

Business modeling: a sensemaking perspective

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Abstract:

This study explores business modeling through a sensemaking perspective that mobilizes a strong approach of processes. This perspective allows to renew our understanding of the interplay between cognition and action in business modeling. Based on a 42-month long single case study of a new business model development in a consulting company, we identify seven business modeling sensemaking mechanisms that form four patterns. This study contributes to better understanding the very early steps of business modeling, stressing the role of interaction in this process, and proposes a re-articulation of business model and tactics levels.

Keywords: Business model, Sensemaking, Process

Business modeling: a sensemaking perspective

INTRODUCTION

Business Model (BM) development has become an area of main interest, as it raises both issues concerning the content of BM, as well as the process through which BM is ideated, designed and changed (Baden-Fuller & Mangematin, 2015a; Demil & Lecocq, 2010; Foss & Saebi, 2017; Zott & Amit, 2010). Whereas BM evolution has mainly used a view of BM in which BM is considered as an attribute of the firm (Gambardella & McGahan, 2010; Massa, Tucci, & Afuah, 2017), analysing how people develop business models implies understanding how they act (e.g. Svejenova, Planellas, & Vives, 2010) and how they think (Baden-Fuller & Morgan, 2010; Foss & Saebi, 2017; Martins, Rindova, & Greenbaum, 2015). Business Modeling (BMing) as the process through which actors develop the business model of companies (Aversa, Haefliger, Rossi, & Baden-Fuller, 2015; Baden-Fuller & Mangematin, 2015b) has been researched through articulating action and cognition (Berends, Smits, Reymen, & Podoyntsina, 2016). The way action and cognition are intertwined has mainly been addressed via a learning perspective (Berends et al., 2016; Bojovic, Genet, & Sabatier, 2017; Sosna, Trevinyo-Rodriguez, & Velamuri, 2010). Despite the interest of such a perspective that draws on deliberate learning for BMing, other perspectives could provide a relevant view that articulates action and cognition. Many calls for a sensemaking view on BM development have been done (Bojovic et al., 2017; Chesbrough & Rosenbloom, 2002; Massa et al., 2017; Massa & Tucci, 2014; Sosna et al., 2010) but no research actually did it.

The sensemaking perspective (Hernes & Maitlis, 2010; Weick, 1979; 1995) inherently intertwines action and cognition. As Weick (1979, p. 134) mentions: “*what can I know what I think until I see what I do?*”. This perspective proposes an articulation of action and cognition at a micro level that is not as sequential as previous research on BMing: sensemaking is an ongoing process through which reality is continuously reinterpreted and enacted (Berger & Luckmann, 1966). This view, which adheres to a strong approach of processes (Hernes & Maitlis, 2010; Langley & Tsoukas, 2017), positions sensemaking in the flux of actions and consequently implies a view on BMing that is constantly and continuously developing through processes. This paper draws on this perspective to answer the question: what are the sensemaking mechanisms that underpin business modeling process?

We use a longitudinal explorative prehensive (Langley & Tsoukas, 2017) study of a consulting company to address this question. Over 42 months, one of the researchers' internal position enabled to provide an insider view on the processes at play. We analysed the company's actors BMing through a sensemaking perspective, from the ideation of an additive BM (Santos, Spector, & Van Der Heyden, 2015) to the initial test mission through which this new BM was tested and considered as a success.

Our study reveals seven BMing mechanisms – Adapting to the environment, BM Displaying, Converging BM internal representation, Operationalizing BM into tactics, Tactical Adjusting, Offer Displaying, Transferring Cues – that articulate in four BMing patterns – Strategic Ambiguity Reduction, BM Full Enactment Loop, Tactical Enactment Loop, Tactical Refining. These elements provide new light on how BMing is enacted.

This paper contributes to the BM literature through three main elements. First, it explores the relevance of the sensemaking in order to empirically address BMing. We show that a strong approach of processes in the sensemaking perspective provides new insights on how BMing is performed in companies. Second, we show that interactions, both internal and external are key constituents of BMing. Whereas previous studies had witnessed interactions in BMing, no clear contribution had been claimed out of them. We specifically discuss the specific role of internal vs. external interaction in the level of change. Third, we consider the BM-tactics articulation in a new way. We show that tactics may lead to BM changes, and consequently not be considered only as residual choices – which implies *later* choices – but that tactics interact more strongly with BM elements.

1. THEORETICAL POSITIONING

1.1. THEORETICAL BACKGROUND

1.1.1. Business model: a meso level of firm analysis

Since it's democratization in the context of internet and e-business emergence (Amit & Zott, 2001; Demil, Lecocq, Ricart, & Zott, 2015), the business model (BM) has become a very popular concept which has interest for both researchers and practitioners (Lecocq, Demil, & Ventura, 2010). Despite the sharp discussions and a multitude of definitions (Brink & Holmén, 2009; Dahan, Doh, Oetzel, & Yaziji, 2010) academic literature converges to consider that BM “*provides a set of generic level descriptors of how a firm organizes itself to create and distribute value in a profitable manner*” (Baden-Fuller & Morgan, 2010, p. 157). As such, BM represents a *meso* level of analysis (Rousseau & House, 1994) of the firm by interrelating elements of strategy and operational dimensions (Morris, Schindehutte, & Allen,

2005). In that perspective, we are in line with Casadesus and Ricart (2010) and differentiate BM from tactics. While BM refers to *“the logic of the firm, the way it operates and how it creates value for its stakeholders”*, tactics are defined as *“the residual choices open to a firm by virtue of the business model it chooses to employ”* (p.196).

Today, the BM research field integrates several interpretations of BM (Massa et al., 2017) who are related to the ontological status of BM. Thus, the corpus of studies may consider BM as an attribute of the firm (Chesbrough, 2010; e.g. Zott & Amit, 2010), a cognitive schema (e.g. Doz & Kosonen, 2010; Velu & Stiles, 2013) or a formal conceptual description (Baden-Fuller & Haefliger, 2013; e.g. Osterwalder & Pigneur, 2010). If these latter contribute to a rich theoretical diversity, each of these considers the BM as an output. Following previous studies (e.g. Demil & Lecocq, 2010; Svejenova et al., 2010), BM as a process should be explored for shedding light on decisive issues such as how BM emerge, leading to study business modeling (BMing) (Baden-Fuller & Mangematin, 2015b).

Business modeling as an interaction between cognition and action

BMing refers to *“the set of activities that cognitively manipulate the business model to evaluate alternative ways in which it could be designed”* (Aversa et al., 2015, p. 153). More than being purely cognitive, creating new business models is a process that intertwines cognition and action (Berends et al., 2016). Few studies have addressed BMing through the interplay between cognition and action (Berends et al., 2016; Bojovic et al., 2017; Sosna et al., 2010). Moreover, in these studies, the cognition-action interplay has been mainly addressed through a learning perspective. Even if this lens enables shedding light on specific mechanisms of BMing such as experimentation roles (Bojovic et al., 2017), learning is not the only perspective that could intertwine cognition and action. Moreover, considering the ambiguity of understanding organizational learning in organizations (Weick, 1991) we believe that alternative perspectives should be considered.

