

Using extreme sketching in creative business modelling

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Abstract

Whether planned in detail or developing almost accidentally, all businesses have a model for how to turn raw materials or services into revenue, including how products are channelled to customers, and how the business interacts with partners. Business schools worldwide teach how to develop and optimize business models, but not all business owners have gone to business school. In terms of business model development, small creative businesses owned by for example a single artisan face special challenges compared to traditional businesses. One crucial difference between the two is that creative workers are motivated by the outlook of self-fulfilment and not profit, and this means that owners of small creative businesses are unlikely to invest time and money in strategic business development. Based on an four-hour long experiment with a self employed jewellery designer this article reports on using live provocative sketching as an aid to develop creative business models together with the owners. The experiment suggests that the particular combination of live visual sketching and provocation can push reflection on business development, and help make work values clear to the business owner, who gains a better understanding of the dynamics of his or her business potential, and which may prove a valuable outset for further business thinking.

KEYWORDS: Business model development, sketching, creative businesses

Introduction

Most people would agree that a rock festival is different from, say, an investment bank, and that the festival is a creative business and the bank is not. They would also agree that a writer is a creative worker, and an insurance agent is not. But why is that? One explanation could be that a writer is stereotypically conceived as a passionate artist who produces *con amore*, whereas the insurance agent is stereotypically understood as someone mainly driven by profit. Such stereotypes are of course only partly true, but in recent years it has been more common to speak about creative businesses and their owners as being—in terms of traditional business school thinking—unconventional (see for example, Lash & Urry, 1994;

Howkins, 2001; Hesmondhalgh, 2007). In terms of strategic business development, that unconventionality poses a certain challenges for the creative companies.

But who are these people, working on their own producing artwork or other intellectual property? If we look to the literature, creative people are described as intuitive, playful, imaginative and passionate but also aggressive, dominant, immature, and having a hard time following rules. They are disciplined and hard working, but they do not care for their past accomplishments, because their interest is motivated by the act of being creative rather than the final product (Csikszentmihalyi, 1996). These are clearly not the personality traits of a traditional businessman, and may be the reason why creative workers are sometimes portrayed as incompatible with business thinking.

Apart from personal characteristics, another feature separates the creative person from the non-creative person; their reason for working:

“Perhaps the most important quality, the one that is most consistently present in all creative individuals, is the ability to enjoy the process of creation for its own sake. Without this trait, poets would give up striving for perfection and would write commercial jingles, economists would work for banks where they would earn at least twice as much as they do at universities, and physicists would stop doing basic research and join industrial laboratories where the conditions are better and the expectations more predictable.”
(Csikszentmihalyi, 1996).

As a result, it seems obvious that creative businesses face certain unique challenges when it comes to business model development. Traditionally, one would say that a business is in business for the sake of making money, but this is not true for a creative business. A unique hallmark for a creative business is that it is not motivated by the outlook to make profit. Actors, for example, do not act to make money, but to make art and to earn a place in ‘the theatre family’ (Eikhof & Haunschild, 2006).

Someone running a small creative business faces quite a dilemma. The creative work is spontaneous, unpredictable and follows no strict rules, whereas interference with the market brings about the need to manage, plan and organize the processes of creative production. This poses tension between activities related to creating intellectual property and activities related to organizing and steering the company. Consequently, the creative business owner needs to balance two opposing identities: the artist, who provides motivation and self-fulfilment, and the business man, who makes it possible to make a living out of the creative production (Eikhof & Haunschild, 2006). Since few owners of small creative businesses have business school training, this calls for attention on how to help creative business owners with strategic business development, something that the British government has called special attention to (DCMS, 2001).

In the following, we discuss how a common thinking tool, well-known to designers, namely visual sketching, combined with another tool from the design field, namely provocation, might help bridge the gap between traditional business model development and the creative mind.

Thinking tools for business development

While traditional business modelling tools like the business model canvas (Osterwalder & Pigneur, 2009) are useful for analysing a business in terms of its cost structure, revenue stream, and so forth, it may not be a very good thinking tool. In other words, tools that are

designed to help document the ‘as is’ of a business may not be very useful for exploring the ‘what could be’, that is, to help develop new business models.

Seeing that the creative business owner is not primarily motivated by money, then working systematically with how to develop say, the cost structure of a business, is not a very likely activity for such a person. And seeing that ‘business talk’ takes its outset in a different dictionary than that which is used to describe the value of artistic work, business concepts such as value proposition is likely to be ignored by creative business owners. Consequently, we have seen an increased focus on how to

articulate and develop business models in creative industries with the use of techniques that might appeal to creative people, including tangible sketching tools such as symbolic artefacts (Mitchell & Buur, 2010), games (Chan, 2011), and ambiguous acrylic shapes (Lübbe, 2011).

