

A BALANCED SCORECARD CONFIGURATION OF BUSINESS MODEL: A CASE OF COMMUNITY-BASED TOURISM

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Abstract

This paper provides the rationales, through deductive reasoning, to propose a balanced scorecard (BSC) configuration to support the design of business model that takes root in maximizing drivers of learning and growth. BSC is one of the most popular, ongoing dominant topic related to performance measurements. Its early concept has since evolved to a full strategic planning and management system. Using BSC to help design and implement business model can provide the advantages of a holistic value creation business system. The proposed BSC-driven configurational framework intercepts both theories of latent demand and theories of production and stands as a platform incorporating theories of governance. These three theories, as argued in the extant literature, should effectively help entrepreneurs and firms, and communities, develop new business ideas and models. As a target, this paper provides another angle of perspective and point of entry for contributing to the existing body of knowledge relating to business model and entrepreneurship. Numerous areas of implications are discussed which include concepts relating to integrated rural tourism (IRT), CBT amalgamation, tribe-based value co-creation, diffusion of knowledge and innovation, CBT governance through for instance accountability, co-operation and relationships among the networks of tribe members, coherence and sustainability drivers.

Keywords: Business Model; Balanced Scorecard; Community-based Tourism; Entrepreneurship; Innovation.

Introduction

This research was inspired by the observation that many academicians and practitioners have benefited from the design of business model by use of diagrams and visual elements to help illustrate logics of business operations (Osterwalder & Pigneur, 2010). Business model is predominantly conceptualized at a compositional or configurational level which aims to describe how a business operationalizes its strategies (Casadesus-Masanell & Ricart, 2010), and involves expressing the logics of competition and how value is created and captured (Ribeiro, Sobral, Pecas, & Henriques, 2018). The compositional or configurational structure of business model articulates the architecture of the firm and its network partners for creating, marketing, and delivering value and relationship capital in order to generate profitable and sustainable revenue stream (Osterwalder, Pigneur, & Tucci, 2005). The purposive domain of economic return is gradually being integrated with the social, cultural and environmental domains of business and broader sustainability demands, leading to concept of sustainable business model, of emerging importance, such as the triple-layer business model canvas proposed by Joyce & Paquin (2016).

Among the configuration variations of business model, business model canvas (BMC) is one of the widely accepted version due to its clarity and simplicity (Adrodegari, Saccani, & Kowalkowski, 2016), which should benefit start-ups particularly in lean manner (Nidagundi & Novickis, 2017) such as communities intending to develop their first versions of community-based tourism (CBT) initiatives, with leanness in initiatives. Realizing business model as representing the logics of competition and platform of implementing strategy, the use of balanced scorecard (BSC) approach is appropriately supportive and enabling. To ensure there is an area of contribution to the existing body of knowledge, this research adapts the Popperian paradigm (cf. Popper, 1994), which recognizes a need for firms or entrepreneurs to have an operative platform to grow their knowledge of business model logics. Professor Karl Popper recognizes a need to develop a competency to connect three knowledge world domains, namely world one (the encountered issue), world two which forms the understanding or grasping, and world 3 the guesses, hypotheses or theories, for succeeding in finally tackling a business problem (opportunity). Without going into the detail of Popperian worlds of knowledge, Karl Popper suggests a simple learning and growth scheme as an empirical platform to design and test hypotheses or strategies – that is, $P1 \rightarrow TT \rightarrow EE \rightarrow P2$, where P means the problem from which we start which may be a practical or a theoretical problem, TT is a tentative theory which we offer in order to solve that problem, EE means a process of error elimination by way of critical tests or of critical discussions, and P2 means the problems with which we end – the problems which emerge from the discussions and tests. Thus, for knowledge to grow so that appropriate business model can be developed and

fine-tuned, a scientific process of discovery and learning advocated by Karl Popper is useful. Balanced scorecard (BSC) concept is certainly a useful platform for incorporating the Popperian scientific pathway in strategic management.