Sensemaking has been identified as a key component in previous BM research (Massa and Tucci, 2013; Massa et al. 2017), especially in complex and ambiguous environment (Chesbrough and Rosenbloom, 2002). More precisely, when dealing with BMing, Bojovic et al. (2017) mention: *“Before starting a business, it is crucial for the entrepreneur to investigate whether the business model makes sense”* (p.11) and *“As early as this stage of learning, the company can see whether a business model makes sense”* (p.13). As well, Sosna et al. (2010) position the owner-manager sensemaking process as a key constituent of BMing: *“sense-making is particularly important in considering the role of owner-manager (OM), since their influence on the business is pervasive”* (p.386), followed by *“The entrepreneur or*

owner-manager (OM) is the main decision-maker, with his cognition and sense-making providing the most important input into the initial business model design process” (p.386). All these mentions recognize the potential for a sensemaking perspective applied to BMing and call for a specific examination of the sensemaking processes underpinning this process. Only one research explicitly used a sensemaking approach in BM research, through the proposition of a ‘Sense-Testing’ tool (Voelpel, Leibold, Tekie, & Krogh, 2005). Nevertheless, this research does not shed light on sensemaking mechanisms that take place out of the use of this tool. Consequently, this paper addresses this gap.

We can understand the interest of the BMing for sensemaking as the processual approach that it provides enable to consider how BM becomes, i.e. emerges from occasions to make sense in which actors interact with the world, whether other individual or through artefacts. A processual view of BMing enables BM to be considered ‘in the making’, in perpetual motion, rather than made of substance or stages (Langley & Tsoukas, 2010). In this view, sensemaking provides an orientation that approaches BMing as a situated sequence of complex activities unfolding over time, through which sensemakers can create meaning through action.

1.1.2. Business Modeling and Sensemaking

Sensemaking is usually understood as a process in which individuals or groups attempt to interpret ambiguous situations and considered as a critical activity for organizations (Weick, 1995). In much empirical research on change sensemaking is generally conceptualized as a social process of meaning construction and reconstruction through which actors understand, interpret, and create sense for themselves and others of their changing organizational context and surroundings (Balogun & Johnson, 2004; Gioia & Chittipeddi, 1991; Rouleau & Balogun, 2011). At a strategic level, sensemaking consists in apprehending and analysing the environment to construct a reasoning in order to take strategic and organizational decisions (Gioia & Thomas, 1996; Thomas, Clark, & Gioia, 1993). When considering that “*sensemaking is about authoring as well as reading*” (Weick, 1995, p. 7) thus sensemaking clearly intertwines cognition and action. Sensemaking allows to comprehend the strong and non-linear relation between understanding and action: actors are engaged in intertwined phases of interpretation and action where interpretation shapes action and vice versa over the time (Balogun, Pye, & Hodgkinson, 2008).

In this view, business modeling can be defined by the way managers (whether owners or not) makes sense of their internal and external environment to enact a new business model. The

use of sensemaking for studying business modeling implies a focus on three main elements. First, empirically, sensemaking is an ongoing process. As such, sensemaking implies a constant reconsideration of the possible logic of the way the company operates. It invites to use a strong approach of processes (Hernes & Maitlis, 2010; Langley & Tsoukas, 2017) that draws on a flux of ongoing activities of business modeling rather than a linear approach of business development. Second, enacted sensemaking “*produce[s] structures, constraints, and opportunities that were not there before they took action*” (Weick, 1988, p. 306). Consequently, it stresses the performative effects of companies’ action on their environment through *becoming*. This implies to consider BMing as the lived experiences of actors through which the business models is becoming. It also highlights that business modeling should be addressed via a combination of prospective and retrospective sensemaking, articulating where the actors come from and where they want to go, in order to answer the ‘now what?’ question (Gephart, Topal, & Zhang, 2010; Stigliani & Ravasi, 2012; Weick, Sutcliffe, & Obstfeld, 2005) for the ongoing business modeling. Third, as a framework, sensemaking is inherently a social interactionist perspective (Weick, 1979; 1995). Therefore, using sensemaking to study emergence in business modeling implies studying the interactions (internal and external) through which actors make sense of a situation and collectively organize (Langley & Tsoukas, 2010).

Consequently, founded on this literature analysis, our study explores how the sensemaking perspective, which interlinks cognition and action, sheds light on the business modeling process over time. We specify our research question accordingly: what are the sensemaking mechanisms that underpin business modeling process?

2. METHODS

As previous research has not tackled business modeling through a sensemaking perspective, we chose to investigate this issue through an explorative study relying on a qualitative and interpretive approach. Being interpretive does not mean that we are engaged in totally subjective interpretation but that we have tried to analyse the subjective understanding of the flow of events, relying on a strong approach of processes (Jarzabkowski, Lê, & Spee, 2017; Langley & Tsoukas, 2017). In order to stick to the strong approach of processes, we used a prehensive research in which one of the researchers is within the company where the phenomenon in real time (Langley & Tsoukas, 2017). We used an insider/outsider approach (Gioia, Price, Hamilton, & Thomas, 2010) in order to maximize data collection from the

inside and to confront the insider view with the outsider view. This enabled to find the right distance from the field and increase trustworthiness in our findings.

2.1. RESEARCH SITE

This paper is grounded on the case of the company Consultix and explore how a new BM emerged and evolved over a 42-month period. Consultix is a French management consulting firm based in Paris. Its main activities are consulting missions on transformational projects for multinational companies. Founded in 2010, the company has been growing each year, achieving in 2017 turnover in excess of 7 million euros and has a staff of 45 consultants.

In 2013, Consultix's top management has started to develop a new offer for a special market segment to differentiate from competitors. The main idea of the project is to propose a turnkey service for customers, which includes management consulting and IT services thanks to collaborating with two partners. If management consulting remains the new offer main activity, several key points distinguish it from Consultix's traditional business. First, involving new partners: IndieITix, an Indian IT development firm and SoftOffix, an international software editor. Second, targeting a different customer segment, the SMEs implying modifications services characteristics such as customer relationship or billing model. Third, the value proposition tries to address specific customers' needs (different from regular customers). Fourth, the offer purpose implies to have the appropriate resources (especially human ones) to realize projects and missions. Thus, the new offer development represents an additional BM conception, constituting an appropriate context for exploring sensemaking processes that underlie business modeling process. Our research builds on the period from new BM ideation to test mission. This latter enabled the company to deploy the new BM for a test-customer, and was considered by Consultix and by the customer as a success.

2.2. DATA COLLECTION

The single-case design of the study follows the ethnographic type (Atkinson & Hammersley, 2000). Through an internal position in the company, the first author has spent three days a week in the field during forty-two months (from the project beginning) participating in activities related to the project, working with others implicated actors and also attending social life of the organization (informal conversations, events, etc.). This enables an informed position to address processes as they take place (Langley & Tsoukas, 2017).

The BMing process is informed by several types of data. First, thanks to his internal position, the first author has made observation: participant observation for the new offer development

that led to taking systematic notes via a diary (e.g. Mallinger, 2013) and informal observation about Consultix everyday life. Concerning the new offer, the researcher participated in 99 identified events specifically related to the new offer project (meetings, workshops, etc.) and recorded a substantial part of it (47 events, representing 58 hours of audio records). Second, eight formal semi-structured interviews have been realized (and recorded) with various stakeholders in the project (Consultix’s members, partners, etc.). The project formally started in 2013 simultaneously with the arrival of the first author in the company. The case analysis reveals that previous events are concerned so a little part of the process has been studied retrospectively thanks to the interviews. Finally, documents related to the projects (minutes, correspondence, etc.) or to the company (web site pages or articles, corporate presentations, etc.) have been collected and archived. Table 1 summarizes the collected data.

