Macrothink Institute™

World Journal of Business and Management
ISSN 2377-4622
2021, Vol. 7, No. 1

Using Business Models beyond Business

Helen Kavvadia

Institute of Political Science, University of Luxembourg

11, Porte des Sciences, L-4366 Esch-sur-Alzette

Tel: 352-466-644-9386   E-mail: helen.kavvadia@ext.uni.lu

Received: December 31, 2020   Accepted: January 28, 2020   Published: March 25, 2021

doi:10.5296/wjbm.v7i1.18137   URL: https://doi.org/10.5296/wjbm.v7i1.18137

Abstract

Business models describe the way organizations create and deliver value necessary for their existence. In the mid-1990s, they arose as a buzzword relating to the development of "dot-com" firms and their hunt for capital. The theory and application of business models have focused on business.

Consequently, the definitions and archetypes of business models proposed in the extant literature have addressed profit-making organizations. This paper argues that business models are equally useful in the establishment, evolution, and analysis of non-profit organizations. Moreover, there is a real need for these models, as non-profit organizations are part of the national and international economic governance. Thus, the paper reframes business models through a non-entrepreneurial lens and proposes a new archetype with generalized applicability to all organizations, whether for-profit, non-profit, public, or private. A "hybrid" archetype is developed, synthesizing existing business model archetypes while extending their reach to better embrace the overarching core logic of organizations, reflecting the political mandate of not-for-profit entities and the business remit of firms. The validity of the proffered archetype is tested on two international not-for-profit organizations and serves well as a conceptual map of their decision-making and policy-making activity. Furthermore, the testing process demonstrates that business models, when devised externally and retrospectively, can be equally well used in hindsight as organizational analysis tools, possibly conjointly with other methods.

Keywords: Business models, Non-profit-making Organizations, Organizational studies

1. Introduction

The use of business models is a fairly recent development, arising in the Mid-1990's as a buzzword relating to the development of "dot-com" firms (Foss & Saebi, 2017) and their hunt for capital. The term was used as early as the late 1950's in the context of operational research business games (Bellman et al., 1957, p. 474). Conceptually, business models are based on key concepts in industrial organization economics (von Neumann & Morgenstern, 1944) and business studies, such as strategy issues (Chandler, 1962), the model of organizations—the well-known diamond (Leavitt, 1965)—and the value chain (Porter, 1985, 1996). Although some scholars doubt the theoretical foundation of business models in economics (Teece, 2010), the concept was rapidly adopted by management scientists (Amit & Zott, 2012; Cavalcante et al., 2011; Johnson et al., 2008; Mäkinen & Seppänen, 2007; McGrath, 2010; Moingeon & Lehmann-Ortega, 2010; Osterwalder, 2004; Pacheco et al., 2010; Zott et al., 2011; Zott, & Amit, 2009) as well as organizational sociologists (Perkmann & Spicer, 2010), recognizing that business models "hold promise as a unifying unit of analysis that can facilitate theory development in entrepreneurship" (Morris et al., 2005, p. 726). The first obvious research question is whether business models can only serve for-profit organizations, given that "several authors… [see them]… as a system for making money" (Slávik & Bednár, 2014, p. 20). This paper suggests that, quite to the contrary, business models can be equally well used for the establishment, evolution, and analysis of non-profit organizations. Their use can contribute to relevant, efficient, and effective policy-making institutions, aiming mainly at the common good. For those doubting the need to use business models for not-for-profit organizations, the paper contends that such organizations must be established and managed in the best possible way, especially as they usually involve public funding. Their best possible operation ensures the optimal use of public funding and ensures their relevance. Furthermore, such organizations are firmly entrenched in the national or even the global economic governance system. The second research question is whether there is a business model appropriate for non-profit making organizations. The paper therefore begins with an attempt to search for and identify an appropriate verbal and representational business model archetype, which could eventually fit non-profit organizations. The question was clearly supported by a review of existing scholarly works. In the review, the first thing that became apparent was the lack of consensus regarding the conceptualization, definition, constituents, trajectory, and use of business models (Burkhart et al., 2011; DaSilva & Trkman, 2013; George & Bock, 2011; Seddon et al., 2004; Seppänen & Mäkinen, 2007). Porter (2001) criticized the concept as not well theoretically grounded and stated that the definition of business models was "murky at best" (Porter, 2001, p. 73). Some researchers consider business models a form of entrepreneurial opportunity creation (Chesbrough, 2010; Markides, 2008) while others view them as an abstraction that describes a business at a conceptual level (Osterwalder et al., 2005). However, some scholars suggest that, rather than "actual features of firms, Business Models are [mere] representations that allow managers to articulate and instantiate the value of new technologies (or in more general terms prospects and can therefore be conceived) as performative representations, as narratives that convince, typifications that legitimate, and recipes that guide social action" (Perkmann & Spicer, 2010, p. 1). Morris et al. (2005) provided a solid basis for defining business models through a thorough literature review. They performed a content analysis of key words in thirty definitions and classified them into three categories, namely, economic, operational, and strategic, with each comprising a unique set of decision variables, providing proof of the cross-theoretical idea behind the value creation potential of a venture. Their work demonstrated that there are pitfalls in the way business models are defined, given that the concept remains polysemic and ambiguous, often confused with "business strategy" (Casadesus-Masanell & Ricart, 2010; Hedman & Kalling, 2003; Magretta, 2002; Seddon et al., 2004). Furthermore, business models often appear in the literature in a rhetorical rather than a representational way, weakly linked to what is going on within an organization, while additionally tending "to be normatively inflected" (Perkmann & Spicer, 2010, p. 5). Despite the obvious absence of agreement on its definition, a business model can still be broadly conceptualized as a system of interdependent activities. In this vein, the "underlying dimensions of the business model are resource structure, transactive structure, and value structure" (George & Bock, 2011, p. 83), which transcend the focal firm and span its boundaries (Teece, 2010), aiming to create value for the providers and the recipients of an organization. The activity system enables the organization to create value and appropriate a share of that value, in synergy with its stakeholders. This conceptual map of actors, actions, interactions, and outcomes can be the basis for decision- and/or policy-making for the establishment of a business or an institution, profit-making or non-profit-making, public or private. In essence, "the activity system allows the firm, in concert with its partners, to create value and also to appropriate a share of that value" (Zott et al., 2009, p. 1). Reassured in conceptual terms that business models can apply to non-profit making organizations, the study proceeded to the review of secondary sources while performing a meta-analysis of existing business model archetypes in order to identify those that could serve the purpose. Despite a rather broad conceptualization of business models—and a plethora of sectoral applications—the extant literature revealed no single existing archetype that could fit the more political nature of non-profit organizations. Even so, as already explained, no conceptual obstacle has been identified for such an absence. On the contrary, having activities as their basic compositional elements (Ahokangas & Myllykoski, 2014), business models could be equally applicable to profit-making and non-profit-making organizations. The incongruity of existing archetypes can be ascribed to the lack of a basic constituent element, which would allow the interconnection of non-profit organizations with their political "masters" and society as a whole. The latter shapes the relevance of such organizations, which they covet as much as others desire profitability. Yet, there is no complacency in the academic community. Indeed, the need for "developing a convergent construct [that] could significantly reduce confusion and help reconcile conflicting empirical results" has been articulated (George & Bock, 2011, p. 84).