Harper (1999), on a similar conception, applies Popperian line of thought to study how entrepreneurs can effectively develop new business ideas, suggesting to integrate three empirical theories for entrepreneurial creativities, namely theories of latent demand, theories of production, and theories of governance. These theories are works of human mind, possessing characteristics such as having selective consciousness, selective memory, enquiring attitude towards the world, and ultimately, the ego, stretching through the past and expecting to have a future (Popper, 1994). In Popperian term, while Harper’s (1999) supply-side and demand-side themes provide the core logics of business model in value creation and delivery, or for sustainable purposes (Joyce & Paquin, 2016), theories of governance are well served by the balanced scorecard (BSC) configuration, which this research adapted. BSC delimits some of constraints of block-based model canvas with a platform that takes roots in sustainability basis – namely, learning and growth basis of firms and their businesses, and has the scopes of flexibility for making further management innovation possible. Shown in Figure 1 is the BSC-configured business model architecture which adapts Harper’s (1999) three domains of theories.

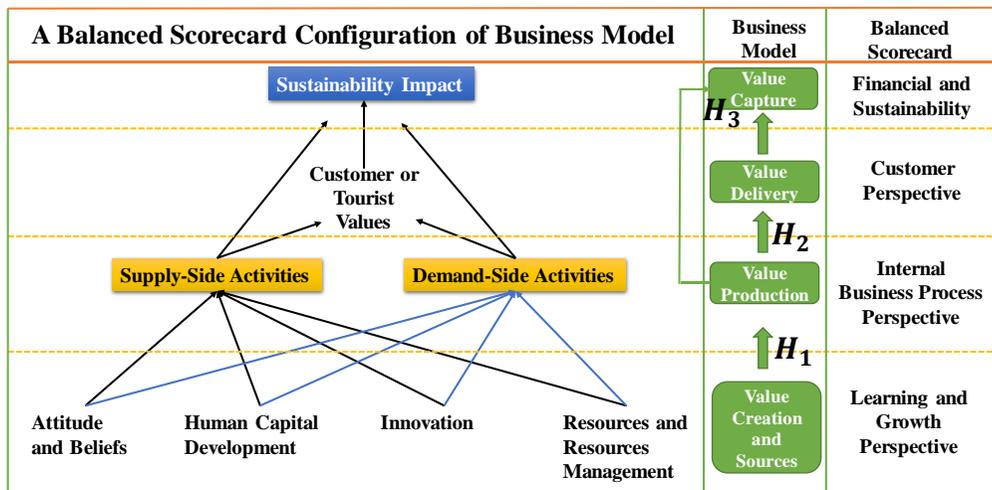


Figure 1: The Conceptual Model – A Balanced Scorecard Configuration of Business Model

Some of the historical and fundamental descriptive essences making up of Figure 1 are presented in the Literature Reviews section. Three hypotheses, H1-H3, are assumed.

- H1 states the predictability of value production, constituting supply-side and demand-side activities, by the value creation and sources. While there are many other sources of value creation that can equip firms with sources of competitive advantages (Tan, 2018a; Tan, 2018b), only the psychological attitude, knowledge, skills and competences aspects that represent the sources of organizational intellectual capital (Baron & Armstrong, 2007) are empirically tested in this research. These variables share similar results of in-depth individual and focus-group interviews. Specifically, attitude and beliefs towards community-based tourism (CBT) development, human capital development, innovation and resources, and resources management are considered in the value creation and sources, as shown in Figure 1.
- H2 – the second hypothesis – states how value production, constituting the supply-side and demand-side activities, are contributing towards predicting the level of customer or tourist values. In other words, H2 stresses on the theorem-in-action (Coulet, 2018) as the differential performances of the firms (or communities in this research) as explained by the nature of uses of value creation and sources in supporting the capabilities and systems of activities as sources of competitive advantages.
- H3 – the third hypothesis – states the sustainability impact (value capture) being predicted by value delivery activities consisting of the supply-side and the demand-side activities, as well as the customer or tourist values. Customer value defines the experiential, product and service values which the firms or the communities create and deliver in alignment with the customer preferences. In other words, customer value is “affectively a preference occurring in the relational contexture [relativistic] determined by the reaction [experience] of an organism to a stimulus object [interactive] (Hillard, 1950). Thus, customer value is value-in-use in reaction to stimulus (Aung & Tan, 2016; Tan, 2017).

