lines between these roles, however, new possibilities open up yet at the same time the role of the architect becomes less clear and less institutionally defined. This, therefore, comes with its own set of pressures on the organization which is related to venturing in unknown and unchartered territories. By expanding their activities into those of different roles, they are essentially also expanding their institutional environment, from the defined field of architecture to a yet undefined and blurred position, leading to a situation in which it becomes unclear what role and responsibilities the architectural firms should and could take. Instead of adhering to a well-defined singular institutional reality (that of the traditional architectural firm), these organizations come into a situation of so-called institutional pluralism.

6.3 An institutional theory perspective

“If institutions are broadly understood as ‘the rules of the game’ that direct and circumscribe organizational behavior, then the organization confronting institutional pluralism plays in two or more games at the same time” (Kraatz & Block, 2008, p. 243). The consequence being that they are a part of multiple discourses, and are therefore faced with multiple and differing legitimacy claims. This can lead to situations in which behaviors deemed appropriate by one particular institutional sphere (e.g. a thorough focus on aesthetics and architectural quality), are contradictory to behaviors that are considered appropriate in a different sphere (e.g. a focus on financial efficiency). This situation can provide both many challenges: a pluralistic institutional environment does not provide a clear behavioral mandate on how to behave, as well as opportunities: a pluralistic environment gives an organization more openings to deviate and thus find new combinations and pathways that help towards achieving the overall goal. However, importantly, no organization can realistically be all things to all people at all times (Kraatz & Block, 2008), implying that choices have to be made, with potential tensions as a consequence. In other words, from a strategic point of view, these organizations need to make choices on how to maneuver between different institutional realities.

From an institutional theory point of view, in such a complex context, an organization is faced with a ‘plurality’ of voices each with its own legitimacy claims: with what set of actions can an organization be considered legitimate? Taking on this viewpoint has several implications

regarding thoughts on strategic actions, as organizations are inclined to align their organizational structure, practices, and their value set with institutional norms and expectations. Manners to become successful, therefore, are in part determined by the normative framework residing in the environment. Gaining success is preceded by achieving the norm, which is the perception of what constitutes 'good' behavior within the industry. However, complex sectoral situations consisting of institutional pluralism pose a significant entrepreneurial challenge: what choices have to be made, and what (strategic) actions have to be pursued to navigate through this myriad of norms and pressures?

The existence of a multitude of differing norms and legitimacy claims can result in (paradoxical) tensions for the firms facing them. Paradoxical tensions are "cognitively and socially constructed polarities that mask simultaneity of conflicting truths. Unlike continua, dilemmas, or either/or choices, paradoxical tensions signify two sides of the same coin" (Lewis, 2000, p. 761). Accordingly, Schad et al. (2016) state that paradoxes are persistent contradictions between interdependent elements, highlighting that both contradicting choices are also highly related. Tensions occur because the conflicting demands "seem logical in isolation but absurd and irrational when appearing simultaneously" (Lewis, 2000, p. 760). Examples of paradoxical tensions include autonomy versus dependence, reason versus imagination, exploration versus exploitation, and aesthetics versus financial efficiency. In the past, paradoxical tensions were often viewed in terms of tradeoffs or either-or situations. Strategic solutions advocated in the past often therefore proposed spatial separation: creating physically separate business units or two distinct organizations, each charged with dealing with one of the two oppositional choices or realities (see e.g. Porter, 1996). More recently, however, business solutions towards dealing with different realities are more often looking toward integrating them into a singular system. The business model of the organization, then, needs to be able to simultaneously handle the different viewpoints that are exposed to the organization. An important factor in achieving this, this article posits, is through thoughtfully exploiting business model *tactics*.

6.4 Utilizing business model tactics

Even though many academics in recent years have argued the potentiality of business model innovation for any organization, for many practitioners it seems that the applicability is often stuck on a rather conceptual and abstract level. By defining a business model as the 'overall logic through which an organization creates, delivers and captures value', as it often is described (e.g. Magretta, 2002), the concept takes on a holistic perspective on how firms do business focusing on the 'big picture' rather than on small operational details. However, there seems to be a certain vagueness about how this 'holistic' rationality can be applied to day-to-day actions necessary to make this strategic tool function, especially in situations in which the organization is faced with unstable and difficult to navigate environments. This paper focuses on this gap, by emphasizing the importance of applying business model 'tactics' as one way of making a business model consistently work in everyday operations despite fast-changing circumstances. In this sense, business model innovation is not narrowly regarded as shifting to new business models, but rather broadly as having the ability to constantly shift and adjust within a business model orientation.

The concept of a business model has been under great academic attention in the past two decades, with the commonality that most authors view the concept, directly or indirectly, as the core 'logic' or 'architecture' behind value creation (Linder & Cantrell, 2000; Magretta, 2002; Morris et al., 2005; Petrovic et al., 2001; Shafer et al., 2004; Timmers, 1998). Recently, a consensus has been forming that business models can be seen as the bundle of specific activities that are conducted to satisfy perceived internal and external needs, including the specification of the parties that conduct these activities, and how these activities are linked to each other (Zott & Amit, 2010). This 'activity-system' approach enables an analysis of how the organization is able to create specific values in dialogue with its environment, and how the specific choices underlying the decisions for these activities are bonded together in a larger holistic, coherent, and reinforcing scheme. The focus on specific elements that unlock value creation within an interconnected environment is an approach that is especially suitable for the analysis of organizational fields that focus on cultural or social goals, as the achievement of these goals inherently is contingent on how the business model is able to balance influences on its value creation from beyond the boundaries of the focal firm alone (Van Andel, 2020a). This approach to business models, therefore, emphasizes that value creation occurs in concert with an environment and thus highlights the necessity of not focusing on the organization as a stand-alone entity, but on the behavior of the organization within the specific context of its (institutionally-induced) environment (see e.g. Poisson-de Haro & Montpetit, 2012), including residing norms and dominant logics on how to behave.

Markides (2013) states that a key issue being addressed in the growing literature on business model innovation is how to compete with multiple (conflicting) interests simultaneously. Harnessing multiple tensions within a single business model is challenging because each of the opposing interests may require a different and often incompatible activity set. This, according to Markides (2013), can be framed as the *ambidexterity* challenge of business models and requires a renewed thinking of what a sustainable yet dynamic business model in turbulent business environments looks like (Ricciardi et al., 2016). Therefore, ideas and theoretical concepts from ambidexterity literature and theories on organizational paradoxes can be used to explore issues pertinent to business model configurations dealing with a multitude of different tensions or domains. One manner to deal with such tensions is highlighted by Casadesus-Masanell and Ricart (2010). On a strategic level, these authors make an important distinction between business models on the one hand, and tactics on the other, which in their view happens in a sequential manner. In the first stage, firms choose a 'logic of value creation and value capture' (i.e., choose their business model), and in the second, they make tactical choices within their chosen business model framework in order to make the business model function. So, if the higher-order strategic tool of *business models* refers to the overall logic of the firm, the way it operates and how it creates value for its stakeholders, the lower-order strategic tool of *tactics* refers to the residual choices open to a firm by virtue of the business model it chooses to employ. Tactics are therefore what allows an organization to maneuver within its overall strategic direction. This paper claims that the thoughtful use of these tactics is essential for organizations in complex contexts. The maneuverability unlocked through exploiting business model tactics can prove vital in the ability to harness contextually-induced tensions.

To illustrate how organizations in architecture/urbanism that have expanded their operational territory beyond the scope of merely designing architectural objects deal with their complex

positioning, the current article focuses on seven organizations that operate within this environment which is prone to a plurality of influences and a multitude of conflicting pressures. Oftentimes, this context results in contradictory demands and difficulties to run the organization in a long-term, impactful, creative, and mentally satisfactory manner. Skillfully maneuvering in between the different contexts is a key element for creating such a long-term impact. In their attempts to deal with their tensions (in which they often try to explicitly exploit their extraordinary positioning within this complex situation), they employ a number of tactics made possible by their particular business model configurations.

6.5 Approach

This paper follows a multiple case study research design, which enables studying the phenomenon of institutional plurality and its complex relation with business modeling. Moreover, the holistic and contextualized research setting (Yin, 1994) has a natural fit with the before-mentioned holistic nature of business models (Zott & Amit, 2010), and allows for both in-depth within-case analysis as well as cross-case comparisons necessary to find emerging patterns (Eisenhardt & Graebner, 2007). Through a method of purposeful intensity sampling, seven cases are selected that provide "excellent examples of the phenomenon of interest, but not highly unusual cases… cases that manifest sufficient intensity to illuminate the nature of success or failure, but not at the extreme" (Patton, 2002, p. 234): BC Architects (Brussels, Belgium), Cab42 (Bordeaux, France), Endeavour (Antwerp, Belgium), Raumlabor (Berlin, Germany), Recetas Urbanas (Seville, Spain), ROTOR (Brussels, Belgium), and ZUS (Rotterdam, the Netherlands). All seven of these firms practice an alternative approach to architecture and urbanism, which transcends its traditional role of being the designer and span their activities to include activities that are conventionally assigned to other players. As such, these organizations play a very particular, previously non-existing role, as they at times take on activities traditionally done by contractors, clients as well as designers within a construction project. This boundaryless functioning in different institutional spheres makes them interesting research objects for studying the business model actions necessary to function in institutional plurality, and more specifically maneuver organically between these institutional fields.

A combination of different data sources was adopted to acquire a deeper understanding of the dynamics involved in order to diversify data and reduce biases (Patton, 2002). Data for this paper were collected through a combination of fourteen semi-structured in-depth interviews with the members of the different organizations, complemented with an analysis of eight internal and external policy documents in which the organizations reflected on their inner workings, five public presentations, as well as field observations and a number of undocumented informal conversations. The researcher attempted to interview multiple informants at multiple levels and at different times to lead to richer and more reliable emergent theory (Eisenhardt, 1989). An interview guide was designed to provide insights into how the interviewees perceived the current practice of architecture, and which business model decisions were being made in response to these. It was made sure that the interview guide provided flexibility for self-identified topics to be raised as appropriate.

6.5.1 Analytic procedure

Through thematic analysis, themes have been identified, analyzed, and interpreted. In order to enhance transparency in the analytic procedure, this paper has followed the six-phase guide for thematic analysis by Braun and Clarke (2006): 1) becoming familiar with the data, 2) generating initial codes, 3) searching for themes, 4) reviewing themes, 5) defining themes and 6) write-up.

Familiarity with the data was achieved through (re)listening to all tapes, transcribing each interview verbatim, and rereading the transcripts, along with a revisiting of field notes taken throughout the research process. Next, in a first-order coding step the original transcripts were coded into larger chunks using NVivo, with codes reflecting the main content of each passage (a passage ranging from a sentence segment to multiple sentences). Each code was formed using the wording from the original text (in the original language) and reflected the content of the passage as closely as possible, without attempts for interpretation in order to reduce early coder bias. After finalizing the first-order coding step, these initial codes were aggregated into overarching groups, following a 'meaning rule': labels were compared and contrasted against similar labels, forming common groups that represented larger chunks of data that refer to a similar topic.

These first-order aggregated coding results were further organized by placing the groups of codes within one or several of five pre-defined general categories that were used to guide the analyses. These pre-defined general categories represented the main topics in the research (Table 2). It is important to note that these categories were not mutually exclusive, meaning that groups of codes that could be attributed to multiple general categories were duplicated and assigned to each applicable category.

