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Using Business Models in Hindsight

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Abstract

Purpose: Develop a method for an extended "fore-and-aft" use of business models. The method will turn them also into potent business history tools, in addition to being valuable forward planning instruments.

Approach: Business models can be used to understand organizations by studying them as "snapshots" at any given time or accounting for their evolution by comparing their past successive forms on a temporal axis. The paper proposes a method of evolutionary analysis, which, by following a historical institutionalism approach, identifies "critical junctures", organizational change and business model revisions. The evolution of organisations can be deciphered by comparing the business models at these "critical junctures".

Findings: The method has been tested in two international financial institutions.

Value: There is no similar approach and use of business models. The method can serve scholarly purposes and business applications.

Keywords: business model, business history, multilateral banks, non-profit-making organizations, organizational studies, historical institutionalism.

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Introduction

Business models describe the way organizations create and deliver value necessary for their existence and development. Stemming from organizational theory, they have been increasingly deployed for the reification or re-orientation of a wide variety of companies. A number of archetypes have been proposed by scholars and practitioners alike, predominantly in the "dot.com" era (Foss & Saebi, 2017), for aligning shareholders and financiers in new entrepreneurial concepts. Their popularity trivialized them to a certain extent and turned them into a sort of topical "buzzword" used by some "professionals," mainly in the consultancy field, adroitly filling-up archetypes for establishing new business ventures.

Arguably, their potency lies in their potential to depict complex organizational systems concisely and comprehensively in simple diagrams. This is the role of any model. Nonetheless, conceptually, business models are more than mere background canvases to be filled with business details. As blueprints do for engineers, business models enable, through their visual representational simplicity, understanding and clarity for consensus-building on the nature, identity, structure, and operation of new or existing organizations within a certain contextual setting. By describing how action occurs or should occur within organized systems, business models can also guide the "engineering" of new or revised realities, reflecting or even being constitutive parts of change. Focusing on the present, they have therefore been equally well applied as effectual tools for analyzing or evaluating organizations, in light of eventual changes, in a sense mapping the actual and, subsequently, the desired situation.

As organizational changes are transcribed onto business models, the models show a co-evolutionary path (Cantwell, Dunning and Lundan, , 2010). Reflecting organizational evolution, business models also follow a complete life-cycle, from creation to extension or revision to complete termination (Morris, Schindehutte and Allen, 2005; Calvante, Kesting and Ulhoi., 2011). Hence, by assessing business models at different points in time one can understand the organizational changes they represent. Why, however, should such tools be exclusively forward-looking, as applied to date? This paper claims that, by altering the direction of their perspective, business models can go beyond their presumed use as a means of planning and serve as equally potent organizational history tools. By studying these organizational "snapshots" in hindsight, one can follow and understand the business history and evolution, similar to the way in which people become more aware of changes by going through old photo albums. By comparing snapshots over time, business models turn from static to dynamic revelations, illuminating trends. In an equivalent fashion, previous balance sheets are used in financial analysis, whereby date-specific financial "pictures" are compared over a period of time to identify tendencies. The difference is that, unlike balance sheets, business models are not readily available, first because their deployment started in the mid-1990s, and second, even if they do exist, they cannot usually be found in the public domain for confidentiality reasons.

Accordingly, this paper proposes a method for using business models in hindsight, starting with a technique for crafting past business models externally based on publicly available organizational information, including statutes, annual reports, and policy papers. The technique consists of first extracting and subsequently analyzing, categorizing, and transcribing information into a business model archetype. The archetype used here is a "hybrid" model developed based on existing proposals (Shafer, Smith and Linder, 2005; Wirtz, Pistoia, Ullrich and Göttel, 2016), allowing for generalized applicability to all types of organizations, including for-profit as well as not-for-profit organizations (Kavvadia, 2021a). It frames organizational reality within four basic elements, which, through their interrelationship, create and deliver value: strategic choices, value capture, value creation, and value network. As business models remain unchanged for long periods before a minor or major change occurs, the method proposes to retrospectively craft only business models corresponding to "critical juncture" points, where organizational change also triggers a change in the business model. These points are identified by studying the organization's past evolution from a historical institutionalism perspective.