Acknowledging and building on existing scholarly work, the paper reframes the business model through a non-entrepreneurial lens, proposing a new business model archetype. It is developed as a "hybrid" by synthesizing the generic business model proposed by Shafer et al. (2005) and the taxonomy of the components of integrated business models (Wirtz et al., 2016). Additionally, it adapts the definitions of the constituent elements while adding in the refinement processes, a salient emphasis on the overarching core logic of organizations, their raison d'être and their ultimate purpose for existence. The validity of the new archetype has been tested on two not-for-profit international organizations, which were used as case studies to determine its applicability, serving as a conceptual map of their decision-making and policy-making activities. The choice of the two case studies has been made on grounds of replication and general validity. More precisely, the archetype has been applied to the European Investment Bank (EIB) and the Asian Infrastructure Investment Bank (AIIB), multilateral organizations operating on a non-for-profit basis whose business models are not available in the public domain. There are few references to the EIB's business model in its official documentation, and they are brief, descriptive, and linked to its triple-A credit rating prerequisite. For the AIIB, there is no public reference at all. Their business models have therefore been crafted externally and retrospectively for the needs of this study. These illustrative examples not only demonstrate the validity of the archetype but also show that business models can be devised externally and retrospectively and used in hindsight as organizational analysis tools, possibly conjointly with other methods. The scientific contribution of this study lies in the development and testing of a new archetype to fill a gap in the applicability of business models to all types of organizations, particularly non-profit organizations, as well as to demonstrate the possible use of business models as a hermeneutic organizational analysis tool.

The rest of this paper is organized as follows. Section two includes stocktaking of the literature and existing business model archetype, as well as documentation of the need for a new business model archetype that is appropriate for non-profit organizations. In addition, the paper's analytical strategy is outlined and its main caveats are addressed. The proposed 'hybrid' business model is presented in Section three. Section four tests the proposed archetype, and Section five offers concluding remarks.

2. Crafting a New Business Model Archetype to Fit Not-for-Profit Organizations

Devised mainly to aid in the set-up of new private sector entities, usually in the consideration, design, and establishment phases, business model archetypes focused on the value capture and value creation aspects of organizations to assure their profitability. A meta-analysis of existing generic business models did not identify a business model archetype that would fit the political mandate of non-for-profit organizations, which constitutes the reason for their existence. This was also the case in a detailed review of the structural aspects of business models in the literature (Peric et al., 2017). Further, the conceptualization of business models is rather broad. Predicated on organizational theory, business models in their generic form consider activities as the basic constituent elements of organizations. Conceptually, they could thus apply equally well to for-profit and non-profit organizations. Nonetheless, no existing generic business model allowed for the interconnection of non-profit-making organizations with their political "masters" and society as a whole. Moreover, none had an overarching constituent element articulating the political mandate as the core logic of such organizations, with the elements structured to ensure their beneficence. A number of business model archetypes are inherently based on profitability. Most of them follow the rather restrictive archetype of Moingeon et al. (2010), which consists of only three elements—value proposition, value architecture, and profit equation—failing to account for the institutional side of not-for-profit organizations. Other archetypes adopt the broader definition of Johnson et al. (2008), who view business models as consisting of "four interlocking elements that taken together create and deliver value: customer value proposition, profit formula, key resources and key processes, ... the interlocking elements (which) taken together create and deliver value. These four elements form the building blocks of any business. The customer value proposition and the profit formula define value for the customer and the company, respectively; key resources and key processes describe how that value will be delivered to both the customer and the company" (p. 4). Despite being broader, this definition still cannot be applied to not-for-profit organizations, as it incorporates the profit formula as one of its four constituent elements. This is obviously not relevant for non-profit entities, whose existence depends instead on their relevance. Yet, such organizations can be inherent parts of the national or even the global economic governance system, and hence they are particularly influential. Accordingly, and to address this shortcoming in the quest to model not-for-profit organizations, the affinity study conducted by Shafer et al. (2005), in the framework of a thorough literature review, has been a source of inspiration. In their study, they identified and classified the constituent elements of business models into "four primary categories: strategic choices, the value network, creating value, and capturing value" (Shafer et al., 2005, p. 200). Their resulting definition of a business model "as a representation of a firm's underlying core logic and strategic choices for creating and capturing value within a value network" (Shafer et al. 2005, p. 202) does not prioritize the notion of profit. Foremost, though, it allows the integration of the purpose of organizations in the strategic choices component. This component facilitates the inclusion of the political mandate of not-for-profit organizations in business models while endowing them with a teleological orientation, which is of prime significance considering that business models as organizational tools deliver business elementaries, serving the ultimate purpose of the modelled organizations.

