Gordon Institute of Business Science
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The modification of the cognitive dimensions of dominant logic in the context of parallel, evolving business models

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A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Philosophy Corporate Strategy.

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ABSTRACT

For practice: How do organisations transition from pipeline to platform business models? What role does the quality of managerial cognition play in the trajectory of such transitions? Dominant logic has been explored extensively as a constraint on the recognition of strategic alternatives. Mental models and cognitive frames, which are the mechanisms of dominant logic, have been studied as moderators to the design of new business models. How exactly mental models and cognitive frames modify during the scaling of emerging platform business models presented an opportunity for theoretical refinement and extension. This research project delivers findings in two areas of strategy execution that could assist organisations in more effective management of business model evolution. The first relates to intentionally developing a narrative for organisational change to be embedded in the dominant logic along with organisational identity and purpose. The second relates to a possible approach to manage the incremental adoption of greater frame flexibility.

For research: Although the dynamic and emergent properties of dominant logic have been well researched and documented, the mechanisms and processes that lead to the modification of its cognitive dimensions have mostly be considered in isolation. This research project brings together the relevant constructs and theory, to create a continuum for explaining and tracking the ongoing adaptation of the cognitive dimensions of the dominant logic of an organisation. The findings are presented from the organisational perspective and at the levels of parallel business models.

KEY WORDS

Dominant logic, mental models, frames, business model, platform business model.

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree Master of Philosophy Corporate Strategy at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation to carry out this research.

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29 November 2021

TABLE OF CONTENTS

TABLE OF FIGURES

TABLE OF TABLES

CHAPTER ONE: INTRODUCTION AND BUSINESS CONTEXT

1.1 Introduction

Around the turn of this century, the emergence of mobile and technological innovation introduced significant discontinuities to incumbent organisations across industries and geographies. Both industry and academia observed the emergence of challenger enterprises such as Amazon, Apple and Tencent and investigated the successes and failures of traditionally high performing organisations in adapting to these discontinuities. IBM, Lego, John Deere and Airbus are often referred to as success stories (Palo, Akesson, & Lofberg, 2019; Prahalad, 2004) whilst Monsanto, Nokia and Blockbusters are typically used to demonstrate failure to transform (Prahalad, 2004; Raffaelli, Glynn, & Tushman, 2019; Von Krogh & Roos, 1996).

Thought-provoking propositions were offered by scholars of the dominant logic of an organisation that positioned the quality of management cognition as a determinant of organisational performance rather than market, economic or organisational factors (Prahalad, 2004). Dominant logic has since evolved to become a rich, multi-disciplinary concept for theorising about how organisations conceptualise and enact transformation in the face of technological innovation (Engelmann, Kump, & Schweiger, 2020).

Technological innovation may have been the catalyst, but, over the past 20 years, the combination of platform-based commerce, combined with social media and the sharing economy further transformed consumer expectations and behaviour (Angelshaug & Saebi, 2017; WEF 2015). Data and cloud computing capabilities and the emergence of financial technology (Fintech) have challenged market logics across the commercial and corporate landscape. In 2015, the World Economic Forum projected that data intensive, platform-based innovations will continue to be most disruptive in financial services, specifically in insurance but imminently in banking (WEF, 2015). These disruptions will be ongoing and will intensify (WEF, 2015). Using banking as the setting for this research, its burning platform is therefore three-fold: to accelerate its evolution and solutions in step with customer requirements, to adopt and scale digital capabilities at speed (PwC, 2017; Weill & Woerner, 2018) and to continuously shift internal dominant logics for value creation to remain agile and competitive in their markets (Oracle, 2018).

All 3 these imperatives are interrelated. Platform business models are generally built on an intricate stack of digital technologies and strategically serve to meet customer needs and demands that may stretch across different industries. The direction an organisation takes in response to this burning platform is contingent upon the quality and flexibility of executive and

managerial cognition and the resultant strategic decisions (Raffaelli, et al., 2019; Vuori & Huy, 2016). Many organisations and leaders find themselves in the throes of business model transitions, grappling with the thinking and learning throughout many cycles of change. This research opportunity will explore the ways in which managers could work more intentionally to modify dominant logic to embrace the promise of digitisation and platform business models.

1.2 The opportunity for practice

Incumbent banks' business models are typically vertically integrated in terms of product, price, distribution channels and service, having invested heavily in legacy systems and core banking capabilities (Angelshaug & Saebi, 2017). This includes web and digital capabilities for capturing the efficiencies of lower fees associated with digital transactions, whilst continuing to focus on attracting deposits and cross selling transactional banking products (Deneys, 2019). However, digital capabilities have been implemented predominantly as add-on's, requiring urgent consideration of the platform economy and digital ledger technology as clear and growing threats to traditional banking business models (Angelshaug & Saebi, 2017; PwC, 2018; WEF, 2015).

As anticipated by the World Economic Forum (2015), financial institutions, including banks, are responding by employing parallel strategies to both exploit core banking capabilities and simultaneously explore platform-driven innovation. Exploration involves collaboration with regulators (PwC, 2018), challengers and new ecosystem partners through open finance and open application programming interface (API) capabilities (WEF, 2015; Weill & Woerner, 2018). These strategies are typically enacted by introducing new organisational practices and business models requiring significant investment (Jay, 2013; Smith, 2014; Palo, et al., 2019).

Platform business models potentially benefit banks by creating new revenue streams through ecosystems, allowing customers a single point of access to a broad range of products and services with the assurance of being vetted by the main banking provider (Oracle, 2018; WEF, 2015). The adoption of platform banking introduces significant changes to business activities, processes and business models. On the one hand, maintaining traditional pipeline business models based on the industrial paradigm (Angelshaug & Saebi, 2017) implies continued vertical integration: ownership and control of the entire value chain delivering core banking products and services and benefiting from existing revenue streams. On the other hand, adoption of ecosystem models enabled by technology, involves trading customer data, building new partnerships, relinquishing control over products, solutions and to some extent over client consumption of products and services (Deloitte, 2017). Not to mention challenging cognitive bias towards existing revenue streams and business models (Palo, et al., 2019). The

inherent contradictions between pipeline and platform business models therefore challenge existing incumbent dominant logics for value creation, capture and delivery (Weill & Woerner, 2018).

The combination of operational complexity, expense and market ambiguity associated with parallel strategies is unlikely to be sustainable over time but is likely to require further integration of logics or cannibalisation of existing value propositions (Velu & Stiles, 2013). It could also lead to the disaggregation of existing value chains and capabilities (WEF, 2015) or phasing out existing pipeline business models (Angelshaug & Saebi, 2017). These unfolding events form the proposed context for this research.

Turning to managerial cognition, in its original context, dominant logic was considered as a constraint on the initial recognition of market alternatives by executive leaders to facilitate novel strategic choices (Prahalad, 2004; Von Krogh & Roos, 1996). The emergence of parallel business models across industries, including banking, is evidence of executive management recognition of alternatives and of engaging in new strategic choices. Following the adoption of a parallel strategy to develop platform capabilities, organisations must shift focus from business model design to scaling new business models, in order to extract value and enhance their market position (Frankenberger & Sauer, 2019; Velu & Stiles, 2013; Zhu & Furr, 2016).

In this context, emerging parallel business models in banking provide a unique opportunity for expanding insights about dominant logic as an influencer of strategic execution and continuous business model innovation. The initiation of a parallel business model strategy may be an important inflexion point at which to understand the possible trajectory of scaling a platform business model, and how this trajectory is influenced by the dynamic modification of internal dominant logics (Frankenberger & Sauer, 2019; Gawer & Cusumano, 2013; Zhu & Furr, 2016). Even organisations that have developed the necessary capabilities and technology, have sometimes failed to successfully execute transformation over time (Palo, et al., 2019; Raffaelli, et al., 2019), for lack of active management of the adoption of changing logics and associated decision-making and behaviour.

Several scholars have researched structural configurations (Gilbert, 2006; Smith, 2014; Smith & Besharov, 2019) and procedural and tactical approaches (Velu & Stiles, 2013) aimed at managing the tensions brought about by adopting parallel business models. Few, if any, have attempted to understand how the modification of dominant managerial logics may inhibit or derail the scaling of new business models. Understanding the cognitive mechanisms and processes that produce shifts in managerial mental models and the nature of residual dominant logic may enable organisations to work with opportunities and obstacles iteratively and in an agile manner. The opportunity for practice therefore resides in identifying appropriate

and focussed interventions in those areas most pivotal to scaling or assimilation of new business model logics.

1.3 The research opportunity

Engelman et al. (2020) reviewed 35 years' worth of literature and research on dominant logic and offered an integrated definition of dominant logic as a "system of shared mental models, values and decision premises that manifest in corresponding organizational practices and organizing structures; all these dimensions are aligned." (p.348). This representation of dominant logic corresponds with the research framework presented by Franke and Knyphausen-Aufsess (2014) in three ways. First, on dominant logic as a cognitive, mental model and on the sharedness of mental models. Second, the authors' models concur on the alignment of dominant logic from its cognitive dimensions across the organisational architecture, referred to by the latter authors as businesses across the corporate portfolio. Lastly, both capture the dynamic and emergent properties of dominant logic as the bases for its modification (Bettis & Prahalad, 1995; Von Krogh & Roos, 1996). The dominant logic of an organisation can therefore be found in the content of the shared mental models in an organisation and observed in the structural elements of an organisation such as its architecture or business model.

Dominant logic is not a static or stable concept though. Franke and Knyphausen-Aufsess (2014) articulated the dynamism of dominant logic in terms of internal antecedents at the individual, group and organisational levels and external antecedents related to institutional and market logics as well as environmental discontinuities (Purdy, Ansari, & Gray, 2019). Their framework expanded on the notion of dominant logic as a problem of managerial attention in the context of a diversified portfolio of businesses (Prahalad & Bettis, 1986) and proposed that organisational learning and un-learning are the mechanisms that facilitate adaptations to dominant logic (Bettis & Prahalad, 1995; Lin & McDonough, 2014). Dominant logic is therefore a multi-constuct and multi-level concept with dynamic, adaptive characteristics that may change under certain conditions.

Dominant logic seems to be a double edged sword though (Von Krogh & Roos, 1996). On the one hand, a stable shared mental model for achieving economic performance and succes may become embedded across an organisation to facilitate further performance and success over time. However, it may also become a rigid recipe that could fail to adapt to environmental discontinuities or changes in institutional or market logics (Prahalad, 2004; Vuori & Huy, 2016). Prahalad (2004) described dominant logic as the "DNA of an organisation" and explained that it can be very difficult to change (p.172). Many scholars have studied changes to the dominant

logic of organisations form the perspective of the mental models or cognitive frames of executive teams and as organisational values and culture. Others researched dominant logics as an enabler of heterogenous organisational performance. Several research studies have focussed on changes to dominant logic through the implementation of changes to organisational architecture and practices (Engelmann, et al., 2020; Schraven, Hartmann, & Dewulf, 2015).

Engelmann et al. (2020) articulated various dynamic linkages within an integrated model that continuously and iteratively reinforce or modify the dominant logic within an organisation (Figure 1). These linkages within and between the cognitive and structural dimensions are bidirectional. Recent empirical work in this field has predominantly explored how managerial logics, in the form of cognitive frames, shape organisational practices and business model design, i.e. in one direction (Penttilä, Ravald, Dahl, & Björk, 2020; Schneckenberg, Velamuri, & Comberg, 2019; Smith, 2014). These and similar studies show that top management teams flex their mental models to adopt competing value logics which are then introduced via separate business models, accommodating both exploitation and exploration of capabilities (Saebi & Foss, 2015; Smith, 2014; Zhao, Von Delft, Morgan-Thomas, & Buck, 2020).

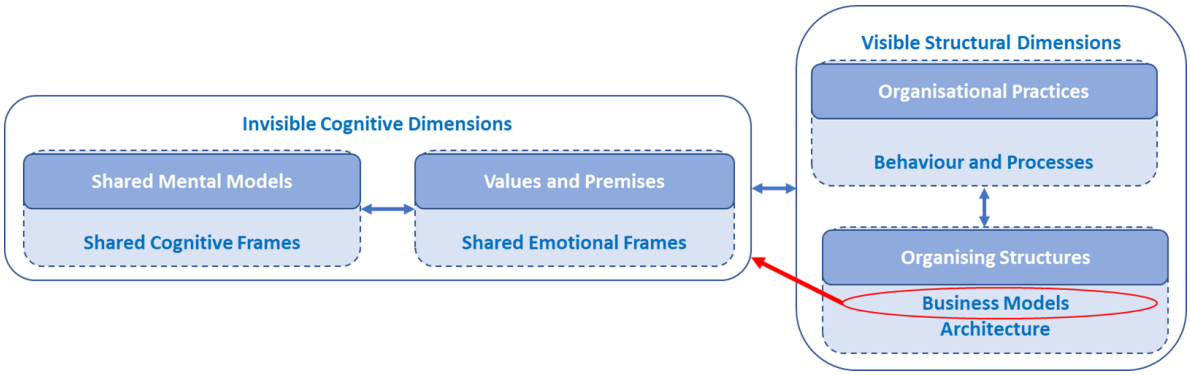

Figure 1: Integrated model of dominant logic - adapted from Engelmann, et al. (2020)

Similary, in the context of the opportunity for practice, the available research involving platform to pipeline busines model transitions has focussed predominantly on the conceptualisation and design phases of parallel pipeline-platform business models (Saebi & Foss, 2015; Schneckenberg, et al., 2019; Skålen & Edvardsson, 2016). Very little research has explored the adaptation of dominant logic during the scaling phases of a new business model. How do cognitive and normative frames adapt when new and potentially contradictory logics for value creation are introduced? What cognitive processes and mechanisms facilitate changes to mental models, values and presmises for decision making? Understanding the adaptation of dominant logic from its structural to the cognitive dimensions remains an area in which theory must be explored to find explanations.

In response to the research invitation originating from Engelman et al. (2020) on p. 349, the main research question is therefore formulated as follows: *How are the cognitive dimensions of the dominant logic of an organisation modified when parallel business models are introduced?*

1.4 The research aim and contribution

The aim of this research is to seek empirical explanations for how the invisible (cognitive and normative) dimensions of dominant logic are modified in response to changes in the visible (practice and structure) dimensions, thereby providing evidence for refinement and extension of the theory. The research project will identify the constructs and mechanisms of dominant logic from existing literature first. It will then seek empirical evidence for describing the relationships and interactions amongst the constructs that best explain the modification of the cognitive dimensions of dominant logic.

The research further aims to articulate implications for practice that may assist organisations in managing the adaptation of managerial logics in general. More specific applications will be sought for managing the trajectory of business model transformation when platform logics are introduced into incumbent pipeline business models.

1.5 The scope of the research

The theoretical scope for this research project will include all the constructs and mechanisms that constitute the cognitive dimensions of dominant logic as well as the concepts and constructs related to business models. Although it is expected that the literature will also surface content that include organisational structure, practices and behaviours related to dominant logic and to business models, these are in principle out of scope as far as the theory is concerned.

In scope for this research project from a practice perspective, is the presence of a recently implemented parallel platform-pipeline business model in a bank or banks where the separation is distinguishable, and access is possible. Whilst the adoption of platform logics may demonstrate links to institutional or market level logics, external triggers for the modification of dominant logics are not in scope for this research project.

Following detailed consideration of the available literature next, in Chapter 2, a conceptual model will be proposed as a basis for interpreting findings and eventually for theorising. In Chapter 3, the research question will then be extended to establish research propositions,

aimed at incrementally building an understanding of relationships amongst the constructs set out in the conceptual model, but also as way to really understand how they function in real life in an organisation. Chapter 4 will provide a detailed explanation of the research methodology, design and of the data analysis that was done. An in-depth discussion of the findings, per research proposition, will form the bulk of Chapter 5. This chapter concludes with tentative adaptations to the conceptual model for research, based on empirical findings.

The discussion in Chapter 6 will map all findings back to the literature review in Chapter 2 to confirm the theory or identify deviations. Where findings were not anticipated on the basis of the literature review, additional literature will be incorporated as part of the discussion. Any residual findings that may constitute nuances to the theory of dominant logic, or new insights, are articulated at the end of Chapter 6 through a final update of the conceptual model. In conclusion, Chapter 7 will summarise the contributions of the entire research project, briefly reflect on the limitations of the research and make suggestions for future research.

CHAPTER TWO: LITERATURE REVIEW

The literature review is organised to unfold from the *focus* and *purpose* of the research project towards the *context* selected for research. The focus of the research is the cognitive dimensions of the dominant logic of an organisation. The purpose of the research is to understand and explain the modification of the cognitive dimensions of the dominant logic of and organisation. The context for the research is a change to the structural dimension of the dominant logic, in this case specifically the business model. The introduction of a platform business model in an incumbent organisation with a pipeline business model introduces conflict in terms of the content, activities and logics for value creation of each business model. Therefor the strategic action to implement a parallel platform business model is positioned as the *catalyst* for the modification of the cognitive dimensions of dominant logic.

2.1 Literature selection		
Main Topics	**Focus and purpose of the research**	**Context of the research**
	2.2 The Cognitive dimensions of dominant logic	**2.3 Business models**
Sub Topics	2.2.1 The content, structure and functions of the dominant logic	2.3.1 Conceptualisations of busines models
	2.2.2 The developmental pathways of the dominant logic of an organisation	2.3.2 Contested business models
	2.2.3 The triggers for the modification of the dominant logic	2.3.3 Pipeline to platform business model transformations
	2.2.4 The mechanisms for the modification of the dominant logic	
2.4 Conclusion and conceptual model for research		

Table 1: Structure of the literature review

2.1 Literature selection and approach to the review

The search strategy included the following phases and activities:

- Starting from the core resources on dominant logic by Prahalad and Bettis (1986), Bettis and Prahalad (1995), Von Krogh and Roos (1996) and Prahalad (2004), subsequent papers were searched where these articles were cited.
- From this pool, 2 core literature reviews on dominant logic were identified: 1) Franke, T., Knyphausen-Aufsess, D. (2014) from the Journal of Business Economics, which is a 2-rated journal according to the Chartered Association of Business Schools (CABS) 2018 list but rated on the 75th percentile according to Scopus; 2) Engelmann, A.,

Kump, B., Schweiger, C. (2020) which was published in the three-rated International Journal of Management Reviews. These articles provided clarity on the core and related concepts which were then used to search for further sources.

- Search parameters were further adjusted to include papers on digitally transforming and platform business models as well as contested business models.
- Fifty-two more articles were identified which included conceptual papers as well as empirical research. Thirty-three of these articles were published between 2016 and 2021, 14 between 2010 and 2015 and 5 between 2000 and 2009.
- Of the 52 articles used to construct the literature review, 29% were taken from 4-star rated journals, 16% for 4-rated journals, 41% from 3-rated journals and the remaining 14% of the articles from unique industry specific or 2-rated journals. The ratings were taken from the 2018 version of the Academic Journal Guide published by CABS.

The industry papers cited in Chapter 1 were not used as part of the literature review. In addition, 4 books and another 8 articles specific to research methodology were used to support the research methodology and design that is discussed in Chapter 5.

2.2 The cognitive dimensions of dominant logic

The ***focus*** of this research project is the cognitive dimensions of the dominant logic of an organisation. The first part of the integrated description offered by Engelmann, et al. (2020) that defines dominant logic as a "system of shared mental models, values and decision premises", provides the basis for identifying the primary constructs for research. The shared mental model as the first construct of the cognitive dimension of dominant logic is grounded in both information processing theory (Franke & Knyphausen-Aufsess, 2014) as well as the theory of strategic cognition (Engelmann, et al., 2020). In terms of information processing theory, mental models present as cognitive frames activated by individuals for attending, interpreting and action (Klos & Spieth, 2020). From the perspective of strategic cognition theory, mental models influence strategic decisions and actions (Smith, 2014). These perspectives allow for mental models and cognitive frames to be studied in terms of their *structure, content and functions*.

2.2.1 The structure, content and functions of dominant logic

Dominant logic was introduced by Prahalad and Bettis (1986) and defined as "a mindset or a worldview or conceptualisation of the business and the administrative tools to accomplish goals and make decisions in that business" (p. 491). From this perspective, dominant logic is

a ***mental model***, template or representation of how the world is and how business is (Prahalad & Bettis, 1986). Penttilä, et al. (2020) linked metal models to managers' "theories-in-use" (p.209) whilst Raffaelli, et al. (2019) referred to mental models as the conceptualisations of top management teams about the identity, capabilities and boundaries of an organisation. Dominant logic as a mental model is therefore a cognitive container for an organisation's specific identity, history of performance, activities and capabilities (Engelmann, et al., 2020; Franke & Knyphausen-Aufsess, 2014; Von Krogh & Roos, 1996). Mental models were further articulated by Engelmann et al. (2020) as "general perceptual mechanisms" that are imposed by managers upon information and events to assign meaning and make sense (Franke & Knyphausen-Aufsess, 2014). In addition to being information containers, mental models are therefore also instruments of dominant logic.

How can mental models be observed, and their content organised? Mental models surface through the ***frames*** that managers apply, the language they use and how they apply heuristics to categorise information (Engelmann, et al., 2020; Joseph & Gaba, 2020; Prahalad & Bettis, 1986). Frames were described by Lin and McDonough (2014) as stable constructs. Penttilä, et al. (2020) asserted that frames can be general in terms of how things are done in business or specific to markets or functional domains and that in complex environments, multiple frames may be necessary to make sense of various elements. In organisations, mental models would thus accumulate several frames related to identity, capabilities, functional expertise, competition and performance (Engelmann, et al., 2020; Franke & Knyphausen-Aufsess, 2014). It follows that research must identify frames by observing the vocabulary of managers, noting the multiple categories they consistently use to describe their organisation.

Managers demonstrating a pipeline dominant mental model in banking would for example surface frames related to being a financial services provider and having capabilities related to financial products, product development, banking operations, technology, distribution and risk and capital management (McGrath & McManus, 2020; Van Alstyne, Parker, & Choudary, 2016; Weill & Woerner, 2018). Based on this mental model, competitors may be identified as other banks or even fintechs and performance may be attributed to increased market share of financial products and services resulting in revenue capture through fees and interest (Angelshaugh & Saebi, 2017).

Conversely, managers demonstrating a platform dominant mental model would identify as a platform owner or aggregator and activate frames related to the integration of the platform technologies, the scale and complexity of ecosystem partnerships and network effects as its core capabilities (McGrath & McManus, 2020; Zhu & Furr, 2016; Vargo & Lusch, 2004). In this mental model, competititors may be defined as non-traditional providers of financial services

or even platforms in other industries. Performance related frames may include the orchestration of value through customer experiences (Van Alstyne, et al., 2016; Prahalad, 2004) and commercialisation of the platform where revenue is captured through trading data and partnership agreements (Saebi & Foss, 2015; McGrath & McManus, 2020).

Mental models also accumulate frames related to values and premises for decision making (Engelmann, et al., 2020; Franke & Knyphausen-Aufsess, 2014), forming representations of how the world and business should be. Such frames are observed when managers articulate what is desired and what is not (Engelmann, et al., 2020) and therefore contributes normative content to the dominant logic. Normative frames may contain organisational purpose, brand essence and culture history (Smith & Besharov, 2019; Smith & Tracey, 2016). Whilst Franke and Knyphausen-Aufsess (2014) treats organisational culture as in internal organisational antecedent, the application of culture as an emotional or normative frame by Raffaelli, et al. (2019) is more practically aligned with the constructs selected for this particular research project.

As stable constructs, normative frames then facilitate emotional attachment to existing values and identity based on which individuals respond to changes in the environment that may challenge or dispute their frames (Raffaelli, et al., 2019). For example, from the viewpoint of a pipeline mental model, a manager may notice the potential of alternative distribution through platform ecosystems, but interpret this as not aligned to the organisational purpose and not serving serving clients' financial and banking needs (Van Alstyne, et. al., 2016; Schneckenberg, et al., 2019).

Having established that mental models can be observed as cognitive and normative frames and that the content of mental models can be organised and described along the lines of the types of frames managers access, it is next important to explore how frames function. Raffaelli, et al. (2019) described frames as "interpretive lenses that guide search, interpretation, processing and decision making" (p. 1019). Functioning as the mechanisms of mental models, the frames that managers use to filter information and events may be rational or normative in nature.

Firstly, frames are applied to noticing information or events or to scan and search for information thereby functioning as learnt filters (Franke & Knyphausen-Aufsess, 2014; Joseph & Gaba, 2020; Schneckenberg, et al., 2019). This means that the activation of an existing frame may result in managers not searching for or not attending to certain information (Bettis & Prahalad, 1995; Franke & Knyphausen-Aufsess; 2014; Joseph & Gaba, 2020). In other words, the frames that managers do access will indicate what dominant frames exist for searching and attending. Those that they don't access may be considered as "filtered out" or

not embedded in the dominant mental model. In the case of a pipeline dominant mental model, the frames managers activate when faced with, for example, a decline in market share and performance, may filter out the possibility of alternative revenue streams through platform ecosystems whilst attending to data about pricing or internal inefficiencies as reasons for declining market share.

Secondly, frames function as cognitive processing tools to interpret information and events (Franke & Knyphausen-Aufsess, 2014; Purdy, et al., 2019; Schneckenberg, et al., 2019). By activating specific frames, managers will compare and evaluate information against existing assumptions, knowledge and values and are likely to present the information in a manner that is consistent with the existing dominant mental model (Bettis & Prahalad, 1995; Franke & Knyphausen-Aufsess; 2014). In the process of interpretation and evaluation, frames may also determine how the problem statement relating to unfamiliar or new information is presented (Joseph & Gaba, 2020). When considering the potential of a platform to create new value propositions or different distribution channels, managers with a pipeline dominant mental model may activate frames related to regulatory risk and governance to present the opportunity as problematic and possibly not desirable. Managers presenting with a platform dominant mental model may activate frames related to regulatory risk and governance to present the bank's rigidity as the problem underlying the slow time to scale of the platform.

The third function of dominant mental models is to provide managers with simplifications or shortcuts for decision-making (Franke & Knyphausen-Aufsess, 2014; Joseph & Gaba, 2020; Laasch, 2019). The utility of dominant frames in the process of decision making is three-fold. First, they function to reduce the cognitive load that is integral to complex environments and secondly help managers to make sense of ambiguity (Laasch, 2019). Using shared mental models as templates for decision making thirdly allows for a degree of consistency and predictability of outcomes across an organisation (Joseph & Gaba, 2020). In the act of decision making, managers would activate existing cognitive and normative frames to distinguish between what is right, necessary, desirable and priority versus what is not. Decisions may lead to adopting or not adopting innovative courses of action (Raffaelli, et al., 2019), allocating resources to innovation or not doing so (Prahalad & Bettis, 1986) and to choose between a variety of alternatives in the course of business (Engelmann, et al., 2020).

From the perspective of a pipeline mental model, decisions regarding performance improvement are likely to involve investing in technology to enhance operational efficiencies or strengthening client relationships (McGrath & McManus, 2020; Palo, et al., 2019; Wessel, Levie, & Siegel, 2016). From the perspective of a platform mental model, improved

performance is likely to be sought through scaling the platform and incentivising network partners (Zhao et al., 2020; Zhu & Furr, 2016).

Cognitive and normative frames may, however, function to distort the representation of information and events aligning with the concept of cognitive bias (Bettis & Prahalad, 1995; Franke & Knyphausen-Aufsess, 2014; Velu & Stiles, 2013). Three types of bias related to changes in dominant mental models emerge. Gilbert (2006) positioned the activation of threat based frames as a result of poor performance or when perceiving competing capability and resource requirements. Raffaeli, et al. (2019) found that threat perception originated from normative or emotional frames when existing mental models were challenged (Gilbert, 2006). Threat bias is more likely to narrow the search function and distort the interpretation function of cognitive frames, presenting as cognitive rigidity (Franke & Knyphausen-Aufsess, 2014; Gilbert, 2006; Raffaelli, et al., 2019). Opportunity based frames were found to be less emotive for managers and more likely to lead to broadening of the search function of cognittive frames and the adaptability of interpretatons (Gilbert, 2006; Raffaelli, et al., 2019). Threat bias is therefore likely to work to reinforce existing dominant logic whilst opportunity bias may facilitate its modification (Franke & Knyphausen-Aufsess, 2014; Raffaelli, et al., 2019).

Self-serving or self-reinforcement bias surfaces as selective search for and attention to information that sustains existing mental models (Gilbert, 2006). Managers may incongruently attribute blame for performance decline to external factors or parties whilst defending their existing dapabilities and justifying their decisions to keep dominant mental models in tact (Franke & Knyphausen-Aufsess, 2014). Since the presence of bias was found to significantly impact on the adaptability of dominant logic (Prahalad, 2004), its occurrence in this research must be carfully observed and noted for impact.

In conclusion then, cognitive and normative frames operate as the structural components of mental models and therefore dominant logic. Frames function to process information through attending, processing and interpretation, assigning meaning and decision making. The content of dominant mental models may be observed through the frames that managers activate in language and how they categorise information and events. Bias is observed when frames are applied to distort how information is searched for and interpreted. The first iteration of how these constructs may be represendted conceptually is set out in Figure 1 below.

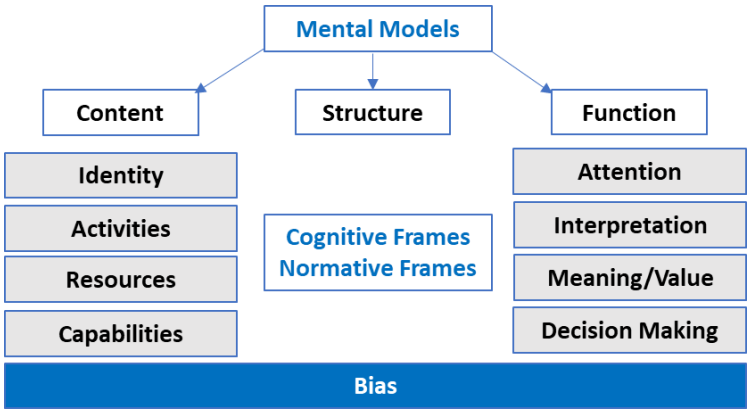

Figure 2: First iteration conceptual model based on Engelmann, et al. (2020)

2.2.2 The developmental pathways of the dominant logic of an organisation

Whilst the focus of this research project is on the cognitive dimensions of dominant logic, the primary ***purpose*** is to understand and describe how the cognitive dimensions of the dominant logic of and organisation change and modify. The second part of the integrated description offered by Engelmann, et al. (2020) that extends dominant logic to "manifest in corresponding organizational practices and organizing structures; all these dimensions are aligned." (p.348), provides the basis for identifying the constructs involved in scaling cognitive and normative frames. Through exploring the mechanisms for scaling dominant logic from its cognitive to its structural dimensions, constructs will be identified for consideration when observing modification to the cognitive dimensions from the business model as a structural component.

In addition to being a container for organisational identity and capabilities, dominant logic is also a dynamic process of scaling and adapting mental models and frames from its existing or historical content, but sensitive to changes in the environment (Franke & Knyphausen-Aufsess; 2014; Bettis & Prahalad, 1995; Von Krogh & Roos, 1996). Firstly, Engelmann, et al. (2020) concluded that senior managers are the agents of dominant logic and that shared mental models are therefore bounded to individuals. Whilst frames exist and originate at the individual level, they scale and aggregate over time as shared frames, to the group level (Franke & Knyphausen-Aufsess, 2014; Purdy, et al., 2019). At the group level, ***shared frames*** are constructed through group processes and socialisation, and is observed through the pervasive narrative or story of identity, performance and value creation shared in groups and by individual managers (Laasch, 2019; Prahalad, 2004).

It is therefore shared frames that facilitate consistent decision-making and action (Engelmann, et al., 2020; Penttilä, et al., 2020; Schneckenberg, et al., 2019). As a result, shared frames become available to managers as strategic resources that they may access and activate

(Purdy, et al., 2019). In the context of a pipeline dominant mental model, accessing shared frames for decision-making, may consistently result in the reinforcement of the ownership and control of products, capabilities, processes, relationships and established metrics to drive performance.

From this perspective, shared frames are ***self-referent,*** explaining why groups are likely to consistently and collectively interpret new information and events based on prior experience and history (Von Krogh & Roos, 1996), and are likely to present or describe problematic information in a similar way (Prahalad & Bettis, 1986; Joseph & Gaba, 2020; Smith & Tracey, 2016). The construct of self-reference is useful in the context of this research project for two reasons. It highlights the necessity for including historical information in data analysis by means of documents or reports as a way to track changes to the degree of self-reference (Engelmann, et al., 2020). Self-reference must also be considered as a basis for evaluating the sharedness of mental models or the extent to which sharedness is disrupted.

Secondly, the scaling of shared mental models to the organisational level results in visible and consistent organisational practices. Organisational practices include management processes, ways of working, routine or entrenched behaviours and habits formalised in standard operating procedures and patterns of decisions making (Engelmann, et al., 2020; Franke & Knyphausen-Aufsess, 2014; Prahalad & Bettis, 1986). The matter of organisational culture has not been treated consistently in dominant logic literature. Whilst the domain of organisational practices is not the focal point for this research project, is it worthwhile to note that organisations often introduce change in the form of new ways of working alone or in combination with changes to business models (Palo, et al., 2019; Skålen & Edvardsson, 2016). All data emanating from research must be considered and analysed, but data interpretation would need to take cognisance of the impact of changes in organisational practices on the modification of logics, relative to that originating from changes to the business model itself.

Thirdly, the scaling of shared mental models to organising structures results in the selection of a defined business model, accompanying architecture and objects and artefacts that reflect the dominant logic for value creation (Engelmann, et al., 2020; Franke & Knyphausen-Aufsess, 2014; Gümüsay, Smets, & Morris, 2020; Schneckeberg, et al., 2019). Drawing from various conceptualisations of the business model, the content of mental models in the form of an organisation's purpose, identity, chosen markets and capabilities would manifest in its selection of products and services, activities, resources and its approach to control and governance (Saebi & Foss, 2015). The business model therefore reflects the managerial logic for value creation, value capture and exchange as well as the boundaries of the value chains of the organisation (Franke & Knyphausen-Aufsess, 2014; Palo, et al., 2019). It follows that

the dominant cognitive and normative frames, attention patterns, meaning and decision making become embedded in the business model (Monteiro, 2015). From this perspective, a platform based dominant logic would scale to result in a distinctly different selection of business model elements and activities compared to a business model emanating from scaling of a pipeline based dominant logic.

Dominant logic that has scaled to the architecture of an organisation becomes visible in the mechanisms it establishes for value creation, exchange and capture (Engelmann, et al., 2020; Joseph & Gaba, 2020). Architecture includes the presence of business units, functional arrangements, hierarchies, cost structures as well as the resource allocation and decision-making mandates assigned to them (Joseph & Gaba, 2020). In this way, the dominant logic is observed across organisational levels and arrangements as a pattern of ***self-similarity*** (Engelmann, et al., 2020; Von Krogh & Roos, 1996).

Based on the fundamental differences in logics for value creation between pipeline and platform logics, the introduction of platform based logics into a dominant pipeline designed business will naturally result in a changed or supplementary business architecture. Whilst the catalyst for the modification of the cognitive dimensions of the dominant logic in this research is the introduction of a parallel, platform based business model, it seems inevitable that some form of disruption to the pattern of self similarity of the architecture will also surface during data collection and analysis.

Laasch (2019) extended the visible manifestation of the dominant logic for value creation in an organisation to artefacts such as brands and trademarks, web-sites, reports and documents as well as digital applications. Artefacts were identified as “fair representations of enacted business model activities” (Laasch, 2019, p. 407) with the potential to futher reinforce existing mental models. It follows that new artefacts or changes to existing artefacts may signal changes to the cognitive dimensions of the dominant logic of an organisation that have scaled and manifested. Artefacts would therefore be a credible and useful source of secondary data to include as part of the research, specifically to triangualate any modifications to logics observed from managerial frames, language and heuristics.

Since artefacts, business models, architecture and practices establish over time to reflect the dominant logic of an organisation (Franke & Knyphausen-Aufsess, 2014; Laasch, 2019) the logics become exogenous and independent in relation to their human origins (Bevort & Suddaby, 2016). In this way, the visible, structural components of the dominant logic of an organisation to continually reinforce the cognitive dimensions (Engelmann, et al., 2020; Laasch, 2019). The complete landscape of constructs up to this point is depitced in Figure 3.

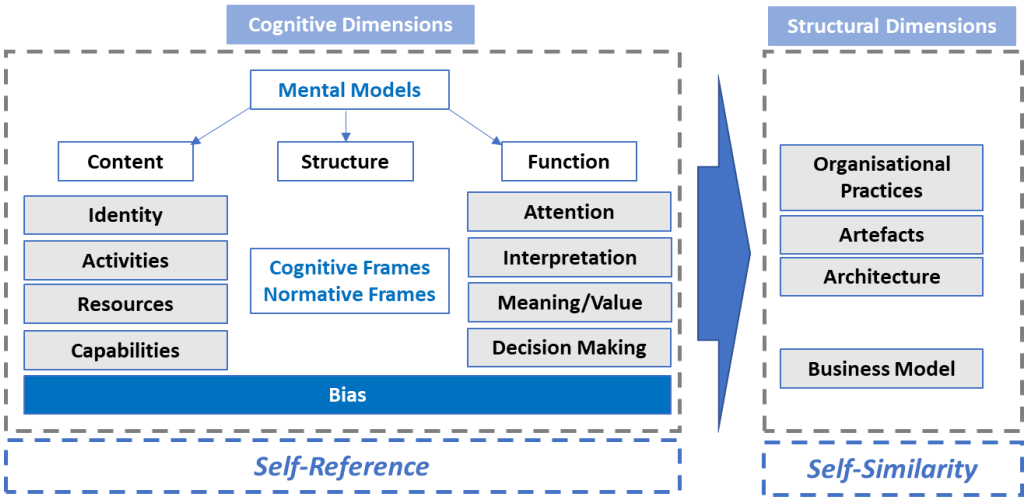

Figure 3: Second iteration conceptual model based on Engelmann, et al. (2020)

The extent to which mental models are considered dominant is thus a function of the self-reference of the cognitive dimensions and self-similarity across the architecture of the dominant logic (Engelmann, et al., 2020). Franke and Knyphausen-Aufsess (2014) demonstrated a different, dual perspective on the dominance of logics of which absolute dominance aligns to the integrated model offered by Engelmann, et al. (2020). Relative dominance relates to the extent to which mental models may vary amongst sub-units or "diversified businesses across the corporate portfolio" (Franke & Knyphauses-Aufsess, 2014, p.34). The introduction of a parellel platform based busines model and logic in principle reduces the absolute dominance of logics at the corporate level and simulteneously increases the relative dominance of logics within the organisation, a context that was articulated by Franke & Knuphausen-Aufsess (2014) as 'incumbent turnaround logic" (p.34). In other words, incumbent organisations could deliberately choose to reduce the absolute dominance of its pipeline logic for value creation by increasing the relative dominance of a new platform logic for value creation in a parallel business model.

