

The Triple Layered Business Model Canvas: A Tool for Sustainability

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Abstract — The Triple Layered Business Model Canvas is a platform for experimenting with new business models that are focused on sustainability. It adds two levels to the original business model canvas: an environmental layer based on a lifecycle perspective and a social layer based on stakeholder perspectives (Cardeal, Höse, Ribeiro, & Götze, 2020). The three layers of the business model, when examined collectively, make clear how an organization generates different sorts of value - economic, environmental, and social. Visually depicting a business model using this canvas tool aids in establishing and communicating a more holistic and integrated perspective of a business model, as well as in creatively innovating towards more sustainable business models (Daou, et al., 2020). This review article analyzes the triple layer business model canvas tool and highlights its essential characteristics. By providing a design tool that structures sustainability challenges in business model innovation, this tool adds to sustainable business model research.

Keywords — Stakeholder Perspective; Business Models; Triple Layered Business; Sustainability.

1. Introduction

Sustainability is an important component of successful business performance (Boons, Montalvo, Quist, & Wagner, 2013). One way to integrate sustainability into global businesses is through the use of the triple layered business model canvas (Obst, 2015). The multidimensional goals pertinent to the triple bottom line approach refer to the question of how to balance specific strategic objectives (Davies & Doherty, 2019; Obst, 2015). As a result, it is possible to determine whether sustainable development initiatives could be a success or a failure (Ludeke-Freund & Dembek, 2017).

2. Literature Review

The three major components of the triple layered business model canvas illustrate a substantial focus on the need of active collaboration in order to optimise business outcomes. This tool “leverages life-cycle analysis and stakeholder management perspectives within newly created environmental and social canvases” (Joyce & Paquin, 2016, p. 2). It means that stakeholders at organizations can initiate a process of in-depth analysis that enables a better understanding of the different canvases included in the framework. In this way, it is possible for enterprises to achieve highly competitive, sustainability-oriented change (Boons, Montalvo, Quist, & Wagner, 2013). Individuals would be taught the necessary skills to avoid the barriers to sustainability at the organizational level (Kolstad, 2013). Stakeholders have a chance to improve their knowledge and deliver greater value irrespective of the current challenges existing in the respective business environment (Joyce, 2016). In their research, Joyce and Paquin (2016) discuss that the triple layered business model canvas is

perceived as a tool to develop more sustainable business models. These researchers focus on the implementation of this framework by Nestle Nespresso. Joyce and Paquin (2016) point out that “Nespresso offers a clear example of creatively innovating a business model around coffee” (p. 4). In this context, the company has transformed its business operations through refining its business model by ensuring a relevant focus on the triple layered business model canvas.

The example of Nestle Nespresso’s use of a triple bottom line approach indicates that the company has ensured a thorough understanding of its positive and negative economic, environmental, and social impacts (Joyce & Paquin, 2016). Such knowledge is enhanced to develop a wide range of possible innovations added to the organization’s existing business model (Geissdoerfer, Savaget, & Evans, 2017). The triple bottom line approach has enabled this global organization with an opportunity to examine underexplored areas for innovation and sustainability (Sobral, 2017; Toomey, 2018).

The sustainability-centered business model innovation has become a preferred method to enhance companies’ existing business models (Baldassarre, Calabretta, Bocken, & Jaskiewicz, 2017). In their research, Marcovecchio and Kawuma (2017) examine the impact of sustainability on refining the business models of Nespresso and Starbucks. The qualitative findings presented in this case study implied that the respective organizations have been proactive in the implementation of comprehensive sustainability programmes (Marcovecchio & Kawuma, 2017). However, the same researchers point out that Nespresso and Starbucks encountered weaknesses in their sustainability-based business models, such as the predisposition of the two companies to undertake incremental changes. It is important to note that changes

should be adequately planned to achieve the intended results, rather than presenting fragmented courses of action (Doolan & Froelicher, 2009).

The constructive feedback obtained from each action cycle indicates that the triple layered business model canvas supports organizations in exploring the possibility for creating sustainable business models. Global companies are focused on creating greater value through supporting a more holistic view of organizational performance (Badurdeen & Jawahir, 2017; Johnsson-Sederholm & Du, 2016). Such a holistic perspective has been adopted by B Corps, which has succeeded in reinforcing its business model through the triple layered business model canvas (Di Laurea, 2018). From the mentioned holistic perspective, Joyce and Paquin (2016) indicate that the triple layered business model canvas is equally perceived as a creation and validation tool. It has been argued that “The ‘visualized’ business model through the TLBMC can facilitate the understanding and creation of new business model ideas by highlighting the interconnections of key elements within the business model” (Joyce & Paquin, 2016, p. 9). At the same time, the generation of new, effective ideas is validated through the ongoing process of balancing the advantages and limitations of particular business models.