Inspired by the above works, and paraphrasing the proposal of Shafer et al. (2005), for more clarity, the proposed "hybrid" business model archetype consists of four primary interlocking elements, which together create and deliver value to all types of organizations, including not-for-profits: strategic choices, value capture, value creation, and value network. These elements correspond to concepts and constituent components of business models in other archetypes in the literature, although they are termed differently. Nonetheless, the proposed generic business model considers the value and benefits that non-profit public institutions bring to the public in pursuing their mission to ensure their relevance. As a typology, it is better suited for not-for-profit organizations, as the strategic choices component can incorporate their objectives, limitations, operating framework, mission, political mandate, and, most importantly, their purpose. Moreover, its elements have been refined and defined to be applicable beyond the strict business boundaries. Its structure has been enriched with more detailed elements, which are listed in the suggested business model archetype provided in Figure 1. The four refined constitutive elements are based on the taxonomy of the components of integrated business models of Wirtz et al. (2016).

The suggested business model archetype has four elements, whose definitions deviate from those of Shafer et al. (2005) to match the organizational needs of non-profits. They are defined as follows: a) strategic choices — this is the most important of the four elements, as it describes the core logic, the raison d' être, or ultimate purpose or "telos" of the organization. Once the raison d' être of the organization is clearly defined and set, the rest of the elements can be designed to serve this ultimate purpose. The component of strategic choices also includes the contextual framework of organizations, external as well as internal, whether formal or informal, as claimed by organizational strategy scholars (e.g., Cantwell et al., 2010). Additionally, It comprises the organizations' identity parameters, mission, offering, scope, target market, and core differentiation from peers and competitors; b) value capture — this refers to the capabilities and competencies that allow the organization to secure the resources needed for its viability. It encompasses resourcefulness through funding, efficiency for reduced cost margins, resilience in maintaining asset quality over time, and effectiveness in serving its mission and objectives while avoiding wasting resources by doing the wrong things; c) value creation — this concerns the ways that organizations deliver their value proposition to the end beneficiary or client. It comprises parameters such as market entrance passages, ways to address market needs, pricing and positional advantages, autonomy in responsible decision-making, and credibility; d) value network — this pertains to the support network that allows organizations to formulate their strategic decisions and create, as well as capture, value. It concerns stakeholders, alliances, as well as branding and product flow.

The proposed "hybrid" generic business model has broad applicability, as each of its four elements individually—and all of them combined—characterize every type of organization, whether for profit or not for profit, and determine the existence and development perspectives of these organizations. Its further refinement using a "magnification glass" approach enables the description and better understanding of organizations. Following this systematicity, business models extend at different levels of detail from the abstract strategic level to more complete operational and tactical levels, proceeding in a loop, quasi ad infimum, from "the foundation level toward a more complete articulation of the proprietary and rules level" (Morris et al., 2005, p. 733). For the purposes of this study, which aims to provide an archetype that suits not-for-profit organizations, it is considered sufficient and appropriate to keep the business model elements at a strategic level of detail matching.

Due to their primary purpose of providing a synthesis of organizational fundamentals, business models are viewed in organizational studies as "blueprints." In other words, they have to move beyond a descriptive rhetoric into a representational mode, thus providing an overview of organizations, which minimizes ambiguities and enables consensus among decision-makers, helping to avoid operational inefficiencies (Markides & Charitou, 2004). In their representational mode, either in Osterwalder's (2004) original form of the Business Model Canvas or in several other mutations, business model artefacts have gained momentum (Lima & Baudier, 2017). They are seen as a means to comprehend and analyze organizational logic, plan strategic decisions by designing and simulating new concepts, as well as to communicate and present the organizational logic to prospective founders and possible stakeholders (Burkhart et al., 2011). In any case, as implied by their name, business models have from their inception been thought as "representations of reality, a simulation of the real world" (DaSilva & Trkman, 2011, p. 3), and the Figureal representation can be considered an inherent part of them.