However, even in diversified firms a where logics may be nuanced within separate units of the business model, generally a a shared "meta logic" prevails as the DNA of an organisation (Joseph & Gaba, 2020; Prahalad, 2004; Prahalad & Bettis, 1986). For as long as an existing or incumbent business model maintains fit with and produces performance within the market, it is likely to be maintained and reinforced in some way (Franke & Knyphausen-Aufsess, 2014; Prahalad, 2004; Velu & Stiles, 2013).

2.2.3 The triggers for the modification of dominant logic

In order to comprehensively understand the modification of dominant logic, possible triggers for change should be considered to discover relevant contextual factors and select appropriate constructs for inclusion in the conceptual framework and field work for this research project.

Dominant logic may be adapted and modified under conditions of external or environmental discontinuities as well as changes internal to an organisation (Engelmann, et al., 2020; Franke & Knyphausen-Aufsess, 2014). *External triggers* for the modification of dominant logic occur as a result of techonological discontinuities, institutional shifts or changes to market structures (Franke & Knyphausen-Aufsess, 2014; Penttilä, et al., 2020; Smith & Tracey, 2016).

Mental models internal to an organisation continuously interact with institutional and with field level logics to reinforce or adapt. Firstly, the premise of institutional logics is that organisations exist to compete economically in markets and seek legitimacy from the macro environment through regulative, normative and cultural-cognitive conformance (Weber, Lehman, Graf-Vlachy, & Konig, 2019). Institutional logics are the accepted and established societal rules, norms and cultural-cognitive assumptions that organisations subscribe to in order to maintain legitimacy in their markets (Bertels & Lawrence, 2016; Purdy, et al., 2019; Weber, et al., 2019).

Financial services globally and locally are regulated through an array of regulatory frameworks and stakeholders (Angelshaug & Saebi, 2017). Whilst the institutional logics from a regulatory perspective may be prescriptive and a prerequisite for doing business, they are also inhabited by individuals in the form of individual mental models (Bevort & Suddaby, 2016). Regulatory norms inevitably become embedded in the dominant logic of an organisation through shared mental models, practices and in business models of organisations seeking legitimacy (Ocasio & Radoynovska, 2016). Weber, et al. (2019) demonstrated the potential strength of assimilated regulatory institutions by showing that managers in incumbent firms may even develop expectations of regulatory protectionism in the context of new entrants that challenge existing institutional logics assimilated into the organisational dominant logic.

From a societal and cultural perspective, organisations are embedded in their contexts shaped by government and labour related policies, global events, demographics and the social mores of the time (Mayo & Nohria, 2005). In order to achieve and maintain institutional fit, organisations may be obligated to adopt certain institutional logics (Bertels & Lawrence, 2016; Purdy, et al., 2019) or may even choose to combine commercial value logics with normative institutional or purpose-related logics to shape a competitive “metalogic of value proposition, creation, exchange and capture” (Laasch, 2018, p. 164). Changes in institutional logics, whether of a regulatory, socio-cultural or environmental nature would therefor present as possible triggers for adaptation of organisational mental models when they are challenged to adapt to remain relevant.

At this point it is worthwhile to consider that the Covid 19 pandemic introduced an extreme context as articulated Hannah, Uhl-Bien, Avolio and Cavarretta (2009) during the period of this research project. The pandemic demonstrated extremity in terms of its location in time, its

magnitude and direct physical, psychological and material threat to employees, clients and society at large (Hannah, et al., 2009). The pandemic as an extreme context had a significant impact on societal values and norms, urging executive teams and managers to adopt and assimilate disruptive institutional changes at speed. As far as the effect on the dominant logic of an organisation is concerned, extreme contexts typically result in increased complexity of the frames that make up shared mental models in organisations (Hannah, et al., 2009). It is therefore likely that research conducted during the height of the pandemic may uncover new or adapted cognitive and normative frames that may not have emerged in the absence of such an extreme event. Where possible, the unique institutional effects of the Covid 19 pandemic on the modification of the dominant logic should be specified during data gathering, analysis and interpretation.

Secondly, field level logics are typically context dependent commercial logics (Laasch, 2018). Commercial logics are value logics related to markets and industries and the ways in which value is created in them, allowing organisations to compete effectively and sustainably (Jay, 2013; Palo, et al., 2019). By subscribing to a specific market logic, an organisation chooses value propositions and value exchanges that meet the specific needs of consumers in that market in a profitable and sustainable manner (Laasch, 2019; Weber, et al., 2019). External technological discontinuities have dramatically shifted what consumers regard as value as well as how they choose to consume products and services (Monteiro, 2015; Weber, et al., 2019). Over the past two decades, organisations across industries have adopted increasingly more technology driven value propositions and customer driven approaches to value exchange (Laasch, 2019; Palo, et al., 2019). The effect has been the blurring of the boundaries between previously distinct markets and commercial logics, challenging organisations further to adapt to remain relevant.

Market logics are typically selected in the process of strategizing to reflect the commitment made to a particular logic for value creation, by an organisation (Jay, 2013; Palo, et al., 2019). Decisions to adopt new or additional market logics are made by top management teams, through the filters of their existing shared mental models and subject to the cognitive and normative frames they apply (Prahalad, 2004; Smith, 2014; Raffaelli, et al., 2019). Strategic selection then becomes an *internal trigger* for the modification of dominant logic, originating from changes in the content and functioning of mental models of senior executives (Engelmann, et al., 2020; Franke & Knyphausen-Aufsess, 2014; Prahalad, 2004).

Top management teams may therefore decide to adopt platform strategies to complement or challenge an existing pipeline business and in the process begin to expand the way in which they perceive organisational capabilities, boundaries and future performance (Velu & Stiles,

2013). From the modified mental models of executive teams, the developmental pathways discussed in section 4.1.2. become active for the scaling of new institutional or market logics across the organisation. First, new logics may be infused through group processes and social construction to initiate sensemaking and incremental buy-in from senior managers (Brown, Colville, & Pye, 2015; Lin & McDonough, 2014). Second, executive teams may introduce new organisational practices in the form of ways of working or new services thereby leveraging action or doing as a means to shift cognitive frames (Engelmann, et al., 2020; Palo et al., 2019). In third place, executive teams may choose to adapt meaningful artefacts as symbols of logics to infuse and align new mental models into an organisation (Gümüsay, et al., 2020; Laasch, 2019). Any one or more of these operational choices may facilitate scaling of changes to shared cognitive and normative frames, triggered by strategic selection.

For the purposes of this research project, the triggers for the modification of the cognitive dimensions of dominant logic in an organisation originate predominantly from changes in market level logics for value creation as a result of technological discontinuities. The catalyst for the modification of the cognitive dimensions of dominant logic is the introduction of a platform business model parallel to an existing pipeline business model. The introduction of this new and potentially contradictory logic for value creation is likely to challenge and disrupt the self-refence of what were shared mental models across groups and organisational levels.

Figure 4 below provides an updated outline of the context, constructs and interrelationships identified from literature up to this point. The constructs that will be included for research purposes include mental models, cognitive and normative frames and self-reference. The context for research is constituted through the strategic decision by an executive team to implement a parallel platform business model that potentially disrupts patterns of self-similarity across the structural or visible dimensions of the dominant logic.

Since the introduction of a platform-based business model requires modification of logics for value creation, exchange and capture, the way in which new logics are assimilated into mental models will determine the speed and effectiveness with which scaling to practices and structures takes place (Jay, 2013; Prahalad, 2004; Vuori & Huy, 2016)

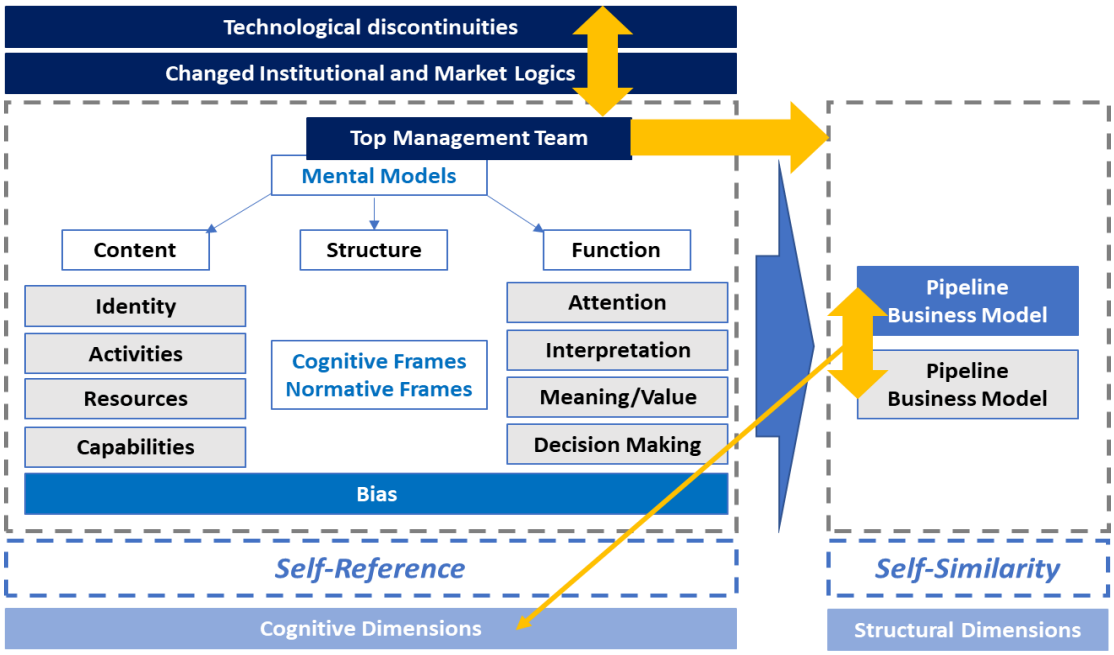

Figure 4: Third iteration conceptual model based on Engelmann, et al. (2020)

2.2.4 The mechanisms for the modification of dominant logic

How would the modification of dominant logic be empirically observed? Adaptations to mental models are achieved though sensemaking. Sensemaking is a cognitive process that managers engage in when they seek to understand contradictory, equivocal or new information or events (Klos & Spieth, 2020; Van der Steen, 2017). Sensemaking involves scanning for information to evaluate against existing frames which leads to reframing existing frames or forming new frames (Franke & Knyphausen-Aufsess, 2014; Klos & Spieth, 2020; Van der Steen, 2017). This is achieved through continuous and reciprocal cycles of sense-giving (creating or assigning meaning) and sense-breaking (removing or destroying existing meaning) and responding (Klos & Spieth, 2020; Van der Steen, 2017).

Sensemaking as a micro process is engaged in by individual managers as well as groups of managers and facilitates changes to cognitive and normative frames through social construction (Brown, et al., 2015). Because sensemaking is premised on noticing or attending, considering and processing new and different information it signals the activation of cognitive or normative frames (Joseph & Gaba, 2020; Penttilä et al., 2020). Observing sensemaking in managerial language and storytelling may therefore indicate that modification of mental models is taking place. Managers working in the pipeline business model of an organisation that has introduced a parallel platform business model may begin to use terminology native to platform thinking such as “ecosystems” or “network effects”. They may also surface frames

that deviate from pipeline thinking in terms of risk, governance and product ownership. They may express concern or confusion in terms of the purpose and future of the platform strategy, or they may not talk about any platform concepts at all!

The modification of dominant frames therefore starts with observing sensemaking that surfaces latent tensions between logics (Joseph, Borland, Orlitzky, & Lindgreen, 2018). The extent of the modification may be observed across a continuum of outcomes (Laasch, 2018) that vary in the degree to which reinterpreted frames deviate from the existing frames and are more or less historically self-referent. The variation in outcomes is moderated by the presence of competing logics (Purdy et al., 2019) and the activation of threat or opportunity biases (Franke & Knyphausen-Aufsess, 2014; Gilbert, 2006).

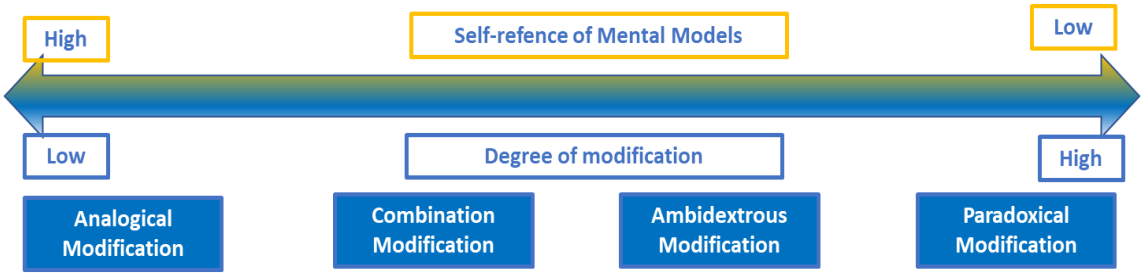

Figure 5: Proposed continuum for modification – author's own

The existing literature provides various findings that relate to managerial cognition, frames and frame flexibility. Most research seems to have focussed on 1 or 2 forms of frame flexibility. The continuum of frame flexibility in Figure 5 presents and attempt to organise the insights from past literature in a way that links to the self-reference of mental models and therefore, credibly to the concept of dominant logic.

The least amount of modification of existing frames may present as analogical adaptation. Analogical reasoning is essentially the transfer of an existing cognitive simplification to a new or novel event or information (Franke & Knyphausen-Aufsess, 2014). Analogical reasoning involves the use of existing frames such as industry practices and value propositions to equate new information to similarities in existing frames, thereby reconciling existing and new logics (Bettis & Prahalad, 1995; Schneckenberg, et al., 2019). Palo, et al. (2019) found that in the process of introducing a servitisation business model, new services were packaged and priced in the same way as existing products, thereby subordinating new services to existing products and strengthening the existing mental models. In the case of analogical adaptation of mental models, a high degree of historical self-reference will continue to be apparent in the way that managers make sense of the parallel platform business model.

Adaptation through ***combination frames*** goes a step further by adding new information into existing frames to expand their boundaries (Jay, 2013; Schneckenberg, et al., 2019). At this

level on the continuum, we may observe ***frame flexibility***. Frame flexibility presents as an awareness of the presence of tensions between existing and new information, willingness to explore and confidence in doing so (Kiss, Libaers, Barr, Wang, & Zachary, 2020). Frame flexibility is typically observed as a vague sense of unmet client needs, often surfaced through normative or emotional frames (Schneckenberg, et al., 2019). By interpreting new logics as opportunities to improve existing products or services that clients need, rather than threats to the organisation's identity, performance or resources, managers are able to add on logics (Gilbert, 2006). Whilst conceptual combination frames do develop flexibility the resultant adaptation is still consistent with the existing frames because the original logic continues to dominate (Laasch, 2018; Raffaelli, et al., 2019). In this way the content of the mental models begins to deviate from historical self-reference by adopting for example new capabilities.

The process of sensemaking may also surface more contradictory logics or tensions when managers interpret existing logics as problematic in terms of future performance, and the ability of the organisation to continue to compete (Jay, 2013; Skålen & Edvardsson, 2016; Velu & Stiles, 2013). Towards the other end of the continuum of modification, ***ambidextrous frames*** may develop at individual, group or business unit levels. Ambidexterity typically involves both the cognitive and behavioural ability to exploit and explore (Hahn, Preuss, Pinkse, & Figge, 2015; Raffaelli, et al., 2019). The vocabulary of exploitation includes words such as "refinement, choice, production, efficiency, selection, implementation, execution" whilst that of exploration includes "search, variation, risk taking, experimentation, play, flexibility, discovery, innovation" (March, 1991, p.71). Frame flexibility is therefore further increased in the case of cognitive ambidexterity because managers are willing and able to switch between the "thought worlds", or frames, of divergent, creative thinking and focussed attention on execution (Bidmon & Boe-Lillegraven, 2020).

Bidmon and Boe-Lillegraven (2020) found that the switching between explorative and exploitative frames is a demanding cognitive process for managers and is complicated by "switching resistance" (p.2). Switching resistance presents as emotional and cognitive strain, forcing quick decisions, postponing, or avoiding decision making. Joseph, et al. (2018) demonstrated that even if managers are able to identify and understand the paradoxical nature of exploration and exploitation, they often separate them cognitively and behaviourally through time and space. Managers developing ambidextrous frames will demonstrate knowledge and appreciation for a new or challenging logic, capabilities and tasks (Lin & McDonough, 2014; Velu & Stiles, 2013). They will, however, separate the new from the existing by thinking of them indifferent categories or even parts of the business and dealing with them in different time frames (Joseph, et al., 2018). The degree of historical self-reference reduces further as

the shared mental model juxtaposes pipeline and platform logics as necessary but separate (Lin & McDonough, 2014).

Sustaining this degree of ambidexterity across an organisation is challenging and is easier for top management teams to do as they operate “above the fray” of the execution of strategy (Gilbert, 2006). Those managers that lead within each of the platform and pipeline business models are directly responsible for engaging in ongoing sensemaking of competing logics as they continue manage priorities, resource allocation and delivery (Frankenberger & Sauer, 2019). As explained thus far, competing logics may be interpreted as incompatible and therefore discarded, or they may be seen as supplementary and therefore incorporated or as necessary but separate in the form of ambidextrous frames.

Smith and Lewis (2011) referred to a paradox as consisting of “contradictory yet interrelated elements that exist simultaneously and persist over time” (p. 382), whilst Smith and Besharov (2019) articulated paradoxical frames as “cognitive understandings of dual elements as contradictory and interdependent” (p. 26). Paradoxical thinking therefore involves elements that are present in the same time and space, are contradictory but mutually constitute each other in a way that persists over time (Smith & Besharov, 2019; Smith & Tracey, 2016). Where ambidextrous frames would work to maintain separation between the ends of the paradox, thereby failing to recognise their interrelationships, paradoxical frames function in a more synthesizing manner (Hahn, et al., 2015; Joseph, et al., 2018).

Paradoxical frames typically embrace and integrate contradictions and tensions by assimilating ambivalent logics and developing more complex frame elements (Hahn, et al., 2015; Kiss, et al., 2020). Where ambidextrous frames seek separate solutions for competing logics, paradoxical frames seek to find more integrated solutions to competing logics trough ongoing confrontation of contradictions and refinement of existing frames towards a more integrated and singular strategic response (Joseph, et al., 2018; Kiss, et al., 2020).

It follows that managers developing ***paradoxical frames*** would explain the tensions they experience between the existing pipeline and emerging platform logics as inherently necessary for progress and in need of increasingly better resolution of the tensions (Smith, 2014). They may even consider the possibility that continuous resolution of paradoxical the pipeline-platform strategy could result in significant changes to the identity and capabilities of the organisation as well as the boundaries of the business model (Velu & Stiles, 2013). The emergence of ***paradoxical frames*** implies that mental models are adapting to reframe the way capabilities, identity and performance are perceived that may further lead to blending or integration of logics, new insights and new value propositions (Gümüsay, et al., 2020; Jay, 2013; Raffaelli, et al., 2019; Velu & Stiles, 2013). Gümüsay, et al., (2020) found that

developing paradoxical cognitive frames allowed managers to consider and negotiate ever more temporary workable solutions to balance competing logics.

In conclusion: changing the dominant logic of an organisation is path dependent, which, in complex adaptive systems is not linear (Prahalad, 2004). Dominant logic can change at the levels of individual or group cognition, practices and the business model (Bettis & Prahalad, 1995; Engelmann, et al., 2020). When top management teams introduce competing logics through strategic choices, the way in which new logics scale to modify the cognitive and normative frames of managers across the enterprise, determine the extent to which new mental models are adopted and the strategy executed.

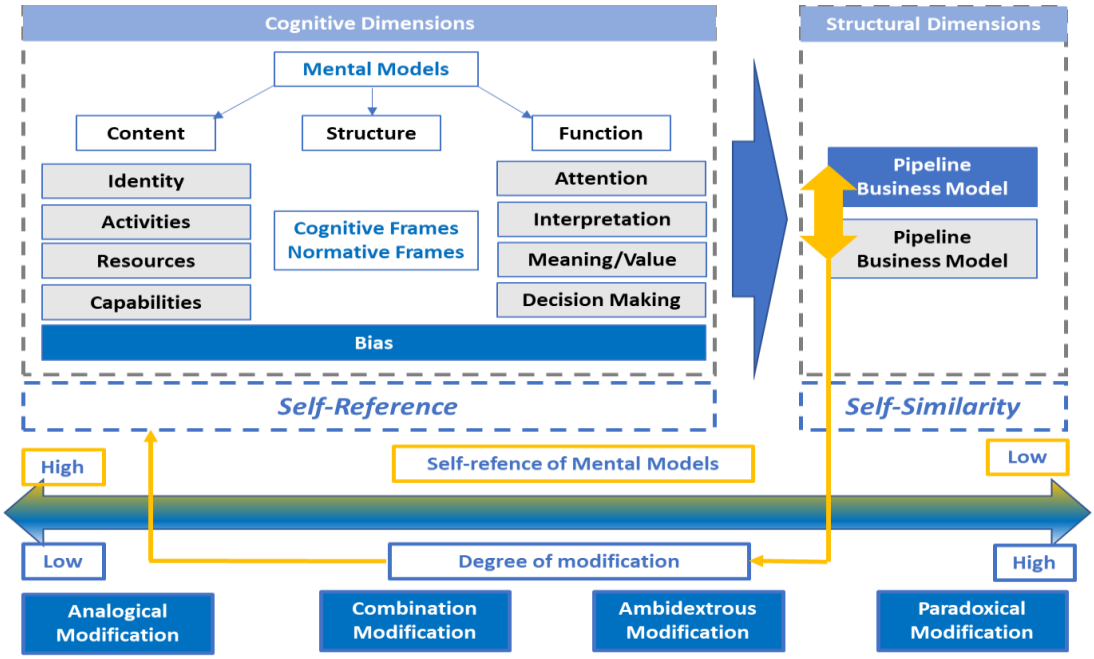

Figure 6: Fourth iteration conceptual model based on Engelmann, et al. (2020)

Figure 6 offers the final version of the conceptual model for this research project, depicting how the modification of the dominant logic of an organisation intends to be observed as a function of degree of modification to the shared mental models. The degree of modification to mental models will be evaluated based on the cognitive and normative frames managers activate.

2.3 Business models

Despite the introduction of the business model concept in the 1950's, it was the emergence of e-commerce in the 1990's that triggered a renewed focus on business models in organisational theory (Saebi, & Foss, 2015). The notion of business model transformation as means to compete in the era of exponential discontinuous innovation in digital technology is

no coincidence, given the plethora of case studies available of organisations that have and continue to disrupt traditional business model logics (Zhu & Furr, 2016). An equivalent number of case studies exist of organisations that continued to be 'blinded by their existing dominant logic', failing to reinvent their business models as vehicles for value creation and sadly, failing altogether (Prahalad, 2004).

Both conceptual literature and empirical research have, over the past two decades, documented theory and insights exploring, defining and aiding the transformation of incumbent organisations in their endeavours to reinvent their mental models and their business models. Whilst the "blinders of dominant logic" may have been lifted in terms of strategic selection and decision making (Prahalad, 2004), trusted recipes for incumbent organisations that have made new, technology driven business models work sustainably, are few and far between. The ways in which modified, emerging mental models scale to become shared amongst those senior managers who hold power and agency to speed up or slow down the scaling of emerging business models is they main concern of this research project.

To adequately argue for the introduction of a parallel, evolving business models in an incumbent organisation as the ***context*** for this research, sub section 2.3.1 will briefly ground business models in the various ways they have been conceptualised, demonstrating the convergence of the approaches. Having set the scene, sub section 2.3.2 will introduce the permutations of contestation in business models offered in recent literature, both from an institutional and market logics perspective. The context for this research project will be concluded with a closer examination of the available literature related to pipeline and platform business models as a foundation for research design in section 2.3.3.

2.3.1 Conceptualisations of business models

Business models have been conceptualised in one or a combination of three ways. First, business models are the combination of their *elements*: resources, content, structure and governance of transactions (Frankenberger & Sauer, 2019; Saebi & Foss, 2015). Second, business models are *activity-based systems* where the element of content equates to the activities to produce products and services chosen to create value. The element of structure aligns to the activities and processes within organisational units that make up the value chain for capturing and delivering value. The element of governance equates to the management and control of the linkages between aspects of content and structure (Foss & Saebi, 2017; Zhao, et al., 2020; Frankenberger & Sauer, 2019).

In the case of pipeline business models all elements are contained and controlled within the boundaries of the business model. All content is produced internally, processes and value chains are directly governed and controlled, with all resources vertically integrated and capabilities internally accessible only (Deneys, 2019; Fehrer, Woratschek, & Brodie, 2018). In the case of platform business models, the elements can be configured and controlled within and between an organisation and its network partners, value chains extend beyond the boundaries of the business model and governance exists in the form of industry standards and partnership agreements (Saebi & Foss, 2015; Schneckenberg, et al., 2019). Networked or open platforms provide access to capabilities and resources through the network without direct or centralised control (Fehrer, et al., 2018).

Thirdly, business models have been conceptualised as logics of value that inform an organisation's chosen value propositions and market segment, activities for value creation, exchange and capture (Saebi & Foss, 2015; Vargo & Lusch., 2004). Like dominant logic, value logics exist in the cognitive and normative frames of managers, materialise in artefacts and are enacted in activity systems and organisational architecture (Smith & Tracey, 2016; Schneckenberg, et al., 2019; Velu & Stiles, 2013). Organisational value logics are shaped by a single or multiple, sometimes contradictory, institutional or market logics, adopted by top management teams as strategic choices (Frankenberger & Sauer, 2019; Gilbert, 2006; Smith 2014).

Top management teams of incumbent organisations may make strategic decisions to adopt contradictory market level value logics that initiate business model transformation. When they do, new, pluralistic logics for value creation are assimilated into the mental models of top management teams introducing strategic variety into an organisation (Gilbert, 2006; Smith, 2014; Velu & Stiles, 2013; Vuori & Huy, 2016).

2.3.2 Contested business models

Institutional or market logics are pluralistic when they are contradictory or divergent in content and expectations for conformance and/or competition (Bertels & Lawrence; 2016). It follows that, at the organisational level, pluralistic institutional and market logics will require different, and possibly contradictory configurations of business model content, structure, governance, resourcing and activities for value creation, delivery and capture.

Platform-based ecosystems are complex, self-adjusting and regulated by newly established and ever-evolving institutional arrangements (Vargo & Lusch, 2017). They facilitate value exchanges at multiple interfaces of the platform by using technology as an enabler (Van

Alstyne, et al., 2016; Zhao, et al., 2020). Because the competitive advantage of platform business models no longer resides in the production of products or services along linear value chains, but in the provision of value exchanges throughout complex networks and technology, platform business models present a contradictory value logic to pipeline business models, when adopted by top management teams (Smith, 2014; Penttilä, et al., 2020).

The adoption of competing value logics is defined in the literature as hybridity. Hybridity challenges organisational identity, boundaries and capabilities. (Penttilä, et al., 2020; Skålen & Edvardsson, 2016; Smith & Besharov, 2019). Organisations adopt hybrid value logics for various reasons: The strategic intent may be to sustain performance in their existing markets (Franke & Knyphausen-Aufsess, 2014; Prahalad, 2004), to maintain or expand industry fit (Smith & Besharov, 2019) or to stimulate innovation and the creation of new capabilities (Lin & McDonough, 2014; Palo, et al., 2019). Whatever the strategic intent, the way in which top management teams frame pluralistic value logics inform how they are implemented into the business model, managed and scaled (Palo, et al., 2019; Smith & Besharov, 2019; Vuori & Huy, 2016). Three approaches to adopting and scaling hybrid value logics emerge:

1. When logics are framed as contested or incompatible, they are typically adopted through differentiation or separation strategies resulting in sustained hybridity (Gümüsay, et al., 2020; Jay, 2013; Vuori & Huy, 2016). This results in permanently parallel business models and architecture where contested value logics do not blend.
2. When logics are framed as compatible, they are often adopted into business models through temporary hybridity with the strategic intent to integrate business models over time (Palo, et al., 2019; Skålen & Edvardsson, 2016; Smith & Tracey, 2016).
3. When logics are framed as paradoxical, they may be adopted through accommodation strategies (Smith, 2014). Accommodation strategies involve temporary hybridity with the intent of cannibalising parts of the existing business model by devaluing existing capabilities, products, services, resources and revenue streams. (Raffaelli, et al., 2019; Velu & Stiles, 2013; Zhu & Furr, 2016; Zhao, et al., 2020).

Incumbent organisations, in this case banks, with dominant pipeline business models have to date typically adopted platform strategies through temporary hybridity that evolve into either integration with or cannibalisation of existing capabilities and resources (Palo, et al., 2019; Velu & Stiles, 2013). Therefore, at the point of introduction of a platform-based logic for value creation, multiple logics would be reflected in the business model design, requiring phases of business model transformation (Frankenberger & Sauer, 2019; Velu & Stiles, 2013; Zhao, et al., 2020).

2.3.3 Pipeline to platform business model transformations

Most platform owners start off by driving scale on platforms at low margins, continuing to exploit core capabilities whilst maintaining existing capabilities and incrementally transforming their business models (Gilbert, 2006; McGrath & McManus, 2020). Scaling a new platform model at speed is key for extracting value and to remain ahead of external imitation and competition (McGrath & McManus, 2020; Saebi & Foss, 2015; Zhu & Furr, 2016). Top management teams of incumbent organisations must therefore manage the ongoing economic and cognitive tensions present during the scaling phases of a platform business model.

The economic challenges during business model transformation originate from the management of reduced value creation in the pipeline dominant business model, whilst scaling value creation activities in the new platform model. Firstly, executives must manage divergent commercialisation and revenue models and secondly, they must establish new capabilities and know-how to enable the platform business model (Palo, et al., 2019; Velu & Stiles, 2013; Zhu & Furr, 2016). Top management teams are therefore required to cross subsidise the emerging platform technology and business model by reallocating investments, capabilities and resources (Smith & Besharov, 2019; Velu & Stiles, 2013; Zhu & Furr, 2016).

The cognitive challenges are related to achieving, at first, alignment and increasingly more integrated modification of managerial mental models across scales to prevent ineffective distribution of attention and decision-making (Vuori & Huy, 2016). The cognitive challenge further involves overcoming cognitive rigidity that may result in emotionally or fear-based decision-making (Raffaelli, et al., 2019; Smith & Besharov, 2019; Velu & Stiles, 2013) and so jeopardise the performance of either side of the business model.

It is during the scaling phase of a platform business model that the pipeline business model may require redesign, cannibalisation or changes in organisational arcitecture and practices. This is when the historical self-reference of mental models becomes challenged and self-similarties of the pipeline model that is embedded in the architecture, artefacts and practices become threatened, thereby emerging latent tensions (Penttilä, et al., 2020; Smith & Tracey, 2016). In addition to these economic and cognitive tensions, powerful performance paradoxes may arise. What was regarded as success in the platform paradigm, may now be regarded as failure or, success and failure may be evaluated diffferentially on different sides of the business model and through different metrics (Bertels & Lawrence, 2016; Jay, 2013; Smith & Tracey, 2016).

2.4 Conclusion and conceptual model

What managers on either side of the parallel business model notice, or don't notice, will potentially impact on their perceptions of organisational identity, business activities, resources and capabilities as well as history of performance. What they perceive and express as salient tensions will indicate which of the content aspects of the dominant mental model may hve become challenged. This relates to the **functioning** of the dominant mental model as set out in Figure 7 below.

How managers interpret or present these tensions will indicate what frames they are activating in the process of making sense of the tensions. They may activate frames that are already embedded in the coporate meta logic, or they may activate new frames. The research must identify and label the frames that surface from the narrative, vocabulary and interpretations of managers and compare them to the corporate meta logic or meta frames. Tensions and sensemaking frames would illuminate the **content** of the dominant mental model or any variations, set out in Figure 7.

The degree of modification of the frames that managers surface will inform the extent to which the their shared mental model is being modified. Should managers on the existing pipeline side of the business model apply analogical reasoning, their cognitive and normative frames will likely remain in tact without meaningfull modification to shared mental models. Should managers on the existing pipeline side of the busines model apply combination frames, their cognitive and normative frames may begin to incorporate different logics for value creation, but hold the pipeline paradigm as the dominant logic.

In the event that managers on the pipeline and platform sides of the parallel business model develop amidextrous frames, advanced learning behaviour across the practice and architectural separations may be observed as a further adaptaton of the dominant mental model. The presence of ambidextrous frames would indicate increased cognitive flexibility but, managers in the pipeline business model may continue to switch between exploration and expoitation frames. If so, they are likely to ignore or negate the potential for integration of the logics and with it the possibility of redefining or cannibalising core capabilities to be replaced by those beyond the boundaries of the existing business model.

In the context of this research project, the most significant deviation from existing, self-referent mental models and therefor the most significant modification to the dominant logic of the organisation is positioned as the presence of paradoxical cognitive and normative frames. By

identifying and interpreting the various ways in which frame flexibility develops and progresses, research may explain how dominant mental models modify. This is also set out in Figure 7. It is therefore proposed that the modification of the cognitive dimensions of the dominant logic of an organisation takes place through the development of various **degees of flexibility** of cognitive and normative frames that shift the **content** of existing mental models.

Whilst large scale platform strategies in the banking industry have not yet matured to the extent that the final, integrated business model designs are known, the ongoing engagement of senior managers across the business model divide is critical to continuously find more creative solutions for integration. The spectrum of modifications to the mental models of senior managers on either side of the parallel platform-pipeline busines model, observed through research, will inform organisational practices or interventions for managing the direction and trajectory of the busines model transformation.

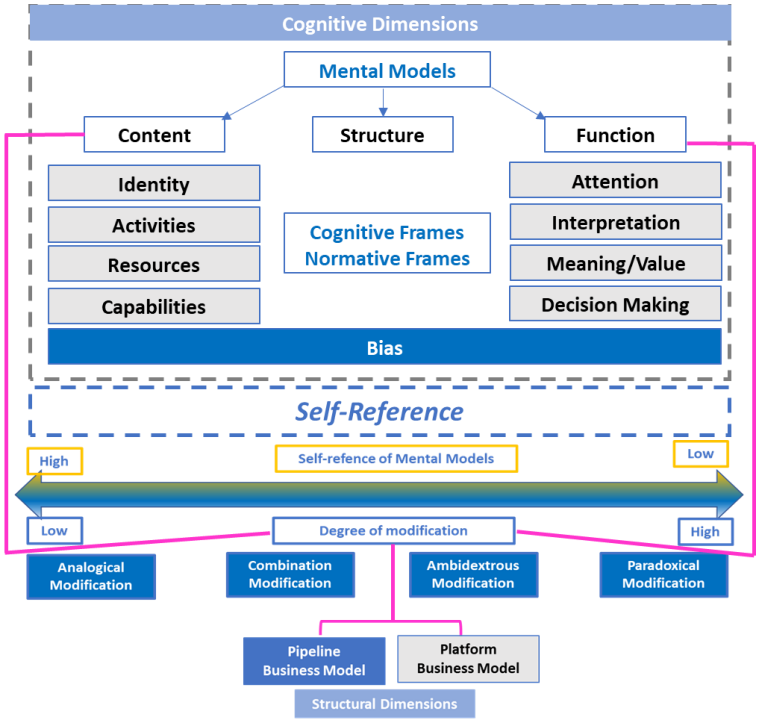

Figure 7: Final concepotual model for research

CHAPTER THREE: THE RESEARCH QUESTIONS AND PROPOSITIONS

The main research question is based on the integrated, dynamic model of dominant logic offered by Engelmann, et al. (2020) and seeks to explain the linkage between the organising structures and the cognitive dimensions of the dominant logic of an organisation. The business model as a component of the organising structure dimension is specifically selected for its relevance to organisational strategy and execution (Saebi & Foss, 2015). The introduction of a platform business model in parallel to an incumbent pipeline business model has been argued for as a suitable context for exploring and describing the ways in which the cognitive dimentions of dominant logic modify when the dominant business model changes (Velu & Stiles, 2013; Zhao, et al., 2020; Zhu & Furr, 2016).

Research question: How are the cognitive dimensions of the dominant logic of an organisation modified when parallel business models are introduced?

Dominant logic as a shared mental model modifies in content and complexity when pluralistic institutional or market logics are adopted into business models through strategic choices made by top management teams (Ocasio & Radoynovska, 2016). Where institutional and market logics present as external triggers for strategising, the shared mental models of the dominant logic emerge from within an organisation (Engelmann, et al., 2020). Shared mental models function as information processing tools and are triggered to modify when managers engage in sensemaking to emerge latent tensions (Engelmann, et al., 2020; Joseph, et al., 2018). Making latent tensions salient, is therefore a pre-requisite for mental models to begin to modify (Joseph, et al., 2018).

The first set of research propositions will seek to understand what information is being noticed or attended to and specifically what latent tensions are emerging in response to the introduction of a parallel, platform-based business model. This first set of propositions will further identify similarities and differences between tensions experienced by managers in the existing pipeline and the new platform business model.

Proposition 1a: Managers from the pipeline business model perceive tensions relating to internal operational efficiencies, technological integration, products and value propositions, sales and distribution as well as skills.

Proposition 1b: Managers in the platform business model perceive tensions relating to the scaling and performance of the platform.

