Lexicography: What is the Business Model?

Henrik Køhler Simonsen

Copenhagen Business School, Dalgas Have 15, 2000 Frederiksberg
E-mail: hks.msc@cbs.dk

Abstract

Lexicography is a four thousand year old discipline and dictionaries have been an integral part of commerce and human cultural history for centuries. But lexicography is also a business activity undertaken by individuals or companies with a view to generating profits or creating value. And any discipline, movement, organization or company needs a plan of how it intends to create, deliver and capture cultural or monetary value.

The analysis and discussion of the lexicographic business model uses a kaleidoscopic approach where the concept business model is seen and analyzed by means of the five lenses: strategy, core competencies, innovation, business understanding and organizational inertia. By means of these lenses, the paper explores the business model of lexicography in Denmark, and it analyzes and discusses whether the Danish lexicographic industry understands the concept business model at all, and if so, to what extent it applies business model thinking. Furthermore, this paper discusses different categories of lexicographic business models, potential elements of a new lexicographic business model and finally it formulates six theses on a new, more viable lexicographic business model.

Keywords: Business model; strategy, core competencies, innovation; organizational inertia

1. Introduction and Research Questions

Conventional dictionaries seem to have over-exploited their current business model and seem for too long to have had a disproportionate "relation between the exploration of new possibilities and the exploitation of old certainties" (March, 1991).

On the basis of the empirical data presented in this article, it is in fact argued that dictionaries as we know them seem to have been disrupted (Christensen, 1997), and a large number of dictionary publishers have in fact closed down, merged or changed focus over the past 10-15 years.

In other words, lexicography seems to be in need of a new business model, which is viable and geared for the future, and it is argued that we must start to define new ways of creating value. So perhaps lexicography needs to start from scratch. This disruptive transformation, the current status quo of dictionaries, and the business model of lexicography in Denmark were some of the topics discussed in my MBA Thesis (Simonsen, 2016), which was built on approx. 25 years of experience with and research within lexicography.

Over the past two decades I have been witnessing the deteriorating performance,

viability and relevance of lexicographic products, so I decided to research and analyze whether the lexicographic business model has in fact already disappeared, whether and how the lexicographic industry understands and uses the concept business model (Osterwalder & Pigneur, 2010) and what might constitute elements of a new, viable business model based on the Value Proposition Canvas theory proposed by Osterwalder et al. (2014).

This paper is based on the empirical data collected and discussed in Simonsen (2016 and Simonsen (2017), but focusses on three new research questions with a clear business modelling focus. The objectives of this article are to analyze and discuss lexicographic business models in Denmark via the following research questions:

1. What characterizes the current understanding and application of the concept business model in the Danish lexicographic industry?

2. What characterizes the different lexicographic business models?

3. What characterizes potential new elements of new and more viable lexicographic business models?

The structural approach of this article is kaleidoscopic, meaning that the concept business model will be analyzed and discussed through five theoretical lenses.

First, the delimitations, research methods and empirical basis of this article will be outlined; then, the five theoretical lenses consisting of a number of relevant theories and models will be outlined and discussed. Third, this article offers an in-depth discussion of the understanding and application of the concept business model based on interview data. Fourth, building on the insights from the analysis and discussion of the interview data and the kaleidoscopic lenses, this article discusses different types of lexicographic business models and potential elements of a new and more viable lexicographic business model. Finally, based on the analysis and discussion, this article discusses six theses on a new and more viable lexicographic business model.

2. Delimitations, Research Methods and Empirical Basis

To analyze and discuss the above research questions the following delimitations and methodological and empirical considerations must be discussed.

First, the term “business model” is used to refer to the creation of value, i.e. both monetary and cultural value, which means that the term can be used about both private companies and public organizations. Second, the term “lexicographic industry” covers both private and public companies and organizations, which design, compile and market dictionaries, reference works and lexicographic data. This means that the term is used in its widest possible sense and covers conventional dictionary publishers, educational publishers, information suppliers, data distributors, etc.

Third, the collection of the empirical data was delimited geographically to Denmark and temporally to October-November 2015. To ensure validity, reliability and relevance, and to add an international perspective, two interviews with international CEOs were conducted. However, the overall focus of this paper is the Danish dictionary market.

To increase the validity, reliability and relevance of the data in relation to the research questions, the 15 interview subjects were carefully selected based on five selection criteria. First, it was important to recruit interview subjects, who were very experienced in publishing conventional and online dictionaries, i.e. both small and large publishers and both private and public organizations. Second, it was important to recruit interview subjects from educational publishers and from large public dictionary associations. Third, I selected interview subjects from industry specific publishing companies including interview subjects from the information and data industry. Finally, I interviewed two international CEOs to obtain an international perspective. This means that 15 different interview subjects from ten different types of organizations were interviewed, and it is argued that this particular approach enhances validity, reliability and relevance.

Validity deals with questions like whether or not data can be trusted, whether or not the subsequent findings address the research questions and whether or not the author has been able to process the data in an unbiased and critical way (see Saunders et al., 2009: 157 for a detailed discussion of validity). On the basis of the analysis of the interviews it is argued that the data are valid and relevant for the discussion; however, it is also important to reflect upon the personal bias of one's own work, which, I believe has been very much the case.

Reliability deals with questions like whether or not the research method used, in this case semi-structured research interviews, is used in a consistent and structured way to ensure that what is measured is measured consistently (Saunders et al., 2009: 156) for a detailed discussion of reliability. Again it is argued that the method was consistent and systematic. Prior to each interview the interview person received an interview guide with 15 questions and the interviews were conducted consistently and systematically by means of open, semi-structured interviews (Simonsen, 2016). For the purpose of this article all statements were translated into English.

The overall philosophy of science used can be described as social-constructivist, and the research method is the interview method (see Kvale, 2007 for a description of both collection and analysis of data on the basis of qualitative research interviews). The approach used was based on Kvale's seven stages of an interview investigation, and the interviews can be described as open, semi-structured research interviews.