Table 1: Data collection and use in the analysis

Data sources	Type of Data	Use in the analysis
Observations	Field notes from 99 new offer development events (about 420 pages): Detailed records of interactions, conversations and consequences	Analyse the sensemaking process, capture changes in the way the offer is developed
	Informal observation of everyday activities in the company	Familiarize with the context, orientate data collection on relevant meetings and interactions
Meetings	Transcribed audio records from 47 meetings (about 58 hours – 1450 pages) on the new offer development	Trace precisely the words used, the interactions during meetings, the elements that are used later in the development of the offer
Interviews	Transcribed interviews with different stakeholders in the new offer development project (8 taped interviews representing about 7 hours and 105 pages)	Investigate people’s representations of the new offer, and their representation of the interaction with other people
	Informal interviews with people from Consultix	Understand the context Grasp informal elements in the relations between people
Archival data <i>(about 50 pages of company-related documents and 200 pages of project-related ones)</i>	Company related documents: web sites, corporate presentations, internal presentations.	Consider the identity and economic context in which the new offer is developed
	Project related documents: minutes, correspondence with stakeholders, customers’ presentations, others.	Trace the steps of formalization of the new offer, its modifications, and completion

2.3. DATA ANALYSIS.

Our analysis has gone through six main steps. In the first steps, in line with the ethnographic stance, we led a thick description of the whole process of business model evolution through a sensemaking perspective. We used a narrative strategy of process analysis (Langley, 1999), in which we put stress on the storyline and the richness of the case study as the researcher on the field could experience it. This description served as first order findings, securing that no major aspects of the BMing storyline would be missed. We particularly checked that all moves were described and considered the temporality of events.

In the second step, we adopted a more analytical perspective based on the literature framework that we use in this study. We mobilized six main dimensions that appear relevant to tackle the required aspects of our study. Considering the sensemaking perspective (Weick, 1995), we draw on two main aspects. First, based on the interactionist stance of sensemaking, we coded interaction in two categories: internal interactions – interactions that only concern Consultix team members – and external interactions – interactions of Consultix’s members with external actors (such as partners or customers). Moreover, we used the sensemaking/sensegiving (Gioia & Chittipeddi, 1991; Rouleau, 2005) dichotomy to differentiate events through which Consultix people tries to make sense of situations with events in which they try to influence other actors, whether internal or external. Considering the business model perspective, we draw on Casadesus-Masanell and Ricart (2010) dichotomy: business model level – changes in the logic of the offer and the way the company operates – and tactical changes – residual choice for plans of action that are determined by a business model. These categories enable us to grasp and categorize systematically the main elements of our research framework throughout the period under study.

Third, we analysed each BMing sensemaking mechanism through the combination of the three previous codes (sensemaking/sensegiving – internal interaction/external interaction – BM level/tactics level) in order to better understand the nature of each mechanism. Table 2 shows the elements that we used at this step. Doing so, we identified seven BMing sensemaking mechanisms that appear between 3 and 32 times over the period under study.

Table 2: Analysis grid

Interactions	Internal	Interactions that only concern Consultix team members.
	External	Interactions of Consultix’s members with external actors.
Sensemaking perspective	Sensemaking	<i>“Meaning construction and reconstruction by the involved parties as they attempt [...] to</i>

		<i>develop a meaningful framework for understanding</i> ” (Gioia & Chittipeddi, 1991, p. 442) the business model of the company.
	Sensegiving	<i>“Attempt[s] to influence meaning construction of others toward a preferred redefinition”</i> (Gioia & Chittipeddi, 1991, p. 442) of the business model of the company.
Analytical level	Business model	<i>“the logic of the firm, the way it operates and how it creates value for its stakeholders”</i> (Casadesus-Masanell & Ricart, 2010, p. 196)
	Tactics	<i>“the residual choices open to a firm by virtue of the business model it chooses to employ”</i> (Casadesus-Masanell & Ricart, 2010, p. 196)

In the fourth step, as the longitudinal strong approach of processes research generates a huge quantity of data that was difficult to manage, we used visual displays as a prevalent way to deal with this complexity (Miles, Huberman, & Saldana, 2014). Based on the seven BMing sensemaking mechanisms, we have reconstituted the development process of the new business model through a graphical representation that chronologically positions the BMing sensemaking mechanisms in line with the external/internal interaction and tactical or BM changes (see Appendix 2). For each mechanism, we analysed how each mechanism would in present, articulates past events and future into a combination of retrospective and prospective sensemaking (Gephart et al., 2010).

Fifth, based on the understanding of the BMing sensemaking mechanisms in time, we could identify BMing sensemaking patterns, i.e. coherent sequences of BMing development that articulates a set of sensemaking mechanisms. These patterns are ‘Emerging patterns’ as they neither followed a scripted sequence or were performed ‘in the moment’ (Jarzabkowski et al., 2017). These patterns appeared as relying on partly similar and partly different sensemaking mechanisms.

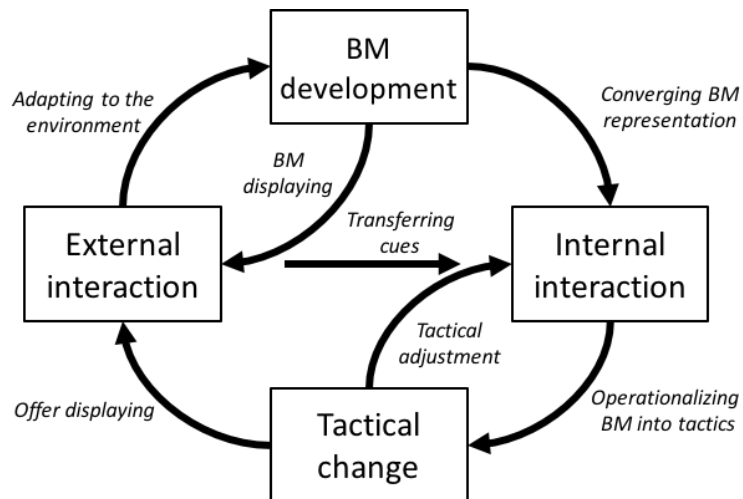
Eventually, we organized the whole process through five periods of time. We bracketed these periods while analysing the moments when BM was partly stabilized, i.e. when actors got confident about the fact that the BM to date could be implemented. At the end of each period, like Berends & al. (2016), Cortimiglia & al. (2015) and Ghezzi (2013), we sketched the BM through Osterwalder and Pigneur’s CANVAS (2010), which conceive BM through nine components. This enabled us to follow BM content evolution through the sensemaking patterns over the period under study. These elements are presented in Appendix 1. We presented these elements to the field actors, who validated the data presented in the Appendix 1.

3. FINDINGS

3.1. SENSEMAKING MECHANISMS¹

Based on our analysis process, we identified seven sensemaking mechanisms that underpin BMing over the 42 months. Figure 1 presents these mechanisms that we detail in the next paragraphs.

Figure 1: The seven sensemaking mechanisms



3.1.1. Adapting to the Environment

This mechanism occurs when the new offer team members have external interactions and adapt BM with the feedback they have in the interaction. Consultix aims at adapting the new offer to the market expectations as well as possible. Partners and potential customers provide feedback on their needs and expectations that new offer team members pay attention to, understand and translate into new BM elements. Table 3 gives illustrations of this mechanism.

Table 3: Illustrative data supporting interpretation of Adapting to the environment

<p>Interaction 1</p> <p><i>February 2014</i></p> <p>Partners become options</p>	<p>External interaction</p> <p>François meets Nicolas - a former colleague and almost a friend who works for a SME – and discuss about the offer. Nicolas considers that imposing partners for the technological parts could represent blocking points to sell the offer: offshoring and software choices are a matter of internal and political decisions of a company thus difficult for a consulting firm to impose its decision on these touchy subjects.</p> <hr/> <p>Sensemaking</p> <p>Nicolas’ feedback is firstly a bit disconcerting for François because</p>
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¹ For characters’ presentations, see Appendix 1.

	<p>distinctive features apprehended as strengths of the offer may be blocking points. François makes sense of this feedback in the light of the offer's BM and considers that partners intervention imposing partners is risky to sell the offer.</p> <p>BM level To conserve partners' participation as strength of the offer without imposing it, François decides to propose it as options. This decision impacts several components of the BM.</p>
<p>Interaction 2</p> <p><i>October 2015</i> The offer should adopt a functional speciality</p>	<p>External interaction François has a lunch with Michel, a potential customer with which he has a good relation, to presenting him the offer. Michel is very positive about the offer: the concept is interesting and answers to SMEs real needs. However, he is reluctant to the generalist nature of the offer. He argues that a generalist offer may not be credible from customers' point of view. Thus, for the sake of credibility, he advises that the offer should target a functional scope (i.e. a specific thematic for the offer's missions).</p> <p>Sensemaking François considers that Michel's feedback is decisive to fit with the market's needs and that these comments are related to the offer's BM. Thus, he decides that the BM must be modified accordingly.</p> <p>BM level The offer will focus on a functional scope implying different changes in some BM components.</p>

3.1.2. BM Displaying

The new offer's team displays the offer's BM to external people when they deliberately want to confront the offer's main characteristics to various stakeholders, such as customers or partners. It is a way to verify that the offer fits with the market or to try to generate feedback from partners.

To do so, Consultix actors generate interactions with various external interlocutors. Once Consultix members perceive a potential logic of the new offer, they expose the main characteristics attempting to influence the interlocutor's perception. Sometimes they do so without expliciting Consultix own project to develop a new offer for SMEs; they just chat to test the relevance of various BM components or logics. Table 4 gives illustrations of this mechanism.

Table 4: Illustrative data supporting interpretation of BM Displaying

<p>Interaction 1</p> <p><i>October 2013</i> Presenting the offer's ideas to a partner</p>	<p>External interaction François meets Arun to discuss about the new offer purpose and configuration.</p> <p>Sensegiving François has already several ideas about the offer's main characteristics thus by presenting it to Arun, he tries to influence</p>
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	his perception in order to have his agreement.
	BM level The main characteristics of the new offer's BM are tested in the light of IndieITix's experience.
Interaction 2 <i>June 2016</i> Checking the offer's BM fit with the market	External interaction Jean's investment in a professional think-tank leads him to participate to a workshop with customers about consultancy services purchase.
	Sensegiving During the workshop conversation, Jean implicitly refers to the offer's billing model by explaining some its main characteristics. With his speech, he attempts to give sense to his interlocutors about the offer.
	BM level The fit with the market of recent changes of some BM components is verified.

3.1.3. Converging BM internal representation

When members of the new offer team have a relatively good idea of the new offer BM, we identified a sensegiving mechanism that aims at converging BM representation of internal actors. Thus, new offer team members organize formal internal meetings or use informal interactions in order to influence Consultix people about the necessary BM elements to be developed or modified. Table 5 gives illustrations of this mechanism.

Table 5: Illustrative data supporting interpretation of Converging BM internal representation

Interaction 1 <i>October 2015</i> Choosing functional scope	Internal interaction Following François' lunch with Michel – a potential customer with which he has a good relation – the new offer's team has a meeting to discuss about Michel's feedback.
	Sensegiving François explains Michel's vision about the offer's BM thus trying to convince the other members of the necessity of a functional scope focus.
	BM level All members of the new offer's team are aligned on the same BM representation, i.e. the offer must focus on a functional scope.
Interaction 2 <i>February 2016</i> No more considering SoftOffix as a key partner	Internal interaction The new offer team's members interact each other in an internal meeting dedicated to debriefing about relationship with SoftOffix.
	Sensegiving The new offer team's members that interacted with SoftOffix commercial department consider that their products and processes are not adapted to the offer's aims (not flexible enough). Thus they explain to the other team's members that accordingly SoftOffix can't no longer be considered as a key partner.
	BM level

	The offer's BM now includes only one key technological partner: IndieITix.
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3.1.4. Operationalizing BM into tactics

The new offer development process includes the BM operationalization into tactics. It is the way the offer becomes more substantial, i.e. the BM components are translated into concrete actions. To do so, the new offer team meets for workshops dedicated to the tactics construction. The new offer's team works at the construction of two main kinds of tactics: activities related to the specificities of doing consultancy services for SMEs, and commercial activities related to the way of selling the offer. This step of the new offer development is essential because defining tactics allows to communicate with stakeholders about the offer, especially for commercial activities to sell the offer, or for partnering with the relevant companies to propose the best possible offer to customers. Thus, actors picture themselves as the external interlocutors to imagine ways to convince them. Table 6 gives illustrations of this mechanism.

Table 6: Illustrative data supporting interpretation of Operationalizing into tactics

Interaction 1 <i>April 2014</i> Building new project management tools	Internal interaction The new offer's team makes a workshop for working on new project management tools included in the innovative consulting methods for SMEs.
	Sensemaking The new offer's team makes the offer more substantial by operationally defining how to do consultancy services for SMEs through innovative consulting methods including new project management tools.
	Tactical level The new tools constitute an operational translation of several BM components into tactics.
Interaction 2 <i>October 2016</i> New presentation support construction.	Internal interaction The new offer team's members interact with each other during an internal meeting dedicated to the construction of the offer's new presentation support.
	Sensemaking Considering changes of the offer's BM, the team tries to make sense to these modifications through commercial documents such as the offer's presentation support.
	Tactical level BM changes are operationalized into new commercial tactics.

3.1.5. Tactical Adjusting

Anticipating external interactions and the use of tactics, the new offer team considers that the tactics they have built should be improved or changed. This mechanism appears in different situations. First, when actors consider that the tactical work is not achieved yet, they want more time and interactions to finish tactics construction. Second, tactics' effects are not satisfying so actors consider that they must adjust it. Third, actors sometimes feel that tactics are not relevant considering the goals they aim at reaching. They consider that they should adjust it. Table 7 gives illustrations of this mechanism.