The content of mental models can be observed through the frames that managers activate when making sense of tensions (Engelmann, et al., 2020; Joseph & Gaba, 2020; Prahalad &

Bettis, 1986). Frames could contain both cognitive and normative content and should surface in the vocabulary managers use, the stories they tell and the way in which they categorise information (Engelmann, et al., 2020; Laasch, 2019). Frames that form part of the existing dominant mental model present with a high degree of historical self-refence whilst new frames would be less self-referent compared to existing frames (Engelmann, et el., 2020; Von Krogh & Roos, 1996). The degree of deviation from historical pipeline dominant frames and the way in which the underlying tensions are presented will inform the modification of the shared mental models (Franke & Knyphausen-Aufsess, 2014; Joseph & Gaba, 2020; Hahn, et al., 2015).

The second set of propositions therefore seek to identify the frames that managers surface when reflecting on changes and tensions. The frames activated by managers on either side of the parallel business model will be compared with each other and interpreted for the alignment of their content to either a platform or a pipeline dominant logic. Frames that surface at the level of the parallel business model will also be compared to the corporate level frames or meta logic.

Proposition 2a: Managers in the pipeline business model activate existing pipeline dominant shared frames to interpret the tensions they perceive.

Proposition 2b: Managers in the platform business model activate a combination of existing pipeline and new platform frames to interpret the tensions they perceive.

The modification of shared mental models in an organisation can be observed to the extent that the existing cognitive and normative frames develop flexibility or new frames develop all together (Kiss, et al., 2020; Raffaelli, et al., 2019; Scheckenberg, et al, 2019). Frame flexibility may be observed along a continuum that stretches from analogical application of frames where self-reference remains high and flexibility limited (Franke & Knyphausen-Aufsess, 2014; Schneckenberg, et al., 2019) to paradoxical frames where self reference-reference is significantly reduced and frames have become more complex and integrative (Joseph, et al., 2018). Conceptual combination and ambidextrous framing of tensions preceived will be considered as part of the continuum (Bidmon & Boe-Lilligraven, 2020; Schneckenberg, et al., 2019).

The third and final reseach proposition will categorise the frames identified in the second set of propositions along this continuum to articulate the nature and extent of the changes in shared mental models. Results will be compared between the two groups of managers and against the characteristics of pipeline and platform-based thinking. Findings from both groups will also be compared back to the corporate level versions of the frames identified.

Proposition 3: The shared frames in the pipeline business model develop flexibility but do not evolve to become paradoxical frames.

The findings from each of the research propositions will be integrated and interpreted against the corporate “meta-logic” available in artefacts and documentary information. The overall findings will attempt to explain how the cognitive dimensions of the dominant logic of an organisation are modified in the context of parallel, evolving business models.

The conceptual model established as part of the literature review will contribute towards theory testing and refinement by confirming its assumptions and adding insight.

CHAPTER FOUR: THE RESEARCH METHODOLOGY

4.1 The research philosophy and paradigm

As a basis for the research design, the ontological foundation for the concept of dominant logic and specifically its cognitive dimensions was considered to justify the choice of the research strategy and the research approach. The philosophical considerations further informed the research design to create a coherent and credible methodology.

4.1.1 The research paradigm

Drawing from the literature review, the cognitive dimensions of dominant logic in the form of shared mental models, are constructed through acts of individual and collective sensemaking (Penttilä, et al., 2020; Purdy, et al., 2019). Dominant logic, however, becomes practical and visible in organisational practices, artefacts and organising structures (Engelmann, et al., 2020). Previous empirical research on dominant logic had approached it both from the objectivist and social constructionist perspectives. The objectivist approaches assumed a positivist epistemology that explored dominant logic mostly by means of its visible manifestations such as architecture, cost structures, performance or business models (Monteiro, 2015; Obloj, Obloj, & Pratt, 2010; Von Krogh & Roos; 1996). The constructivist approaches on the other hand, have typically applied an interpretive epistemology to research related to the invisible cognitive and normative aspects of dominant logic (Schraven, et al., 2015).

This research project required data to be considered from both the visible business model through secondary data as well as the invisible dimensions of the dominant logic. The latter from primary data collected from individuals who embody and share these mental models (Bevort & Suddaby, 2016; Purdy, et al., 2019). By implication, neither an objectivist nor constructionist ontology would be able to completely align the research methodology and approach across the entire research project. However, the pragmatic paradigm assumes that the nature of reality is a practical representation of the ideas and experiences of individuals and the processes in which they engage (Saunders, Lewis, & Thornhill, 2019). The pragmatist ontology departs from the perspective that these processes are ongoing, that they are transactional and that individuals are inseparable from these transactional contexts (Farjoun, Ansell, & Boin, 2015). This perspective of reality best supports the research topic of dominant logic as a dynamic and emergent aspect of organisations.

What represents acceptable knowledge and theory about dominant logic would therefore have to focus on the practical meaning of its constructs in real contexts and learn from how the

constructs “act” or function in situ (Farjoun, et al., 2015; Saunders, et al., 2019). Pragmatism further supports this need as it is in principle a problem-solving philosophy that aims to understand human ideas and actions through theory, but in practice (Saunders, et al., 2019). The pragmatic philosophy therefore bound together the research question as a problem to be understood and explained, with the research propositions aimed at observing the connections and relationships amongst constructs in a specific context.

4.1.2 Research strategy and approach

Understanding and describing the modification of the cognitive dimensions of the dominant logic of an organisation required that it be observed within its context with insight into the events and dynamics that influence changes (Bertels & Lawrence, 2016; Palo, et al., 2019; Velo & Stiles, 2013). The meaning and value that individuals assigned to the triggers for changes emerged from the context in the form of stories, heuristics and in vocabulary (Franke & Knyphausen-Aufsess, 2014). Both these contextual and socio-cognitive aspects required a deep immersion in various types of data and a qualitative research strategy was therefore chosen as appropriate to align with the pragmatic research philosophy (Gehman, et al., 2018).

The research question originated from existing theory and will explore existing constructs in terms of the relationships that may exist between them as they play out in a real context. According to Gehman, et al., (2018) elaborating on theory by trying to answer “how” questions involves going from data to theory where the theory is empirically valid and testable. In this way, this research design needed to be inductive from the data-in-context, but also deductive based on the *apriori* theory that existed. An abductive research approach allowed the researcher to connect observations from the empirical context and data to theoretical constructs in cycles of abstraction and application (Gehman, et al., 2018; Saunders, et al., 2019). This approach allowed for all data to be integrated into the conceptual model proposed in Chapter 2, and for findings to be explained on the basis of the model.

4.2 The research design

Following on from the philosophical paradigm established for this research project, the pragmatic, qualitative research approach selected was best carried out in the form of an in-depth case study. The particular design of the case study was informed by the design requirements taken from the research question and in line with prior research designs related to organisational logics.

4.2.1 Design requirements

Understanding the modification of the cognitive dimensions of dominant logic in the context of parallel business models required a thorough understanding of the context within an organisation or organisations. In line with recent empirical research on organisational logics, the elements of the context that needed to be considered were:

1. The content of the history of dominant logic of an organisation and its evolution over a meaningful period of time (Bertels & Lawrence, 2016; Frankenberger & Sauer, 2019; Smith, 2014);
2. The marker decisions or events that brought about the establishment of a parallel business model (Jay, 2013; Frankenberger & Sauer, 2019; 2020; Smith & Besharov, 2019);
3. The actual interpretations of individual managers as the carriers of mental models in both the existing pipeline and emerging platform business models as they are playing out in an organisation (Bertels & Lawrence, 2016; Jay, 2013; Raffaelli, et al., 2019).

The research design had to ensure that sufficient depth and focus was applied, balanced with time available for developing a deep understanding of each of these elements and to enable all data collected to be integrated into a rich description of the findings.

4.2.2 Case study design

The research requirements firstly presupposed the occurrence of parallel, evolving business model as well as access to people and documentation in the organisation where the phenomenon was present. This type of scenario was uncommon and not easily accessible. It therefore had the potential to be unusually revelatory, requiring research to be performed in a focal organisation by means of a single case study (Eisenhardt & Graebner, 2007; Smith & Besharov, 2019). This type of scenario further presented a unique opportunity for rich learning experiences (Bell, Bryman, & Harley, 2019), which supported a case study design.

Where a topic such as this is underexplored, requiring further explanation of complex theoretical interrelationships, case studies offer rich, empirical insights of a specific phenomenon in its real context (Eisenhardt & Graebner, 2007; Gioia, Corley, & Hamilton, 2012; Skålen & Edvardsson, 2016). In this case, the justification for using a case study to elaborate on theory was found in the lack of systematic theorising about how the visible dimensions of dominant logic might modify mental models (Eisenhardt & Graebner, 2007; Engelmann, et al., 2020). Yin (2009) asserted that explanatory cases studies specifically have superior value for testing research propositions that may illuminate causal relationships to make meaningful explanatory contributions.

The single case study research design was appropriate in this scenario because the purpose of the research was not to compare dominant logic across organisations but to develop in-depth insight into complex cognitive patterns within an organisation (Gümüsay, et al., 2020; Jay, 2013; Smith, 2014; Smith & Besharov, 2019). Several such single case studies involving organisational logics have been performed in organisations across the world (Engelmann, et al., 2020; Lin & McDonough, 2014; Skålen & Edvardsson, 2016) and some specifically in banks (Gümüsay, et al., 2020; Velu & Stiles, 2013). Both Schneckenberg, et al. (2019) and Smith (2014) demonstrated the value of selecting organisations specifically for their industry membership to research under explored theoretical models. The single case study in this case was strengthened by collecting primary data from two separate sites within the focal organisation for comparison and triangulation with secondary, documentary data (Tsang, 2014).

Given the research questions and that the research aim was theoretical refinement and extension, the case study approach provided ample opportunity for "teasing out ever-deepening layers of reality in the search for mechanisms and influential contingencies" (Tsang, 2014, p. 374). Finally, a single case study design minimised the influence of extraneous variable on the findings, ensuring a higher level of internal validity (Eisenhardt, 1989; Smith, 2014).

4.2.3 Level and unit of analysis

The premise of the research propositions was that shared mental models would modify differently at the level of the business model when compared between the platform and pipeline business models (Velu & Stiles, 2013; Zhao, et al., 2020). The research approach and design determined that data be gathered and analysed inductively from two groups of managers of which each group were representative of different parts of the business model. The unit of analysis was therefore the business model (Bell, et al., 2019) where shared mental models typically scale to and aggregate (Engelmann, et al., 2020).

Business models are often isomorphic at the macro level within industries (Scott, 2008). This case study research, however, focused on the unique design of the organisation's business model and specifically the introduction of hybridity in the form of a parallel business model. The level of analysis was confirmed at the meso level (Bell, et al., 2019). This aligned to prior empirical research on organisational logics that had also studied logics at the meso level of strategy and the business model (Smith, 2014; Saebi & Foss, 2015; Zhao, et al., 2020).

4.3 The research setting

All large commercial banks have announced their intentions to, experimented with or launched platform-based business ventures over the past three years in some or other form. The research setting was one of these banks that remained both anonymous and unidentifiable throughout all the aspects of the research project. This was a condition for the case study to be done in the particular bank and committed to by the researcher by means of signing a non-disclosure agreement.

Following ethical clearance received from Gibs (Annexure 1) a senior mentor from the bank was assigned to assist the researcher in identifying the structural arrangements, the population, contacting interviewees and gaining approvals from business unit executive team members for interviewees to participate.

4.3.1 The population

Engelmann, et al., (2020) identified individual managers as the agents of the cognitive dimensions of dominant logic because they hold and share the content of the dominant mental model. The population was firstly defined in terms of the level of management they occupy in the organisation. The level of management selected was the divisional senior management level because, although they contribute to strategy development, they are primarily responsible for strategy execution, resource allocation and leadership of middle managers (Frankenberger & Sauer, 2019; Gilbert, 2006). The top management team was excluded as they do not currently function within the parallel business models on a day-to-day basis (Gilbert, 2006). Business unit executives were also excluded because they do not all directly manage execution. By defining the population as divisional senior managers at the same level across the organisation, the anticipated consistency of responses based on job content and access to information was used as proxy to manage validity.

In second place, the population was further defined to represent senior divisional managers working in the two different business models, thereby setting up two distinct populations for data collection (Smith, 2014; Palo, et al., 2019). Derived from high level organisational charts, the population size at this level in the pipeline business model was just over 150 divisional senior managers and in the platform business model 21. The stark difference in population size was attributed to the fact that the first iteration of the platform business model had only been established in 2017-2018 and new capabilities were initially insourced whilst building internal skills.

Finally, parallel business models potentially challenge all aspects of an organisation's value proposition and activities for value creation and capture (Zhao, et al., 2020; Zhu & Furr, 2016).

Divisional senior managers with responsibilities across the all the business model elements and activities were considered as part of the population.

4.3.2 Sampling method and size

The single case study, dual-site research design based on parallel business models generated at least one *apriori* criterium to inform sampling (Bell, et al., 2019). Sampling was done intentionally to enable the comparison of data collected from senior managers in pipeline business model with that of senior managers in the platform business model (Smith, 2014). The approach is consistent with generic purposive sampling, in this case with a single *apriori* criterium, and is typically used to manage respondent and retrospective bias. (Bell, et al., 2019, Gümüsay, et al., 2020; Palo, et al., 2019). A summary of the population parameters, sizes and samples is provided in Table 2.

Level	Example	Pipeline		Platform	
		Population	Sample	Population	Sample
Group executive	CEO, COO, CFO, CIO, CRO, retail banking managing executive, wholesale banking managing executive	N/A	N/A	N/A	N/A
Business unit executive	Executive teams within business units reporting directly to, for example the retail banking executive such as the retail banking COO, CFO, CRO, segment heads	N/A	N/A	N/A	N/A
Divisional senior managers	Heads of strategy, operations, client value chain management, IT and HR	>150	9	21	10 (9)
Functional and departmental managers	Marketing and communication managers, financial managers, regional sales managers, product managers, project managers	N/A	N/A	N/A	N/A
Team leaders and supervisors	Leaders of sales and service teams	N/A	N/A	N/A	N/A

Table 2: Population parameters, sizes and sample sizes for collection of primary data

4.3.3 Platform business model sampling

Initially 12 individuals were contacted with the assistance of the internal mentor, to request their participation in research. The 12 targets were selected to be representative across all the functions of the platform business model area which included technology capabilities, data science, sales and commercialisation, segment-based distribution and operating model management. All individuals invited were provided with a high-level outline of the research topic, the way in which data would be used and assured of their anonymity. They were made aware that they would be required to sign individual consent forms and that they could withdraw from the research interview at any point (Annexure 5). Seven of the individuals

responded within a few days indicating their willingness to participate. Follow-up was done with the remaining five individuals once, but they unfortunately remained unresponsive.

In order to increase the sample size, another 4 individuals from the population were approached, following the same process and protocols. Two responded affirmatively whilst 2 remained unresponsive even after follow-up. The sample size was confirmed as 9 respondents or 43% of the population, representing all the functional areas listed above.

Adhering to the conditions set by the bank, the line managers of the confirmed respondents were informed of their participation via email, providing the same information about the research topic and ethics. No objections were recorded. MS Teams interview times were set up shortly after they confirmed their participation and individual consent forms were attached to the meeting invitations (Annexure 5). All interviews were planned to complete by 27 August 2021, leaving sufficient time to attempt to enlarge the sample size in the event that saturation was not reached. This was eventually not necessary and justification for not further increasing the sample size is based on the rate of saturation achieved and presented in Figure 8 below (Robinson, 2014).

4.3.4 Pipeline business model sampling

Given the size and complexity of the pipeline busines model area, the researcher was first required to obtain permission from the relevant Human Resources executives to approach divisional senior managers. Once confirmed, a first group of 15 individuals were identified across the distribution channels, client value chain management, strategy, product development, operations, technology, human resources and governance (McGrath & McManus 2020; Palo, et al., 2019; Skålen & Edvardsson, 2016; Wessel, et al., 2016; Zhu & Furr, 2016). The same communication and ethical protocols were followed as before. One individual declined, 11 responded positively and 3 did not respond at all. Of the 11 who indicated their willingness to participate in research, 1 later withdrew.

The sample size was tentatively going to be the ten individuals, noting that this group was similar in size to the platform business model group. The sample size would be reassessed based on the data saturation patterns that were expected to evolve during data collection. The line managers of the remaining ten individuals were supportive of their participation and the research in general. MS Teams interviews were set up with confirmed respondents and again, individual consent forms attached to the meeting invitations. One further respondent who was interviewed failed to return the consent form and that interview was disregarded prior to data analysis, which settled the sample size at 9, overall.

All interviews were scheduled to complete by 20 September 2021 to leave time for enlarging the sample size should saturation not be achieved. Two interviews were postponed at the request of the respondents to 25 and 28 September respectively. The justification for not further increasing the sample size is based on the rate of saturation achieved and presented in Figure 8 below (Robinson, 2014).

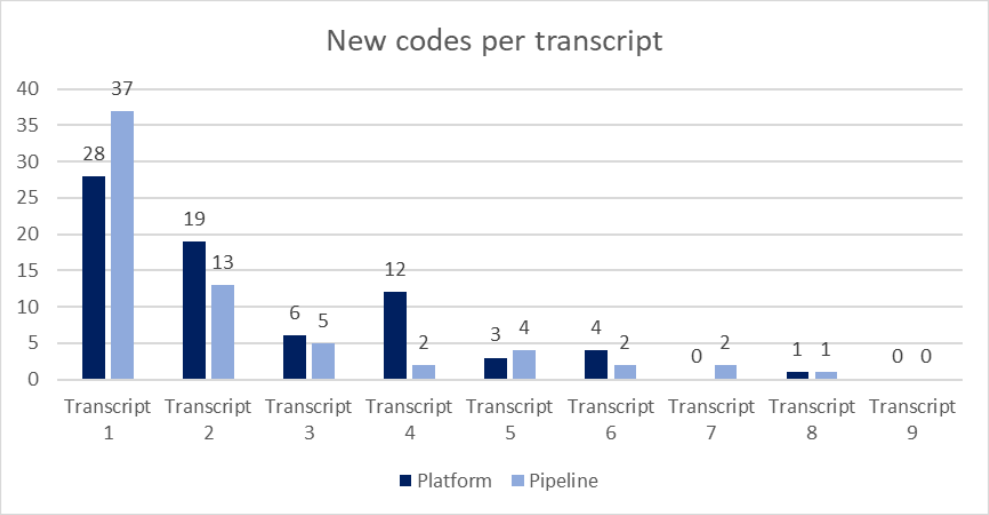

Figure 8: Saturation of empirical codes per transcript for both groups

4.3.5 Sampling secondary data

Secondary documentary data needed to be included as part of the research design for four reasons that also informed the approach taken for sampling of secondary data:

- As a recommendation of the research design: Engelmann, et al. (2020) recommended that the historical nature of the dominant logic of an organisation be considered in future research because mental models hold the content and history of an organisation's identity, performance experiences, capabilities, values and accumulated knowledge. This could only be done through inductive, thematic analysis (Bell, et al., 2019) of documents and associated artefacts from which phases of change in the organisational logic could be defined.
- As a guideline for the collection of primary data through interviews: By identifying the decisions and events that introduced changes leading to the establishment of the platform business model, specific questions could be included in the interview schedule. Event tracking is typically used to identify and isolate instances of impression management and retrospective sensemaking (Eisenhardt & Graebner, 2007).

- As source for triangulation to enhance the validity of the primary data collected: By using an unobtrusive source of data with which to triangulate primary data collected, the accuracy and transparency of respondent accounts could be verified (Bell, et al., 2019).
- As a primary principle of the research design: Following from the research propositions, the modification of shared mental models in the pipeline business model group needed to be compared with that observed in the platform business model group. This was required to articulate the degree of relative dominance that may have developed between the units in the organisation (Franke & Knyphausen-Aufsess, 2014). However, both sets of data also needed to be thematically evaluated against the corporate "meta-logic" found in documentary data (Prahalad, 2004). In this case though, not strictly for purposes of triangulation, but to assess the degree to which the self-reference of mental models overall had changed and therefore the dominant mental models modified.

Using secondary data for these purposes was found to be well documented in prior empirical research, even though the sizes or time frames of the samples varied (Gümüsay, et al., 2020; Jay, 2013; Smith, 2014; Smith & Besharov, 2019; Palo, et al., 2019; Velu & Stiles, 2013). Based on selected literature it was anticipated that documentary evidence needed to be considered back to at least five years prior to the launch of the of parallel platform business model (Skålen & Edvardsson, 2016; Gioia, et al., 2012). Publicly available annual reports were downloaded from the bank's website for the years ending December 2014 to December 2020, both years included.

Following an initial high-level scan of all seven documents, a key word search was performed using terms such as "ecosystems", "platforms", platform technologies such as "cloud-based" or "cloud migration", "API", "big data" and "banking app". Other terms searched for related to business model changes such as "business model", "new revenue streams" and "beyond banking". The last search category included terms related to challengers or competitors, for example "fintech". Noting that the first of the platform technologies we implemented in 2018, the search was done retrospectively in time from 2018 backwards. The occurrences of these terms decreased significantly in 2016, and altogether in 2015. This signalled the first historical indication of the absence of platform thinking at the corporate level. The sample was therefore confirmed to include annual reports for the years 2015, 2016, 2017, 2018, 2019 and 2020.

4.4 Data collection

Data collection was done in phases of which the first phase was preparatory in nature and the second was the collection of primary data. Since no additional collection of secondary data

was necessary beyond the sample selection done before, data collection concluded with the final interview.

4.4.1 Preparation for data collection

The researcher performed a high-level review of the documentary evidence to plot a timeline of marker events to firstly to gain a general view of the current state and of the evolution of the parallel platform business model scenario (Jay, 2013; Smith, 2014). Notes were made on the on the interview schedule of specific events to prompt the researcher during the interviews. The vanilla interview schedule is provided in Annexure 4, however, any information that may identify the bank was removed. The interview guide was tested during a pilot interview with a colleague after which question 3 was clarified as “observations of shift in strategic thinking” which did not change the intent of the question but was more likely to elicit consistent interpretations and responses.

4.4.2 Interviews

Prior to interviews taking place, respondents were reminded to complete and return individual consent forms. Almost all respondents did this prior to the start of interviews with only two doing so afterwards but still on the same day. Two respondents were not able to edit the PDF versions of the individual consent forms and submitted time and date stamped emails, formally giving consent. One respondent asked for a written explanation of the use of the data they would be providing. On receipt of the explanation provided by the researcher, the respondent confirmed his/her participation and sign the formal consent form.

Nineteen interviews were conducted in total of which one was discarded prior to data analysis because the respondent did not return the signed consent form. Interviews were done between 11 August 2021 and 28 September 2021. The interviews varied in duration of which the shortest was 43 minutes and 19 seconds and the longest 58 minutes and 1 second. At the start of each interview, the researcher checked with respondents to ascertain if they had any remaining questions prior to the start of the formalities. All respondents were working from home at the time of the interviews as a result of the lockdown measures related to Covid 19.

All but 1 interview were done via MS Teams and recorded, producing transcriptions in real time within MS Teams. One interview had to be done via mobile phone as the respondent had developed technological problems with MS Teams on the morning of the interview. This interview was recorded using the audio recorder application on the researcher’s laptop and later transcribed using the Otter transcription application on the researcher’s personal mobile phone, sending it to the researcher’s laptop via email.

All recordings were removed from online platforms and stored securely, removing identifiers. The transcriptions done in MS Teams were not of acceptable quality, especially in the cases of respondents who spoke fast and those for whom English was a second language. As the ethical clearance request did not include the services of a transcriber, all eighteen transcripts were cleaned up by the researcher personally, by listening to the recordings and fixing incorrect words and sentences. It took between 2.5 and 3 hours per interview to produce acceptable transcripts. Since this was a significant time investment, the activity was used to simultaneously gain an overall view of each respondent's ontology and therefore slightly overlapped into data analysis. Transcripts were stored without identifiers.

4.4.3 The data collection tool

Cross sectional data was collected by means of semi-structured interviews to gather accounts of current and retrospective individual experiences in each of the parallel business models (Gioia, et al., 2012; Schneckenberg, et al., 2019; Smith, 2014; Smith & Besharov, 2019).The interview guide was structured to include non-directive interview questions ensuring that existing theoretical concepts were not imposed on informants in order to elicit information from the individuals' actual perspective (Frankenberger & Sauer, 2019; Gioia, et al., 2012). The interview protocol itself was not changed significantly except for slight adaptations to the wording and offering follow-up clarifications in instances where respondents requested it. Follow-up questions were asked by the researcher in the form of summarising and testing understanding, clarifying meaning, asking for examples and exploring relevant topics in more detail. The researcher attempted to remain flexible and engaging during the interviews without reverting to leading questions (Gioia, et al., 2012). The interview schedule is included in Annexure 4.

4.5 Data Analysis

Data analysis of primary and secondary data was performed as an iterative and abductive process based between the empirical and theoretical levels. For this research project, the data analysis phase is probably best described as a journey that presented at least two stages where the "puzzle pieces" between empirical data and theory had to be creatively resolved (Bell, et al., 2019). Both these puzzles resulted in switching between inductive and deductive methods of analysis that resulted in a coherent interpretation of all data.

An overview of the data analysis journey is depicted in Figure 9. The various cycles of inductive and deductive analysis is described further in this section on the basis of the diagram.

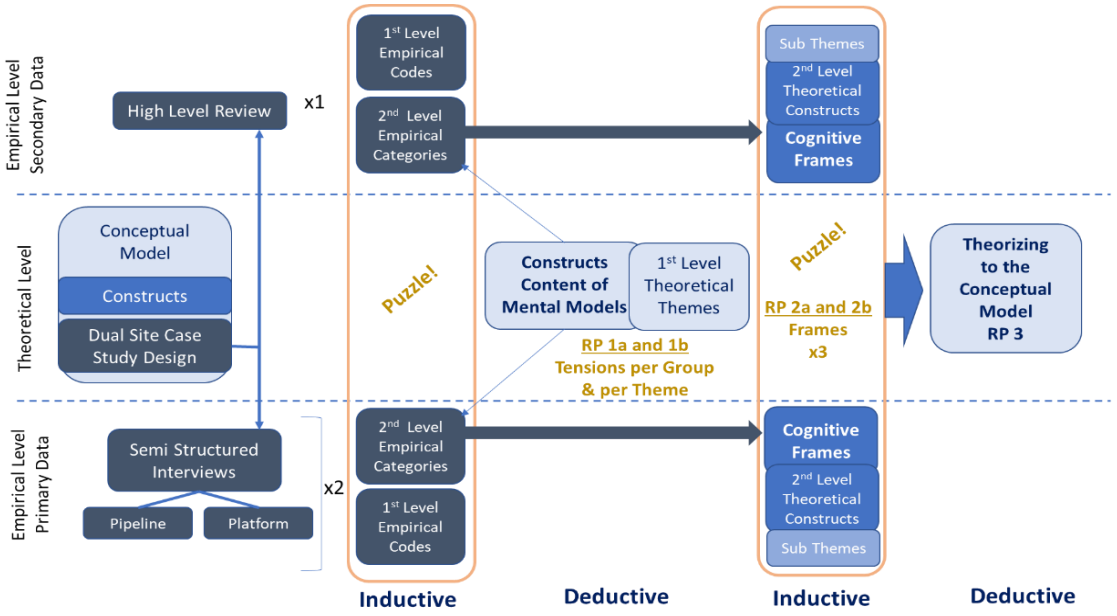

Figure 9: Abductive datal analysis journey - adapted from (Kovacs & Spens, 2005)

4.5.1 Analysis of primary data

During the period of the research project the researcher only had access to a work-owned laptop. Due to the technology security protocols that apply to company assets, the researcher was not allowed to install any software that would have assisted with data analysis, such as NVivo or Atlas TI. Data analysis was therefore done and recorded in MS Word and Excel, using sorting and linking techniques and appropriate formulas (Saldaña, 2013).

<u>First level inductive analysis</u>

On completion of all interviews and after preparation of all transcripts, they were selected randomly per group for coding. First level coding was done based on the topics, concepts and language used by respondents (Bell, et al., 2019; Gioia, et al., 2012). Through continuous review of the primary codes, the researcher developed an understanding for the context, narrative and language shared first within the platform business model group and began to rationalise the preliminary codes to establish the actual empirical codes. The process of recording preliminary codes and then rationalising and refining them after each interview into existing or new empirical codes was continued for all nine interview transcripts (Saldaña, 2013). Saturation was essentially reached on conclusion of transcript number 7, adding only one additional empirical code after transcript number 8. Due to the recurrence of empirical codes, the data analysis approach became partially deductive towards the latter interviews (Saunders et al., 2019). In total, 73 empirical codes were eventually produced for the platform business model group.

The same cycles of identifying preliminary codes, refining and rationalising them into final empirical codes were followed for the pipeline business model group. Saturation was achieved in totality on conclusion of platform transcript number 9, resulting in 62 distinct empirical codes. Although there were obvious similarities and differences in the empirical codes between the groups, comparison was not done at the level of empirical codes. Annexure 2 provides a list of all the empirical codes identified per group.

Second level inductive analysis

For each of the groups of respondents, the final sets of empirical codes were organised into first level empirical categories through a process of abstraction of the actual meaning and intent of each code in the context of all the data. At this point, the terminology used to label categories was still very much reflective of the actual context and not linked to the theoretical concepts. For the pipeline business model group, a total of 13 categories were distilled and for the platform business model group, 12.

Once again, comparison of the two data sets was not done at the level of empirical categories. This was done to ensure that a holistic view was formed of the actual conceptual connections and processes of each group, before drawing comparisons at a thematic level. This approach was useful in the context of the research propositions, because it enabled the researcher to identify the attention targets separately for each group as well as the possible tensions that were emerging. The categories for each of the platform and pipeline business model groups are shown in Annexure 2 and discussed in detail in Chapter 5.

First level deductive analysis

The third level of analysis was done in 2 stages. Firstly, at this point, the researcher had generated 2 sets of empirical categories form primary data and 1 from secondary data. The puzzle to be solved was how to link and integrate all that. So,the researcher referred back to the theoretical model proposed for research in Chapter 2 to compare the empirical categories per group to the first level theoretical concepts. Klag and Langley (2013) referred to this as the act of making a “conceptual leap” in research, when the researcher makes conceptual connections between the empirical data and the theory. In this case, the way in which mental models typically organise and accumulate *content* was used to group empirical categories together to create themes that would further enable theorising. Abstraction to the level of theoretical themes provided sufficient insight for articulating findings in relation to research propositions 1a and 1b (Figure 9), by identifying the attention targets and tensions emerging from each of the groups. For each of the groups, 5 themes were created that realistically represented the content of the mental models observed from the data, whilst building a bridge to the secondary data and to the theoretical dimensions. These themes were *who we are*

(identity), *what we do* (activities), *our capabilities* (capabilities and resources), *our performance* (history of performance) and *how we change,* which was a new but obvious theme.

Third level inductive analysis

Address the second set of research propositions that sought to identify the cognitive and normative frames surfaced through sensemaking, presented the second puzzle and required another switch back to inductive analysis. This was done by returning to the empirical codes and categories to identify patterns of cognitive representation and evaluation (Saldaña, 2013). In other words, each category was revisited, and the following questions asked based on the original data linked to them:

- What was this about?
- Why was this important to the participants?
- How did the participants distinguish between good and bad outcomes?

The answers to each of these questions per category were combined to create three sub-themes for both the pipeline and platform business model groups and one additional sub-theme for the platform business model group. By creating the sub-themes from the empirical categories, the researcher ensured that the sub-themes were grounded in the original data. The sub-themes were then linked to the second level theoretical constructs namely frames.

Why did this make sense? From the literature, the *structure* of mental models is understood through the frames participants activated during interviews (Franke & Knyphausen-Aufsess, 2014). Frames act as filters for noticing, processing and assigning value to information. By deductively linking the sub-themes to cognitive frames as the second level theoretical constructs, findings for research propositions 2a and 2b could be articulated. The combination of inductive and deductive methods of analysis, allowed for theory-driven analysis of the data and therefore a strong basis for building an explanatory case study (Yin, 2009).

4.5.2 Analysis of secondary data

The documentary data had already been handled twice by the time that data analysis started. Once in the process of sampling and once as part of the preparation for collecting primary data through interviews. The annual reports produced by organisations are, however, typically comprehensive, complex and thick documents that change in structure and layout every few years. Saldaña (2013) recommended following an intuitive approach and gaining a holistic view of documentary data up front. Therefore, in preparation for coding, the structure of each

of the six reports identified during sampling was reviewed and recorded. This led to the identification of those sections that were more or less consistently present across all the documents and that provided meaningful information:

- The organisational overview
- Organisational differentiators
- Value creation through the business model
- Stakeholder needs, expectations and value added
- Strategic focus areas and enablers
- Purpose, vision, values and brand
- Key performance indicators and metrics
- Messages from the chairman and CEO
- Board decisions, discussions and focus areas
- Material matters
- Strategic trade-offs

First level inductive analysis of secondary data

Selective thematic analysis was then performed on each of the six annual reports, iteratively refining codes after each next report was analysed (Saldaña, 2013). Analysis was done backwards in time from December 2020 to December 2015. This approach was chosen in order to keep track of the years in which certain codes disappeared and the years in which earlier codes appeared.

The benefit of this approach was two-fold. Firstly, three broad timeframes emerged from the changes in the strategic focus areas, vision, purpose and brand, material matters and strategic trade-offs: 2019 - 2020, 2018 - 2017 and 2016 - 2015. Secondly, it was clear that all language and heuristics related to beyond banking platforms had disappeared by 2016 - 2015. The final time frame analysed, 2015 - 2016, was therefore marked as the baseline for the pre-platform business model dominant logic. This was considered credible evidence because it was taken from a visible, documentary artefact – the annual report – which was used to inform and entice investors. The codes extracted are provided in Annexure 3 and the regressive saturation pattern depicted in Figure 10.

Figure 10 presumes all codes present in 2015 - 2016 as the baseline and departure point for the pre-platform dominant logic. Codes that dropped off in subsequent time frames reflect either completed delivery of prior strategic priorities and projects or a change in focus and potentially frames. Codes that were added on in 2017 - 2018 all related to the evolving experimentation with ecosystems, platforms and new revenue streams, which further

expanded in 2019 - 2020. The significant jump in the number of codes in 2019 - 2020 was partially attributable to the Covid 19 pandemic and associated concern for the wellbeing of staff and clients as well as business continuity and work-from-home matters.

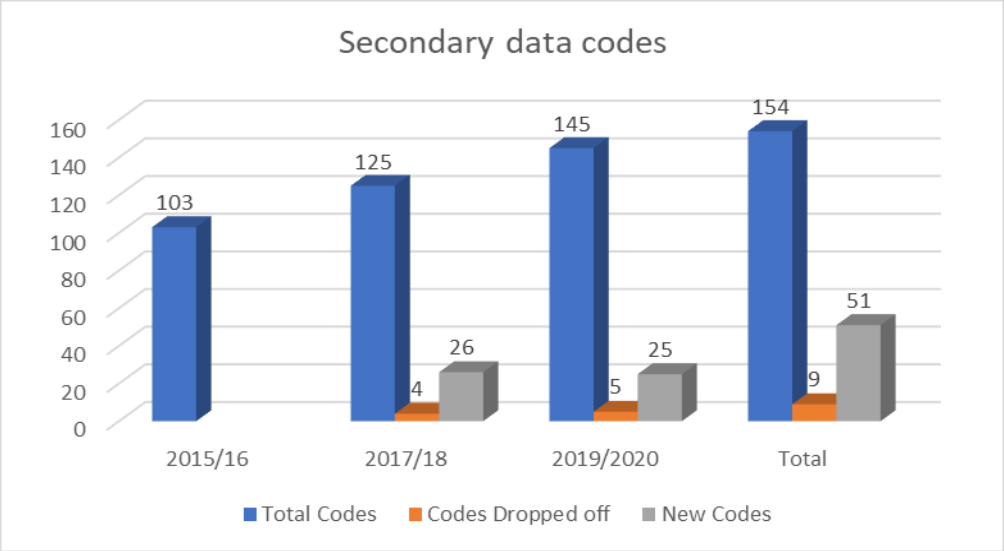

Figure 10: Saturation pattern and new codes from secondary data

Second level inductive analysis of secondary data

Second level analysis involved 2 steps. Starting with the 2015 - 2016 period, codes were categorised into 10 distinct categories. These categories were used as the basis for categorisation of the codes of the subsequent period, given that from 2015 - 2016 to 2017 - 2018, 79% of the empirical codes remained stable and from 2017 - 2018 to 2019 - 2020, 83% of the codes remained stable.

Codes that dropped off from one period to the next were tracked for their meaning as well as their impact on any specific category. New codes were considered for inclusion into existing categories, and some were grouped to form new categories. The tracking of changes in codes and categories across the three periods is summarised in Table 3.

Tracking of codes and categories			
	2015/2016	**2017/2018**	**2019/2020**
Net number of codes	103	125	144
Net number of categories	10	12	13
Codes dopped off		- 4 (from 3 categories)	- 5 (from 4 categories, 1 overlap with 2017/2018)
New codes		26	24
		10 added to 5 different existing categories	8 added to 4 different existing categories
			6 added to categories created in 2017/2018
		16 used to create 2 new categories	8 used to create 1 new category

Table 3: Changes in codes and categories from secondary data

First level deductive analysis of secondary data

Once a complete view of all categories across the 3 periods was finalised, the first puzzle appeared. The 5 theoretical themes were applied deductively on the basis of the definition of the dominant logic of an organisation as found in the literature (Engelmann, et al., 2020; Prahalad, 2004). All themes were present across all three time periods. Three themes were identified to have had a low level of change over the time period and 1 theme demonstrated a medium level of change. The fifth theme was considered to have changed significantly over time as a result of the new categories added linked to that theme. This evolution of categories and themes will be discussed in detail in Chapter 5.

On completion of all 3 levels of analysis of the secondary data, a thick narrative was constructed based on the theoretical themes, across the timeframes included in the sample (Smith, 2014). Comparison across themes and sub-themes from primary data completed findings relevant to research propositions 2a and 2a and research proposition 3.

4.6 Research quality and rigour

The internal dependability of the research was enhanced by using a single interview questionnaire and a single interviewer. All aspects of the research were carried out in good faith. Because of the researcher's knowledge of and affiliation to the banking context, sampling was done to not include any participants known to the researcher. In this way researcher and personal biases were partially managed. (Bell, et al., 2019).

