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EDITORIAL

Business, Value, Model

As simple, the concept of Business Model seems, as much confusion it generates. Any experiment or attempt of surveying the opinions of quite well-educated people (business school students – for example) gets mixed results: a sizable range from simple financial calculations of the profit to complex business plans. Where then the truth lies?

The failure to correctly define, understand, design and/or decipher business models leads to serious communication errors as well as significant business consequences; actually, it really means the difference between business success and bankruptcy.

The major obstacle in the way the business models are defined is the variety of the model types themselves. The model's typology largely varies from iconic ones (yet almost impossible to build for abstract concepts as a business) to explanatory, descriptive models and, ultimately, to symbolic models (graphical and mathematical models among them). As the business people are practical people by definition, and entrepreneurs are not necessarily the highest educated, the graphical representations have priority over mathematical models. We found – as result of decades of business education teaching as well as business consulting experience – that extremely concentrated symbolic models (such as linguistic metaphorical constructions) have a particular value for business education and even research.

A prestigious reference – the Oxford Dictionary of Economics namely, edited by the respected Emeritus Professor John Black – inclines in favour of the mathematical models of the economic-financial side of the business as it defines an [economic] model as „a simplified system used to simulate some aspects of the real economy". However, it admits that „the real world is so large and complicated that it cannot be fully described infinite time or space". Therefore, „a good model concentrates on the point it is studying and leaves out anything not essential to this" and, consequently, „models vary between the very simple … and large econometric models with thousands of equations".

Business models, as economic models by definition, observe the above definition (and favour the quantitative advantages of equations). In this respect, the equation defining the break-even-point is a good example of such a simplified (but limited) business model.

On the other side, the business models (as real phenomena of elevated complexity) have to be descriptive. Yet a certain degree of formalism is required. A largely accepted descriptive still standardized business model is the business canvas. The canvas of the business model is built of nine blocks – namely: key partners, key activities, key resources, value propositions, customer relationship, customer segments, [customer distribution] channels, cost structure, revenue streams – as described by Alexander Osterwalder.

For practical reasons, case by case, mixes (combinations) of types of models are suitable for properly describing businesses. And here is room for innovativeness – because each type of business is unique in its own way; in addition, even similar businesses, of similar size, active in the same industry (even the copycats) get and may report different result – understandable at least for one reason: they have different people as decision makers (business owners and managers).

In terms of innovativeness, in spite of explosive development of new technologies (information technology, communication technology and social networks, new materials and forms of renewable energy, biotechnologies etc.), it is neatly recommended to avoid the risky confusion to consider a certain innovative technology as having an innovative business model just because technology is innovative. In other words: a business based on a certain innovative technology does not necessarily have an associated innovative business model.

One more word about the business plan: why it is not a business model. At max, it may be accepted that a business plan is developed based on its corresponding business model. The supporting argument has, roundly, the same source of business knowledge: the Oxford Dictionary of Business states that a business plan is „a detailed plan setting out the objectives of a business over a stated period, often three, five, or ten years".

Cezar Scarlat
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ABSTRACTS

Business Models in Online Industry

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ABSTRACT: *Entrepreneurship is currently one of the core aspects of the global economy. The current study analyses how online business models are classified by specialists and also identifies the particularities of each online business model presented. Starting from the online entrepreneur's characteristics and the Internet penetration rate all over the world we discovered that there are many ways to group similar business types. Our results have identified that online business topics, such as virtual reality, artificial intelligence marketplace, online advertising, cloud, financial technology, are actually used to discuss about businesses and also to observe how the public attention evolved in the last 5 years and last 12 months buy interrogating the Google public databases and extracting the relevant results.*

KEYWORDS: business model, online industry, online entrepreneur, development of online business, online business models

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Trends in Shale Energy Production

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ABSTRACT: *Unconventional Shale Energy resources have become an increasingly significant source of oil and natural gas in the United States, Canada and China over the last decade. This rapid growth could not be achieved without research and development activities in this field. Moreover, revolution in unconventional hydrocarbon industries has triggered many research questions from highly engineering aspects to highly political issues in this area. In the current paper, we have attempted to shed a light on the frontier research of this growing knowledge domain. A number of 2489 papers were collected from Science Citation Index-Expanded (SCI-E) and the Social Sciences Citation Index (SSCI) databases. We applied bibliometric methods on collected publications and with the help of CiteSpace III software; co-citation networks of publications were mapped which revealed valuable information on research trends and knowledge gaps existing in this field. Three clusters of intellectual structure identified and analysed and future research opportunities recommended.*

KEYWORDS: unconventional energies, bibliometrics, emerging technologies, characterizing knowledge domain, citespace

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Maritime Spatial Planning in The Black Sea

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ABSTRACT: *The future implications for the implementation of the Maritime Spatial Planning (MSP) project in the Black Sea coastal area require identifying the changes and the effects. This paper aims to analyze the political, economic, social, technological, legal and ecological components, as well as the limitations of adopting a vision and the strategic objectives relevant to the Black Sea area. At present, Romania, in partnership with Bulgaria, is implementing the Black Sea Cross-border Maritime Spatial Planning (MSP) project and the authors are part of the teamwork. The aim of the project is to create a methodological framework for the development of the cross-border maritime plan. Thus, the findings of the PESTEL multi-criteria analysis will be relevant to the MSP project, on the one hand, and to all stakeholders – experts, researchers, academics and relevant Maritime Policy institutions. PESTEL, a complementary SWOT tool, extends to the analysis of the external-internal context and it is usually applied by firms for stra-tegic diagnosis / strategic planning analysis. The idea of applying this diagnostic method to MSP will lead to identifying cer-tain types of issues that often have an im-pact on the implementation of the project.*

KEYWORDS: PESTEL analysis, MSP, Black Sea

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Business Through the Syndicated Loan

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ABSTRACT: *The main research objective of this paper is to justify the benefits for the parties involved in syndicated loans and to clarify the competitive advantages of this type of financing. The question concerning the benefits and rewards of syndicated loans is further developed in two directions: advantages for the companies and benefits for banks participating in the distribution of financial resources. The achievement of this objective requires a thorough analysis of the factors from the point of view of demand and supply that determine the attractiveness of the choice of syndicated lending. The analysis and results of the study are addressed to the specialized academic community, practitioners, banking experts and market analysts. The publication of the results of the analysis can help to achieve practical benefits and realize the added value by reducing costs, penetration of new market segments, attracting new clientele, realizing income from the provision of additional services and portfolio diversification. The key contribution of the paper is to clarify the factors that make syndicated loans attractive. The review of the literature on the studied issues and the analysis of secondary data from the Thomson Reuters data bases provide an opportunity to outline current trends and describe the essential challenges facing their development in the post-crisis period. The analyses of the sectoral and regional profile of syndicated loans can provide valuable information that can serve as an indication or reference to rethink some imposed stereotypes on the global market of syndicated loans.*

KEYWORDS: syndicated loan, global market of syndicated loans, banks, bank loans

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Healthcare Satisfaction in Catastrophic Conditions

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ABSTRACT: *Optimization is the fact of enhancing a running system without the need to interrupt the real-system. Improvement of a concurrent complex industrial system such as healthcare should be highly considered in order to increase the satisfaction of three factors: patient, management and resource. A new reward system is defined in this work as part of optimization. Using simulation, a close optimal solution can be achieved. The reward system is generic and can be applied to any industrial system with queueing theory. A new optimization algorithm, MRA, is also proposed for the first time in order to define best resource allocation.*

KEYWORDS: disaster events, healthcare, optimization, reward system, satisfaction factors