The suggested method is developed in the form of analytic eclecticism, drawing from business and organizational studies as well as political science. It adds to existing scholarly work by demonstrating empirically that business models have multiple functions. First, they can be used as lynchpins to understand organizations in depth, recounting the organizational structure and activity, accounting for their evolution analytically and, by corollary, going beyond simply chronicling a sequence of events. Second, they constitute an outstanding vanguard point for viewing organizations holistically and avoiding a pars pro toto restricted understanding. Third, they can be tested and verified through triangulation with business metrics and other data. Fourth, when performed on peer organizations they enable easier comparisons. Finally, they allow hermeneutics from different perspectives, possibly in combination with a wide range of political science theoretical approaches, depending on the focal point of the research.

Grounded on existing scholarly sources, the method has been instantiated through its application to two international not-for-profit organizations, the European Investment Bank (EIB) and the Asian Infrastructure Investment Bank (AIIB) (Kavvadia, 2021b). The EIB is one of the oldest multilateral banks, commencing operations in 1958, and thus provides considerable historic depth for performing a historical analysis of its business model. The AIIB, however, is one of the newest of its type, established in 2015. Hence, its business model has been used in a comparative analysis with the EIB to test the comparative use of the method as well. For its empirical part, the paper used both primary and secondary sources in the form of organizational documentation and scholarly literature, respectively.

The dual contribution of this research article to existing literature is the development of a new approach to business history, synthesizing elements of business and historical traditions and the use of business models in retrospect for studying, instead of planning organizations. The remainder of the paper is structured as follows: Section 2 reflects on the theoretical background of the method, while Section 3 describes the method in a procedural manner. Section 4 presents some aspects of the empirical testing. Finally, major takeaways are summarized in Section 5, which concludes the paper.

Theoretical underpinnings

Along with the increasingly prominent role of economic entities in the contemporary world, academic disciplines arose focused on them. Business history is a case in point (Friedenson, 2007). Although human economic activity has been examined since its early days in ancient civilizations (Moore & Reid, 2011), business history emerged with N. S. B. Gras at Harvard Business School in 1927. Following the prevailing Harvard tradition of using case studies as an investigation method, business history evolved quickly, mainly as company historiography, driven by generous private sector sponsorship, until Alfred Chandler Jr. pioneered theorization on the discipline in the early 1960s (Chandler, 1962). Endeavoring to connect the past with the present, Chandler gained renown by developing frameworks relevant to the (at the time) thriving corporate economy, linking history with business, organizational, and economic studies. Chandler discovered tangencies and overlaps in these fields, opening the way for a multidisciplinary approach to business history, and historians followed by increasingly focusing on epistemological and ontological questions (Appleby, Appleby, Covington, Hoyt, Latham and Sneider, , 1996; Rowlinson, 2001; Amatori & Jones, 2003; Zeitlin, 2007; Anteby & Molnár, 2012). Organizational specialists followed the "use of the past approach," a term coined by Clark and Rowlinson (2004), seeking to use the past as a resource to improve organizational understanding and development in areas such as strategy, identity, and culture (Zald, 1990; Kieser, 1994; Gioia, Schultz and Corley, 2000; Booth & Rowlinson, 2006; Brunninge, 2009; Coraiola, Foster and Suddaby, 2015).

The "rapprochement" of the two disciplines had been sought by both historians and organizational specialists, resulting in a converging approach and a search for empirical evidence to ground their results in the corporate reality, often by exploiting the past to serve the present and future needs of business as an academic field and real economy alike (Üsdiken &

