FROM THE EDITORS

LINGERING COVID AND LOOMING GRAND CRISES: ENVISIONING BUSINESS SCHOOLS' BUSINESS MODEL TRANSFORMATIONS

How have the business models of business schools been adapted in response to the current crisis? What kind of proactive transformation opportunities can business schools seek to prepare for, or to possibly even mitigate crises yet to come? Through the first essay in the AMLE COVID "trilogy," we explored the individual-level changes related to the COVID crisis (Ryazanova, Wright, Laasch, 2021). In this second essay, we shift the attention to the organizational-level impact of current and future grand crises on business schools. Following prior research, we use the business model lens to frame this conversation (e.g., McAdam, Miller, & McAdam, 2017; Trkman, 2019), as it offers a holistic organization-level perspective of business schools' practices of value proposition, creation, exchange, and capture (Johnson, Christensen, & Kagermann, 2008; Laasch, 2018; Osterwalder, 2004). We do so to inspire a broad and theoretically diverse reflection on the question "How might we better organize the business of the business school in a transforming world?"

Business schools have been under pressure to change for almost as long as they have existed. From the Carnegie and Ford reports of the mid-20th century to the criticism of neoliberal theories and philosophies in the wake of the financial crisis of 2008 (Mirowski, 2013; Parker, 2018), business schools' right to operate has been questioned openly (Murillo & Vallentin, 2016). Highly critical essays by Pfeffer and Fong (2002) and Ghoshal (2005), who blamed business schools for ineffectiveness in enhancing career progression and the failure to produce responsible managers and societally impactful research, remain some of the most highly cited pieces ever published in AMLE.

Yet, organizational transformations in the higher education sector are slow, and business models of business schools, while changing some practices (most notably, expanding online offerings), remained largely unchanged (Thomas, Lorange, & Sheth, 2013; Trkman, 2019). There are multiple reasons behind this inertia; for instance, the features of academic governance and the structure of academic employment arrangements. In that sense, the COVID crisis, with its power to create dramatic society-wide shifts, presents an important opportunity for change in the business of business schools.

Seen as one of the grand crises that widely impacts "life as we know it" (Howard-Grenville, 2021), COVID is not the first or last but just one in the sequence of accelerating grand crises (Hedlund, Esbjörn-Hargens, Hartwig, & Bhaskar, 2015; O'Neill, Fanning, Lamb, & Steinberger, 2018; Steffen, Richardson, et al., 2015). It needs to be seen in the context of past crises, most saliently the 2007/2008 global economic meltdown, and looming future crises, such as the "red" phase of the ongoing climate and refugee crises, or a looming biodiversity collapse. There are dozens of other likely candidates for "planetary mega issues" that might, at any time, escalate to become a grand crisis (Laasch & Conaway, 2016: 10).

We have entered the "Anthropocene," Earth's geological epoch in which humanity has become a force altering Earth on a planetary scale (Crutzen, 2006). This implies that we are now able to "make our own planetary crises," and we do so with an increasing frequency—dubbed "the great acceleration" (Steffen, Broadgate, Deutsch, Gaffney, & Ludwig, 2015). Accordingly, it is unclear whether a post-COVID "new normal" is going to be a transient phase of stability preceding the next grand crisis or whether this desired "new normal" never arrives because there always is a new crisis hard on the heels of the previous one. To transform this gloomy outlook into positive action, we suggest that we need to move from the discussion on what the pandemic has "done to" business schools (a reactive perspective) to a proactive perspective in which we consider a crisis to be "an opportunity to do things you think you could not do before" that should not be allowed to go to waste (Emanuel, 2020). There is a transformative opportunity for organizational "learning in crisis" (Antonacopoulou & Sheaffer, 2014).

In a reactive mode, one could suggest that we must accommodate to the new reality namely that the business models of business schools will have to

adapt to a world that is continuously volatile, uncertain, and complex (Peters, Smith, & Thomas, 2018). Proactively, however, COVID and every future crisis can serve as an important transformational opportunity and dress rehearsal for coming grand crises (McGahan, Bogers, Chesbrough, & Holgersson, 2021; Sarkis, Dewick, Hofstetter, & Schröder, 2021). By doing so, we might be better prepared for the next crisis to arrive, or even to ex ante mitigate grand crises to come.

In the rest of this editorial essay, we will share some ideas on how business schools can change reactively and proactively, following the broad conceptual logic of the business model literature. We will focus specifically on different practices of value proposition, value creation, value exchange, and value capture (Johnson et al., 2008; Laasch, 2018; Osterwalder, 2004), which together define an organization's business model. We hope that our ideas might inspire further reflection on how key practices of business schools could be transformed to improve resilience and realize a positive societal and planetary purpose.