Research Objective. Business model concept is a recent trend in strategic management, partly because the management decisions based on “the cognitive conceptualization of the business model” have proven economic implications for firms” (Velu, 2016: 603). This paper adapts balanced scorecard (BSC) concept to facilitate the design of business model, rendering many proven benefits of BSC and strategy map owed to Kaplan and Norton (1996; 2004) feasible. Through standing upon learning and growth strategies as the sustainability basis and foundation, using BSC in business model design would hopefully be an additional point of entry for contributions to the body of knowledge. The BSC-guided configuration of business model could certainly take many different variations, but this paper illustrates one that relies on both the supply-side and demand-side activities, and the learning and growth drivers, to aim to create and deliver the important customer or tourist values (Aung & Tan, 2016; Tan, 2017). The business

model thus is significantly different in conceptual context to the linear version that is value-chain-oriented as advocated in Osterwalder & Pigneur (2010).

Literature Reviews

Business model concept has lately become popular in academic and practitioner circles (Shafer, Smith, & Linder, 2005). Through explaining how values are created, produced, exchanged, consumed and captured, in a structured value-chain-like architecture (Teece, 2010), business model concept provides the “missing link” between strategy and tactics (Coombes & Nicholson, 2013). Business model research has gone through various phases, ranging from definitions and classifications (Magretta, 2002) to building-block composition (Osterwalder, Pigneur, & Tucci, 2005; Sandberg, 2002; Weill & Vitale, 2001), business model innovation (Chesbrough, 2010), open business model and network-based business model innovation (Lindgren, Taran, & Boer, 2010), which also includes a more systematic monitoring system and strategy mapping that help communicate the business model (Nielsen, 2011). The latter is important as “strategy should not just exist as a vision ... but should also be linked to a strategic performance measurement system that helps all employees achieve their strategic objectives in a set time frame” (Lueg, 2015; cf. Tan & Anomasiri, 2017). Strategic performance measurement, for instance, in the form of Balanced Scorecard (BSC), enables the organizations to “clarify and update strategy, communicate strategy throughout the company, align unit and individual goals with the strategy, link strategic objectives to long-term targets and annual budgets, identify and align strategic initiatives, and conduct periodic performance reviews to learn about and improve strategy” (Kaplan & Norton, 1996).

Balanced scorecard (BSC) concept has evolved from its early performance measurement framework to a full strategic planning and management system (Rajesh et al. 2012). BSC has many obvious advantages, and illustrated below are some examples:

- BSC as a platform that expresses the hypothetical structure of latent constructs and variables that represent the strategic initiatives. The cause-and-effect relationships reflect the firm’s strategy (Kaplan & Norton, 1996).
- BSC as a communication, information and learning system which supports how entrepreneurs and firms can effectively and efficiently move from where they are now to the expected future (Lee & Moon, 2008).
- BSC is a dynamic performance measurement system which functions to track and measure the status quo of the businesses and functions in a holistic, alerted manner, by establishing learning and growth perspective as a fundamental performance-sustainable basis for crafting systems and infrastructures of production and operations to meet customer needs and investor requirements (Kaplan & Norton, 1996).

Using BSC as the architectural configuration of business model is both logical and practical. Its clear hypothetical context provides a scientific platform for firms' knowledge to grow (Popper, 1994), simultaneously enabling stability (aligned with strategies) and flexibility. The flexibility attribute is most obvious when the business model is designed in a BSC configuration when compared to business model canvas as the latter advocates on a "stability" theme, which may have a constraining effect on flexibility to change (Ortmann & Seidl, 2010), inducing some degree of path dependency of strategy prescribed by the block-based canvas structure as advocated in Osterwalder & Pigneur (2010). The BSC format itself is an intellectual space for emergent strategies to arise (Mintzberg & Waters, 1985). Besides, inclusion of learning and growth factor as a key strategic element in business model development would, by borrowing the concept of Barney (1991) in resource-based view (RBV), establish the business model with resource advantages that are valuable to the firm, rare, hard-to-imitate, and not easily substituted for (Barney, 1991), through concept of resource leveraging (i.e. learning and growth). Indeed, the flexibility scope is widened by taking on BSC rationale, for instance, one can adapt human capital theory (Becker, 1964) to study how human resources can be systematically utilized, as assets, to enhance firm performance. Another domain of flexibility would be that the integration of environmental and social aspects with conventional BSC to address the concerned issues along with the traditional measures (Agrawal, Singh, & Murtaza, 2016) is made easily comprehensible.