Kieser, 2004; Kobrak & Schneider, 2011; Durepos & Mills, 2012). Following this "integrationist" position as labelled by Üsdiken and Kieser (2004), business historians aim to separate their discipline from ossification and scholasticism by deploying new theories and methodologies to answer questions regarding where history and organizational studies intersect and interact (Leblebici & Shah, 2004). This is consistent with the widely accepted view that history concerns "knowledge that is collected and meaningfully interpreted about what happened in the past" (Foster, Coraiola, Suddaby, Kroezen and Chandler, 2017, p. 3). Tellingly, this disciplinary confluence engendered heterogeneity in the business history field (Bucheli & Wadhwani, 2014) as well as an increasing tendency to eschew chronicling and focus instead on the analysis and interpretation of historical elements, acknowledging that they "continue to shape [our] experiences in the present and [our] expectations for the future" (Mordhorst & Schwarzkopf, 2017, p. 1165). This led to the emergence of "historical cognizance" (Kipping & Üsdiken, 2014, p. 562), referring to a theorized understanding of history from a contextual perspective. Yet, despite stressing the importance of a holistic approach, analysis often remained fragmented, focusing "on one element of the corporation not on an institution as an integrated whole. [...] Business institutions remain largely 'black boxes' [...]. Few studies can or want to delve into how and why corporate decisions are made and implemented. [...] how the institution works and interacts with its environment [...]. How a company integrates inputs and disposes of outputs is not independent of its environment" (Kobrak & Schneider, 2011, p. 409). Nonetheless, this approach was exemplified by Chandler, who is widely recognized as the most influential business historian of the twentieth century, in his seminal work on strategy and structure (Chandler, 1962) as well as his work on scale and scope (Chandler, 1990).

In an antipodal manner, organizational scholars have indulged in the holistic study of organizations, both at theoretical and practical levels, particularly those with an interest in strategy. Theorizing on strategy and related issues, such as change (Leavitt, 1965) and future development (Porter, 1985), has also led to their operationalization through corollary application tools, mainly in the form of models of reality, which, through simplification, facilitate the understanding about organizations and consensus building among stakeholders, especially in view of future changes. Prime examples of such endeavors are business models, which came to center stage in the mid-1990s in the run-up to the "dot-com" era (Foss & Saebi, 2017), when large numbers of new ventures were seeking to engage stakeholders.

As abstractions describing organizations at a conceptual level (Osterwalder, Pigneur and Tucci, 2005), business models allow the articulation and instantiation of the interdependent activities that enable organizations to create value and also to appropriate a share of that value, transcending their boundaries. Viewing organizations as open entities in interaction with their stakeholders, business models reflect the ways organizations interlock with their contextual environment. As business models are relatively new as a concept, there is little consensus as to their definition, constituents, trajectory, and use, as evidenced by a content analysis of keywords in thirty definitions (Morris et al., 2005). Morris et al. (2005) classified divergent definitions into three categories: economic, operational, and strategic, depending on the unique set of decision variables used by each business model definition. This highlights the wide cross-theoretical differences in the value creation perspectives guiding the futures of organizations. The reason for these differences is that the business model concept has been developed from different starting points by management scientists (Amit & Zott, 2012; Cavalcante et al., 2011; Johnson, Christensen and Kagermann, 2008; Mäkinen & Seppänen, 2007; McGrath, 2010; Moingeon & Lehmann-Ortega, 2010; Osterwalder, 2004) and organizational sociologists (Perkmann & Spicer, 2010). Nevertheless, having been accepted as holding "promise as a unifying unit of analysis that can facilitate theory development in entrepreneurship" (Morris et al., 2005, p. 726), business models have been widely used as planning tools for the reification or re-orientation of organizations considering change. Consequently, well integrated in the corporate reality, business models, as defined in the extant literature, are aimed at profit-making organizations.

As they are equally useful for the establishment, evolution, and analysis of non-profit organizations, this paper uses a definition and archetype that allows more generalized use (Kavvadia, 2021a), which has been developed as a "hybrid" from existing proposals (Shafer et al., 2005; Wirtz et al., 2016). It consists of four primary interlocking elements, which together create and deliver value: strategic choices, value capture, value creation, and value network. As they are reflective and simultaneously constitutive of these organizational fundamentals, recounting structure, and processes, business models can be deployed beyond their currently limited forward planning remit to better understand organizations. In other words, their use as analysis tools can serve both the present and future as well as the past. This extended "fore-and-aft" perspective turns them into potent business history and evolutionary organizational analysis tools. Building on the views of Shafer et al. (2005) concerning the utilization of business models in a backward-looking context for reviewing strategic choices made over time, this paper proffers a method for their application in organizational history. Their added value lies in their ability to go beyond narratives due to their graphic representational description of organizational fundamentals, which provides an easy overview of organizations— a snapshot—at any given point in time. Seen in isolation, business models allow topical analysis, whereas, when compared with previous or subsequent snapshots, they enable the temporal analysis of organizations; if contrasted with the models of similar organizations, they even support comparative peer analyses. This is the basis of the argument of this paper, which has been elaborated in a procedural stepwise fashion.