Each interview lasted approx. 45 minutes and was recorded for subsequent meaning extraction and analysis. During the analysis and the meaning extraction, six overall themes were identified, see also Figure 1.

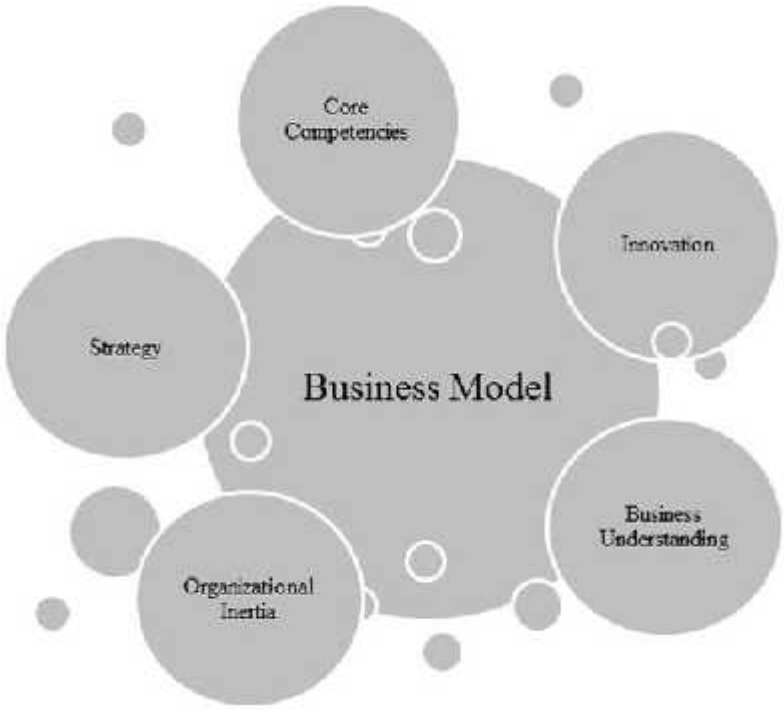

Figure 1: Themes Identified in Empirical Data

The article is thus based on interviews with 15 CEOs and/or senior managers from 10 different types of organizations totaling 15 x 45 minutes of interview data. Relevant statements from the interview subjects are used in the analysis and discussion below.

The next part of this paper focuses on the five theoretical kaleidoscopic lenses through which the concept "business model" is analyzed.

3. Theory and Models

The research object of this article is business models, and it might be argued that all discussion of business models in fact starts with Drucker (1994), who made a strong argument for what he referred to as "a theory of the business".

Drucker describes the theory of the business as follows: *"These are the assumptions that shape any organization's behaviour, dictate its decisions about what to do and what not to do, and define what the organization considers meaningful results. These assumptions are about markets. They are about identifying customers and competitors, their values and behaviour. They are about technology and its dynamics, about a company's strengths and weaknesses. These assumptions are about what a company gets paid for"* (Drucker, 1994: 95) (my underlining). Drucker does not use the term business model, but it is argued that this particular theoretical contribution started the entire business model discipline.

Later, Osterwalder & Pigneur (2010), building on Drucker's theory, introduced a comprehensive and graphically appealing approach to business model generation called the Business Model Canvas (BMC). Osterwalder & Pigneur define a business model as *"the rationale of how an organization creates, delivers and captures value"* (my underlining) (Osterwalder & Pigneur, 2010: 18) and this is in fact the definition upon which this article is based. Osterwalder & Pigneur's definition and understanding of business model is very useful, because it covers the creation of all types of value, including monetary, cultural and experiential value. The BMC is shown in Figure 2.

