

Towards Sustainability through Business Model Dynamics in the Era of Digital Transformation

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Abstract

Purpose of the article The article aims for understanding of the impact of the digital transformation on implementation and proliferation of business models for sustainability through incumbents in the paper making and paper converting industry in Europe. The research question was: How does digital transformation impacts the business model for sustainability dynamics and what business model component are mostly impacted by it?

Methodology/methods An exploratory, collective multiple case study on a sample of 15 industrial companies, covering over 75 % of the relevant European specialty paper market, has been conducted. The data was collected in parallel in Spring 2019 from publicly available documents, mainly sustainability reports and www pages of the subject companies. A participative observation technique, supported through semi-structured interviews with paper industry experts towards getting indebt understanding of the research topic was applied. Aiming for contribution to a theory creation, given a limited number of research objects, a qualitative research method towards increasing reliability and generalizability of the results has been chosen.

Scientific aim Theory creation through understanding and determination of the scope of dynamics the components of the business model for sustainability caused by digital transformation. Identification of the enabler of business model dynamics.

Findings The study identified value communication as a new and the critical component of the business model for sustainability. Despite being a certain threat to the paper industry due to substitution effect in general, the digital transformation improves value communication with stakeholders that in consequence impacts positively all other business model components, mostly, however, value creation. It supports the focal company in developing a needed partner network necessary for sustainable value creation.

Conclusions The paper making companies need to focus on value communication when implementing business models for sustainability. The digital transformation supports and triggers communication of the value proposition and supports value creation. On the other hand, value capture and value delivery are impacted the least. The research paper gives both paper industry incumbents and new comers a critical insight into which is the key focus area in their sustainability efforts. Although covering majority of the players in the relevant industry, a limited number of respondents and possible confidentiality attributable biases might have partially negatively impacted reliability of the gathered information and generalizability of the result to other industries.

Keywords: sustainability, business model dynamics, triple bottom line 3P, digital transformation, paper industry.

JEL Classification: L26, O3

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