In line with this body of work we hypothesize that facilitating discussion with creative techniques from the design field will help creative business owners understand, engage with, and strategically develop their current business models.



Figure 1.: Examples of extreme sketches used in workshop settings

Combining visual sketching and provocation

In the design community, sketching is often understood as the production of paper sketches of the type described by (Goldsmidt, 1991; Goldsmidt, 2003). Buxton (2007) uses the term sketch to describe any representation of an idea or concept that can be used to get new ideas, develop old ones, or think about well-known issues in a new fashion. No matter the material qualities of the individual sketches, the act of sketching is understood as a tool for aiding idea generation and exploration of ideas in a design situation. Apart from helping new thinking, sketching also serve to help designers talk and about and share an idea, as well as remember and store its key components (Ferguson, 1992; McGown & Green, 1998; Ullman, Wood, & Craig, 1990) which is why sketching is many designers’ preferred technique to inspire thinking and help them communicate with others. In the literal as well as in the metaphorical sense, designers sketch to help themselves and others see things in new ways, including physical forms, modes of interaction, and the potential use context of a design.

The design community also make use of provocation to drive discussion and help designers and users see things new ways. In participatory design, for example, ‘provotypes’ are used as a provocative tool to challenge design assumptions made by designers and other stakeholders (Boer & Donovan, 2012). In critical design, provocation is used to force consumers to reflect on the values and challenges of living with digital technologies (Dunne, 2005), or challenge the ideology inherent in a certain design, such as SignWave’s Auto-Illustrator (Brynildsen, 2002).

This article reports an experiment that combine sketching and provocation—a technique called extreme sketching—as a means to engage an owner of a creative business in a discussion of current and potential business models. Extreme sketches share the qualities described by (Buxton, 2007) but they have other qualities that make them useful when sketching outside a design context. For example, the real time visualisation of a discussion in front of participants is key to how extreme sketching can be used to engage users in abstract discussions about, say, complex business issues (Mitchell & Nørgaard, 2011; Nørgaard, 2011). Also, the sketches use humour and extreme situations to document and drive discussion, and this helps participants engage with challenges and boost understanding and new thinking (De Bono, 1990; De Bono 1972). Further, the sketches’ physicality and hand drawn nature makes them work well as tickets to talk (Sacks, 1992), meaning that they lower the threshold for engaging in a discussion with strangers. For an example, of extreme sketches, see Figure 1.

The jewellery designer experiment

To explore how extreme sketching might facilitate new thinking about business models, we arranged to discuss business models with a Copenhagen-based jewellery designer. The four hour-long session focused on developing the company’s business model and included—besides the designer—an interviewer and a sketcher. The session was videotaped for further analysis of how the live sketches were used to inspire or provoke the discussion of current and possible business models.

Method of exploration

First, the interviewer explained what a business model is, and how different models work differently in terms of, for example, customer relations and revenue streams. The interviewer then proposed seven different business models—the auction model, the subscription model, the rental model, the bait and hook model, the co-innovation model, the collective model, and the direct selling model—and prompted the designer to reflect on what her company might look like if following a particular model. To get an overview of the current



Figure 2: Scenes from business model session with jewellery designer.

state of the business, the interviewer prompted the designer to explain how her current business worked in terms of the concepts described by (Osterwalder & Pigneur, 2009).

Next, and inspired by the previous discussion, the designer identified the direct selling model as a business model she would like to explore further, and the interviewer guided her through questions like “what would be the first steps of implementing this model?”, “what would happen then?” and “what would it take to reach this point?”.

Lastly, the interviewer engaged the designer in a discussion of what the use of extreme sketching had brought to the session, and how one might use extreme sketching when discussing business models with creative business entrepreneurs.

Simultaneous with the interview, directly in front of and visible to the jewellery designer, the sketcher interpreted the entire discussion using extreme sketching. The result was a 0.75x8 metre long frieze with sketches visualizing the discussion, showing the stages and the chronology of the interview (see Figures 2 and 3).

Results

Through the interview we developed an impression of a designer who was not traditionally business savvy, and far from interested in being so. Initially, she was unfamiliar with the term business model, and seemed hesitant when talking about her business in traditional business terms. An early theme in the interview was the delicate balance between making art for the sake of art and making money to pay the rent. While the process of making art and the collaboration with peers seemed to interest the designer a great deal, the work that involved finding ways to reach customers or getting an overview of the company’s cost structure seemed a matter of no interest if not almost painful to talk about.