Rigour related to internal credibility of research findings was established by using more than just the interview data. Analysis of documentary evidence provided additional reference points to validate findings through the process of triangulation (Gioia, et al., 2012). The use of documentary data also assisted in managing respondent and retrospective bias and was an unobtrusive source of data (Bell, et al., 2019).

Given that external generalisation is not necessarily the objective of case study work, the focus was on the quality of the theoretical insight in relation to the empirical evidence (Bell, et al., 2019; Yin, 2009). To strengthen this relationship, constructs and techniques were used that corresponded with prior empirical research designs, in the form of semi-structured interviews and purposive sampling. In qualitative research, transferability implies that future research may emulate similar designs. This project was designed to replicate some of the research activities of prior scholars, particularly the use of the thick narrative and timeline, and to further align with future research (Bell, et al., 2019).

4.7 Limitations

The first limitation of this research project is related to the fact that it is a single case study and secondly that was performed in a specific sector only, namely banking. Whilst multiple site case studies have been regarded as having superior utility for theory building, the use of a single case study was both a practical consideration and also suitable in terms of the complexity of the research topic (Eisenhardt & Graebner, 2007; Yin, 2009). Replication of the design across more than one organisation may provide for comparative insights and more consistent theorising. In addition, such insights may be used to understand how the effective or ineffective modification of the dominant logic impact the successful transition to platform business models.

The second limitation relates to the cross-sectional data collection of at least the primary data as part of this research project. Since business model transformation is an ongoing process, adding longitudinal data to such a design would further illuminate the development pathways of the modification of dominant logic (Jay, 2013; Velu & Stiles, 2013).

CHAPTER FIVE: REASEARCH RESULTS AND FINDINGS

This chapter presents the findings in relation to the research propositions from Chapter 3 based on the research design presented in Chapter 4. This chapter starts off with a thick description of the organisational context in which the case study research was conducted. This description includes a broad timeline of events and is derived from secondary data analysis. Thereafter, a brief outline of each of the groups of research participants is provided. Finally, the findings related to each of the research propositions are presented systematically for each group of research participants from which primary data was collected. Findings are compared between groups and triangulated to secondary data in each case.

5.1 The organisational context

The secondary data was organised into three timeframes as a basis for tracking changes in the strategy, business model and operations as well as the organisational value orientation and narrative. Five themes were identified deductively from the secondary data, based on the definition of the dominant logic of an organisation as found in the literature (Engelmann, et al., 2020; Prahalad, 2004).

All 5 themes were present across all three time periods. Three themes were identified to have had a low level of change over the six-year period, namely *who we are* (organisational identity), *what we do* (activities) and *our capabilities* (resources and capabilities). One theme, *our performance* (history of performance), demonstrated a medium level of change. The fifth theme, *how we change*, was considered to have changed materially over time as a result of the new categories added to that theme. Table 4 links the second level empirical categories to the first level theoretical themes, or content aspects of dominant logic, and lays out the thick narrative for each time frame with illustrative quotations from the secondary data.

The theme *who we are* was deductively linked to the empirical categories that related to organisational identity and purpose. This theme remained stable as did the bank's perspective of its role in society, its function and identity. Slight nuances in the regulatory narrative were interpreted to be the result of the successful digitisation of regulatory process requirements that were problematic in 2015 but were no longer manual and cumbersome in 2019 – 2020.

The theme *what we do* was deductively linked to categories that included organisational activities as the means for delivering value. This theme remained stable because the bank continued to regard its value delivery to clients overwhelmingly as traditional banking products and services that ensure financial peace of mind. Changes to how this was achieved were

considered in the context of the capabilities theme and the addition of non-traditional products and services as part of the beyond banking category included in the change theme.

The theme *our capabilities* was deductively linked to the categories that described organisational resources and capabilities. The bank continued to invest in and refine its core banking expertise and specifically its segment related capabilities. The digitisation of the client experience, which was a strategic goal in 2015, matured over time and had become embedded by 2020. Human assets had remained a core capability despite needing less of them and requiring a different skills and capability profile. For these reasons, the capability theme was deemed to have undergone a medium level change over the six-year period.

The theme *our performance* was deductively linked to the categories that had to do with the bank's history of performance and perceived competitor landscape. As with the capabilities theme, the performance theme demonstrated a medium level of change across the six-year period, predominantly in response to changes in the competitor landscape, driven by technological innovation.

The theme *how we change* was created as a separate theme to combine empirical categories across the 6-year period that described the bank's developing history and narrative of change and learning. The dominant logic of an organisation as described in the literature does not clearly make reference to an organisation's history of learning and change included in shared mental models. This theme required additional literature search and mapping that is set out in Chapter 6. The organisational change theme started out with the narrative of *save to fund digitisation* but evolved into at least two phases of operating model adaptations. The platform business model came into being through the launch of several chatbots, robo-advisors, API technology and a number of artificial intelligence (AI) driven engines aimed at personalised sales. These were described as platform plays and resulted in the launch of a multi-sided platform business model. This was done under the auspices of the technology function, parallel to the existing business model, and positioned as a disruptive value proposition alongside other segment-related platform plays.

The organisational context and narrative therefore illuminated at least one slightly unexpected learning in the form of the theme *how we change*. This discovery is integrated into the final, adapted conceptual model at the end of this chapter. The *how we change* theme was carried through to empirical categories that emerged from primary data analysis as well, along with the other 4 themes.

Themes and Categories	**Timeframes of observation of the content of dominant logic**		
	2015 - 2016	***2017 - 2018***	***2019 - 2020***
Theoretical Theme **Who we are** **2nd Level Categories** ***The context of banking*** ***Responsible financial services provider***	The bank saw itself as entrenched in its context and as actively contributing to and shaping the context. It expressed its aspirations for institutional legitimacy in relation to its clients, the environment, regulators, shareholders and society as an economic player. The board and executive leadership focused on maintaining the bank's reputation amid external political, economic and ethical dilemmas. They began to engage government and industry towards the transformation of financial services. During this timeframe the bank differentiated itself based on its commitment to its values, good governance and corporate citizenship. Its identity was firmly rooted in being a responsible provider of banking and financial services, expressing unwavering commitment to regulatory compliance, risk management and over all prudence in doing business.	The bank's perception of its role did not change. If anything, its sense of corporate conscience became more embedded in the context of significant political challenges and failures of state-owned enterprises. This was evident in the way it rearticulated its brand essence as well as the more direct involvement of leadership in macro level investment and leadership initiatives. Its organisational identity continued to be a financial services provider to the African continent. A single empirical code disappeared, implying a reduced focus on regulatory requirements as a driver for business model change. This was interpreted not as a shift away from regulatory compliance but understood to be "done and dusted" as part of the enhanced capabilities of the core banking platform.	The bank's active participation in its context strengthened in the context of the macro level economic, social and health needs emanating from the Covid 19 pandemic. There was a renewed focus on liquidity metrics throughout the worst of the lockdown phases. Because the pandemic constituted an extreme context, all new codes relating to it were grouped into a new category and added to the fifth theme, *how we change*. These codes did not change organisational identity, activities or capabilities in principle. Two changes to this theme are noteworthy. First, all further reference to differentiation on the basis of regulatory compliance were now gone, but more importantly, the bank's statement of vision changed to that of being a provider of *digital* financial services to the African continent.
Quotations from data	*"When a company has a social licence, there will be little conflict between the organisation and stakeholders, because it is seen to be holding social and economic benefits for all, including the broader community." (2015 Annual Report)*		

Themes and Categories	Timeframes of observation of the content of dominant logic		
	2015 - 2016	***2017 - 2018***	***2019 - 2020***
Theoretical Theme **What we do** **2nd Level Categories** ***Value to clients - access*** ***Value to clients – traditional banking***	As a responsible financial services provider, the bank articulated its main activities in terms of its products and services and how clients could access them. Client needs were interpreted through the lens of traditional transactional banking and credit whilst "safeguarding deposits and investments". Value was described as the enablement of wealth creation and economic growth through banking activities. There was an emerging focus on attracting clients via compelling value propositions and on access to banking services and convenience for clients. Whilst it decreased its number of branches in South Africa, the number of ATMs and point-of-sale devices increased markedly. It was during this time that the notion of accelerating digital in a client centred way appeared in the strategic narrative. Although it was not clear how, the bank referred to adapting its business model to client needs and behaviour to enhance client satisfaction.	The bank continued to define its core business activities in terms of meeting client needs through traditional banking and market leading client experiences. The shift in thinking about access to banking was small but meaningful as the bank closed some branches but opened new ones in different locations. More importantly, it started providing in-retailer banking outlets, commenting on its coverage of the banking population to be in excess of 80%. Only one empirical code disappeared from the theme. The way that client value propositions were described changed from being "compelling" to being "disruptive". Considering the overall context, the new code was added to one of the new categories for beyond banking and not in this category to replace the prior code	Although this theme remained mostly stable, the bank no longer claimed market share of primary banked clients as a strength, due to a loss of market share to some of the challenger and digital banks. The more noteworthy change was the addition of access to banking channels for clients via a focused strategy for the informal economy segment. This theme remained stable because the bank continued to regard its value-add to clients overwhelmingly as the traditional banking products and services that ensure peace of mind. Changes to how this was achieved were considered in the context of the capabilities theme and the addition of non-traditional products and services as part of beyond banking activities
Quotations from data	*"We will focus on growing our share of transactional relationships and related deposits across all our businesses, and ensure we deliver market-leading client experiences that will help to attract new clients and a deepened share of wallet among existing clients." (2019 Annual Report)*		

Themes and Categories	**Timeframes of observation of the content of dominant logic**		
	2015 - 2016	***2017 - 2018***	***2019 - 2020***
Theoretical Theme **Our capabilities** **2nd Level Categories** ***Things we own and control*** ***Human assets*** ***Digitise the client experience***	The bank expressed its ownership of physical and manufactured capital in terms of the physical branch footprint, organisational structure, processes and technology as core capabilities. It focussed on capital management and sources of financial capital. Human capital as an asset featured strongly in all timeframes, with the corporate culture and a transformed workforce as unique capabilities. 2016 was the last year in which the bank differentiated itself as a creator of more employment, increasing head count and reporting a below market attrition rate. The workforce was described as commercially focussed, innovative and as instrumental to the client experience. Web and app channels as artefacts and evidence of its capability to digitise the client experience were considered as being at the start of a new journey of digital and technological transformation. This transformation was driven by an expensive regulatory burden, but with a vision of a digitised bank in the future.	The bank continued to see its distribution capabilities, both physical and digital, as wholly owned within the boundaries of its business model. Further changes to the mix of its physical-digital distribution network resulted in reduced branch floor space but increased digital adoption. Reduced call centre volumes were releasing more employee capacity. Digitisation of the client experience became a more embedded capability, evidenced through the addition of 4 new empirical codes related to efficient, digital onboarding processes. Human capital and the unique corporate culture still featured as differentiating capabilities with more focus on leadership development, talent management and digital skills. Headcount reduced and was attributed to natural attrition but signalled a turnaround of the growth trend of the workforce. Employee wellbeing appeared as a strategy to build resilience and manage stress.	The bank accelerated the shift in the mix of physical-digital distribution to become more digital. Whilst all still wholly owned by the bank, it entered into more distribution partnerships and expressed its intent to further expand this approach to distribution. Big data commercialisation appeared for the first time as a capability. Headcount decreased, again attributed to natural attrition. There was also an increased focussed on employee wellbeing. The disruptive impact of Covid 19 was not considered here, but as part of the extreme content category, because it effectively changed the entire human capital resource model of the future. The replacement of the core banking technology scaled from individual to business clients during this time frame and was nearing maturity, not only in South Africa, but also across the continent.
Quotations from data	*"…winners of digitisation and mobile banking will be those that can integrate the new technologies and have the right people with the necessary knowledge and entrepreneurial skills." (2016 Annual Report)*		

Themes and Categories	Timeframes of observation of the content of dominant logic		
	2015 - 2016	***2017 - 2018***	***2019 - 2020***
Theoretical Theme **Our performance** **2nd Level Categories** ***How we compete*** ***Segment based strengths***	A strong and persistent theme across all timeframes, was segment-based performance across retail and commercial banking, but also in asset management and investment banking. In this period the bank differentiated itself based on industry level, segment related metrics and awards received for example for wholesale banking. Performance was defined as market share of assets, deposits and advances as well as value to shareholders in the form of earnings, market leading credit and expense management. The bank noted changes in the financial services industry and anticipated the threat of non-traditional challengers. Market share was further defined in terms of the number of primary banked clients, which had increased during this time. Digital innovation was articulated as an area of competition and an opportunity for growth. Finally, the bank continued expanding its footprint across Africa, whilst recognising both the volatility of the context and the opportunities it offered.	The performance theme presented with a medium level of change in this timeframe. There were no changes as far as segment-based strengths are concerned. Market share continued to be interpreted as before. The first shift that pointed towards a change in the bank's competitive paradigm is the omission of the code related to superior risk management as a competitive advantage. Once again, this was not interpreted as a shift away from regulatory compliance, but as a function of the maturing digitisation of regulatory processes, therefore no longer a point of competition. The bank began to compete on price in certain segments because of new entrants threatening market share. More significantly, "big tech" entered the frame as potential challengers, as did digital banks and the bank expressed intent to compete on the basis of digital innovation.	The bank remained unwavering in its commitment to its segment-based capabilities and identified opportunities for wholesale finance that to emerge along with government initiatives to rebuild the South African economy in the aftermath of Covid 19. For the first time, the bank stated its intent to compete on the basis of disruptive market activities. The new codes raised in relation to this narrative, all related to beyond banking and are considered in the final theme, *how we change*.
Quotations from data	*"As traditional revenue streams come under pressure, banks are increasingly looking for revenue growth opportunities beyond banking or finding value-adding solutions to accompany existing solutions." (2020 Annual Report)*		

Themes and Categories	Timeframes of observation of the content of dominant logic		
	2015 - 2016	***2017 - 2018***	***2019 - 2020***
Theoretical Theme **How we change** **2nd Level Categories** ***Save to fund digitisation*** *New in 2017 – 2018* ***Beyond Banking*** ***Evolve the business model for speed*** *New in 2019 – 2020* ***Extreme context***	Because digital banking would be commoditised, measures were announced for how the bank's digital transformation would be managed and funded. The technology strategy would focus on rationalising existing systems and replacing the core banking platforms to improve productivity, efficiency and position the bank for growth. This programme was set up to be managed and governed separately from the technology unit and not within revenue generating businesses. Based on this programme, an operating model review would extract savings to invest in further digital capabilities. Technology spend was managed and with it the gradual reduction in the number of branches and more importantly, reduction floor space related to the branch network. The bank announced its intention to fund and implement new capabilities to enable rapid technology development from 2017 onwards.	Process automation contributed to workforce reduction and savings. Target operating model changes committed to before were impacting on organisational architecture, driven by the implementation of agile and human centred design practices that resulted in a faster pace of digital innovation. 7 new codes were grouped together to create a new category named *evolve the operating model for speed*. The second and final new category added to this theme in the 2017-2018 timeframe was *beyond banking*. The bank started using the term incumbent bank, naming incumbent benefits as scale, trust and annuity income as a source of funding. Disruptive CVPs in the form of platform and ecosystem experiments appeared and the first platform technologies were released.	Rapid innovation practices expanded across the operating model. A new code related to distributed decision making was added to the category *evolve the operating model for speed*. Several new codes were added to the category *beyond banking*. The bank began to consider open banking and finance and launched a multi-sided platform. Its descriptions of itself as an incumbent further expanded to include data capabilities and brand distinctiveness. Covid 19 was treated as a distinct category that accelerated change, incorporating 8 new codes. The codes related to new-found agility in decision making and meeting clients' needs during the pandemic, in pivoting strategy, operations, platform capabilities, working practices, optimisation of real estate and an intense focus on employee and client safety.
Quotations from data	*"Our first exploration into platforms, aimed at growing our youth market share, changing the perception about [the bank] and creating new revenue streams with beyond-banking offerings." (2018 Annual Report)* *"We are bankers, and our role in society is to manage risk, savings and protect the financial ecosystem of the country. (2017 Annual Report)* *…throughout the Covid-19 pandemic… and pivoted our strategic focus, business operations and risk strategy successfully, considering the significant risks to primarily focus on the health and safety of our employees and the support and service of clients." (2020 Annual Report)*		

Table 4: Thick narrative of the organisational context per theme across timeframes

5.2 The research participants

The following characteristics of each group of research participants are necessary to present as a basis for understanding the perspectives that led to similarities and differences in the findings. As indicated before, all 18 participants worked at the level of divisional senior manager, 9 each in the existing pipeline business model and emerging platform business model area. Pipeline research participants were labelled as *PiPar_1*, etc. and platform research participants as *PlaPar_1*, etc. Platform respondents all worked in a single location in the structure of the platform business model area. Four platform participants worked in roles responsible for execution of digital capabilities and commercialisation whilst 3 had technology and data specific roles. Two platform participants were responsible for strategic and operating model matters. This information is organised in Table 5. Platform participants 4 and 9 were identified as founding members of the platform business model.

Research Participant Groups				
Pipeline business model group			**Platform business model group**	
Code	Location in business	Types of roles	Code	Types of roles
PiPar_1 PiPar_5 PiPar_6 PiPar_8	Segment	Strategy; Client engagement management; Segment integration	PlaPar_1 PlaPar_3 PlaPar_8 PlaPar_9	Execution and commercialisation (PlaPar_3 with segment focus)
PiPar_2 PiPar_3 PiPar_4 PiPar_9	Functional across	Strategy; Distribution; Risk, Human Resources; Client Experience	PlaPar_2 PlaPar_6 PlaPar_7	Technology and data
			Pla_Par4 Pla_Par5	Strategy and operating model

Table 5: The research participants

Pipeline participants were grouped into 2 broad functional locations in the business model. Those in the segment location fulfilled roles that stretched across segment strategy, client engagement and value chain integration functions. The remainder of the participants held functional roles across all segments and operations as indicated in Table 5.

5.3 A framework for all primary data analysed

The framework in Figure 11 visually demonstrates how second level empirical categories from both groups, were deductively organised to align to the first level theoretical constructs or dominant logic themes. The themes also correspond with the themes from secondary data. The sub-themes in the form of cognitive frames are indicated and discussed in section 5.5.

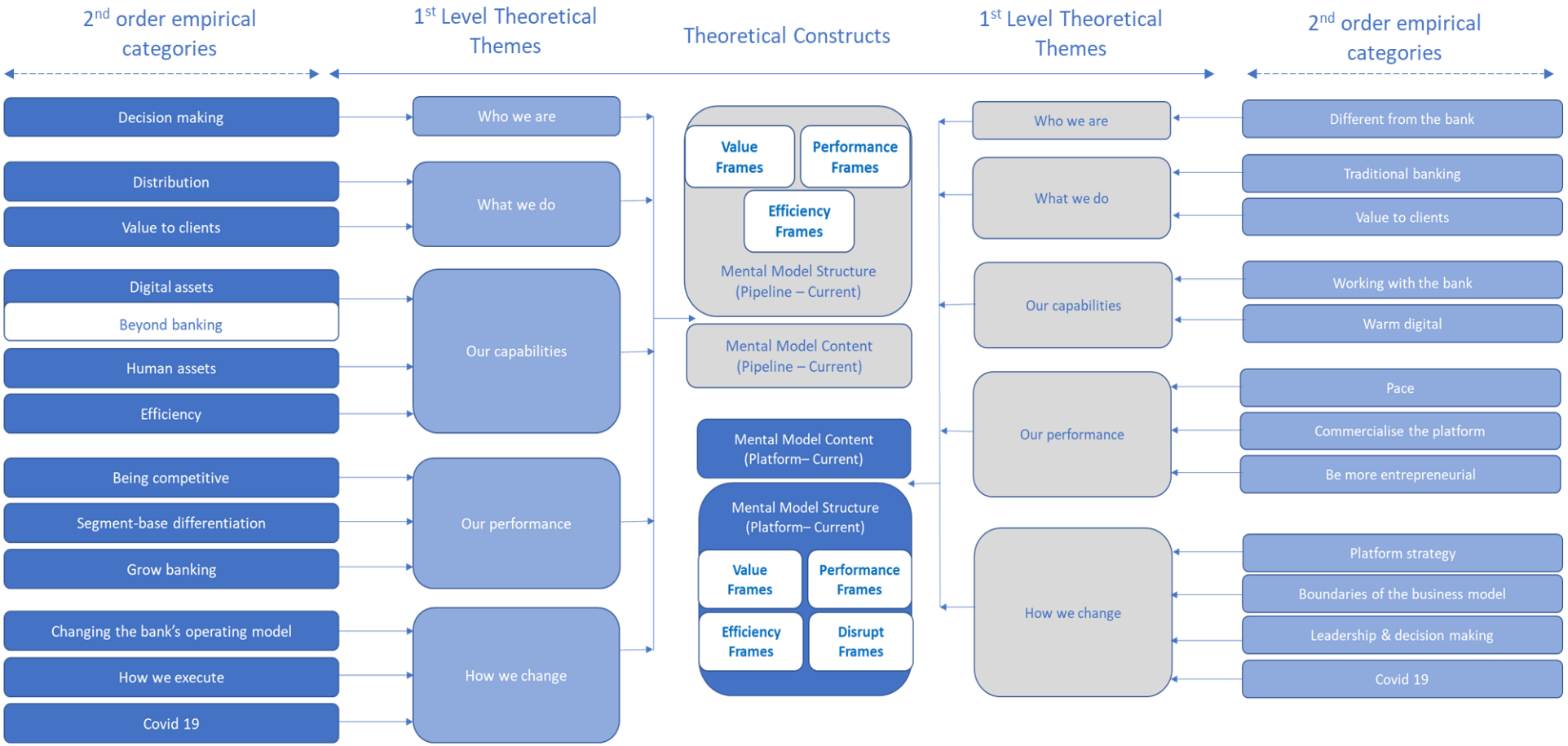

Figure 11: Consolidated categories, themes and sub-themes from primary data

5.4 Research propositions 1a and 1b

Proposition 1a: Managers from the pipeline business model perceive tensions relating to internal operational efficiencies, technological integration, products and value propositions, sales and distribution as well as skills.

Proposition 1b: Managers in the platform business model perceive tensions relating to the scaling and performance of the platform.

This set of propositions sought to understand firstly, what information was being noticed or attended to and what latent tensions were emerging in response to the introduction of a parallel, platform-based business model. The findings are presented per theme, where they emerged. Overall, pariticpants from the pipeline group perceived 6 tensions across 4 of the 5 themes whilst the platform group of participants perceived 6 tensions across all 5 themes.

5.4.1 Proposition 1a: in-case analysis for the pipeline business model group

Seven tensions emerged from the group of pipeline business model participants across 4 of the 5 themes identified during data analysis. No actual tension was identified for the theme *who we are.* Each tension is discussed separately but are all interrelated in the context.

<u>What we do</u>

Tension 1: Value added to clients through distribution

This tension had 3 perspectives. The first was about giving clients access to banking services in a way that works for them, meaning that digital channels for onboarding, servicing and cross selling were described as the ideal future way to deliver banking. Access to banking through digital channels was regarded as providing clients with convenience and control to choose how and when they want to do their banking.

> *And so they want 24/7 instantly to be able to bank anywhere, anytime, could be in the world, not only in South Africa, and to respond to that you will have to say well what is your market asking, you're listening to your customer. (PiPar_4)*

This perspective was further justified based on the lowered cost to serve associated with digital transactions and the fact that clients were increasingly adopting digital channels to do banking. The view was mostly supported by participants in broad functional roles.

> *… used to cost 100 bucks to on boarding new client, I think it costs something like 20 cents now (PiPar_7).*

The second and opposing view predominantly came from the participants in segment type roles who believed that their clients still need and want to be able to access a branch under

certain circumstances. This was argued based on research quoted by one of the participants working in a segment type role.

> *And when we look at research when people say what's important for them to choose a bank, location of branches and ATMs comes up often as one of the top three reasons. (PiPar_5)*

In addition, participants in segment type roles supported changes made to the format and locations of branches to be situated within communities and closer to where specifically the consumer market lives and works. These managers demonstrated deep empathy for these clients.

> *…maybe it's a spaza or established store, but you put this one square meter branch and so this client doesn't have to now take a taxi to the nearest mall. They literally walk across the road and can transact (PiPar_2).*

Thirdly, all participants supported further digitisation of banking. The pace of digitisation versus clients' needs and expectations seemed to be a source of tension. The view shared amongst participants in segment functions is well articulated below.

> *… it obviously depends on the segment that you that you're targeting, but. I don't know if in South Africa within the next, let's say five years that your acquisition channel would primarily be digital. I think your cross-sell channel is going to shift a lot to digital, but I think you're going to struggle to acquire new clients given our economy and how it operates and if you think about that, that's why we see the big players still opening physical footprint (PiPar_5).*

A specific heuristic emerged predominantly from the participants in broad functional roles. They spoke almost identically about client journeys facilitated by the multi-sided platform where financial products would become embedded in these journeys.

> *… I can see a fridge and then automatically like in just a click and say I want to finance that fridge through a personal loan. 30 seconds later it's done. So we are fully integrated into some of these partners through the APIs. (PiPar_7)*

Clearly the thinking about how financial services could be consumed by clients was shifting for some of the participants. Interestingly, some of the platform capabilities, including the API technology and the multi-sided platform were categorised together with other general technologies and, although considered useful, described as an additional distribution channel for banking products.

> *Its basically a digital distribution platform. You've got to be a participant on the platform to share in that distribution, and therefore it's become quite a quite a cool reciprocal type thing where we want your* banking… (PiPar_6)

One participant strongly questioned how the platform technology as a distribution channel would ever increase the number of primary banked clients for the bank, whilst another argued that it would take time for it to mature.

In conclusion then, whilst the bank expanded digital distribution, including the multi-sided platform, participants in the pipeline business model were trying to make sense of the value add of physical and digital distribution channels from a client perspective. Platform capabilities were mainly regarded as additional technology that enable distribution of banking products through an additional channel. The emerging heuristics about client journeys that facilitate embedded finance does indicate an extension of the bank's business activities, stretching beyond what the bank controls.

Tension 2: Value propositions to clients

This tension was about meeting the needs of clients through value propositions, products and the brand. Firstly, the focus in this area of the business model was on traditional banking products: cards, loans or credit, transactional accounts and rewards programmes. Concerns were raised about having too many products and the effect of product complexity on digitisation. Concerns were also raised about driving sales of transactional bank accounts when clients in fact needed and were more easily attracted by credit cards and loans. Several participants, mostly in segment roles, commented on their perceived lack of clarity on what client centricity actually meant.

> *A client isn't one product. A client is a bunch of needs and we keep on looking at it from the transactional account direction (PiPar_5)*

> *… you unlikely to in the commercial space ever win a client because of product, because of electronic banking or whatever but in the retail side you could (PiPar_6)*

There was overall recognition for the improvements in some of the product continuums and the development of more integrated value propositions. This was explained as the result of more human centred design practices and consideration for desirability as a product design principle.

> *And we invited them to participate in a was about a day full day workshop. And the whole idea was to actually determine what they see in us providing value. Most of that value came out in terms of how we could support our clients to unlock growth and to*

support them with the decided growth pathways that they've selected. That was an eye opener for me because it challenged us (PiPar_1)

The tension around value propositions also included branding and marketing. Although participants expressed appreciation for the brand and brand essence, they raised concerns about the relatability of the brand in the market. They believed that the brand played a key role in expressing how the bank meets clients' needs, and that more clarity was required.

..when you just sit on a billboard, it's like what are... what does that even mean? We got to simplify and be more relatable to, you know, the person on the street rather than. what the boardroom thinks is a good idea (PiPar_3)

Although more subtle, a narrative around ecosystem plays as value propositions emerged from 3 of the participants. They referred to ecosystems as community and industry-based solutions and not a fully integrated platform-based ecosystem though.

I think in the way that we are looking at things like partnerships and ecosystem plays. So unpacking what in the day to day life happens in a clients life. And where are these touch points and how do we integrate ourselves into that space versus, asking them or traditionally holding onto the old spaces. (PiPar_2)

This demonstrates the shifting thinking about value added through business activities from being linear and product focussed to a more contextual understanding.

In conclusion, managers in the pipeline business model perceived tensions that relate to what value propositions to clients should be. They were trying to shift from a product to more of a solution focus and trying to better understand client needs. One of the ways in which their perceptions of value is shifting is related to contextual ecosystems. By implication, they are exploring additional ways of defining the value of financial and banking products and solutions.

Our capabilities

Tension 3: The integration and maturity of digital assets and operational efficiency.

The participants provided several examples of new and innovative digital and data capabilities. Some capabilities were general in the form of the core banking platform and the banking app. Other examples of enhanced digital capabilities were more specific to segments. One such example involved an artificial intelligence tool that projects a next-best sale to an employee in a branch, when engaging with a client. The tool had just been launched and was showing a small but promising improvement in cross sell. Another example involved an external platform that facilitates credible transactions for commercial clients, also in its initial phases of

implementation. Whilst this initiative was gaining in client support, its main function was to facilitate increased trade for clients. The revenue model was yet to be determined.

> *It's a digital network platform that allows our clients to position or post the industry backgrounds, their business that they're in. And if they looking to promote a product or service, they can do so on the sites in the site, then connects them to potential opportunities in countries that they would be interested in investing in. (PiPar_1)*

A number of separate digital initiatives were in play, intended to satisfy internal efficiencies and client needs, with expectations of good performance outcomes. However, the tension that was demonstrated, mostly from the perspective of the participants in segments roles, was that of a proliferation of digital tools that seemed unintegrated. Several comments were made about the cost of the digital assets and the extent to which they had not resulted in growth in market share. Whilst some platform technologies were regarded as useful, others were questioned for duplications and integration with legacy systems.

> *we deployed all this cost into developing digital. But if it's not having a profound impact on the client at the end of the day, then what is wrong? (PiPar_1)*

> *Why you are building standalone apps on the side. Everyone running on its own, running his own little empire (PiPar_5)*

> *… we've got an app for [this] and an app for what's his name, and therefore sometimes when you do something on the one app and something on [other} app and they don't talk to each other (PiPar_9)*

The tension further related to digital tools that were not always functional and not entirely matured. These views of the participants were made in relation to the client experience with digital banking as well as the negative impact on internal efficiency.

> *… we talk about digital capabilities that work so we there's a whole lot of functionality that is landed, but yet we get complaints and customer feedback and all sorts of issues, because clients either are disconnecting with the functionality, don't know how to use the functionality so it doesn't quite work the way that we think it should work (PiPar_8)*

> *I think digital is definitely on the right trajectory. But you can't open a credit card on the app. You can't open an investment if you're a non [bank] client on the app (PiPar_5)*

In conclusion then, the bank had significantly expanded its digital capabilities. There were several digital tools available that were perceived as duplications and questioned for their cost, without leading to actual market growth and efficiencies.

Tension 4: The need for human skills and expertise.

All participants agreed that no bank could only be a digital bank. There was a much stronger view from the segment areas that relationships would continue to be at the core of their business. They saw human relationships, skill, expertise and shared intellectual property as their main assets to attract and retain clients.

> *Clients start off in Joburg and then relocate your Plett and they want to maintain their banker because their relationship is stronger than anything else (PiPar_8)*
>
> *Mass customization is, well, my brilliance in market is premised on how well I can cater to the needs of each and every single client differently (PiPar_6)*
>
> *…we are a relationship backed relationship business model and that is delivered through a human touch that human touch has to reside on the quality of our people as well, so it can't be all digital and not people 'cause it'll just fall through the cracks and it can't be all people and not digital. So it's a very delicate balance that needs to be provided. (PiPar_1_*

Whilst balanced views were offered, there are clear tensions about the loss of intellectual property and skills in the face of digital transformation. The perception is that digitisation serves mostly the needs of a more homogenous consumer market. This was juxtaposed with the more complex needs of affluent and commercial clients where clients would still require the financial expertise of segment and industry specialists.

Our performance

Tension 5: The sources of competitive advantage and performance.

All participants identified a similar set of competitors, including other banks, digital banks, telecommunications companies and Fintechs. The tension arose from the fact that there wasn't' a clear view of the basis for being competitive. Most participants agreed that the bank was on equal foot with its competitors as far as digital capabilities and traditional banking products were concerned. They were, however, debating the actual meaning of market share as well as the role of innovation in having competitive advantage.

The working definition of market share in the group was the number of primary banked individual and commercial clients. Several participants pointed out that this principle was flawed because many accounts were dormant or unprofitable. The actual and potential value to be extracted from a client through credit, investments and traffic through accounts were named as actual indicators of market share, over volume of accounts.

What's market share is how much money goes into your account every month. So if you could be main banked with five grand into your account, then that's fine. But you know we never gonna make money out of you and transactional balance sheet. Actual market share is determined by rands and cents, not by widgets. (PiPar_5)

Participants agreed that there were only two ways to grow the bank: through savings and efficiencies and/or through increased revenues from gaining more clients. How to gain more clients was a point of debate. Would it be the brand, price, or innovation? The platform strategy was not a clear differentiator from this perspective. At the core of this tension was whether the bank should package and price its existing solutions differently to attract clients, or truly innovate in digital. Innovation was deemed by some participants as the key to performance.

There are two ways to differentiate, you do exactly what your competitors do but the way you package and the way that you put the product and service together is so unique that that creates differentiation. Or you really innovating, you really turn the model on its head 'cause it's pretty different so. (PiPar_9)

In conclusion then, the perceived arena of competitors for the pipeline group of participants included traditional banks and non-traditional competitors offering financial services. The tension that had become salient was whether the bank should compete based on digital capabilities, the number of primary banked clients, efficiency or out-innovation.

How we change

Tension 6: Segment-based differentiation.

In pipeline business model group, the recent initiation operating model changes was the most consistently raised topic. The operating model change had 3 main objectives: cost savings, client at the centre, and segment-based client value chain management. All of the participants were at least conceptually aligned to these objectives.

…and it's changed in the right way. I believe on two key fronts, one being client centricity has trumped product line thinking in the main, there's still work to be done. (PiPar_3)

We moving from what we call a product centric business model to a client centric business model (PiPar_7)

The tension arose from the segment areas where participants were uncertain about these changes to the operating model and the extent to which they would support growth in the specialised segments. Concerns were expressed about the future of these segments that were historically driving actual financial growth for the bank.

We want the model to work for us, and because it's such a fundamental departure from what was, and because typically you know, you found the centre of gravity to be to move more towards consumer. There's a lot of change that you need to go through to get that working so as a result we deal, you know there's a lot of friction we need to just overcome. (PiPar_6)

I think whether that's gonna fit all the segments needed the end of the day, you know, only time will tell. I think it's, part of it was right and had the best intentions. (PiPar_1)

I think I genuinely think it's going to come down to the decisions made now. I personally believe, I think it still is biggest revenue pull for the bank, not just what we have, in terms of potential. (PiPar_6).

In conclusion, whilst managers clearly understood and supported the reorganisation to better meet client needs, their perception was that the changes were driven by a consumer mindset as opposed to a commercial banking or wholesale mindset. The mindset mostly revolved around consumer or retail type journeys. The tensions perceived by segment participants were related to how the new operating model might negatively impact their competitive advantage in niche segments.

Tension 7: Leadership and decision making.

Seven of the 9 participants had perspectives on the role of leadership in general but specific to how the bank was changing. Whilst many mentioned the improved accessibility of leaders during the work-from-home phases of the lockdowns, tensions were raised about the way in which leaders facilitated decision-making and change. The perspectives revolved around two areas. First, the practice of decision-making through meetings was described as counterproductive and inhibiting the pace of change.

… we've got this habit in this culture in this business or especially, that for everything we do we seem to want to have a meeting (PiPar_1)

The second perspective was about the ability to guide but allow people and teams to get on with the work of change. Examples were provided of effective and ineffective leadership decision making and behaviour and the extent to which each achieved results, or not.

… not a political animal. He/she is actually just about doing the right thing, doing it fast and doing it quality and then doing the next things and then doing the next thing (PiPar_8)

… once you've made it clear on direction, once you have set the guard rails, and the design principles, unleash the people to go and figure it out. Then allow them the space to come back, with evidence and data… (PiPar_9)

In conclusion, the tensions managers perceived because of leadership behaviour and decision-making concerned them because of the volume, complexity and pace of change they experience. Their perspective is that changes in leadership and management mindsets, behaviours and practices were necessary to change more effectively.

5.4.2 Proposition 1b: in-case analysis for the platform business model group

Six tensions emerged from the group of platform business model participants across all 5 themes. As before, each tension is discussed separately on the premise that they are all interrelated within the context.

Who we are

Tension 1: The regulatory fit within the bank.

The first perspective on this tension was that the platform business model existed because of the bank and in dependency with it, not only as far as start-up funding was concerned, but also as a foundation for growth. At a purpose level, the platform group of participants recognised and accepted that they were expected to contribute to growing the banking franchise. Another perspective was that the risk paradigm that banks need to subscribe to, created complexities for any platform connected to it in close proximity.

How do we protect our banking license? That's our bread and butter, right? And I think, although we've made a lot of strides… you can't apply the same risk and compliance optics, as you do to a bank to a beyond banking proposition. You'll just suffocate it. And although there's been some fundamental moves, I do believe that there's still a long way to go (PlaPar_9)

The third perspective on this tension was that "good risk management is good management", i.e., whatever risk management flexibility in the platform was seeking, would have to be done in partnership with the banking and other regulators. There seemed to have been engagement and progress made with regulators on the requirements for alignment.

You know who deals with the fiscal year, Reserve Bank. Because there's quite a lot of work we're doing at the moment from a regulatory point of view to enable that (PlaPar_6)

The final perspective that contributed to this tension was expressed predominantly by the participants in technology and data type roles. Whilst they understood the need for the integration of regulatory requirements in core banking processes and systems, they were concerned about the fact that open ecommerce on the platform, was being significantly slowed down and more complicated because of its integration with core banking systems.

> *…we've built a system with certain intentions, but we're too connected to the bank and we never managed to untangle ourselves from the bank. And therefore if the bank goes down, we go down, which shouldn't be the case. (PlaPar_7)*

In conclusion, the platform business model group perceived their connectedness to the bank both as a benefit but also as an inhibitor to the velocity of commercialisation required in a platform environment. The ways in which they are engaging to mediate this tension becomes clear under tension 3 below.

