SWISS CSR-DRIVEN BUSINESS MODELS
EXTENDING THE MAINSTREAM OR THE NEED
FOR NEW TEMPLATES?

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Abstract

Many Swiss small and medium-sized enterprises (SMEs) have highly sophisticated Corporate Social Responsibility (CSR) agendas embedded in corporate cultures that nurture a "raison d'être" far beyond formalisation. Previous research culminated in the characterisation of this core logic as "L'EPOQuE", the overarching SME business model making Switzerland, arguably, a hidden champion in CSR. This paper explored by the method of a two-stage Delphi process the model's consistency with criteria of conventional business models. It confirmed the core logic of L'EPOQuE and encouraged at the same time slight modifications with regard to nomenclature of sub-features resulting in L'EPOQuE 2.0. This heightened the power of this CSR-driven approach to be a new template for informal set-ups, and niches. It emerges from the difficulties some mainstream business models have to satisfy the needs of business at the nexus of culture and economic rationale.

Keywords: Convergence Of Business And Mission, CSR And Business Models, Ethics, Smes, Template For CSR-Driven Businesses

1. INTRODUCTION

Multiple motives, such as internal desire, morale, virtues, or external pressure and/or financial added value can be applied when choosing to improve Corporate Social Responsibility (CSR) (Maas and Reniers, 2014). This wide spectrum of motives for CSR is responsible for its diffuse character and an endless list of definitions. A relative and extensive overview can be found in van Marrewijk (2003) or Kakabadse et al. (2005). Another facet that characterises CSR is evolving from the developmental phase of companies regarding their CSR engagement ranging from "not interested at all" to "the sustainably responsible company" (Maas and Reniers, 2014). The question why firms should be interested in CSR is a matter of ongoing debate (e.g., McWilliams and Siegel, 2001).

Accordingly, there are three general approaches to define CSR (Wang and Juslin, 2009): the shareholder approach sees social responsibility of business primarily in increasing shareholder profits engendering the CSR business case. The stakeholder approach, in turn, recognises the need to balance other stakeholders’ and firms’ interests. Finally, the societal approach acknowledges the broad responsibility companies should fill in society. Van Marrewijk (2003) added a fourth perspective, the philanthropic approach, which appears to be a strategic response to changing circumstances, new corporate challenges, and society’s claims towards companies ultimately to rethink their position and act as a part of the complex, societal context. For Godfrey (2005) philanthropy is the marriage between CSR as strategy and CSR for legitimacy.

Evidently, social responsibility as a concept is not easily assessed as it pits individual against community, business against society, and economic goals versus ethical inclination (Lorenzo-Molo and Siloran Udani, 2013). This study pays a closer look at a business model that advocates a more applied, habitual, inherent, heuristic, and practical approach to CSR as it goes back to the essence of social responsibility, which occurs at tight interfaces between business, employees, and communities. Despite the above outlined ambiguity inherent in the concept of CSR this study defines CSR as: “In general, corporate sustainability and CSR refer to company activities—voluntary by stakeholder definition—demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders” (van Marrewijk, 2003).

1.1. Manifestations of CSR

Academics assumed that companies would be generally more willing to do some CSR if there exits a win-win outcome between “good business” and enhanced financial performance (McWilliams and Siegel, 2000; Epstein and Roy, 2003). This emphasis on performance is based on mainstream economics following “the predominant neoclassical system of the homo economicus” (Richter, 2010). Many studies postulate this “business case” between CSR and profit (O'rlitzki et al., 2003; Margolis and Walsh, 2003). Some scholars believe that CSR has even the power to turn crises into branded, competitive
advantage, and in some case utilise it to cover-up serious malpractice (Neron and Norman, 2008).

However, this positive relationship is debatable since other researchers found either mixed results (Wagner et al., 2001; Wagner, 2005; Nelling and Webb, 2009) or even a negative relation (Cordeiro and Sarkis, 1997; Jones and Wicks, 1999; McWilliams and Siegel, 2000; Hassel et al., 2005). Critical voices operate that especially "strategic giving may be used to the detriment of consumers and society" (Polonsky and Wood, 2001) and relative CSR or sustainability reports, largely applied by Multinational Enterprises (MNEs), may serve as "veils hiding activities" (Degan, 2008) with the primary purpose to reconstruct eroded legitimacy (Banerjee, 2008; Gond et al., 2012). This is especially true for the environmental dimension of CSR (Filbeck and Gorman, 2004; Telle, 2006). However, extrinsic motives of improving the bottom-line by the "business case for CSR" are not the only possible reasons to be engaged in responsibility issues.