Table 18 Pre-defined general coding categories

Main coding category	Description
Architectural sector	References to the inner working of the architectural sector
Business model actions and activities	References to specific business model actions undertaken
Internal organization	References to how the focus firm is organized
Paradoxes / Tensions	References to specific tensions felt by the focus firm
Values and beliefs	References to specific convictions, values, beliefs, and norms of the focus firm/interviewee

Within the general categories, themes were identified in the next step through a process of second-order coding. A theme captures something important about the data in relation to the research question, and represents some level of patterned response or meaning within the data set (Braun & Clarke, 2006), and searching for them involves an active process of constructing them from coding the codes (Clarke & Braun, 2013). As such, it is highly analogous to the process of axial coding, which is used in the grounded theory approach. No rigid rules were followed as to how prevalent in terms of occurrences a specific pattern needs to be considered a theme. Researcher judgment is applied here to evaluate the significance of a certain pattern in relation to the overall research focus, with little dependence on quantifiable measures. In this sense, this form of thematic analysis is data-driven and as such

resembles the elements of grounded theory. This process was aimed as the first attempt of theme identification, in which the themes found stayed close to the original data, minimizing data-interpreter bias. This data-driven process step resulted in themes that not necessarily bear a close relationship to the actual questions that were asked to the participants, but uncovered overarching themes that could be extracted from the respondents' answers. For the theme identification, a semantic approach is utilized, indicating that themes are identified within the explicit or surface meanings of the data, and the analyst is not looking for anything beyond what a participant has said or what has been written at this stage of the research process.

To further understand the content of the most relevant themes, line by line coding was applied. This technique was aimed at coming to a full understanding of the content of each theme and allows for further analysis of each theme in relation to its coded extracts as well as to the rest of its data set. The line by line coding helps to define the nature of each individual theme as it breaks down each separate segment into its core components. As such, it helps to further define and explain the story each theme tells, coming to the essence of each theme. For aligning the analysis of each passage, the number of words per line is fixed at approximately fifteen. Figure 25 gives an example of the line by line coding of one segment. This coding segment referred to the predetermined nature of much of architecture and was part of a larger segment that focused on the importance of opening up the process of architecture. The line by line coding of this segment emphasizes that for this organization, architecture does not mean that the architect determines on its own how the design of the construction is going to be, but it should rather be an open process that is challenging to achieve. As is evident, this sort of analysis brings a deeper understanding to the first-order and second-order coding categories assigned to the segment. By merely focusing on following a standardized qualitative routine of coding transcripts, and second-order coding these codes, a researcher runs the risk of reducing the data beyond the essence and nuance that is hidden in the text. The line by line coding, however, brings the analysis back to a deeper level, creating a more thorough understanding of each theme.

Reference 2 – 3.76% Coverage	Looking at urban planning with eyes of artist
***** interest in architectural and urbanistic processes had an impact on how their practice shaped, that cannot be underestimated, and led to an extended understanding of space at the edges of architecture, urbanism, art and activism, by creating links between different fields and bridging architectural strategies into the context of art, and creating spatial performances and performing spaces	Interest in processes shaped the practice Extended understanding of space on edge of fields Linking different fields Looking through the eyes of artist Bringing architecture in context of art

Figure 25 Example of line-by-line coding

Utilizing the line by line coding analysis, in the fifth step, all arguments within a single theme are internally categorized, highlighting the different manifestations that are inherent in a particular theme. To further structure this step of defining the content of each theme, a conditional relationship guide as developed by Scott (2004) is created. "When grounded theory analysts code reflectively, we are acting very much like investigative reporters, asking the questions, what, why, when, how, and with what result or consequence (Strauss & Corbin, 1998). Answering these questions weaves the loose array of concepts and categories we unraveled and sorted in open coding back together into a pattern. The constant comparative nature of the questions ensures that our patterns are not merely woven into two-dimensional pictures of reality, but rather woven into the much more complex, three-dimensional constructivist ecology of the participant" (K. W. Scott, 2004, p. 115). Table 3 provides the setup of the conditional relationship guide. The guide provides for each theme answers to the

questions: What is [the category]? Why does [the category] occur? How does [the category] occur? When does [the category] occur? With what consequence does [the category] occur or is [the category] understood?

Table 19 Conditional relationship guide example

Category: name				
What	Why	How	When	Consequence
What is [the category]?	Why does [the category] occur?	How does [the category] occur? What practices are manifestations of [the category]?	When does [the category] occur?	With what consequence does [the category] occur?

As a final refinement of the themes, and to arrive at a complete understanding of the theme, including its subthemes and their interaction and relation to one another, thematic mapping is applied. A thematic map or thematic network illustrates the relationships between themes and provides a narrative that binds all related information together (M. Maguire & Delahunt, 2017). These networks are web-like illustrations that summarize the main themes constituting a research. “The thematic networks technique is a robust and highly sensitive tool for the systematization and presentation of qualitative analyses” (Attride-Stirling, 2001, p. 385).

It is important to note that this process has not been interpreted as a per definition linear one. As Braun and Clarke (2006) explicitly note, thematic analysis involves a constant moving back and forward between the entire data set and the coded extracts of the data. As such, the researcher can and should move forward and back between the different phases, as has been done throughout the analysis, whereby audio recordings, field notes, and transcripts were revisited often throughout early data pattern discovery to ensure the analysis was indeed indicative of the data.

Another important note to keep in mind is that the cross-case analysis performed through this approach does not have the aim to generalize findings across the whole population of alternative architecture firms. Rather, the cross-case analysis aims to explore the issue of business model decisions in situations of paradoxical tensions within the context of architectural firms, and thus attempt to bring new possible explanations about the ‘black box’ inner workings of business modeling in this particular situation.

6.6 Results: Tactical shapeshifting within business models

The data analysis yielded 11 practices that the focus organizations utilize to maneuver between institutional fields and thus be able to simultaneously follow the rules of multiple games. These practices have been grouped under five overarching business model tactics. Figure 26 displays the thematic map that illustrates the relationships between the different practices and tactics. As the identified tactics are all elements of the higher-order strategic concept of the business model of these related organizations, the five tactics are understandingly highly interrelated. Each of these tactics is employed by most of the

organizations, and often by all seven, albeit not always in the same manner, as each of the organizations has its own personal logic and overall goals to strive for.

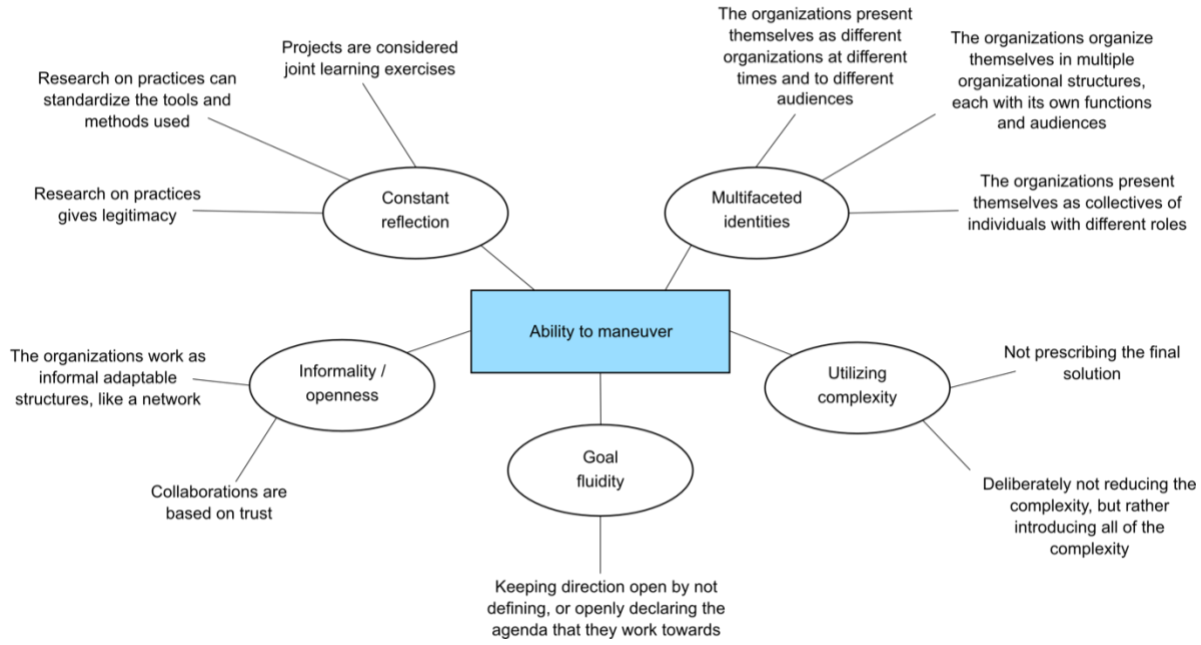


Figure 26 Ability to maneuver

6.6.1 Multifaceted identities

A first tactic for dealing with the institutional pluralism is deliberately creating and playing out **multifaceted identities**. Classic organizational scholars such as Albert and Whetten (1985) have traditionally defined identity as something which is central, enduring, distinctive, and singular about an organization's character. However, since the turn of the century, researchers have been making an increasing notion of organizations having multiple identities (see e.g. the discourse initiated by Gioia et al., 2000). Three ways have been found in which the focus organizations utilize this tactic, as is presented in the section 'how' in the conditional relationship guide in Table 20.

Table 20 Conditional relationship guide: multifaceted identities

Category: Multifaceted identities				
What	Why	How	When	Consequence
Playing with multiple identities	Every identity has its own instruments, approaches roles, and coalitions. It can shield an organization from being placed into a specific position.	The organizations present themselves as collectives of individuals The organizations take on different roles at different times and to different audiences The organizations organize themselves	The different identities are played out at different moments, for instance: In conversation with different interest groups While finding assignments	If an organization can create tools that enable multiple identities without invoking crises, but you can borrow from the different identities, it gives you a lot of freedom The organization is not something fixed,

		in multiple organizational structures, each with its own functions and audiences	To achieve neutrality while dealing with tensions within a project	rather something fluid and adaptable

A manner in which some of the organizations employ this tactic is by deliberately not having a structure in which one or a few people are the main faces or spokespeople for the organization, a practice that is common for many architectural firms that are often organized around one or two founding members. For example, both Raumlabor and Rotor explicitly define themselves as a network, a collective of trained architects who have come together under a collaborative work-structure but can represent the organization individually or in teams. Relatedly, Endeavour, Rotor, and BC Architects are (for a part) organized as employee-owned cooperatives, comprised of people with a variety of backgrounds such as architects, urban planners, and sociologists. In these structures, the founders as well as other independents are able to perform project work for and within the structure of the organization. In these cases, the different individuals in the organizations have the opportunity to choose and lead projects that they deem interesting for the organization, fully based on personal engagement while operating under the organization's umbrella. These networks of individuals create by definition a multitude of identities: they are literally multiple things (to multiple people), as they are organized as collectives of individuals. All members are entrepreneurs or take on an entrepreneurial role in and of themselves within the organization, being their own producer and to some degree source of their own income, displaying a form of collective or collaborative entrepreneurship (Gundolf et al., 2009). However, in all cases, they can all make use of, and at the same time add to the organizational symbolic capital that is gained under the umbrella names of the architecture firm.