While block-based business model canvas is favorable to adaptive learning that is reproductive in nature which can contribute to the efficiency level of business, the BSC-configured business model platform contributes to enable enterprises to embrace flexibility caused by developmental learning which takes root in fundamental reflexivity. That is, learning is promoted at the inquisitive level – by asking important "why" that aims to challenge status quo and induces second-order or higher-level learning (Tan, 2016), and innovation. Both adaptive and development learning concepts are discussed in Ellstrom (2001).

Research Methodology

To gain deep insights into the topic and address the research objective, this research adapts quantitative-based survey approach to provide statistically verified evidences to validate a system of general laws framed within a balanced scorecard (BSC) framework structure in a business model configuration. This nomothetic (law) orientation assumes the theory of competition which intercepts both the supply-side and demand-side activities. The positivistic research approach requires a systematic development of the measurement instrument to ensure both validity and reliability. While reliability concerns with the credibility

of the instrument and the findings, validity is the extent to which the research findings accurately represent what is really happening in the situation (Hussey & Hussey, 1997: 57). The latent constructs adapted in the study include the following with the details of the variables shown:

- Attitude and belief towards CBT – which underpins on the spirit of the communities that takes a strong attitude and beliefs towards introducing CBT as an expansion of the community’s livelihood without diluting the community identity, and thus CBT initiatives and expansions must be aligned with unique community identity ($\alpha = 0.863$, and AVE the average extracted value at 0.709).
- Human capital development – which predominantly aims to develop leadership of the community members as a thrust for CBT initiatives ($\alpha = 0.894$, AVE at 0.827).
- CBT management – which involves a series of CBT management and development activities that address to develop CBT, and includes rules and regulation establishment ($\alpha = 0.921$, AVE at 0.926), and meeting and duty assignment ($\alpha = 0.857$, AVE = 0.736),
- Innovation – which measures innovation efforts taken by the communities toward CBT innovative services ($\alpha = 0.806$, AVE = 0.720) and reaching-out innovation (at $\alpha = 0.713$, at AVE = 0.778).
- Tourism resources – which includes consideration of natural resources maintenance ($\alpha = 0.757$, AVE at 0.804).
- Tourism resources management – which measures a host of resources management issues i.e. the capacity management and rules of the communities ($\alpha = 0.794$, AVE = 0.709).
- Tourism activities and products – which includes activities design and implementation focusing on tourist interpretation ($\alpha = 0.809$ and AVE 0.839) and tourist learning ($\alpha = 0.873$, and AVE at 0.887).
- Market development identification and marketing strategy development – which includes pricing and promotion strategies ($\alpha = 0.654$, AVE at 0.743), and market development and fulfilment effort ($\alpha = 0.690$, AVE at 0.766).
- Values to tourists—which aim to impact on memorable experiences to tourists, by giving them functional value, educational value i.e. culture and ecological beauty and knowledge acquisition, emotional value, that are also special, once-in-a-life time experiences ($\alpha = 0.895$, AVE 0.76).
- Sustainability impacts – four facets of sustainability are taken into consideration, namely (1) economics ($\alpha = 0.842$, AVE 0.763), (2) culture which includes cultural awareness increase of the community members ($\alpha = 0.862$, AVE 0.879), cultural maintenance ($\alpha = 0.916$, AVE at 0.923), and new knowledge and valuable experiences gained by the communities as a result of interactions with the tourists and visitors that relate to CBT development, $\alpha = 0.731$, AVE 0.906), (3) environmental sustainability which includes systematic

waste and water management benefits ($\alpha = 0.739$, AVE 0.906) and sense of love and care for the environment ($\alpha = 0.728$, AVE at 0.733), and (4) social impact, which includes benefits towards infrastructure development ($\alpha = 0.66$, AVE at 0.753), medical and education improvement ($\alpha = 0.792$, AVE at 0.709), and quality of life and sense of belonging of the community members ($\alpha = 0.648$, AVE at 0.817).