What we do

Tension 2: Real value to clients beyond banking.

This tension existed because the platform business model facilitated traditional banking transactions and products such as personal loans as embedded products, whilst also offering non-traditional, non-banking products and experiences simultaneously. For this group, banking products were a means to an end. Their primary focus was to meet clients' buying needs from every possible angle. There was consensus that no bank could continue to compete on the basis of transactional products, its number of ATMs or branches. Yet, the fact that the platform capability was being used as a channel for distributing existing banking products was in some ways deemed problematic.

> *So that's what I mean. We continuously take products that don't work and repackage them and relaunch them (PlaPar_3)*

> *It's the 20 000 savings card transactional check account products that our poor sales staff have to try and sell and that just confuses the hell out of a customer (PlaPar_6)*

From their perspective real value to clients meant facilitating their basic life needs, as and when these needs arise, making the financial aspect invisible. To them, digital channels had become the standard distribution channel for banking products and services, not an add on.

> *…at the moment, we obsess about a home loan at a bank for example. But what is the core consumer journey behind that? It's actually the process of buying a house. So we anticipate that the financial services component, the home loan, will be embedded into*

the larger overall journey of buying a house and be fully digitized into that journey (PlaPar_5)

We're trying to be that one stop shop in the moment of our customers need, that's what we're trying to be. But maybe the service we offer is a bit denser than the bank (PlaPar_7)

And now I count digital as traditional distribution. Because it's like if you don't have a digital touchpoint as a bank, you probably shouldn't be a bank anymore (PlaPar_6)

Real value to clients was further articulated as the provision of non-traditional services. Those included utility and retail purchases at great discounts and ancillary products such as warranties or insurance on appliances. The narrative in the platform group was that this shift in primary focus would be the key to attracting new clients.

… because it's really taken the mindset of us being a bank to us being a lifestyle type organization… has been a really fundamental change. And I think if we look at the bank in that light, going forward is how do we provide lifestyle? (PlaPar_2)

The notion of financial advice as a value-added service to clients was suggested by several participants, but one outlier argued for this as the most important client need. The outlier view supported a greater focus on financial advice and the trust relationship with a bank as opposed to lifestyle journeys. The outlier believed that financial advice was more needed in the local and global context, described as volatile, uncertain, complex and ambiguous.

I'm divided because if I look at the context in which we're going into and the uncertainty politically and every other - do I want a bank to become more of a bank or less of a bank? My bet would be I want someone to show up as more of a bank in more authentic ways with more support than trying to sell me something yet again which may dilute their trust relationship when at a time when it's most needed (PlaPar_8)

In conclusion, being a platform originating from within an incumbent bank had benefits but also raised tensions for those charged with defining disruptive value propositions. This was further complicated by the platform business needing to prove itself as a viable business venture by generating revenue for the bank. To grow fast it had to diversify significantly to create value that would disrupt the market.

Our capabilities

Tension 3: Working with and leading digital into the bank

The way in which the participants in the platform business model group viewed themselves in relation to the bank was rather interesting and can be described as ‘a part of the bank’, yet ‘apart from the bank’. One perspective shared in the group was that the bank’s client base, segments and the general incumbent benefits had to be leveraged to grow the platform business. Another perspective recognised the difficulties in doing this through collaboration and influence only. Despite existing executive support for the expansion of platform activities, collaboration and influence at the level of execution was far more challenging.

> *But then when you need to execute, it's not like the resources in the organization don't have day jobs. So I can't come and suddenly knock on someone’s door and expect that, well, they have capacity idling to apply capacity to execute. And that that is not because of a lack of willingness or a poor appetite. It's just there is an order book of stuff that's being done. And now here comes a priority that's cutting across the order book (PlaPar_4)*

Participants in the platform business model group saw themselves as ‘leading digital’ into and across the bank. From their perspective, digital was and is the bank and there should be no more digitisation of the bank from an outside perspective.

> *It's a platform that allows us to expose services across the entire group… so that there's quality across and collaboration, then we all aligned on what the strategy is… How do we lead without controlling all the parts of the value chain? How do we take personal accountability for or the successes and the failures of what we put into market? (PlaPar_6)*

In conclusion, the platform business model group saw working with and leading across the bank as a key capability and activity. Whilst they were establishing ways to collaborate at a strategic level, operational challenges existed and needed to be worked on.

Our performance

Tension 4: The pace and entrepreneurial orientation of the platform business

Firstly, whilst the traditional banks were mentioned as competitors, it was obvious to this group that other banks were also launching platform plays. Digital banks, retailers and telecommunications companies offering financial services were identified as competitors, but this group mainly wanted to compete with larger multi-sided platforms in different industries.

This perspective was significant because it meant that the platform value propositions needed to be inherently disruptive compared to banking, to be able to compete.

> *So the nature of what we're doing is fundamentally disruptive. (PlaPar_4)*

> *'cause in order for you to compete, you need to be fast, you need to have the slickest product in market (PlaPar_3)*

Secondly, the tension of being a start-up inside an incumbent organisation emerged as a problem of variation in pace. Where the traditional bank was seen as cautious and slow, the platform business needed to be fast and decisive.

> *How do you get that organization to essentially increase its clock speed or increase its metabolism to be able to start operating at the speed of a digital world (PlaPar_1)*

Thirdly, the ability to compete, at pace with other multi-sided platforms required a start-up mindset and execution through small, self-managed and empowered teams. Various references were made to execution through fail-fast and learn-fast practices. Two main perspectives related to being a start-up environment in an incumbent organisation existed. The platform business model group consistently referred to the fact that they wanted to be first and fastest to succeed as a multi-sided platform. In addition, their ways of working and executing were and needed to be inherently entrepreneurial.

> *… in a digitally native business that concept or principle of your build, you run it, you own it, which means that I take it from cradle to grave, I'm the one who suffers by the numbers that it doesn't deliver or does. I'm the one that suffers by the customer experience that you create, whether it's good or bad, and I'm the one that has to justify for like future funding to evolve this product. (PlaPar_6)*

In conclusion, pace and an entrepreneurial way of thinking and working were non-negotiables for competing with non-traditional competitors. The way in which this was achieved within an incumbent bank was an evolving tension that required active management.

Tension 5: Scaling and commercialisation of the platform business

Closely linked to the notion of being a start-up culture was the focus on “time to scale”, or, commercialisation of the platform, both from a client take-on perspective as well as a supplier or merchant perspective. The platform technologies and capabilities were typically described as world class and gold standard and the technology stack as evolving. An interesting point raised was the possibility of scale convergence between the multi-sided platform and some of the other digital assets in the bank. Whilst these decisions were being contemplated, the participants in this group remained focussed on achieving platform profitability through scale.

> *… platforms are only effective insofar as they win and gain scale. So, you know you're not a platform if you've got 100,000 users in the South African market you're a platform in the South African market when you have 5 million users (PlaPar_5)*

In conclusion, their focus could not only be on cross-selling financial products to existing bank clients. To achieve significant network effects, they were also obsessing about differentiated client experiences and commercial interventions that would supercharge commercialisation.

How we change

Tension 6: The future platform strategy

Participants from this group agreed that the platform business was the most important way for the bank to differentiate itself and to grow. Although the executive had embraced this venture and were continuously recalibrating their thinking, the future format of the bank's platform play had not yet been clarified.

> *The key consideration is what business model we want to pursue. Do we want to be an API aggregator, do we want to be an API distributor? Do we want to be platform player, what are the implications? And then how does that play out, ultimately into the bank's business model. (PlaPar_5)*

For the platform group, the plan in motion would eventually lead to scaling the platform across more verticals in the bank. To this extent, ownership of existing capabilities and products would become irrelevant and the boundaries of the business model permeable. Given that the global and local regulators had progressed in terms of industry standards for open banking and finance, these future scenarios were becoming more and more real to the participants.

> *If we knew all the answers, either as a group, or as a collective of leadership, or as a team within the group - in terms of what we're trying to do, then it's not disruptive enough (PlaPar_4)*

This final tension resided in the fact that the door to disruptive market activities had been opened and the potential of it had begun to realise. The key to winning was not only commercialisation, but also a clearer, and perhaps bolder future platform strategy.

5.4.3 Cross-case analysis and triangulation to secondary data

A comparative summary of all tensions perceived by participants from each group is set out in Table 6 below. Tensions per theme are compared next and concurrently triangulated with the themes described for secondary data in section 5.1 before.

Tensions identified per Theme		Themes
Platform Business Model	Pipeline Business Model	
Tension 1: Regulatory fit within the bank		Who we are
Tension 2: Real value to clients, beyond banking	*Tension 1: Value added to clients through distribution* *Tension 2: Value propositions to clients*	What we do
Tension 3: Working with and leading digital into the bank	*Tension 3: The integration and maturity of digital assets and operational efficiency.* *Tension 4: The need for human skills and expertise.*	Our capabilities
Tension 4: The pace and entrepreneurial orientation of the platform business *Tension 5: Scaling and commercialisation of the platform business*	*Tension 5: The sources of competitive advantage and performance.*	Our performance
Tension 6: The future platform strategy	*Tension 6: Segment-based differentiation.* *Tension 7: Leadership and decision making.*	How we change

Table 6: Overview of salient tensions identified per group and per theme

Who we are

The tenets of this theme from the secondary data are:

- We are a responsible financial services provider
- We are becoming digital
- We serve the African continent
- We are embedded in and lead in our context
- We maintain regulatory and societal legitimacy with our stakeholders

No tensions related to organisational identity were observed in the pipeline group. They were grounded in their identity as a bank improving its client experience through digital distribution channels. They also did not perceive institutional or contextual tensions in this regard.

In comparison, the platform group of participants also perceived themselves as part of the bank, but with the purpose to disrupt the bank for growth. In this way, their perspectives also aligned with the strategic assertions by the bank found in 2019 - 2020 reports. They were experiencing contradictory priorities between being part of the bank and working within the requirements of banking regulations. Their existence challenged the risk paradigm in the bank which in turn was perceived to threaten the agility and profitability of the platform business. This tension was related to the regulatory institutions embedded in the bank's logic.

What we do

The tenets of this theme from the secondary data are:

- We provide clients access to banking
- We provide the banking products, services and advice that clients need
- We create piece of mind, wealth and facilitate economic growth
- We accelerate digital banking in a client centred manner

Both groups of participants perceived tensions related to the value added to clients through business activities. For the pipeline group of participants, the rate of digitisation – which included the scaling of platform technologies – was the trigger for tensions surrounding digital and physical channels for access to banking. Whilst the changes in the mix of physical and digital channels was a distinct strategy, the pipeline participants were trying to navigate the transition and balance on a day-to-day basis. The pipeline group of participants were also observing a continued product push approach and could not yet envision how digitisation would further improve holistic value to clients. Although everyone believed that client trumps product, the experience of the pipeline group of participants was that performance metrics were perhaps not entirely aligned. The tension related to brand relevance did not appear to be directly linked to the digital agenda but seemed to have existed before. It is likely that it resurfaced because of changes to the operating model within the pipeline business model. Comparing the views of the pipeline participants to the secondary data, revealed that they expected the brand to support them practically to attract and retain clients.

Although this tension was present in both groups, the platform group felt much stronger about traditional banking products and services becoming a means to an end. Their focus was not only on the integration of banking products into client buying journeys. It went further to primarily identifying client buying journeys and needs and figuring out new ways of facilitating the financial aspects. In this sense, a client may not even need a loan for example, but alternative ways to fund their needs or transact.

> *Why do we feel like we have to try and sell you an overdraft or a personal loan? Why would we not say to you - if you have your salary with us then you can access your salary two days early or three days early at a nominal fee of maybe one rand or two rand (PlaPar_1)*

> *… maybe I don't need a personal loan product at all. What I need is API's that fit into other people's services and that allow somebody to take out a loan, but I don't actually sell loans anymore… I'm going to get rid of our personal loan product as a sort of standalone thing, and I'm going to see for example that when someone needs to make a payment out of their account, I'm going to just build a little click on their account that says: 'Do you want to split this payment over a few months'." and somebody can click yes and then it can happen (PlaPar_5)*

This fundamental difference was explained by platform participants as not trying to just digitise existing products and processes but being digital in principle. Conversely, in the pipeline group, the shift was happening to a more client centric view of the consumption of existing financial products, but financial products, nonetheless.

Our capabilities

The tenets of this theme from the secondary data are:

- We own our physical and digital capabilities and assets
- We have human assets, intellectual property and expertise in banking
- We now have the capabilities to digitise the client experience

The pipeline group of participants was grappling with the fact that there were too many digital assets that were not yet fully integrated or matured. Humans were still needed to fill the gaps where technology fell short. There was also a segment specific view that individual and business clients with more complex needs would never only consume banking through digital capabilities, and moreover, that the human expertise and intellectual property in these segments were differentiating capabilities. On the other hand, platform participants saw their most important capability as being able to work with the bank and help the bank change to become in principle, digital. They were grappling with the ways in which they could collaborate and influence the rest of the bank to increase speed and shift mindsets.

Our performance

The tenets of this theme from the secondary data are:

- We compete with other incumbent banks, challenger banks, non-traditional providers of financial services and large technology companies
- We compete for our share of primary banked clients in various segments
- We compete for a share of assets, advances and deposits
- We compete in Africa
- We compete in digital innovation
- Our performance driven by our segment-based capabilities

The performance related tensions reported by the pipeline business model group were notably internally focussed. They were rethinking their understanding of market share and were divided about what actually helped them compete: efficiency, great digital properties or innovation. They were also in the midst of an internal reorganisation for client centricity as a means to enhance performance and gain market share.

> *There's a constant sense of needing to test. What does that mean for us, right? In terms of optimally running a business and creating value for clients? So when you put that together with project [operating model]… I think it culminates in a hell of a lot of internal focus. (PiPar_6)*

Platform participants were hoping that the pipeline reorganisation would result in benefits for them, but they were focussed on innovation and expanding digital capabilities. They were motivated to scale the platform to become profitable as fast as possible from a consumer perspective, a merchant perspective but also to scale across the verticals of the bank. In these ways, they were notably externally focussed.

How we change

The tenets of this theme from the secondary data are:

- We save to invest in large business change initiatives
- We change through digitisation of the bank
- We change through our rapid innovation practices
- We are changing and adapting our banking operating model
- We change through disruptive market plays beyond banking
- We change in response to the extreme context

From the perspective of the pipeline group of participants, the operating model changes were being driven by digitisation and for enhanced client centricity. Tension for participants working in the segment specific areas emanated from the fact that they could not yet see how the changes would strengthen their positions in niche markets. They were grappling with what the future would mean for their businesses and their clients.

On the side of the platform business model, participants were observing these changes in the pipeline business model with interest.

> *Maybe project [operating model] would start to lift the lid on that stuff and allow a breath of fresh air, allow the system to start breathing better, allow for these collaborations to start happening in a high velocity where joint propositions are crafted and taken to market and then and then I think we will have a moon shot (PlaPar_9)*

Since the platform group of participants worked in the thick of the beyond banking environment, they were asking for the platform strategy to evolve faster and more decisively.

5.4.4 Propositions 1a and 1b: conclusions

Research propositions 1a and 1b sought to identify the salient tensions that managers in both the pipeline and platform business model areas perceived as triggers for sensemaking and potential modification to cognitive and normative frames.

Summary of tensions identified		
	Similarities	**Additional findings**
Proposition 1a: Managers from the pipeline business model perceive tensions relating to: - *internal operational efficiencies* - *development and distribution of traditional products* - *technological integration and* - *human skills* - *sales growth and performance*	*Participants perceive tensions relating to* Tension 1: Value added to clients through distribution Tension 2: Value propositions to clients Tension 3: The integration and maturity of digital assets and operational efficiency. Tension 4: The need for human skills and expertise. Tension 5: The sources of competitive advantage and performance.	*Additional tensions perceived by participants in the pipeline business model relate to* Tension 6: Segment-based differentiation. Tension 7: Leadership and decision making.
Proposition 1b: Managers in the platform business model perceive tensions relating to the: - *scaling of the platform* - *performance of the platform*	*Participants perceive tensions relating to* Tension 2: Real value to clients, beyond banking Tension 3: Working with and leading digital into the bank (in order to commercialise the platform) Tension 5: Scaling and commercialisation of the platform business	*Additional tensions perceived by participants in the pipeline business model relate to* Tension 1: Regulatory fit within the bank Tension 4: The pace and entrepreneurial orientation of the platform business Tension 6: The future platform strategy

Table 7: A Summary of findings for research propositions 1a and 1b

The tensions anticipated from the literature review are compared to the findings in Table 7. All the proposed tensions were oberserved for both the pipeline and platform business model groups of participants. An additional tension that emerged from the pipeline business model group includes questions about the way in which segment-based capabilities will fit into a changing operating model which is being driven by digital innovation, inclusive of the platform technologies. Whilst certain platform technologies have proved useful, the segment-based participants are seeking differentiation through expertise, distribution methods, brand and organisational struture. The role of leadership and decision making further emerged as a moderator of the pace and direction of change and an additional tension.

Three additional tensions were identified for the platform group. In working with the bank to commercialise and grow the platform business, platform participants have become aware of the variations in pace and entrepreneurial orientation between the 2 business model areas. Taking a future view, they assert that for the platform strategy to evolve and grow, the entire bank would need to take on a faster, digital and more entrepreneurial way of working. The pace of change was also affected by the regulatory fit of the platform within the bank and the extent to which the platform has different requirements. They seek a clear and bold future strategy.

5.5 Research propositions 2a and 2b

Proposition 2a: Managers in the pipeline business model activate existing pipeline dominant shared frames to interpret the tensions they perceive.

Proposition 2b: Managers in the platform business model activate both existing pipeline and new platform frames to interpret the tensions they perceive.

The presentation of the evidence for each proposition will start with a brief overview of the sensemaking behaviour observed. This set of propositions sought to identify the frames that managers surfaced when making sense of tensions and to evaluate these frames for self-reference against the corporate level frames. For each group of participants, the frames were inductively formulated using the strategic questions set out in the research design in Chapter 4. Frames as filters for processing information provided participants with criteria for evaluation of the information or events and ways to interpret and present tensions. From observations of their arguments, noting their language and value judgements, the following 3 frames surfaced consistently as sub-themes:

- Value frames: these frames surfaced when participants described the intrinsic value of things, for example products, skills, the brand or the utility value of digital assets.
- Efficiency frames: these frames surfaced when participants evaluated the extent to which something enhanced or destroyed efficiency. For example, how digitisation or the new operating model impacted internal efficiencies or efficient delivery of client experience.
- Performance frames: these frames surfaced when participants reflected on how an activity or capability improved or detracted from performance as they defined it. Examples include their interpretation of digital or human expertise as differentiators.

Because of the complexity of the environment and the changing landscape, all participants typically applied more than one frame to make sense of a perceived tension. They would for example process the lack of mature and integrated digital assets both through a value and an efficiency filter. The application of the value filter would result in evaluating the technology as not meeting client needs and expectations. The application of the efficiency filter would result in describing the need for manual back-office processing or for human intervention to fulfil a service that is slower and more costly.

5.5.1 Proposition 2a: in-case analysis for the pipeline business model group

Participants in the pipeline business model group demonstrated various forms of sensemaking behaviour as individuals and some described sensemaking actions that they had engaged in in group settings. The vocabulary that signalled sensemaking of the tensions identified included “thinking”, “reflect”, “deeper dives”, “play-back”, ‘testing back” and “figuring out”.

… whether this organization can go into a lot more, deeper dives into some of the recent interventions that we've landed to determine if they really having the desired impact from a client perspective (PiPar_1)

So it's quite interesting when you see them playback - so they'll say things like solutions and innovations, priorities and you'll see there all of that. (PiPar_8)

Figure 12 summarises the frames identified from the pipeline participants, followed by the detailed reasoning set out in Table 8, using examples for empirical data.

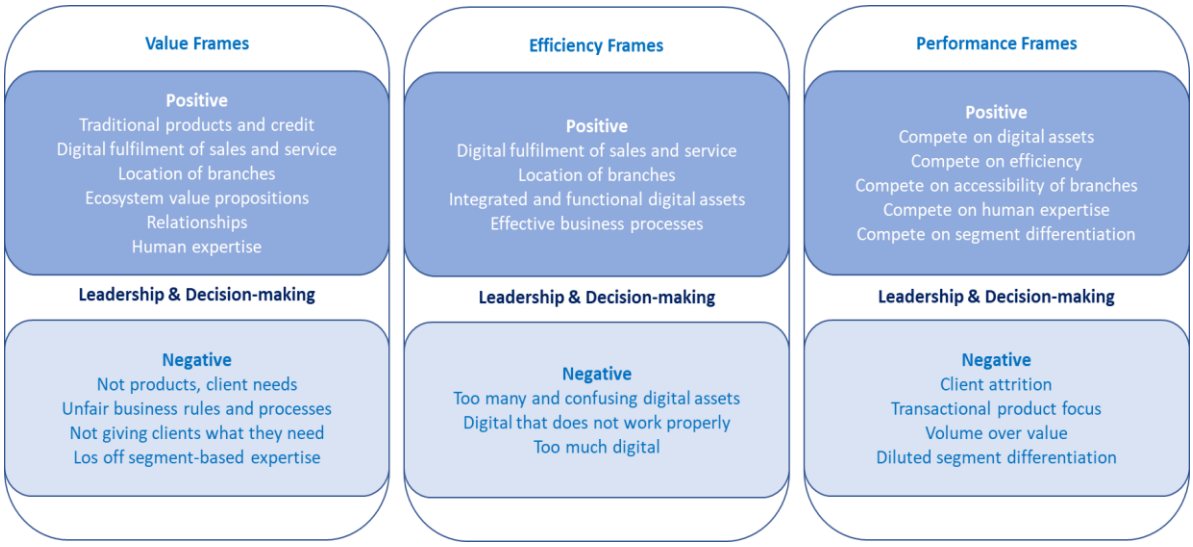

Figure 12: Summary of frame content and normative evaluations for the pipeline group

<table>
<tr><th>Theme</th><th colspan="3">Pipeline business model - Inductive identification of cognitive and normative frames</th></tr>
<tr><td rowspan="5">What we do</td><td colspan="3">Tensions 1 and 2: Value added to clients through distribution; Value propositions to clients</td></tr>
<tr><td colspan="3">Example
…. how do we make it easier for our clients? So how do we partner with whoever is relevant within their communities? And provide these personal loans via an API so through a click of a button through a QR code through a link. Literally, you know a 5 - 10 minute application and approval and payment. Does that make sense? So it's still a personal loan in in terms of the product, but the manner in which it's delivered is vastly or fundamentally different (PiPar_2)</td></tr>
<tr><td>What was this about?</td><td>Why was it important to the participant?</td><td>How did the participant distinguish between good and bad outcomes?</td></tr>
<tr><td>This was about physical and digital distribution as well as the products clients need. It was also about new accounts (performance) and service to existing account holders (value).</td><td>Because of the convenience of the community branch and the ease of digital fulfilment (value). It was about competing with other banks who have similar presence in communities and competing with them (performance). Also important was the partnerships within ecosystems to meet client needs (value) and compete (performance).</td><td>The outcome in this case was good because sales were immediately fulfilled (efficiency) which was value added to clients from a service and a need perspective (value).</td></tr>
<tr><td colspan="3">Through this tension, value, efficiency and performance frames were activated. This was representative of the fact that the bank still provided traditional banking products and services to clients. However, digital and platform technologies were additional access channels and enabled efficient fulfilment of sales. The perspective on ecosystems as value propositions was also captured in the corporate meta logic and an example of the changing heuristic about value creation.</td></tr>
<tr><td rowspan="4">Our capabilities</td><td colspan="3">Tension 3: The integration and maturity of digital assets and operational efficiency</td></tr>
<tr><td colspan="3">Example
It scrapes together a lot of other systems and presents a picture of the client for the banker. It also allows the banker to capture their latest interactions, so there's insights and there's continuity for the next banker. It allows us to push actions to the banker in terms of opportunities. I've also just recently interviewed bankers and they believe this is one of the best things that ever happened to them, because normally they would have to go across systems to figure out what your picture looks like. (PiPar_8)</td></tr>
<tr><td>What was this about?</td><td>Why was it important to the participant?</td><td>How did the participant distinguish between good and bad outcomes?</td></tr>
</table>

	This was about a digital tool (efficiency) used in the context of client service (value) and it was also about sales opportunities (performance).	Because of the internal efficiencies it created where bankers no longer wasted time navigating many systems (efficiency). It was also important because it enabled continuity of the banking relationship with clients (value) and because it proactively pushed suggestions for sales (performance).	The outcome in this case was good because value was added in an efficient way, increasing the probability of a sale (performance). This example demonstrated the difference in efficiency, value and performance compared to when technology did not work, i.e., a bad outcome (efficiency).
	Through this example, all 3 sub-themes or frames were activated. The example demonstrates the primary focus on traditional banking products and in this case, the value added through the continuity of human relationships. In this case, the technology is mature and functional. The example shows how the 3 frames work as filters to evaluate what is good and desirable versus what is not, when other technologies misfire or create confusion.		
Our capabilities	*Tension 4: The need for human skills and expertise*		
	Example *… they're actually starting to lose ground based on the research that we've got recently because they've gone too digital and they've actually lost the people element, they're losing the human. (PiPar_1)*		
	What was this about?	**Why was it important to the participant?**	**How did the participant distinguish between good and bad outcomes?**
	This was about a competitor bank (performance) and digital versus human service delivery.	Based on research, clients could be lost (performance) if they no longer received advice and service from a trusted, experienced human (value).	This was a bad outcome for the competitor that must be avoided (performance) by not only offering digital banking but leveraging human expertise to add value to clients (value).
	Through this example of the tension, both value and performance frames were activated. The participant drew on the existing corporate level frames related to human and intellectual capital as key enablers of value and competitive advantage, but also introduced a normative view about the balance between digitisation and relationship base banking.		

Theme	Pipeline business model - Inductive identification of cognitive and normative frames		
Our performance	*Tension 5: The sources of competitive advantage and performance*		
	Example *I think we focusing too much on the transactional product and we are not focusing enough on credit and the reason we focusing on the transactional product is where we burning. But I think the reason we burning, especially middle market is because of historic credit policy and those types of things. Because why would we decline a main banked client, but another bank would approve them? (PiPar_5)*		
	What was this about?	**Why was it important to the participant?**	**How did the participant distinguish between good and bad outcomes?**
	This is about the metrics for market share (performance), a product related process (efficiency) and clients' need for credit (value).	Because the activities that the transactional banking performance metric created was not driving growth (performance) in the view of the participant and because of internal business rules (efficiency).	This was a bad outcome for the client who could not access credit (value) and for the bank because it was unable to make the sale (performance) and may lose the client.
	In this example, the participant applied frames congruent with the bank's meta logic for value creation through offering traditional bank-owned products, and efficiency through prudent management of risk and efficiency. The participant's frame content aligned to the existing corporate logic, but a normative aspect was introduced in which the client need is perceived differently, and the outcome evaluated as not ideal.		
Our performance	*Tension 6: Segment-based differentiation*		
	Example *…does this model potentially pose an existential crisis for [the segment]? Because you may sustain, but can you grow? You know, will you dilute the expertise in a three to five years? And therefore, how do you get everyone to understand that well, whilst strategically this makes sense in theory, practically, maybe there does need to be more a line drawn in the sand in terms of what distinguishes [the segment] from consumer. (PiPar_6)*		
	What was this about?	**Why was it important to the participant?**	**How did the participant distinguish between good and bad outcomes?**
	This was about the changing operating model and was about growth in a niche segment (performance).	Because the segment was perceived as an important revenue generator for the bank and must continue to grow (performance) and add value to clients (value).	This could be a bad outcome if the segment-based capabilities become "diluted" (value) and uncompetitive (performance).
	In this example, the participant raised performance frames aligned with the corporate meta logic for segment-based capability as a value creator and a differentiator. The normative aspect introduced here was about the perceived move away from segment-based differentiation as a result of digitisation.		

<table>
<tr><td>Theme</td><td colspan="3">Pipeline business model - Inductive identification of cognitive and normative frames</td></tr>
<tr><td rowspan="6">How we change</td><td colspan="3">Tension 7: Leadership and decision making</td></tr>
<tr><td colspan="3">Example
Guys we've been talking for the last three years that when you do a deposit at the ATM over the weekend, you can't draw the money. Yeah, because we haven't done the core banking replacement people. That's why you got the legacy system doesn't allow for real time, but why is that being put on the back burner? Because you made 10 other decisions since then that is put that on the back burner. (PiPar_9)</td></tr>
<tr><td>What was this about?</td><td>Why was it important to the participant?</td><td>How did the participant distinguish between good and bad outcomes?</td></tr>
<tr><td>This extract is about leadership decisions and priorities and it is about a banking service or product (value).</td><td>It was important because the decision-making process was not optimal in his/her view (efficiency) and impacted the client experience (value). It also seems to be held up as a lack of efficiency.</td><td>How did the participant distinguish between good and bad outcomes?
In this case the outcome of decision making was bad because it led to a lack of clarity on what performance would be approved of (performance) and in the process, clients could not transact as they needed to (value).</td></tr>
<tr><td colspan="3">Through this example, decisions made by leaders surfaced value, efficiency and performance frames. In other words, leadership and their decisions are perceived to influence the extent to which value can be added and performance is recognised.</td></tr>
</table>

Table 8: Inductive identification of pipeline frames

5.5.2 Proposition 2b: in-case analysis for the platform business model group

Participants in the platform business model group demonstrated less obvious sensemaking behaviour and generally commented on the lack of time available to think. The vocabulary that signalled sensemaking of the tensions identified included “thinking”, “reflect”, and ‘testing”.

> *So I guess there's a lot of testing and thinking to be done if you want to go down that route, (PlaPar_8)*

> *So I think it it's been going better each and every week each and every month as we go on and I don't think we are done yet so I wouldn't say we perfect at it. (PlaPar_4)*

The same 3 cognitive frames were used consistently by the participants in the platform group, but with different perspectives. One additional frame surfaced that was not observed in the pipeline business model group and was labelled as the *disrupt frame*. This frame was used as a filter for making sense of the activities, capabilities and performance requirements that were interpreted as different from the bank, or, beyond banking. The disrupt frame was often used in conjunction with the performance frame. The start-up culture, for example was presented as a prerequisite for performance but also as disruptive in comparison to the rest of the bank.

Figure 13 below provides an overview of the frames that were surfaced through collection of primary data form the platform business model group of participants. The future platform strategy was described as a possible mediator of change. Table 9 sets out the detailed reasoning and examples for this group.

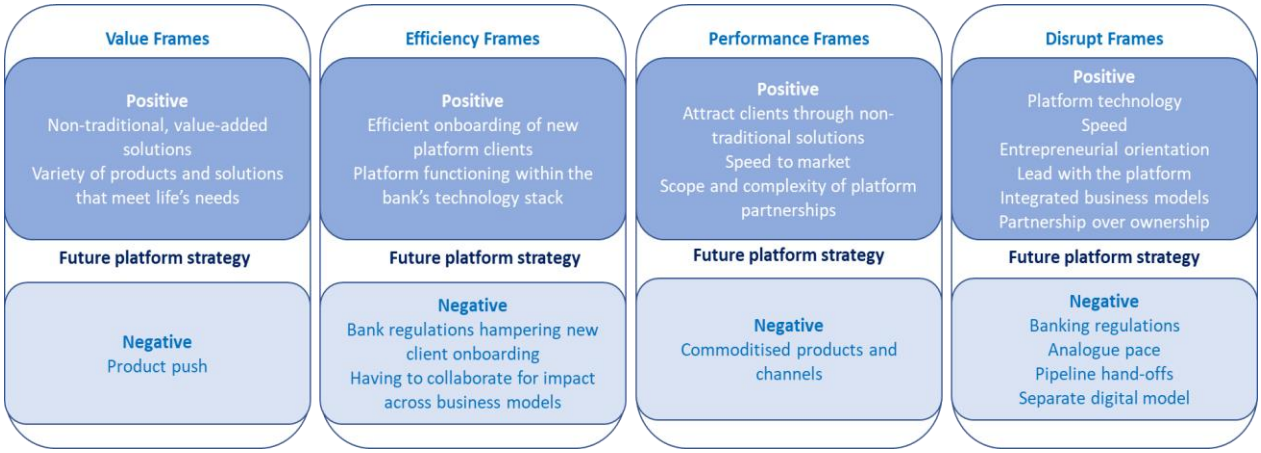

Figure 13: Summary of frame content and normative evaluations for the platform group

Theme	Platform business model - Inductive identification of cognitive and normative frames surfaced		
Who we are	*Tension 1: The regulatory fit within the bank*		
	Example *… moving [the platform] closer or further away from the bank in terms of its governance process. We found a lot of in particularly the on boarding of customers, and things like that, is extremely onerous in a in a banking context, so it's the whole FICA. It's the whole trying to get people's documents etc. (PlaPar_2)*		
	What was this about?	**Why was it important to the participant?**	**How did the participant distinguish between good and bad outcomes?**
	This was about the regulatory processes required for onboarding clients to the multi-sided platform (efficiency) and was about the platform processes being subject to banking regulations.	Because the regulatory requirements inhibit quick and seamless onboarding of new clients (efficiency) and because the participant believed it should change (disrupt).	The outcome is evolving where the current process is not optimal (efficient) for the platform to compete with other large platforms (performance) who do not have similar regulatory restrictions. A better outcome is preferred, but that may infer a different regulatory paradigm (disrupt).
	Through this example, the participant surfaced the efficiency frame that was also present in the corporate meta logic as efficient and simplified onboarding of clients with regard to regulatory compliance. Through the disrupt frame, though, the participant suggested that efficiency requirements in the platform context were different from what the bank had in place.		
What we do	*Tension 2: Real value to clients beyond banking*		
	Example *…we don't just provide you with the basic product and then you get to figure out how to use it and live your life. We help you live your life. The product is just the is just the plumbing that sits behind that which is that you don't even have to see or think about (PlaPar_1)*		
	What was this about?	**Why was it important to the participant?**	**How did the participant distinguish between good and bad outcomes?**
	This was about the products and services provided to clients via the platform business (value).	Because the participant described commoditisation of banking products (value) and the opportunity for alternative products and experiences for clients (disrupt). This view positioned the platform business as a differentiator for the bank (performance).	In this case the participant observed progress towards a more non-traditional value proposition for clients (disrupt), but expressed a need for it expand further and faster (performance).

	Through this example, the participant surfaced value and performance frames. The value frame included transactional banking products as embedded but emphasised the client journey and value-added services as real value to clients that would differentiate the bank.		
Our capabilities	*Tension 3: Working with and leading digital into the bank*		
	Example *Well, it's important because the behaviours then of your leadership should be leading in a digital world. And I think the structures we have in place, separate technology and business… and if you are in a digital world, whilst trying to create digital in an analogue world. If you are in a digital world then technology - that discipline should be fused into a single team. (PlaPar_8)*		
	What was this about?	**Why was it important to the participant?**	**How did the participant distinguish between good and bad outcomes?**
	This was about digitising the existing bank versus being a digital bank (disrupt) and it is about getting things done digitally (efficiency).	Because the separation of the business models was perceived to preserve pipeline or analogue leadership thinking and decision-making (lack of disruption) and hampering the ability of the platform to scale and commercialise (performance).	The platform managers had to engage the pipeline business through collaboration to establish integration (efficiency), which is not an optimal outcome for the participant. The platform business model should rather be integrated into the bank (disrupt).
	In this example, the participant surfaced the efficiency frame in a way that evaluated the lack of integration of digital capabilities across the business models as inefficient. Whilst the bank was in the process of adapting its pipeline operating model, full integration across business models was not (yet) a theme of the corporate level logic. The participant was suggesting that this may be a way to disrupt and out-perform.		
Our performance	*Tension 4: The pace and entrepreneurial orientation of the platform business*		
	Example *Because we knew that we needed to get to market as quick as possible because there were a number of announcements made in the markets around new platform plays coming to market…At the same time we were always in parallel processing mode where we always considered three facets to everything we did: Building this in this environment, eventually having to run this environment from an operations and service perspective and go to market and commercializing this environment (PlaPar_9)*		
	What was this about?	**Why was it important to the participant?**	**How did the participant distinguish between good and bad outcomes?**
	This was about designing, setting up and launching the platform from inside the bank (disrupt). It was	Because speed to market was perceived to be a key differentiator (performance). The pace of design and	The outcome was good because the platform was launched at speed (performance) and

	about speed to market (performance) and about the bank's process and technology environment (efficiency).	execution had to be faster than what the pipeline model was doing (disrupt) but still, the platform design had to actually work inside the pipeline model once launched and live (efficiency).	perceived by the participant and the bank's leadership as a disruptive play beyond banking. Integration of the platform functionality with legacy technology and processes was not optimal, but there was scope for improvement (efficiency)
	In this example, the participant accessed various frames to describe the design and launch phases of the platform business. The push for speed to market is filtered through both the performance and disrupt frames but balanced through the efficiency frame. Whatever the platform was going to do, it had to work in the context of the bank's technology environment.		
Our performance	*Tension 5: The scaling and commercialisation of the platform business*		
	Example *So you land this thing I have to scale it and you have to sign up hundreds of thousands of customers, hundreds of thousands of businesses, create key strategic partnerships, continuously evolve the platform so that you remain relevant to your market base 'cause you can't own the right to be a [great] platform… unless you've done that. (PlaPar_9)*		
	What was this about?	**Why was it important to the participant?**	**How did the participant distinguish between good and bad outcomes?**
	This was about the things that needed to be done to scale and commercialise the platform (performance) and about value that is relevant to stakeholders on all sides of the platform (value). It was also about doing different things compared to the bank (disrupt).	Because the platform model was a significant departure from traditional banking (disrupt) and its success and contribution to the bank was being closely observed (performance). It was also important because continuously meeting the needs of stakeholders on all sides of the platform is expected to drive its commercialisation (value).	In this case the participant was describing the early stages of the platform busines, suggesting that good outcomes would be for the platform to scale fast (performance), attract network effects (value) and be recognised as a great platform.
	In this example, the disrupt frame was dominant because both value and performance were interpreted on the basis of the platform as a new business venture. Although this frame appeared in the corporate meta logic, this participant more explicitly articulated the need for speed to scale as a performance measure. The value frame surfaced platform partnerships as value over the ownership of products and distribution.		

