

Business Ideas: Concept and Purpose

A **Business Idea** is representation of the strategic formula of an organisation (company, business unit, strategic focus, and strategic focus area). It is the articulation of an organisation's mental model of the forces behind its current and future success. Only when articulated can it be discussed, communicated, tested (against uncertain future/scenarios) and improved.

The concept of the Business Idea was initially developed in Shell's Planning Group, and improved over time by Van der Heijden and others.

Success results from combination of three elements:

- discovering a way of creating **value** for customers
- bringing together a combination of **competencies**, which creates this value
- **creating uniqueness** in this formula in order to appropriate part of the value created.

Thus the three elements of a Business idea comprise:

- the nature of **competitive advantage** exploited
- the supplier's **distinctive competencies** (which in their mutually enforcing interaction create competitive advantage), and
- a growth principle: a positive feedback loop, in which resources and knowledge generated drive **growth**

Due to its systemic structure a Business Idea is normally represented graphically as an **influence diagram**. In a generic form a Business Idea can be represented as shown.

During the **workshop** participants engage in a facilitated conversation which aims to surface the elements mentioned above and their systemic interrelationships. During the workshop a first draft of a Business Idea (influence diagram) is developed which captures the essence of the success formula, but will still be somewhat provisional. After a 'clean up' the result is fed back to the team who need to reconvene to discuss / improve the results obtained so far, and decide on a more definitive version.

