

DIGITAL BUSINESS MODELS

Course code	<i>MNG 254</i>
Compulsory in the programmes	<i>Entrepreneurship and Innovation</i>
Level of studies	<i>Undergraduate</i>
Number of credits	<i>3 ECTS (24 contact hours + 3 consultation hours, 53 individual work hours)</i>
Course coordinator (title and name)	<i>Vytautas Černiauskas</i>
Prerequisites	<i>None</i>
Language of instruction	<i>English</i>

THE AIM OF THE COURSE:

The course aims to give students the comprehension of requirements to a business model from established business community entities such as investors, key partners, and employees. The course covers several key elements of a business model through design, planning and execution. Each component leaves the student with a reusable kit for a future business modelling and creation.

MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS

Course level learning outcomes (objectives)	Degree level learning objectives (Number of LO)	Assessment methods	Teaching methods
CLO1 To be able to define business models and understand their core components	BLO1.1.	Homework, course project	Lectures, practicing and discussions, individual project
CLO2 To be able to evaluate entrepreneurship and human capital needs for the business model	BLO1.2.	Homework, course project	Lectures, practicing and discussions, individual project
CLO3 To be able to understand business funding sources, properties, and process	BLO1.1.	Homework, course project	Lectures, practicing and discussions, individual project
CLO4 To be able to evaluate chosen business model revenue, costs, and capital need	BLO1.1. BLO1.2.	Homework, course project	Lectures, practicing and discussions, individual project
CLO5. Develop critical thinking ability and problem-solving skills through experiential learning.	BLO4.1. BLO4.2 BLO4.3	Homework, course project	Lectures, practicing and discussions, individual project

ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

COURSE OUTLINE

Topic	In-class hours	Readings
Business and Business Models (BMs) components and requirements	2	Will be provided on elearning
Types and classification of BMs	2	Will be provided on elearning
Value creation, pricing, financial projections, revenues, costs, and capital need for a BM	2	Will be provided on elearning
Planning and building a BM	2	Will be provided on elearning
Theory meets the real world: practical examples of BMs and cases	2	Will be provided on elearning
Course project presentation	2	Will be provided on elearning
	Total: 24 hours	
CONSULTATIONS	3	
FINAL EXAM	2	

FINAL GRADE COMPOSITION

Type of assignment	%
<i>Group Components 30%</i>	
Course project	30
<i>Individual Components 70%</i>	
In-class contribution	20
Final exam	50
Total:	100

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

(Provide short descriptions and grading criteria of each assignment)

1. **Final exam.** The final exam is a case analysis requiring to apply and critically reflect on the course's key theories and frameworks. Answers should show own reasoning and understanding. Students may also be

asked to explain or defend their analysis in a short reflection.

2. **The course project** course project will contribute 30% of final grade. The project will follow lectures and seminars work, as well as homework structure. Course project is to be done on the group basis. The project will have to be presented to a panel of peers.
3. **The in-class contribution** will count for 20% of the final grade. It may include participation in discussions on the topic of the lecture, participation in group and individual problem-solving tasks. Students are expected to **read relevant chapters and other reading materials before coming to the class and be prepared to discuss various questions related to the topic.**

RETAKE POLICY

Retake will account for 50% of all course evaluations and will be based on the complete course material. **The coursework cannot be resubmitted later.**

USE OF GENERATIVE ARTIFICIAL INTELLIGENCE

Generative AI is treated in this course as a working tool. Digital business models are themselves built, tested and increasingly operated with these technologies, so students are expected to become competent users of them and equally competent at judging where their output is shallow, generic or simply wrong. The guiding rule is simple: AI may support your thinking, but it may not replace it. Students remain fully responsible for everything they submit, present or claim, including any factual error, invented company detail, fabricated figure or unexamined assumption produced by an AI tool.

Course project (30%)

In the group course project, the use of generative AI is permitted and encouraged. Groups may use AI tools:

- to research markets, industries, competitors and comparable business models, and to structure what they find;
- to explore alternative business model configurations, revenue logics and pricing approaches, and to stress-test the group's own choices;
- to help build, check and sanity-test financial projections, cost structures and capital-need calculations;
- to generate the objections an investor, key partner or employee would raise, and to rehearse for the peer panel;
- to draft and improve slides, written material and the quality of written and spoken English.