With evidence of Cronbach Alpha (α) and the average value extracted (AVE) describing the consistency of measurement items and the homogeneity of the factors being loaded uniformly in each of the constructs, passing the threshold value of 0.6 and 0.5, respectively, it can reasonably be judged that convergent validity (Fornell & Larker, 1981; Hooper et al. 2008) is established. Besides, discriminant validity is assured as can be seen in Table 1 which conforms to meet the requirement that the square root of AVE for each construct be exceeding the shared correlations with other constructs.

Table 1
Discriminant Validity Assessment

Latent Construct	1	2	3	4	5	6	7	8	9	10	Cronbach Alpha	AVE
1	0.853815										0.814	0.729
2	0.354	0.831264									0.943	0.691
3	0.508	0.691	0.801249								0.921	0.642
4	0.553	0.519	0.553	0.811788							0.892	0.659
5	0.519		0.364	0.505	0.89666						0.757	0.804
6	0.402	0.612	0.657	0.471	0.325	0.842021					0.794	0.709
7	0.735	0.504	0.612	0.661	0.626	0.565	0.846759				0.905	0.717
8	0.435	0.658	0.729	0.671	0.461	0.596	0.594	0.798749			0.823	0.638
9	0.514	0.552	0.603	0.649	0.333	0.377	0.567	0.669	0.87178		0.895	0.76
10	0.758	0.575	0.763	0.675	0.593	0.611	0.754	0.761	0.719	0.871206	0.969	0.759
Discriminant Validity:	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK		

Note: All the correlations coefficient presented are significant at the 0.01 level (2-tailed), and the diagonal value represents the square root of AVE for the corresponding construct. 1 = Attitude and belief towards CBT. 2 = Human capital development. 3 = CBT management. 4 = Innovation. 5 = Tourism resources. 6 = Tourism resource management. 7 = Tourism activities and products. 8 = Market demand identification and marketing strategy development. 9 = Values to tourists. 10 = Sustainability impact.

The sampling population was drawn from numerous communities located in Chiang Rai which rely on either or both coffee and tea cultivations, value adding and trading as key income sources, but have also included community-based tourism (CBT) initiative as an expansion. While, as of today, May 2018, there are a total 19 tribes participated in certain stages of the research, key contributions for quantitative-based surveys, of 87 participants, came from Mae Chan Tai village, Doi Chang (Lisu), Doi Chang (Akha), Huai Nam Guen village,

and Ban PhaMee village. Other tribe communities include Huai Ma Kliang village, Khiang Mae Loi village, PhayapaiLitu village, Phayapai Mae Mhor village, Pang Khon village, Mae Mon village, Khun Lao village, Pang Ton Phung village, Ban Thai Samakkhi village, and Ban HuaiKhrai village. These villages offer insights also through qualitative research mode such as by means of focus group discussion and individual interviews. These qualitative insights lead to effective and efficient pilot-testing of questionnaires as well as yielding of explanatory bases for the models derived.

Research Result

This section outlines the general descriptive profiles of the business model elements perceived by the communities, followed by articulating the differences among the communities relating to tea or coffee as the main income sources, and the CBT roles of the communities, and lastly, the multivariate structural equations are presented.