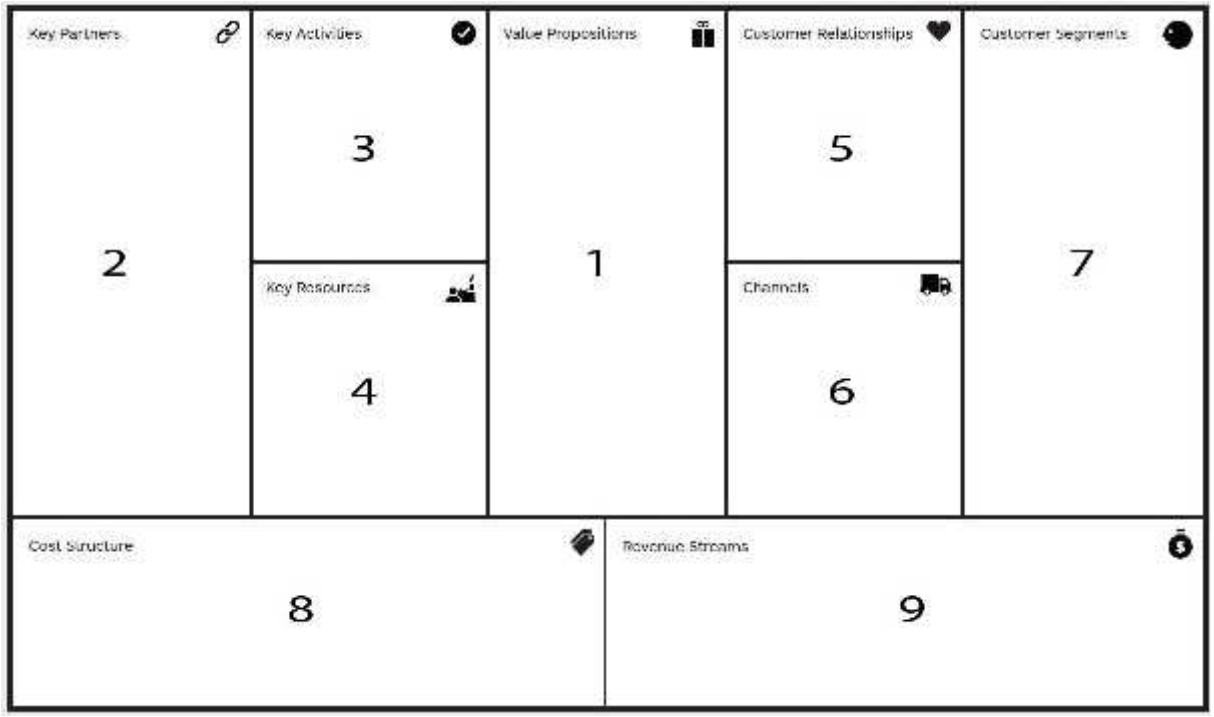

Figure 2: Business Model Canvas

The BMC consists of nine fields, which for the purpose of this discussion have been numbered 1-9 (my insertion), as these numbers will be referred to later on. The nine fields in numerical order are "Value Proposition", "Key Partners", "Key Activities", "Key Resources", "Customer Relationships", "Channels", "Customer Segments", "Cost Structure" and "Revenue Streams". The starting point of the BMC is the Value Proposition field, which in fact is the most important field of the BMC (Osterwalder & Pigneur, 2010: 16–19). The nine fields describe four overall business areas: Field 1 is the offer, fields 2-3-4 are the infrastructure, fields 5-6-7 are the customers and fields 8-9 are the financial visibility. This article will primarily focus on the business areas offer and its customers, and secondarily on infrastructure and financial visibility. The Value Proposition field is particularly relevant and may be described as the line of products or services, which create the required value for the customer segment in question (Osterwalder & Pigneur, 2010: 16–19).

As will be shown below in the Value Proposition Canvas (VPC), it is crucial that an organization ensures that there is a "fit" between the value proposition, or what the company offers, and what the customer segment in question demands. This particular line of thinking is not alien to lexicography, which is why this model is so useful when analyzing and discussing a new lexicographic business model. A company can have different value propositions to different customer segments, but the important aspect is to ensure that they are aligned and that there is a "fit" between what is offered and what is needed. According to Osterwalder & Pigneur (2010: 23–25) value propositions may create value for the customer segment through elements like "*newness, performance, customization, getting the job done, design, brand/status, price, cost reduction, risk reduction, accessibility and convenience/availability".*

To help define and describe value propositions (Osterwalder et al., 2014:10) designed the Value Proposition Canvas (VPC), see also Figure 3.

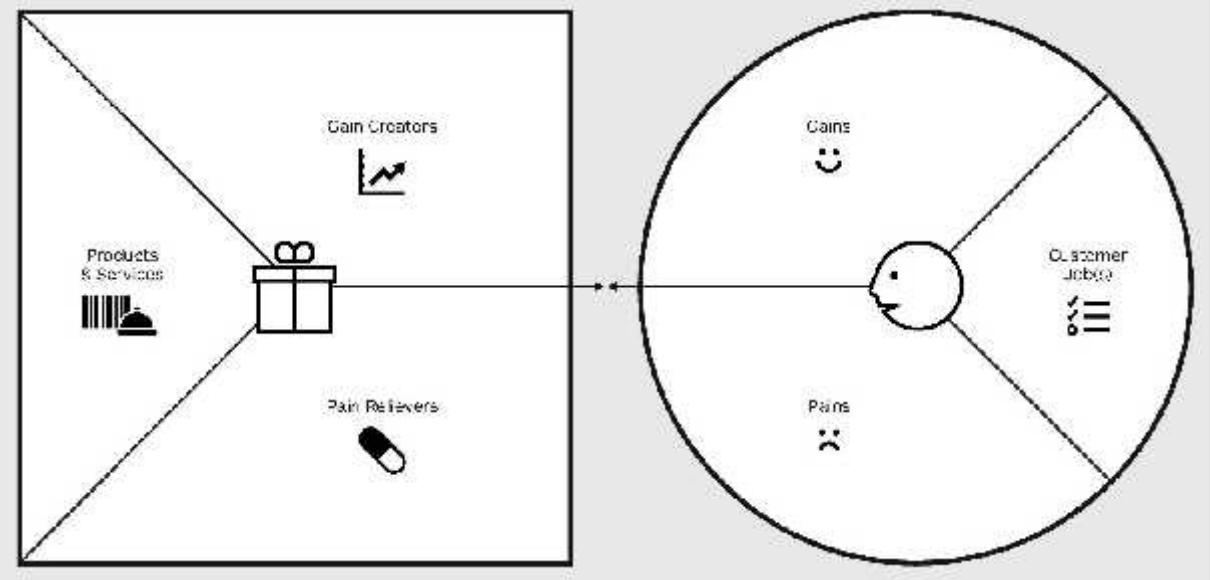

Figure 3: Value Proposition Canvas

The VPC consists of two building blocks. The circle on the right is termed the "Customer Profile" (what the customer needs) and the square on the left is termed the "Value Map" (what the company offers).

The "Customer Profile" has three fields named "Customer Jobs", "Pains" and "Gains" and according to Osterwalder et al. (2014: 10–11) a "Customer Profile" can be used to describe the customer's job functions and his pains and gains. This outward-inward description of the customer enables the company to get a detailed understanding of what the customer actually needs. The "Value Map" on the left also has three fields named "Products & Services", "Pain Relievers" and "Gain Creators". The "Value Map" is used to describe the company's products and services and how they may relieve the customer's pain and/or create even more gain for him.

The value propositions are then created on the basis of the Pain and Gain approach and by ensuring that there is a "fit" between the "Customer Profile" on the one hand and the "Value Map" on the other. This "fit" is obtained by analyzing and aligning "Customer Jobs vs. Products and Services", "Customer Gains vs. Customer Pains" and finally "Gain Creators vs. Pain Relievers".

As argued above, the analysis of the lexicographic business model is conducted by means of five theoretical lenses, which are strategy, core competencies, strategic innovation, business understanding and organizational inertia.