Table 7: Illustrative data supporting interpretation of Tactical Adjustment

<p>Interaction 1</p> <p><i>April 2014</i> Adjusting the innovative consulting methods</p>	<p>Internal interaction The new offer's team organizes a new workshop to work on the offer's innovative consulting methods for SMEs.</p> <p>Sensemaking The team exploring how to adapt and improve their consulting methods for SMEs needs and constraints. Several brainstorming sessions already allowed them to imagine and produce some new tools (such as a workload calculator for IT projects) but the team feels that they should continue their work to bring other new innovations in their way of doing consulting.</p> <p>Tactical level The workshop makes the new idea of the "contractual architecture" concept emerge. From this idea, a new project management tool will be produced aiming at engaging various stakeholders for the project's success.</p>
<p>Interaction 2</p> <p><i>February 2015</i> Representing the new offer</p>	<p>Internal interaction The new offer's team organizes a new workshop to work on the offer's communication supports including the offer's visual representation.</p> <p>Sensemaking The team has already a first version of the documents (including a detailed drawing of the offer) but considers that it does not fit with their aim, i.e. allowing discussions with customers about their needs to sell them consulting missions. According to François' commercial experience, a detailed representation of the offer could lock up the discussion about the supports and not allowing talking with a customer about his projects.</p> <p>Tactical level The offer's communication supports are reworked to be streamlined in order that allowing discussions with customers.</p>

3.1.6. Offer Displaying

Once the new offer team member feel sufficiently secure about the new offer operational elements, offer displaying takes place when they present the detailed offer to their external

stakeholders: partners, customers, etc. Based on the previously defined tactics, new offer team members try to influence the environment's representation of the relevance of the offer. This mechanism works a kind of test of the offer when it is confronted to key stakeholders. We observe that actors generate these interactions in two situations: first, they aim at convincing stakeholders that the new offer meets their interests; second, when the new offer team members aim at testing stakeholders' reaction to the new offer. Table 8 gives illustrations of this mechanism.

Table 8: Illustrative data supporting interpretation of Offer displaying

Interaction 1 <i>March 2015</i> Presenting the offer to IndieITix's CEO	External interaction The new offer's team have a lunch with Arun to discuss about collaboration between Consultix and IndieITix.
	Sensegiving The new offer's team presents to Arun the way they conceived the offer. Trying to convince him to have his support.
	Tactics level For the offer's presentation, the new offer's team uses a presentation support they conceived (PowerPoint slides).
Interaction 2 <i>October 2015</i> Presenting the offer to a customer	External interaction François has a lunch with Michel, a potential customer with which he has a good relation, to presenting him the offer.
	Sensegiving François explains to Michel the main ideas and aims of the offer.
	Tactics level To discuss with Michel, François uses several precise examples from the tactics set (such as innovative consulting tools or presentation documents).

3.1.7. Transferring Cues

The mechanism occurs following an external interaction which feedback is linked to tactics level. The external interaction generated new cues about the way stakeholders consider the relevance of the offer, and these cues are directly transferred to internal members. The objective is that all team's members share the same information to continue the new offer tactical development. To do so, the team meets in an internal workshop to debrief about the external interaction. Table 9 gives illustrations of this mechanism.

Table 9: Illustrative data supporting interpretation of Transferring Cues

Interaction 1 <i>May 2015</i> Failures of commercial tactics	Internal interaction Following the failure of market research actions (e.g. emailing or phoning actions), the new offer's team organizes an internal meeting to debrief for understanding what failed in their commercial actions.
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	<p>Sensegiving The new offer team's member that did commercial actions just tells other members what happened, e.g. shows email answers, explains interlocutors' reactions or comments, etc.</p> <p>Tactical level Based on lessons learnt from these failures, the team will rework on the tactics to improve it (e.g. modifying commercial email text or the offer's pitch presentation).</p>
<p>Interaction 2 <i>January 2016</i> Improving a project management tool</p>	<p>Internal interaction During the test mission for Drinks.com, the new offer team organizes a debriefing meeting about the last workshop with Drinks.com's top management concerning the project's scoping.</p> <p>Sensegiving Jean and Alex – team's members that participated in the meeting – tell other members the discussion content and difficulties that they had with the project's scoping tool (which belongs to the Consultix's innovative consulting methods for the offer). Jean and Alex have no particular ideas to change the tool, they just explain other members what happened during the meeting.</p> <p>Tactical level Based on these explanations, the entire team will work to improve the tool for better projects' scoping.</p>

Based on these elements, we translated the description of the mechanisms into properties for each of the seven sensemaking mechanisms. We present these properties through Table 10.

Table 10: Properties of the seven sensemaking mechanisms

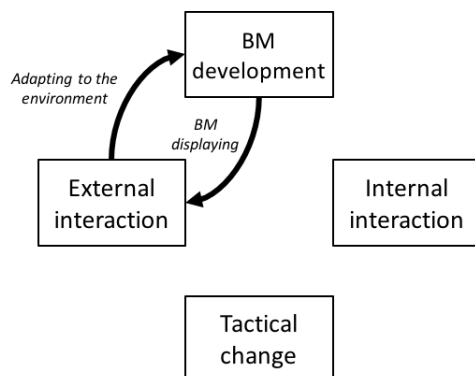
Sensemaking mechanisms	Properties of the mechanisms
Adapting to the environment	External interaction. One or several members of the company interact with external stakeholders.
	Sensemaking. The company members interpret the external stakeholders views as cues implying offer modifications.
	BM level. One or several BM components are modified according to the actors' interpretation of the feedback content.
BM Displaying	External interactions. One or several members of the company interact with external stakeholders.
	Sensegiving. The company members attempt to influence external stakeholders' perception of the new offer main logic.
	BM level. The offer general BM relevance and fit with the market is tested.
Converging BM Internal Representation	Internal interaction. Company members interact with each other through meetings dedicated to the new offer development.
	Sensegiving. Company members explain the necessity for BM components development or changes.

	BM level. The new BM representation is converging until it is shared by all the team's members.
Operationalizing BM into tactics	Internal interaction. Members of the company interact with each other.
	Sensemaking. The company members deliberate the way the BM could be operationally implemented.
	Tactical level. The new BM main components are translated into operational tactics.
Tactical Adjusting	Internal interactions. Members of the company interact with each other.
	Sensemaking. The company members interpret the produced tactics as not satisfying according to the new offer development objectives. They consider that they need to adjust the tactics.
	Tactical level. The tactics should be changed to fit with the new business development objectives.
Offer Displaying	External interactions. Members of the company interact with external stakeholders.
	Sensegiving. The company members try to influence external stakeholders' interpretation of the new offer relevance.
	Tactics level. The new offer is presented in detail at the operational level.
Transferring cues	Internal interaction. The company members interact with each other following an external interaction.
	Sensegiving. The company member that had the external interaction transfer cues from the environment to other internal members.
	Tactical level. Operational elements are transferred for discussion.

3.2. BM SENSEMAKING PATTERNS

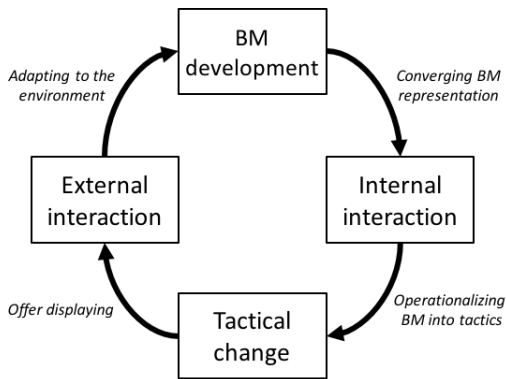
The sensemaking mechanisms underlying BMing can be articulated into BMing sensemaking patterns. We identified four patterns (Figure 2). Appendix 2 presents the way the patterns take place all along the process. For theoretical objectives, we present here an analytical view of each of these patterns.