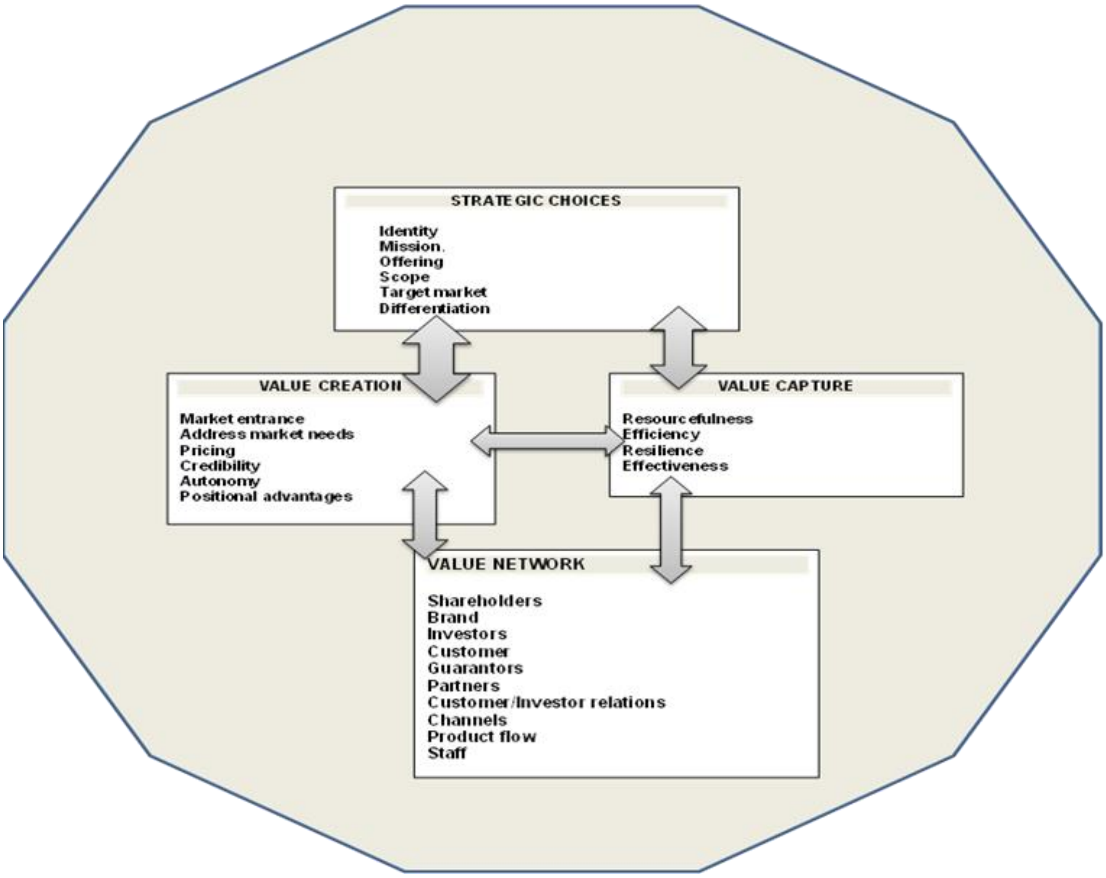

Figure 1. Figure representation of a business model archetype suitable for non-profit-making and profit-making organizations

3. Testing the New Business Model Archetype for Non-Profit-Making Organizations

The proposed generic business model considers the value and benefits that not-for-profit institutions bring to the public in pursuing their mission. In order to test the validity of the model, the study used two not-for-profit multilateral banks, the EIB and the AIIB, as case studies. They were selected because they are publicly funded, operate in the market, and are influential economic governance players. As their business models are not publicly available, they were 'surmised' based on relevant primary sources available in the public domain, such as their establishing statutes. The results were then used for an in-depth study of the EIB over the last ten years (Kavvadia, 2020) and a comparative analysis of the two institutions (Kavvadia, 2021).

Business models are mainly crafted and used internally by organizations as tools to establish or guide them through their establishment and evolution, as they "provide a powerful way for executives to analyze and communicate their strategic choices" (Shafer et al., 2005, p. 207). Nonetheless, this study has been able to externally mold the business models of the two organizations in order to test the proposed archetype. This process was enabled by the fact that the statutory documents concerning the two case studies in the specific organizations, and for not-for-profit organizations in general, are in the public domain on the grounds of accountability and transparency. Furthermore, in the case studies, as these statutory documents constitute intergovernmental agreements for the establishment of multilateral entities, they are very detailed. They include all aspects of the mission, governance, and major operating functions of the two organizations. After confirming that the archetype could in principle be successfully used to model the business fundamentals of the two organizations, as described in their establishing statutes, the study proceeded with the refinement of their business models. This implied the addition of a further level of detail to the four constituent primary interlocking elements (i.e., strategic choices, value capture, value creation, and value network) to wrought out the business models of the two organizations at their establishment. To do this, the clauses of their statutes were identified, analyzed, and conceptualized. Subsequently, they were classified under the four categories of the constitutive elements of the archetype business model.

The testing process demonstrated that the archetype could be successfully applied to not-for-profit organizations, and additionally, used in hindsight, business models can serve as a potent hermeneutic tool and a lynchpin for organizational analysis, possibly conjointly with other tool kits, to study organizations and their development.

3.1 Applying the Archetype to the European Investment Bank

The foundations of the EIB were laid along with those of the European Union (EU) in the Treaty of Rome in 1957 for supporting the development of the European common market on a non-profit basis. Subsequently, the EIB, as the EU's primary financial arm, has developed to become the world's largest multilateral bank. Accordingly, the test of the above archetype has been based on the EIB's 1957 establishing statute, which constituted the starting point for fashioning, filling in, and refining the bank's incipient business model. With the exception of some sparse references and short verbal descriptions connected with the bank's triple-A credit rating (EIB, 2011, 2012; Szymczak, 2010), the EIB's business model is not in the public domain. A studious analysis of the legal documents allowed the substantiation of its different clauses in terms of the business model logic, and further details about the four primary interlocking elements of the model archetype were obtained through the analysis and categorization of these clauses. The proposed business model archetype was well suited to "transcribe" EIB's establishing statute and "The General Lines of the Bank's Credit Policy" (EIB, 1957, p. 38) into the bank's initial model. Despite being externally and retrospectively performed, the business model molding process was sufficient for constructing the EIB's business model, despite having to cater to EIB's unique organizational feature of being a bank as well as an EU body. In the official foundational documents, this dual nature of the EIB is pronounced, evident, and well balanced, and the statutory clauses concerning each of the two sides of its nature are arithmetically almost equal. The institutional side focuses mainly on the relations between the bank and its shareholders as well as governance issues, through a wide range of "checks and balances," as expected for a multilateral agreement concerning the creation of a bank under public law, where the interests of all shareholders must be accommodated and ensured. The clauses referring to the banking nature of the EIB concern all major banking aspects, including capitalization, the resources and gearing ratio, asset quality, risk management, liquidity, as well as lending conditions and prerequisites. However, as the EIB's business model was developed externally for the purposes of this study, it was not possible to locate and include value capture constituents on revenue and profitability generation aspects, such as revenue, margin models, pricing, and resource velocity (e.g., asset life). This information is not publicly available, possibly because of the EIB's non-profit-making structure, but more likely for business non-disclosure reasons related to EIB's bank side. For the same reason, there are no specifics on elements of the value creation related to rules, metrics, and norms concerning its operation or on the value network, such as technology and staff. As a result, such details have not been included in the detailed elaboration of the EIB's business model presented in Figure 2.

