



Reporting 3.0 Platform Blueprint Projects Series

Project Outline for Blueprint 4: New Business Models

Information and reporting demands for new business models

Berlin, 01.03.2016

Purpose of the blueprint

A green & inclusive economy requires the emergence of new business models that are fit-for-purpose in regenerative capitalism. What are the information and reporting needs of those new business model innovators that disrupt business-as-usual and existing industries? Considering the context of business model innovation, they need reliable sources of information on key trends (foresight), industry forces, market forces and macro-economic forces. Responding to these with their own value propositions, they have different business case insights into what is relevant, its measurement and communication. Responding to their information needs, this blueprint project will capture the dynamics around the need to transform data collection, accounting and reporting in the light of those that disrupt. Consider for example how will circular and sharing business models disrupt mainstream views on the value of reporting and accounting. How will 2° Business Models respond to the new demands of a carbon constrained economy – and what mechanisms are needed to assess the robustness of these 2° Business Models? And how will multi-capital accounting open eyes to new opportunities to drive long-term financial value aligned with societal health and regenerative ecosystems.

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| Seeking business model fits | If Blueprint #1 better defines the macro aspects of a green & inclusive economy, blueprint #4 translates this into future-fit business models. Discussions on alternative business models explore the possibilities of a new era of flourishing or thriving new businesses. This includes 'blue ocean' strategies of creating new markets. What contribution would they make more broadly, on an accumulative basis, to the green & inclusive economy? How would they measure and report success or system usefulness? |
| Building the necessary structures | Blueprint 4 explores the information needs and reporting demands of alternative business model categories. It will weigh these against the principles defined under Blueprint #1. It will also look at the relevant accounting and data implications, considering different business model components such as different resource (Capitals) supplies and market segments in low/middle/high income communities world-wide. |

Areas the blueprint covers

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| Context and structure of new business models | Blueprint #4 will analyze and assess new business models in the areas of circular, sharing and collaborative innovation, considering the macro-economic, market, industry and socio-environments within which they are conceived or developed. It will highlight in how far they facilitate investment in the priority sectors, new markets and infrastructure of a green & inclusive economy (as laid out in Blueprint #1). |
| Exploring new information and reporting needs | Given their aims, value propositions, structures and embracing nature, new business model entities may find little use in existing information sharing and reporting standards. What business case value do they see in alternative information collection, analysis, reporting and communication of progress approaches? |
| Challenges for data and accounting | In consequence Blueprint #4 also looks at accounting and data challenges that new business model owners find. For example, how do they deal with externalities and non-market values, values not recognised by business-as-usual accounting standards? |
| Summarizing the connections | Blueprint #4 will assess existing roadblocks, describe the contribution of new business models and recommend reporting, accounting, data as well as broader information needs and knowledge capacity perspectives on how to support the impact and accountability of their contributions. |

Resources the blueprint will build upon

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| Literature about new business models | <ul style="list-style-type: none"> • An assessment about existing 'buckets' of new business models will be carried out. • Sources to visit will include the Business Model Generation Canvas developed by Osterwalder and Pigneur, University of Lausanne, Switzerland, as well as the Flourishing Business Model Canvas, a broader concept of Osterwalder's canvas. • Research by IFC on business model innovation in emerging markets, including Bottom-of-the-Pyramid and Shared Value approaches. |
| Interviews with new business model players | <ul style="list-style-type: none"> • Interviews with a range of new business model innovators, initiatives and networks to explore their reporting, information and data needs. |
| Existing accounting and data packages | <ul style="list-style-type: none"> • The aim is to assess in how far existing accounting rules interpret or misinterpret new business model realities. E.g. what if the concept of depreciation is a roadblock for those that keep resources on a circular basis, not losing value at all? What about the interpretation of a balance sheet in which most assets are shared or leased? What are the business model opportunities and risks of new capitals (i.e. social, human, and natural) hitting the balance sheet? How will business models need to shift to respond to new climate realities in a 2° world? What new understanding and standards are required by the new business models? |

Relationship to the other blueprints – how will it all connect (2-3 abstracts)

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| Blueprint 1 | <ul style="list-style-type: none"> • Blueprint #4 gives fresh insight into Blueprint #1 by describing the contribution of new business models to a green & inclusive economy, considering how they respond to relevant macro-economic, market and industry trends world-wide |
| Blueprint 2 | <ul style="list-style-type: none"> • Blueprint #4 gives input into how existing measurement and accounting standards are unhelpful to describe success of these new business models in a mono-capital way. |
| Blueprint 3 | <ul style="list-style-type: none"> • Blueprint #4 describes data spectrum implications for new business model owners to better capture their contextual information needs and impact. |
| Blueprint 5 (Update Blueprint 1) | <ul style="list-style-type: none"> • Blueprint #4 serves as support for the development of Blueprints 1,2 and 3. After the finalization of the whole Blueprint Series we are updating Blueprint #1. |



Expected outputs of the blueprint

| Outcome | Detail |
|-------------------------------------|--|
| Repository | Blueprint #4 will stock the Reporting 3.0 Repository with a compendium of reports and assessments on the connection between business model innovation, accounting and reporting for a green & inclusive economy. |
| Infographics from virtual ThinkTank | Blueprint #4 will include a virtual thinktank that is a global feedback mechanism on the first draft of the Blueprint. |
| Public comment | The final draft will be offered to the global public in a public comment period. All comments will be made public. |
| Blueprint # 4 | The final version of Blueprint #4 will be published as a Reporting 3.0 Platform Blueprint Report. |

Timeline

| Month | Activities |
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| 1 | Call for participation, set up of working group, budget check, official launch |
| 2 | Literature collection, analysis, 1:1 expert interviews |
| 3 | Structuring of outcomes, finalizing draft 1.0 White Papers |
| 3 | Online Think Tank, structuring outcomes for Working Group input |
| 4 | Working Group in person meeting |
| 5-6 | Draft White Papers |
| 8 | Working Group in person meeting |
| 9 | Final version of blueprint |

Resources

| Contributions | Description |
|---------------|---|
| Funding | 100k Euro, divided by 5 (@20k) or up to 10 (@10k) |
| In-kind | possible |

Given the above activities and funding asks, we are inviting you today to get in touch with us and discuss your contribution.

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