Figure 2: the four patterns of BM sensemaking



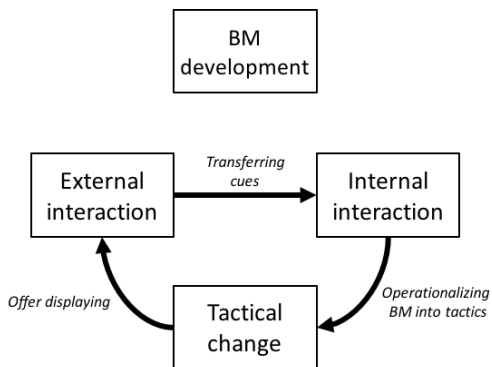
Strategic Ambiguity Reduction

External interactions through BM displaying allow internal actors to know main external stakeholders' expectations. Cues gathered from the environment allow actors to (re)define BM main characteristics. This pattern enables to reduce environment ambiguity.



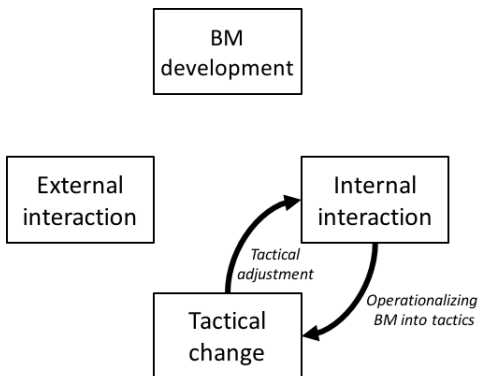
Business Model Full Enactment Loop

After an understanding of the external situation, and the definition of BM main characteristics, internal interactions allow to design tactics. These tactics are enacted within the environment. The complete loop enables full BM and tactical enactment via external and internal interactions.



Tactical Enactment Loop

Cues of the environment perceived via external interactions are transferred and discussed through internal interactions to generate tactical adaptation. Based on new tactics, the offer is then displayed to the environment. This loop enables tactical changes to adapt it to the environment expectations.



Tactical Adjustment

When actors have a first version of the tactics, they may consider that tactics do not allow them to reach their aims for the offer development. Thus, they decide to rework on it. Tactical adjustment occurs through this enactment loop.

3.2.1. Strategic Ambiguity Reduction

This pattern represents a way actors interact with their environment and reduce its ambiguity. It occurs at different moments in the process development, when actors define the main characteristics of the BM (for instance at the process beginning, for the BM emergence). First, internal actors meet external ones – potential customers or potential partners – and discuss about business, e.g. opportunities for collaboration or customers’ consulting needs. Thanks to the external interaction, actors are extracting cues from the environment, to adapt the BM accordingly. Thus, actors modify or further develop the BM (i.e. one or several components)

in order it fits with the market. Eventually, actors display the new BM to external stakeholders to test its relevance for customers or partners.

Gradual environment understanding through progressive displaying of BM via external interactions allow a progressive understanding of the market needs and expectations, generating broad ideas about the way the company could address it. We call this pattern Strategic Ambiguity Reduction because collecting information through interactions with external interlocutors enables a reduction of ambiguity in the way people from the company make sense of their environment. Whereas all possibilities of BMing could be imagined, cues indicate which elements seem more relevant and drive the BM design. While going external and confronting the main logic of their new business with key stakeholders, internal actors can grasp cues from the interaction with external stakeholders. That is, external interactions in this pattern enable to decrease the ambiguity of the environment and set the BM main logic. Therefore, external interactions play a central role for BMing, allowing actors to sense the environment and progressively shape the BM.

3.2.2. BM Full Enactment Loop

This sensemaking pattern is related to BM and subsequent tactics changes. First, thanks to an external interaction, emergent cues from the environment are collected and integrated to adapt the BM (corresponding to the “adapting to the environment mechanism”). Then, based on these hints and according to their sensemaking process, actors that met the external stakeholder modify or develop the BM accordingly. Third, these actors share these new BM developments with internal actors in order to make BM representations converge between the actors involved. This step is not only an information transfer but a real exercise of sensegiving in order to collectively share the same level of understanding and to unite internal actors around the same representation of the BM. Fourth, internal actors discuss and analyse situations based on their respective backgrounds and experiences in order to make sense of the BM changes and to operationalize it through a set of new or adjusted tactics. Finally, internal actors display the new offer with the derived tactics to external stakeholders.

We call this pattern “full enactment loop” because the sequence of actions shows that the process of sensemaking and BM change is somehow complete in the pattern: it goes from external interaction, modifies the BM, passes to internal interaction and modifies tactics that are enacted into new external interactions. On our schematization, this process creates a loop that goes all around the various elements. This does not mean that through this pattern,

BMing is completed, or finalized. As shown in Appendix 2, other patterns may follow this one, which appear at various periods of our study.

3.2.3. Tactical Enactment Loop

This pattern refers to sequences where we identified no BM change but only tactical changes. First, as for the other patterns, internal actors meet external stakeholders. This interaction leads to interpret information as not being relevant for a BM change, but it is significant for operational level and therefore concerns tactics. Second, internal actors who have met external interlocutors transfer cues grasped in the external interaction to internal actors in order to, collectively make sense of the cues and develop new tactics. Based on the new tactics, actors enact the new offer: they generate new external interactions on the basis of their new understanding and new tactics.

In this pattern, the sensemaking process drives tactical adaptation. We called this pattern tactical enactment loop as it shows a loop that is limited to the tactical level and new business development. Nevertheless, it draws on both external and internal interaction, and implies new tactics enactment. Our analysis reveals that this level of analysis is not limited to final fine tuning adjustments, as it can be followed by a later pattern that implies bigger changes at the BM level.

3.2.4. Tactical Refining

This pattern is also limited to tactical changes but it does not draw on external interaction. Indeed, tactical refining starts with tactics elaborating during internal working sessions, such as brainstorming sessions or creative workshops. At the end of their working session, actors come up with new or improved sets of tactics that operationalize the logic of the BM. When analysing these tactics formalized, actors consider that the tactics are not satisfying. Three reasons can be found for such dissatisfaction: tactics are interpreted as lacking consistency, actors do not feel confident with using them for later external interactions, or absence of external interaction bring people time to doubt about the relevance of the tactics defined. Consequently, actors resume working on tactics construction (corresponding to the “tactical adjustment” mechanism) generating new working sessions, i.e. new internal interactions.

This pattern may act as a sensemaking pitfall: three times in the whole study (out of four identified), without any external interaction, actors seemed blocked into valueless time and efforts spending, trying to operationalize the offer BM into new tactics. Time and efforts invested on tactical work prevent them generating new external interactions as they felt unsecure about the operationalization of the BM. It led to redevelop this pattern between three

and seven times, without real improvement. The actors escaped this vicious circle thanks to non-solicited external interactions – such as an unexpected meeting with a customer – that brought new cues on the way the environment would make sense of the new offer.

This pattern is called “Tactical Refining” because it describes a process through which tactics may become more precise and adapted to operationalize the new BM. As once, this pattern did not block the actors for moving further, we kept a neutral wording for its labelling. Nevertheless, it seems to designate a risky pattern in which actors may get trapped, unlike tactical enactment loop and BM full enactment loop.