As for the strategic choices, the EIB was founded with the "task" to contribute to the balanced and steady development of the EU, on a self-financing basis, using its own funds and the proceeds of capital market borrowings to provide loans and guarantees for "specific projects," "of some extent," public or private, in all sectors, located in the EU's member states, and only exceptionally beyond EU borders. The EIB's business model is based on its perpetual self-financing ability encapsulated in its value capture element. The latter aims at safeguarding the bank's resourcefulness through shareholders' support and risk management to ensure the best credit rating and hence funding terms. The EIB has been well capitalized right from the beginning and endowed with a strong "brand" and a "quality label" of its ownership, comprised of high-income industrialized countries. Additionally, its minimal risk tolerance and prudent management on both asset and liability sides, coupled with a drive for efficiency, have allowed it to maintain its excellent starting position and perpetual self-financing. This constitutes the basis for the EIB's ability to finance projects at fine interest rates. As a result of its excellent credit rating, the EIB can borrow from capital markets at advantageous terms and, subsequently pass on the funds and the financial advantage of its borrowing terms to project promoters, as it operates on a non-profit basis. This contributes to the EIB's major advantage in its value creation element. As described in its strategic choices element, the EIB was created by the political will of the EU member states to create a bank "between themselves to examine […] problems of financing in common" (EIB, 1958, p. 16). The EIB was therefore demand driven with positional advantages, concerning both its borrowing as well as its lending side, evidenced in its value capture and the value creation elements of its business model. As projects were planned to originate from public administration, the Commission, other International Financial Institutions (IFIs), and synergies with the banking community, the EIB's value creation component does not include marketing aspects. Rather, it has been substituted by the EIB's value network, as the bank has been set up to finance projects known to the governments or to the bank's channels, including governments, local authorities, banks, EU institutions, and other multilateral and bilateral lenders.

World Journal of Business and Management
ISSN 2377-4622
2021, Vol. 7, No. 1

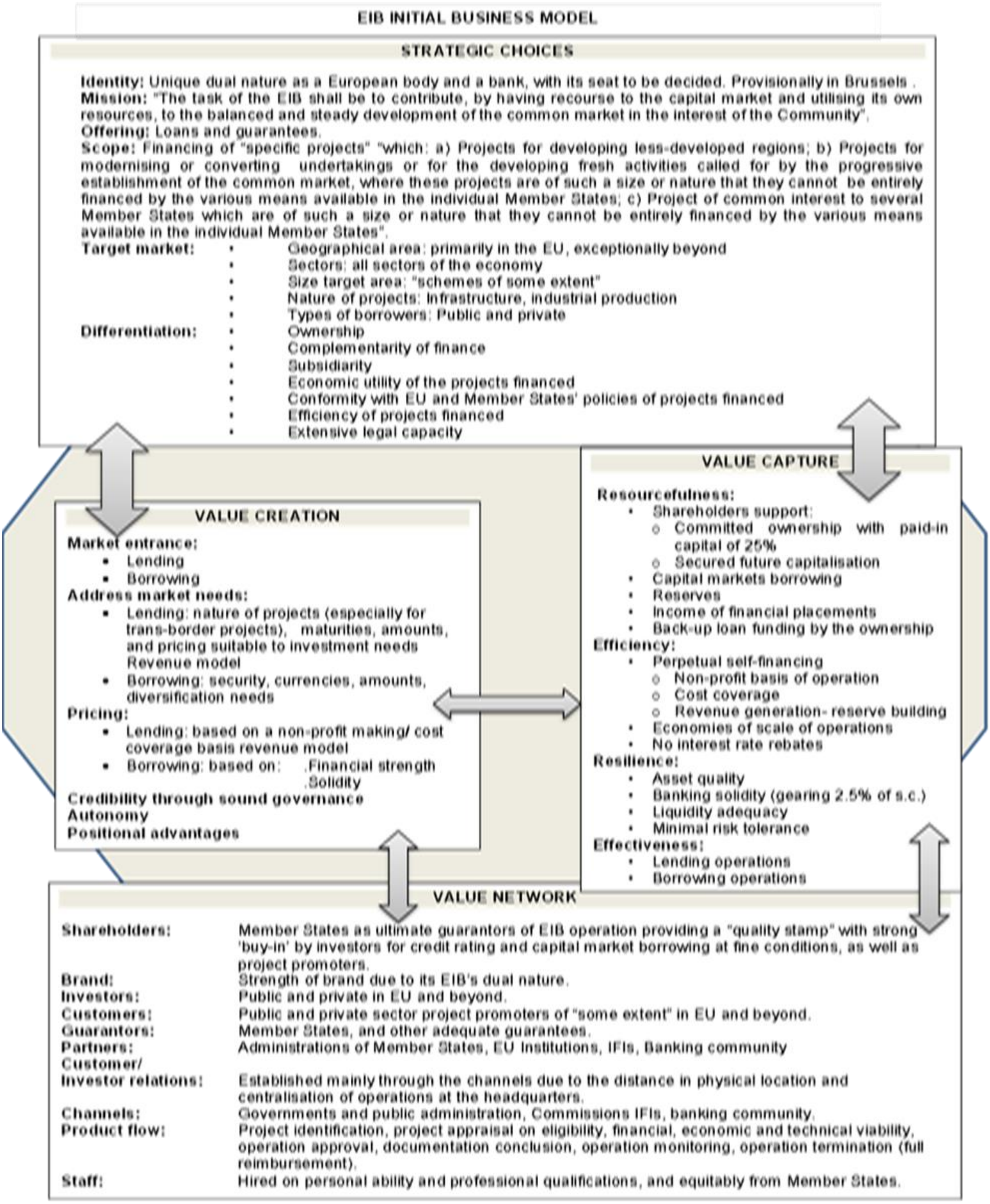

Figure 2. EIB's initial business model diagram at its establishment in 1957

3.2 Applying the Archetype to the Asian Infrastructure Investment Bank

The AIIB was established as a multilateral institution in October 2015 on the initiative of