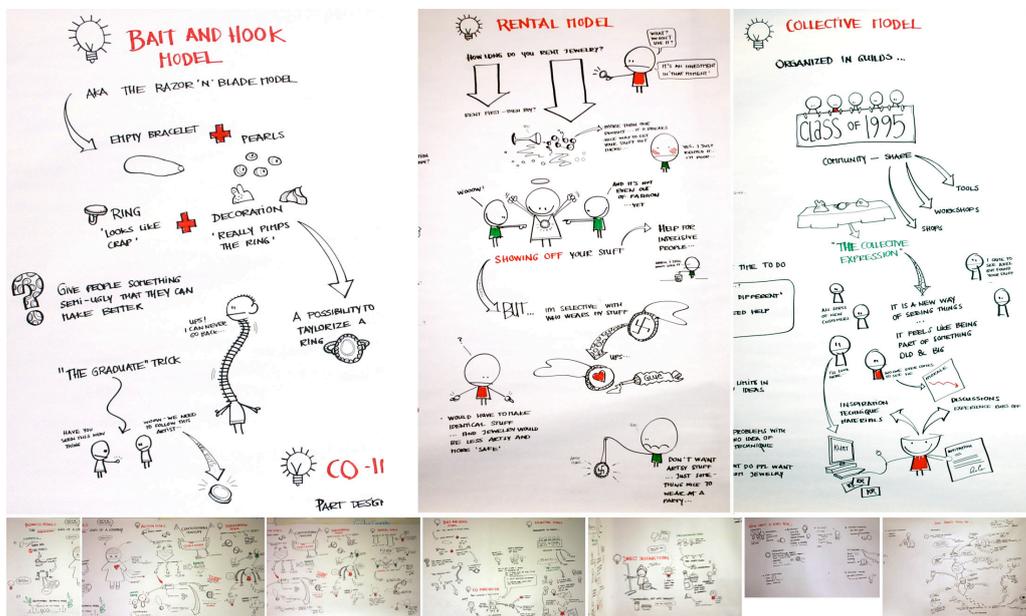


Figure 3: Closeups and overview of the sketches.

It became clear that the owner considered herself an artist rather than a business owner, and was motivated by the production and exhibition of avant garde jewellery rather than by selling it. When describing her work and business conduct, the jewellery designer made explicit how she did not want “anyone” wearing or buying her jewellery, and how she sometimes turned down buyers she found unsuitable to own or wear her products.

During the session, the designer used the extreme sketches actively when reflecting and explaining how certain business models might work for her company. As the scroll with sketches grew longer, she walked back and forth as if to physically navigate back and forth in the discussion. When referring to ideas voiced earlier in the interview, she walked to the point on the scroll that showed this particular moment, and continued thinking out loud while studying or referring to the scroll. Such activities indicate that the designer used the extreme sketches as an aid to recall earlier themes in the interview and get an overview of important topics.

Besides functioning as a memory aid, the sketches also proved valuable for supporting reflection, as the following example suggests;

“I really didn’t like this one (she points to a visualization of the direct sales business model) because, I don’t like the selling part (she points to an illustration of a sales woman ringing a door bell) but then...this is a really good idea (she points to an illustration of a champagne and cupcake party), and I thought that this model could really work for me. I also like this one (she moves to a previous part of the scroll) I like this the most (she points, and looks back and forth in silence as if she is thinking further).”

When asked to elaborate on how she used the sketches during the interview, the designer comments on the reverse or provocative nature of some of the sketches:

“I like them...they are really good for someone like me who is very visually minded (...) In the beginning I was quite provoked because she drew this (she walks to the start of the scroll and points to a sketch suggesting that an artist might cut out her heart to make a living) and I thought, ‘wow, that’s a harsh way of putting it’...that I have to cut out my heart to make money. But I do see that I need to find a model where I can earn money and still have time to do the stuff I think is most fun”.

While the participants discussed and sketched how the direct selling model might work for the jewellery business, it became visibly clear that if choosing this business plan the role of the designer would change, putting more emphasis on the planning of marketing related events and less on creating jewellery. This sparked a discussion about what job role would be desirable for the designer to have in the future, what skills she needed to make this happen, and how engaging a commission paid event planner might help her keep her focus on producing art. Later, new thoughts about how to manage customer relationships were inspired by sketches visualizing rental agreements and official membership documents. These findings exemplify how the extreme sketches helped the jewellery designer get new ideas about and actually pushed forward the discussion about potential business models.

When reflecting on how extreme sketching might be used to help other creative entrepreneurs develop their business models, the designer pointed to the value of the information being made visible. She argued that the technique might work differently with groups of participants, who—despite their common interests in developing their business—might not share an understanding of how to optimize the business model:

“If (colleagues) were here, I think this would look quite differently. I don’t think they see the world exactly like I do”.

Discussion

In the following, we will discuss some aspects of deploying extreme sketches as input to business model thinking. The insights are based on the experiment and do as such not offer any solid conclusions about the utility of extreme sketches in this context. They can, however, point to areas where creative business owners need support and inspiration when discussing themes related to business models, and where more traditional business development tools are not sufficient. Such areas include the value of using emotional interpretations and provocations to push forward reflections on business concepts, make intangible business values legitimate, and help balance activities related to production of intellectual property with other activities, equally important, but perhaps less inspiring for creative workers.

The experiment with the jewellery designer suggests that extreme sketches could help address business issues in a way that a creative business worker would find inspiring and understandable. The experiment showed how the jewellery designer, whose business activities are almost solely motivated by the self-fulfilling processes of making art, was aided by extreme sketches to reflect in new ways about what intangible benefits her business offers. The fact that creative people have other reasons to work than earning money seem something of a challenge in terms of discussing creative business models with their owners. As opposed to money, intangible values such as fun and self-fulfilment are difficult to define precisely, and might seem too fuzzy to include in a traditional analysis of for example a company's value stream. Traditional business people and advisors might thus exclude such values all together, not understanding that these values in creative businesses are more important than money. To even this unbalance, extreme sketches might offer creative business owners a means to help reflect about and verbalize intangible business values.

The extreme sketches seemed to capture and make visible emotions that the jewellery designer voiced about business aspects such as canvass sales or getting input from users. Aiming to provoke, the extreme sketches put such emotions on the edge, which succeeded in making the jewellery designer think in new ways about how she might sell her art through a direct sales model, something which she initially rejected fiercely.

Based on this experiment, it is interesting to ask if extreme sketching can help creative business owners deal with the tension between creating intellectual property and managing other business activities such as cost analysis or logistics. In any business both types of activities are important, but in a creative business the latter is likely to receive less attention because, in the mind of a creative worker, it does not fit into the category of fun and inspiring activities. The experiment with the jewellery designer describes a business with huge tension between the production-related activities that motivate the owner and other equally important activities such as reaching customers or closing a sale. The use of extreme sketches suggests that perhaps sketching can help business owners address the unbalance between the two types of activities, for example, when the jewellery designer—provoked by a sketch—starts thinking out loud how a few commercial designs might finance her art projects, which profit-wise are bad business. In several examples, the jewellery designer is triggered into talking about business activities that she either does not like doing, like the sale of products, or which she finds will compromise her integrity as an artist, like co-creating jewellery with potential customers. Because the visual reference to, for example, co-design of jewellery, is physically and spatially present on the scroll, they seem to open a room for thinking and talking about business activities that the owner might otherwise ignore, and the use of humour or reversed situations, seemed highly effective in producing an emotional

response with the business owner, either instantly, or when re-visiting a part of the documentation later on in the interview.

Conclusion

People working in the creative industry are different from those working in traditional profit-oriented businesses. For starters, they are not in it for the money. This underlines two things, first, the importance of developing business models that makes clear how a small creative business must propose other values to its workers than a monthly salary. Second, how successful business models for creative companies should help balance activities that motivate the creative worker with those necessary for running a company. But before advancing so far, owners of creative businesses must start thinking about strategic business development. Unfortunately, many of them are unlikely to do so since they are unfamiliar with and uninterested in business concepts such as business models and value proposition.

Creative business owners might not respond well to traditional business modelling tools such as Osterwalder and Pigneur's business model canvas. This may be because such tools are based on traditional business concepts such as revenue stream and value proposition, and ignore concepts important in a creative business such as self-fulfilment and exploration. The results from this experiment suggest that extreme sketching can help creative business owners understand the mechanics of their businesses and their own motivations, help them see new possibilities, and prepare them for a traditional analysis and mapping of business model concepts. Consequently, this could be part of what Osterwalder and Pigneur (2009) calls business model prototyping. Further, extreme sketches may help creative business owners explore motivational values and help find a balance between "what is in it for me"—the values that motivate their running a company—and "what is in it for the customers"—the values that help pay the rent and finance the creative activities related to producing intellectual property.

The experiment discussed in this paper, suggests that extreme sketching can aid the generation of and talking about new business ideas, and that the physicality of the sketches make it easier for people to navigate in a discussion, refer to past events, and use those as inspiration to continue reflection. Further, the experiment suggests that extreme sketches can help explore some of the emotional barriers that creative workers might face when their personal work values clash with the realities of business, such as the need to make money to cover production costs. And this is perhaps the very first step towards engaging an artist in what—in terms completely unfamiliar to her—could be called strategic business modelling, so that she can continue producing the avant garde jewellery that she loves.

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