<table>
<tr><th>Theme</th><th colspan="3">Platform business model - Inductive identification of cognitive and normative frames surfaced</th></tr>
<tr><td rowspan="5">How we change</td><td colspan="3">Tension 6: The future platform strategy</td></tr>
<tr><td colspan="3">Example
Because you can't create ecosystems without a digital capability, whether it be APIs double sided marketplace, its cloud native architecture, lean ways of work, squads, tribes, chapters, customer experience design, UX… all of those things are inherent if you are going to be a platform or ecosystem strategy driven business. (PlaPar_6)</td></tr>
<tr><td>What was this about?</td><td>Why was it important to the participant?</td><td>How did the participant distinguish between good and bad outcomes?</td></tr>
<tr><td>This was about the technology things the bank needed to adopt a complete platform business model transformation (disrupt).</td><td>Because the bank had already built these technologies and ecosystems were developing (performance). The participant saw this as disruptive and suggested that it would lead the bank to in the future (more disruptive).</td><td>In this case, the establishment of world class platform technology capabilities was a good outcome which had been envisioned and funded by the executive (performance). The participant was anticipating even better outcomes, should the strategic direction shift towards becoming a primarily platform-based business (more disruptive).</td></tr>
<tr><td colspan="3">In this example the disrupt frame was once more dominant as it was the primary lens through which the participant evaluated technology and anticipated future performance. The participant went a step further, beyond the corporate logic to further disruption, and suggested that the platform model should more than just “a play”, or an innovative experiment, but possibly a complete future strategy, subject to executive decisions.</td></tr>
</table>

Table 9: Inductive identification of pipeline frames

5.5.3 Cross-case analysis and triangulation to secondary data

A full summary of the frames surfaced through sensemaking for the pipeline and platform groups of participants is provided in Annexure 6.

Research propositions 2a and 2b sought to identify the frames that managers surfaced when making sense of the tensions they perceive and to determine whether the frames activated were existing pipeline dominant frames or new platform dominant frames. From both the groups of participants *value, efficiency and performance frames* could be discerned with the addition of the *disrupt* frame in the platform group of participants.

As discussed in Chapter 2, the introduction of a parallel platform business model into an incumbent organisation follows from the adaptation of the mental models held by top executive teams and the strategic choices they make. It follows that changes in strategy and therefore the changing corporate logic would be reflected in artefacts and over time, in public and strategic documentation. The core tenets extracted per theme from such secondary data and used in section 5.4.3 for triangulation purposes, have been consolidated and organised to reflect the coporate meta frames, applying the ***same strategic questions as was done for the primary data***. This is shown in Figure 14 and enables triangulation.

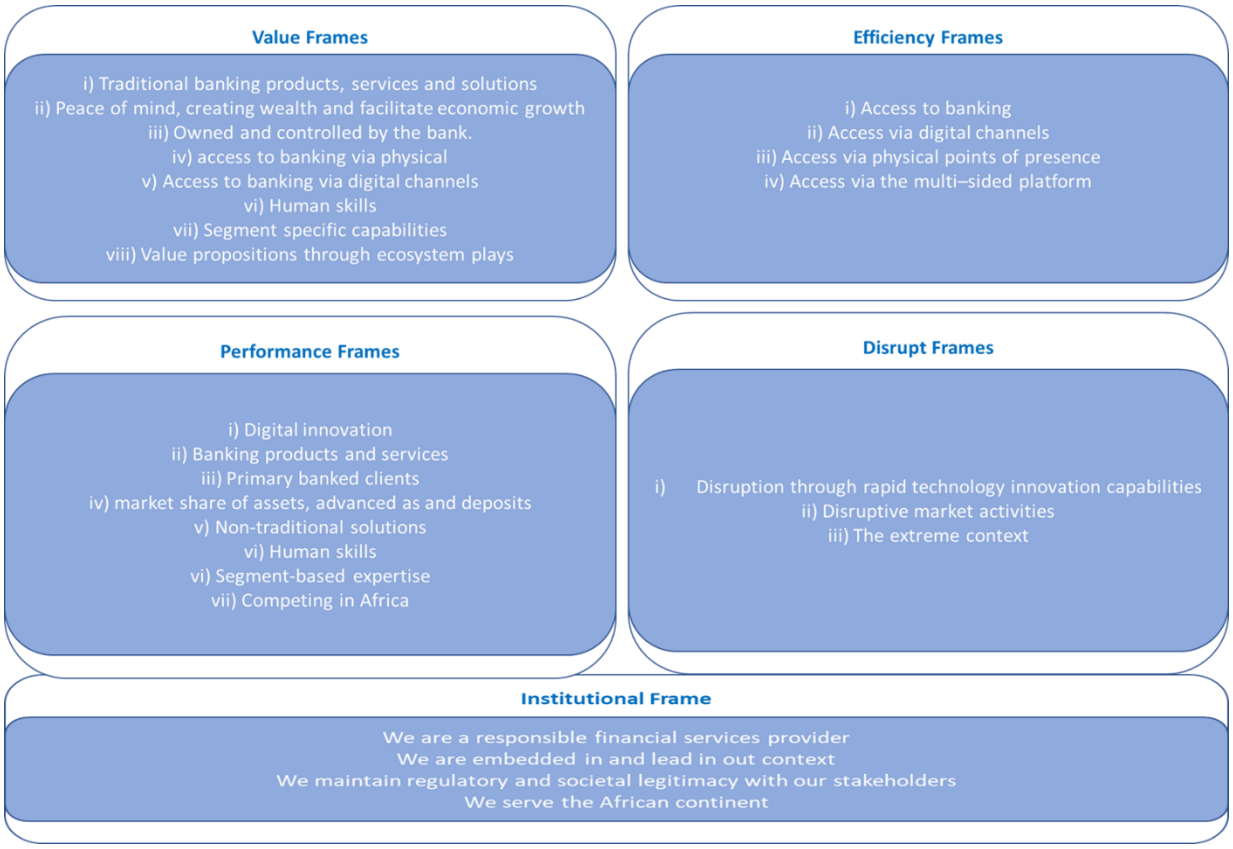

Figure 14: Content of the corporate level frames identified

At the corporate level, the bank also presented with the *disrupt frame* similar to the platform group of participants. This is indicative of the corporate meta logic flexing to accommodate exploration and exploitation strategies. At the corporate level an *institutional frame* was also identified which did not clearly surface from the pipeline business model group. Although the platform business model group activated frames related to regulatory fit between the platform and banking risk parameters, this was interpreted as a matter of performance and not institutional legitimacy.

The cross-case analysis compares the *value, efficiency and performance frames* for each group of participants, in relation to known platform and pipeline business model characteristics whilst triangulating with the corporate meta logic from secondary data. The disrupt frame is triangulated from the platform business model group to secondary data.

The value frame

The corporate level value frame in Figure 14 encompasses 8 broad activities and capabilities. First, second and third, it defines value to clients based on the provision of *i) traditional banking products, services and solutions* that ensure *ii) peace of mind, create wealth and facilitate economic growth*. This resembles a pipeline dominant logic because all the elements and activities involved in value creation are *iii) owned and controlled by the bank*. The pipeline group of participants accessed all these aspects of the corporate value frame. They contributed additional normative content to the frame by asserting that clients' needs are not consistently satisfied as a result of product related sales metrics and business rules that were perceived as too strict or exclusionary. The platform group of participants saw the need for traditional banking products and services as a means to an end. Whilst still a value frame, their norms had shifted to prefer the provision of a variety of non-traditional products, with indifference to ownership of them.

Fourth and fifth, the corporate level value frame also defines its value to clients through the provision of *iv) access to banking via physical* and *v) digital channels*, all of which it owns and controls within the boundaries of the business model. The pipeline group of participants mirrored this value frame with the addition of positive normative attributions for the convenience of digital fulfilment and better selection of physical branch locations. This is aligned to the ownership logic of the pipeline mental model. Whilst the term "warm digital" emerged from interviews with platform participants, they meant it as advice to clients generated through AI and data, involving a human when needed only. The value frame of platform business model group held digital channels for access to banking and non-banking products as *the* standard, whether owned by the bank or not.

In sixth and seventh place, the bank defines value to clients in terms of its *vi) human skills and expertise* of which a significant component is attributed to *vii) segment specific capabilities.* These aspects are linked to the pipeline logic on the premise that human skills and expertise are developed, owned and distributed by the bank and have embedded value. The pipeline group of participants subscribed to this version of the corporate value frame. The platform group seemed to have been in the process of better understanding the segment needs in the bank, but from a platform perspective. Although the original approach to value creation via the platform came from a consumer perspective, they expected that further scaling of the platform across the verticals of the bank would lead them to deeper segment-based insights.

The eighth business activity is the provision of *viii) value propositions through ecosystem plays*. The corporate value frame came to include this during the 2017-2018 timeframe, and it did surface in interviews with the pipeline group of participants. The ecosystem plays preceded the launch of the full scope of platform technology and represent a deviation from the historical pipeline dominant value frame. Although the platform group of participants acknowledged the early ecosystem plays as paving the way towards platform thinking, they applied the value frame to go beyond community or industry-based ecosystems as individual value propositions.

The efficiency frame

The corporate level efficiency frame encompasses 4 broad activities and capabilities. The first 2 activities/capabilities are *i) access to banking products and services* through *ii) digital channels*. At the corporate level, the narrative is that digital is becoming an increasingly more cost-efficient capability which clients are progressively adopting. Pipeline participants applied this frame aligned to the corporate frame: access to digital channels, that work, and digital fulfilment capabilities create efficiency. This is consistent with the ownership and control of distribution channels as per a pipeline efficiency logic. The pipeline participants activated normative aspects within the efficiency frame though. Too many disparate digital assets, some of which don't always work as intended, were in fact detracting from efficiency. Digital as a channel for access to banking products and services was therefore only efficient if functional, and not complex or confusing. The platform participants applied the efficiency frame from an outside in perspective. They recognised the fact that digitisation of core banking processes had improved, but not necessarily enabled efficient onboarding of new clients directly to the multi-sided platform. Although they had planned and designed for the platform to function as efficiently as possible within the bank's technology and regulatory environment, it had not yet become a seamless process.

Next, *i) access to banking services and products* is combined with the third capability contained in the corporate efficiency frame which is *iii) physical points of presence* in the form

of branches, mini branches and digital self-service branches. Again, the efficiency frame observed in the pipeline group aligned to the corporate efficiency frame as a predominantly pipeline dominant frame where the activities and capabilities have embedded value and are manufactured and owned within the boundaries of the business model. The platform group of participants applied the efficiency frame to filter out physical distribution almost completely. Efficiency from their perspective was created by brining banking, and non-traditional solutions to clients via digital channels, without the limitations of time and space.

The final capability included in the efficiency frame at the corporate level emerged in the 2019 - 2020 timeframe in the form of providing clients *iv) access to banking via the multi-sided platform*. Although not overtly positioned as a distribution channel at the corporate level, it was interpreted as such by the pipeline participants. The platform as a distribution channel was evaluated as an aspect of digital efficiency by pipeline participants. Platform participants applied the efficiency frame in a very specific way. The parallel running of the platform business necessitated them to collaborate and influence into the pipeline business for efficiency. From their perspective the potential efficiency of the platform could be realised if digital capabilities became integrated into the pipeline business model.

The performance frame

The corporate level performance frame in Figure 14 encompasses 7 broad activities and capabilities. Firstly, by 2019 - 2020, the bank's performance frame had developed to include *i) digital innovation* as a source of competitive advantage and by implication, this included the platform business capabilities. Pipeline participants filtered digital innovation in the same way, but without the platform asset as a source of competitive advantage. Platform participants framed innovative platform technology as *the* source of competitive advantage which overlaps with corporate interpretation.

The second, third and fourth sources of competitive advantage included in the corporate performance frame combine *ii) banking products and services* to attract *iii) primary banked clients* as a means to increase *iv) market share of assets, advances and deposits*. This is a predominantly pipeline dominant performance frame for value creation which was activated similarly by pipeline business model participants. Through the normative lens of the performance frame, pipeline participants evaluated the focus on volumes of primary banked clients over the actual value of client portfolios as undesirable. They asserted that neither digital solutions nor products seemed to be effective in increasing market share.

The performance filter activated by platform participants presented *v) non-traditional solutions* for competitive advantage over commoditised banking products. Their performance frame posed these two types of solutions as interrelated and interdependent. Their performance

frame extended beyond what the bank owns and can offer to include platform partnerships as a source of competitive advantage. This was present but understated in the corporate level frame drawn from secondary data.

The next source of performance included in the corporate frame, *v) human skills and expertise*, is closely, but not exclusively linked to *vi) segment-based expertise* as a source of competitive advantage and growth. Both capabilities reflect a pipeline dominant performance frame and was also present in the performance frame activated by pipeline business model participants. Pipeline participants in segment roles interpreted the bank's digitisation as biased towards the consumer market needs and perceived therefore a potential threat to segment-based differentiation. Platform participants demonstrated an understanding of the need for segment-based platform solutions to further scale the platform across the traditional banking verticals.

Also included in the corporate performance frame is its ability to *vii) compete in Africa*. One pipeline participant questioned the value of this strategy for commercial segments and one platform participant expressed a need to figure out how the platform business could be scaled into Africa. The latter was present in the corporate level thinking as well.

From a competitor perspective the bank overall perceives itself as in competition with traditional and digital banks and non-traditional providers of financial services such as retailers. These competitors also surfaced through the pipeline participants' performance frame. During the 2019 - 2020 timeframe "big tech" entered the corporate performance frame, but not the pipeline group performance frame. Platform participants included all competitors perceived by the bank in their performance frame as well as other mega platform businesses. Whilst the bank's overall performance frame had expanded to include both pipeline and platform logics, the pipeline group remained more focussed on pipeline related sources of performance. Platform participants' performance frame directed focus towards the platform-based ecosystem as the primary source of competitive advantage.

<u>The disrupt frame</u>

The corporate level disrupt frame presented with 3 components of which the first is capability based, namely *i) disruption through rapid technology innovation capabilities*. Whilst the pipeline participants demonstrated understanding for how agile, human-centred practices had increased the speed of innovation, they perceived it as a way to remain competitive in terms of digital assets but not as disruptive. The pipeline group therefore did not surface the disrupt frame. In fact, they seemed to feel *disrupted* by operating model changes. Platform participants presented with a dominant disrupt frame that valued platform technology and the ability to deliver it at speed as *the* rationale for competitive advantage. Normatively, they rejected the analogue pace and hand-offs still present in the bank.

The second component of the corporate level disrupt frame is market-based. In other words, the expression of the strategic intent to increasingly introduce more *ii) disruptive market activities* as a means to compete. Platform participants interpreted this strategic direction as a steady route toward a platform dominant business model where partnerships would trump ownership. To some extent, they demonstrated impatience with the trajectory of the transition they believed was necessary. In the current phase of transition, platform participants are playing their disruption role internally by engaging to lead digital transformation and the entrepreneurial orientation into the bank.

The final aspect of the corporate level disrupt frame is context-based and specific to the impact and learnings from Covid 19 as *iii) an extreme context*. Through this experience, the bank discovered a previously unknown capacity for adaptation. This is neither specific to a pipeline or platform dominant logic. Pipeline participants shared in this realisation of adaptability as a disruption to themselves rather than an opportunity to outwardly disrupt. The platform group of participants thrived in the extreme context because it brought into focus their unique orientation for pace, entrepreneurship and creating value outside the norm.

5.5.4 Research propositions 2a and 2b: conclusion

Based on the evidence presented, the findings for the second set of research propositions are summarised as follows.

Proposition 2a: Managers in the pipeline business model activate existing pipeline dominant shared frames to interpret the tensions they perceive.

Managers in the pipeline business model activated existing *value, efficiency and performance frames* that align to the corresponding corporate level frames on pipeline dominant logic. This is evident from the fact that value is created through value propositions manufatured by the bank, business activities performed within the boundaries of the business model and capabilities owned in the bank. The levers of efficiency identified were again part of the value creation and capture activities of the bank, inside the business model. Performance was attributed to the embedded valueand price of products, capabilities and value creation activities vertically integrated in the bank. Participants in this group contributed normative content to all existing pipeline dominant cognitive frames.

Instances of flexibility oberserved for the value, efficiency and performace frames applied by managers in the pipeline business model, will be discussed as part of research proposition 3.

Proposition 2b: Managers in the platform business model activate both existing pipeline and new platform frames to interpret the tensions they perceive.

Managers in the platform bsuiness model business model activated *value, efficiency and performance frames* that overlap with the corporate level frames on pipeline dominant, and evolving platform logics. The platform group of participants applied the corporate value frame differently. Traditional value propositions, activities and capabilities were part of it, but sub-ordinate to those that lie beyond the bank's ownership and control. In this way, the managers in the platform business model activated the corporate level value frame that had also flexed to include strategies for both exploitation and exploration. The efficiency and performance frames activated by managers in the platform business model similarly included both pipeline and platform logics. Managers in the platform business model also activated the disrupt frame that corresponded with the corporate level frame. This frame had distinct platform logic characteristics as it promoted disruption on the basis of rapid technological innovation and disruptive market activities that may go beyond the boundaries of the bank's business model.

5.6 Research proposition 3

Proposition 3: The shared frames in the pipeline business model develop flexibility but do not evolve to become paradoxical frames

The third and final proposition builds on propositions 2a and 2b. It sought to describe degree of modification of the frames identified in the second set of propositions, along the proposed continuum of frame flexibility in Chapter 2. It focuses on the *pipeline business model* only and is the final step towards formulating a response to the overall research question.

5.6.1 Proposition 3: in-case analysis for the pipeline business model group

It was established in research proposition 2a that the *value, efficiency and performance frames* for this group were predominantly representative of the past and existing pipeline logics for value creation and capture. Each of these 3 frames will now be evaluated for the degree of flexibility they developed, based on the continuum of frame flexibility proposed in Chapter 2. The functioning of each frame will be described in relation to analogical, combination, ambidextrous and paradoxical framing.

<u>The value frame</u>

Participants in the pipeline business model group applied the value frame to process all 7 the tensions they perceived. In terms of business activities (*what we do*), they continued to include product development, distribution and services manufactured, owned and controlled within the

boundaries of the pipeline business model. Variation to this content presented in the form of industry and community-based ecosystem plays as a new form of value proposition to clients that enabled distribution of banking products in a fundamentally different way. One of the characteristics of the platform logic, is the provision of value at the interfaces of the business model with ecosystems. In this way, the pipeline value frame demonstrates flexiibility. The addition of ecosystem plays to the content of the value frame was positioned as a response to unmet client needs which is typical of a conceptual combination frame. However, the distribution of banking products and services remains the dominant motivation. This is evidence of frame flexibility through **combination**.

In terms of organisational resources and capabilities (*our capabilities*), these continued to include digital and human assets considered to have embedded value, owned and controlled by the bank as core capabilities. The varous platform technologies were evaluated as additional distribution channels for banking products. By embedding banking solutions into client journeys through the platform, once again, an unmet client need was being adressed. However, the sale of the financial solution was still the main motivation, providing evidence of frame flexibility through a **combination** of logics.

In terms of organisational performance (*our performance)*, the pipeline group's value frame continued to focus on bank-owned and controlled sources of performance such as differentiatiated products and solutions, the brand and digital innovation. Residual performance criteria linked to the volume of accounts and market share of financial assets also reflect a pipeline dominant logic, given that platform logics would have identified performance criteria related to the commercialisation of the platform and network effects. Platform distribution was adopted into the value frame of the pipeline group as an additional way to get the job of banking distribution done in a way that reflects **analogical reasoning**.

> *One is the job to be done has not fundamentally changed. We need to get main banked clients. We need to ensure that we've got a risk based approach (PiPar_3)*

Lastly, the emerging organisational narrative for change (*how we change),* included operating model changes and the implications for niche segments that are considered to be material generators of revenue for the bank. Pipeline participants processed these changes positively in principle, because they perceive the intention behind them to be the enhancement of value to clients. They were ambivalent though, about how this would play out in niche segments. Their narrative for change was about strutural changes to do banking better. Changing through beyond banking activities was an additional but not prioritised way to change. In other words, they applied the value frame once again through conceptual **combination**, albeit with additional normative content in the form a mild threat perception.

Overall, the value frame on the side of the *pipeline business model* group of participants developed flexibility to become a **combination** of pipeline and platform logics, where the pipeline logics continue to dominate.

The efficiency frame

Participants in the pipeline business model group applied the efficiency frame to process 4 of the tensions they perceived. In terms of business activities, organisational resources and capabilities (*what we do* and *our capabilities)*, these continued to include physical and digital channels and assets, inside the boundaries of the business model as levers for enabling efficiency. The enhanced efficiencies brought about by the introduction of platform technologies were evaluated as freeing up employees to do value-adding work and as meeting a previously unmet client needs. However, efficiency was not materialising consistently, not for all clients and not at the pace at which it was evolving. Normatively, digital as an enabler of efficiency should work and should simplify. In comparison, a platform dominant logic would similarly seek efficiency in the quality and integration of the technology stack, but further through platform standards and partnerships. It follows that the efficiency frame in this case appears to have become flexible to **combine** certain aspects of the platform logic related to technology, but remains overall a pipeline dominant frame.

In terms of organisational sources of performance (*our performance)*, this group's efficiency frame continued to focus on bank-owned and controlled aspects of performance such as business processes and digital tools. All these levers for creating efficiency were defined again, as within the ownership and control of the bank's business model. In this way, efficiencies created through the platform technologies were again included through the **combination** of logics, where the pipeline aspect remained superior and the platform logic was sub-ordinate.

Overall, the efficiency frame on the side of the *pipeline business model* group of participants developed flexibility to become a **combination** of pipeline and platform logics, where the pipeline logics continue to dominate

The performance frame

Participants in the pipeline business model group applied the performance frame to process all 7 of the tensions they perceived. The performance frame was applied to try and make sense of the landscape of competitors, but also give meaning to the real sources of competitive advantage to pursue for growing the bank's francise.

In terms of business activities (*what we do)*, the sources of performance included physical and digital channels to distribute banking solutions and by means of the brand promise. Because

these channels are all orchestrated to exist within the bank, the pipeline logic dominates for capturing value. As far as organisational resources and capabilities are concerned (*our capabilities)*, those regarded as sources of competitive advantage and performance are also still vertically integrated within the bank.

Deviation from the pipeline logics for value creation was observed in the emerging heuristic about embedding financial prouducts in client buying journeys as a way to increase the volume of distribution of banking products and to attract and retain clients. These client buying journeys are predominantly facilitated through the muli-sided platform where transactions would not be owned or controlled by the bank, but still facilitated by it. From this perspective, value capture activities are beginning to shift across the boundaries of the business model, indicating that the performance frame is gaining in flexibility through **combination** once again. The distribution of banking solutions is still the main objective because performance is still measured based on the volume of banking accounts and market share of assets, advances and deposits.

The narrative related to organisational change (*how we change)*, is a little more complex. The pipeline participants applied the performance frame to elevate the role of segment-based expertise and performance as mission critical for the bank. The introduction of changes to the pipeline business model, perceived to be driven by digital innovation and mostly a consumer mindset, activated a threat perception amongst those partipants in segment type roles. Whilst a few segment specific platform technologies have been successfully implemented in their areas, they envision the continued performance of niche segments to require a combination of platform capablities and deep industry expertise provided by employees and teams. Despite the strong normative content arising from the performance frame related to certain segments, the logic remains pipeline dominant but now **combines** aspects of platform logics in the form of segment specific technologies.

Overall, the performance frame on the side of the *pipeline business model* group of participants developed flexibility to become a conceptual **combination** of pipeline and platform logics, where the pipeline logics continue to dominate.

5.6.2 Proposition 3: cross-case analysis and triangulation to secondary data

The corporate level *value, efficiency and performance frames* continue to present the bank's activities and capabilities within its pipeline banking busines model as the foundation of value creation, distribution and capture. The frames demonstrated flexibility though, through the initial experimentation with ecosystem and platform plays as unique value propositions and client journeys as alternative value capture activities.

Following on from the success of these early experiments the bank adopted a more expansive approach to platforms and ecosystems by introducing a parallel platform-based business model. The intent of this business model is to provide access to banking products and services via the multi-sided platform in the current stage of business model transformation. However, from secondary data, it is clear that the strategic intent is to continue to expand such disruptive market initiatives. The latter constitutes the disrupt frame at the corporate level. Where the value, efficiency and performance frames continue facilitate exploitation of existing pipeline logics, the disrupt frame now also facilitates structured and progressive exploration of platform logics. Because these frames are positioned in the 2019 - 2020 set of the secondary data as interdependent and equally important to the financial growth and sustainability of the bank, it is proposed the corporate level frames have become **paradoxical** in nature.

When the modifications to the value, efficiency and performance frames that surfaced in the pipeline group of participants are compared to those at the corporate level, the absence of the disrupt frame is clear. Although the shared frames at the level of the pipeline business model have begun to flex through the combination of logics, the pipeline aspects continue to be dominant in directing day to day decisions and activities.

The platform group of participants surfaced all the frames that were present at the corporate level, except the institutional frame. This suggests that the platform participants have also adopted exploitation of the existing pipeline business activities, capabilities and resources, whilst simultaneously exploring their platform mandate through the disrupt frame. There were, however, some variations in the content of the value, efficiency and performance frames between the platform participants and the corporate frames. It could be argued that the dominant mental model on the side of the platform business contains a “purer” type of platform logic that directs day to day decisions and activities for leading change into and across the bank.

5.6.3 Proposition 3: conclusion

Proposition 3: The shared frames in the pipeline business model develop flexibility but do not evolve to become paradoxical frames.

Formulating findings for research proposition 3 from empirical evidence, must be done based on the conceptual model proposed in Chapter 2. To describe the degrees of frame flexibility observed, the content of the shared frames of the pipeline group of participants needed to be compared to the characteristics of pipeline and platform dominant logics and to the content of the corresponding corporate level frames. This was done in sections 5.6.1 and section 5.6.2. The functioning of the shared frames observed for the pipeline group of participants was further described in section 5.6.2 and linked to the degrees of modification included in the

conceptual model. The *value, efficiency and performance frames* activated to process the tensions, demonstrated *combination modification* with an above average level of residual, historical self-reference. These frames functioned to interpret the parallel platform logic as an additional way to create, distribute and capture value, but still sub-ordinate to the historical pipeline logics for value creation. In terms of organisational identify and purpose, self-reference remained unchanged.

5.7 Adapted conceptual model

Research question: How are the cognitive dimensions of the dominant logic of an organisation modified when parallel business models are introduced?

The conceptual model constructed from existing theory in Chapter 2 suggested that the cognitive dimensions of the dominant logic of an organisation would modify if a parallel platform business model were adopted by an incumbent organisation with an existing pipeline dominant business model. This was prefaced on the fact that the shared mental model of the top executive team would have modified in content in order to facilitate the strategic decisions and actions required. The content of shared mental models, based on the literature, encompasses organisational identity, capabilities, activities, values and history of performance.

The thick description of the organisational context provided in section 5.1 tracked the changes in the corporate mental model over a six-year period. Based on the understanding of the developmental pathways of dominant logic presented in Chapter 2, it can be inferred that the modification of the mental models at the executive level had become visible in the organisational practices and architecture as described in the secondary data. The adoption of a parallel platform business model is a manifestation of the modification of the corporate level mental model that is inclusive of cognitive frames for exploitation and exploration. At the corporate level, frames for exploitation and exploration were perceived as interdependent and mutually constituting of each other. It follows that the corporate level mental model had modified to become paradoxical.

The conceptual model for research also suggested that the parallel platform-pipeline business model would introduce contradictory logics for value creation, distribution and capture. It was expected that this would make salient different types of tensions for managers leading day-to-day decisions and activities in the 2 different business models. The tensions perceived by both groups of participants were presented, compared and triangulated to secondary data. Through this comparison and triangulation, an additional content category to the shared mental model was identified and labelled *how we change* as depicted in Figure 15 below.

The pipeline business model group perceived tensions and changes to all content aspects of their shared mental model, except to that of their identity as a financial services organisation. This remained intact and in line with the corporate level identity. The same was observed for the platform business model group as far as organisational identity goes.

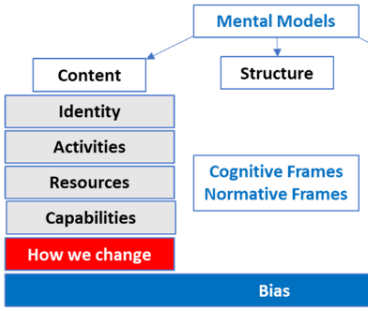

Figure 15: Additional content dimensions identified based on evidence

The conceptual model further proposed that cognitive and normative frames as the structural elements of the mental model would function as filters to facilitate attention, interpretation and sensemaking of the tensions perceived. Through analysis of the interpretations, vocabulary and narratives of participants in both business model groups, specific frames were observed and labelled as *value, efficiency, performance and disrupt frames*. Only the platform business model group surfaced the *disrupt frame* which was also present at the corporate level. Normative content emerged from some of these frames.

For the pipeline business model group, these frames reflected mostly pipeline logics for value creation, but developed frame flexibility to the level of ***combination modification***. In the case of the platform business model group, the value, efficiency and performance frames became ***paradoxical*** in relation to the disrupt frame, as was the case at the corporate level. This is depicted in an extract of the conceptual model in Figure 16.

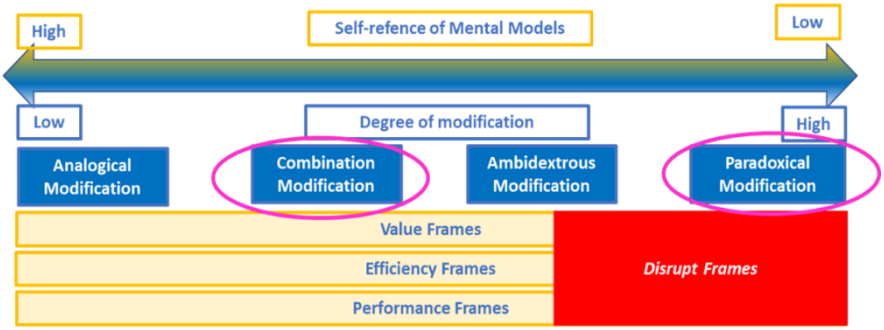

Figure 16: Frame modification at the corporate and parallel business model level

The cognitive dimensions of the dominant logic as a mental model therefore modifies in ***content*** when parallel platform-pipeline business models are introduced. Whilst the exact

content will be specific to the organisation's institutional and industry level logics, the mental model accumulates content and learning about ***how an organisation changes***.

The dominant mental model modifies mainly through the ***value, efficiency and performance frames*** that are already present in the organisation. In the timeframe following the introduction of parallel business model, these frames begin to reduce in self-reference through ***combination modification*** on the side of the managers in the pipeline business model. This appears to be the first step towards further modification of the cognitive dimensions of the dominant logic. The updated conceptual model based on empirical findings alone, is presented in Figure 17.

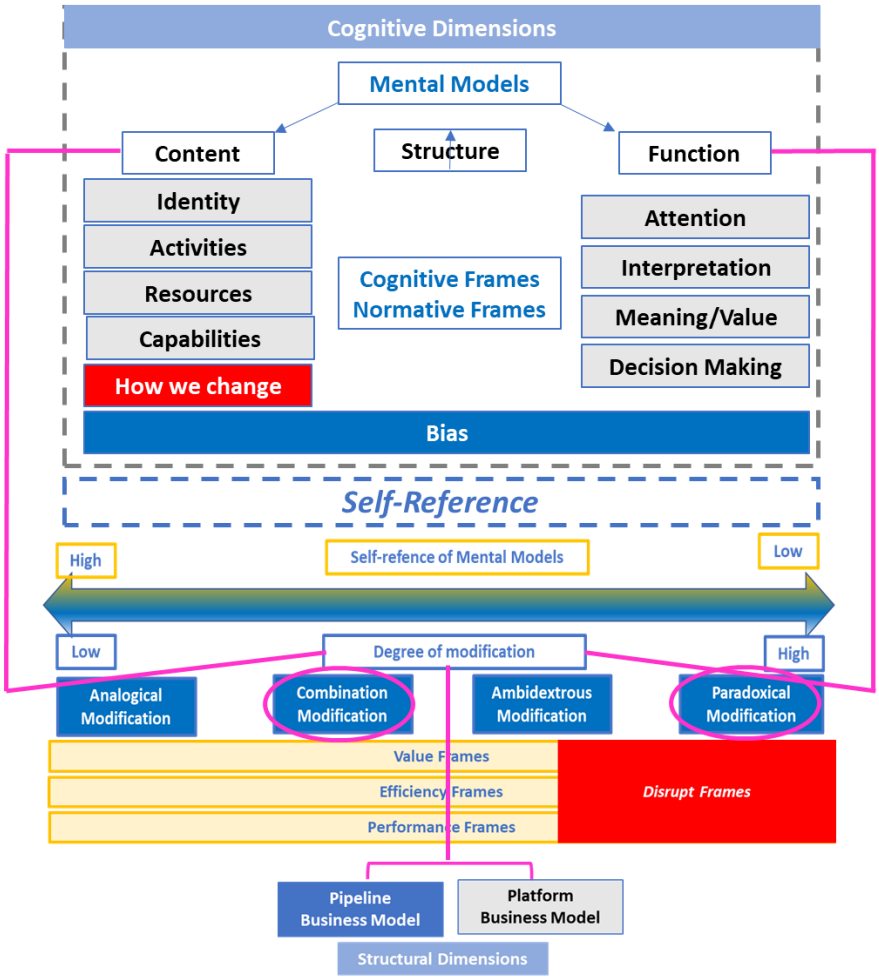

Figure 17: Updated conceptual model based on findings from research conducted

CHAPTER SIX: DISCUSSION

This chapter will discuss the research findings in the context of the available literature to identify similarities and differences. Throughout the discussion, the explanatory value of the findings will be linked back to the theory and where relevant, possible refinements to the theory highlighted. Whilst the discussion here follows a similar structure to that in Chapter 5, it lifts the insights and comparisons to the conceptual levels of the theory and to the unit of analysis which was the business model.

The research design, being a dual site, explanatory case study required the following design elements that were previously provided in Chapter 4:

1. The content and history of the dominant logic of an organisation and its evolution over a meaningful period of time (Bertels & Lawrence, 2016; Smith, 2014);
2. The marker decisions or events that brought about the establishment of a parallel business model (Jay, 2013; Frankenberger & Sauer, 2019; 2020; Smith & Besharov, 2019);
3. The actual interpretations of individual managers as the carriers of mental models in both the existing pipeline and emerging platform business models as they are playing out in an organisation (Bertels & Lawrence, 2016; Jay, 2013; Raffaelli, et al., 2019).

The research revealed at least one noteworthy finding related to the first two design elements, about the how changes to the dominant logic at the corporate level manifest. These insights will be discussed and compared to further literature in section 6.1 which mirrors the section on organisational context from Chapter 5.

The third design element links to the research propositions specifically. The propositions were designed to progressively investigate the mechanisms that affect the modification of the cognitive dimensions of the dominant logic of an organisation. First to identify the triggers for modification. Triggers manifest as tensions that managers perceive because they have become salient (Bidmon & Boe-Lillegraven, 2020). Section 6.2 meticulously maps both the anticipated and new tensions to the literature available and will result in mostly similarities.

Through the tensions that managers perceive, the cognitive and normative frames that they activate in the process of sensemaking can be identified, described and understood (Penttilä, et al., 2020). Section 6.3 will compare the frames identified through research against the available literarture to determine if managers in similar contexts presented with similar frames or at least themes, and highlight meaningfull insights from research.

The frames that emerged in research were evaluated for the degree to which they modified in the context of a parallel platform-pipeline business model in (Frankenberger & Sauer, 2019;

Lin & McDonough, 2014; Raffaelli, et al., 2019). Section 6.4 will explore the smilarities and differences between the research findings and literature on frame flexibility. The explanatory value of the case study comes to light in the linking of cognitive frame flexibility to the modification of dominant logic.

Finally, the overall research question will be answered by artcilulating the explanations formulated through research, for the modification of the cognitve dimensions of the dominant logic of an organisation (Engelmann, et al., 2020).

6.1 The organisational context and corporate level meta logic

The combination of inductive coding and categorisation of secondary data, followed by deductive application of the theoretical construct of the mental model content, led to the identification of 5 themes that were used to describe the corporate level dominant mental model (Figure 18). Four of these 5 themes are well documented in literature, under conditions of strategic change and business model transformation and therefore will be described in terms of their similarities. The fifth theme demonstrates links to existing research but may present the first possible extension to the concept of dominant logic.

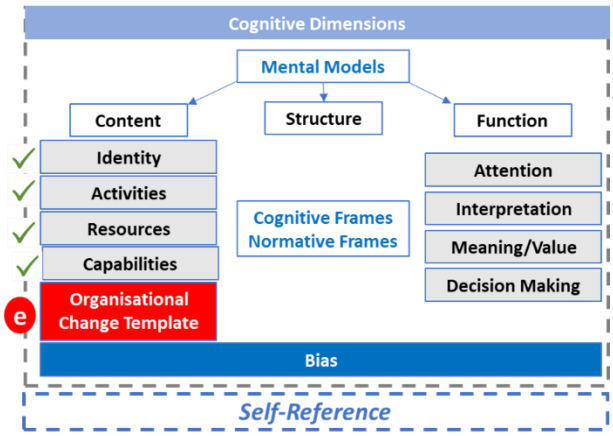

Figure 18: 1st updated partial conceptual model, based on Engelmann, et al. (2020)

6.1.1 Organisational identity

The focal bank in the case study did not demonstrate a fundamental change to its organisational identity over the 6-year period analysed. It continued to identify as a responsible provider of financial services, that had become more digital in how it provided financial services. This aspect of the corporate level mental model remained stable. Dominant logic as a shared mental model accumulates a strong narrative of organisational purpose, characteristics and institutional legitimacy over time (Laasch, 2019; Raffaelli, et al., 2019).

This is the whole point of dominant logic as a strategic resource. The introduction of hybrid logics may result in the reinterpretation of organisational identity (Smith & Besharov, 2019), or changing organisational identity (Jay, 2013). According to Smith and Tracey (2014) executive leadership teams may also develop "an overarching identity, integrated roles, and joint discourse to stress the synergies between competing demands" (p.460). The latter appears to be the of route taken by the bank in this case. Despite refreshing its brand purpose and building more digital capabilities, it remained a bank embedded in its context and unified the parallel business models across this narrative.