By contrast, many companies and their leaders have a corporate culture making CSR a moral duty to them driven primarily by a social and intrinsic motive (Graafland and Mazereeuw-Van der Duijn Schouten 2012). Mintzberg (1983) sees this strain as "the noble way for corporations to behave", thus, as the purest form of CSR. Accordingly, it is ethical and supports CSR "for its own sake" (Mintzberg, 1983). There are reports from small firms trailblazing the path of intrinsically motivated and ethics driven companies (Jenkins, 2006; Fassin et al., 2010). They are often led by the owner, or the owner family, operating his/her business according to personal, family values (Del Baldo, 2010; El Baz, 2014; Looser, 2015; Looser and Wehrmeyer, 2015b). Evidently, this has the power to evolve CSR as "social good" (Osuji, 2011).

This especially applies for Switzerland where Small and Medium-sized Enterprises (SMEs) have highly sophisticated CSR agendas embedded in corporate cultures that nurture an implicit, intrinsic "raison d’être" far beyond external pressure and resulting formalisation (Looser and Wehrmeyer, 2015a). Previous research culminated in the characterisation of this core logic as L’ÉPOQUÉ, the overarching Swiss small business model, making Switzerland, arguably, a hidden champion in CSR (Looser and Wehrmeyer, 2015a). Six key features define the model: 1) a liberalistic, visionary Leadership approach, 2) a focus on long-term relations to Employees, 3) niche Products, 4) driven by networks and informal, flat Organisations, 5) by efficient “Swissness” Quality, and 6) by Education. This paper further explores these idiosyncrasies and strives for matching them with key aspects of other business models. In particular this study asks: To what extent is the Swiss model consistent with conventional business models? What are the playgrounds each model fits best with? And to what extent reflect the different fits to their relative surrounding the need for new templates and an extension of the mainstream?

To answer these questions, the remainder of this paper is structured in a theoretical section (Section 2) outlining the concepts applied, followed by the data gathering methodology (Section 3), results (in Section 4), and a discussion in the final section.

2. THEORETICAL FRAMEWORK

For a long time, the relationship between society and companies has been one of the main topics of discussion for academics and practitioners. However, so far research mainly targeted on the tension between business and society and ignored what actually should be of interest, namely, the co-dependencies. Accordingly, Porter and Kramer (2006) argued that "successful corporations need a healthy society and at the same time a healthy society needs successful companies". Empirical findings indicate evolutionary changes in companies as companies move from superficial CSR to culturally embedded CSR (i.e., in a business model) and the application of relative business practices (Hegevold et al., 2014). Other researchers found different companies having different motivations for CSR relative to their dependence on outside pressure ranging from passive conformity, active resistance (Zheng et al., 2014) to voluntary, unintended deployment (Looser, 2015).

Given the growing recognition of the critical role companies play in the overall health and functioning of societies, the practices of CSR principles are key indicators for measuring society expectations (Asif et al., 2013). Thus, CSR is based on the assumption that companies need to act in a socially and environmentally responsible way that has the potential to make corporate behaviour “better” and more transparent (Asif et al., 2013). Despite the increased recognition and emphasis on CSR as a topic, numerous well-publicised problems and scandals often involving large corporations continue to emerge (Osuji, 2011; Asif et al., 2014).

These companies are increasingly extrinsically motivated in CSR, driven by the aforementioned shareholder approach. They operate with highly formalised CSR systems that in many cases fail to prevent anti-social and illegal behaviour (Osuji, 2011). So far it is not clear whether this reflects a failure of the CSR system or the existence of parallel extrinsic and intrinsic standards within an organisation. Currently the conviction is growing that if CSR is to have a meaningful impact it should be a matter of corporate culture and core logic (CSR et al., 2012). To help address this demand a closer look should be paid at intrinsic, morally motivated, and informal processes and relationships that foster organisational cultures that embed and drive CSR (Lorenzo-Molo and Siloran Udani, 2013).

2.1. The convergence of CSR and business models

Though academics and practitioners have well recognised this need (Margolis and Walsh, 2003; Zadek, 2004; Jamali, 2008) there is still a dearth of deeper knowledge about CSR implemented in culture or in business models as its manifestation (Asif et al., 2013). While there exist research on top-down processes, starting at the strategic level to implement extrinsic CSR by management systems (Pondville et al., 2013) there is a knowledge gap on evolutionary, traditional, historically grown business models far beyond formalisation that are, finally,
resulting in unintentional but state-of-the-art CSR agendas. This research looks at such informal business models that are built on CSR values and not on a strategic decision or commercial pursuit. This highlights how important the businesses’ core logic, and/or motives are for the perception, and thus, design and effectiveness of CSR frameworks (Looser and Wehrmeyer, 2015a).