The first theoretical lens, through which business model generation is analyzed, is "strategy". For the purpose of this paper, "strategy" as a theoretical and practical concept is defined as *"the long-term direction of an organisation"* (Johnson et al., 2012: 3) and it deals with the ability and performance of an organization to plan ahead, but also the ability of an organization to plan on an ad hoc basis and in accordance with market developments (Mintzberg & Lampel, 1994).

The second theoretical lens is "core competencies", which is shown in Figure 4 below. Hamel & Prahalad's (1994: 227) understanding of core competencies is quite relevant for the understanding and management of competencies in the lexicographic industry. According to Hamel & Prahalad, core competencies are the human and technological core competencies required for a company to be successful. Hamel & Prahalad's core competency matrix, see also Figure 4 below, is particularly useful, because it can be used to understand how to build, retain and divest competencies in accordance with the type of market in question (see also Hamel & Prahalad 1994: 227).

Core Competences			
	New	*Premier plus 10* What new core competencies will we need to build to protect and extend our franchise in current markets?	*Mega-opportunities* What new core competencies would we need to build to participate in the most exciting markets of the future?
	Existing	*Fill in the blanks* What is the opportunity to improve our position in existing markets by better leveraging our existing core competencies?	*White spaces* What new products or services could we create by creatively redeploying or recombining our current core competencies?
		Existing	**New**
		Market	

Figure 4: Core Competence Matrix

The core competence matrix is a conventional 2 × 2 table with four quadrants. On the X axis we have the market dimension, i.e. either of an existing market or a new market, and on the Y axis we have core competencies, i.e. either existing core competencies or new core competencies. If, for example, a company decides to focus on a new market or new product it will probably need to build or add new core competencies, i.e. New-New and thus Mega-opportunities (the upper, right-hand quadrant) (see Hamel & Prahalad, 1994: 227 for a detailed discussion of core competencies).

The third theoretical lens, through which business model generation is analyzed, is "innovation or strategic innovation". Strategic innovation is about making the right strategic choices in innovation, i.e. innovating what is strategically in focus. According to Afuah (2009: 1), strategic innovation may be defined thus: *"It often entails changing the rules of the game"*, which in fact is what seems to have happened in the lexicographic industry. Innovation is also about not "exploiting", but "exploring" (March, 1991) and even inventing new services and products and disrupting markets or inventing new markets in line with the Blue Ocean Strategy, as proposed by Kim & Mauborgne (2004). For the purpose of this discussion, (Christensen, 1997), is highly relevant. According to Christensen, innovation and disruptive technologies are *"Disruptive technologies bring to a market a very different value proposition than had been available previously. Generally, disruptive technologies underperform established products in mainstream markets. But they have other features that a few fringe (and generally new) customers value"* (Christensen, 1997: XV) (my underlining). The deliberate underperformance on certain parameters is relevant, as will be argued later in the discussion and analysis.

The fourth theoretical lens is a relatively broad concept referred to as "business understanding". Business understanding is here defined as an organization's ability to analyze, interpret and act on the fluctuating market conditions, competitor strength, etc. Business understanding is also the ability of an organization to interpret and act on shifting demands and its ability to understand the value chain in which it plays a role. In this connection, Adner (2012), in particular, offers a useful theoretical contribution, because Adner discusses the ability of an organization to apply a wide lens approach and to design the value and adoption chain. Furthermore, Beckmann et al. (2016) expand the discussion of business model generation with the concept "Value Creation Architectures" (VCA), which in many ways resembles the wide lens approach proposed by Adner (2012). The VCA approach discussed by Beckmann et al. (2016) is particularly relevant when discussing how to convert old technology-based business models into new value-creating business models.

The fifth theoretical lens is "organizational inertia". Organizational inertia is discussed by, for example, Gavetti (2005) and Sull (1999), and is about a company's ability and tendency to accept and embrace change or perhaps even more relevant its ability and tendency not to accept and embrace change. Organizational inertia is in fact closely

related to core competencies, organizational culture and of course the concepts "exploitation" vs. "exploration" (March, 1991) and related to the study of what happens when successful companies suddenly go bad, which in fact seems to be what has partly happened in the Danish lexicographic industry.

4. Analysis of the Existing Lexicographic Business Model

This part of the article discusses the lexicographic business model on the basis of the interview data and the theoretical models above and discusses the first research question. In the discussion, where the author is aware of both interviewee and interviewer bias, it is argued that the data acquired are valid, and that the conclusions and insights are reliable.

On the basis of the 15 interviews, the Danish lexicographic industry seems neither to understand nor use the concept business model. In fact, only two of the interviewed CEOs indicate that they actively use business model generation. A number of statements from the interview subjects substantiate this argument as one CEO says *"we neither have a strategy nor a business model – it is a gut feeling and we live by it".* A similar approach can be seen in a statement from another CEO, who says *"We have never worked with a business model. We have just followed the path".*

In contrast to this somewhat reactive approach are two statements from the two CEOs whose companies use a business model. The first CEO says *"In fact it was quite easy to steal the market. The existing players were just not competent enough"* and the other CEO says *"How can you do business without knowing your market, customers and competitors and without having considered how to make money".* Finally, a third CEO explains, when talking about the market for reference works and dictionaries in Denmark, *"What we have witnessed is a shift in quality parameters. To be frank – company X launched inferior lexicographic content, but had a superior business model and distribution platform. Company Y had superior lexicographic content, but a very poor distribution platform".* The last statement resembles Christensen's (1997: XV) view on innovation and disruption where you deliberately underperform on some parameters.

Denmark has a population of 5.75 million and Danish is a very small language in terms of number of speakers in comparison to, for example, Chinese, English, Spanish, German or French. The Danish dictionary market is also relatively unique because of its limited size, its English-competent users and the limited number of dictionary publishers. This obviously frames the discussion, and it may be argued that the findings and conclusions presented in this paper would perhaps have been different had the analysis been made in, for example, the United Kingdom.

The kaleidoscopic approach, where business model generation in Denmark has been analysed by means of five selected theoretical lenses, reveals additional relevant

insights in how to design a new and more viable lexicographic business model.

