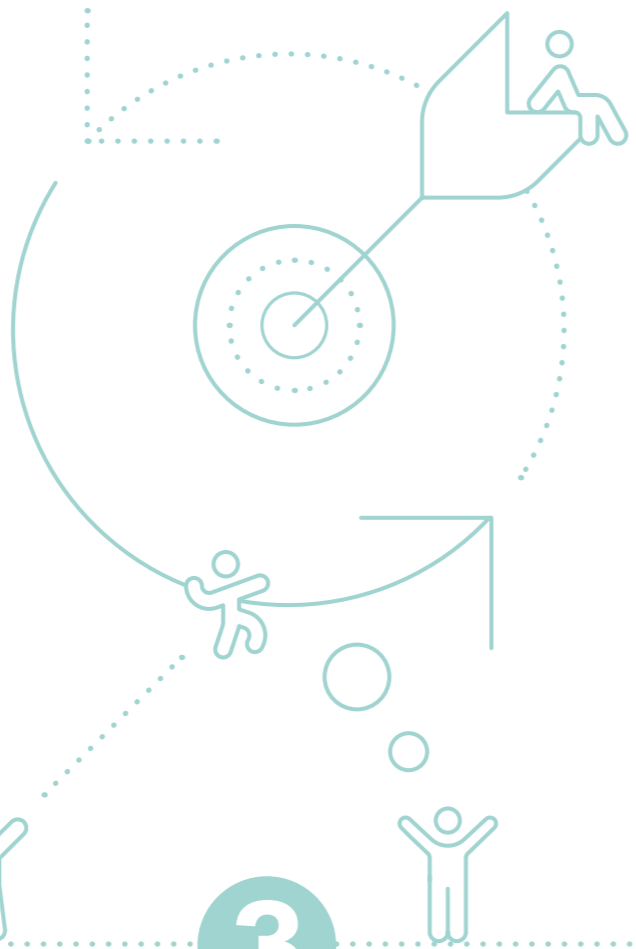


# Developing a BMI mindset

Business model innovation (BMI) is a key task for managers – yet they often can't do it because they lack the requisite mindset. The BMI mindset is one that is able to conceive of the entire activity system of a firm in terms of problem-solving or business opportunities. By thinking proactively and holistically about how you do business, you can better prepare for changes in your industry or business environment. Granted, such thinking isn't easy and may not come naturally. But the good news is, it can be taught and learned. Here's how to develop it, in yourself and in others.



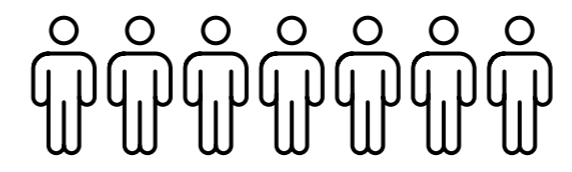
## ACTIONS TO FOSTER BMI IN YOURSELF

**1**  
**Anticipating**  
Never be complacent about your current position. Just because the future is unknown doesn't mean you can't try to imagine future scenarios, especially ones in which your competitive position isn't the same forever. Use strategic foresight tools to help you think about future possibilities.

**2**  
**Distancing**  
Don't get so mired in the day to day that you lose sight of the bigger picture. Step away to get an outsider's view of your firm, either through a strategy workshop, or by leveraging the views of external hires, advisers and periphery employees who may have a very different take.

**3**  
**Abstracting**  
Think about your business model in generalizable, conceptual terms, which helps in identifying elements of your existing model that could be applied to a new domain, or vice versa. Just be careful not to oversimplify or ignore crucial elements on which your current model depends.

## ACTIONS TO FOSTER BMI IN YOUR TEAMS



**5**  
**Employee selection**  
Hiring criteria should include openness to learning. Probe job candidates about their recent learning experiences, not just their industry expertise. An individual with less firm-specific experience but a more open mind or broader background may prove more valuable longer term.

**6**  
**Memorable mentoring**  
Send strong messages from the top that BMI is important. This can happen through formal training and workshops on the topic, but also through informal means. Make sure your meetings are future-oriented, where everyone is encouraged to share examples from other industries to solve problems. Invite employees to travel outside their usual domain to compare how things are done elsewhere.

**4**  
**Reframing**  
Make sure you have strong communication processes and that there is sufficient appetite for flexibility and change within the organization before presenting business model alternatives. How receptive is your organization to diverse perspectives? Does it take a crisis before change is considered?

**Framing tip**  
**W**hen presenting BMI internally, be conscious of how you do it. When framed as a threat, people tend to get more rigid, which restricts information, narrows attention and reduces channels, resulting in inertia. When framed as an opportunity, people react more positively under the expectation of gain, which motivates change and promotes innovation. Opportunity and threat perceptions act as important cognitive antecedents to business model change and innovation.

**7**

**Role modeling**  
Unlike mentoring, role modeling is neither necessarily based on direct interaction nor does it necessarily have a teaching purpose. By deliberately displaying your own interest in BMI and always being open to new learning experiences, employees may seek to emulate the same attitudes and behaviors if they are so inspired.

### Avoid these traps

**Not seeing the forest for the trees**  
Paying too much attention to individual components (e.g., the product or technology) rather than seeing how the whole system works.

**Accepting your model as a given**  
Path dependencies (e.g., standard procedures, ongoing contracts, stable relationships, established routines) discourage the search for anything new.

**Following a dominant template**  
Benchmarking and copying elements from other business models similar to your own, forgetting that things can and often should be redesigned with novel features.

MORE INFO: *Business Model Innovation Strategy: Transformational Concepts and Tools for Entrepreneurial Leaders* by C. Zott and R. Amit (Wiley, 2020).