6.1.2 Organisational activities to deliver and capture value

This bank did not materially change its business activities either. It continued deliver value by providing access to banking products and services to clients via physical and digital distribution channels, owned and controlled within the boundaries of the business model. The emphasis on digital distribution increased and the location of physical presence changed, but it remained pipeline-driven distribution, nonetheless. Other financial institutions have also shifted distribution channels without materially changing what they do (Velu & Stiles, 2013). The bank also continued to provide traditional financial products and services, whilst beginning to explore alternative value propositions in the form of community or industry-based ecosystem plays. This resembles the findings of Rafaelli, et al. (2019) who demonstrated that when executive teams develop cognitive flexibility, they are more likely to introduce experimentation with new organisational activities and practices. The bank's approach to experimentation and digital transformation is much like that described by McGrath and McManus (2020) as "reinventing the way you sell and deliver the products you already make as well as identifying how to create and deliver new value through new digital capabilities" (p.129). In this was, organisational capabilities are still controlled and orchestrated from within the bank.

6.1.3 Organisational resources and capabilities for value creation

In the case study, this theme included 3 empirical categories. As far as the category *human assets* is concerned, it remained inclusive of the employees, their skills and expertise and the unique corporate culture. Yes, the expansion of *digital assets* reversed headcount growth as the bank developed its capabilities for *digitising the client experience,* but all these capabilities were present and maturing during the period of the review. According to Gilbert (2006), managing capability change in the face of discontinuous technological innovation means that "the challenge is not simply to move from one configuration to another, but often to maintain multiple competencies simultaneously" (p.150). Velu and Stiles (2013) also demonstrated the benefits of a gradual transition of capabilities that took place in a large American bond trading

bank. The focal bank of this research maintained its mental template for core banking capabilities over the period under consideration, and was gradually adding onto its own digital capabilities to facilitate financial services activities more efficiently and at lower cost.

6.1.4 The history of organisational performance

This theme consisted of 2 empirical categories and underwent a moderate level of change over the 6-year period under review. One category remained stable, and one changed. At the corporate level there was a consistent and strong focus on the commercial segments as a source of differentiation and performance. This aligns to the description offered by Desyllas, Miozzo, Lee, and Miles (2018) of a differentiation orientated strategy where an organisation competes on the basis of deep industry expertise and "by offering unique or leading-edge service products, or by tailoring their service offering to meet the demands and secure the loyalty of a few highly valuable customers" (p.770). In this case study, the bank then competes on both differentiation and cost strategies, the latter in the consumer segments (Desyllas, et al., 2018). Reflecting back on the original work on dominant logic by Prahalad and Bettis (1986), this then constitutes strategic variety and internal diversification. At the corporate level, the bank continues to describe itself as diversified, maintaining self-reference to its performance in commercial segments (Engelmann, et al., 2020).

The second aspect of this theme, namely *how we compete,* demonstrated change and adaptation for 2 reasons. First, the bank increased the scope of what it perceives as its competitor landscape. Where it used to be mostly other banks, digital banks and non-traditional providers of financial services, the scope of competition shifted to large telecommunication and technology companies. McGrath and McManus (2020) described this as redefining the "arena" of competition based on client needs, irrespective of what industry those needs would historically be serviced by. The bank began to subtly compete on price in response to new entrants and as part of its cost differentiation strategy in the consumer market. However, *how we compete* also shifted strategically to include other means of competing for clients, such as more innovative channels and value propositions. This aligns to the findings of (Du, 2018), who found that, in the American credit union industry, channels and product variety increased profitability and decreased profit volatility and risk. The bank's approach to innovation exploration as way to increase and diversify distribution channels and products, align to recent empirical findings.

6.1.5 Organisational change template

The more prominent shifts in the content of the corporate level mental model revolved around operating model changes driven by digital innovation, rapid innovation capabilities that made it possible and beyond banking exploration. The practical perspective on these changes is that

incumbent organisations typically cross subsidise their digital transformations internally (Zhao, et al., 2020) by exploring and experimenting with innovation (McGrath & McManus, 2020; Prahalad, 2004) and adding on platform business practices on top of a pipeline busines model (Van Alstyne, et al., 2016). The actual content shifts in logics are therefore well accounted for in the existing literature.

The meta perspective on the changes in the content of the corporate mental model is about the presence of a shared narrative for *how we change*, or, how an organisation thinks about how it changes. Dominant logic as a mental model that contains an organisation's representations of identity, capabilities, resources and history of performance is well researched and documented (Franke & Knyphausen-Aufsess, 2014; Engelmann, et al., 2020). However, there seems to be no definitive evidence of the embedding of a way of changing in the corporate mental model.

The founding fathers of dominant logic emphasised the importance of organisational learning and unlearning as a way to break up and change dominant logic (Prahalad & Bettis, 1986; Prahalad, 2004). Obloj, T., et al. (2010) positioned and explored learning as an organisation's reaction to disruption and as routines that become embedded in an organisation. Franke and Knyphausen-Aufsess (2014) positioned double-loop learning as a process for top management teams to reconfigure "internal elements" that may have become rigid organisational routines. Raffaelli et al. (2019) demonstrated that top management teams that had acquired more adaptive learning processes were more likely to experiment with disruptive technology. They also observed that organisational learning accumulates over time as organisations learn from innovation (Raffaelli, et al., 2019). Interestingly, Bettis and Prahalad (1995) already theorised on dominant logic as an "emergent property of complex adaptive systems" and concluded that organisations do develop new concepts and meanings through ongoing learning (p.5). Whether these templates for changing logics become embedded in mental models remained unclear.

In other words, although adaptive learning processes have been linked to cognitive flexibility, how these learnt capabilities for change become embedded and self-referent in dominant logic seems to be an interesting new insight that emerged from this case study. This bank had developed a tentative narrative for how it goes about change: we save to invest; we change our operating model, we experiment with capabilities and technology and build confidence for becoming more disruptive. If this narrative of how we change becomes self-referent over time, organisational learning routines may become elevated to establish a dominant logic for organisational change.

6.1.6 Conclusion

The findings related to the first 2 design elements of this case study mostly align to the existing literature on dominant logic in the context of contested or hybrid logics represented in business model change. Organisations can adopt new logics without fundamentally changing their identity. Organisations can also adopt more digital solutions and distribution channel activities into their business model, without really changing their value delivery activities. Next, organisations can build new capabilities whilst retaining residual capabilities, even if this is challenging. Organisations also engage in internally diverse cost and differentiation strategies, whilst maintaining an overarching identity and purpose. Lastly, organisations do diversify into digital products and channel complexity to enhance performance and reduce risk. On all these elements of the corporate dominant logics, the findings are similar to recent empirical and theoretical research.

The findings present one potential addition to the content of the dominant logic of an organisation as a mental model. By considering that organisations learn from the ways in which they deal with disruption and change over time, this research proposes that how organisations change may become a cognitive and normative template within the dominant mental model across at the level of the enterprise.

6.2 Discussion of research propositions 1a and 1b

6.2.1 Discussion of research proposition 1a

Summary of tensions identified	
Similarities	**Additional findings**
Pipeline participants perceive tensions relating to Tension 1: Value added to clients through distribution ✓ Tension 2: Value propositions to clients ✓ Tension 3: The integration and maturity of digital assets and operational efficiency. ✓ Tension 4: The need for human skills and expertise. ✓ Tension 5: The sources of competitive advantage and performance. ✓	*Additional tensions perceived by participants in the pipeline business model relate to* Tension 6: Segment-based differentiation. ✓ Tension 7: Leadership and decision making. ✓
Platform Participants perceive tensions relating to Tension 2: Real value to clients, beyond banking ✓ Tension 3: Working with and leading digital into the bank (in order to commercialise the platform) ✓ Tension 5: Scaling and commercialisation of the platform business ✓	*Additional tensions perceived by participants in the platform business model relate to* Tension 1: Regulatory fit within the bank ✓ Tension 4: The pace and entrepreneurial orientation of the platform business ✓ Tension 6: The future platform strategy ✓

Table 10: Propositions 1a and 1b mapped to existing literature

Seven tensions were inductively identified across 4 of the 5 themes that make up the shared pipeline mental model (Table 10). The first set of research propositions anticipated certain tensions to arise which were confirmed within the reality of the organisation and from the

unique perspectives of the organisational members (Smith & Tracey, 2014). Velu and Stiles (2013) pointed out that “shifting from an existing business model to a new one involves a series of transitions that link past, present and future” (p.445). The participants in this group seemed to have been working through this very process.

All the tensions that originated at the level of the pipeline business model presented similarities to existing literature and are each briefly discussed next.

- *Value added to clients through distribution*: This tension related to organisational activities. It was about seeing the value of digital and physical distribution channels from a client perspective, where the platform capabilities were regarded as another digital distribution channel. Business model change driven by digital innovation is known to significantly change the way products and services are delivered and result in a reduced need for physical distribution, a change that requires active day-to-day change management (Van Alstyne, et al., 2016; Velu & Stiles, 2013).
- *Value propositions to clients*: This tension specifically related to organisational activities for value creation. It considered whether value propositions to clients should be more focussed on products versus solutions, and what clients really needed. Velu and Stiles (2013) asserted that business model change does challenge an organisation’s logics for value creation and its value propositions. Whilst implementing the changes incrementally, a sense of confusion is likely for a period during which existing products may become seen as less desirable and new solutions are still evolving (Palo, et al., 2019; Velu & Stiles, 2013).
- *The integration and maturity of digital assets and operational efficiency*: This tension related to resources and capabilities. It was about appreciating the need for digital expansion versus the extent to which the technology tools were integrated, or not, and their level of functional maturity. The tension was surfaced predominantly as one of efficiency and its impact on the client experience. The process of becoming a digital bank typically exposes issues of technological coherence because banks must add on innovative technology to legacy systems (Deneys, 2019). This tension was similarly described in the work of Zachariadis & Ozcan (2017) who observed how banks had to “cultivate and manage growth in all sides of their platform whilst keeping and investing in some core applications central to their value proposition” (p.11).
- *The need for human skills and expertise*: This tension was also related to the resources and capabilities. It was about the balance between mass standardisation through digital capabilities versus mass customisation of human expertise, specifically in the niche segments of financial services. Managers in segment type roles were in favour of platform capabilities that facilitate the needs of their unique clients but maintained the importance

of human intellectual property and relationships in for the growth in these segments. Palo, et al. (2019) observed the continued need for human expertise during business model transitions and Velu and Stiles (2013) pointed out the value of leveraging existing expertise to enable changes to the business value proposition. The need for human skills and specifically specialised expertise, during business model transformation is therefore similarly documented in research.

- *The sources of competitive advantage and performance*: This tension was related to the bank's history of performance and changing competitive landscape. It was about the managers' perceptions of who the bank was competing with and what the bases of competitive advantage should be. The sensemaking process questioned whether the bank should compete on the volume of transactional accounts, digital innovation, price or product differentiation. The literature confirms that the financial services industry had converged on products that were no longer a source of competitive advantage (Angelshaug & Saebi, 2017). At the heart of this tension seems to be the realisation that the existing value propositions are no longer attractive to clients as well as making sense of what new value propositions could be (Skålen & Edvardsson, 2016; Velu & Stiles, 2013). Penttillä et al. (2020), pointed out how managers with a view of the business model boundaries as "closed" typically seek solutions within their own resources and capabilities and not outside, resembling the tension observed in the pipeline business model here.
- *Segment-based differentiation*: This tension was not initially anticipated as a possible outcome of research proposition 1a. It related to the continued ability for the niche segments to differentiate themselves to attract clients and grow. This is a characteristic of organisations that employ differentiation orientated strategies where individuals and teams combine their skills and expertise to solve complex problems unique to certain clients (Desyllas, et al., 2018). The scenario of diversified coroporate enterprises where the dominant logic is often driven by the largest of the sub business units, was an integral part of the original economic concept of dominant logic. This tension is therefore very similar to what has been explored in the literature as dominant logic across a portfolio of diversified businesses (Bettis & Prahalad, 1995; Monteiro, 2015).
- *Leadership and decision making*: This tension was also not initially expected as a possible outcome of research proposition 1a. It was related to leadership decision making. It was about the managers requiring clearer decisions but less control and more space to execute from their executives during this time of transition. As with the other 6 tensions, this too was well documented in the literature on the role of leader cognition, expertise and management of business model transition where new logics for value creation were introduced (Raffaelli, et al., 2019; Smith & Besharov, 2019; Velu & Stiles, 2013).

Overall, the tensions that became salient at the level of the pipeline business model in this case study are similar to those identified for other incumbent organisations that had previously engaged in digital and/or platform business model change.

6.2.2 Discussion of research proposition 1b

Six tensions were inductively identified across all 5 themes (Table 10) for this group. The first set of research propositions also anticipated certain tensions to arise from the area of the new parallel platform business model which were confirmed within the reality of the organisation and from the unique perspectives of the organisational members (Smith & Tracey, 2014). The tensions are evidence of the sensemaking taking place at the level of the platform business model as managers take ownership of driving the new business venture towards profitability (Velu & Stiles, 2013). All the tensions presented with similarities to existing literature and are discussed next. Tensions 4 and 6 for this group illuminated interesting detail about the experiences of those managers driving the platform transition from within the organisation, which added deeper insights into the practice of hybridity.

- *Regulatory fit within the bank*: This tension related to organisational identity and was not anticipated to surface up front as part of research proposition 1b. It was not about challenging the platform's purpose or existence within the bank because participants in the platform group identified as a platform for embedded banking. The tension was about finding a new configuration of regulatory norms that would allow the platform to grow to the extent that it could compete with other platforms externally but simultaneously contribute to the incumbent bank's balance sheet. Platform transitions in banking are evolving as incumbents work to determine the optimal designs that would complement their markets and unique strengths. However, by adopting any version of banking as a platform, they do change the rules of competition and expand their roles in the financial ecosystem (Zachariadis & Ozcan, 2017). Various technologies such as digital identities and APIs are facilitating these changes in institutional norms in financial services (Angelshaug & Saebi, 2017). Platform technology seems to be leading banks on a road to shifting organisational boundaries rather than creating more regulatory boundaries and from controlling resources to "maximizing ecosystem value" (Van Alstyne, et al., 2016, p.5). The managers in the platform business are therefore working through a tension that seems similar to incumbent organisations adopting potentially contesting institutional and market logics.
- *Real value to clients* - beyond banking: This tension related to organisational activities. It was about the value of traditional banking products for clients versus diversified value in

terms of non-traditional products and to the levels of services and experiences (Prahalad, 2004). The participants in this group presented with a different emphasis on value compared to their pipeline colleagues, without discarding the fact that clients continue to need financial products. By emphasising more holistic propositions that are created across the boundaries of the business model, these managers align to what Penttilä, et al. (2020) identified as "managers with more open business model views" (p.215). Zhu and Furr (2016) described how adding a platform mindset to a product mindset allowed organisations to add on products that aligned to their capabilities and brand, thereby establishing new value creation principles. Skålen and Edvardsson (2016) demonstrated how the introduction of additional sources of value such as insurance, for example, could begin to shift the overall conceptualisation of value in an organisation. The managers in the platform business were in fact seeing themselves as the catalysts for shifting the bank's logic for value creation.

- *Working with and leading digital into the bank*: This tension related to how capabilities and resources are integrated and orchestrated across the parallel business models. In this phase of business model innovation, the managers in the platform business are enacting the strategic choices of the organisation to engage in platform activities. In the process of enactment, they are finding ways to collaborate at the execution level with managers in the pipeline business, whose performance indicators overlap on certain metrics, but not all. In this way, they perceive their ability to successfully influence for change and to collaborate as a core capability and an enabler of platform commercialisation. Zhu and Furr (2016), recommended that pipeline to platform transitions start with a "defensible product and a critical mass of users" (p.74), stating that platform activities are unlikely to revive struggling products. In essence, what the platform in the bank started doing is to connect clients and third parties to each other but also to the bank as a supplier of financial products (Zhu & Furr, 2016). It follows that operational and sales integration across the business models is necessary and critical for the success of both business models. Velu and Stiles (2013) demonstrated that this process of integration is not done in one single transition or even a series of incremental shifts, but that it is an ongoing cycle of "back-and forth iterations" between the business models that should be managed by leveraging both the differences and synergies between them (p.455). The platform managers are therefore engaging in such cycles of engagement.
- *The pace and entrepreneurial orientation of the platform business*: This tension surfaced in addition to those anticipated as part of research proposition 1b. It was related to the competitor landscape and the organisation's sources of competitive advantage. From the perspective of the platform managers, the competitor landscape includes traditional and challenger banks and non-traditional financial service providers, but now also other large

platforms. In order to scale and commercialise this platform competitively, they need to compete on innovation and at pace. Van Alstyne, et al. (2016) observed how engagement in platform activities abruptly shifts the competitor landscape for an incumbent organisation, whilst Zhu and Furr (2016) commented on the fact that the digital world functions fast and that platforms can never be complacent. Entrepreneurship as an organisational capability and characteristic is inherent to innovation and specifically business model innovation (Zhang, et al., 2021). The literature therefore confirms the need for an entrepreneurial orientation and for speed of innovation as success factors for business model transformation, as well as leveraging existing capabilities to achieve this. This case study elaborates on how this plays out when a platform business originates from within an incumbent organisation.

- *Scaling and commercialisation of the platform business*: This tension related to the time to achieve scale and network effects of the platform. It was about activating all opportunities for commercialisation, those internal to the bank but also focussing on new and additional client and commercial initiatives that stretch outside the bank. This resembles the assertions of Van Alstyne, et al. (2016) that the quality of the match between supply and demand on platforms is a function of the size and complexity of the network. The pace at which scale is achieved is known as commercialisation and the fundamental way in which platforms become competitive (Zhu & Furr, 2016). Finally, the literature also offers the views of Zachariadis and Ozcan (2017) that "the most attractive platform would be the one with the most appealing value propositions for clients on both sides of the market, enhancing network externalities and thus customer retention" (p.13). The managers on the platform business model side therefore present with the typical tensions found in start-up platform businesses, only, they must manage the additional complexity of coordinating the interdependencies with the existing pipeline business model (Zhao, et al., 2020).
- *The future platform strategy*: This final tension was related to the evolution of the parallel platform-pipeline business model to its next phase. Although the managers in the platform business model were aligned to the origins and the place of the platform business inside the bank, their vision is for the bank to progress to a more comprehensive platform driven mindset and strategy. In other words, whilst they currently hold the platform-pipeline paradox as interdependent, they are seeking ever more workable integrations of logics (Gümüsay, et al., 2020). Velu & Stiles (2013) observed that, through the actual phases of the business model transition of an American bank, the final outcomes of new digital value propositions were not clear at first and required ongoing management of the paradoxical logics. This must be particularly tricky in the context of banking where clients have become very price sensitive and switch banks often. The platform business model managers seem

to be managing this tension amidst the evolving strategy at the corporate level that has stated its intent to disrupt further.

Overall, the tensions perceived at the level of the parallel, evolving platform business model reflect extant research findings on pipeline to platform transitions and business model change in general, offering a few deeper insights into the way start-up logics evolve from within incumbent organisations (Table 10).

6.2.3 Conclusion

In conclusion, Zhu and Furr (2016) recommended that the transition from one business model to another where the logics for value creation are significantly different, take place through a phase of hybridity of logics. During this phase, leaders have the challenging task to balance alignment between the two business models whilst also sufficiently differentiating them so that synergies and skills can be leveraged or replaced (Velu & Stiles, 2013). All 7 the tensions perceived by the managers in the pipeline business model are similar to that described in the existing literature. All 6 tensions that were articulated for managers in the platform business model reflect those present in recent academic literature as well. This research therefore converges with literature in terms of the tensions managers in both business models perceive, with no significant nuances, apart from more detailed insights into the platform business model mental model.

6.3 Discussion of research propositions 2b and 2b

Cognitive and normative frames function as the structural elements of mental models and as filters through which individuals search for information, attend to certain information, process and interpret information that eventually guides decision-making and action (Franke & Knyphausen-Aufsess, 2014; Joseph & Gaba, 2020; Raffaelli, et al., 2019). In this way individuals may also filter out information by not searching for or attending to it. They may also interpret and present information in a way that is consistent with their existing mental model or develop new meanings (Franke & Knyphausen-Aufsess, 2014).

It follows that the frames that managers activated during this research, are an indication of what they focus on as important and reflect how they interpret and make meaning of what they perceive. Evidence presented in Chapter 5 established the extent to which *value, efficiency and performance frames* reflected the existing pipeline or changing platform logics. Does the literature contain similar versions of value, efficiency and performance frames present during

business model transitions? And, does the literature perhaps describe such examples in the context of parallel business models? What explanatory value do the findings hold for the theory of dominant logic and for practice? These will be the guiding questions for the discussion of research propositions 2a and 2b that follow.

6.3.1 Discussion of value frames for research propositions 2a and 2b

The evidence presented in Chapter 5 demonstrated 3 versions of the *value frame* that surfaced across this case study. The first was the corporate level, overarching interpretation of value that comprehensively included traditional banking products, services and value propositions for value creation, physical and digital channels for value distribution as well as human and digital assets as capabilities and resources. Segment-based value propositions and capabilities were presented as a core part of the bank's differentiation strategy. All these elements that make up the business model were controlled and orchestrated within the boundaries of the bank's business model, therefore reflecting a pipeline dominant logic. However, one exception was that of value added through community-based and industry-based ecosystem plays. The latter reflected small scale experiments with a slightly different value logic, positioned as an alternative value proposition and as additional activities for value distribution and capture.

What does the extant literature say about this? Because business models represent a coherent system of value creation and capture, business model innovation is inherently concerned with value (Schneckenberg, et al., 2019). In the process of introducing new value logics, existing value cannot be destroyed, but needs to be maintained and integrated (Gilbert, 2006; McGrath & McManus, 2020). Adding platform-based logics for value creation on top of pipeline logics is not only about finding digital ways of delivering existing products, but also about creating entirely new forms of value (McGrath & McManus, 2020; Penttilä, et al., 2020). The corporate value frame in this case study interprets the embedded value of its products, services and channels still as at the core of its value creation logic (Skålen & Edvardsson, 2016; Vargo & Lusch, 2004), but begins to allocate resources to experiment with complementarities and experience innovation (Prahalad, 2004; Schneckenberg, et al., 2019). The dominant corporate logic in this case study therefore aligns with the literature in terms of the presence of a frame for interpreting, evaluating and changing the meaning of value from the basis of a parallel pipeline logic.

The second version of the value frame emanating from the pipeline business model reflected all aspects of the corporate level value frame. In addition, normative content emerged from the pipeline business model. Positive value was assigned to changes in the geographical

locations of physical distribution channels and to digital distribution channels, based on their convenience for clients. Negative value was assigned to a perceived focus on products sales, interpreted from performance metrics, as opposed to meeting clients' needs more holistically. This version of the value frame also surfaced ecosystem value propositions as a new and additional channel for distribution of banking products. All value creation activities were considered as owned and controlled within the boundaries of the bank's business model.

Schneckenberg, et al. (2019) demonstrated that managers intuitively linked their observations of clients' unmet needs to the need for different means of value creation whilst Raffaelli et al. (2019) linked managers' choices to engage with digital innovation to their emotional evaluation of clients' needs for choice, value and convenience. These examples align on the normative aspects of the pipeline value frame observed in the case study. Consistent with the findings of Frankenberger and Sauer (2019), the pipeline value frame worked to focus internally to make sense of the shortcomings in value creation and sought solutions from existing products and channels. Jay (2013) explained how such cycles of sensemaking could lead to innovation but also "stuckness or oscillation between logics" (p.155). The emergence of the ecosystem type value proposition or concept seemed to have provided the pipeline managers with what Jay (2013) referred to as a "linguistic hook" which is beginning to unlock the latent value related tensions. Once again, the case study aligns with similar findings from literature where value-related themes or frames were present in the content of business model innovation and parallel logics.

The third version of the value frame present in the platform business model included all aspects of the corporate and pipeline value frames, but with a different emphasis and expanded vision. The platform value frame effectively acknowledged all traditional products and channels for value creation but emphasised the addition of non-traditional solutions through predominantly digital channels as the ideal. The platform value frame extended to consider a future in which financial products are predominantly embedded in client experiences and where the financial products may or may not be produced or owned within the boundaries of the bank's business model.

Zhu and Furr (2016) provided examples of large global platforms such as Amazon and Lego Storm, that simultaneously produce, own and distribute their own solutions. In these examples, value is not perceived as finitely linked to inhouse solutions, but as potentially untapped value beyond the boundaries of the existing business model (Prahalad, 2004; Zhu & Furr, 2016). In addition, new approaches to value creation must involve higher value and novel offerings to clients, compared to the existing ones (McGrath & McManus, 2020; Velu & Stiles, 2013). From this perspective the value frame in the platform business model within the bank seems to have

assimilated some platform logics in an integrative and interdependent way by searching for value within and beyond what currently exists.

Value creation as a theme or a frame for making sense of digital and platform business model changes is therefore present across extant literature and in the context of parallel business models. Whilst there does not seem to be new theoretical insights, the way in which the value frame at the platform business model level encompasses both pipeline and platform is a unique insight into the evolution of a new logic from the perspective of these managers.

6.3.2 Discussion of efficiency frames for research propositions 2a and 2b

The evidence presented in Chapter 5, also demonstrated 3 versions of the efficiency frame that surfaced across this case study. At the corporate level, the overarching efficiency frame activated matters of access to and delivery of products and services through its physical footprint as well as digital channels. All the activities played out as transactions within the governance of the bank's business model, enabled through resources and capabilities owned and orchestrated by it. The multi-sided platform was presented as an additional and increasingly more efficient way of providing access to banking through client journeys. Given the design of the platform technology, efficiencies were being enabled in the moment of transacting and therefore at the boundaries of the business model.

How do these findings link to the existing literature? Weill and Woerner (2018) surveyed hundreds of enterprises engaging in digital transformation and identified technology enabled efficiency and customer experience related themes or frames as the main attention targets. Organisations that succeeded in advancing on both customer experience and efficiency, benefited from enhanced cost performance and innovation performance but presented with a reduced focus on products (Weill & Woerner, 2018). This example does seem to describe an exploitation type efficiency frame similar to the corporate level efficiency frame in this case study. Both interpret efficiency and productivity as embedded in processes and internally owned technology (Skålen & Edvardsson; 2016). The existing literture therefore mostly provides precedent for the findings of this research related to the corporate level efficiency frame as predominantly exploitative.

The pipeline business model version of the efficiency frame matched the corporate level version with specific positive emphasis on efficient fulfilment of sales and service through digital assets. This frame also surfaced normative evaluations of digital tools that were not yet functionally mature nor integrated, detracting from efficiencies. The multi-sided platform was interpreted as an improved digital asset because of the additional sales efficiencies it could deliver. The advantage of dominant efficiency frames is that they provide cognitive and normative shortcuts for evaluating what is efficient, what is not and how to potentially create

efficiency (Engelmann, et al., 2020; Franke & Knyphausen-Aufsess; Prahalad, 2004). However, digital transformation can be competency destroying, rendering existing efficiency frames incapable of solving for new problems, unless they flex and adapt (Weber, et al., 2019). Although the pipeline efficiency frame that surfaced in this research represents a pipeline dominant logic, it does not seem to be entirely inflexible (Gilbert, 2006). Like the corporate level efficiency frame, it seems to be adopting more logics for efficient delivery of value through digital assets.

The platform version of the efficiency frame did not entirely filter out the need for a physical, bank-owned distribution footprint but presented digital channels and products as the new baseline for banking. This efficiency frame was overwhelmingly concerned with the integration of core banking systems with platform technology as a means to create more efficient delivery and capture of value internally and externally for network partners.

Firstly, Penttilä, et al. (2020) found that new technology deployed internally was expected to create internal efficiencies, but technology deployed externally was required to create new differentiated value. Skålen and Edvardsson (2016) on the other hand, argued that logics should shift away from efficiency as embedded in internal processes and technology to being created in the process of consumption of services. At the platform business model level, the way to create efficiencies combined both these views. Whilst neither of the 2 examples in the literature individually explain the platform efficiency frame identified in research, they do present with some similarities on the efficient integration of internal technology as well as the potential for further efficiency beyond what is orchestrated and governed inside the business model.

Again, efficiency as a theme or a frame for making sense of digital and platform business model transitions, is not uncommon across the extant literature. The unique challenges faced by the managers in the platform business model does make for interesting insights.

6.3.3 Discussion of performance frames for research propositions 2a and 2b

As with the value and efficiency frames, the evidence presented in Chapter 5 also demonstrated 3 versions of the performance frame that surfaced across this case study. At the corporate level the sources of performance centred around products and solutions as well as capabilities owned and orchestrated within the boundaries of the business model. The measures of performance included standard financial and market share metrics and efficiency ratios. Based on this, the corporate level performance frame seems to be predominantly oriented to the performance of the pipeline business model. Performance within the platform

business model was interpreted in terms of its contribution to growth in new banking clients and indirect cross selling. Deviations from the pipeline logic for performance were present in the perception of the competitive landscape that now extends beyond the financial services industry that necessitates experimentation with platform and ecosystem plays.

Franke and Knyphausen-Aufsess (2014) argued for better performance at the enterprise level when it is able to handle multiple logics for value creation, finding ways to create synergies between the logics. Earlier, Smith and Tushman (2005), developed a model demonstrating how executive teams could balance strategic contradictions by managing existing product performance whilst simultaneously tracking innovation performance. In essence, performance improvement is a core driver of strategic decisions to adopt new market logics and change business model designs (Velu & Stiles, 2013). The literature therefore provides proximate examples of exploitation of existing resources whilst exploring new and different logics as a means to improve performance.

The pipeline version of the performance frame mapped entirely onto the corporate performance frame. It did, however, surface normative content in terms of the actual sources of performance and competitive advantage as well as the value of some of the performance measures. Segment-based differentiation as a source of performance and growth was framed as potentially threatened by a perceived consumer driven digital logic. Overall, the pipeline performance frame interpreted matters of growth and competition to be solved for from within the boundaries of the busines model. This performance frame had also extended to include competitors beyond financial services and some of the tensions related to competitive advantage can be linked to having to compete with new competitors, based on an existing set of resources and metrics.

As much as organisations may accommodate multiple logics for performance at the enterprise level, overall performance can still be moderated by the managerial capabilities to handle multiple logics (Franke & Knyphausen-Aufsess, 2014). The performance frame at the pipeline business model level seems to be activated when performance problems such as a lack of sales growth or a decline in market share becomes visible (Bertels & Lawrence, 2016; Zhao, et al., 2020). Whilst performance related tensions may evoke bias in the form of blaming the external evironment (Franke & Knyphausen-Aufsess, 2014), they could also lead to more openness to consider additions of new logics (Bertels & Lawrence, 2016). Although the corporate level performance frame is adopting new logics to facilitate improved performance, the performance frame in the pipeline business model is more focussed on the operatonal aspects of performance and competition (Frankenberger & Sauer, 2019). Considering the

questions raised through the pipeline performance frame in this research, the literature seems to provide grounds for sensemaking through the lense of organisational performance.

The platform version of the performance frame interpreted the platform business as the main source of future growth and competitive advantage. This frame positioned the pipeline and platform value propositions and capabilities as interdependent and mutually constituting of each other. The extent to which the platform performance frame focussed internally, was mostly in anticipation of scaling the platform across all the verticals and segments in the bank. The platform performance frame predominantly presented with speed, agility, entrepreneurship and commercialisation as its main filters.

Smith (2014) articulated short-term performance in terms of exploitation of existing products, resources and capabilities and long-term performance was linked to ambidexterity or being able to explore innovation related performance at the same time. Smith and Tushman (2005) referred to this dual focus as a paradoxical frame for managing strategic contradictions. When platform (exploration) and pipeline (exploitation) performance frames are held as a paradox, as in the platform performance frame in this case study, the performance measures most likely change to include the existing pipeline metrics as well as new ones related to the commercialisation of the platform itself (Van Alstyne, et al., 2016). Evaluated against the literature available, the platform performance frame seems to have developed to become paradoxical to the extent that it defines its performance based on a dual set of metrics and its competitive advantage across both the pipeline and platform logics.

The presence of performance as a theme of frame for strategizing and for making sense of tensions during business model transformation seems to be prevalent in the extant literature as well. The paradoxical characteristics of this frame in the platform business model, provides a unique and practical view of how start-up ventures evolve from within an incumbent organisation.

6.3.4 Discussion of the disrupt frame for research propositions 2a and 2b

Based on the evidence presented in Chapter 5, only 2 clear versions of the disrupt frame emerged in the case study. At the corporate level, this frame had some platform logic characteristics as it promoted disruption on the basis of rapid technological innovation and disruptive market activities that may go beyond the boundaries of the bank's business model. In this way, the corporate level disrupt frame was explorative in nature, positioned as an add-on to, over and above the normal activities and capabilities for value creation.

Raffaelli, et al. (2019) identified a cognitive capability filter at the executive team level that may expand to embrace seemingly contradictory capabilities related to technological innovation. They also identified a competitive boundary filter that could expand for executive teams to identify new and unusual growth oportunities (Raffaelli, et al., 2019). Linking their findings back to this case study, it appears that resource allocations made earlier towards the development of new capabilities, have established and matured to enable further and more disruptive market activities. In other words, the executive team had begun to assimilate new logics, positioned as the bank's strategy for disuption that complements its continued exploitative value creation activities.

The only other version of the disrupt frame surfaced in the platform business. Through this frame, the platform managers saw themselves as being at the core of the bank's exploration agenda. They assigned significant value to their advanced and evolving technology stack, their entrepreneurial orientation, external focus and adaptability. Moreover, they had come to identify themselves as the agents for change and disruption in the context of the bank, acting within the bank's paradoxical agenda for exploitation and exploration.

Zhao, et al. (2020) found that the most successful platforms apply "complex innovation" (p.11). This means that the business model contained a large number of interdependent elements and that the platform was continuously exploring and innovating to remain ahead of imitations (Zhao, et al., 2020). Albeit with some nuances, this seems to be the way in which the platform managers are approaching their business: building interdependencies with the pipeline business whilst continuously innovating the technology and extending external partnerships. This approach further aligns to the combination of differentiation and integration strategies for managing strategic paradox where "differentiating involves separating distinct elements and honouring the unique aspects of each, while integrating stresses synergies and linkages" (Smith, 2014; p.1594). Finally, Velu and Stiles (2013) concluded on the importance of management processes to manage parallel business models and transitions. This more or less describes the engagement of the platform leadership in this case study, aimed at leading change into the existing business model.

Existing literature consistently links technological innovation to individual and organisational exploration frames. In this case study, staying true to the context, the disrupt frame functions as an exploration frame (Raffaelli, et al., 2019). From this perspective the research and the literature converge. The additional, more detailed insight from this case study comes in the form of the unique perspective at the platform business model level, considering itself as the driver of platform thinking into the incumbent organisations and potentially the exploration strategy overall.

6.3.5 Conclusion

Research propositions 2a and 2b built on propositions 1a and 1b by using the tensions perceived in the context of parallel business models, to identify the cognitive and normative frames that managers active in the process of sensemaking. The frames identified through this research were all consistent with the available literature, even if not labelled in exactly the same way. All the frames were also present in some way in literature specific to hybridity of logics, parallel business models and pipeline-platform business model transitions.

The research consistently demonstrated similarities to the literature from the perspective of the corporate level or strategic frames as well as the pipeline business model frames. As far as the platform busines model frames are concerned, more detailed content was observed in this case study based on the real-life experiences of the platform managers and their perspectives. A summary of the findings mapped to literature is provided in Table 11.

Research Findings				
		Corporate Level	**Pipeline Business Model**	**Platform Business Model**
Value Frames	Present in literature?	✓	✓	✓
	Similar to parallel business model literature?	✓	✓	Yes, with more detail
Efficiency Frames	Present in literature?	✓	✓	✓
	Similar to parallel business model literature?	✓	✓	Yes, with more detail
Performance Frames	Present in literature?	✓	✓	✓
	Similar to parallel business model literature?	✓	✓	Yes, with more detail
Disrupt Frames	Present in literature?	✓	n/a	✓
	Similar to parallel business model literature?	✓	n/a	Yes, with more detail

Table 11: Propositions 2a and 2b mapped to existing literature

6.4 Discussion of research proposition 3

As established through the evidence in Chapter 5, the corporate level value, efficiency and performance frames reflected dominant logics for the exploitation of existing pipeline capabilities. These frames demonstrated some flexibility through the initial experimentation with ecosystem and platform plays as unique value propositions and client journeys as additional value capture activities. Also, from secondary data, strategic variety emerged in the form of planned and intentional disruptive market initiatives. This was labelled as an explorative disrupt frame. Based on the positioning of these frames in secondary data as interdependent and evolving, it was proposed that the corporate level frames had become paradoxical.

How do these findings relate to the extant literature? Firstly, the emergence of the platform economy presents a discontinuous technological change for several mature industries, including financial services. Discontinuous change, as opposed to incremental technological change, require executive teams to develop new cognitive representations of their organisations to redefine strategy, resources, capabilities and architecture (Raffaelli, et al., 2019). Multiple examples exists in the literature stretching the past 2 decades, of executive teams and organisations that failed to do adopt new logics for value creation. As many examples now exist where strategic paradoxes were indeed adopted, allowing organisations to both exploit product or pipeline logics for value creation and simultaneously explore platform logics for long term performance (Gilbert, 2006; Smith & Tracey, 2016). More specifically, several researchers have studied and presented findings on pipeline-platform hybridity and transitions that resemble the approach taken by the focal organisation in this case study (Velu & Stiles, Zhu & Furr, 2016).

Secondly, empirical research has explored ambidextrous and paradoxical frames and behaviours in many cases as interchangeable concepts, at the individual, business unit and organisational levels (Bidmon & Boe-Lillegraven, 2020; Lin & McDonough, 2014). The evidence of switching between exploitation and exploration as a consequence of ambidexterity offered by Bidmon and Boe-Lillegraven (2020) helps to clarify the functioning of the disrupt (or exploration) frame identified in this research. The disrupt frame is first and foremost a frame for innovation exploration of digital and platform logics and it further seems to interact with the other frames in a paradoxical manner (Smith 2014; Smith & Besharov, 2019). From this perspective the research and the literature converge.