When looking at business models through the lens of strategy, it seems as if there is a lack of strategic planning and execution in the vast majority of the surveyed case organizations. One example from a company, which in fact has had a clear strategic approach to innovation processes and core competencies, illustrates that a clear plan seems to be working. When asked about its strategy, the CEO said *"We decided on a clear digital strategy and started to contact our customers directly. And it worked".*

When applying the lens of core competencies it also seems as if the large majority of the 15 companies have had no or little strategic direction in their treatment and management of their core competencies. When asked about core competencies one CEO said *"We have had a very large employee turnover. What we did was to outsource a number of functions but in line with our digital strategy we bought an entire software company and added 12 new software specialists".* This is both an example of a company with a very clear strategy of what it wants to focus on and also a company with a clear approach to capabilities in the form of core competencies. The company has decided to enter a new market (for digital learning materials) and a clear consequence of that is to add new core competencies in this field, see also the core competence matrix in Figure 4 above (Hamel & Prahalad, 1994: 227). In stark contrast to an active and strategic approach to one's core competencies is the statement from a CEO, who says *"We do not have an active approach. We keep having technical challenges, so no, we do not prioritise that".*

Closely connected to the previous two lenses is the lens of strategic innovation. When applying the lens of strategic innovation on the interview data it also seems as if there is a very limited active approach to innovation in the majority of the 15 case companies. One CEO from one of the very successful companies said, when asked about strategic innovation, that *"We closely analysed what the other companies did. And then we disrupted everything by doing something entirely different",* which in fact is in line with Christensen's (1997) recommendations on disruptive technologies and Kim & Mauborgne's (2004) recommendations on creating a new Blue Ocean with no competitors. When asked about innovation in the Danish lexicographic industry, another CEO succinctly said *"The business model of the established dictionary companies has indeed been challenged. There has been too little innovation and too little focus on the customers. I think we should have acted quicker".*

The fourth kaleidoscopic lens is business understanding and again it must be concluded, based on the empirical data, that the vast majority of the surveyed case companies seem to have limited business understanding. It may sound unfair, but many of the interviews with CEOs seem to indicate that most companies are neither competent enough in conducting market, competitor and customer analyses nor analysing and acting on the data and the changing market conditions. When asked about the ability to understand the value chain and the market, one CEO in fact said:

"We contacted the decision makers. And it really hit off when we managed to convince the Ministry of Education to allow pupils and students to use electronic dictionaries during exams. And from that point we went from 0 to all but two municipalities. This is an example of a company, which has been able to analyse and interpret the value chain and to focus its sales organization on the decision makers, which resembles the adoption chain approach (Adner, 2012). The point is that the value chain has changed dramatically in the lexicographic industry (Hall, 2013), which discusses the business of digital publishing.

Finally, the fifth theoretical lens of organizational inertia also reveals a number of interesting insights. Again, it is argued that the majority of the surveyed case companies seem to have suffered from negative organizational inertia (Sull, 1999 and Gavetti, 2005). This argument can in fact best be supported by a statement from a CEO, who reflects on the lexicographic industry's ability to innovate and develop. He said *"As a whole, I think the industry as such has had a very closed mind-set. We have isolated ourselves, we have not developed and we have placed ourselves on a pedestal – you know – something with public funding and the literary element etc. And in that process we have been disrupted because we thought things would not change".*

If the above theoretical lenses had been applied on international dictionary markets, a somewhat different picture would probably have appeared. One example is when MacMillan decided to go 100% online almost 10 years ago, which spurred a heated debate in lexicographic circles. Another example is the host of partnerships and contributions on the future of dictionary-making described in Kernerman Dictionary News in the years 2008-2009. So on the international dictionary markets, dictionary publishers have no doubt already been working with new business models for a decade or so.

However, in conclusion the analysis and discussion of the empirical data from the Danish market by means of the five theoretical lenses have nevertheless resulted in a number of insights on how we might develop a new and more viable lexicographic business model. The focus of the next part of this article is thus to analyse and discuss the last two research questions.

5. Elements of a New Lexicographic Business Model

Milton Friedman allegedly said in 1970 that *"the business of business is business",* i.e. that businesses should only engage in activities with a view to create profits. This is of course a somewhat bold statement in this context, but it is argued that this approach is perhaps what we need in lexicography. The question is: have we focussed too much on developing the quality and amount of linguistic data and too little on developing new distribution platforms and new business models?

5.1 The Business of Lexicography is Business

On the basis of the insights gained from the analysis of the empirical data, it is in fact argued that the business of lexicography is business. Commercial lexicography is business. Publicly-funded lexicography is business. And business is about making strategic decisions about focus and innovation, etc. And this seems to have been one of the challenges of the Danish lexicographic industry: i.e. that there has been too little focus on making business decisions.

It all starts with strategic decisions and leadership and about having a clear strategic focus and not being "*stuck in the middle*" (Porter, 1985: 11–15). This not only includes decisions on differentiation and cost, but also important decisions on strategic innovation and investments. And as the empirical data indicate, this seems to have been one of the biggest challenges of the companies surveyed.

So it all boils down to strategic decisions not having been made in time, and instead almost the entire Danish lexicographic industry has been suffering from what is sometimes referred to as the "*sailing ship effect*" (Gilfillan, 1935: 156). The "sailing ship effect" is the typical reaction of companies when they face new disruptive technologies. They simply continue to invest in old technologies to retain their competitive position in that market. The "sailing ship effect" refers to the situation whereby sailing ships were heavily improved the moment the steam ship emerged during the 19th century. This reaction also resembles what March calls "exploitation of old certainties" (March, 1991).

