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## **Introduction**

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### **Jovo Ateljevic**

Division of Business and Organisation,  
Stirling Management School,  
University of Stirling,  
Stirling, FK9 4LA, Scotland  
E-mail: jovo.ateljevic@stir.ac.uk

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Competition today is more apparent between business models than between products. Therefore, the choice for a specific business model is an important strategic decision for a firm. Business model invention, development, and above all, understanding and anticipating its changing context, are a core competence for entrepreneurial and sustainable business. In a global knowledge-based economy, understanding of emerging business models and the pivotal role of knowledge and human capital has become a great asset for any business. An increasingly dynamic business environment creates new business conditions and new challenges for entrepreneurs and managers. Electronic communications, for example, have given rise to a number of new business models as well as modification of traditional ones; new models have been developed in various forms across different industries. The new kind of business model is built around information flows and the mobilisation of the knowledge resource in every part of the organisation. As a result, human capital, which consists of individuals' intellectual capacity, is the most valuable asset for the new business model, which is not only economically sustainable but also socially and environmentally responsible.

Despite its common use and general understanding, the business model and related issues have largely escaped the scrutiny of critical scholars and researchers. The business model neither is an abstract term nor is it simply a business construct based on a number of pre-determined building blocks, as some commentators believe; it is more complex and multidimensional in nature. Besides business management, the term encompasses innovation, R&D, knowledge transfer and commercialisation, business governance, networking, and private-public sector partnership where involvement by the public sector is vital as a lead role in coordinating networks, in providing funding and other supports. The current (2008– ) situation in the global economy, where every size and type of business becomes vulnerable, makes the partnership in the public sector increasingly essential. This special issue is an attempt to broaden our understanding of that complexity and to provide a starting point for more critical academic debate in the growing area. The edition is based on a selected range of empirical studies from different industries and geographical areas.

The list of contributing authors and their manuscripts are as follows: Peter Lindgren, Yariv Taran and Harry Boer: 'From single firm to network-based business model innovation'; Antonio G. Dottore, Thomas Baaken and David Corkindale: 'A partnering business model for technology transfer: the case of the Muenster University of Applied Sciences'; John Hopkins and Brian Fynes: 'What's driving mobile content on the Irish Telecoms value chain?'; Ljiljana Erakovic and Moncherie Tchaka: 'The issues of

corporate governance in knowledge-intensive entrepreneurial firms'; Tassilo Schuster and Markus Kittler: 'The impact of human and social capital on the internationalisation of German consulting firms' and Jovo Ateljevic: 'Business incubators: new mechanism for economic/enterprise development or passing fad? Exploring complex relationship of the growing phenomenon in the context of Scotland'.

Each of the above papers contributes in a distinctive way to the topic of business models and associated issues. Strong links between theory and practice and implied recommendations for policy makers are some of the key features of these papers. The connection between the business model and human capital, that is particularly weak in the existing literature has been addressed and discussed by most of the contributors in this special issue.

Peter Lindgren, Yariv Taran and Harry Boer provide conceptual understanding of the business model stressing the importance of continued innovation and knowledge development through networking, a critical strategy for the survival of many businesses. By doing so, their research examines the development of new business models in three networks. Their findings suggest 'that the network partners' value equation in a new network-based business model is complex to understand but nonetheless important to drive and lead the model from idea – through the innovation process – to the market'. The paper also stresses significant difference in network construction and demand of change to the individual network partners' business models.

By using the Muenster University of Applied Sciences as a case study, the second paper (Antonio G. Dottore, Thomas Baaken and David Corkindale) presents human capital as a fundamental component of a university's business model for technology transfer. The authors confirm the absence of both theory and practice of technology transfer and entrepreneurial behaviour, therefore the conceptual base for the present paper is based on a range of theories including transaction costs, professional and organisational culture, and the agency theory. By drawing particular attention to the spin out option, the authors present a range of technology transfer alternatives used by universities. The paper provides a valuable conceptual framework that can be used for single or comparative studies in different contexts or business environment.

The paper written by John Hopkins and Brian Fynes, examines the delivery of mobile content in the Irish telecommunications industry, focusing on the business strategies, operations, and sources of innovation with an ultimate aim to identify what drives the business value chain in this sector. The authors addressed the problem of the existing business model designed to deliver voice-driven services, and a relatively slow exploitation of new technological advantages in creating additional services thereby additional revenue streams for the company. Clearly, as the authors argue, for such new challenges, that often involve a high-risk strategy, human capital and entrepreneurship play the most important role.

Corporate governance in knowledge-intensive firms is the focus of the Ljiljana Erakovic and Moncherie Tchaka's conceptual paper. The authors, by stressing the importance of human capital, criticise traditional governance mechanisms of corporate control arguing that these mechanisms are unable to convert individuals' intellectual capability into organisational learning capacity. Finding sustainable ways of controlling and retaining the sources of knowledge generation in knowledge-driven firms, particularly in an early stage of their development, is the most challenging task for the company board of directors. This paper puts forward a 'new corporate governance design, in which a predominant role of the board of directors may include devising means

of reallocating power to valuable employees in an attempt to create a more even balance of power’.

Tassilo Schuster and Markus Kittler, in their empirical study set up in Germany, examine the relationships between human and social capital, and internationalisation of consulting, professional service firms (PSFs). Having identified a lack of systematic research on internationalisation and performance of PSFs, this study develops a conceptual framework addressing the impact of human and social capital on internationalisation and performance of PSFs.

The last paper on business incubators provides a novel analysis of the portability and tangibility of business incubator outputs that are often difficult to measure. Most of the existing studies claim that a growing number of different business incubators create values for regional economies through sustainable and successful business models. The present research suggests that the effectiveness of such mechanisms for business development, as the present study suggests, largely depends on consistency of a ‘multiple investor’ (model predominates in many countries) objectives.

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