> *"Somebody asked me at a conference: who do you want recognition from? And suddenly I noticed that [in recent years] my clothes had become designer clothes. I was the only one in that conference who had designer clothes, all the rest was from sociology, more activist clothes. So also, the clothes that became a symbol, or an extension of that recognition. Since I am aware of that, I think my hair has also gotten longer again, which fits more with those activist environments. There, so to speak, I still have my business card of the organization that I can wield to use the other symbolism. So, I think if you can do that as an organization to develop a lot of tools that make sure that everyone has multiple personalities without having to go into crisis, and you can just borrow from it, that makes for incredible freedom." Arch.firm.D*

Moreover, some of the organizations employ a variety of legal structures to house their different activities, ranging from combining nonprofit/foundation structures (in the case of BC Architects, Endeavour, Raumlabor, and Rotor), with cooperative structures (BC Architects, Endeavour, Rotor), networks of independent self-employed (Raumlabor), and for-profit private limited liability structures (BC Architects, Endeavour, Rotor) at the same time, giving them the ability to display themselves in different forms in different occasions and to different audiences.

> *"Each [of our] member[s] has the freedom and responsibility to decide if the work should be placed in the frame of [the organization] or not. There are no vetoes or any other*

> *mechanisms in the group that could stop a project team from pursuing their ambitions. This internal policy demands the trust of all members that work produced in [the organization] even without control will be done to the best quality possible." Arch.firm.E*

From an organizational identity point of view, all of the focus organizations have different identity positionings that can be utilized. For example, Endeavour state that they shift between identities of researchers/experts on socio-spatial phenomena, innovators of approaches and tools for the local planning process, and social entrepreneurs developing new products (Kaethler et al., 2017), as well as those of activists attempting to empower citizens to become city makers and thus participate in procedures to create better, healthier, socially responsible and sustainable metropolitan zones (Endeavour, 2018). Moreover, both Rotor and BC Architects, through their respective non-profit vehicles, also explicitly position themselves as researchers besides their architectural practice. Both Raumlabor, and Recetas Urbanas playout identities that include both those of architects and artists. For instance, the Raumlabor website states that "we work at the intersection of architecture, city planning, art and urban intervention" (Raumlabor, 2018), while Santiago Cirugeda of Recetas Urbanas can at a different moment be identified as an architect, an artist, and an activist/citizen, each time utilizing the specific instruments and opportunities associated with that role. As many of the projects that Recetas Urbanas perform negotiate between legal and illegal zones, Cirugeda utilizes his role as an artist to benefit from that peculiar legal status (Gandolfi, 2009). As an artist, he has more leeway in for instance constructing in public space, in which he can use the status of a public artwork as a vehicle to overcome bureaucratic and legal backlash allowing him to occupy unused public spaces and use those in his urban interventions. In their positioning as artists, these organizations are highly legitimate to perform different interventions in public space (for example, in 2018 both are commissioned for public art projects: Raumlabor as assigned by the Bruges Triennale, Recetas Urbanas for Art Basel and for Antwerp Baroque 2018). Moreover, both organizations use the territory of art as platforms to not only achieve civic results beyond what is possible as mere architects but also express their position as activists to a wider audience, in their quest for a podium to reconsider the position of architecture in our society (Gandolfi, 2008). In all cases of multifaceted identities, each identity comes with its own possibilities. Every identity allows to utilize different approaches, to build up different relationships, to adhere to different norms, and to discuss in different discourses, making the seven organizations agile in their institutional positioning.

6.6.2 Goal fluidity

A second tactic that is being employed to navigate in multiple institutional fields is following the logic of **goal fluidity** or undefined strategic direction. Many of the classic strategy theories emphasize the value of strategic clarity, with the most notorious example being Michael Porter (1985) who warns organizations for being strategically 'stuck in the middle', meaning in between clear strategic choices. This advice is particularly useful within a clearly defined institutional environment in which every organization needs to find a competitive advantage while staying legitimate within its sector. However, the focus organizations employ a different approach to strategy (see Table 21).

Table 21 Conditional relationship guide: goal fluidity

Category: goal fluidity				
What	Why	How	When	Consequence
The organization doesn't provide a delimited goal or end result that they strive for, rather they keep their agenda fluid	Can cover opinions to retain relationships Can conceal ideas that are unpopular to some constituents, can shelter critical ideas Helps to maintain relationships with different groups and bring them together Makes productive cooperation between different groups possible	Keeping direction open by not defining, or openly declaring the agenda that they work towards	This tactic is used throughout the complete cooperation process	Transparency can lead to accountability, however, a certain degree of fluidity enables deniability Lack of clarity is an enabler for cooperation among groups with different views Can act as a defense for unwanted criticism Helps to provide room to experiment

For instance, Raumlabor deliberately chose to *not* define their agenda. By not defining what actually *is* or *does*, Raumlabor is a "fluid entity, different in each member's head" (Bader, 2018). This fluidity makes Raumlabor not fixed to what they are, or what they should do, making the reality of Raumlabor constantly shaped by ongoing activities.

In the case of Endeavour, a similar type of fluidity has been self-defined as 'strategic ambiguity' (Kaethler et al., 2017). As with many organizations, Endeavour had difficulties in early beginnings and throughout their first experimental collaborations to clearly define what their 'agenda' or field of action should be as they were in the process of self-exploration. However, this initially unintentional strategic unclarity, later became a deliberate choice as the organization realized the benefits of this fluidity, as "it is deployed as a tool to bring previously antagonistic stakeholders together and begin a process of meaningful dialogue by appealing to their broad shared interests" (Kaethler et al., 2017, p. 184). As such, Endeavour can use this to shield themselves from ideologically unwelcome disclosures that can result in a loss of trust with stakeholders and coalitions along with access to influential urban processes (Kaethler et al., 2017). The strategic ambiguity allows them to on the one hand adjust their personal narrative to the project and stakeholders at hand, and on the other leave room open towards a wide variety of non-profit, self-initiated projects that are of personal importance to the different people in the organization. "We see such endeavours [sic] as an integral part of our DNA, allowing us to continuously question or reinvent our role within spatial processes" (Tasan-Kok et al., 2016, p. 637).

6.6.3 Informality

Utilizing a high degree of **informality** concerning organizational boundaries is a third tactic. An important element of institutional theory is viewing organizations as 'open systems', as environments shape, support, and infiltrate organizations (W. R. Scott & Davis, 2006). This theory prescribes that connections with 'external' elements can be more critical than those among 'internal' components, and oftentimes the distinction between organization and environment seems to be shifting, becoming ambiguous and arbitrary. This is the essence of the third tactic being employed by the focus organizations.

Table 22 Conditional relationship guide: informality and openness

Category: informality and openness				
What	Why	How	When	Consequence
The organizations open up and make project participants true organizational members	Many of the projects these organizations work on are complex because many stakeholders with varying opinions and responsibilities are involved	The organizations work as informal adaptable structures, like a network Collaborations are based on trust rather than on judicial contracts	Different stakeholders come together throughout all important stages of the project to jointly find solutions that benefit all	By *actively* including them in *all* the process steps, the organizations effectively make them part of the organizations for the duration of the project, creating mutual trust and understanding for each other and the projects

All seven organizations are essentially in certain ways not owned by anybody, either in official statutes (referring back to the collective / cooperative status of several of the organizations) or in daily working as is reflected in their participative practices. This makes these organizations not limited by organizational demarcations. A clear illustration of this is the practice of designing and building together with the public: the citizens that ultimately will be the users of the constructions. In contrast to top-down architectural processes in which citizen involvement often becomes reduced to a pro forma, mere for communicational efforts, conducted by architects or planners who are not equipped or prepared to do so, or glossy communication experts (Tasan-Kok et al., 2016), all seven organizations directly involve all stakeholders within their functioning, going as far as the actual design and construction work being carried out by involved citizens and local government functionaries. As the end-users and local authorities involved are constantly not only involved with, but at times decisive in determining the planning, designing, and construction, they are at that moment essentially an integral *internal* part of the seven case organizations. The organizations therefore at those moments expand beyond their formal boundaries, and work more as informal adaptable structures, in a network-type manner. These organizations as open systems as such become a direct bridge between the different institutional worlds. Essentially, as Markus Bader of Raumlabor states: Raumlabor is owned by everyone and no one at the same time (Bader, 2018). By combining this informality and extreme openness with strong core values which are exemplified in all practices, the organizations are able to informally articulate a common category of membership so that all different stakeholders view one another as part of an ingroup, leading to a high degree of identification or perception of 'oneness' with the organization.

> *"And I think one strategy is this… 'Show me don't tell me' […] this kind of participation doesn't start with a long kind of theoretical process […]. So, it's more like an active doing something together, it can be building, it can be drawing, it can be making models, it can be cooking together, it can be… So that you first build a certain kind of trust, but also a certain kind of creative atmosphere, and you offer certain images of possible futures to discuss…" Arch.firm.E*

Such informal collaborations can only work through a system of commitment and mutual trust. In usual construction projects, not only tasks and activities are clearly divided between the different parties involved, so are legal responsibilities. Many contracts are written and signed

to clearly delimited each party's contribution to and accountability within the process. The informal manner of coming together to jointly figure out solutions to problems at hand without separating responsibilities to different parties gives the organizations more freedom to experiment and finding innovative approaches that can benefit all stakeholders.

> *"Just the fact that you work on the basis of trust and transparency as opposed to contracts and distrust, arbitrated through the legal system, just all that change is so powerful to do new things." Arch.firm.B*

6.6.4 Constant reflection

The fourth tactic discovered concerns a constant focus on learning and reflection through different methods. As the position of the organizations are as of yet not clearly institutionally defined, a constant internal and external reflection helps to understand their own organization, its working and its position better, as well as helps legitimize the organizations in the eyes of external stakeholders.

Table 23 Conditional relationship guide: constant reflection

Category: constant reflection				
What	Why	How	When	Consequence
The organizations pursue a constant internal and (open) external reflection exercise on their processes and positions.	As the position of the organizations are still not clearly institutionally defined, a constant internal and external reflection helps to understand their own organization, its working and its position better, as well as helps legitimize the organizations in the eyes of external stakeholders	Projects are considered joint learning exercises Research on their practices gives legitimacy to these practices Research on their practices can standardize the tools and methods used	Reflection is a constant exercise. The organizations make sure to create room for this by explicitly making research, publications and research collaborations part of their set of activities	The organization is treated as an ongoing research project Academic work gives new and challenging thoughts Through academic work and collaborations, the organizations can find validation of their alternative way of working

This tactic is manifested in three different ways. First, it is apparent that the organizations view their different projects for a large part as joint learning exercises. Through performing the projects in close collaboration with multiple stakeholders, the organizations receive a continuous stream of input and knowledge. “There is within the frame of our often-interactive project environments a lot of learning. It’s learning through passing on skills, through exchange in conversation, through a common exploration and discovery of an urban context, in the form of new behaviors and modes of action” - Raumlabor (Mayer & Bader, n.d.). This continuous learning keeps them and their methods grounded in understanding the different spheres that are involved.

Second, many of the organizations are involved in academic research on their practices by themselves, or work together with external academic researchers, for three reasons. Foremost, as the organizations function in a yet undefined and unclarified position, the search to correct positioning and the correct processes to use is still ongoing.

> *“We see our organization as a research project in the sense that many of the things that we write about are a reflection on our practice.” Arch.firm.D*

Furthermore, the research on their practices by themselves or as performed by credible academic partners can help provide legitimacy to these practices. “Academic work plays an important role in building and maintaining credibility” (Tasan-Kok et al., 2016). The validation of their practices helps to provide more understanding of the unique position that these organizations are in, and assists in proving that their methods serve a legitimate purpose.

