



# Business Models – the new business strategy game in town

*Recognize winning patterns  
like a chess master*

By: **Robert Eden**

*A few years ago, my thinking on business strategy suddenly changed. While preparing dinner I watched Garry Kasparov teaching chess. Something he said got my mind racing. “Strong chess players realize patterns and can immediately spot opportunities because of these patterns.”*

He referred to his teacher Mihail Botvinnik who meant that the difference between weak and strong players is how many patterns they can recognize. A skill that helps them identify the best way to achieve their goal and vary the tools at their disposal to get an upper hand in facing the opposition.

A light bulb went off. Could this same idea of pattern recognition be applied to business success? What would the “Sicilian Defense” or the “Nimzowitsch-Larsen attack” of business be? To my wife’s horror, piles of magazines started to appear everywhere in our shared office as I trawled through stories about successful start-ups, clever strategic pivots, and epic failures. My mind was set on finding patterns, and I found them everywhere.

It was obvious. Just like in chess, being able to recognize

patterns in business would help you see the big picture and plan your next moves. What’s more, it started to become clear that recognisable patterns in business exist and could be spotted.

## Base your winning strategy on the business model

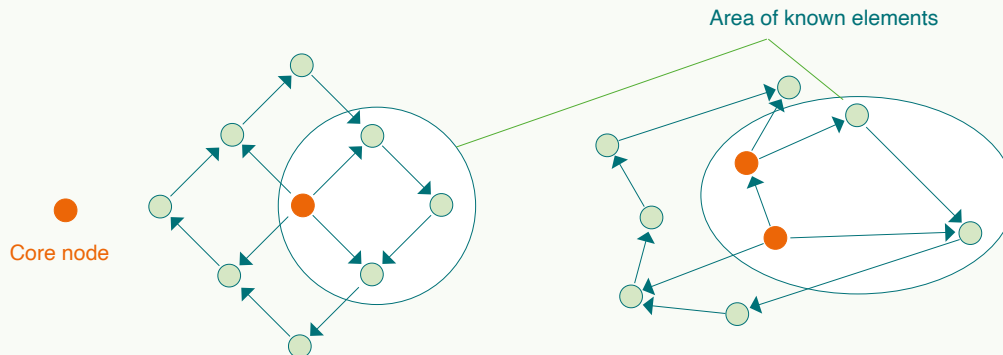
But what is a pattern in a business context then? I got the answer from a friend who runs a start-up school in the leading Business Polytechnics in Helsinki. He suggested I explore the concept of the “Business Model Canvas”. The central idea is that every company has a business model that is made up of the same 9 general elements. The elements work like the basic DNA building blocks of a company, and every model emphasizes one or more of the elements. These core points work like centers of gravity with the other parts orbiting *around them, supporting, and providing complementary elements.*

*For me, the elements provided data points, or nodes, for pattern recognition and the pattern itself is the business model.*

If you can spot the core elements, you stand a good chance of recognizing the pattern. Realizing this point was key to everything that was to follow.

## Finding the core of the business model pattern

Every business model shares the same 9 elements, but not all of them are needed for recognizing the pattern. The key is to find the core nodes that work as centres of gravity, and to understand how the other elements align themselves around the core nodes. Often, it's enough to spot just a few of the other elements to recognize the full pattern.



## The pattern behind Tesla's disruptive approach

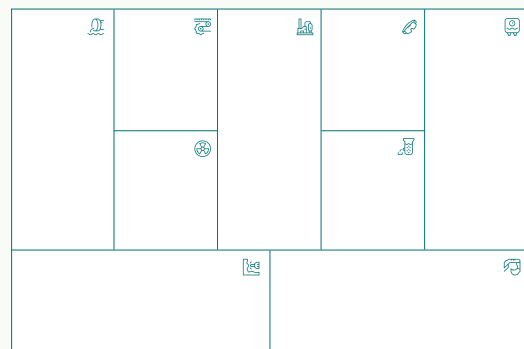
I'll explain the concept of using core nodes as anchor points for pattern recognition using Tesla an example. Remember that the business model a company has adopted is the pattern we are trying to recognize, and we are looking for clues as to what that business model is.

I take my example from the pattern library in the book "The Invincible Company" by Strategyzer where Tesla is categorized as a "Market Explorer", and more specifically, as a "Visionary". So here we are given the name of the recognizable business model pattern that pertains to Tesla, but what is this categorization based on? Moreover, how would you recognize the business models of other companies as falling under the same categorization?

According to the book visionaries "use imagination to see a large market potential where others don't. Unleash growth by exploring unproven needs that you satisfy with a new value proposition". The key is to notice that the description emphasizes two elements over all the other 7 elements in the Business Model Canvas: (1) *new value proposition*, and (2) *unproven needs of customers*. For Tesla these points mean building high-end electric vehicles for a niche group of customers who until then didn't know they wanted an electric vehicle.

The two points of emphasis act as the centers of gravity around which all the other 7 elements orbit and take

## The Business Model Canvas



Strategyzer

The Business Model Canvas is a strategic management template used for developing new business models and documenting existing ones. It offers a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances, assisting businesses to align their activities by illustrating potential trade-offs.

The nine "building blocks" of the business model design template that came to be called the Business Model Canvas were initially proposed in 2005 by Alexander Osterwalder, based on his PhD work supervised by Yves Pigneur on business model ontology. Since the release of Osterwalder's work around 2008, the authors have developed related tools such as the Value Proposition Canvas and the Culture Map, and new canvases for specific niches have also appeared.

[Wikipedia](#)

up configurations that support the overall structure. The key principle is that all businesses under the same pattern name – *Market Explorer/Visionary* - will have business model configurations resembling each other with the same anchor points.

## Copy with pride to surprise your opponent

Another example comes from the 2021 issue of “Fast Company” which features an article on Target. The article describes how Target “with its design capability and brand management skills is able to elevate its own private label brands to a level that rivals the actual brands it is copying”. The article goes on to say that “Target has been building up its design and brand management capabilities for years to enable it to build up its private label brands”.

My interpretation of this is that Target’s house-brand business is centered around two key activities, (1) design and (2) brand management. The core is therefore in the key activities part of the Business Model Canvas making it an “Activity Differentiator” in the BM taxonomy.

However, the pattern library in the book mentioned earlier, does not contain a business model that incorporates copying as a key element to success. I, therefore, invented a new business model pattern called “Copycat Leapfrogs” and added it to my library of so far 57 recognizable patterns.

The pattern name suggests a strategy where the company copies key elements from its rivals but adds its own innovation to jump on par or even ahead of its competition. This same strategy appears in other business literature too with Samsung being described in ways that match the “Copycat Leapfrog” business model.

## Patterns reveal the winning hand

So, what’s the benefit of being able to recognize patterns or business models? I think the benefits are the same as for chess players. The more business models you can recognize the better you can play the game. Moreover, recognizing the pattern your own company is in helps you search for similar cases for ideas, inspiration, next steps, and critical elements of success to adopt. It gives you the upper hand and helps you innovate and win the game.

### Pattern library

*I have so far gathered a library of 57 recognizable patterns from various sources. Most of them are from Strategyzer but other sources include my own discoveries as well as work by Mark W. Johnson and Clayton M. Christensen. Below are some examples from the library.*

NUMBER	NAME & (SOURCE)	DESCRIPTION	EXAMPLE	CORE DODES
10	MARKET EXPLORERS; Democratizers (Strategyzer)	MARKET EXPLORERS; Democratizers (Strategyzer) Find innovative ways to democratize access to products, services, and technologies that were previously only accessible to a small number of high-end customers.	Sears, Azuri, M-Pesa, AWS	1 Customer Segments 2 Value Proposition 3 Revenue Streams
23	ACTIVITY DIFFERENTIATORS: Focusers (Robert Eden)	Build competitive advantage by focusing on only one part of value chain where the usual way of operating is to build a vertically integrated business model	ABcellera	1 Key activities 2 Key resources
46	DIAL DOWN FEATURES (Mark W Johnson)	DIAL DOWN FEATURES (Mark W Johnson) Target less-demanding consumers with products or services that may not be superior but are adequate and perhaps more convenient, simple, etc	Motofone	1 Customer segments 2 Cost structure
55	BOUNDARY REDEFINERS (Robert Eden)	Companies that find a way of moving beyond what is normally considered the boundaries of their industries. They may target the same customer segments but with an "augmented" offering	Motofone	1 Channels 2 Key Resources 3 Key Activities

## Learning to play the game

So, let's together learn how to win the game of business chess. The established way to learn is through continuous practice and studying the games of masters.

Everyone who watched the Netflix series "Queens Gambit" knows this. Over the coming weeks, I will be publishing a series of articles deconstructing examples of "business chess" patterns being played successfully.

**In the next episode:** How Madison Reed played the "DIY hair color market", and the introduction of the *opportunity space* as another recognizable pattern underlying the business model. Follow me on LinkedIn or Substack to make sure you don't miss out. Innovate and win the game!



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