

# Leading Business Model Innovation in Africa: Cases, Frameworks, Practices and Strategies

*Delivered by:*

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## Course Context and Goals

Executive education and business education have a number of grand challenges. These are first, how to prepare executives to deal with growing levels of inequality, and growing concerns about ecological sustainability, safety and wellness; and second, how to deal with sluggish economic growth.

In recent years, business models have emerged as key levers that executive managers in all organisations (including governments and NGOs) can use to shift these grand challenges. Carlotta Perez (2013), for example, argues that new business models have the *potential* to usher in a new golden era of growth, but these are not yet being utilized enough to generate levels of business model innovation that might overcome persistent concerns about growth, inequality, sustainability, safety, and wellness.

There are a number of descriptive frameworks that one can adopt to arrive at business model understanding. Alexander Osterwalder's (2014) Business Model Canvas is one widely used approach. Whilst it has proven useful as a *descriptive* approach because it allows the ferreting out of details to clarify how a business model is operationalized, it is not a *generative* approach and arguably lacks the potential to create new business models to address society and business' grand challenges. As a result, in this course, the focus

will be on developing a more generative practice that will allow students to create new options or new choices, rather than expediently choosing from among existing options, or merely describing the available choices.

This course focuses on the business model as a unit of analysis, design, management and innovation. The aim of the course is to teach concepts, tools and practices to allow students who are executive managers to engage in the practice (being and doing) of business model innovation and develop their capacity to become what Moldoveanu and Martin (2008) call a *high-value decision maker*.

The course will teach an applied systems thinking approach that draws the ideas and process of Integrative Thinking as developed by Professor Roger Martin, and outlined in Riel and Martin (2017) and Paradox theory. This integrative thinking approach is unique in its ability to immerse the executive manager in a generative process that enables them to arrive at new options or “inspired [business model] choices”, as Riel and Martin (2017) like to refer to it.

Students will learn a framework of ideas that builds on Riel and Martin’s (2017) ideas of integrative thinking, but also includes concepts from design thinking and systems thinking. The core ideas of the framework are covered in the following sources:

1. Sewchurran, K., Dekker, J., & McDonogh, J. (2018). *Experiences of embedding long-term thinking in an environment of short-termism and sub-par business performance: Investing in intangibles for sustainable growth*. *Journal of Business Ethics*, 1-45.
2. Moldoveanu, M. C., & Martin, R. L. (2008). *The future of the MBA - Designing the thinker of the future*, Oxford University Press.
3. Sewchurran, K., Philipp, F., Baets, W., & McDonogh, J. (2016). Could more thoughtful practice of complexity, design thinking and values-based organising address some of the limitations of current management and organising paradigms? *International Journal of Complexity in Leadership and Management*, 3(3), 169-181
4. Martin, R. L. (2009). *The opposable mind: Winning through integrative thinking*. Harvard Business Press.
5. Leavy, B. (2011). Roger Martin explores three big ideas: Customer capitalism, integrative thinking and design thinking. *Strategy & Leadership*, 39(4), 19-26.
6. Riel, J., & Martin, R. L. (2017). *Creating Great Choices: A Leader's Guide to Integrative Thinking*. Harvard Business Press.
7. Martin, R. (1997). Strategic Choice Structuring. *White Paper, Rotman School of Management, University of Toronto*.
8. Martin, R. (2010). Design thinking: achieving insights via the “knowledge funnel”. *Strategy & Leadership*, 38(2), 37-41.

## Learning Outcomes

The framework that will be taught consists of a specific process, several heuristics, and a number of key concepts: We will refer to the framework as “Integrative Business Model Innovation Thinking Practice”.

What we are aspiring to do in this course is to teach a business model analysis and innovation practice through Integrative Thinking. At the end of the course students will be in a position to:

1. Expand the essence of their executive management development to enable executives to function as high-value decision makers.
2. See the business model as a system of variables that need to be managed.
3. Create new business model options or create new inspiring choices.
4. Recover the “style” of existing business models to enable a focus on the emergence of organising and what to innovate around.
5. Bring the raw disparate experiences of the many stakeholders affected by a business model into a coherent discussion with sufficient empathy using a defined process.
6. Engage in disciplined imagination with others on different possible innovation paths using a defined process.
7. Plan incremental interventions using safe-to-fail experiments.