3.2.5. About patterns order

The whole BMing process overview (see Appendix 2) shows no linearity in the succession of the sensemaking patterns over time. For instance, the Strategic Ambiguity Reduction pattern not only occurs at the beginning of the process, and the Tactical Refinement pattern does not indicate an end to BMing. Our research shows BMing as being quite fuzzy in terms of sensemaking patterns. The succession from the Tactical Enactment Loop to the BM Full Enactment Loop patterns can illustrate this point (see Appendix 2 period 4). Sensemaking patterns are complementary and succeed one another without specific script; on the opposite, they rely on to the specificities of situations in which that actors interact. Moreover, the changes of pattern from Tactical Enactment Loop or tactical Refining to BM Full Enactment Loop or Strategic Ambiguity Reduction show that BMing is intertwined with tactics development. The BM does not have to be entirely defined and stabilized for actors to work on its operationalization into tactics.

4. DISCUSSION

4.1. A SENSEMAKING PERSPECTIVE ON BUSINESS MODELING

Whereas previous research have emphasized the supposed role of sensemaking in BMing (Bojovic et al., 2017; Chesbrough & Rosenbloom, 2002; Massa et al., 2017; Massa & Tucci, 2014; Sosna et al., 2010), few attempts had been done to dig in this direction apart from Voelpel et al. (2005). A strong approach of processes (Langley & Tsoukas, 2017) via a sensemaking perspective (Hernes & Maitlis, 2010) enables to provide a view on BMing that stresses the ongoing and flux nature of this process. Recent studies on BMing have used a learning stance to address the process of BM development (Berends et al., 2016; Bojovic et al., 2017; Sosna et al., 2010). Previous research has shown that sensemaking is a key component of organizational learning (Thomas, Sussman, & Henderson, 2001) and that individual sensemaking does not necessarily imply reflexivity on previous action (Schwandt,

2005). That is, whether we deal with organizational level learning or a specific focus on entrepreneur initial search for business, BMing sensemaking mechanisms and patterns appear as underlying processes of learning when learning occurs, or more basically: elementary processes of BMing.

Opposite to Berends & al. (2016), the micro perspective enables to consider that cognition and action are not only sequential phases of BMing, whether starting from cognitive search to move later to operation, or starting with experiential learning and later moving to conceptualization of BM. Indeed, the sensemaking perspective draws on the intertwining of cognition and action that highlights that cognitive moves of BMing take place in interactions, i.e. as actors enact their representation of BM with internal or external stakeholders. As Berends & al. (2016, p. 197) argue that “*Actions get reinterpreted, new ideas are implemented and examined in action, and new patterns of action result in experiences that lead to altered conceptualizations of actual and possible business activities*” we provide seven BMing sensemaking mechanisms and four patterns that describe how action and cognition are articulated both on the moment (via the mechanisms) and in time (via the pattern).

Apart from providing a sensemaking perspective on BMing, we contribute more specifically to BMing literature (Berends et al., 2016; Bojovic et al., 2017; Sosna et al., 2010) in two ways. First, considering that BM is a complex representation and enactment of how the company creates, delivers and captures value (Baden-Fuller & Mangematin, 2013; Baden-Fuller & Morgan, 2010; Berends et al., 2016; Casadesus-Masanell & Ricart, 2010) it raises difficulties for managers to perform a finalized BM from scratch at the beginning of the business development (Martins et al., 2015). Our study reveals the very initial steps of BMing, from the idea to the very first formal empirical testing of a relatively stabilized BM, whereas previous studies have focused either only on later stages of BMing, once the BM is empirically experimented (Bojovic et al., 2017) or from the very beginning to later stages, conceptualizing the whole process with a more aggregated level that we did (Berends et al., 2016). Therefore, we provide a micro perspective on the very initial step of BMing.

Second, our findings stresses that no sequence of patterns can be identified in the way BMing happens. These findings can be understood in line with the specificity of the consulting sector for BMing. Indeed, opposite to Sosna (2010), Bojovic & al. (2017), Berends & al. (2016), the BM actors enacted does not require material production or financial investment. This may enable more fluctuation and going back and forth than when material infrastructure – like shops (Sosna et al., 2010), websites, warehouse or plants, prototypes (Berends et al., 2016) or

machines (Bojovic et al., 2017) – required financial investment to support the BM. It may be that companies that have to formalize material production to enact their BM would have a more linear approach of BMing. It may also lead to more inertia, as actors know they can revise BM at any time. This source of inertia is to be added to other sources of inertia linked with BM development (Doz & Kosonen, 2010; Sosna et al., 2010).

4.2. INTERACTIONS AND BUSINESS MODELING

Our study shows that BMing is as much as cognition and action interrelation as a social activity of interacting with internal and external people. Several studies on BM show the implication of interactions between various stakeholders for emergence in BM development process (Demil & Lecocq, 2010; e.g. Saebi & Foss, 2015). In Ferran Adrià's BM development process (Svejenova et al., 2010), two interactions are decisive for the start of his career: first, in the navy a colleague introduced him to the French cuisine, then a friend convinced him to take a job in a restaurant. As well, Naturhouse's BM development is identified as *"a constant process of fine-tuning, in which [his] managers' feedback was key"* (Sosna et al., 2010, p. 388). More recent studies have integrated interactions as constituent of experiential learning in BMing (Berends et al., 2016; Bojovic et al., 2017). Whereas these studies give evidence about interactions as constituents of BM development, *"the centrality of interactions among people in the enactment of business model"* (Santos et al., 2015, p. 51) has remained under conceptualized so far.

Our findings indicate that BM changes are linked to external interactions, whereas tactical changes can be linked to both internal and external interactions. We do not suggest that designing new BM internally is impossible but we clearly see that this practice has inherent limitations. First, it may reduce the scope of potential BM novelty as insiders may get stuck in their own partially shared cognitive schemas. The 'tactical adjusting' pattern shows that there is a risk of auto fuelling the development process without being able to make sense of the relevance of the choices made. Opening strategy (Whittington, Caillaud, & Yakis-Douglas, 2011) through deliberate repeated interactions with external stakeholders (partners, customers, etc.) can generate continuous BMing and tactics development. As internal stakeholders interact with each other and with external ones, they create the dynamics through which top managers consider their business model. Therefore, the sensemaking view sheds light on the fact that new BM development in situations of high ambiguity is a) more than a rational decision making issue (Casadesus-Masanell & Ricart, 2010), b) more than a try-and-error learning process (Sosna et al., 2010), c) more than an understanding issue as framed by

the cognitive view of BM (Doz & Kosonen, 2010): it implies active co-authoring of stakeholders and decision makers in the way BM is enacted. In that view, emergence in BM development is an ongoing, potentially never-ending process.

Previous studies have focused on deliberate interaction in experiential learning for BMing (Berends et al., 2016; Bojovic et al., 2017). We highlighted in the findings that moves from ‘tactical adjusting’ to other more valuable patterns was made via non-solicited interactions. The sensemaking perspective enables to consider non-rational actions as situation may just happen and actors have to make sense of it. Even if actors do not seek for interacting for gaining feedback or formally testing their ideas, the use of non-solicited interaction for making sense of the environment is crucial. Here, we see that serendipity (Cunha, Clegg, & Kamoche, 2006) as a key component of BMing as BMing draws as much on the making sense of unexpected and non preframed situations as well as trials and errors (Sosna et al., 2010) or deliberate experiential learning (Berends et al., 2016; Bojovic et al., 2017).