China, for promoting economic development and regional cooperation in Asia through infrastructure financing. In the absence of any reference to the bank's business model in the public domain, for the purposes of testing the proffered archetype, the AIIB's business model has been crafted externally. Consequently, the study "transcribed" information provided in the AIIB's basic legal documentation, such as its Articles of Agreement (AA) and its Report on the Articles of Agreement and By-Laws (AIIB, 2015), and, where necessary, from other official documentation. As expected for a multilateral institution, and similarly to the EIB, the AIIB's basic legal documentation is comprehensive and detailed in determining governance and operating issues. This enabled modelling of the bank's business fundamentals, proving the validity of the proposed archetype, shown in Figure 3, although there are some limitations related to the unavailability of sensitive information, given that the business model was been shaped externally and retrospectively. In its strategic choices, the AIIB appears to be a mono-focus policy bank promoting infrastructure development not only in Asia. With large political backing from countries around the globe, the AIIB is able to fund projects well beyond the Asian borders using the derogation in its AA "except as otherwise decided" (AIIB, 2015, p. 1). As a number of low-income countries in Asia are shareholders, AIIB's strategic choices involve balancing the share of its funding in their favor. Yet, the participation of those countries in its share capital does not impact the AIIB's capitalization, which is counter-strengthened by the membership of a number of highly industrialized countries with significant share capital and good credit ratings. This is reflected in AIIB's value capture, which is a solid USD 100 billion capitalization held by 93 countries, and includes a strengthened and proactive risk management approach retrofit into its operating procedures to allow for reserves and income to pick up as operations increase (Chuang, 2019). In turn, the AIIB's comprehensive risk management stance is reflected in its value creation element. In addition to its systematic endeavors to establish its reputation and image by branding itself as "lean, green, and clean" (AIIB, 2017, p. 1), the AIIB based its value creation on cautious development of its funding, undertaken mainly in cooperation with other multilateral banks. Indeed, cooperation with other multilateral and bilateral banks is mentioned prominently in the AIIB's establishing charters. In this way, the AIIB sought to benefit from the expertise of longer-established peers in terms of project due diligence, risk sharing through project co-financing, and enriching its clientele through projects existing in peers' projects pipelines. Multilateral banks thus play a prominent role in the AIIB's value network. In this context, the AIIB attempted to develop its value network by increasing its number of shareholders and hence possible "customers" while cultivating its capital market relations in order to raise investors' and credit-rating agencies' awareness to secure well-priced funds to back its lending growth.