Table 2 shows the analysis of variance (ANOVA). Preceding interpretation of the output, the assumption of homogeneity of variance was assessed by calculating F-max, which shows no violation of this assumption was found. The ANOVA column presents some significant differences among the communities with dominant livelihood depending upon tea or coffee cultivation, or both. In general, the communities with coffee cultivation as the main revenue sources score lower than either tea or both. While tea-cultivated communities show stronger unique identity for the community (at mean of 4.4), and more favorable performances and investments in aspects of tourism activities and products (at mean of 4.04) and market demand identification and marketing strategy development (at mean of 4.37), the communities of coffee cultivation as the main income earner provide lower level of perceptions, with mean score below 4.0 of the five Likert scale response. Besides, as it is also apparent from Table 2, those with higher perceptual responses also perceive they gain more favorable impacts relating to four domains of sustainability performances, namely economics, social, culture and environment. The consistency, as shown in Table 2, is also reflected in the structural equation models shown in the sequel. An in-depth qualitative data inquiry highlights possible reasoning owing to the nature and sustainability resources of the communities, including leadership and collective attitudes with common purposes.

Table 2
Mean Descriptive and ANOVA Test

Latent Construct	Agricultural Livelihood Type - Main Income Earner									CBT Role	
	Mean	Std. Dev.	Mean Value			Test of Homogeneity of Variance		ANOVA		Mean Value	
			Tea	Coffee	Both	Levene Statistic	Sig.	F	Sig.	CBT Head (11.4%)	Not CBT Head (88.6%)
1	4.14	0.62	4.40	3.89	4.24	1.494	0.222	4.681	0.001	4.43	4.09
2	3.44	0.72	3.86	3.11	3.42	1.085	0.36	5.976	0.000	3.96	3.37
3	3.66	0.59	3.91	3.35	3.84	0.337	0.799	7.422	0.000	4.12	3.59
4	3.73	0.61	3.90	3.60	3.62	2.47	0.06	2.909	0.039	4.04	3.69
5	3.77	0.52	3.88	3.70	3.77	2.228	0.091	1.522	0.215	3.92	3.74
6	3.45	0.71	4.04	3.00	3.43	0.772	0.513	15.003	0.000	3.81	3.39
7	4.02	0.56	4.37	3.80	3.77	0.604	0.614	6.334	0.001	4.32	3.97
8	3.78	0.55	3.98	3.62	3.80	0.692	0.559	2.38	0.075	4.15	3.72
9	3.91	0.61	3.94	3.78	3.88	0.663	0.577	2.27	0.086	4.10	3.88
10	3.95	0.48	4.20	3.72	3.99	1.019	0.388	6.737	0.000	4.22	3.91

Note: 1 = Attitude and belief towards CBT. 2 = Human capital development. 3 = CBT management. 4 = Innovation. 5 = Tourism resources. 6 = Tourism resource management. 7 = Tourism activities and products. 8 = Market demand identification and marketing strategy development. 9 = Values to tourists. 10 = Sustainability impact.

In addition, Table 2 also indicates that those respondents who are head to CBT, in general, respond with more favorable perceptual levels relating to the elements of business model when compared to those who are not the head. As it is obvious in Table 2, there are significant differences between those who are head and not, with score of the former above 4 of the Likert scale across the entire business model elements, except human capital development, tourism resource management and tourism activities and products, but still closer to 4, whereas the non-heads, in general, have responses below 4. Figures 2 to 6 depict the structural equation formats of the business model presented in balanced scorecard (BSC) structure, with the standardized regression coefficients representing the weightage of variance explanation of the corresponding dependent variable. The top right-corner number indicates the percentage of variance explained by its predictors. The shown structural equation models in Figures 2-6 support the three hypotheses stated in the Introduction section.

While Figure 2 describes the overall business model elements predicting the sustainability performance (impact), Figures 3 to 6 present the component-wise predictions. Specifically, the learning and growth (the first layer) variables predicts the second-layer of BSC-configured business model consisting of tourism activities and product development, and market demand identification and marketing strategy development, at 72% and 67% variances, rendering a support for H1.

Subsequently, the second layer's supply-side and the demand-side activities of business model are shown predicting how the communities have made efforts on creating the values tourists would truly enjoy and experience, at variance predicted to 50%. Towards this end, H2 is supported. From the BSC view, both the supply-side and demand-side activities are the strategic commitment of the communities in the aspect of internal business process. Together, the internal business process and values to tourists, and attitudes and belief towards CBT, have shown to predict 83% of the variance of sustainability performance, rendering the support for H3.