This follows the recent shift in the CSR debate, which emphasises not to look any longer at strategic processes but on organisations that maintain CSR because it is a part of their culture (Lorenzo-Molo and Siloran Udani, 2013; Asif et al., 2013; Looser and Wehrmeyer, 2015). As in the case of Switzerland, most of these trailblazing companies are small ones with informal and unsystematic CSR agendas (Morsing and Perrini, 2009; Del Baldo, 2010; Nkiko, 2013) but with business models that are built on traditional values of craftmanship, on the stewardship concepts, their aspiration to contribute to society and lead a “proper” business, on their community involvement, and close relationships to employees, customers, suppliers, and other small firms (Looser and Wehrmeyer, 2014; Il Park and Ghauri, 2015). The latter especially points at business practices that are valued by communities and close stakeholders. This resembles the bottom-up approach as proposed by Asif et al. (2013). Furthermore, it compromises institutional dynamics of CSR as “soft law” (e.g., Nolan, 2013; Zeyen et al., 2014) aligned with concepts of legitimacy (Zheng et al., 2014), virtue ethics, and morale.

At the same time, there is an overall attempt and trend in the business world to conceptualise day-to-day operations in models (Arjaliès and Mundy, 2013). Such models are called “business models”, which in turn are regarded as tool kit to improve company performance and to bring revenue (Kalakou and Mácario, 2013). This study defines a business model as “the rationale of how an organization creates, delivers and captures value” (Osterwalder and Pigneur, 2010).

In general, business models consist of generic key criteria: e.g., “sources of revenues” (Timmers, 1998), or “value for customers and the conversion of payment to profit” (Teece, 2010), “core logic for creating value” (Linder and Cantrell, 2002), “enterprise’s strategy” (Camponovo and Pigneur, 2003), or “interdependent activities” (Zott and Amit, 2010). Business models can help to highlight the distinct features of a business company operates and try to capture opportunities with (Kalakou and Mácario, 2013). It is a matter of ongoing discussion whether a business model is a conceptual tool to understand the working of businesses or an expression of the leader’s values, thus, aligned with leadership (Du et al., 2013). Arguably, this depends largely on the kind and size of business. Some (Gond et al., 2012; Kalakou and Mácario, 2013) see a business model as something extrinsic, as a part of the management system, as a “silo” (Zott et al., 2011), or shell, implemented in a top-down manner, comparably to the business case for CSR. Others (Zott et al., 2011; Du et al., 2013) think of it as something intrinsic, as core of the business evolving from the values of the lead actor.

Above all, how business is organised mirrors what values, processes, or systems drive a company and which bricks it is built on (Jenkins, 2006; Del Baldo, 2010). This intersection, in turn, is closely linked to the motivation and set-up of CSR in a company (Newman and Sheikh, 2012; Schultz, 2013). However, from literature review it is evident that there is still a lack of knowledge on this convergence of business models and CSR. So far this research assumes a CSR-driven business model in Switzerland that might be a potential template to bridge this gap as it works at the nexus between economic rationale and ethics (Looser and Wehrmeyer, 2015a). In order to verify or falsify this assumption, the next section highlights some conventional, well-known models and their key criteria in order to compare one of them later with the features of the business model identified in Swiss small businesses and outlined in detail in Section 2.3.

2.2. The current mainstream in business models

Table 1 gives a partial review over elements of conventional business models. This review does not fully delineate the wide range of authors’ propositions on business model components but concentrate on over spanning topics gained from different sectors (i.e., marketing, manufacturing, information technology).

For the purpose of this research, to assess the Swiss model’s idiosyncrasies further, the popular business model of Ostervalder and Pigneur (2010) is chosen. It represents a fundamental canvas by which all operations of businesses can be depicted (Kalakou and Mácario, 2013). This framework consists of nine building blocks (Ostervalder and Pigneur, 2010): customer segments, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partners, and cost structure (Figure 1).

It should be mentioned that several attempts tried to develop “social business models” (e.g., Michelinì and Fiorentino, 2011), “inclusive business models” (e.g., Prahalad, 2005), “sustainable business models” (e.g., Høgevold et al., 2014), or management systems to integrate CSR in business strategy or operations (Asif et al., 2013). The former is often aligned with Social Entrepreneurship and its explicit aim to benefit the community (Porzegza and Defourny, 2001). Inclusive business models are based on the bottom of pyramid theory (Prahalad, 2005) and its “serving the poor” approach as new source of growth for MNEs (Michelinì and Fiorentino, 2011). To reduce the impact of business on the natural environment is the target of ample sustainable business models (e.g., Høgevold et al., 2014; Windolph et al., 2014), while trying to implement relative strategies and operations are the topic of myriad studies (i.e., Gond, et al., 2012; Martinuzzi and Krumay, 2013; Ponderevile et al., 2013).

All of them evolved extrinsically imposed standards and regulations, with the potential drawback of crowding-out intrinsic motivation (Deci et al., 1999; Frey and Jegen, 2011), and in some
cases, of a decreased level of actual CSR (Fassin, 2008).

To conclude, most conventional business models are paying respect to hierarchical structures (Fassin et al., 2010; Du et al., 2012; Lorenzo-Molo and Siloran Udani, 2013) and focus on the satisfaction of diffuse stakeholder interests (Maas and Reniers, 2014) and on profit-maximisation (Michelini and Florentino, 2011). Such surroundings might be responsible for stiff, invariable organisations that are slow in their decisions when it comes to outside changes (Mahadevan, 2000; Alt and Zimmermann, 2001; Zott and Amit, 2010; Gond, et al., 2012). As said, the convergence of business model and CSR is worth a closer look, elsewhere, but especially in Switzerland where the “raison d’être” of Swiss SMEs mirrors highly sophisticated and intrinsic CSR agendas deeply embedded in corporate cultures. This business model may help to understand the nexus of CSR and business models and how the former embeds in the latter. Previous research enabled the characterisation and aggregation of these driving forces, which the next section briefly outlines.

Table 1. A selection of conventional business models’ key criteria

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Figure 1. Osterwalder and Pigneur (2010) business model

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2.3. An emerging template for CSR in Switzerland

The Swiss model is the manifestation of the informal, flat, and trust-based business approach of SMEs, their proximity to and involvement in direct environments, by e.g., recruiting from the local community, and their willingness to grow slowly and steadily while avoiding atomic markets. It mirrors the quality and efficiency orientation borne by a strict and, in some cases, almost reactionary value-set of their lead actors (Looser and Wehrmeyer, 2015a, Looser, 2015). These aspects were aggregated to and visualised as L’EPOQuE (see Figure 2), which consists of the following six key features (Looser and Wehrmeyer, 2015a):

L) a liberalistic, visionary leader- and ownership-driven approach, where the Leader “is” the business and vice versa,
E) focused on tight, long-term, trust- and democracy-based relations to Employees,
P) on niche Products (specialised, small scale production with high entry barriers),
O) driven by networks and informal, flat Organisations (therefore agility),
Q) by efficient “Swissness” Quality.
E) The owner-managers foster Education, e.g., the apprenticeship system, so as to “give something back” and establish their ethics during the process of work socialisation.

L’EPOQuE represents a valuable business model gained by an extensive research (interviews and Delphi process) (Looser and Wehrmeyer, 2015a). At this stage it is a regional interpretation of a specific set of circumstances. Other contexts are likely to show differences in emphasis and may have a different set of key features. This research pays respect to this heterogeneity by assessing its consistency with key criteria of a conventional model. Therefore and especially to further explore the power of L’EPOQuE eventually to be a generally valid template for CSR-driven businesses the method of “Delphi process” was chosen.

3. METHODOLOGY

In particular, this study validates the features of L’EPOQuE (Figure 2) and allocates them to key criteria of a conventional business model (Figure 1).

In general, this assessment follows grounded theory and the subsequent Delphi process mirrors its hermeneutically integrating character that should reveal latent social patterns by “conceptualising codes from collected data” (Creswell, 2007). This inductive approach of generating theories should lead to a next sequence of data collection and to the deduction of further questions (Mitchell and Jolley, 1992).

Here, according to the research setting, the assessment on the consistency of L’EPOQuE as cluster of a conventional model is qualitative not quantitative. Accordingly, the key features of the Swiss model were attributed to the six key features of the popular model by Osterwalder and Pigneur (2010). This allocation and the subsequent assessment of consistency was a matter of a two-stage Delphi process, firstly in a questionnaire, secondly, in a discussion.
3.1. Delphi process

In general, a Delphi process should help to gain a shared understanding in the tradition of the common ground technique (Mitchell and Jolley, 1992). To find a common ground is an approach of facilitating interpersonal relationships (Kaynak and Macaulay, 1984). Thus, participants should try to take several perspectives on a topic and search for signals of recognition, which are often subtle and cause for misunderstanding (Mitchell and Jolley, 1992). Consequently, this has the power to merge application and verification of results.

Consensus or common ground methods such as the Delphi technique are useful and heuristic especially in theory development and within research that lacks a common knowledge base (Hasson et al., 2000). Such processes enable the critical validation of observations based on a common rationale while exact knowledge is not available. Here, the judgement of a group is often better than that of an individual opinion (Kaynak and Macaulay, 1984). Controlled (recorded or written) feedback is recommended separated between rounds, whereas the number of iterations is based on the consensus of the experts (Crisp et al., 1997; Hasson et al., 2000). The response rate should be above 70 percent (Donohoe and Needham, 2009).

Switzerland Global Enterprise, the Trade Chamber for Swiss Business, the Swiss Chamber of Commerce, and the governmental department responsible for public strategy related to SMEs, one big Swiss Newspaper, and three owner-managers of Swiss SMEs were sent Table 2 by email with the request to validate on the one hand the key features and match them with conventional criteria. All experts answered the email. The vivid exchanges in the discussions in person during the Delphi process at the telephone subsequent to the answer per email were recorded and transcribed. This brought about interesting insights, which in turn allowed a certain generalisation of the Swiss model as new template for CSR driven businesses.

3.2. Manifestation: "L'EPOQuE"

Reciprocity as survival strategy of self-improvement and organisational evolution is the way value proposition happens in the Swiss context, all participants agreed. Thus, trust in employees, in quality, in the owner and his value-set are integrative factors that build the cornerstones of the Swiss model. However, this is implicit and seldom explicitly communicated as mission/vision. This might prove moral inclination according to the participants' statements.

4. FINDINGS: L'EPOQUE AND ITS FEASIBILITY TO BE A NEW TEMPLATE

Combining the literature review on conventional templates of business models with the Swiss manifestation “L'EPOQuE” brings about the following aggregation examined by the two stage Delphi process. The following resumes what the experts’ written (from the questionnaire) and spoken (from the subsequent discussion) comments on L'EPOQuE and its consistency with traditional templates were.

4.1. L'ÉPOQuE: a consistent cluster of conventional models

All participants emphasised the following specificities with regard to key partners in informal settings that L'ÉPOQuE mirrors better in their eyes and in this context than conventional canvas: the Swiss model is born by owners who in turn set the key partners in the community in which they often have an important role; networks and tight relations to employees bear the whole system, however this is a very personal set-up and not an anonymous group of share-holders as key group within standard settings. However, owner-managers are seen as stubborn and not easy to handle. Overall, personal partnerships are one of the most deciding differences to the conventional approach.

The Swiss model is determined by trust, ethics, and comprehensive responsibility in social, environmental and economic aspects as especially the government, Switzerland Global Enterprise, and the Trade chamber pointed at. The need to be as efficient as possible as a result of competitive pressure in constrained and often oligopolistic markets mirrors its key activities. This encourages streamlined production processes and high-end solutions based on highly agile, flat, lean organisation, so that key activities are oriented at maximum efficiency.

Apart from the media all participant agreed on “natural born leaders” at the top of organisations as one of the deciding key resource. This lays groundwork for other key resources, such as niche products, state-of-the-art quality, the education of and trust in staff.

With regard to cost structure, Switzerland Global Enterprise, the Trade chamber, and all SMEs reported from their practice of providing customised services and solutions that make it nearly impossible for competitors to enter their specific markets. The maximised efficiency with regard to production lead in most cases to optimised cost structures. However, this is a permanent process of advancement and adjustment.

Reciprocity as survival strategy of self-improvement and organisational evolution is the way value proposition happens in the Swiss context, all participants agreed. Thus, trust in employees, in quality, in the owner and his value-set are integrative factors that build the cornerstones of the Swiss model. However, this is implicit and seldom explicitly communicated as mission/vision. This might prove moral inclination according to the participants’ statements.

Constant innovation orientation not by basic research but by customer demand is responsible for relative customer segments in the Swiss model. The resulting specialised niche products target in most cases on one specific customer segment. This often leads to bundles, systems or comprehensive solutions combining products with services.