It is always easy to be "Captain Hindsight", but obviously an entire industry has been suffering from the "sailing ship effect" for too long. Instead, the Danish lexicographic industry could have made a number of strategic decisions. Investing in old certainties and continuing to make small, incremental improvements of the lexicographic data is a natural reaction, but it is only a good idea if the decision is made strategically. Because arguably lexicographic companies can, in line with Ansoff's growth strategy matrix (Ansoff & McDonnell, 1988: 109), make four fundamental types of decisions:

- To improve the performance and characteristics of old lexicographic technology, i.e. existing market and existing product (Penetration).
- To develop the performance and characteristics of old lexicographic technology into new lexicographic technology, i.e. existing market and new product (Product Development).
- To introduce old lexicographic technology into new markets, i.e. new market and existing product (Market Development).
- To diversify and develop old lexicographic technology into new lexicographic technology and establish a new market, i.e. new market and new product (Diversification).

It seems as if the lexicographic industry has focussed too much on the two options *Stay* or *Go*. However, it is of course not as simple as that. When a lexicographic company faces huge technological changes it has to consider investments already made, the cost of future investments and the cost of its existing production systems. Again, everything should be based on rational business decisions. And rational business decisions also sometimes mean the need to discontinue business activities to limit losses. Especially when there is the risk of disruption and drastically changed market conditions (Christensen, 2007).

In principle, the decision is synonymous to the hit song "*Should I Stay or Should I Go*" by The Clash. I would argue that there are four types of decisions:

- Go and exit. Leave the market in the long term, but try to harvest as much value as possible in the short term with a view to leaving the market (exit strategy).
- Go and relocate. Leave the market but relocate in new adjacent markets and industries to apply core competencies and technologies (disruption strategy).
- Stay and contract. Retrench and try to sustain a competitive position in a niche market with a view to contracting and surviving (technological retreat).
- Stay and expand. Retrench and invest in new technologies and new platforms with a view to create new value (strategic innovation).

Having a clear and rational business mind-set is a precondition for making sound business decisions. And it is argued that the Danish lexicographic industry neither seem to have had a sufficiently focussed business mind-set nor to have had enough focus on business core competencies.

To sum up, it is argued that the business of lexicography is business. And with all due respect, calls like "bridging the gap between the general public and scholarly dictionaries" (cf. www.elexicography.eu) are not business. Calls like that do not solve the underlying problem: that the demand for lexicographic products has plummeted, because the business model of many existing lexicographic products has disappeared. At least that seems to be the case in the Danish market, where online dictionaries are playing an increasingly smaller role, for e.g. professional translators (Bundgaard, 2017). Lexicographic data are neither sufficiently integrated in our job-related tools nor sufficiently integrated with or related to the tasks that we solve. And I would argue that that is one of the biggest challenges of the existing business model.

Instead we should focus our efforts on either staying or leaving. Sometimes we have to leave a market in time to avoid becoming the next in a long line of disrupted companies like Kodak or Blockbuster, etc. And, according to a recent survey among more than 2,000 C-level executives, the media industry is expected to be the most disrupted industry in the next 12 months (Grossman, 2016). I argue that the lexicographic industry is similar to the media industry.

If we decide to stay in the business we need to form new and value-creating partnerships with, for example, robot or A.I. companies. We could also develop new lexicographic products which, to a much higher extent than the existing products, create value for the customer and would be in demand by the general public, for example by focussing on the distribution platforms and task relevance.

When diversifying into adjacent markets we need to ask ourselves how the assets and core competencies of our company can be used in an adjacent market with potentially millions of new customers; how our value system is performing and moving us upwards in the value chain (Adner, 2012); and finally we must find where customers are underserved and decide where we could solve their problems.

5.2 Different Lexicographic Business Models for Different Services & Markets

First of all it is important to realize that we cannot develop a one-size-fits-all type of business model. A lexicographic business model and its underlying unique value propositions are naturally dependent on the Value Map of the company (what the company offers), the Customer Profile of the company (what the customer wants) and of course the Market in which the company operates (market conditions).

On the basis of the empirical data it is argued that there are at least five different types of lexicographic business models.

A. Commercial, private dictionary publisher

The typical mission of this type of company is to create monetary revenue. The focus of the activity is on the delivery of linguistic data. Example: ordbog.gyldendal.dk.

B. Commercial, private, educational dictionary publisher

The typical mission of this type of company is also to create monetary revenue. The focus of the activity is on the delivery of linguistic data with a learner focus. Example: ordbog.gyldendal.dk or ordbogen.com.

C. Non-commercial, public dictionary publisher

The typical mission of this type of company is to create cultural value or national language value. The focus of this type of activity is on the delivery of linguistic data. Example: dsn.dk or ordnet.dk.

D. Commercial, private, industry-specific lexicographic activity

The typical mission of this type of activity is to create monetary revenue and to create

branding value for the industry in question. The focus of this type of activity is on the delivery of industry-specific lexicographic data. Example: Medicin.dk.

E. Commercial, private, company-specific lexicographic activity

The typical mission of this type of activity is to create monetary revenue and to create branding value for the company in question. The focus of this type of activity is on the delivery of company-specific lexicographic data. Example: TeleLex, ZooLex, COWILex (Simonsen, 2002 and 2007).

5.3 Considerations on a Lexicographic Value Proposition and Business Model

In addition to the above theoretical considerations on different lexicographic business models, it is now time to discuss proposals for new and more sustainable lexicographic business models.

The discussion starts with customer value, defined by Drucker (1999: 57) as *"What the customer buys and considers of value is never a product. It is always a utility – that is – what a product does for him"* and it must be argued that conventional lexicographic products do not do anything – or at least not enough - for the customer. According to Drucker (ibid) customer value can be defined as:

$$\textit{Customer Value} = \frac{F \quad b \quad +e \quad b}{M \quad c \quad +Ti \quad c \quad +E \quad c \quad +P \quad hli \; c}$$

So we need to do something about both the functional benefits and the emotional benefits. And we need to learn so much more about not only the user, but also his job tasks, his functional benefits and his emotional benefits. And we can do that by means of value stream analyses, whereby the value stream while completing different job tasks is analyzed and measured (Martin & Osterling, 2014: 9–20). Having established what customer value is, we can now venture into the analysis and discussion of the value proposition of "new lexicography".