The focus of research proposition 3, however, is to understand and explain the degree of modification of the shared mental model in the pipeline business model. The evidence showed that some modification of the pipeline mental model had indeed taken place at the time of the research. The value, efficiency and performance frames as the structural elements of the pipeline mental model had developed flexibility by incorporating additional logics through conceptual combination. The mental model at the level of the pipeline business model did not demonstrate ambidexterity nor paradoxical positioning of pipeline-platform logics.

Gilbert (2006) explained how strategic paradoxes for value creation play out at the level of day-to-day implementation and resource allocation, depending on managers' perception of new logics as threats or opportunities. Velu and Stiles (2013) demonstrated how incremental implementation of a new logics for value creation could reduce threat perceptions and contribute to the development of frames that are more inclusive of new and contested logics. Skålen and Edvardsson (2016) further showed how the enactment of new logics over time

enables the assimilation of new logics into mental models. In other words, the literature suggests that incremental introduction of new logics for value creation has been a common approach to strategy execution. This appears to align to the specific stage of the evolution of the parallel platform business model observed in this case study and how managers in the pipeline business model are incrementally absorbing new logics.

Because new logics may initially contest existing value propositions, business activities and capabilities, those managers responsible for strategy execution may initially not notice, ignore or reject them. The literature refers to this as selective attention that may result in the dominance of one end of the strategic paradox (Engelmann, et al., 2020; Joseph & Gaba, 2020; Martins, Rindova, & Greenbaum, 2015). However managers may attend to new logics and would then process and make sense of them in the context of their existing mental models (Jospeh & Gaba, 2020; Penttilä, et al., 2020). Various scolars have described the possible outcomes of sensemaking that include analogical reasoning, conceptual combination, ambidexterity and paradoxical framing (Martins, et al., 2015; Lin & McDonough, 2014; Smith & Besharov, 2019). These potential outcomes were presented in Chapter 2 along a continuum of the expected degrees of modification of cognitive and normative frames that would also imply changes in the self-reference of mental models (Engelmann, et al., 2020).

Based on the evidence from this case study, managers in the pipeline business model developed flexibility to the level of combination modification. Conceptual combination was articulated by Martins et al. (2015) as a "cognitive process through which a focal/target concept is combined with a modifier/source concept in order to create a new concept" (p. 104). Schneckenberg, et al. (2019) expanded this view by showing that cognitive combinations of logics result in variations of those that existed before, but that new logics often remain subordinate to the original logics. Both groups of scholars, however, applied this concept in the context of business model design which is related to but not exactly the focus of this research, i.e., the further implementation and scaling of a parallel business model. Conceptual combination has also been researched in the fields of linguistics, psychology, creativity and innovation. Frankenberger and Sauer (2019) identified combinations of attention targets during the growth phase of business model change but did not directly link them to the concept of cognitive combination or dominant logic. The potential contribution of this research then could be to demonstrate how the existing constructs of conceptual combination and paradoxical frames function in a specific context, to enable the modification of a dominant mental model.

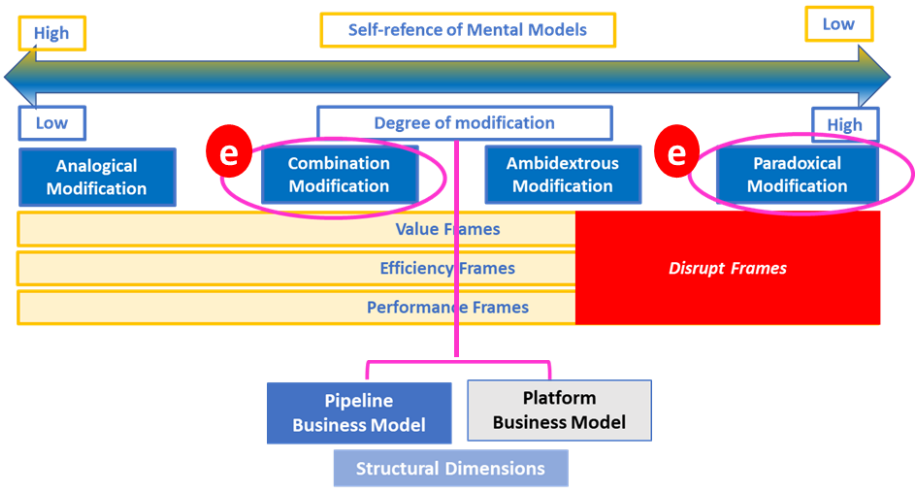

Figure 19: 2nd updated partial conceptual model, based on Engelmann, et al. (2020)

6.5 Conclusion

Research question: How are the cognitive dimensions of the dominant logic of an organisation modified when parallel business models are introduced?

Through a rigorous process of mapping evidence form research to existing literature the following similarities were confirmed for all the research propositions and aligned back to the conceptual model for research:

- The corporate level mental model or dominant meta logic of the organisation contained aspects of organisational identity, value propositions and activities for value creation, capabilities and history of performance (Figure 18).
- The corporate level mental model contained cognitive frames that had manifested in its publicly available artefacts and documentation as *value, efficiency and performance frames*. Although these frames were not labelled as such in the literature they were conceptually and practically explored as themes in prior research.
- In the early stages of implementing a parallel platform business model, the organisational value, efficiency and performance frames remained predominantly driven by exploitation of pipeline logics.
- The organisational mental model had developed a new cognitive frame facilitating exploration of platform logics, labelled the disrupt frame. This frame reflected strategic variety and introduced a cognitive paradox into the corporate level meta logic.

- At the business model level, managers in the pipeline business model perceived typical tensions arising from digital business model transformation.
- At the business model level, managers in the platform business model perceived tensions found in pipeline to platform business model transformations in incumbent organisations.

- The mental models at the parallel business model level presented similar content categories compared to the corporate level as well as similar value, efficiency and performance frames. However, the actual content of most of the categories and frames varied, specifically in terms of organisational activities, capabilities, performance and change.
- In the pipeline business model, value, efficiency and performance frames developed flexibility to include conceptual combinations of pipeline and platform logics. The platform logics remained subordinate at this stage of the evolution of the business model. The managers did not surface a frame for disruptive exploration.
- In the platform business model, value, efficiency and performance frames included both platform and pipeline logics. The managers surfaced a frame for disruptive exploration.

In addition to these similarities, the following explanatory insights could be regarded as refinements to the concept of dominant logic and theory:

- The dominant logic of and organisation may also, over time accumulate learning from the ways in which the organisation changes and adapts, or assimilate a DNA for change, into its mental model.
- The cognitive dimensions of dominant logic modify through increased frame flexibility, specifically frames for value creation, efficiency of value delivery mechanisms and performance or value capture mechanisms.
- The modification of the cognitive dimensions of dominant logic is initiated through the development of conceptual combinations that incrementally reduce self-reference in the context of parallel, evolving business models.

This research project therefore suggests that, in the context of parallel and evolving business models, the cognitive dimensions of the dominant logic of an organisation modify at various levels in an organisation. At the corporate level, an overall mental template or frame for organisational change develops. At the level of the incumbent business model, the existing cognitive and normative frames initially develop flexibility to the level of cognitive combination that begins to reduce in self-reference. At the level of the new parallel business model, all existing frames for exploitation and emerging frames for exploration are adopted paradoxically to continuously challenge and drive further paradoxical logics at the corporate level. All these modifications are interdependent, non-linear and emergent in the context.

CHAPTER SEVEN: CONCLUSION

The foundation for the research project described in Chapter 1 is the multi-factor burning platform for financial services organisations, specifically in banking, where deeply embedded core banking capabilities and technology, vertically integrated, pipeline business models and thinking have become challenged by Fintechs, digital banks and non-traditional players across various industries (Angelshaug & Saebi, 2017; Deneys, 2019). Besides accelerating and evolving its value propositions and its digital transformation, banks have been waking up to the platform economy by engaging in platform experiments in a variety of ways (WEF, 2015). While these platform transitions are all still evolving, it is imperative for banks, and all organisations engaging in such journeys, to understand how dominant mental models shift and blend, specifically at the level of day-to-day execution of strategy (Frankenberger & Sauer, 2019).

As strategic resources, dominant mental models and frames are accessed by managers when making everyday decisions about priorities, resource allocation and operations (Purdy, et al., 2019). Should pipeline dominant mental models prevail unmodified, the trajectory of business model transformation may be compromised or derailed (Schneckenberg, et al., 2019; Velu & Stiles, 2013). By considering the dominant logic of an organisation as an influencer of the pace and quality of business model transformation, this research project was able to further investigate the linkage between the structural dimensions of dominant logic to its cognitive dimensions as proposed by Engelman, et al. (2020).

7.1 Research contributions

The focus of the research was scoped to be the cognitive dimensions of the dominant logic in the form of a shared mental model, values and premises for decision making. The purpose of the research was defined as developing explanations for the way in which the shared mental model in an organisation is modified.

The first contribution to the theory of dominant logic is the articulation of an emergent narrative for organisational change at the corporate level, across the portfolio of businesses in an organisation. This narrative has the potential to develop self-refence and become embedded in the shared mental model as a template for how an organisation adapts and changes, alongside its identity and purpose, capabilities and resources, value and history of performance. In this research project, the cognitive template for change assumed characteristics of disruption which was paradoxically positioned in relation to the existing

mental model, by the executive leadership as an overarching linguistic and conceptual frame to facilitate further adoption of new logics (Jay, 2013; Smith & Tracey, 2014).

The second contribution offered by this research project is integrative and explanatory in nature. Although various forms of adaptations to cognitive frames have been explored in research, it was mostly done as separate constructs or by combining and comparing 2 constructs. Firstly, by suggesting that the extent of modification to cognitive frames can be considered along a continuum, these constructs can now be considered together and compared for the degrees of flexibility that they present. Secondly, by linking this continuum of frame flexibility inversely to the strength of the self-refence of mental models, the constructs could be credibly linked to the modification of the cognitive dimensions of dominant logic.

The third and final contribution made by this research project is through empirical evidence of how the dominant logic of an organisation modifies at the business model level, in the initial stages of business model transformation. In the context of parallel, evolving business models that hold contradictory logics for value creation, the dominant logic in an incumbent business model is most likely to begin to develop flexibility through conceptual combination from existing cognitive frames. Although this level of flexibility seems incremental it does signal an initial reduction in the self-refence of the cognitive dimensions of the dominant logic.

7.2 Recommendations for management practice

The context for this research project was a case study involving the introduction of a parallel platform-pipeline business model in a bank. The adoption of parallel strategies is becoming more common amongst incumbent organisations seeking sensible but meaningful business model innovation (McGrath & McManus, 2020; Zhao, et al., 2020). Where most extant research has focussed on the design and initiation phases of pipeline to platform transitions, this project honed in on the post implementation phase, where scaling a new business model across the levels of execution is the main focus of strategy execution. Scaling business models that hold contradictory or contested logics could result in the integration of value propositions and value capture activities or lead to the cannibalisation of existing ones (Velu & Stiles, 2013; Zhu & Furr, 2016). It seems that, through paradoxically exploring new innovative capabilities alongside exploiting existing capabilities, organisations allow themselves time and space to learn and figure out the next best version of their business models.

The first recommendation for practice is grounded in this notion of learning whilst evolving and linked to the first research contribution. Leaders should be deliberate about developing and weaving a consistent and overarching narrative for organisational change into their strategic

positioning, communication and engagements. This idea is not dissimilar to promoting organisational purpose, values and the brand internally. It should, however, be intentional and carefully constructed to activate the organisation's normative connections to value, efficiency and performance for change.

The second recommendation for management practice is for leaders in strategy and organisational change and development to collaborate to proactively measure, make visible and track the degrees of cognitive flexibility that develop at various levels of management. By incrementally introducing new logics, conceptual combination would be the first steppingstone to developing further frame flexibility. It is also important to note that, based on the insights from this case study, enabling increasingly more frame flexibility is about more than learning and education. It is also about intentionally creating time and space for sensemaking across the parallel business models and across levels of management.

7.3 Limitations of the research

The limitations presented here should be read in conjunction with those presented as part of the limitations of the research design, at the end of Chapter 4.

- Despite its endeavour to integrate the constructs from the literature into a coherent framework for observing the modification of the cognitive dimensions of dominant logic, the research was still only able to deliver findings for a specific timeframe, shortly following the introduction of a parallel business model. Although the secondary data was more longitudinal in scope, the value of the explanations could be further tested in subsequent phases of business model transformation.
- Due to the requirements for keeping the organisation anonymous and unidentifiable, information relating to its unique branding, market position and some of its differentiating capabilities had to be omitted. Whilst this did not detract from the research findings, it would have provided richer insights into the strategic choices made by the organisation.
- Given the complex nature of the constructs, the relationships between them and the corresponding detail that needed to be considered for this project, the modification of dominant logic could only be explored at the level of the business model, i.e., at one level of management. Richer insights may have been possible if time permitted for the research to be done across more scales of management, as would be reflective of the self-similarity of dominant logic.

Although a multiple-case study approach may be promoted by some of the top scholars of organisational theory and logics, the true value of this research is in fact to be found in its deep

and detailed focus on the cognitive processes as they unfold within the actual organisational context.

Finally, this research was conducted during the height of the Covid 19 pandemic. The researcher's initial concerns about the potential distortion of the participants' responses did not materialise. Firstly, although not a fail-safe technique, participants were asked to exclude pandemic related inputs from their responses, except for a dedicated question on the topic. This worked at least partially and with most participants. Secondly, the Covid 19 related content that participants did contribute seemed to have supported their narrative for change, but not their interpretations of logics for value creation.

7.4 Suggestions for future research

- Future research could delve deeper into the inclusion of a cognitive template for organisational change as part of the dominant logic of and organisation. Such research should determine whether other organisations do indeed develop such a narrative over time and also describe how it facilitates ongoing change.
- An interesting avenue for future research could be to find linkages between such a cognitive template for organisational change and dynamic capabilities. It is possible that a dominant logic for organisational change could either moderate or mediate dynamic capabilities.
- Further research into the ongoing development of frame flexibility during subsequent phases of business model transformation would serve to confirm or refine the findings of this research project.
- More experimental research should consider designing and testing interventions and organisational process that proactively elicit sensemaking as part of strategic execution. Such research designs could contribute to the practical management of increased frame flexibility as part of organisational change projects.
- Given that platform transitions in banking and financial services are evolving, further research into the creative outcomes of pipeline-platform business model combinations could make for an interesting topic for research.

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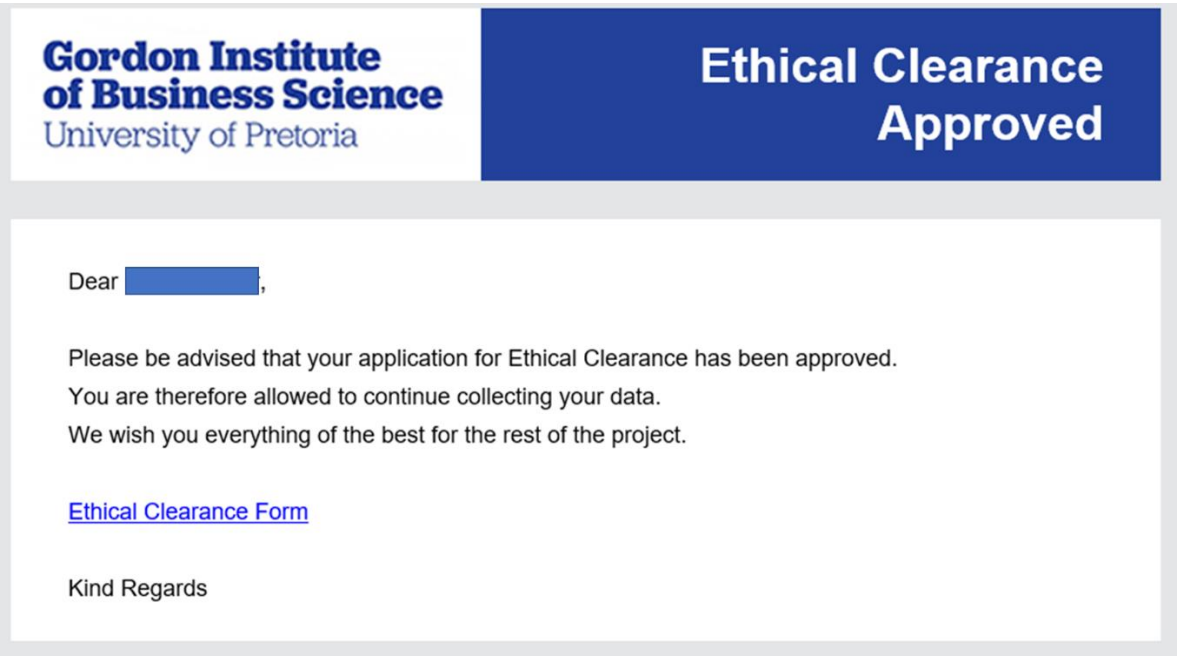
ANNEXURE 1: ETHICAL CLEARANCE



Gordon Institute of Business Science
University of Pretoria

Ethical Clearance Approved

Dear [redacted],

Please be advised that your application for Ethical Clearance has been approved.
You are therefore allowed to continue collecting your data.
We wish you everything of the best for the rest of the project.

Ethical Clearance Form

Kind Regards

ANNEXURE 2: EMPIRICAL CODES AND CATEGORIES FROM PRIMARY DATA

Primary data - pipeline business model group codes and categories

Digital assets
Digital must simplify Digital adoption by clients Emerging risk due to digitisation AI for sales & retention Cost benefit of digital
Human assets
Human value add to clients Expertise as differentiator Invest in skills Culture changes Personal accountability for brand/ethics Changes in HR practices
Value to clients
Value to clients CVP Cocreate value with clients External partnerships to create value Innovative products & Solutions What is good for clients Consumer behaviour & expectations Efficiency for client experience NPS scores – client satisfaction Global awareness Brand & purpose ahead of time What is takes to be client centric Internal collaboration
Being competitive
How we compete Our competitors
Efficiency
Efficiency through digital & Automation Digitise existing products & services Efficiency through processes Regulatory processes and requirements Operate leaner - CTI
Segment Differentiation
Segment based sales & distribution Segment based brand & reputation Matrix op model not optimal for segments

Decision making
Is Africa an opportunity Challenge the status quo Decisions through meetings Hierarchy Decisions re op model not objective Sensemaking required
How we execute
How we execute Leadership style Run vs Change the bank
Changing the bank's Op Model
New op model structure around client Digitisation drives op model Op Model – digital separate Internal focus
Distribution
Marketing effectiveness Partnerships – ecosystems Sales & Distribution channels Performance metrics & management
Beyond banking
Beyond banking Platform capabilities Tech partnerships Platform is B2B ecosystem for clients
Grow the bank
Traditional products Traditional thinking Financial metrics What defines market share Client retention Economy makes it difficult to grow
Covid 19
WFH anywhere WFH – wellbeing WFH –diversity & inclusion Client support

Primary data - platform business model group codes and categories

Traditional Banking
Traditional banking is a means to an end Traditional competitors Sell existing products on platform Digitise transactional products, processes & regulation Marketing & Distribution must adapt Clients need financial products
Platform strategy
Is the bank serious about the platform Platform strategy Executive embraces the platform play Pace of decision making Platform challenge banking mindset Collaborative strategic decisions Platform plays prior to the platform BM How do we compete in Africa
Leadership & decision-making
Politics in decision making Data to make decisions Judgement and emotion Leadership style
Value to clients
Real value to clients Advice to clients Platform enables buying journeys What client first actually means Non traditional products to attract clients Digital must simplify Digital quality of life
Be more entrepreneurial
Model to be digitally native Disrupt to grow Beyond banking new revenue Differentiate based on the platform Decisions about innovation Be more competitive & entrepreneurial The optimal culture Execution through self managed teams Execution through quick fail and learn
Warm Digital
Warm digital Client needs in SA context Reskilling the workforce Digital is the business

Pace
Pace of digital world Traditional bank is slow Platform can pivot fast Platform pace impacts people
Commercialise the platform
Scale the platform for growth Network effects Scale convergence Achieve platform profitability Track client behaviour to cross sell World class platform technology Digital innovation lowers cost
Working with the bank
Leverage the client base Execution competes for capacity Lead digital across the bank How incumbents position themselves How we measure success/results Segments have different needs Op model structure & clarity Parallel platform BM
Different from the bank
People/capabilities get results and change The bank has heavy processes and regulation Non-traditional competitors Structural changes External focus Platform challenges regulatory processes Challenge pipeline production Shift risk management flexibility
Boundaries of the business model
Open banking and finance Partner with competitors to product fill Product ownership Ownership of capabilities Operating model boundaries Platform partnerships
Covid 19
WFH anywhere WFH – wellbeing Clients – digital adoption Clients – back to the shops

ANNEXURE 3: EMPIRICAL CODES AND CATEGORIES FROM SECONDARY DATA

Secondary data – codes per time frame from documentary evidence

2015/2016	2017/2018	2019/2020
Human assets	Human assets	*Human assets*
Culture – Innovative and competitive Culture – people centred Culture – client driven Differentiate – unique corporate culture Distribution – Human Human capital Value to staff – transformation Value to staff – employment, headcount increase Value to staff – HR practices	Culture – Innovative and competitive Culture – people centred Culture – client driven Differentiate – unique corporate culture Distribution – Human Human capital Value to staff – transformation Value to staff – employment, headcount decrease Value to staff – HR practices *Value to staff - wellbeing*	Culture – Innovative and competitive Culture – people centred Culture – client driven Differentiate – unique corporate culture Distribution – Human Human capital Value to staff – transformation Value to staff – employment, headcount decrease Value to staff – HR practices *Value to staff - wellbeing*
Segment-based strengths	Segment-based strengths	*Segment-based strengths*
Differentiated segment capabilities Segment-based awards Segment-base metrics Insurance and wealth management capabilities Retail banking capabilities Capabilities in wholesale banking Opportunities in wholesale finance	Differentiated segment capabilities Segment-based awards Segment-base metrics Insurance and wealth management capabilities Retail banking capabilities Capabilities in wholesale banking Opportunities in wholesale finance	Differentiated segment capabilities Segment-based awards Segment-base metrics Insurance and wealth management capabilities Retail banking capabilities Capabilities in wholesale banking Opportunities in wholesale finance
The context of banking	The context of banking	*The context of banking*
Differentiate - corporate citizenship External Driver - economy, Interest rates External Driver - political & institutional volatility External Driver – reputation Financial outputs as value add Metrics - CSI, transformation, sustainability Natural capital Purpose - corporate citizenship, advocacy, economy Social & relationship capital Stakeholder partnerships	Differentiate - corporate citizenship External Driver - economy, Interest rates External Driver - political & institutional volatility External Driver – reputation Financial outputs as value add Metrics - CSI, transformation, sustainability Natural capital Purpose - corporate citizenship, advocacy, economy Social & relationship capital Stakeholder partnerships	Differentiate - corporate citizenship External Driver - economy, Interest rates External Driver - political & institutional volatility External Driver – reputation Financial outputs as value add Metrics - CSI, transformation, sustainability Natural capital Purpose - corporate citizenship, advocacy, economy Social & relationship capital Stakeholder partnerships
Value to client – access and distribution	Value to client – access and distribution	*Value to client – access and distribution*
Accelerate digital in a client centred manner Value to Client (need) - cyber security Distribution - location of branches Distribution - Omni channel/Digital Value to Client (needs) - access - channel of choice Growth through market leading client experiences Adapting business model to client behaviour Value to Client (needs) - experience/service Client Experience & Satisfaction	Accelerate digital in a client centred manner Value to Client (need) - cyber security Distribution - location of branches Distribution - Omni channel/Digital Value to Client (needs) - access - channel of choice Growth through market leading client experiences Adapting business model to client behaviour Value to Client (needs) - experience/service Client Experience & Satisfaction	Accelerate digital in a client centred manner Value to Client (need) - cyber security Distribution - location of branches Distribution - Omni channel/Digital Value to Client (needs) - access - channel of choice Growth through market leading client experiences *Adapting business model to client behaviour* Value to Client (needs) - experience/service Client Experience & Satisfaction *Segment – Township economy distribution* *Distribution - partnerships*
Value to client – traditional banking	Value to client – traditional banking	*Value to client – traditional banking*
Value to Client (needs) - traditional products Value to Client (needs) - peace of mind Value to Client (needs) - trusted advisor Grow main banked clients through CVPs Differentiate - growth in mainbanked market share Differentiate - banking product lines Defend market share to maintain mainbanked Market share measure - Asstes, Deposits & Advances Metrics - # Clients Compelling CVPs Rewards Programmes	Value to Client (needs) - traditional products Value to Client (needs) - peace of mind Value to Client (needs) - trusted advisor Grow main banked clients through CVPs Differentiate - growth in mainbanked market share Differentiate - banking product lines Defend market share to maintain mainbanked Market share measure - assets, deposits & advances Metrics - # Clients Compelling CVPs Rewards Programmes	Value to Client (needs) - traditional products Value to Client (needs) - peace of mind Value to Client (needs) - trusted advisor Grow main banked clients through CVPs *Differentiate - growth in mainbanked market share* Differentiate - banking product lines Defend market share to maintain mainbanked Market share measure - assets, deposits & advances Metrics - # Clients Compelling CVPs Rewards Programmes

2015/2016	2017/2018	2019/2020
Responsible financial services provider	Responsible financial services provider	*Responsible financial services provider*
Living the values through regulatory compliance Identity – financial services group Long term aspiration – a financial services provider in Africa Africa growth vs volatility Management and governance value to shareholders Differentiate based on regulatory risk management Value to regulators through compliance and taxes Primary business activities are banking and financial services Culture of compliance and governance Decision-making balances short term results with long term value Decision-making based on purpose and values Align the business model to regulatory requirements Metrics - liquidity and capital risk management	Living the values through regulatory compliance Identity – financial services group Long term aspiration – a financial services provider in Africa Africa growth vs volatility Management and governance value to shareholders Differentiate based on regulatory risk management Value to regulators through compliance and taxes Primary business activities are banking and financial services Culture of compliance and governance Decision-making balances short term results with long term value Decision-making based on purpose and values Align the business model to regulatory requirements Metrics - liquidity and capital risk management *New mindsets driven by leadership*	Living the values through regulatory compliance Identity – financial services group *Long term aspiration – a financial services provider in Africa* ***Long term aspiration – digital financial services provider in Africa*** Africa growth vs volatility Management and governance value to shareholders *Differentiate based on regulatory risk management* Value to regulators through compliance and taxes Primary business activities are banking and financial services Culture of compliance and governance Decision-making balances short term results with long term value Decision-making based on purpose and values Align the business model to regulatory requirements ***Metrics - liquidity and capital risk management***
Things we own and control	Things we own and control	*Things we own and control*
Distribution is bank-owned Financial capital, deposits and investments Intellectual capital and brand Manufactured capital – physical Manufactured capital – structure and processes Value creation through capital, business activities and outputs	Distribution is bank-owned Financial capital, deposits and investments Intellectual capital and brand Manufactured capital – physical Manufactured capital – structure and processes Value creation through capital, business activities and outputs	Distribution is bank-owned Financial capital, deposits and investments Intellectual capital and brand Manufactured capital – physical Manufactured capital – structure and processes Value creation through capital, business activities and outputs ***Data commercialisation***
Digitise the client experience	Digitise the client experience	*Digitise the client experience*
Digital has made us faster to market Digital has made us faster to market Banking platform and technology uptime Digitally active clients Digitised products Digitised processes Invest in banking platform for the future Technology and digital manufactured capital Simplified client onboarding for regulatory Client Experience through digital channels	Digital has made us faster to market Digital has made us faster to market Banking platform and technology uptime Digitally active clients Digitised products Digitised processes Invest in banking platform for the future Technology and digital manufactured capital Simplified client onboarding for regulatory Client Experience through digital channels *Digital onboarding fast and efficient* *Digital sales*	Digital has made us faster to market Digital has made us faster to market Banking platform and technology uptime Digitally active clients Digitised products Digitised processes Invest in banking platform for the future Technology and digital manufactured capital *Simplified client onboarding for regulatory* Client Experience through digital channels *Digital onboarding fast and efficient* *Digital sales*
Save to fund digitisation	Save to fund digitisation	*Save to fund digitisation*
Awards - digital & tech in banking Digital adoption reduced human service delivery Digital banking will become a commodity Digital positioned us for growth Digitisation - new skills & capabilities required New Capabilities - data analytics Productivity through operational efficiency and technology Target operating model - cost efficiency Evolving Tech Strategy & innovation Rapid technology delivery methodology Must manage technology spend Digital governed separately Distribution – fewer branches Distribution – size and floor space Automation enhances efficiency	Awards - digital & tech in banking Digital adoption reduced human service delivery Digital banking will become a commodity Digital positioned us for growth Digitisation - new skills & capabilities required New Capabilities - data analytics Productivity through operational efficiency and technology Target operating model - cost efficiency Evolving Tech Strategy & innovation Rapid technology delivery methodology Must manage technology spend Digital governed separately Distribution – fewer branches Distribution – size and floor space Automation enhances efficiency *Automation reduces the workforce*	Awards - digital & tech in banking Digital adoption reduced human service delivery Digital banking will become a commodity Digital positioned us for growth Digitisation - new skills & capabilities required New Capabilities - data analytics Productivity through operational efficiency and technology Target operating model - cost efficiency Evolving Tech Strategy & innovation Rapid technology delivery methodology Must manage technology spend Digital governed separately Distribution – fewer branches Distribution – size and floor space Automation enhances efficiency *Automation reduces the workforce*

2015/2016	2017/2018	2019/2020
How we compete	How we compete	*How we compete*
Seek fintech collaboration Non traditional challengers Financial services industry changing Metrics – financial and efficiency Product Portfolio optimisation - key advances categories Opportunity for digital innovation Challengers – loss of market share Differentiate – credit and expense management Opportunity – Africa distribution Regional Africa Regional Europe Value to shareholders – NAV, share price, dividends Opportunity in superior risk management	Seek fintech collaboration Non traditional challengers Financial services industry changing Metrics – financial and efficiency Product Portfolio optimisation - key advances categories Opportunity for digital innovation Challengers – loss of market share Differentiate – credit and expense management Opportunity – Africa distribution Regional Africa Regional Europe Value to shareholders – NAV, share price, dividends Opportunity in superior risk management *Value to clients (need) – price* *Challengers – big tech* *Differentiate – technology and digital innovation*	Seek fintech collaboration Non traditional challengers Financial services industry changing Metrics – financial and efficiency Product Portfolio optimisation - key advances categories Opportunity for digital innovation Challengers – loss of market share Differentiate – credit and expense management Opportunity – Africa distribution Regional Africa Regional Europe Value to shareholders – NAV, share price, dividends Opportunity in superior risk management *Value to clients (need) – price* *Challengers – big tech* *Differentiate – technology and digital innovation* ***Disruptive market activities*** ***Differentiate – client satisfaction*** ***World class capabilities – marketing and brand***
	Evolve the operating model for speed	*Evolve the operating model for speed*
	Target operating model – distribution *Target operating model – processes* *Target operating model – structure* *NWOW as practice – Agile* *NWOW as practice - Human centred design* *NWOW as practices - autonomous teams* *Fast - paced and agile ways of working*	*Target operating model – distribution* *Target operating model – processes* *Target operating model – structure* *NWOW as practice – Agile* *NWOW as practice - Human centred design* *NWOW as practices - autonomous teams* *Fast - paced and agile ways of working* ***Target operating model – distributed decision making***
	Beyond Banking	*Beyond Banking*
	Beyond banking – ecosystems *Beyond banking – new revenue streams* *Beyond banking – platform technology* *Beyond banking – value added services* *Incumbent Benefits - annuity income as funding* *Incumbent Benefits – scale* *Incumbent Benefits – trust* *Evolve the business model to platform* *Disruptive CVPs*	*Beyond banking – ecosystems* *Beyond banking – new revenue streams* *Beyond banking – platform technology* *Beyond banking – value added services* *Incumbent Benefits - annuity income as funding* *Incumbent Benefits – scale* *Incumbent Benefits – trust* *Evolve the business model to platform* *Disruptive CVPs* ***Scaling of the multi-sided platform*** ***Open banking and finance*** ***Financial ecosystem partnerships*** ***Incumbent benefits – data*** ***Incumbent benefits - brand***
		Extreme Context
		Covid – extraordinary client needs ***Decision making - agile during Covid*** ***New world of work - optimise real estate*** ***New world of work - reduced workforce*** ***New world of work – wellbeing*** ***Pivot/Adapt/Provision - operations/process*** ***Pivot/Adapt/Provision - platform capabilities*** ***Pivot/Adapt/Provision - strategically***

ANNEXURE 4: INTERVIEW SCHEDULE

Research Project: *The modification of the cognitive dimensions of dominant logic in the context of parallel, evolving business models*.

Interview protocol for semi-structured interviews

Question 1

Please describe the topics that have been dominating your management meetings over the past 12 months. (Whilst COVID 19 and recent social unrest have been top of mind, could we, for the moment, exclude business continuity matters that are undoubtedly part of the context).

Question 2

What types of decisions are being debated in your management team right now and what are your specific views on these topics?

Question 3

The bank's strategic pillars of [anonymised] seem to have replaced the [anonymised] approximately 4 years ago. What has this meant for your business area?

Question 4

Besides COVID 19 related matters – what is the most significant change that you think eBank has made in the past 18 months and how has it impacted your business area?

Question 5

How does the bank create value for its clients and other stakeholders and how do you see this changing in the future?

Question 6

Finally, tell me about the way in which the COVID 19 pandemic has impacted on strategic priorities in your business area?

Question 7

In your view, what are the most important and urgent mindset shifts that senior managers across the bank could make to deliver on its aspirations and objectives?

ANNEXURE 5: INDIVIDUAL CONSENT

To whom it may concern,

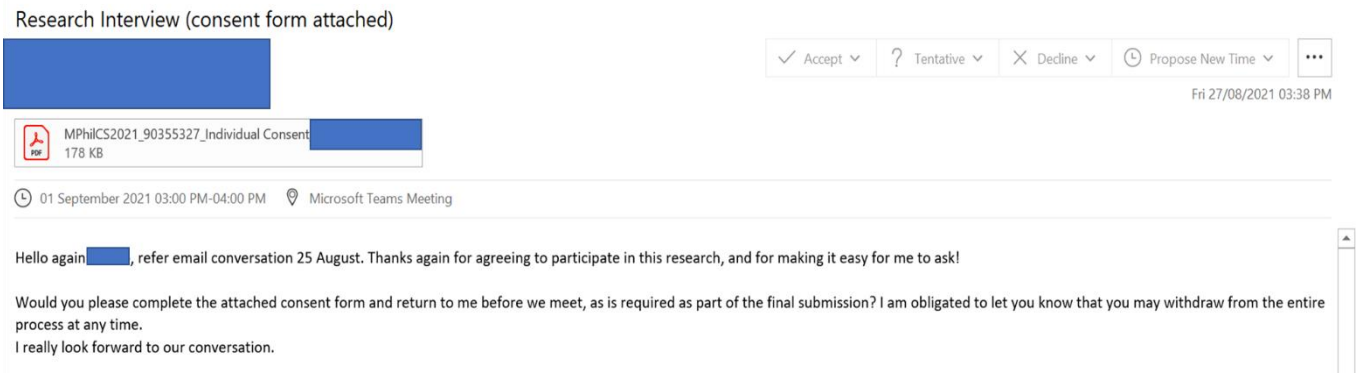
Consent to participate in research interviews

I, _____ hereby consent to participate in research based on the following agreed design components and parameters:

- Participate in a semi-structured interview approximately 60 minutes in duration, between August – October 2021;
- With the understanding that the identity of my organisation will remain confidential;
- With the understanding that my identity will not be disclosed in the research report or any subsequent publications or disseminations;
- With the understanding that recordings and transcripts will be encrypted and stored without any identifiers;
- With the understanding that all aspects of confidentiality and anonymity will apply to all forms of dissemination.

_____ _____

Signature **Date**



ANNEXURE 6: SUMMARISED COGNITIVE FRAMES PER GROUP AND THEME

Pipeline business model group			
Themes	Value frame applied	Efficiency frame applied	Performance frame applied
Who we are			
What we do	*Tension 1: Value added to clients through distribution* *Tension 2: Value propositions to clients*	*Tension 1: Value added to clients through distribution* *Tension 2: Value propositions to clients*	*Tension 1: Value added to clients through distribution* *Tension 2: Value propositions to clients*
Our capabilities	*Tension 3: The integration and maturity of digital assets and operational efficiency.* *Tension 4: The need for human skills and expertise.*	*Tension 3: The integration and maturity of digital assets and operational efficiency.*	*Tension 3: The integration and maturity of digital assets and operational efficiency.* *Tension 4: The need for human skills and expertise.*
Our performance	*Tension 5: The sources of competitive advantage and performance.*	*Tension 5: The sources of competitive advantage and performance.*	*Tension 5: The sources of competitive advantage and performance.*
How we change	*Tension 6: Segment-based differentiation.* *Tension 7: Leadership and decision making.*		*Tension 6: Segment-based differentiation.* *Tension 7: Leadership and decision making.*

Platform Business Model				
Themes	Value frame applied	Efficiency frame applied	Performance frame applied	Disrupt Frame
Who we are		*Tension 1: Regulatory fit within the bank*		*Tension 1: Regulatory fit within the bank*
What we do	*Tension 2: Real value to clients, beyond banking*		*Tension 2: Real value to clients, beyond banking*	*Tension 2: Real value to clients, beyond banking*
Our capabilities			*Tension 3: Working with and leading digital into the bank*	*Tension 3: Working with and leading digital into the bank*
Our performance	*Tension 5: Scaling and commercialisation of the platform business*	*Tension 4: The pace and entrepreneurial orientation of the platform business*	*Tension 4: The pace and entrepreneurial orientation of the platform business* *Tension 5: Scaling and commercialisation of the platform business*	*Tension 4: The pace and entrepreneurial orientation of the platform business* *Tension 5: Scaling and commercialisation of the platform business*
How we change			*Tension 6: The future platform strategy*	*Tension 6: The future platform strategy*