The evolution of facility management business models in supplier–client relationships

Purpose – The study improves the current understanding of business model innovation by outlining how business models unfold over time within supplier–client relationships in facilities management (FM) services.

Design/methodology/approach – This study of FM services in Denmark consists of an explorative case study and three case studies of facilities management clients. Both phases, related and overlapping, involved collection and analysis of in-depth, semi-structured interviews and archive data.

Findings – Findings shows that business model innovation entails interorganisational collaboration across different phases of the innovation process. The research demonstrates that external orientation within FM service ecosystems involves both a reaction to changes in the external environment and the proactive involvement of stakeholders throughout business model innovation.

Research limitations/implications – The selection of business model innovation processes was limited to the Danish context. The sample, although heterogeneous and representative, represented only a fraction of the total population, which may have excluded processes of business model innovation that contradict the research.

Practical implications – This paper suggests that by observing the business models of the value network over time, organisations could learn from the interdependencies between intra- and interorganisational stakeholders, thereby supporting the monitoring of risks and uncertainties as well as the anticipation of potential consequences of changes in the ecosystem.

Originality/value – This paper introduces new thinking on the subject of business model innovation to the context of FM. It presents the external orientation of FM business models as a way to combine planned and emergent business model innovation through interorganisational collaboration and value creation in FM ecosystems.

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