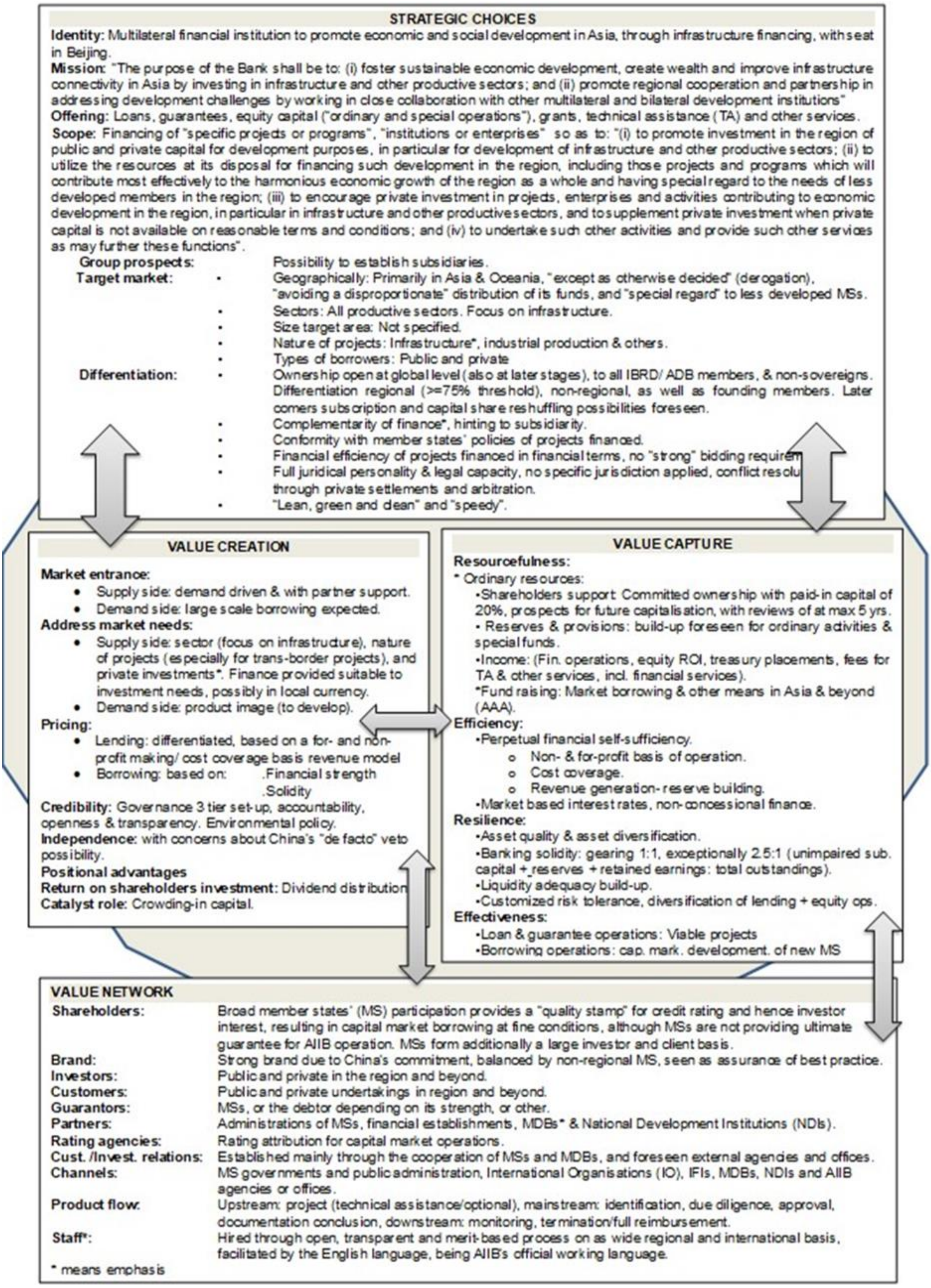

Figure 3. AIIB's initial business model diagram at its establishment in 2015

4. Conclusions

Breaking with the tradition whereby the definitions and suggested archetypes of business models predominantly address the needs of profit-making organizations, this paper's core argument is that business models can and must equally assist the establishment, evolution, and analysis of non-profit organizations. Accordingly, the business model is reframed through non-entrepreneurial lens, and a "hybrid" business model archetype is developed for generalized use for all organizations. The proposed archetype builds on and synthesizes existing model archetypes while extending their reach to include a constituent element, which reflects the overarching core logic of organizations. This is of prime importance for political organizations, particularly non-profit ones. The validity of the suggested archetype, tested on two not-for-profit influential international economic organizations, the EIB and the AIIB, reveals more general applicability. The archetype holds promise as a conceptual map of decision-making as well as policy-making activity for the two organizations and thus for non-profit organizations in general. Using the two organizations to benchmark the engendered archetype, whose business models have been devised externally and retrospectively, demonstrates the capacity of business models as hermeneutic organizational analysis tools used in hindsight as well. This novel approach could be used in parallel and/or for complementing other theories and tool kits to study organizations and their development.

References

Ahokangas, P., & Myllykoski, J. (2014). The practice of creating and transforming a business model. *Journal of Business Models, 2*(1), 6-18. Retrieved May 21, 2017 from https://core.ac.uk/download/pdf/229011752.pdf

Amit, R., & Zott, C. (2012). Creating value through business model innovation. *The MIT Sloan Management Review.* Retrieved May 21, 2017 from https://sloanreview.mit.edu/article/creating-value-through-business-model-innovation/

Asian Infrastructure Investment Bank (AIIB). (2015). *Articles of agreement.* Retrieved October 16, 2018 from https://www.aiib.org/en/about-aiib/basic-documents/articles-of-agreement/index.html

Asian Infrastructure Investment Bank (AIIB). (2017). *President Jin Liqun, opening address, meeting of the AIIB Board of Governors, June 16, 2017* (As Prepared for Delivery). Retrieved October 16, 2018 from https://www.aiib.org/en/news-events/news/2017/20170616_002.html

Bellman, R., Clark, C. E., Malcolm, D. G., Craft, C. J., & Ricciardi, F. M. (1957). On the construction of a multi-stage, multi-person business game. *Operations Research, 5*(4), 469-503. https://doi.org/10.1287/opre.5.4.469

Burkhart, T., Krumeich, J., Werth, D., & Loos, P. (2011). *Analyzing the business model concept – A comprehensive classification of literature.* Retrieved October 16, 2019 from https://www.researchgate.net/publication/221599299

Cantwell, J., Dunning, J. H., & Lundan, S. M. (2010). An evolutionary approach to understanding international business activity: The co-evolution of MNEs and the institutional environment. *Journal of International Business Studies, 41*, 567-586. https://doi.org/10.1057/jibs.2009.95

Casadesus-Masanell, R., & Ricart, J. E. (2010). From strategy to business models and onto tactics. *Long Range Planning, 43*, 195-215. https://doi.org/10.1016/j.lrp.2010.01.004

Cavalcante, S., Kesting, P., & Ulhoi, J. (2011). Business model dynamics and innovation: (Re)establishing the missing linkages. *Management Decision, 49*(8), 1327-1342. https://doi.org/10.1108/00251741111163142

Chandler, A. D. (1962). *Strategy and structure: Chapters in the history of the industrial enterprise.* Cambridge, MA: The MIT Press.

Chesbrough, H. (2010). Business model Innovation: Opportunities and barriers. *Long Range Planning, 43*, 354-363. https://doi.org/10.1016/j.lrp.2009.07.010

Chuang, A., (2019). *AIIB risk chief on steering China's World Bank rival.* Martin Kimmig on the Asian Infrastructure Investment Bank's challenge of overcoming patchy credit data. Risk.net. https://doi.org/10.1093/law-epil/9780199231690/e2196

DaSilva, C., & Trkman, P. (2013). *Business model: What it is and what it is not.* Retrieved October 16, 2019 from https://www.researchgate.net/search.Search.html?type=researcher&query=Business%20Model:%20What%20It%20Is%20and%20What%20It%20Is%20Not%20%20%20Carlos%20Marques%20DaSilva,%20Peter%20Trkman

European Investment Bank (EIB). (1957). *Statute*. Retrieved on May 21, 2017 from https://www.cvce.eu/en/obj/treaty_establishing_the_eec_protocol_on_the_statute_of_the_european_investment_bank_rome_25_march_1957-en-c638f726-0389-4fc8-ad0c-98b857251d48.html

European Investment Bank (EIB). (1959). *Annual Report 1958.* Retrieved on May 21, 2017 from https://www.eib.org/en/publications/annual-report-1958

European Investment Bank (EIB). (2011). *Activity Report 2010.* Retrieved on May 21, 2017 from https://www.eib.org/en/publications/annual-report-2010-activity

European Investment Bank (EIB). (2012). *Activity Report 2011.* Retrieved May 21, 2017 from https://op.europa.eu/en/publication-detail/-/publication/b258f215-6c85-412b-a2b4-446f29b80600/language-en

Foss, N. J., & Saebi, T. (2017). Fifteen years of research on business model innovation: How far have we come, and where should we go? *Journal of Management, 43*(1), 200-227. https://doi.org/10.1177/0149206316675927

George, G., & Bock, A., J. (2011). The Business model in practice and its implications for entrepreneurship research. *Entrepreneurship Theory And Practice*, 83-111. https://doi.org/10.1111/j.1540-6520.2010.00424.x

Hedman, J., & Kalling, T. (2003). The business model concept: Theoretical underpinnings and empirical illustrations. *European Journal of Information Systems, 12*, 49-59. https://doi.org/10.1057/palgrave.ejis.3000446

Johnson, M. W., Christensen, C. M., & Kagermann, H. (2008). Reinventing your business model. *Harvard Business Review*, 1-10. Retrieved May 21, 2017 from https://hbr.org/2008/12/reinventing-your-business-model

Kavvadia, H. (2020). From a policy bank to a crowding-in bank: The development of the European Investment Bank in the last ten years, as seen through its business model. *Croatian Regional Development Journal*, *1*(1), 30-43. https://www.crdj.eu/crdj-issue/vol-1-no-1/

Kavvadia, H. (2021). The European Investment Bank and the Asian Infrastructure Investment Bank: Incumbents and challengers in the field of regional development banking. In J. Clifton, D. Díaz Fuentes & D. Howarth, (Eds.), Regional Development Banks in the World Economy. Oxford: Oxford University Press.