> *“The problem with our practices is that we aren’t taken seriously by local authorities, which is why support from the academic sphere would be a way to validate our work and gain trust.” Arch.firm.F*

Finally, besides validation of the unique work that they do, the academic research can also help the organization to further develop and standardize the tools and methods that they use.

> *"Another of our clear objectives is the attempt for different practices, from the academic world to local authorities, to standardize our tools in order for us to have sources that validate our work." Arch.firm.F*

By treating the organization as an ongoing research project and working for or in close collaboration with the academic research community, the organizations can find validation of their alternative way of working. This helps to gain legitimacy of their unique positioning and way of working to all different stakeholders, in essence reducing friction that could come from not being accepted as a valid partner in a project.

6.6.5 Embracing complexity

A final tactic being employed is to strategically **utilize and embrace complexity**. As any construction project is riddled with a lot of complex situations, many involved look towards the architect to 1) make sense of the complexity, and 2) take much of the complexity away from the others. This is often done by coming up with a definite answer to the challenge, providing stylistic visuals of how the end result will look like, and setting out a clear plan for how the construction process will evolve. The focus organizations, however, take on a different approach towards this issue and do not try to eliminate the complexity as quickly as possible, but rather embrace and utilize it.

Table 24 Conditional relationship guide: utilizing complexity

Category: utilizing complexity				
What	Why	How	When	Consequence
In urban practice, many different processes and varying interests come together. By strategically acknowledging the complexity of a project, the organizations can create a necessity for their expertise to intervene in the middle	Creating or highlighting the complexity within a project can help bring openings to position yourself within the whole	Deliberately not reducing the complexity (which would be common practice in architecture), but rather introducing all of the complexity Not prescribing the final solution yourself	In an open setting in early stages of project definition and development when the scope of the project is being defined and functions are appointed	By introducing complexity yourself, you are in control, and you are the only one that sees the complete picture, thus giving room for your own unique positioning and setting the agenda for dealing with the complex situation that is unfolding

The first manner in which these organizations take on a non-typical approach is by not prescribing the final solution early on in the process. In contrast, these organizations develop the solution along the way, in direct concurrence with all stakeholders involved. The final solution is therefore not apparent until late in the process, avoiding the lure for reducing complexity early on.

> *"That's probably also the biggest difference with regular architecture, no? Like they say: 'okay, on this piece of land, this building is going to come, like this, within this timeframe, and this is what it's going to look like, and this is the end.'" Arch.firm.E*

Endeavour employs a different manner of utilizing complexity. By bringing the different stakeholders in urban projects and all their different voices and opinions together in a co-productive approach to neighborhood development, the organization deliberately attempts to create a 'manageable complexity' within the project. By deliberately not simplifying the project at hand, but focusing on the complexity of achieving a long-term inclusive solution, Endeavour can utilize their position as experts in socio-spatial phenomena. This expertise role within this (self-raised) complexity gives Endeavour a mandate from all stakeholders to set the agenda for the process, cementing their value in reaching out to and bridging both institutional worlds. By self-introducing such high levels of complexity, these organizations create room to place themselves in key roles that can benefit both institutional worlds in which they are present.

For instance, in the case of Recetas Urbanas, this is to be found in legal structures. The organization and its main architect Cirugeda do not so much encourage people to rebel against society, but rather to re-appropriate the city without breaking the law (Markussen, 2012). In order to do so, Recetas Urbanas attempt to find legal loopholes within the law that help citizens to forgo bureaucratic procedures and barriers that are often insurmountable for ordinary people. Moreover, public administrations are also often limited by laws, regulations, and procedures in their attempt to help citizens and communities. By finding pathways through legal complexities, and by retranslating regulations for the common and social good, Recetas Urbanas is able to help both sides of the aisles. A well-known example is that they placed garbage dumpsters (for which it is easy to get permission to place on the street as an architect) and subsequently transformed them into small scale public playgrounds in urban areas where these facilities for children were missing, and where local authorities were unable to build these within local urban ordinances. A project that Cirugeda called "a self-built and self-managed urban playground" (De Sousa, 2014). At the same time, Recetas Urbanas distributes instructions for others on how to do so the same within the legal system.

6.7 Concluding remarks

Many innovative organizations that take on a different approach, such as those described in this paper within the architectural field, are inherently placed in a complex situation, in which there is a clear need to balance conflicting viewpoints. These incompatible interests are oftentimes the result of the hybrid position of these organizations in which they have the need to balance social goals with the reality of a (for-profit oriented) institutional landscape. As such, competing demands are omnipresent, and latent or salient tensions between them require organizational responses in order to unlock the potential for achieving long-term sustainability for these organizations and long-term social solutions for their interest groups. This paper focuses on the potential of business model innovation as a means to shift within strategic orientations in order to adhere to these different norms.

The theory on business models states that it can be regarded as the overall logic through which an organization creates and appropriates value. This is often said to manifest itself through the deliberate actions an organization chooses to undertake. In a well-functioning business model, all decisions and actions reinforce themselves, making a complete and logical story. However, a shortcoming in the theory on business models is that its applicability is often stuck on a rather conceptual and abstract level. Even though several commercially-

successful tools have been made developed that attempt to make business model thinking practical for example through visualizing the process (e.g. Osterwalder & Pigneur, 2010) still the translation from the conceptual idea to a successfully functioning model is often where limits of using business modeling as a strategic tool are encountered. This article sheds light on the importance of 'tactics' in order to make a business model function. These tactical actions are not what some would describe as the 'primary process' of each of the organizations. The organizations described in this paper are architects and urbanists, and thus primarily design buildings and create plans. Moreover, these tactics are tacit rather than explicit: they are not described on the 'about section' of an organization's website, nor are they in any operating manuals. Nevertheless, they are at the core of the day-to-day activities of the organizations, functioning as the grease that makes the different major components of the business model run smoothly. Therefore, they seem to be crucial to make the organization's story logical and complete. This chapter finds a strong indication that the utilization of these tactics allows the organizations to have more maneuverability within the overall business model, opening up more pathways for exploration, growth, and making an impact with a wide range of interest groups. By focusing on tactical actions rather than the (on a strategic level) higher-level business model actions, this article aims to uncover some of the 'black box' content that is a *functioning* business model in complex environments.

With the exploration of the specific tactics used by organizations that are 'in-between' institutional spheres, this paper has attempted to advance its conceptualization in a way that better represents the essential nature of achieving legitimacy in pluralistic worlds. As the case examples illustrate, many standard strategic tools need to be redefined when an organization is in such a complex institutional environment. Navigating between art, social goals, and politics creates specific tensions that need a delicate balancing in order to bridge the gap between pragmatism and idealism. This paper has identified five tactics that are being utilized in different forms by these firms of architecture and urbanism. A shared theme throughout them is a high level of variability in strategy, identity, and form. This flexibility makes for a high degree of institutional agility making it possible to following simultaneously the rules of different games. By making room in the business model for this sort of tactical shapeshifting, these organizations seem to be able to redefine the role of architecture in modern society: as an instrument for (re)legitimizing people's role in our society.

Part 4: Overall reflection

In this final part 4, an overall reflection on the studies presented in this dissertation is provided. This part of the dissertation will attempt to provide a general overview of the findings, including an attempt to link them together. Through a meta-level analysis, this part will therefore further advance the thinking on how a business model can help in overcoming tensions for creative organizations, thereby improving its chances for long-term sustainability.

Furthermore, this final part will also provide some final thoughts on the dissertation as a whole. In this final reflection, limitations to the study and avenues for future research will be discussed, as well as a short overall contemplation on business modeling of creative and cultural organizations in light of current challenges is provided.

Part 1 Outlining the dissertation	Part 2 Business modeling within an institutional field	Part 3 Business modeling between institutional fields	Part 4 Overall reflection

7 Overall reflection

In general, this dissertation can be categorized as a strategic management Ph.D. with a focus on sustainable performance in SME creative organizations, with a specific emphasis at times on the sector of architecture. This dissertation set out to explore business modeling in intricate environments where tensions are paramount. As has been highlighted extensively in this dissertation, the environment in which many creative organizations operate is highly complex, volatile, and open for many tensions and conflicts, which has been exemplified by taking a deep dive into the practice of architecture. In order to survive within their particular setting, these firms have a strong need for designing activities that help them navigate through the myriad of tensions as well as take control of their role within the larger construction ecosystem. This context led to the main research question: "*What are (elements of) business models that architectural firms and other creative organizations use to mitigate tensions in their functioning, and help toward reaching long-term sustainability?*" In this dissertation, sustainability is viewed purely in terms of organizational longevity – the durability or continuance of organizations – as it focuses on how an organization's business model can help in overcoming tensions, thereby improving its chances for long-term survival. Even though for many creative organizations, sustainability in terms of ecological considerations is an important goal to achieve and many of the organizations studied in this dissertation explicitly focus on ecological sustainability as one of the outcomes of their activities, effects on ecological sustainability has not been the main focus of this study. The main research question was further expanded through three sub-research questions that each highlight a separate aspect of the research conundrum: Sub RQ i: *"What is the role of a business model in dealing with opposing demands that result from the institutional environment of creative organizations?*"; Sub RQ ii: *"What are elements of business model solutions that mitigate tensions within a singular institutional sphere?"*; and Sub RQ iii: *"How can business modeling help in finding legitimacy in institutionally pluralistic environments?"*.

This dissertation attempted to answer these research questions through a series of standalone essays. Through five empirical and theoretical studies, different balancing acts were identified that these organizations undertake, with each separate essay focusing on a different part of the equation.

- Chapter 2: Balancing different biotope spheres
- Chapter 3: Balancing in following or going beyond the industry recipe
- Chapter 4: Balancing organizational tensions in architecture
- Chapter 5: Balancing individual desires with collective obligations
- Chapter 6: Balancing when maneuvering between institutional spheres

In the first essay of this dissertation (chapter 2), a theoretical exploration into the specific context of the creative industries is performed, as it investigates how the environment surrounding a creative organization can create opposing demands on the organization and can lead to issues in long-term sustainability. This chapter in particular works towards answering the sub RQ1, by examining the *role of the business model* in dealing with the opposing demands. The specific environment is operationalized by the creative biotope, which is composed of four spheres that influence a sustainable artistic practice, with each domain

containing its own norms for legitimacy: the market, domestic, peers, and civic domains. Correspondingly, each domain exudes its own influences and pressures for the creative organization on how to behave. Utilizing the activities-centered approach to business modeling, a long-term sustainable business model requires devising a system that takes on activities in each of these spheres. Finding a balance between these spheres – which each requires its own approach and activities – through thoughtful business modeling is one of the key challenges of operating as a creative organization, this chapter postulates.

Chapters 3 and 4 focus on sub RQ2, as they both concentrate on organizations that focus on their institutionally-defined role within their value ecology. In intermezzo paper B (chapter 3) typical underlying roles that can be used for business model configurations in creative industries are examined. This chapter introduces a conceptual framework that can be used for identifying common manners of operating within the creative industries focusing on the different underlying roles of the mass-producible content provider, the one-off experience provider, and the service provider. Moreover, a framework that could be used for identifying pathways for business model differentiation is introduced. Small and medium-sized organizations in the creative industries that face a power imbalance in their respective sectors, this chapter states, have the challenging task of balancing between following the sector norm and subscribing to its typical role (the industry recipe), and breaking free from the norm and developing a business model based on a different underlying role or role combination. In chapter 4, the connection between organizational tensions and corresponding responses through specific business model choices for architectural firms is investigated. Three groups of tensions are identified, related to the firms' design activities, to their undertakings of getting assignments, and to office organization and administration. These tensions find a response through a system of business model activities designed with two main objectives in mind: 1) unlocking room for creativity and 2) strengthening the position of the architectural firm within a construction project with all its stakeholders. The paper finds that in order to mitigate the tensions, the organizations take on a systems-wide approach through different business model activities that interlock and enhance each other. In this way, each tension is counteracted and balanced through multiple business model activities.

The following two chapters 5 and 6 focus on the final sub RQ3, as these chapters concentrate on business modeling practices that deal with multiple institutional environments. Intermezzo paper D (chapter 5) highlights the business model of Splendor Amsterdam, which exemplifies an alternative practice in which a group of musicians came together to collectively form and manage a music venue. By utilizing a commons approach to business modeling, this organization is able to unlock possibilities for artistic innovation of the artists individually. In particular, the musicians have devised a system that balances individual desires regarding artistic freedom with collective obligations that result from shared ownership. The case demonstrates that for such an initiative to thrive, organizational innovation (form) can function as an indispensable condition for unlocking artistic innovation (content), and that both elements are therefore unambiguously intertwined. The final paper in chapter 6 looks at the emerging practice of alternatively-focused architectural firms. These comprise a subfield within the architecture sector in which organizations focus on co-production and community participation as they develop tools and designs that stimulate social and/or environmental change. By taking on a broader role than merely focusing on design, for instance by taking over the roles of the project initiator and/or constructor, these organizations deal with an

institutionally pluralistic situation. The paper finds that by utilizing a combination of five 'business model tactics', these organizations seem to be able to maneuver between these different institutional fields and achieve an impact with a wide range of interest groups. A shared theme throughout them is a high level of variability in strategy, identity, and form. This flexibility makes for a high degree of institutional agility making it possible to following simultaneously the rules of different institutional worlds.

In the past, successful management in creative and cultural industries has often-times been stated to rely on striking a balance between the imperatives of creative freedom and commercial imperatives (see e.g. Lampel et al., 2000). This dissertation further expands on this by finding different balancing mechanisms in play, which are activated through the use of specific business model choices and activities.

7.1 Meta-level analysis and contribution to theory

Even though each chapter represents a stand-alone study on an elementary part of the main conundrum of this dissertation (and in that regard merit separate consideration), they are inherently interconnected. Risking an oversimplification, this section will attempt to uncover these connections through a high-level meta-analysis.

The concept of the creative biotope was used to operationalize the specific context of entrepreneurship and management in the creative industries in chapter 2 of this dissertation. Even though this concept was not explicitly used in subsequent chapters – the empirical studies used the subjectively perceived realities of the case organizations to self-define the tensions as they experience them – implicitly the concept of the creative biotope can be transposed on these findings. For example, the specific tensions as identified by the architectural firms in chapter 4 (relating to the firms' design activities, to their undertakings of getting assignments, and to office organization and administration) are highly analogous to the possible tensions resulting from the creative biotope as explained in chapter 2. For instance, in the tensions that are specifically related to design activities a first source of tensions was identified that was related to balancing the different interests of the stakeholders involved. As these stakeholders include market and commercial players (clients, contractors) that might have commercial interests in mind, internal creative personnel (partners and employees) with needs towards protecting their domestic creative sphere – who in addition want to compare themselves and their work with their peers – as well as players from the civic environment (regulators, neighbors), interests from all spheres of the creative biotope come together. Relatedly, the source of tensions related to project choices can be seen as conveying a tension between the market (in terms of working for paying clients), domestic and peers (in terms of choosing personal, highly esteemed or architecturally-challenging projects and in creating a long-term portfolio which rivals and distinguishes from other architects), and civic spheres (in terms of making project choices which support civic needs). Moreover, the tensions that are related to balancing resource allocations between design and support activities can be related to tensions between the domestic and market spheres. The same holds for balancing the goals of individuals with the goals of the firm, in which – besides the domestic, and market sphere – also the peers sphere come into play.

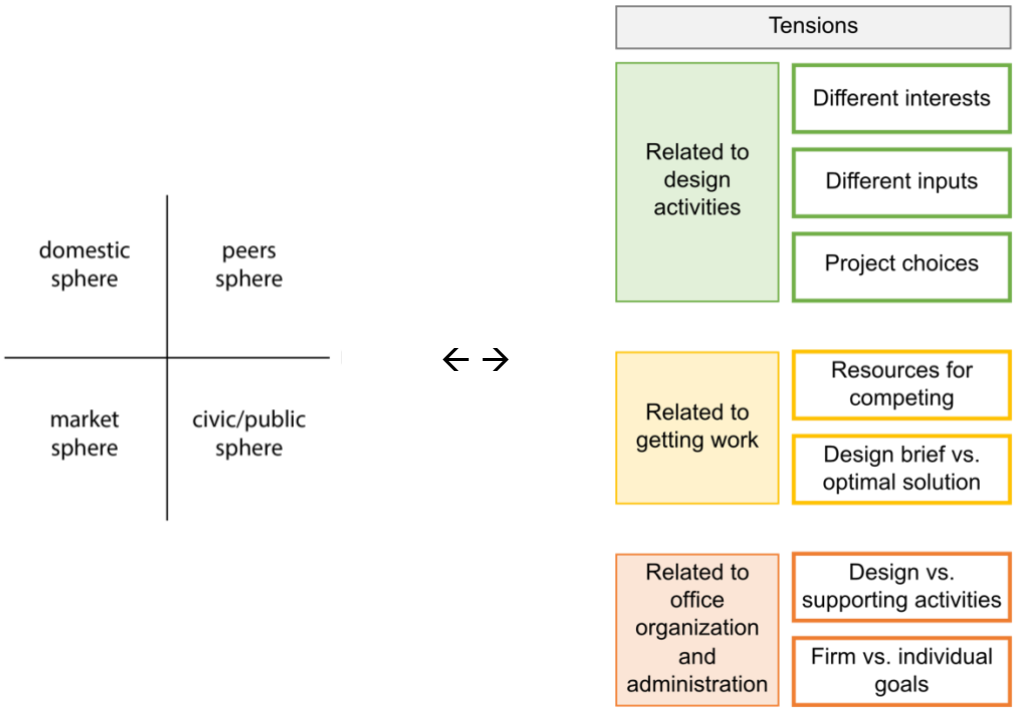
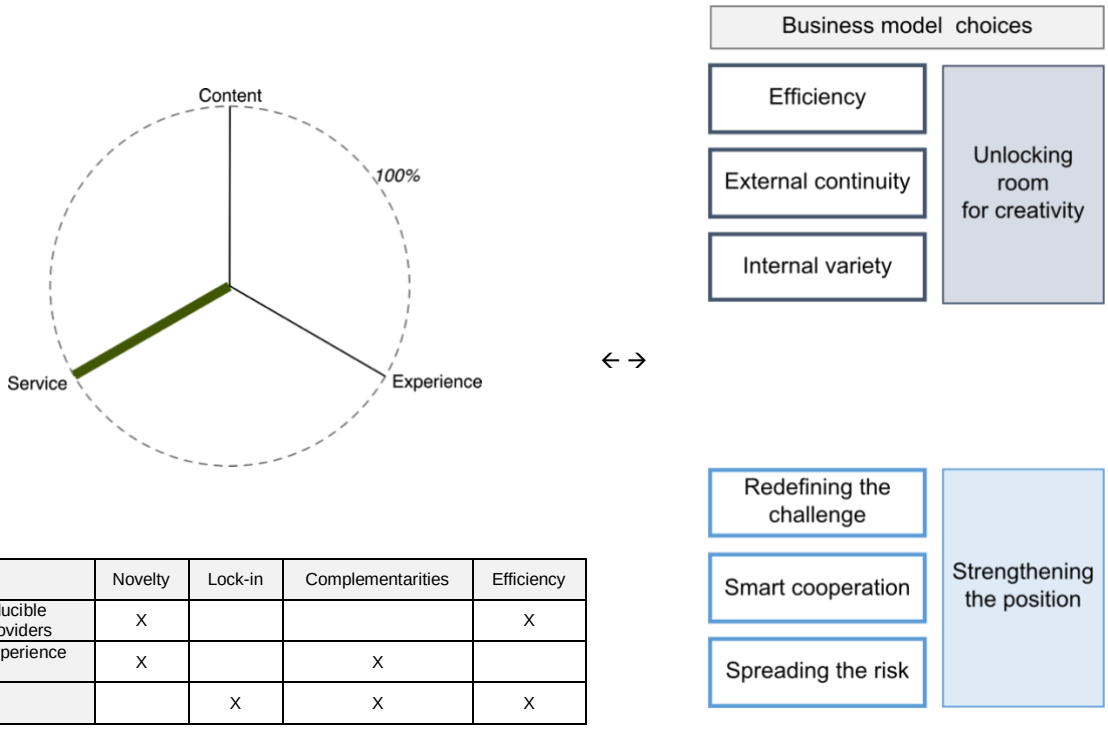


Figure 27 The creative biotope and architectural tensions

The corresponding business model choices from this particular study can be transposed on the findings of chapter 3 in which specific underlying roles for creative organizations are uncovered. As explained in chapter 4, architectural firms can typically be characterized as professional-service firms. Hence, the underlying role of the service provider fits the base on which they build up their individual business model configurations. This role bundles a variety of value-creating activities that fit under the design themes of lock-in (towards customers), complementarities (towards partnerships), and efficiency (towards the value chain and operations). The specific business model choices that the architectural firms are found to undertake in order to mitigate the tensions as they subjectively perceive them relate to these. In order to unlock room for creativity, the empirical data finds that the architectural firms deploy activities that aim towards efficiency, providing external continuity and internal variety, which span the design themes of efficiency (through the efficiency-centered activities) and lock-in (through the external continuity-focused activities which aim at building trust and creating long-term relationships by offering extra security and consistency). The business model choices that aim to strengthen the position of the architectural firm include activities intended to redefine the challenge, create smart cooperation, and spread the risk. These activities span the design themes of lock-in and complementarities (through creating smart partnerships to architectural firms are able to bind their clients for the longer term, as well as bundle the separate value offerings of multiple complementary partners into one offer), and efficiency (through redefining the challenge the organizations are better able to focus an assignment on their core competencies that can be delivered in a more efficient manner).



	Novelty	Lock-in	Complementarities	Efficiency
Mass-producible content providers	X			X
One-off experience providers	X		X	
Service providers		X	X	X

Figure 28 The service provider role and business model choices

In the case of Splendor Amsterdam, the example on which intermezzo paper D in chapter 5 is focused, the musicians come together in their shared desire to unlock artistic freedom. Through organizing their venue as a common, these musicians are able to collectively protect room to pursue their individual artistic needs, therefore protecting their domestic and peers' spheres from the increasing pressure from the market sphere. In this manner, the musicians were able to balance their collective creative biotope and mitigate some of the tensions. Moreover, through their system of rights and obligations – which are carried out by the collective of professional, highly-skilled musicians – they are as a whole able to offer distinctive and authentic one-off experiences that are based on their individual artistry, as well as a unique community of creators. As such, Splendor Amsterdam is able to truly deploy a wide variety of value-creating activities that specifically fit the underlying role of their business model (as per chapter 3).

Table 25 Experience providers

Value creation activities	Value appropriation activities
- Uniqueness and authenticity of the experience - Build a community of creators - Build strong media relationships - Build a reputation for excellence	- Ticket income - Membership fees - Sponsorship / Philanthropy / Subsidies

Finally, in paper E, the alternatively-focused architectural firms attempt to find their personally balanced creative biotope by placing a higher emphasis on the civic and domestic parts of the creative biotope, while placing a lower emphasis on the peers (when regarding this from an architectural sector perspective) and market spheres. In this manner, they are able to make a distinct value configuration on which they base their individual business models. In terms of

the underlying role they utilize for their business modeling (chapter 3), it can be noticed that broadly speaking they are examples of organizations that are breaking the industry recipe. These organizations often do not follow in its entirety the standard role of the professional-service firm (the role and related activities that were found to be typical in chapter 4), but rather make a combination of the underlying roles of the one-off experience provider and the mass-producible content provider. For instance, in utilizing their identity as artists, these organizations choose to make use of the experience-provider role in many of their (temporary) projects. The one-off experience created in the architectural/art projects can as such function as a vessel for creating (small-scale) gains towards their overall vision of society. Moreover, as many of these firms make their designs open-source available to be used and adapted by anybody, they are effectively creating mass-producible content. As is evident, this combination of underlying roles provides these organizations with a wide variety of possible business model configurations. The business model tactics as highlighted in the article help these organizations to meander through their different underlying roles as well as through the different institutional realities.

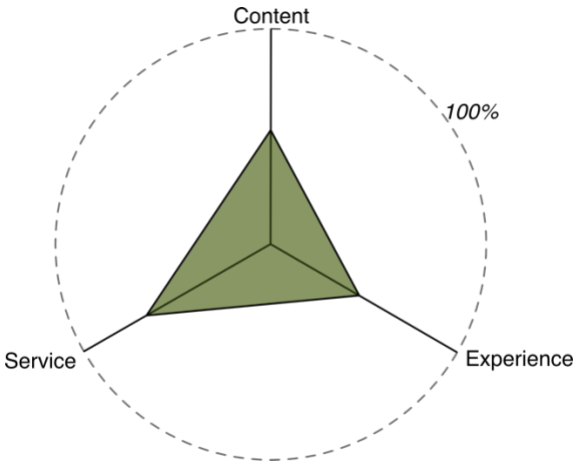


Figure 29 A combination of different underlying roles

After reviewing the separate conclusions of each of the chapters and linking the separate findings together, the question rises what the dissertation as a whole has revealed about the topic of reaching long-term sustainability for creative organizations through the use of business modeling? One theme that becomes clear throughout the different chapters is that a key component of balancing is the act of dealing with the complexity that surrounds these organizations in many forms. The complexity which is part of the daily operations of the architectural firms has been highlighted from different angles, such as the trends towards the use of new processes for construction project governance and the introduction of new technologies that seriously alter the working conditions of the architectural firms as highlighted in chapters 1 and 4, and the complexity that results from dealing with the different influence spheres from the creative biotope as covered in chapter 1 and 2. As becomes evident throughout this dissertation, a key challenge to finding a balance in the business model comes from acknowledging and attempting to understand the (often-times quickly altering) complexity in a first instance. This requires capabilities of the organization in terms of scanning of the (internal and external) environment, as well as capabilities in terms of sense-making of how the current and future environment influences the organization's ability to achieve long-term

(financial as well as creative) ambitions. In a second instance, it requires the organizations to act upon their observations by devising new activity sets that help reduce the complexity or help to order the complexity in a manner that yields positive outcomes. For the architectural firms, positive results that help toward achieving long-term sustainability include a strengthening of their position within the construction processes, and opening up (more) room for creativity, as it seems that the current environment has the effect of marginalizing the role of the creative profession within its respected value ecosystem. As stated, long-term survival for creative organizations means that besides fulfilling the financial needs of the organization, a healthy environment that enables the fulfillment of the creative needs of the organization as well as of those of the people within that organization also needs to be preserved and nurtured. Sets of activities that help unlock room for creativity as well as help protect the position of the creative organization and the creative process within the myriad of pressures and interests, such as the ones highlighted throughout this thesis, are key in combatting the trend of marginalization of the creative tasks. This marginalization has been explicitly covered in this dissertation for the architectural sector but can be seen in other sectors as well. The example from the music production scene in chapter 5 serves for this matter as a case in point.

As is evident, the competencies required to successfully operate a creative organization such as an architectural firms, stretch beyond the merely artistic/creative capabilities. Strategic or entrepreneurial skills are important as well, perhaps even as important as artistic talent and technical knowledge. In order to be able to scan the environment for current and future obstacles as well as opportunities within and possibly beyond the construction industry, and to devise alternate business model activity sets that take these findings into account, these organizations need to develop or acquire skillsets that they were possibly not originally or formally trained for. Moreover, the execution of this essential task is often problematic, as time is often limited and (partner) architects need to be creative designers, project organizers, office managers as well as entrepreneurs and strategic thinkers at once. Acting out such strategic reflexivity necessitates time and (mental) room to think and discuss however. In reality, space for such structural strategic activities is often lacking in daily operations. This can hold especially for small and medium-sized organizations, such as most of the architectural firms detailed in this study. These organizations (as detailed in chapter 4) often lack the organizational capacity to unburden the partner architects and free up managerial time for strategic activities. As this dissertation claims that continuously and purposively rebalancing of the business model by devising adjusted activity sets is of importance, it could be wondered whether these small and medium-sized organizations should further invest in either the development of strategic skills through advanced training, or perhaps, should further invest in organizational capacities that could unburden the partner architects from more menial tasks which could allow them more time and (mental) room for strategic thinking. Even though organizational growth – as stated in the case studies – is often not one of the proclaimed ambitions, it could be wondered whether organizational growth that allows for an unburden of the partner architects is not a necessity to ensure these partners with more freedom to strategically steer the organization through their turbulent surroundings.

The second theme that emerges throughout this dissertation is that of challenging the present institutional order by devising activity sets that go beyond the traditional role of the architect/designer. Branching out to related activities such as interior design, landscape design, and furniture design is quite common among many architectural firms. The offering of

such services are typical manners for architectural firms to 1) provide a better overall service to the client, and 2) have more possibilities for expressing the firm's creativity and artistic vision. Many of the architectural firms investigated in part 2 of this dissertation employ one or several of such additional services, and these services are generally accepted to be part of the normal arsenal of activities of an architectural firm. As they are very common additions, and widely employed, they fit neatly within the institutionally-defined role of architecture. However, the cases from part 3 of this dissertation have employed much different activity sets in addition to those of the standard role of their professions. It could be argued that they have taken the approach of scanning and sense-making of, and devising activity sets for achieving their personal goals in the complex environment to a different level. These organizations actively challenge the norms and institutional logics in respectively music production and architecture by going above and beyond the defined role of the creative producer. These individuals and organizations have concluded that the current complexity would – without taking a different approach – leave them unable to fulfill their essential mission of achieving autonomy and artistic freedom in music production or reaching environmental and/or social goals through construction projects. As such, the cases in this part exhibit a high degree of institutional entrepreneurship, a term which has been defined as "activities of actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones" (S. Maguire et al., 2004, p. 657). Institutional entrepreneurs are said to break with existing rules and practices associated with the dominant institutional logic(s) and institutionalize the alternative rules, practices, or logics they are championing (Garud et al., 2007), which directly corresponds to the activities described by the alternatively-focused architectural firms. As they are currently exploring and shaping the new field and their respective roles within it, it could be argued that the before-mentioned complexity has only increased for them at the moment (as was argued in chapter 6 of this dissertation). However, a key distinction that should be made here is that this is a deliberately self-chosen complexity for the most part, as they see this as the (only) manner to achieve the personal objectives they envision, making them retake agency in the process of unlocking room for creativity.

However, while this alternative positioning does provide these organizations with possibly more opportunities to achieve their creative and social objectives, it can be questioned whether this positioning is sustainable? It could be argued that these organizations are currently in the middle of a process towards the shaping of new institutions, and that questions of long-term sustainability of these organizations are inherently linked to the question of long-term sustainability of their newly-devised institutional reality. DiMaggio (1988, p. 14), argued that "new institutions arise when organized actors with sufficient resources see in them an opportunity to realize interests that they value highly." As this quote indicates, change needs organized and powerful (having large resources and influence) actors to embrace the shared values portrayed by the alternatively-focused organizations in order to establish legitimacy for the new practices. At the moment, the actors engaged in these alternative forms of architecture are distributed across multiple dimensions, including locality, status, and size, however, at the same time they are united by shared cultural beliefs of the need to take up bottom-up initiative to shape the social fabric of society. From this point in time, this movement could develop in different ways. On one extreme, the current activities can fail to achieve the necessary legitimacy to ever further develop into a stable and recognized set of practices, and therefore remain in the margin. A different extreme could be that the current activities further

develop into a new yet universally established and recognized sub-field of architecture, with its own rules, regulations, and institutions. A third and final extreme could be that the current institutional beliefs of the traditional architectural sector alter, which as a result could make these alternatively-focused architectural firms experienced front-runners in the new reality. For this, powerful institutional actors such as regulative bodies in terms of laws and guidelines, or large high-profile players within the architectural or the broader construction field need to take significant steps into setting new structures for behavior. Some of the organizations that were studied for this dissertation see this as a hopeful situation for the future, as the following quote indicates.

> *"What we do now is so niche that you don't change it [the current architectural market] today. […] However, we are building a certain capability in which we do believe that – if our society should make certain choices in the future – then there will be capabilities by us and other organizations to give what society needs at that time." Arch.firm.B*

To that end, these organizations in their function as 'institutional entrepreneurs' already undertake specific activities that aim to influence their surrounding powerful institutional actors to instigate broad institutional change. As is evident from the analysis in chapter 6, these organizations have devised certain unique activity sets that particularly aim at changing institutional logics. For instance, by utilizing the identity of artists and by creating (temporary) architectural artworks (often-times in a commission of governmental agencies), these organizations help spur public debate on the function of design and architecture on social issues. Furthermore, by utilizing their role as researchers, these organizations attempt to influence institutional logics by influencing academic debate, and by creating awareness to the public through publications and research expositions. Finally, by working together with other actors and the public in open formats such as workshops and joint construction activities – undertakings that are intrinsic to their workings – these organizations use activity sets within their business models that reach out to other stakeholders in their field (colleagues, governments, academia, etc.), as well as to the broader public to create further awareness on different manners to reach social goals, and to hopefully build momentum to change the current way in which architectural projects are developed. It does seem that for some, the long-term goal seems to be more geared toward changing the system, rather than surviving the change as an organization. Long-term sustainability of the organization, as such, is therefore not necessarily the ambition for all, as the organization for them is sometimes merely a vehicle for other (social) changes in the long-term. This does not mean, however, that these organizations are all merely short-term undertakings. Some of the organizations that were investigated in this dissertation have a history of over two decades in their attempts to institute (societal) change, without losing their enthusiasm for the cause. Even more, it appears that current social and urban challenges seem to spark even more eagerness to continue, and attracts increasingly more attention, support, and appreciation.

This dissertation attempts to make several contributions to theory. Within the setting of the management of organizations from the creative industries, this dissertation provides enhanced insights into the actual working mechanisms of its business models. Specifically, this dissertation expands the notion that management in these industries is for a large part determined by the trade-off between artistry and commerce. As is evident by the studies in this dissertation, grouping the reality of creative organizations under this sole trade-off is an

oversimplification of their daily operations and concerns, as the working practice of many of these organizations is far more complex, and hosts many tensions. In this manner, this dissertation contributes to knowledge development on management practices in these industries by specifically highlighting the relationship between a variety of tensions as experienced by creative organizations and the system of business model responses that these organizations undertake. In order to successfully manage the balancing act required, this dissertation finds that it requires the creative organizations to design a system consisting of a plethora of interconnected activities. One important purpose of this system, this dissertation highlights, is not only to focus on the value creation but rather to focus on protecting the value-creating and appropriating *abilities* within the system by alleviating strains and pressure that are (subjectively) placed upon it. Moreover, this dissertation adds more insights into the strategic management of cultural and creative organizations by demonstrating the potentiality of breaking the dominant norms within their respective fields. As the cases in part 3 of this dissertation indicate, it could be that standard operations within a sector are insufficiently equipped to fulfill the artistic, cultural, or social ambitions of the people involved. New and innovative solutions that break typical principles and take on a different approach could be necessary. Such novel undertakings also need a novel strategic approach, however, as is highlighted by the analysis of the business model tactics used by the case organizations in chapter 6 for instance. This dissertation therefore provides more insights into specific issues that such undertakings come across, and the business model solutions that could be devised in response, and as such contributes to a further understanding of the management of highly value-driven organizations in cultural and creative industries.

In terms of the theory of business modeling, this dissertation took on the viewpoint of the business model as an activity system as introduced by Zott and Amit (2010), which adopts a perspective on firms that is boundary-spanning and explains how the focal firm is embedded in and transacts with its surrounding ecosystem. This notion of business models as an activity system puts forward a new understanding of firm boundaries and broadens the scope of a 'focal firm', considering it as a network of activities. This theory states that a business model can be regarded as the overall logic through which an organization creates and appropriates value, manifested through the deliberately-chosen activities an organization chooses to undertake. In a well-functioning business model, all decisions and actions reinforce themselves, making a complete and logical story. However, a shortcoming in the theory on business models is that its applicability is often stuck on a rather conceptual and abstract level. All too often, even in academic literature, business modeling is oversimplified in one-dimensional descriptions on how an organization operates and makes money, taking for instance one of the design themes of Zott and Amit (novelty, efficiency, lock-in, and complementarities) as the complete explanation of the business model of a firm. Moreover, in practice, the strategic use of business model thinking is often reduced to a fill-in-the-boxes exercise through a variety of tools, with the renowned Business Model Canvas created by Alexander Osterwalder as the main proponent. This dissertation, however, attempted to shed more light on what makes a business model work in reality. By reviewing actual business model choices from their contextual circumstances – in particular, the tensions that result from the complex operating environment – this dissertation highlights the systems-wide approach needed to produce and protect a value-creating and appropriating structure that increases long-term sustainability potential for creative organizations. Through the systems-thinking perspective in which an interconnected set of activities are needed to mitigate threatening

tensions, it becomes increasingly clear that the holistic strategic concept of the business model is characterized by a multitude of interdependencies that as a whole give an organization the ability to create and appropriate value. Moreover, the dissertation also further explored another crucial aspect of creating a functioning business model through the concept of business model tactics (see chapter 6). These tactical activities are not what some would describe the 'primary process' of each of the organizations, and these tactics are tacit rather than explicit: they are not described on the 'about section' of an organization's website, nor are they in any operating manuals. Nevertheless, they are at the core of the day-to-day activities of the organizations, functioning as the grease that makes the different major components of the business model run smoothly. Therefore, they are crucial in making the organization's story logical and complete. By combining these different aspects of business modeling in this dissertation, the study enriches the understanding of the dynamic nature of making a business model function.

In line with existing discussions in business model research that emphasize the importance of a deeper understanding of the system of links between elements in the firm and those outside comprising the logic underlying a firm's strategy (Baden-Fuller & Mangematin, 2013; Schneider & Spieth, 2013; Zott et al., 2011), and current thoughts on institutional tensions that call for a better integration of ideas from institutional theory with strategic management scholarship (Durand, 2012; Vermeulen et al., 2016), as well as calls to increase knowledge on trade-offs within the creative industries (see e.g. Wu & Wu, 2016), this thesis aimed therefore to work towards more cross-fertilization across these domains.

7.2 Some final reflections

As the title of this dissertation indicates, an argument is being made in this study for implementing certain balancing acts within the business modeling of creative organizations. Balancing tensions, this dissertation postulates, can help these organizations strengthen their position within the larger ecosystem. Moreover, the balancing of tensions within a business model could allow the organizations further room to be creative and artistic: the balancing makes room for innovative actions. Innovation theory often connects such innovative actions with the possibility of disruption or creative destruction, a concept often attributed to the works of Joseph Schumpeter. In that way, creative acts ensure the creation and implementation of novel approaches, products, and services, while at the same time rendering previous solutions and markets obsolete. This, therefore, implies an unbalance of sorts. In this manner, the concepts of balancing and unbalancing go hand in hand, and provide both elements of a successful solution towards organizational sustainability on an individual organizational level. However, these innovative (potentially unbalancing actions on an individual organizational level) are arguably not able to provide sector-wide solutions to the large-scale imposing threats. The institutional-boundary breaking activities as described in part 3 of this dissertation, therefore, could be argued to be essentially important as well on a macro level. Such institutional unbalancing could provide new manners to reorder the role creative and artistic acts take up within a society. These could potentially provide new opportunities and make room for creativity and artistry and help towards the long-term protection of creative and artistic acts.

There are a number of avenues for further research that directly follow from the work presented in this dissertation. First, adding a longitudinal component in a research design on business modeling in creative industries could provide interesting new insights. This will allow for a deeper exploration of the dynamic processes of creating a business model. For example, it could uncover under what circumstances certain activities are started, and/or replaced. Moreover, as this dissertation searches for business model solutions that could help the organizations achieve stability and thus more potential for long-term sustainability, this link between business modeling and long-term survival which is implied in this dissertation could be empirically studied and better understood.

Second, as an important tension highlighted in this dissertation focuses on balancing the multiple roles a partner architect takes on within an architectural firm, ranging from being the lead architect/designer, being the person responsible for project acquisitions, to being responsible for organizational strategy and office management, future research could focus more on this specific tension as it is experienced on a personal level. How do these partner architects value the tradeoff between pursuing their own personal ambitions in terms of artistry and building a personal portfolio with their responsibilities towards building a (long-term) sustainable organization? What effect does the increasingly marginalized role of architecture and its corresponding effect on their artistic output have on their (mental) wellbeing – such as in the form of increased stress, feelings of insecurity about the future, and lack of pride of the creative outcomes – and how does this influence organizational decision making, business modeling activity sets, as well as creative outcomes? Moreover, as organizational growth is often-times not the main ambition of many creative entrepreneurs, what measures of success do they define for themselves, and how do they measure their progress towards attaining those goals? On an organizational level, it could be wondered in that case what modifications in terms of adjusted business model activity sets do they put in place when attainment of their (self-defined) goal is hampered?

Third, the institutional-boundary breaking activities of the organizations in part 3 of this dissertation provide many opportunities for further research. Further developing on the notion of the abilities of these cases to act as ‘institutional entrepreneurs’ that are attempting to change the institutional reality in their sector, future research could provide additional insights into these attempts. Particularly, future research could focus on if and how the current institutional norms are being altered by such activities of institutional entrepreneurship, on the drivers and barriers for such attempts, and on further strategies used by such organizations to alter institutional realities. Moreover, future research on the decision-making processes within such ‘shared’ and ‘informal’ practices (see chapter 6) could provide meaningful insights into the critical processes of environmental scanning and sense-making through which these organizations have decided on the nature and operations of their alternative approach.

Fourth, as this dissertation indicates, the undertakings of many creative organizations expand beyond the walls of a single firm and include a joint effort between many organizations. For instance, many of the architectural firms that were researched in this dissertation tackle a design challenge or a design competition together with one or more partner architectural firms, or with partner engineering firms. Often-times, the cooperation between such firms takes the form of almost fixed partnerships, in which the same constellations of firms continuously work together. The overarching business model of such a network constellation of organizations

that team up and create value in unity is as of yet not been researched (or not extensively) within the context of creative industries and has also been given limited attention beyond that context. Within such a setting, the overall business model, as well as the individual contributions of each firm and their ability to contribute to the value creation as well as appropriate the fair share of their involvement, while protecting their own identity as a firm could prove to be an interesting research avenue.

Fifth, as this dissertation took on a business modeling approach to the management of creative enterprises, it focused mainly on its value creating and appropriating abilities. In this regard, it did not emphasize the financial aspects of strategically managing such a firm, since it is widely understood in academic literature that "in essence, a business model is a conceptual, rather than financial, model of a business" (Teece, 2010, p. 173). Including a financial viewpoint to the study of business models in creative enterprises could provide an interesting avenue for further research. This dissertation finds several openings for further developing such research endeavors. For example, from the cases in part 2 of this dissertation, it is apparent that several of the tensions that are being described rely on some sort of financial tradeoff that merit further investigation. For instance, what is the ratio between necessary, profitable projects on the one hand, and meaningful yet underfunded projects on the other? Moreover, what is the tradeoff within meaningful projects between reputational or artistic gains on the one hand, and the amount of acceptable financial losses on the other? Is this tradeoff influenced by other factors, such as for instance the stage of development (maturity) of the organization? Finally, as it was stated that architects' source of income is still mostly based on a percentage of construction fees or a fixed flat fee, it could be wondered whether and how architectural firms in particular (and creative firms overall) are experimenting with their financial model? From the case studies in part 3 of this dissertation, it has become apparent that their experimentation in form, approach and (legal) status has also provided them with a wider range of financing options for their activities. For example, the music venue Splendor Amsterdam fulfils its financial needs through a range of instruments, which include one-time investments by the musicians, investments made by private investors in forms of a corporate bond, yearly fees gathered from public members, ticket sales of individual concerts, as well as income from the in-house exploitation of food and beverages. For the architectural firms in part 3, the different activities that they employ come with different financial sourcing strategies. For example, their activities as artists are often paid for as public commissioned work from governmental agencies, foundations or through sponsorships. For their research activities they often make claims to public research subsidies, or they receive income from being teachers, as invited speakers, and to hold workshops. These types of income come besides their architectural work which they still perform. Future research could further explore the broadened spectrum of financial options an alternative positioning could provide, and how such new financial constellations that are made up from a myriad of components influence decision-making as well as their (artistic) output. Does these sort of compounded financial sourcing strategies that rely on multiple different financial sources provide the organizations with more options to undertake activities, and therefore more options to be creative, or do these give them more restrictions as it increases the complexity of their operations?

Finally, as this dissertation took on a qualitative methodology to understand more about the concept of business modeling in creative organizations, it would be interesting to expand on

this by following up with larger-scale quantitative studies on specific business model choices that are being made by creative firms in light of the tensions they experience.

As in all research, there are certain limitations to this study (which also open up paths for further research endeavors). First, the current study used both the concept of the creative industries as a whole and the sector of architecture in its particular, as research objects. The sector of architecture was used for a more in-depth look into the business model decisions that are being made in reference to a specific context. A limitation of this study lays in the fact that the sector of architecture is not necessarily representative of all sectors of the creative industries, and that different results could be obtained when looking at these sectors individually. Caution should be applied in terms of the overall generalizing of these specific outcomes. However, it could be argued that the mechanism of using the business model as a mitigating tool for organizational tensions (an argument first made in chapter 2 of this dissertation, and applied in subsequent chapters), could be applied in the other sectors of the creative industries as well. The case example of the music venue Splendor in chapter 5 can serve as a case in point in this regard.