As it was already pointed out at the beginning of this paper, the biggest problem of lexicography is that lexicographic products are no longer perceived as relevant for the vast majority of people. Most people in fact do not use dictionaries, and if they need to find help when communicating or when looking for data, they simply use the Internet instead.

So dictionaries are in fact not being used as much as we want them to be. The most important question is: why do not people use online or mobile dictionaries? Obviously, there are a number of reasons, but I would argue that the most important reason is

that most lexicographic resources are not tool-integrated and not specifically related to the user's job tasks.

In order to get an overview of what really is needed by the user, a Customer Profile (Osterwalder et al., 2014) should be used. According to Osterwalder et al. (2014: 53) we first need to categorize the arena in which our value proposition should have effect and four different arenas are described: *Financial, Digital, Physical/Tangible and Intangible*. For the purpose of this discussion, the lexicographic industry operates in the *Digital, Physical/Tangible and Intangible* arenas.

As explained above, a Customer Profile includes an analysis and identification of *Customer Jobs* (the tasks that the customers are trying to complete)*; Customer Pains* (the obstacles, hassles and risks that occur when the customers are trying to complete the job); and finally *Customer Gains* (the outcomes and benefits that the customers are harvesting when completing the job). What the customers do can be characterized as functional, emotional, personal and supporting jobs (Osterwalder et al., 2014).

If we use the Value Proposition Canvas shown in Figure 3 above and we start listing typical customer jobs of the particular type of customer in mind in the *Customer Job* field, it soon becomes clear that many of the jobs listed and the associated benefits seem to be mainly functional and here lies perhaps one of the fundamental reasons why people do not use lexicographic products as much as we would like to. In the Social Age, functional benefits are not enough and we need to consider how to give users more emotional and personal benefits.

The final steps in building a Customer Profile are the Customer Pains field, which lists the customer pains connected to solving customer jobs, and the Customer Gains field, which covers the benefits of the jobs and the positive outcomes associated with completing the jobs. When listing these pains and gains, it soon becomes clear that customers would probably list pains like time-consuming, task un-related etc. and that they look for gains like convenience, task-related and learning gratification.

Once considerations on the Customer Profile are done we can take another look at the Value Map of the Value Proposition Canvas in Figure 3 above. Depending on the type of customer, market, product or service in mind we can now start listing some of the most important Pain Relievers vis-à-vis the pains listed in the Customer Profile. We can then move on and list some of the most apparent Gain Creators, which in this example probably would be tool and task integration. So, having established what the customer does and what he likes and dislikes, etc., it is now possible to describe the Products & Services and design what we are going to offer and thus create the fit between what customers need and what we offer.

On the basis of these considerations and taking into account that this is a general and non-exhaustive example, it is now possible to design a new lexicographic business model canvas based on Osterwalder and Pigneur (2010).

Figure 5 shows what might be described as a general proposal for a lexicographic business model, and as it will appear I have listed in blue a number of ideas in each of the nine fields. Obviously, this is a general example and it is based on the decision Stay and expand. It is argued that the most important effort is to focus more on integrating the lexicographic data with the tools that we use and to make lexicographic data task-related and thus integrate them into the customer's value chain.

Figure 5: General Example of a Lexicographic Business Model

All these considerations can be summarized as six theses on a new and more viable lexicographic business model. The six theses are:

⟩ Thesis 1: From lexicographic products to lexicographic services

We need to move upstream in the value chain and offer lexicographic services instead of just lexicographic products. So this thesis takes its starting point in field 1 in Figure 2. By moving upwards in the value chain, lexicographic data can be integrated vertically into the customer's value chain and thus become an important, indispensable and value-creating element for the customer. Customers need solutions and advice on real-world problems and lexicographic data could be value-adding by offering communications consultancy services.

⟩ Thesis 2: From lexicographic data to lexicographic platform and distribution

The empirical data also clearly indicate that we need to focus on lexicographic platforms and new ways of distribution instead of making small incremental improvements of the linguistic data. So this thesis takes its starting point in field 6 in Figure 2. The channels are extremely important, especially in the Social Age, and customers need easy access to, not simply more, linguistic data.

⟩ Thesis 3: From lexicographic data competencies to platform competencies

The analysis also clearly showed that we need to focus more on platform competencies than data competencies (Hamel & Prahalad, 1994). This thesis starts in field 4 in Figure 2 and concerns replacing old core competencies with new core competencies, which focus on developing innovative platforms and access methods.

⟩ Thesis 4: From lexicographic data to lexicographic user and user job

The analysis and the discussion also showed that we need to focus more on the user jobs to make the lexicographic data in question related to a real-world task. We need to focus more on understanding the value stream of the customer and making the appropriate quality adjustments. This thesis is primarily based in fields 5 and 7 in Figure 2, as it deals with customer relationships and the customer segments.

⟩ Thesis 5: From dictionary to lexicographic data in software, artificial intelligence and augmented reality

On the basis of the data and the analysis above, thesis 5 argues that we need to focus on the lexicographic data used in adjacent industries, in co-creation initiatives, in partnerships and in artificial intelligence or augmented reality industries. One challenge of these industries is to facilitate interaction, and lexicographic data would be a huge asset. This thesis focuses on using lexicographic data in new and adjacent industries and takes its starting point in fields 1 and 3 in Figure 2.

⟩ Thesis 6: From dictionary to experience and sales-based services

This thesis also argues that lexicographic data can be used in adjacent industries and in alternative setups. The closer the integration with the customer's value chain, the better, and especially in operative functions, in experience-based functions and in sales functions, cf. www.altomhus.dk, which is an example of lexicographic data being used in a double-loop sales channel. This thesis takes its starting point in fields 1 and 9 in Figure 2.