Leavitt, H. (1965). *Applied organisational change in industry.* Chicago. Rand McNally.

Lima, M., & Baudier, P. (2017). Business model canvas acceptance among French entrepreneurship students: Principles for enhancing innovation artefacts in business education. *Journal of Innovation Economics & Management*, *2*(23), 159-183. https://doi.org/10.3917/jie.pr1.0008

Magretta, J. (2002). Why business models matter. *Harvard Business Review, 80*(5), 86-92. Retrieved May 21, 2017 from https://graelaws.files.wordpress.com/2011/02/why-business-models-matter.pdf

Mäkinen, S., & Seppänen, M. (2007). Assessing business model concepts with taxonomical research criteria. A preliminary study. *Management Research News*, *30*(10), 735-748. https://doi.org/10.1108/01409170710823458

Markides, C. (2008). *Game-changing strategies: How to create new market space in established industries by breaking the rules.* New York: Jossey-Bass.

Markides, C., & Charitou, C. D. (2004). Competing with dual business models: A contingency approach. *Academy of Management Executive, 18*(3), 22-36. https://doi.org/10.5465/ame.2004.14776164

McGrath, R. G. (2010). Business models: A discovery driven approach. *Long Range Planning, 43*, 247-261. https://doi.org/10.1016/j.lrp.2009.07.005

Moingeon, B., & Lehmann-Ortega, L. (2010). Creation and implementation of a new business model: A disarming case study. *Management, 13*(4), 266-297. https://doi.org/10.3917/mana.134.0266

Morris, M., Schindehutte, M., & Allen, J. (2005). The entrepreneur's business model: Toward a unified perspective. *Journal of Business Research, 58*, 726-735. https://doi.org/10.1016/j.jbusres.2003.11.001

Osterwalder, A. (2004). *The business model ontology: A proposition in a design science approach* (PhD thesis). Ecole des Hautes Etudes Commerciales de l' Université de Lausanne. Retrieved May 21, 2017 from https://www.semanticscholar.org/paper/The-business-model-ontology-a-proposition-in-a-Osterwalder/87bbedf0efbf010515ed54086bdf31c7cb33e4a3

Osterwalder, A., Pigneur, Y., & Tucci, C., L. (2005). Clarifying business models: Origins, present, and future of the concept. *Communications of the Association of Information Systems, 16*(1), 1-25. https://doi.org/10.17705/1CAIS.01601

Pacheco, D., York, J. G, Dean, J. D., & Sarasvathy, S. D. (2010). The coevolution of institutional entrepreneurship: A tale of two theories. *Journal of Management, 36*, 974-986. https://doi.org/10.1177/0149206309360280

Peric, M., Durkin, J., & Vitezic, V. (2017). The constructs of a business model redefined: A half-century journey. *SAGE Open*, July–September 2017, 1-13. https://doi.org/10.1177/2158244017733516

Perkmann, M., & Spicer, A. (2010). What are business models? Developing a Theory of Performative Representations. *Sociology of Organizations, 29*, 269-279. https://doi.org/10.1108/S0733-558X(2010)0000029020

Porter, M. E. (2001). Strategy and the Internet. *Harvard Business Review, 79*(3), 63-78. Retrieved on October 16, 2017 from https://hbswk.hbs.edu/item/2165.html

Porter, M. E. (1985). *Competitive advantage: Creating and sustaining superior performance.* New York: The Free Press.

Seddon, P., Lewis, G., Freeman, P., & Shanks, G. (2004). The case for viewing business models as abstractions of strategy. *Communication of the Association for Information System, 13*(25), 427-442. http://dx.doi.org/10.1016/B978-075066140-9/50004-7

Seppänen, M., & Mäkinen, S. (2007). Towards a classification of resources for the business model concept. *International Journal Management Concepts and Philosophy, 2*(4), 389-404. https://doi.org/10.1504/IJMCP.2007.015133

Shafer, S. M., Smith, H., J., & Linder, J., C. (2005). The power of business models. *Business Horizons, 48*, 199-207. https://doi.org/10.1016/j.bushor.2004.10.014

Slávik, Š., & Bednár, R. (2014). Analysis of business models. *Journal of Competitiveness, 6*(4), 19-40. https://doi.org/10.7441/joc.2014.04.02

Szymczak, P. (2010). European Investment Bank: Supporting European objectives in Eastern Europe, Southern Caucasus and Russia, Eastern Partnership: Strategy for 2011 and Beyond. *PISM International Conference*, Lublin. Retrieved on October 16, 2017 from https://pism.pl/files/?id_plik=2984

Teece, J. D. (2010). Business models, business strategy and innovation. *Long Range Planning, 43*(2), 172-194. http://dx.doi.org/10.1016/j.lrp.2009.07.003

Von Neumann, J., & Morgenstern, O. (1944). *Theory of games and economic behavior.* Princeton, NJ: Princeton University Press.

Wirtz, B., W., Pistoia, A., Ullrich, S. & Göttel, V. (2016). *Long Range Planning, 49*(1), 36-54. https://doi.org/10.1016/j.lrp.2015.04.001

Zott, C., & Amit, R. (2009). Business model design: An activity system perspective. *Long Range Planning.* https://doi.org/10.1016/j.lrp. 2009.07.004

Zott, C., Amit, R., & Massa, L. (2011). The business model: Recent developments and future research. *Journal of Management*. https://doi.org/10.1177/0149206311406265