Accordingly, customer relationships are personal, trust-based, tight, but informal, which is a substantial feature of the informal L'ÉPOQuE model that makes it especially capable and valuable as transition case for other informal contexts. This was
especially stressed by the involved SMEs, the Trade Chamber, and the government. The Swiss model is based on personal sales channels, often in a shop, seldom over the internet as the media and all SMEs pointed at with regard to idiosyncrasies related to channels. These are based on long-term relations to the relative suppliers (in most cases SMEs) sealed by handshake.

Lastly, all participants felt that L’EPOQuE better mirrors revenue streams in surroundings of SMEs and particularly also for the context of start-up firms, than traditional models do, as Switzerland Global Enterprise pointed out. Here, high fixed costs reduce revenue streams. However, as profit-maximisation is in most cases not an imperative in the Swiss model the focus is not primarily on revenue streams.

As a result, Table 8 matches L’EPOQuE to conventional criteria (Osterwalder and Pigneur, 2010: 18f.; 44). The third column assesses the consistency.

### Table 2. Matching of criteria

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<tr>
<th>L’EPOQuE criteria (Looser and Wehrmeyer, 2015a)</th>
<th>Conventional criteria (Osterwalder and Pigneur, 2010)</th>
<th>Consistency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>➢ ownership</td>
<td>➢ Key resource, key activity</td>
</tr>
<tr>
<td></td>
<td>➢ liberalistic</td>
<td>➢ Key partners, key resource</td>
</tr>
<tr>
<td></td>
<td>➢ visionary</td>
<td>➢ Value proposition</td>
</tr>
<tr>
<td></td>
<td>➢ trust-based &amp; long-term</td>
<td>➢ Value proposition</td>
</tr>
<tr>
<td></td>
<td>➢</td>
<td>➢ Key activity, value proposition</td>
</tr>
<tr>
<td>Employees</td>
<td>➢ democracy</td>
<td>➢ Key resource</td>
</tr>
<tr>
<td></td>
<td>➢</td>
<td>➢ Key activity</td>
</tr>
<tr>
<td></td>
<td>Trust-based &amp; long-term</td>
<td>➢ Value proposition</td>
</tr>
<tr>
<td>Product</td>
<td>➢ entry barriers</td>
<td>➢ Key resource, customer segment</td>
</tr>
<tr>
<td></td>
<td>➢ specialised</td>
<td>➢ Key activity</td>
</tr>
<tr>
<td></td>
<td>➢ small-scale</td>
<td>➢ Key resource, customer segment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Key resource, revenue streams</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Channels, customer segment</td>
</tr>
<tr>
<td>Organisation</td>
<td>➢ informal</td>
<td>➢ Cost structure</td>
</tr>
<tr>
<td></td>
<td>➢ flat &amp; lean</td>
<td>➢ Value proposition</td>
</tr>
<tr>
<td></td>
<td>➢ networks</td>
<td>➢ Key resource, revenue streams</td>
</tr>
<tr>
<td></td>
<td>➢ agility</td>
<td>➢ Customer relationships</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Key resource, key activity, cost structure</td>
</tr>
<tr>
<td>Quality</td>
<td>➢ efficiency</td>
<td>➢ Key resource</td>
</tr>
<tr>
<td></td>
<td>➢ Swissness</td>
<td>➢ Key activity, value proposition, cost structure</td>
</tr>
<tr>
<td></td>
<td>➢</td>
<td>➢ Customer relationships, value proposition, key resource</td>
</tr>
<tr>
<td>Education</td>
<td>➢ Give something back</td>
<td>➢ Key resource</td>
</tr>
<tr>
<td></td>
<td>➢ apprentices</td>
<td>➢ Key activity, value proposition, customer relationships, revenue streams</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Value proposition</td>
</tr>
</tbody>
</table>

What became evident from the analyses is that L’EPOQuE can be “matched” with the conventional. At the same time, it is the manifestation of a business model especially tailored to the context of CSR and small businesses. It is a valuable specification of a conventional model and thus, a template to be used for the description of informal, CSR-driven companies. As said, it identified also a number of terms that might be slightly modified (resulting in a version 2.0 – this is to be outlined in Section 4.3).

#### 4.2. The power struggle of conventional and Swiss

Firstly, conventional models are generic and characterised by unspecific factors (such as “key resources”, “key activities”, or “partners”). Further, they are a management issue targeting “profit generation” (Michelini and Florentino, 2011). They often focus on MNEs, their multinational character and cost structures, and, finally, on profit-maximisation (Timmers, 1998). They fit best with conventional companies and their mass production maximisation (Timmers, 1998). They fit best with conventional companies and their mass production maximisation (Timmers, 1998). They fit best with conventional companies and their mass production maximisation (Timmers, 1998).