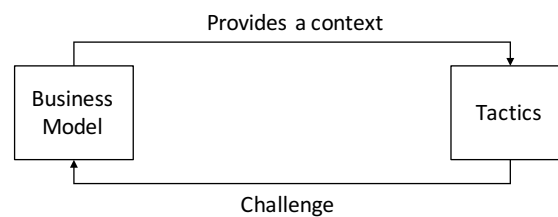
4.3. THE INTERPLAY BETWEEN TACTICS AND BUSINESS MODEL RECONSIDERED

In order to develop our study, we built on the difference between tactics and business model. In the initial development of our analysis, tactics appeared coherent with Casadesus-Masanell and Ricart’s (2010) view as “residual choices open to a firm by virtue of the business model it chooses to employ” (p.196). But when considering the patterns of sensemaking, it appeared that tactics implementation take part in the ongoing business model development process. Indeed, when tactics are constructed in line with a business model, they materialize operational elements that can be presented or proposed to external stakeholders. Subsequently, they generate feedback from these stakeholders, which may lead to refining tactics (in the Adaptive tactical sensemaking pattern) or to change the business model (in the BM Full Enactment Loop pattern). Consequently, tactics cannot be considered only as the residual choices possible in a business model. They also appear as a nurturing emergence in BM development.

We explain this difference of approach of tactics in that way that Casadesus-Masanell and Ricart (2010) lie in a rational positioning view of BM (Martins et al., 2015). In this view, managers make optimal choices in line with their understanding of the situation and define their operating implications. Tactics are then considered as operating implications of BM choices. In the social interactionist view of sensemaking (Weick, 1995), such a rationalist approach does not stand. BM preexistent choices can be the context in which tactics are enacted. But tactics can also be a trigger for reconsidering business model when these tactics

are confronted with stakeholders. Our research leads us to redefine tactics as the functional arrangements made in order to operationalize value creation, delivery or capture. In that view, tactics may depend on BM design as shown by the rational positioning view of BM. But they can also coevolve with an emerging BM, as the tactics interplay with BM through challenging the inherent logic of value creation, delivery and capture. Moreover, the interplay between BM and tactics is enacted in a cyclical ongoing way all along the business model development process.

Figure 3: The interplay between BM and tactics



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APPENDIX 1: DESCRIPTORS OF THE ACTORS IMPLIED IN THE STORY

Actor's name	Company	Position
François	Consultix	Partner 1
Amélie	Consultix	Partner 2
The researcher	Consultix / University	PhD student & Consultant 4
Nicolas	Leisure Park	Customer 1
Michel	Healthcorp	Customer 2
Arun	IndieITix	CEO

APPENDIX 2: THE NEW OFFER BM CONTENT EVOLUTION THROUGH SENSEMAKING PATTERNS

Periods	Description through sensemaking patterns	Impacts on the new BM [BM components]
Period 1 (2000-2012) - The new offer origins	<p>Pattern sequence in the period: SAR</p> <p>STRATEGIC AMBIGUITY REDUCTION: François' interactions with IndieITix and several SMEs, make emerge the offer's main ideas. For instance, he does consulting missions for SMEs. This kind of company constituting a new kind of customer for François' consultancy activities. He observes that these</p>	<p>The period reflects the very first hours of the offer, constituting the emergence of the offer's main ideas: a new consultancy offer targeting SMEs relying on the collaboration of a consulting firm and an IT</p>

	<p>firms have needs of consultancy services but traditional consulting methods do not fit with their constraints (time, budgets, resources, etc.).</p>	<p>services company.</p> <p>[value proposition] ; [customer segments] ; [key partners]</p>
<p>Period 2 (January - October 2013) – The offer's BM emergence</p>	<p>Pattern sequence in the period: SAR → TEL</p> <p>STRATEGIC AMBIGUITY REDUCTION: Consultix and IndieITix want to construct a special key turn offer for SMEs (including management and IT consultancy). To do so, they involve an additional partner: SoftOffix, a software editor.</p> <p>TACTICAL ENACTMENT LOOP: With Alex's proposition to do management research at Consultix, François and Amélie find a way to build innovative consulting methods dedicated to SMEs.</p>	<p>The new offer becoming more substantial: its BM is emerging. Targeting SMEs and based on the three partners' activities, the offer proposes innovative consultancy services for IT projects.</p> <p>[key partners] ; [value proposition] ; [key activities]</p>
<p>Period 3 (November 2013 – September 2014) – Sector focus and partners as options</p>	<p>Pattern sequence in the period: BMFEL (x2) → TR (x7)</p> <p>BM FULL ENACTMENT LOOP (x2): External interactions lead to decisive BM changes that Consultix operationalizes into tactics. First, a partner advises that the offer should focus a particular industry thus the luxury sector is chosen as the new offer target. Second, a customer's feedback impacts the partnership configuration on the offer: partners' involvement should be options depending on the customers wishes.</p> <p>TACTICAL REFINING (x7): The new offer's team does several workshops to construct the innovative consulting methods.</p>	<p>Several BM components are modified in this period: the offer targets SMEs from the luxury industry, and the partners' roles who become options.</p> <p>[customer segments] ; [value proposition] ; [key partners]</p>
<p>Period 4 (october 2014 - november 2015) – Functional scope</p>	<p>Pattern sequence in the period: BMFEL → TR (x7) → TEL → BMFEL → TR → TEL (x2) → BMFEL</p> <p>BM FULL ENACTMENT LOOP (x3):</p>	<p>The new offer proposes IT innovation and focus on a functional scope. Moreover, Consultix outsources the IT</p>

	<p>Via a contractor, Consultix considers that technological competency could be outsourced. Moreover, thanks to a partner's expertise, the new offer includes IT innovation. Following a customer's feedback, the new offer's team decides to target the finance department of the firm.</p> <p>TACTICAL ENACTMENT LOOP (x3): Market research allows Consultix adapting the tactics.</p> <p>TACTICAL REFINING (x8): Encountering difficulties to sell the offer, the new offer's team works on commercial tactics fine-tuning.</p>	<p>consulting competency.</p> <p>[key resources]; [value proposition]; [key activities]; [customer segments]</p>
<p>Period 5 (december 2015 - december 2016) – SMEs transformation support</p>	<p>Pattern sequence in the period: TEL (x2) → BMFEL → TEL → SAR → BMFEL → TR (x3)</p> <p>STRATEGIC AMBIGUITY REDUCTION: Jean's intervention for a SME makes emerging the new idea to address top management's needs for transformation projects.</p> <p>BM FULL ENACTMENT LOOP (x2): Bad collaboration with SoftOffix leads Consultix to consider other possible software adapted for the new offer. Then, Jean's participation in a professional think-tank leads the new offer's team to modify the billing way of the offer.</p> <p>TACTICAL ENACTMENT LOOP (x3): Achieving a test mission allows the new offer's team to improve the innovative consulting methods.</p> <p>TACTICAL REFINING (x3): The new offer's team considers that new tactics must be fine-tuned before displaying to customers.</p>	<p>A new approach of the offer leads to reinterpreting several business model components: the new offer proposes top management support services to SMEs. A new billing mode is set up accordingly.</p> <p>[value proposition]; [key resources]; [key activities]; [customer segments]; [customer relationship]; [revenue streams]</p>

APPENDIX 3: VISUAL REPRESENTATION OF THE BM DEVELOPMENT PROCESS