The method

To achieve the epistemic goal of this paper, and following the Chandlerian paradigm, the paper operationalizes its main argument by developing a method for using business models in hindsight. Arguably, business models, as multi-tier conceptual maps of actors, actions, interactions, and outcomes, are a powerful tool for studying organizations, even though they have not been used in this way previously. Considering this novelty, their incorporation in a method for historical analysis had to overcome a number of challenges.

First, business models are mainly used internally by organizations, either for their establishment or for guiding them through their evolution, providing "a powerful way for executives to analyze and communicate their strategic choices" (Shafer et al., 2005, p. 207). Thus, in most cases business models are not publicly disclosed, either because they do not even exist—given that they are a fairly new instrument developed after the mid-1990s—or, when they do exist, they are usually not publicized for reasons of confidentiality. To overcome this hurdle, a technique has been devised whereby organizational information is extracted from official organizational primary sources, including statutes, annual reports, and policy papers. Such documents are mostly available for private and public organizations alike, predominantly as part of applicable institutional dispositions, such as company registration, credit rating requirements, stock exchange listing, or parliamentary oversight. The information extracted is then analyzed and, depending on its relevance, categorized into the four elements of the business model archetype suggested above. The level of detail of the organizational information extracted has to be matched consistently with the chosen level of detail of the business model and the research purposes. Business models can articulate organizational features at different levels of detail following a "loop" approach, from the abstract strategic to a more detailed operational level and on to a tactical level (Morris et al., 2005). Although the level of detail can be chosen to match the research needs, for most business history questions, which tend to focus on strategy issues, the general strategic level can be deemed appropriate. Yet, the recourse to publicly available information, albeit helpful, cannot provide sensitive internal organizational information. Business models developed externally are conspicuously limited in their inability to include some important but sensitive organizational operational aspects, such as pricing, staffing, and other areas bound to strict confidentiality. However, this limitation has not proven to be prohibitive for studying organizations at a strategic level, especially non-profit entities, such as those empirically analyzed using this method.

Second, the crafting of business models often faces flawed assumptions and misunderstandings concerning organizational fundamentals (Shafer et al., 2005). These difficulties are mostly linked to the prospective use of business models, the role of cognition, and the interpretation of events (Cavalcante et al., 2011). The same challenge can affect the retrospective use of business models for historical analysis purposes, through cognitive interpretational filtering. However, as the suggested method is based primarily on primary official and publicly available documentation rather than personal narratives, this issue is minimized. Naturally, if needed or desired—and if possible—archival information can be supplemented with such additional insights through interviews, which, used as control elements of the documentation-based results, can verify the understandings or correct misconceptions, reducing the potential for bias.

Third, the method is based on the comparison of business models at different points in time. To improve the efficiency of the analysis, as business models are mostly unavailable in the public domain, the method proposes to retrospectively craft only those that correspond to inflection points of historic organizational change. Change, seen as a resource-allocative process (Cantwell et. al., 2010) for an isomorphic adjustment to the environment and driven by factors that are exogenous or endogenous to the organization (or even a combination of the two), can be detected through the combined historic study of the organization and its environment. Yet, this is not sufficient. Certainly, the thesis of some co-evolutionary organizational theorists that organizational and contextual changes occur quasi simultaneously and influence one another in a retrofit process (Lewin & Volberda, 1999) reflects some cases of business model change. Nonetheless, it is not always synchronized with organizational change. Every organizational change is not immediately translated into a business model change because business models tend to change less frequently than organizations. When they do change, business models move along a life cycle, from specification to refinement and adaptation and ultimately to revision and reformulation (Morris et al., 2005). Nonetheless, the change process does not necessarily follows this order, however, because the models are "never complete as the process of making strategic choices and testing business models should be ongoing and iterative" (Shafer et al., 2005, p. 207). Despite the lack of consensus among scholars concerning the business model life cycle, their disagreement is a matter of form—numbers and names of phases—rather than substance. While labels of life cycle phases differ, there is agreement that all business models go through creation, extension, revision, and even termination (Calvacante et al., 2011). Given that change in organizations is quasi-ubiquitous, while business models only pick up and reflect important organizational changes, particularly when organizations alter their core components (Calvacante et al., 2011), the phase in the life cycle to which the changed models correspond, is determined by criteria concerning the extent of change in content, structure, and governance (Amit & Zott, 2012). To identify the "strategic inflection historic points" for which business models must be retroactively fashioned, the present method suggests a combined historical analysis of both the organization and the environment in which it is embedded. The points of interest are those where important changes co-occur.