Another difference can be identified in terms of governance systems: the Swiss model is tied to the creation of joint value of highly visible and long term relations to worldwide and rapidly changing customers, the Swiss model depends on long-term partnership to employees, customers, and their communities.

A further difference between the models lies in the time frame: whereas conventional models seek for profitable short-term relations to worldwide and rapidly changing customers, the Swiss model operates at the edge between managers and shareholders where external justification, e.g., by reports, CSR officers etc., is crucial.

Further, they are a management issue targeting “profit generation” (Michelini and Florentino, 2011). They often focus on MNEs, their multinational character and cost structures, and, finally, on profit-maximisation (Timmers, 1998).
A possible reason for the configuration of traditional models might be the principle-agent problematic where anonymous shareholders entitled to get their dividends based on annual profits are facing extrinsically motivated managers at the top of their companies (Fassin et al., 2010). This might result, for instance, in decisions only targeting at ripping off short-term profits, rather than contribute to sustain the business, and in many cases in low innovation rates (Michelini and Florenzano, 2011). Thus, the differences between the two models especially reflect the bearing of risk. In other words, standard business models are externally put over the company and implemented with an extrinsically motivated attempt. They are what Haake (2002) defined as “individualistic business systems” with loose interfaces between companies, their employees, customers, and especially the local communities.

In contrast, the Swiss SME model is more what is called “a communitarian system” (Haake, 2002) that reflects close linkages between companies, communities, employees etc. The difference between individualistic and communitarian models is comparable to the distinction between economics and ethics (Lorenzo-Molo and Siloran Udani, 2013), or in turn, between the “business case” for CSR and CSR as “moral duty”. This divergence is not easy to bridge because it is still not clearly assessed what the limit, purpose, and legitimacy of CSR in the second position are. Those more concerned about economics (vs. ethics) think of it as difficulty since they cannot measure what cannot be defined (McWilliams et al., 2006). The problem is also profound because the attempt to treat “moral duty” as a set of rules (e.g., in a business model) is likely to fail since morale is guided by general principles that are detached from consequences or utility (Lorenzo-Molo and Siloran Udani, 2013). This especially influences the legitimacy of companies.

Overall, the difficulties of traditional models is that they do not fit to all contexts, specifically not to businesses, for instance, in the start-up phase, to highly regulated markets, to owner-led firms, and/or to small businesses focusing on niche products, struggling with cost pressure and high fixed costs. L'EPOQuE turned out to be a potentially new template especially fitting to such specific contexts. However, what became evident from the Delphi process is the need for some slight modification on the level of nomenclature of L'EPOQuE so as to further heighten its validity as canvas for CSR oriented companies.

4.3. L'EPOQuE 2.0: where informal CSR culture meets business

Following the suggestions of the experts from this research part a number of adjustments especially with regard to L'EPOQuEs specific CSR orientation were performed:

1) "liberalistic" was replaced by “value-driven” as this resembles exactly the way small business owner-managers or start-up business entrepreneur do business. The former is regarded as too much oriented towards company-state relation and the specificity of Switzerland and its liberalistic market economy, thus, it was overemphasised in the first version of the small business model that should be generalisable to business from various cultural contexts. “Value-driven” seemed to be more culturally neutral. This includes also the topic of trust, so that the over spanning feature between leadership and employees was reduced to “long-term” as common attribute.

E) “Democracy” was replaced by “trust-based” as overarching feature, since democracy is closely interlinked with trust but it does specifically suit to the political background of Switzerland and less to countries with different political/economic set-ups.

P) With “customisation” as overarching feature in the product factor (instead of "entry barriers") this research pays respect to the importance of customers in other business models. However, this replacement is not seen as a contradiction, since customisation leads in its perfection to high entry barriers. Thus in the end it is just a matter of nomenclature. Accordingly, “specialised” was changed into “innovative” since the latter is a word often found in standard business models, consequently this adjustment is again only on the “word- or shell-level” to improve its transformability and generalisability rather than changing the core or meaning of L'EPOQuE.

O) "Multi-functionality" as overarching factor within “organisation” should point to the ability of Swiss SMEs to change from pure hardware producers to suppliers of services, solutions, and systems. This resembles the business models targeting at information technology, e-business, and software engineering. Accordingly, the “flat and lean”, was replaced by “informal and flat” in order to mirror the respective business approach and to heighten the validity as new template as CSR-oriented business models where channels, capabilities, and tied customer interfaces are often crucial aspects.