NEW VALUE PROPOSITIONS

The value *proposition* allows us to take stock of the different value offers to varieties of stakeholders, emerging from all business schools' practices (Trkman, 2019) from the bottom up. Stakeholders may range from students, accreditation agencies, and businesses, to wider "third mission" stakeholders such as communities, the environment, or civil society organizations. Conversely, value proposition design (Osterwalder, Pigneur, Bernarda, & Smith, 2014) may also be used to realign business school practices "top down" from a new intended value proposition.

As a COVID-reactive business model adaptation, many schools have offered students a temporary online degree option, allowing them to be with their families. Similarly, a change in the employee value proposition comes from COVID-related legal requirements for employees to work from home. This forced adaptation in business schools' employee value proposition may play out differently for different employee groups. Some will cherish not having to commute anymore, getting more work done from home, and spending more time with their families. Yet, others will have found it challenging to work from home, resulting in a less attractive employee value proposition due to diminished interaction with colleagues and the use value of physical business school infrastructures.

More proactively, new business school value propositions might be created by pursuing old-established ideas for alternative business school models that were untenable "between crises." To illustrate, some business school models might be innovated to exclusively "produce" management professionals with an important positive role to play in the society and on the planet as a new societal value proposition. This would mean proactively moving away from the focus on producing "hired hands" for the industry (Khurana, 2010; Rousseau, 2012). Other schools, like Cardiff Business School, might build business models centered on a public good value proposition (Kitchener & Delbridge, 2020). Yet other schools' research value propositions might be redesigned, for instance, by exclusively offering research outputs that address grand challenges with crisis potential (Howard-Grenville, 2021). This proactive innovation in "world solutions" research value proposition goes beyond what many schools already do by labeling existing research outputs through their relationship to particular sustainable development goals.

TRANSFORMING VALUE CREATION PRACTICES

Value *creation* refers to business schools' operational practices, including those related to teaching, research, and societal engagement. In response to the climate crisis, some schools such as China Europe International Business School or Gustavson School of Business, have been actively managing their operations' CO_2 impact, vowing to become carbon neutral or even climate restorative (Jack, 2021). Taking such commitments seriously affects all aspects of business school value creation operations, from physical infrastructure management or procurement to employee and student commuting practices and cafeteria meals, just to mention a few. Similarly, many schools have responded to the pressures to tackle the United Nations Sustainable Development Goals (SDGs) by embedding them into all kinds of practices of the normal "running" of business schools' operations, including teaching and research practices, as well as business schools' administration (Weybrecht, 2021, 2022). For instance, Koç University collaborates with its holding companies, employees, dealers, and suppliers to solve social problems through each of their operations. Moreover, in response to the ongoing biggest global refugee crisis

since World War II (Esses, Hamilton, & Gaucher, 2017), business schools are slowly responding by integrating global migration and refugee concerns into their teaching operations (Hajro, Zilinskaite, & Baldassari, 2021). For instance, Hanken School of Economics offers a Finnish business culture course to refugees (Weybrecht, 2021).

In a more proactive manner, some business models of business schools could be centered on value cocreation practices (Thomas & Ambrosini, 2021). This could involve working closely with nongovernmental organizations in conducting education or research, or emphasizing action research practices centered on the creation of joint solutions. Other crisis-oriented value creation practices in research could include focusing on netnography, big data, and other online data collection practices that are likely to be more climate friendly and COVID-safe than on-site data collection. Similarly, business schools' personnel practices could be transformed to put the brakes on academics' practice of professional nomadism with its CO_2-intensive and COVID-unsafe commuting practices (Moss, 2019; Yarrow & Davies, 2020). Another provocative possibility is for business schools to engage in practices of retracting degrees if graduates violate societal responsibilities (Handy, 2002). Aimed at avoiding value "destruction" by graduates (Roome & Louche, 2016), this represents an example of a "negative value creation" practice post-graduation.

TRANSFORMING VALUE EXCHANGE PRACTICES

The value *exchange* function represents different practices of value delivery to stakeholders and exchange with stakeholders. This may manifest as online, offline, or blended, synchronous, or asynchronous delivery of teaching to students. It also takes the form of varieties of research dissemination practices, ranging from traditional journal publishing to open policy briefs and open access formats, for academic stakeholders. Local community engagement and many "third mission" practices are centered on value exchange with wider community stakeholders.

One of the most prominent reactive value exchange adaptation to COVID was the acceleration of online and blended teaching delivery (Amankwah-Amoah, Khan, Wood, & Knight, 2021), to keep business schools open throughout lockdowns. Online delivery of teaching will continue to play a role as a fallback option for situations when teaching on campus is not viable, or where travel is explicitly or implicitly restricted—for instance, due to pandemic measures, climate-related extreme weather, or an inacceptable CO_2 impact.