Fourth, once the organizational changes of interest are identified, they must be analyzed to provide meaningful insights regarding not only what happened and when but also why it happened and who initiated the change. For this purpose, one has to go beyond the principal reasons for business model reshaping provided in the business model literature, which are mainly related to purely business-related issues, such as new market creation or the exploitation of new opportunities in existing markets (Amit & Zott, 2012). To understand organizations, the analysis of change has to integrate a wide variety of explanatory factors, of which the social ones are of particular interest. They include exogenous as well as endogenous reasons for both micro-and macro-level choices for coping with the uncertainties of a dynamic physical, technological, and human environment, thus leading to change, underpinned by culture, norms, beliefs, and mores. This relates to the ways in which history relates to the social scientific slant, which has come to characterize organizational analysis. This slant was pioneered by Hidy (1970) and is exemplified by increasingly voiced calls to enrich historical analysis through the use of multivariant social sciences parameters (Teichova, 1986; Scott, 2001; Wilson & Toms, 2011). Due to similar concerns from the organizational side from scholars eager to add a historical perspective (Zald, 1990; Leblebici & Shah, 2004; Lippmann & Aldrich Howard, 2014; Rowlinson & Hassard, 2014; de Jong, Higgins and van Driel, 2015), a fused approach has been shaped. Originating from neo-institutionalism and evolutionary attitudes on organizational analysis as well as political science, this approach has been labelled integrationism by Üsdiken and Kieser (2004). Focusing on the cumulative process by which organizations function within their boundaries in interaction with their larger social, political, and economic contexts, the integrationist approach fits into historical institutionalism. As a conceptual framework, historical institutionalism studies the historical evolution of organizations to understand their actions and actors, based on multiple perspectives, such as realist and constructivist perspectives (Nichols, 1998; Munslow, 2006).

In the context of the proposed method, historical institutionalism serves the epistemic goal of the paper, supporting the understanding of organizational evolution by acknowledging the interactive nature of organizations with their internal and external environments. Moreover, acknowledging the multiplicity of actors and actions, historical institutionalism accommodates a number of explicative perspectives. Addressing these issues fundamentally involves "recognising that more recent organisational forms and arrangements have been shaped by past events and that their course of development has been influenced by the broader context. In terms of more specific concerns, it implies turning to processes of organisational change, development of organisational forms and variations across societal settings, path dependencies and continuities in organisational ideas and practices" (Üsdiken & Kieser, 2004, p. 323). Path dependency, which is one of the central concepts of historical institutionalism, holds that past decisions define the path ahead, constraining the possible objectives of or tools available to an institution (Hall & Taylor, 1996). In other words, organizations are established to serve a specific purpose, and their very creation coupled with their functioning push history along a determined path (Pierson, 1996). Despite the ubiquitous change within the organizational context, the path tends to remain unchanged. Organizations are rather stable actors, and the reshaping of preferences, interests, structures, or frameworks happen as "paradigm shifts" at specific "critical junctures," characterizing the distinct points in time of significant change or "cleavages which present new paths or opportunities for change" (Hall & Taylor, 1996, p. 18) and new legacies. Hence, the new legacy becomes the new antecedent condition, which determines future changes at subsequent critical junctures, while, in the meantime, organizations remain path dependent and constrained by their previous changes. This stepwise historical evolution, centered at given points in time when major organizational changes happen, fits with the pattern of business model evolution. Through their successive "snapshot" alterations, in connection with significant organizational changes, the evolution of business models trace the trajectory of an organization in a clearly and illustratively marked path-dependent way. This notion is at the heart of the proposed method.

