Open Business Models

One barrier for broad government open policy adoption is for-profit businesses that lobby against open policies. Showing how existing for-profit businesses and new entrepreneurs can leverage open licensing and openly licensed works to improve their profitability, public relations, and corporate citizenry, will help speed open policy adoptions.

Open policy and use of open strategies and resources are fostered by clear and well-understood value propositions. Governments and other organizations adopting open policy are seeking to measure ROI. Non-profit and for-profit corporations and institutions are seeking to understand the business model options associated with open policy, licenses, resources, and practices. The absence of clear business models and value propositions impedes open policy adoption.

There are many questions associated with open business models and how they work. Questions such as:

- How does a business survive giving away their work for free?
- What are the indirect benefits of open?
- How does open not only save money but act as an economic driver?
- How does “open” affect scalability and sustainability?
- Are there both economic and social benefits derived from going open?
- What organizational changes in people, process, and practices are required to generate open benefits?

To date these questions have largely gone unanswered.

Creative Commons’ work on open business models will surface answers to questions like these, showing how open business models work and presenting strategies for design and development of more open business models.

A business model describes the rationale of how an organization creates, delivers, and captures value.

A business model can best be described visually using building blocks that show the logic of how a company makes money. Creative Commons will use the nine building blocks described in the Business Model Generation Handbook as a framework for this work. Developed using an open process over nine years, involving 470 co-authors from 45 countries, this framework provides a practical starting point for depicting business models in general and designing open business models.

Nine Building Blocks of a Business Model

1. Customer(s)
2. Value proposition(s)
3. Channels
4. Customer relationships
5. Revenue streams/ROI
6. Key resources
7. Key activities
8. Key partnerships
9. Cost structure

Creative Commons will use the business model canvas poster (licensed CC BY-SA 3.0) from this handbook as a starting point for representing what a business model is and as a tool for designing open business models. A digital version of this poster has been created as a business model framework and for online interaction with participants.

Interaction will include review of questions associated with designing or representing a business model in this framework. Design includes answering questions such as those in this Business Model Framework Questions document. Creative Commons open business models work will generate answers to these questions. It will also explore whether there are additional or different questions needed to fully represent open business models.

Creative Commons believes open business models have a tenth building block in their framework – the CC License.

Ten Building Blocks of an Open Business Model
1. Customer(s)
2. Value proposition(s)
3. Channels
4. Customer relationships
5. Revenue streams/ROI
6. Key resources
7. Key activities
8. Key partnerships
9. Cost structure
10. Open licensing

Creative Commons licenses are an essential component of an “open” business model. The specific license chosen also creates different open business models.

Creative Commons has added this tenth building block creating a new model for open business design and depiction. A diagram of open business model questions has been created to serve as a starting point for online design and depiction of open business models.

To test the usefulness of this framework and set of questions, Creative Commons independently generated a sample open business model for The Noun Project. The depiction surfaces open business model strategies including mutually beneficial value propositions and revenue stream
sharing between The Noun Project and their global community of icon creators and designers. Further examples and insights will emerge through the open business models work Creative Commons is proposing.

This session will orient participants to the basics of what a business model is and provide hands on opportunities to actively prototype a business model for their own open education initiative. Templates will be distributed and guided interactive activities used to walk participants through the basics of creating open business models. Open business model profiles will be analyzed to show differentiation by CC license, value proposition, and other key attributes. Analysis will include the potential for clustering and naming of types of open business models.

Open business model profiles will make explicit the strategic thinking, purpose, and use of open licenses and how those affect existing revenue streams and generate new ones.

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