

# Clusters must have their business models too

Michał Jasiński

**A** new wave of thinking in business is focused on business models (BM). Each company, big and small, should have one, but most do not even know what BM is or confuse it with the concept of a business plan. I want to argue here that business clusters should also work on developing their own BMs if they are to be effective players in a modern, innovation-driven, entrepreneurial environment.

BM is an integrated description of the way a firm does its business, with the main goal of clearly specifying how to create value for the customers. According to Osterwalder and Pigneur, who proposed the most popular approach to BM, nine building blocks should be distinguished to make a BM truly comprehensive, beginning with the one of fundamental importance, i.e. the "customer value proposition" that addresses the customers' needs. "Customer segments" are well thought through groups of people whose needs the firm aims to serve and tries to reach through appropriate and efficient "channels" of communication.

"Key resources" that the firm should have at its disposal may be of physical, financial, intellectual or human kind. They make creating and delivering value possible, by engaging certain "key activities" and with full awareness of the financial aspects („cost structure" and „revenue streams"). Reaching outside the firm, "key partners" (collaborators and suppliers) form a network actively cultivated by the firm's managers. Maintaining "customer relationships" requires equal attention, since it is in the firm's best interest to keep the customers satisfied for a long time.

The BM of a cluster should comprise all building blocks, with interesting twists. The customers of the cluster, its key resources and often its key partners are the very same firms that are parts of it. A cluster's key activities should be directed at fostering relationships

between its firms and ensuring their safety (intellectual and physical). Such firms should feel the friendliness of the cluster's protective, but not limiting, environment.

Clusters in Poland are most often artificial beings, created within governmental or local programs of economic development. This makes them somewhat different from clusters growing organically, like the IT cluster in the Silicon Valley or biotech cluster in Kendall Square (Cambridge, USA), by a natural process of attraction, startup birth and firm death. However, managers of artificial clusters should still consciously try and recreate the same enthusiastic spontaneity typical for organic clusters. Their goal should be to reach a critical threshold of venture capital, human capital, and inter-organizational connections, beyond which the magical effects of business synergy emerge. ::

**Michał Jasiński,**  
a graduate of Jagiellonian and Harvard Universities, teaches innovation management and leads the Center for Innovatics at the Nowy Sącz Business School - National-Louis University in Nowy Sącz, Poland. You may contact him at [jasienski@post.harvard.edu](mailto:jasienski@post.harvard.edu).

