

Business modelling and business model innovation for sustainability in rural and urban areas

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Project Description:

Business models are widely accepted to capture the value creation approach businesses, differentiating social, financial and environmental value. The PhD project will investigate how organisations in the UK and EU innovate their business models to conduct business more sustainably while considering social and environmental impact, conceptualising business modelling as an ongoing process and activity. Business models are widely accepted to capture the value creation approach of a business, differentiating social, fiscal and environmental value.

Businesses are keen to demonstrate that they contribute to the Sustainable Development Goals (SDGs) and the circular economy, including contributing to Netzero targets. Evidence of this contribution is increasingly important to gain customers and public sector contracts. However, many businesses struggle to identify their current business model and how to develop and innovate it cost-effectively while contributing to meeting the SDGs and Netzero targets (Hill and Scott, 2024). One reason is the limited use of e-solutions and technology, and hence, digital transformation and digitalization are some forms of innovation of business models (Andreini et al., 2022; Carli et al., 2023; Warner and Waeger, 2019). Inclusive business models are another type that focus on businesses, with a for-profit focus, to contribute to creating employment in particular areas and/or for particular population groups. Lastly, social enterprises employ different business models integration social mission.

Social, structural and economic challenges in society and economy influence business model evolution. Material conditions, such as a location in a rural area (great distances to the next transport hubs such as train stations, airports, ferries; lower density of potential customers and competition; limited digital connectivity; fewer networks and associations), impact on how entrepreneurs organise their business modelling and account for material and social conditions outside of the firm (Hill and Mole, 2022).

While the majority of empirical research on business models has been conducted in urban areas, rural areas have become considerably valuable in order to achieve food security objectives and have been object of increasing attention by policy makers (e.g., European Commission Farm to Fork Strategy). But, rural economies go much beyond food production and leisure offers with land-based businesses and produce services and manufacture a variety of goods, which this PhD could investigate. Many business practices and business models in rural areas are silently contributing to reaching sustainability targets. Most research has tended to neglect the details on *how* businesses identify and evolve their business models, what tools and approaches they employ, what the role of context is and how they implement new business models (Casadesus-Masanell and Ricart, 2010; Teece, 2018).

We invite applications that would investigate *how* firms in rural and/or urban contexts develop their local, regional and (inter-)national business activities (Mole et al., 2022) and change business models.

Applicants can choose to investigate urban and rural businesses comparatively, or focus solely on businesses in rural locations.

A MBA (with research element), MSc or MA in a related discipline such as management, business administration, international business, regional development or rural studies is essential.

The successful applicant would ideally have one or more of the following additional interests, business or research experiences:

- Local or regional economic development experience,
- Entrepreneurship-as-practice or strategy-as-practice basic understanding (Prashantham and Healey, 2022)
- Local or regional economic development experience.

Possible methodologies

The detailed PhD theoretical framework and methodology will reflect the detailed research questions and strengths of the candidate. However, due to the nature of this research field we expect the candidate to adopt a mixed-method or qualitative framing (Langley and Tsoukas, 2017) for analysing business modelling for sustainability development and innovation (Hill, 2016; 2018).

The nature of business modelling suggests a predominantly interpretive lens focused on evaluating subjective experiences and perceptions, seeking to find patterns across groups and locations and employing qualitative methods, including in-depth interviews, focus groups, and/or ethnographies. Survey-based research and clustering methods can support establishing common patterns of behaviours and attitudes across SMEs (e.g., Sancino et al., 2022; Velez et al., 2023).

The research findings will be relevant for entrepreneurs, SMEs, policymakers, regional development professionals for local and regional strategic planning and business support professionals.

About the Supervisors:

Inge Hill, PhD: Inge Hill is Lecturer in Entrepreneurship at The Open University Business School, UK and has published her own business model (Hill, 2016). Her research investigates micro-exchange processes that enact entrepreneurship rooted in process and practice theory. Her research is applied to business support for SMEs in rural and urban areas, identifying how external advisers support business model innovation. Currently, she analyses the impact of place and space for SMEs and non-profit organisations in rural and urban contexts. Inge is a former business adviser and advice programme evaluator. Inge has published in international journals such as *Entrepreneurship and Regional Development*, *Papers in Regional Science*, *International Journal of Entrepreneurial Behaviour and Research* and has worked on several EU funded projects. Inge is an Associate Fellow with the National Innovation Centre for Rural Enterprise, led by Newcastle University, previously a co-investigator. She has two PhD completions.

Giacomo Carli, PhD: Giacomo is Senior Lecturer in Strategy and Teaching Director of the Undergraduate Business Programme at The Open University Business School. Giacomo developed a

specific background on agricultural innovation, which is now part of his research agenda, in combination with an interest on business models. He has been working at EU-funded research projects with several international partners and institutions, focusing on policy making and strategic aspects, including technology adoption and business modelling. His research is published in international journals such as *Public Administration Review*, *Studies in Higher Education* and *Journal of International Management*.

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