6. Conclusions

In this paper, the lexicographic business model on the Danish market was analyzed and discussed. The analysis of 15 interviews with senior executives and CEOs from the Danish lexicographic industry shows that it is time to start lexicography from scratch and to design new and more sustainable lexicographic business models. The analysis indicates that the value chain has shifted from lexicographic content to lexicographic platform. The paper addressed three research questions.

The first research question was to analyze and discuss what characterizes the current understanding and application of the concept business model in the Danish lexicographic industry. The answer to this question was that an overwhelming majority of the interviewed senior executives and CEOs neither knew the term business model nor had a business model. The analysis of the interviews also indicated that the reason why they did not have a working business model was that the lexicographic industry had had too little focus on strategic innovation and on core competencies and that the industry for too long has suffered from negative organizational inertia.

The second research question was to discuss and describe the different types of lexicographic business models. On the basis of the interview data and the theoretical models and considerations discussed, it was first argued that the business of lexicography is business, and four overall strategic avenues for lexicographic companies were proposed (*Go and exit, Go and relocate, Stay and contract, Stay and expand*). With the insights from the analysis, it was also possible to develop and describe at least five different lexicographic business models based on parameters such as value creation type (Value Proposition) and focus of activity (Value Map).

The third research question was to discuss and develop potential new elements of a new and more viable lexicographic business models. On the basis of the analysis of the empirical data and the lexicographic considerations made, six theoretical theses on lexicographic business models were developed and discussed. The validity of the theses were supported by means of the lexicographic Business Model Canvas (Osterwalder & Pigneur, 2010).

In conclusion, it is important to remember that there are different lexicographic business models for different services and markets and that a business model should be company-specific. Moreover, even though this analysis focused on the Danish dictionary market, it is argued that selected insights and conclusions from this research can be generalized and applied to a number of other dictionary markets.

Further research in lexicographic business modelling is needed and time will show whether the lexicographic industry is up to the challenge and able to reinvent itself and start from scratch.

7. References

Adner, R. (2012). *The Wide Lens*. Penguin Putnam.

Afuah, A. (2009). *Strategic Innovation: New Game Strategies for Competitive Advantage.* New York. Routledge.

Ansoff, I.H., & McDonell, E.J. (1988). *The new corporate strategy*. New York. Wiley.

Beckmann, O.C., Royer, S. & Schiavone, F. (2016). Old but sexy: Value Creation of old technology-based business models, *Journal of Business Models*, Vol. 4, No. 2 pp. 1-21

Bundgaard, K. (2017). (Post-)editing – A Workplace Study of Translator-Computer Interaction at Textminded Danmark A/S. Ph.d.-afhandling. Aarhus. Aarhus BSS, Aarhus University, Department of Management.

Christensen, C. (1997). *The innovator's dilemma. When new technologies cause great firms to fail*. Boston: Harvard Business School Press.

Drucker, P. F. (1994). The Theory of the Business, *Harvard Business Review*, Sept-Oct, 95-104.

Drucker, P. F. (1999). *Management: Tasks, Responsibilities, Practices*. (Oxford, United Kingdom: Butterworth-Heinemann, 1999, p. 57.

Gavetti, G. (2005). Strategy Formulation and Inertia. In. *Harvard Business Review.*

Grossman, R. (2016). The Industries That Are Being Disrupted the Most by Digital. In: *Harvard Business Review*. March 2016.

Hall, F. (2013). *The Business of Digital Publishing*. London. Routledge.

Hamel, G.H. & Prahalad, C.K. (1994). *Competing for the Future*. Boston, MA: Harvard Business School Press.

Johnson, G., Scholes, K., Whittington, R. (2012). *Fundamentals of Strategy*, 2/E. London. Financial Times Press.

Kim, W. Chan & Mauborgne, Renee (2004). Blue Ocean Strategy. In: *Harvard Business Review*. pp. 76-85.

Kvale, S. (2007). *Doing Interviews*. London. SAGE Publications Ltd.

March, J.G. (1991). Exploration and exploitation in organizational learning. *Organization Science*, vol. 2, 71–87.

Martin, K. & Osterling, M. (2014). *Value Stream Mapping*. McGraw-Hill.

Mintzberg H. & J. Lampel (1998). Reflecting on the Strategy Process, *Sloan Management Review*, Spring 1999, pp. 21-30.

Osterwalder, A., & Pigneur, Y. (2010). *Business Model Generation: A Handbook For Visionaries, Game Changers, and Challengers*. Hoboken. John Wiley & Sons, Inc.

Osterwalder, A., Pigneur, Y., Bernada, G., & Smith, A. (2014). *Value Proposition Canvas: How to create products and services customers want*. Hoboken. John Wiley & Sons, Inc.

Porter, M.E, (1985). *Competitive advantage: Creating and Sustaining Superior Performance*, The Free Press, New York.

Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business*

students. Harlow: Pearson Education.

Simonsen, H. K. (2002). *TeleLex - Theoretical Considerations on Corporate LSP Intranet Lexicography: Design and Development of TeleLex - an Intranet-based Lexicographic Knowledge and Communications Management System.* Ph.d.-afhandling, 436 sider. Handelshøjskolen i Århus.

Simonsen, H. K. (2007): Virksomhedsleksikografien viser tænder: leksikografiske løsninger i København Zoo og Fagerberg A/S. In: Nordiske studier i leksikografi 10. Rapport fra Konference om leksikografi i Norden. Island 22.-26. maj 2007. Akureyri: Nordisk forening for leksikografi 2007.

Simonsen, H. K. (2016). *Hvor er forretningsmodellen? En analyse af de forretningsmæssige udfordringer i forlags- og informationsindustrien med særlig fokus på opslagsværker.* MBA-afhandling. Institut for Økonomi og Ledelse. Aalborg Universitet.

Simonsen, H. K. (2017). Hvor er forretningsmodellen? In: *LEDA-nyt nummer 63 - april 2017*, pp. 5-17.

Sull, D. N. (1999). Why Good Companies Go Bad. In. *Harvard Business Review*, July-August, 2-11.