Second, as this study takes a contextual approach, all architectural cases that were used in this dissertation had a link to the region of Flanders, Belgium, and all creative organizations that were studied were located either in Belgium or the Netherlands. Generalizations beyond this context can therefore only be assumed, yet not confirmed. In that regard, two important points can be made. Firstly, as this dissertation focuses on the interplay between business model decisions and an organization's context, it could be argued that discoveries found in this dissertation only apply to the specific context in which it was studied. This holds for example to a certain degree for the findings of chapter 5 in which the concluding remarks highlight that the innovative business model that has been designed by the musicians only seems to function by virtue of an overarching subsidized cultural system that provides these musicians with opportunities for a steady income. As such, these musicians are not financially reliant on their collaborative endeavor. In situations where the contextual circumstances are different and do not provide such a subsidized infrastructure for art and culture, such as for instance outside of (Western) Europe, the decision-space for business modeling activities vastly differ. Therefore, likely different solutions will be found, indicating to a contextual bias in findings of this dissertation. Secondly, however, it could be argued that an important contribution of this dissertation is not merely in the specific solutions found, but rather in the decision-making leading up to the implemented business model solutions, as they are found to be seemingly reactionary to contextual circumstances. In that sense, the dissertation highlights how certain business model activities are designed to function as a reaction to the specific context, as such indicating the potentiality of the business model as a balancing mechanism. In that sense, the findings do provide a degree of generalizability, as it could be argued that creative organizations in much different contexts possibly (could) use similar strategies and tactics in navigating within their own context.

Third, an assumption in this dissertation is that it is an organizational goal to achieve long-term stability and sustainability. However, it can be argued that for several organizations (especially in the creative industries), this is not an explicit nor implicit goal. It is well-argued that for many creative entrepreneurs, for instance, the goals of the organization in terms of success can differ from what often is assumed to be 'standard' goals of a company. Even

though the organizations studied in this dissertation did not refute the goal of long-term sustainability, however, claims of generalization in this regard should not be made.

Finally, the role of the government and government policy has not been extensively covered in this dissertation, as the focus was placed on the strategic concept of the business model of the creative organizations. However, as is evident from the studies, the role of the government for creative organizations is significant in terms of setting regulations, establishing an underlying (financial) structure through policy and subsidies (as is highlighted in the discussion section of chapter 5), as well as in providing assignments for the creative organizations (for instance through tenders for the construction of public buildings). Therefore, the government does play an important part in the social structure of the creative sectors, as well as in the establishment and the maintenance of (in)formal institutions. Further research is recommended to explore the relationship between governmental decisions and policy, institutional logics, and business responses by creative organizations in more detail. For instance, an interesting research avenue could be found in further exploring the potential role governments can take up to help break open institutional fields and in further developing them, or to provide the support structure necessary for organizations that attempt to redefine their role within the larger ecosystem.

7.3 Going forward

While this dissertation was being finalized in the first months of 2020, the world was facing an unprecedented global health crisis. The Covid-19 pandemic has immediate impacts on health and the healthcare system, and is moreover forecasted to have long-lasting effects on local and national economies across the globe. This crisis has also exposed to a larger extend the vulnerability of the creative and cultural industries and their workers, as it rapidly uncovered the overwhelming fragility of these sectors (Comunian & England, 2020). As actors in these sectors often rely on low- (or under-) paid ‘gigs’, ad-hoc projects, short-term employment contracts, and freelance arrangements, they are often placed in a precarious situation with low levels of (social) security. Since the Covid-19 pandemic forced many economic activities to a halt, for many within the creative sectors it meant that projects and assignments were postponed or cancelled leading to partial or complete loss of income, as well as (mental) insecurities about future possibilities. As these sectors have been highly affected by both economic crises and decreasing subsidization (in Western Europe) in the recent past, policy makers often laud the ‘resilience’ of the sector in absorbing such shocks and adapting to new realities (Comunian & England, 2020). However, it could be argued that a focus on mere resilience – which implicitly has a short-term focus on survival and adaption rather than on long-term planning and (organizational or institutional) change – might not lead to a durable industry-wide solution, and that more radical transitions and new manners of thinking on essential components such as business models should be in place in order to leave this fragile situation.

It could be wondered, therefore, whether the currently typical approach of small-scale initiatives that rely on individual entrepreneurship is a viable approach within these sectors going forward? Taking cues from the case studies highlighted in this dissertation, an argument could be made for organizations to look beyond typical demarcations, be it functional,

organizational, or sectoral. Especially the cases detailed in part 3 of this dissertation display a high degree of norm breaking in order to (re)take further control of their role within their larger ecosystem, enabling them more freedom to fulfil their artistic and social ambitions. Perhaps this pandemic provides the necessary push to rethink the business model in similar ways towards ones that 1) can offer better protection from economic conjunctures, and 2) are better enablers for making artistic and social aims a reality. Collective forms of entrepreneurship and business models that are based on shared core beliefs, a sharing of resources, and a pooling of complementary assets – such as those displayed in part 3 of this dissertation – can possibly lead to enhanced forms of shared value creation, as well as possibly more protection through the distribution of risk among a larger group of individuals and entities. Going beyond small-scale individual initiatives towards innovative collaborative forms that include creative individuals, public and private organizations, as well as the end-users and other stakeholders, can help further cement the position of the creative organizations within their respected ecosystem and civil society. However, value creation in such an interweaved context raises specific organizational and business modeling dilemmas: How do those involved determine what the value is that they are collectively as well as individually seeking? How do the participants decide on the activity sets that are required to create that value, and how are those activity sets distributed among those involved? How do collaborations ensure that the individual contributions lead to a shared (artistic / social) goal and that each contribution is properly valued and individually appropriated? It is obvious that such a redesign of individual organizations towards more collaborative forms takes a large transformation, and must be designed, managed, and reflect upon carefully through shared and open processes.

When talking to the creative entrepreneurs and managers for this study, it became apparent that the concept of business modeling was as such not first on their mind, and many admitted to not taking enough time to reflect on their business model. However, despite having limited familiarity with the (academic) concept of business modeling, in practice, these creative entrepreneurs and managers take critical and well-thought-out business modeling decisions in daily operations. Insights from this study could help them further develop these business modeling efforts. The study highlights the contextual challenge in which a business model needs to be designed. Instead of giving entrepreneurs a certain standard 'formula' for success, business modeling should rather be seen as creating and solving your own puzzle, with each organization having a different final image to search for, based on their contextual circumstances and personal desires and values. This study can help these decision-makers to consider the specific activities that are undertaken by their organizations, and to evaluate them as part of a larger system that enables them to unlock certain aspirational possibilities, such as the desire to unlock room for creativity and artistry. By analyzing their organizations in terms of the activities performed – and the value-creating and appropriating capacities that result from this – can help identify the strength of the overall system, as well as avenues for improvement. Several key determinants can be used for this evaluation. First: do the different activities that are undertaken fit into a coherent, and logical story (the systems-thinking approach to business modeling)? Second: do the different activities that we undertake fit with our foundational beliefs (do they fit our underlying value pattern)? Third: are we able to create and appropriate value in the short-term as well as the long term through our current activities? As this dissertation shows, a balanced creative business model requires an overarching system-wide approach that balances multiple aspects of an organization: the short as well as

long-term perspective; the perspective of all internal stakeholders (from the owners to the employees) and external stakeholders (from clients, governmental actors, to other people impacted such as neighbors); and the balance between commerce and artistry.

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9 Appendices

9.1 Generic interview guide

Table 26 below displays an overview of the generic interview guide created for the interviews at architectural firms. As every interview is predated by a desk research into the interviewee and the corresponding organization, the generic interview guide is modified and personalized in function of each individual case, highlighting the constructionist position which assumes that knowledge and reality is contextual.

Table 26 Generic interview guide

Questions	Value dimension	Biotope
Introduction to the interview		
- The research attempts to search for solutions towards a sustainable business model in architecture. What are strategies, tactics that ensure that an architecture firm can be healthy in a long term? Being healthy in this case refers to being able to stay creative, as well as financially sound in the long term.		
Set 1. Historical trajectory & Mission Vision		
- Introduction of the interviewee, his/her personal history as a professional in this field, and personal values - Introduction of the organization, and its trajectory throughout time	Value proposition	Domestic
- Explanation of the name of the organization - Explanation of the mission / vision of the firm (if possible, refer to the stated mission / vision as found on company website / communication) - What is crucial to make your specific model function? What concrete actions / decisions were taken to make this possible?	Value proposition	Domestic Peers Market Civic
Set 2. Internal working model		
- Explanation of the current size of the organization (number of employees) - Explanation on the type of employee (background) and their contracts (fixed contracts / independents / cooperative …) - Why do employees choose to work for you? - Elements of your organization that are particularly appreciated by employees?	Value architecture	Domestic
- Internal organization of an architectural project - What do you do yourself, what is being outsourced? - Are you ever confronted with limitations due to your internal working model? How do you deal with that?	Value architecture Value network	Domestic
- Do you feel your internal working model is currently under pressure? - Do you ever consider a different approach? Adjustments? Experiments?	Value architecture Value network	Domestic Peers Market Civic
Set 3. Architectural activities		
- What kind of projects do you take on? - How do you choose projects / assignments? - When does a project / assignment fit with your organization? - When doesn't a project fit with your organization? - What are 'red flags' in a project / assignment? - Why do you think you are chosen for an assignment?	Value proposition Value architecture Value network Value finance	Domestic Market Civic
- How do you manage the different interests that are involved in an architectural project?	Value network	Domestic Market Civic
- What is your view on architectural design competitions? o Do you participate in these? - What is your view on Public Private Partnerships (PPS)?	Value architecture Value network	Market

○ Do you participate in these? Do you have tactics in managing these?		
Set 4. Architectural field in general		
- Do you often look towards the competition, and what they do? - Are you sensitive to trends in architectural design? - When you would compare yourself to competitors, in what way are you unique? - Do you give importance to public recognition through awards?	Value proposition	Peers
- What do you feel is the 'public role' of an architect? - What do you feel is the future role of an architect within the broader construction industry?	Value proposition Value network	Civic
- What are the foremost challenges for your organization? - What would be a danger for your organization?	Value proposition	Domestic Peers Market Civic

9.2 Account of other authors in this dissertation

Two chapters in this dissertation are derived from publications written by multiple authors. As required by faculty rules, this appendix provides an overview of the contributions of these outside authors.

Chapter 3 (intermezzo paper B) is partly based on the book: *Creative Jumpers, businessmodellen van groeiondernemingen in creatieve industrieën*. This book has been authored by myself and Professor Koen Vandenbempt. In terms of division of work for this book, the main content has been written by myself, and professor Vandenbempt provided invaluable feedback, comments and help in analyzing the gathered data.

Chapter 5 (intermezzo paper D) is mostly based on the paper: Artistic innovation from within the cracks. Unlocking musical creativity, written by myself, Arne Herman and Professor Annick Schramme. In terms of division of work for this publication, musicologist and philosopher Arne Herman was mostly responsible for the introduction part, in which the current tensions within the music production scene are presented. My contribution focused on the "approach" part, in which business modeling is presented, and the analysis of the case study of Splendor in which the lens of business modeling was applied. The discussion and conclusion sections were a joint effort. Professor Annick Schramme was responsible for invaluable feedback and comments which helped improving the draft manuscript.