A more proactive approach to innovation in value exchange would require a critical and open-minded reflection on the role of physical and digital infrastructures. Such reflection could result in new, unique combinations of face-to-face and virtual experiences that are adaptable to multiple modes of learning and to the needs of different stakeholders. Also, there is an opportunity for value exchange innovation in research dissemination practices. In response to both the COVID and CO_2 crises' push to avoid air travel, we might reinvent conference presentation (online, on-site, blended) and travel practices (e.g., mandatory offset in budgets, or alternatively, more time-intensive but less CO_2-intensive means of travel such as trains and boats). While doing so, we might build business models that are more inclusive for researchers with lower travel budgets, like junior researchers, and colleagues with physical and mobility impairments and caring responsibilities, who might find it challenging to travel to conferences in person (Kreil, 2021). Such business model transformations would rely on a co-transformation of conference business models' value exchange practices and business schools' research dissemination practices. Thoughtfully and permanently blended conference models not only offer a more inclusive value exchange model, but also pose a unique opportunity to address the climate crisis through drastically reduced academic travel CO_2 emissions (Viglione, 2020).

TRANSFORMING VALUE CAPTURE PRACTICES

Value *capture* is concerned with how and where the value generated through a business model is captured and for whom. A historically established, yet rather narrow, perspective on business models of educational and academic organizations had reduced entire business models to the "money-making logic" of economic survival. This emphasizes financial value capture for the organization. Examples are the financial viability of MOOCs (Daniel, Vazquez Cano, & Gisbert, 2015), or the economic dynamics of common business school business models (Thomas & Peters, 2012). A more inclusive conceptualization emphasizes the capture of varieties of value for varieties of business school stakeholders, in varieties of sites internal and external to the organization (Miller, McAdam, & McAdam, 2014; Randles & Laasch, 2016), and business schools' "triple bottom line" more widely.

Many universities have already reacted to crisis-related sustainability demands by emphasizing the capture of varieties of stakeholder value, signaled, for instance, through the *Times Higher Education* (*THE*) Impact Rankings. How do, for example, business schools at the most recent top two, the University of Manchester and the University of Sidney (*Times Higher Education*, 2021), capture the value created? Accreditation bodies also increasingly align their criteria with UN SDGs, creating novel opportunities for institutions to differentiate themselves through their unique value capture practices. Such practices are also attractive to research funding from government bodies and non-profit organizations, strengthening the prospects of a school's more traditional economic value capture practices.

In a more proactive manner, we might build business models that are primarily aimed at social and/or environmental value capture, making economic value capture a support practice rather than the purpose. For instance, the University of Exeter Business School and WWF's One Planet MBA business model (Morgan, 2011) was aimed at both capturing sufficient economic value to sustain itself, and capturing value through the positive environmental impact of graduates. Similarly, the Ugandan Yunus social business center, a joint venture between Muhammad Yunus's social business nongovernmental organization and Makerere University School of Business (Yunus Centre, 2021), captures value for varieties of stakeholders through the social businesses they are incubating. Upscaling this type of value capture might mean, for entire business schools, focusing on the generation of a transformatively positive impact of business management in the era of grand crises.

CONCLUSIONS

The era of grand crises comes with historic opportunities to move from reactive business school business model accommodation to the proactive innovation of business school business models. This includes not only an opportunity to make our business schools more relevant and important to the world, but also to study the transformative dynamics, for instance, through the business model lens.

How have business school business models and their constituent practices been adapted in response to the current crisis? What kind of proactive business model innovations can business schools realize with an eye on crises yet to come? To answer such questions, it will be important to go beyond the rather "dissected" analysis of each value proposition,

creation, exchange, and capture that we have presented here. We encourage colleagues to dive into the generative complexity of how multiple innovations across multiple value functions may come together in business school business models. How do unique value proposition, creation, exchange, and capture models work, for instance, in the context of the global issue and related crises emerging from structural racism? As an example, in the context of the Black Lives Matter movement, we could analyze the unique value models of "new black business schools" (Prieto, Phipps, Giugni, & Stott, 2021). We could also study crisis-driven value model adaptations like that of Bayes Business School in response to their previous namesake's historic involvement in slave trade (Bayes Business School, 2021). One might also conduct such analyses retrospectively, to learn from historic business schools' business models, like that of the "civic school," as inspiration for future business model innovation (Spicer, Jaser, & Wiertz, 2021: 460).

Through the first essay in the AMLE COVID trilogy, we explored the individual-level changes related to the COVID crisis. In this second essay, we have shifted attention to the organizational-level impact of grand crises on "the business of business schools." In the third essay, we will complete the triad by exploring how COVID and other grand crises may impact the larger field and institutions of management learning and education.

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