Conflating historical institutionalism with business models as analytical frameworks, the paper presents a novel method for understanding the evolution of organizations. Understanding a method as a particular procedure for accomplishing or approaching something in a systematic manner, this paper proposes an analytic method consisting of eight steps, some of which can be performed reiteratively in loops: i) preliminary study of the organization to understand its nature; ii) selection of an appropriate business model archetype suitable for the specific organization. The present method suggests the use of the archetype developed for generalized use by both for-profit and not-for-profit organizations mentioned earlier, which has four interrelated basic elements modeling the way organizations create and deliver value: strategic choices, value capture, value creation, and value network; iii) archival research to locate primary organizational sources matching the point in time or the time period of research interest; iv) retrospectively crafting the business model at the moment of interest or at the starting or end point of the research period, by analyzing and categorizing the relevant information under the constituent elements of the business model archetype and "flicking the canvas." The canvas has a level of detail, which can be refined quasi at infimum, but for a general historical analysis the most abstract level is appropriate because it provides a strategic overview. This step can be repeated as often as necessary to frame the period under investigation in an iterative feedback loop including also the next two steps; v) historical analysis of the organization and its environment throughout the time span of research interest to identify critical junctures, eventually implying a business model transformation. This is followed by a validity check of the crafted business model at each of these critical juncture points, benchmarking it against the relevant organizational information regarding governance and operations. Subsequently, a new business model is recrafted (in case of invalidity, proceeding as for step iv); vi) evaluation of the degree of the business model change based on the business model life cycle; in other words, classifying the change as one of the life-cycle categories: creation, extension, revision, or termination. By juxtaposing the newest one on the previous one, changes can be clearly and illustratively marked as additions, omissions, or alternations; vii) analysis of the business model (shaped under step iv) to understand the organization as a functioning whole, in interaction with its context, at the specific points in time corresponding to the crafted business models. In other words, what were the primary objectives and resources, and how have they been used to achieve the organizational objectives and assess the degree to and ways in which the objectives have been achieved? Further, who were the primary actors and stakeholders, and what was their role? What was the interaction with the organization with its context, and how did the context shape organizational agency? In the event that the research question concerns a specific organizational activity, the business model can alternatively allow the focus to be on the relevant aspects of the particular organizational activity through refinement to increase the level of detail to the desired level, matching the research needs. The level of detail remains, nonetheless, constrained by limited access or a complete dearth of information on several issues, which are not in the public domain; viii) comparison of the molded business models corresponding to all points at the time of interest. In this way, business models reveal organizational "footprints," which when studied can demonstrate evolutionary paths and explain tendencies that shape the trajectory of organizations in the period under investigation (Kantrow, 1986).

Empirical Illustrations

Calls for multidisciplinary research have often been coupled with calls for intensified empirical research to test hypotheses and construct broad generalizations (Friedman & Jones, 2011; de Jong & van Driel, 2015). However, this paper has empirically applied the propounded method simply to test its validity in the first place. The method was used with two international not-for-profit organizations, which served as case studies: the EIB, the primary financial arm of the European Union (EU), and the AIIB, the newest China-promoted multilateral bank, which aims to become Asia's largest infrastructure financier. The two organizations have been selected based on well-established criteria for case studies, particularly general validity and replicability. Both organizations satisfy the criteria, as they constitute valid examples of not-for-profit organizations, and as such, are good precedents for the replication of the method to peers and other similar organizations once the applicability of the method is demonstrated. Additionally and importantly, they both fulfill a principal prerequisite for the application of the method. That is, notwithstanding the unavailability of their business models in the public sphere, both organizations disclose their basic documents and main activity and financial reports for reasons of accountability and transparency.

Founded in 1958, the EIB has noticeable historical depth and adequate research material to investigate. Consequently, the proposed method has been applied to study the bank's evolution in the sixty-year period 1958–2018. In this period, the EIB has grown to become one of the world's largest multilateral banks, with its activity stretching progressively across the world, against a background of changing circumstances. Albeit still scant, academic interest in the EIB has been growing, with researchers predominantly looking at the bank's activity from political science, economic, legal, technical, and historical perspectives. However, works on the history of the EIB have reviewed and analyzed its evolution (Bussière et al., 2008, Coppolaro, 2010), without considering its organizational functioning. Applying the proposed method could thus contribute to existing academic work by identifying the "critical junctures" in EIB's business model development, analyzing the reasons for change, and elucidating the inferred modifications in its modus operandi (Kavvadia, 2022). The method was successfully and seamlessly applied through all seven steps of its procedural approach. It revealed that EIB's incipient business model, due to its inherent flexibility, allowed the bank to traverse critical contextual periods, such as the collapse of the Bretton Woods system, the oil crises, and multiple extensions of activity, even beyond the EU borders, without a major revision of the bank's business fundamentals. Despite business cycle variations, the EIB kept enjoying steady organic and inorganic growth. The forty years of business model fixity have been interrupted twice, with a ten-year interval, at two "critical junctures" in 1999 and 2010, in response to the watershed challenges of the run-up to the euro epoch and the global financial crisis. In both business model revisions, the EIB opted for increased risk-taking and entrance into new financial market segments, such as risk-sharing and advisory operations built with careful and stepwise incremental changes.