What must remain the group's own work is the reasoning the project is assessed on: the choice of business model and why it fits the market, the logic connecting value creation to revenues, costs and capital need, the assumptions behind every projection, and the judgement about which alternative to pursue and why the others were rejected. Every number presented must be one the group can explain, where it came from, what it assumes, and how sensitive the model is to it. A projection that no member of the group can derive or defend will be treated as unsupported regardless of how it was produced.

Factual claims about real companies, markets and business models sizes, prices, funding, performance, ownership must be verified against a credible source before they are used. AI tools are particularly prone to inventing plausible company details, and business model examples are exactly where this occurs. AI-generated content is not a source and must not be cited as one; where an AI tool pointed the group to a useful report, article or case, the group should read that material and cite it directly.

Declaration of AI use

The course project submission and presentation must include a short declaration of AI use one slide or a brief section stating which tools were used, for what purposes, and what the group did to verify, correct or reject the output. The declaration is not graded on how much or how little AI was used, and honest declaration is never penalised. Undeclared or misrepresented use of AI tools is a breach of academic integrity and will be handled under the ISM Code of Ethics.

In-class contribution (20%)

In-class contribution assesses the student's own preparation and thinking. Students are expected to read the assigned material themselves and to come prepared to discuss it; an AI summary read in place of the material will not support the quality of contribution this component rewards. During in-class problem-solving tasks and discussions, AI tools may be used only where the task description or the lecturer states that they may.

Final exam (50%)

The final exam is an individual, closed case analysis written in class. Generative AI tools, AI-enabled devices, browser assistants and any other form of automated support are not permitted during the exam, and their use is treated as cheating. As the exam requires students to apply and critically reflect on the course's theories and frameworks in their own reasoning, AI tools may of course be used in preparation to generate practice cases, to test one's own understanding or to explain a framework differently provided the reasoning demonstrated in the exam is the student's own.

Explanation and defence

The lecturer may ask any group or individual student to explain the reasoning, sources, assumptions, calculations or design decisions behind their work, whether in the peer panel session, in class or in a short reflection. This applies to all assessed work, whether or not AI tools were used. Being unable to explain or defend submitted work including work produced with the help of AI will be reflected in the grade and may be treated as a case of academic dishonesty and reported to the ISM Committee of Ethics.

Responsible use of data

Students must not enter confidential, proprietary or personal data into generative AI tools. This includes unpublished information about companies studied in the project, material shared in confidence by founders, partners or employees, and the personal data of any person interviewed. Such material must be anonymised before it is processed with an AI tool, or kept out of these tools entirely.

Any use of AI tools beyond the purposes described above should be agreed with the course coordinator in advance. Students who are uncertain whether a particular use is acceptable should ask before submitting

REQUIRED READINGS

- [1] Horowitz, B., (2014) The Hard Thing About Hard Things: Building a Business When There Are No Easy Answers Hardcover. Harper business
- [2] Livingston J., (2007) Founders at Work: Stories of Startups' Early Days. Apress
- [3] Chen, A., (2021) The Cold Start Problem: How to Start and Scale Network Effects. Harper Business
- [4] Osterwalder, A., and Pigneur, Y. (2010) Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers. John Wiley and Sons
- [5] Bock, A. J. and G., George (2018) The Business Model Book: Design, build and adapt businessideas that thrive. Pearson
- [6] Gassmann, O., Frankenberger, K. and M. Csik (2014) The Business Model Navigator: 55 modes that will revolutionise your business. Pearson
- [7] (2019) HBR's 10 Must Reads On Business Model Innovation. Harvard Business Review Press.

DEGREE LEVEL LEARNING OBJECTIVES

Learning objectives for the Bachelor of Business Management

Programmes:
International Business and Communication,
Business Management and Marketing,
Finance,
Industrial Technology Management,
Entrepreneurship and Innovation

Learning Goals	Learning Objectives
Students will be critical thinkers	BLO1.1. Students will be able to understand core concepts and methods in the business disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially responsible in their related discipline	BLO2.1. Students will be knowledgeable about ethics and social responsibility
Students will be technology agile	BLO3.1. Students will demonstrate proficiency in common business software packages
	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

Learning objectives for the Bachelor of Social Science

Programmes:
Economics and Data Analytics,
Economics and Politics

Learning Goals	Learning Objectives
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2. Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper