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Developing Business Models in Times of Long-term Far-reaching Technological Change – A Competence-based Perspective**

Abstract – No consensus has been reached so far on what a business model is. In particular, no comprehensive explanation exists of the decisions to be taken in developing business models in times of long-term, far-reaching technological change. In this article, we therefore start by giving a broad definition of a business model as the interaction of: allocation decisions to achieve competitive advantages; a value architecture; a value proposition for the customer; and a profit model. According to this definition, competences are of major importance to business models and their future development - not only for resource allocation, but also for the adaptation of an organization's competitive advantages, value architecture, value proposition and profit model. This is also demonstrated using three case studies from the automotive industry which were used to derive a conceptual framework to explain (mainly by a competence-based approach) the decisions taken in developing business models under situations of one-time, long-term, far-reaching technological change. 20 propositions were also deduced on this basis.

Keywords: **competence development, competitive strategies, business models, business model development, value architecture, automotive industry**
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