## Description of the sessions

The table below explains the required readers, tasks and the focus of the various sessions.

**Table 1: Schedule, required readers and session focus**

<p><b>Day 1</b></p>	<p>In the first class I want to achieve 2 things primarily:</p> <p>First, I will show how the major concepts in executive management can be understood as systems that have to be managed. To do this I will use a paper I have written with colleagues which is currently in review to structure the conversation. I want students to see how capabilities, investments in assets (tangible and intangible), shareholder value, short-termism, customer value, business models and strategy interventions are inter-connected and have to be managed as a system of variables.</p>
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	<p>My second goal is to get students to try out managing using systems ideas by getting them to propose what variables they are managing in their formulated groups to maximise their learning, enjoyment or any other measure of performance (MOP) they are interested in. The exercise will get students to apply the systems ideas to understand what variables need managing in their groups, and to show the interaction of the variables impacting the MOP or being impacted by changes in the MOP.</p> <p><b>Reading</b></p> <ul style="list-style-type: none"> <li>• Sewchurran, K., Dekker, J. and McDonogh, J. (2018). Experiencing of embedding long-term thinking in an environment of short-termism. <i>Currently being reviewed</i></li> <li>• Sewchurran, K., Philipp, F., Baets, W., &amp; McDonogh, J. (2016). Could more thoughtful practice of complexity, design thinking and values-based organising address some of the limitations of current management and organising paradigms?</li> <li>• Present a systems model to show the MOP and the variables.</li> <li>• Submit a power point presentation to show the systems model as well as a short video presentation explaining the model.</li> </ul>
<p><b>Day 2</b></p> <div data-bbox="150 1178 373 1375" style="border: 2px solid blue; background-color: yellow; padding: 10px; text-align: center;"> <p>Mindfulness &amp; Wine Farm Tour</p> </div>	<p>In the second class I want to share a perspective on strategy, called the Strategy Choice Cascade by Lafley and Martin to situate the context of business model innovation practice. This should make the connection between business models and strategy much clearer. A key premise from the Strategy Choice Cascade is that making creative, effective choices is crucial to strategy. Importantly though for this course, the nucleus of the set of choices one makes in strategy relate to the business model choice.</p> <p><b>Reading</b></p> <ul style="list-style-type: none"> <li>• Martin, R. (1997). Strategic Choice Structuring. <i>White Paper, Rotman School of Management, University of Toronto.</i></li> <li>• Martin, R. (2010). Design thinking: achieving insights via the “knowledge funnel”. <i>Strategy &amp; Leadership, 38(2), 37-41.</i></li> </ul>
<p><b>Day 3</b></p>	<p>Business Model Innovation cases from Executives on the African Continent</p>

	<ol style="list-style-type: none"> <li>1. Mining</li> <li>2. Internet of Things</li> <li>3. Social Impact Bonds</li> <li>4. Innovative Finance</li> </ol>
<p><b>Day 4</b></p> <div style="border: 2px solid yellow; padding: 5px; text-align: center; margin: 10px 0;"> <p>Iziko Museum &amp; Cocktail reception with EMBA Alumni</p> </div>	<p>The focus of the fourth class is to learn the practice of Integrative Thinking using a defined process; and to experience the process by trying it out on your chosen situation of concern. This class will also discuss business model validation process and the submission requirements of the final paper.</p> <p><b>Reading</b></p> <ul style="list-style-type: none"> <li>• Moldoveanu, M. C., &amp; Martin, R. L. (2008). <i>The future of the MBA - Designing the thinker of the future</i>, Oxford University Press.</li> <li>• Leavy, B. (2011). Roger Martin explores three big ideas: Customer capitalism, integrative thinking and design thinking. <i>Strategy &amp; Leadership</i>, 39(4), 19-26</li> <li>• Martin, R. L. (2009). <i>The opposable mind: Winning through integrative thinking</i>. Harvard Business Press.</li> </ul>
<b>Day 5</b>	<b>Presentations &amp; Reflections</b>

## Assessment

- Individual reflection - 30%
- Group project & presentation (brief to be discussed) – 70%