The triple layered business model canvas is used for attaining more holistic business outcomes beyond profit (Kolstad, 2013). In this way, organizations are enabled to analyze business model innovation through horizontal and vertical coherence (Joyce & Paquin, 2016). It has been illustrated that “The horizontal coherence is concerned with a firm’s ability to explore and understand new ways of creating economic, environmental and social value” (Marcovecchio & Kawuma, 2017, p. 36). Yet the vertical coherence dimension implies that organizations aim at improving their understanding of how value is created across the three major layers. The mentioned two coherences contribute to presenting in-depth inferences about business model conceptualisation as part of the overall focus on achieving greater sustainability (Marcovecchio & Kawuma, 2017).

The implementation of the triple layered business model canvas has enabled global organizations with an opportunity to explore diverse aspects of value creation (Joyce, 2016). In fact, this framework supports the development of a coherent approach towards creative and innovative business development. It has been indicated that each layer of the framework facilitates understanding of the dynamics of organizations’ business models (Joyce & Paquin, 2016). As a result, this enhances “broader systems thinking proposing a more holistic view of the entire business model” (Joyce, 2016, p. 147). As described by Joyce (2016), the new business model developed by

ProBeauty Company succeeded in increasing its value creation, which delivered optimal outcomes in terms of sustainability. The example set by this organization illustrates that the use of the triple layered business model canvas helps global companies go beyond their business activities. In this way, such organizations are adequately committed to expanding their collaboration with stakeholders to develop comprehensive, beneficial models comprising of the environmental, economic, and social dimensions included in the triple bottom line approach (Johnsson-Sederholm & Du, 2016).

Led by the drive for increased sustainability, global organizations search for new tools and frameworks to expand their possibilities for greater competitive advantages. Sobral (2017) discusses how Fruta Feia improved the sustainability of its existing business model through the application of the triple layered business model canvas. The first approach adopted by the organization “was to map the business model through the triple layer model canvas, which allowed a broad perspective of the actors in the project” (Sobral, 2017, p. 9). Such an initial strategic orientation illustrated the company’s emphasis on building the basis for future sustainability. In fact, Fruta Feia’s business model, which was developed through the triple layered business model canvas, proved the validity of the environmental, economic and social sustainability dimensions. The respective framework served the needs of all stakeholders including customers, who were considered partners in the successful completion of the project (Sobral, 2017).

Global organizations aim at achieving a more sustainable future. They implement the triple layered business model canvas to build an optimal strategy for balancing the environmental, economic, and social aspects of their business (Kolstad, 2013). In this context, the triple layered business model canvas is used as a relevant categorization matrix to help global companies optimise their transition towards sustainable business models (Peppou, 2018). The triple layered business model canvas “advocates that organizations formally account for their environmental and social impacts alongside their economic goals” (Hope, 2018, p. 383). Such transparency is interrelated with the drive for sustainability in different business industries. It has been illustrated how Coca-Cola Enterprises Norway launched a sustainability-oriented strategy in 2011, implying how the long-term implications of sustainability are associated with more substantial business success (Kolstad, 2013). Another global company, the ISS Group, has also succeeded in integrating sustainability in its business model (Kolstad, 2013). The consistent focus on sustainability maintained by the ISS Group resulted in highly engaged employees, improved customer service, and enhanced business growth. The example set by this company shows how the

implementation of the triple layered business model canvas has served its strategic purpose of refining the organization's current business model (Breuer, 2018).

The number of organizations that aim at improving their existing business models is on the rise. Another example of how the triple layered business model canvas is used in practice is that of the Hekluskogar Restoration Project in Iceland (Kennedy et al., 2016). Considering that the utmost goal of the project developers was to initiate a process of ecosystem recovery, the utilisation of the triple layered business model canvas emerged as an optimal solution. It has been indicated that the economic dimensions of the approach referred to "improved land use options, opportunities for biomass production and tourism development" (Kennedy et al., 2016, p. 10). In this way, the establishment of a healthy and safe environment for the local community has been fulfilled as a major strategic objective of the specified project. The results of this project indicate that global organizations are proactive in improving their business models.

Undertaking a holistic approach to improving or changing companies' business models is a priority to global organizations. In the case of the Dieva Daba community, the strategic framework of the triple layered business model canvas enabled stakeholders to complete various projects by focusing on the implications of shared mission, vision, and objectives. The flexibility inherent in the triple bottom line approach has been recognised as crucial to supporting opportunities of personal development and empowerment of team members participating in different projects (Hazel, Johnson, Kalns, & Ortega, 2017).

Organizations in different parts of the world value the advantages of sustainability frameworks. Both large and small organizations adjust their existing business models in line with specific business trends and evolving customer demands (Hope, 2018; Zott, Amit, & Massa, 2011). In the context of the agribusiness industry in the United Arab Emirates, the use of a triple bottom line approach enhanced the business performance of small and medium enterprises (Dugar, 2019). The respective business framework has been found useful to enhance the notions of sustainability and strategic innovation (Johnsson-Sederholm & Du, 2016). Despite the knowledge gap existing in the agribusiness industry in the United Arab Emirates, organizations have recognised the importance of refining their business models through the strategic innovation component included in the triple layered business model canvas (Dugar, 2019).

In proposing specific business models for urban agriculture, Toomey (2018) is focused on the keys to sustainable value creation. As illustrated, the ongoing process of value creation is directly linked with the implementation of the triple layered business model canvas

(Johnsson-Sederholm & Du, 2016). Toomey (2018) discusses the functional value of the triple bottom line approach to sustainable business development. On one side, organizations such as South Africa's Qala Phelang Tala tend to create a solid knowledge base within their supply chain. On another side, the respective knowledge is transferred to various customer segments of the business (Toomey, 2018). As a result, greater sustainability is achieved in the organization's processing practices.

There are different critical factors considered by global organizations in the development of their business models through the triple layered business model canvas (Johnsson-Sederholm & Du, 2016). One such factor is described as the target audience, which means that companies develop their business model based on the preferences and expectations of target customers. As illustrated in a case study of Seaweed Nutrition, this company has been successful in customising its business model in line with the growing need for sustainability and customers' demands for high-quality products (Jeurissen, 2018). Another critical factor is associated with the relevance of having sustainability-oriented knowledge, which is a precondition for the development of optimally functioning business models. Moreover, having a sufficient product experience set the company ahead of the competition, emphasising that the respective key component was included in the organization's value proposition (Jeurissen, 2018).

Global companies' utmost goal is to enhance the competitiveness of their existing business models (Kolstad, 2013). Therefore, they identify their strategic, long-term objectives in light of the growing need for sustainability. These organizations define their success in sustainability terms. In this context, Arla's most important goal as a global company is to add substantial value to people's lives through the delivery of high-quality nutrition and transparent, responsible operations (Johnsson-Sederholm & Du, 2016). The organization has been able to maintain a holistic perspective of its business through the implementation of the triple layered business model canvas. Along with being focused on increasing environmental sustainability, Arla has been committed to maintaining a high level of ethics and social responsibility (Johnsson-Sederholm & Du, 2016). All of these components are integrated into the triple layered business model canvas framework for helping global organizations achieve optimal sustainability outcomes.

An enhancement of the Triple bottom which emphasized on the roots of long-term prosperity in ongoing and competitive entrepreneurship and innovation bore the concept of Quadruple Bottom Line (Alibašić, 2018). Innovative advancement in the lives of individuals and societies necessitates adaptive innovation – the successful

adoption of novel combinations – in all elements of long-term prosperity. As a result, an interconnected quadruple bottom line of 4Ps – people, profit, planet, and progress – serves as the foundation for a more complete framework for generating measurements of sustainable prosperity. Ayman Sawaf (Sawaf & Gabrielle, 2014) is credited with coining and popularising the term in order to incorporate the return to one's spiritual self as a fourth bottom line. Sawaf defines spirituality as your own unique relationship and partnership with God or The Divine (Sawaf & Gabrielle, 2014). However, in an earlier research paper, Sohail Inayatullah mentions Spirituality as the fourth bottom line (Inayatullah, 2005). The sentiment is still present. It is exceptionally beneficial for the business that they are able to prosper financially and positively impacting society, individuals, and the environment. The fourth bottom line elevates business operations to a spiritual level. It is about how a business is able to transcend to a humanistic value while carrying out their business obligations.

3. Conclusion

For hundreds of years, the only requirement for an organization to succeed was above-average financial performance. Although this is still a requirement for an efficient organization, it is no longer the only one. In other words, a company's profit potential is insufficient to determine its entire performance. Instead, companies have been held accountable for a variety of outcomes other than financial returns for several decades (Gali, et al., 2020). As a result, numerous criteria are developed to evaluate these outcomes, the most prominent of which is the triple bottom line approach. The notion has recently been improved to the quadruple bottom line, which takes into account more factors and broadens the horizons for corporate accountability and responsibility. The quadruple bottom line adds a fourth ingredient to the mix. It assesses an organization's mission. In other words, it evaluates an organization's essence, soul, or spirituality in addition to its material revenues and losses (Burlakova, Sheviakov, & Kondes, 2020). While a company's purpose or relevance is frequently counted in the triple bottom line concept's social quotient, its meaning was only recently refined enough to be distinguished.

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