Conversely, for the AIIB, a new organization established in 2015, the method could not be used to pursue a historical scope. Instead, it was used in a comparative approach. For this purpose, only the first four steps, corresponding to the back-casting of its business model, were applied. Yet, the method was able to build further on available scholarly research, as it examined the AIIB as a functioning organizational entity, unlike existing works, which have mainly concentrated on international relations, governance, and legal perspectives, with historical studies being obviously absent, given the bank's recent establishment. By contrasting the AIIB, a new institution, with the EIB, one of the first multilateral banks, the method allowed assessing whether the AIIB shows path dependency from Bretton Woods traditions (as all multilateral banks do) or whether it constitutes a paradigm shift, as claimed by several scholars and the AIIB itself (Kavvadia, 2021b). In this comparative analysis, the method was applied within an economic sociology framework, in particular the theory of fields (Fligstein & McAdam, 2012), in order to analyze the role of the two banks and their interrelationship within the sector. The application of the present method on the AIIB demonstrates not only the validity of the method as such but also its usefulness when combined and supplemented with other analytical frameworks and techniques in a synthetic approach. The method provided insights into AIIB's structure and activity setup, which proved that the bank does not represent a paradigm shift compared to its peers, as claimed. Its business model, while broader than those of a number of its peers, emanates from the World Bank "mold," adjusted to mirror current contextual and organizational developments, thus emulating the EIB's 2010 business model.

In both cases, the answers to the research questions received from the application of the method were triangulated with a business metrics analysis from primary sources (regarding the activity of the organizations) as well as existing scholarly work on the two organizations. All were concurring. In this sense, the method grounded on the use of business models for historical studies not only provided cogent explanations to the research questions but also uncovered additional operational aspects that were ostensibly hidden behind the usual "black-box" approach to organizations. Whether applied autonomously or together with other analytical means, the method proved effective in bringing juncture points, weightier reasons, and the results of major organizational changes to the fore. By considering the business models of the two organizations as concise and illustrative descriptions of their business fundamentals, the study gained insights into their intricate nature and development through successive phases of fixity and change.

Conclusions

Responding to the calls of multidisciplinarity-oriented scholars, the paper proposed a method at the nexus of business history and organizational studies for propping the understanding of past institutional evolution by combining business models and historical institutionalism. This synthetic method is based on the acknowledgment that business models constitute concise illustrative abstractions of organizational fundamentals, including actors, actions, interactions, and outcomes. Reflecting an analytical eclecticism orientation, the method is novel in both academic disciplines, as it utilizes business models in hindsight for historical analysis going, hence, against the grain of business models' forward-looking and business-oriented traditions. Without being ergodic, the method follows an eight-step procedural track. Whether segueing from the starting step into the last step, or using only part of it in a stepwise manner, the method construes organizational reality in a holistic way and in interaction with its contextual setting at any given point in time. It allows gauging issues of change at important points and unveils the organizational "black box" to understand the modus operandi encapsulated in the business model.

The empirical test of two international organizations provided substantial evidence indicating that the method can be used successfully autonomously or together with other conceptual frameworks, as exemplified by its ability to incorporate the theory of fields to probe deeper into the positioning of organizations and their interactions within the field of their activity. While its soundness has been demonstrated, the method needs to be tested widely in different types of organizations and time frames to discover challenges and issues, which could lead to fine-tuning and ultimately establishing its broader generalizability.

Providing an outstanding vanguard point and allowing hermeneutics as well as triangulation, the suggested method facilitates a deeper and holistic historical reading of organizations over time, by bridging the way historians and organizational researches understand historical reality, and enabling a way for a reflective and informed account of the history of organizations.

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