



Not by making things better but by playing the game differently:
Business Models Innovation course for fashion curriculum

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Background. Fashion industry has been experiencing revolutionary changes with the growth of Internet empowering upheavals in the retail landscape. As traditional business models does not provide sufficient competitive advantage to drive growth, marketers and retailers have expanded their focus from products to business models innovation (Sorescu *et al.*, 2011). New business models in fashion industry such as “fast fashion” (Zara), “made to order” (NIKEiD), the sharing economy (Rent the Runway, Gwynnie Bee), customer lock-in (ShoeDazzle, Febletics), and customer co-creation (threadless) drive growth not by making their products better but by changing how they create value for customers and appropriate value for themselves and their partners. While business models innovation provides unbounded opportunities for both fashion entrepreneurs who create new markets and marketers who change their existing markets, little attention has been paid to this area in fashion curriculum development.

Purpose. Compared to courses that are neatly designed, well-structured, with prepackaged information, teaching and learning business models innovations can be challenging for both faculty and students, because of uncertainty of the subjects and unconventional instructional methodologies. The purpose of this presentation is to describe Business Models Innovation course offered at a university in the United States. By sharing logistics of the course and addressing lessons learned from implementation and iterations of the course, this presentation attempts to present one way to integrate different perspective in fashion curriculum and some insight that may be of use to other educators.

Learning Outcomes and Course Contents. Learning outcomes of this course are: (1) identify and describe the fundamental components of a business model (knowledge), (2) evaluate the inter-connected relationships among the business model components (evaluation), (3) use contemporary tools to explain how a business innovation is distinguished from a good idea (comprehension), (4) develop a new, credible business model concept that is desirable, viable, and valuable (synthesis), and (5) apply course concepts in collaboration with students in other disciplines (application). Since the rise, evolution, and decline of new business models in industry change rapidly, course materials and real-world examples become easily outdated. Thus, rather than teaching prepackaged information, the course focuses on shifting student thinking framework and applying contemporary innovation tools that can be used in various and ever-changing contexts. These tools include Business model canvas, Blue ocean strategy, Disruptive innovation, Golden circle (Start with Why), IDEO How to grow matrix, Doblin 10 types of innovation, epicenters of innovation, the sharing economy, and design thinking. For the first 6-7 weeks of the semester, each class comprise two parts: mini-lecture part to discuss various innovation tools and business model patterns and lab part to apply the tools using class exercises. It is important to identify business model patterns across industries, not within fashion industry, because applying a business model

pattern from one industry to another has been a successful strategy in business models innovation (e.g., “made to order” for Dell computer, Build-a-Bear and NIKEiD; the sharing economy for Zipcar, Airbnb, and Rent the Runway). For the last 5-6 weeks, in a team environment, students work on projects to develop a novel business model concept. In this course, the role of faculty is rather a facilitator than an instructor. Because the course contents are not specific to an industry nor a discipline, this course can be offered as an interdisciplinary course to students from different majors.

Assessment of Learning Outcomes. Butler *et al.*'s (2005) multi-tiered model of assessment suggests: (1) focus on goals, (2) view assessment from multiple points of view, (3) emphasize student learning outcomes, and (4) disseminate assessment results. Assessment is done with two assessment instruments, functional knowledge (for learning outcomes 1-4) and teamwork (for learning outcome 5), and with views from both students and faculty. Functional knowledge is assessed using faculty evaluation of an assignment in which students select an inspiration company, evaluate its business model components, and apply innovation tools to change the company's epicenter of innovation. Team charters and team peer evaluations are used to measure effectiveness of teams and collaborations. Based on the assessment, intervention plan has been utilized such as providing an assignment template and designing an ideation lab class to initiate innovation ideas.

Team Diversification and Collaboration. Identifying business model patterns and developing new ways to create value for customers require critical thinking, diverse perspectives, and ability to synthesize. Thus it is important to have diverse team members and be able to receive feedback from others with different perspectives through collaborations. Student teams are strategically formed based on their majors and personality- and team role-test results. When students work on their projects, each team is paired with another team within the class and also with a team in another section of the course to exchange feedback on their business models and modify their initial ideas based on the feedback.

Industry Engagement. Teams with best business model ideas, elevated by faculty, enter a campus-wide business models competition supported by Blackstone Launchpad which is a campus-based entrepreneurship program designed to support and mentor students, staffs, and alumni. Industry partners are invited as judges of the competition. Moreover, Blackstone Launchpad provides guest lecture series throughout the semesters to engage industry partners and provide coaching and resources for students interested in entrepreneurship.

Coordinating Sections and Course Revision. Since it is collaboratively developed and launched in 2012, the course has gone through several iterations of revision, including modifying reading list, inclusion of readiness quizzes, and aligning assignments with learning outcomes. To coordinate multiple sections of the course, a shared Blackboard site is set up for instructors to access to common mini-lecture materials and to share up-to-date materials and revision ideas. Due to the nature of the subjects in this course, the course revision will be an ongoing process.

Butler, S., Stonewater, J., & Kinney, J. (2005). The application of an assessment model to a costume history course: A case study. *Clothing & Textile Research Journal*, 23(4), 333-349.

Sorescu, A., Frambach, R., Singh, J., Rangaswamy, A., & Bridges, C. (2011). Innovations in retail business models, *Journal of Retailing*, 87(1), S3-S16.