Qu) Efficiency rests untouched since this fits also within conventional models in its attempt to mirror key activities and resources, key revenue streams, value proposition, etc. Arguably, here Swissness is regionally biased and lowers the generalisability of the model, however, it is a factor deeply woven into the small business model as key success factor so that it could have only been replaced by e.g., “national boundaries”, “cultural marketing” or “nationally born quality”, all of which are not able to express the whole bunch of values that are represented by “Swissness”. Thus it was decided to stick to this expression.

E) In order to have the model less “altruistic” as the overarching “to give something back” might imply, in version 2.0, the latter was replaced by “organisational development”. Overall, education bears the apprenticeship system and contributes to the social good; however its significant result is organisational enhancement.

From these adjustments L'EPOQuE 2.0 emerges:
To conclude, these adjustments and the resulting L'EPOQuE 2.0 fill what Windsor (2006) required when he looked at defects of purely utilitarian and ethical systems: "a satisfactory theoretical synthesis (of extrinsic and intrinsic CSR) must place profitable business in a moral framework acceptable for utilitarianism-based economics and broader notions of duties, rights, and just consequences". Accordingly, it is a portrait of the “raison d'être" of successfully competing Swiss businesses that do this based on morale and ethics. It offers therefore a guideline towards a socially and sustainably responsible (CSR-driven) company that is based on the "creating shared value principle" (Michelini and Florentino, 2011).

The difficulties conventional models have to fill these requirements justify L'EPOQuE 2.0 as valuable template fitting to highly efficient and long-term oriented businesses that are based on CSR and ethics. At the same time it is consistent with conventional interpretations of business models so that in turn it is valuable and capable in extending the mainstream in its function as a new template, e.g., for the context of start-up or highly regulated companies, owner-led firms, and if CSR practice is to gain further momentum.

5. DISCUSSION AND CONCLUSION

This study sheds light on the issues related to business models as value driver for CSR. Arguably, business models in general are generic and each business will have its own emphasis and interpretation. If so, sector, region, and/or niche should play important roles in future research that should scrutinise such variations dependent on external factors. Thus, it might be meaningful to develop in-depth interviews with key figures involved in the implementation of business models. And although this study has made an initial comparative analysis between L'EPOQuE and a specific template developed by Osterwalder and Pigneur (2010), further research should strive for an extension of this comparison to other business models, especially to business models aiming at the establishment of sustainable, responsible corporate values (e.g., Borzega and Defourny, 2001; Prahalad, 2005; Michelini and Florentino, 2011; Martinuzzi and Krumay, 2013; Pondeville et al., 2013; Windolph et al., 2014). More work is required to extend and confirm the current findings and to deepen the understanding of implementation processes associated with these models and focus on the analysis of related governance structures. A longitudinal design might capture evolutionary, informal patterns by comparison to the top-down establishment of formalised systems in other companies.

Apart from that, this research has so far not looked at organisational challenges, underlying corporate reasons, economic effects, social boundaries, and environmental actions. In general, this research is based on qualitative data that bears widely known drawbacks such as the selection of literature or the researcher interpreting the information collected (Creswell, 2007; Flick, 2007). However, such shortcomings of qualitative studies also provide many interesting areas where further research is likely to be useful. Finally, further studies should measure (CSR and financial) performance of Swiss SMEs not only by self-reports but also against industry average.

The paper confirmed the Swiss SME model's consistency with conventional business models. Therefrom it identified determinants of CSR practices emerging from a potentially intrinsic,
implicit point of view. Thus, this paper helps to understand the fundamental surrounding environments of CSR that are driven by a “raison d’être” coming from a comprehensively responsible corporate culture far beyond the correlation with financial performance. It further explored the essential rationale of this model while it enabled a few adjustments. This minor “recalibrations” highlighted more details regarding the factors of “leadership”, “employees”, “product”, “organisation”, and “education”. Thus, the consistency check and Delphi process resulting in L’EPOQe 2.0 (Figure 3) brought about more validity to the Swiss model as a CSR-driven approach that has the competence and capability to fill the need for new templates working best in specific niches and with social, long-termed relations and networks, in-formal and flat structures, in convergence of business, culture and mission, and in oligopolistic markets. Overall, L’EPOQe 2.0 is a plausible and verified extension of the mainstream.

REFERENCES