In component-wise analysis, 56% of variance of economics impact is being predicted as shown in Figure 3, a 61% of variance of cultural impact in Figure 4, a 65% of variance predicted for social impact in Figure 5, and lastly, in Figure 6, environmental impact is predicted by the BSC configuration structure of business model, with 73% of variance.

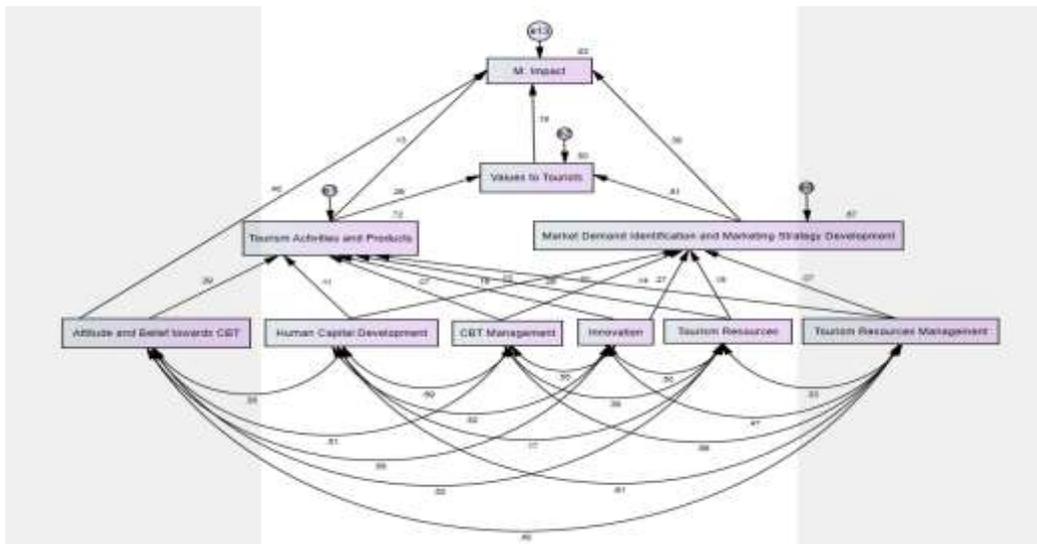


Figure2: Overall Business Model

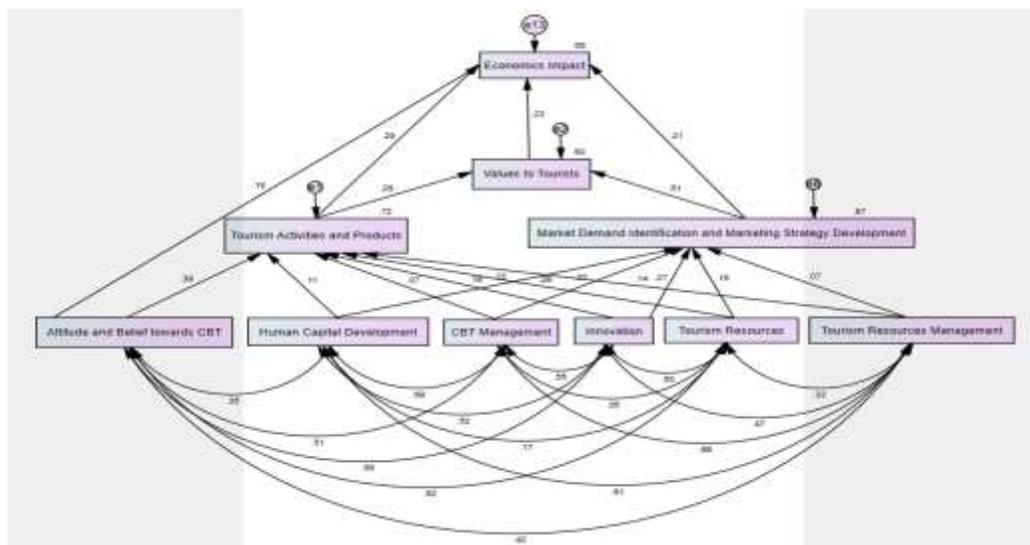


Figure3: Economics Impact

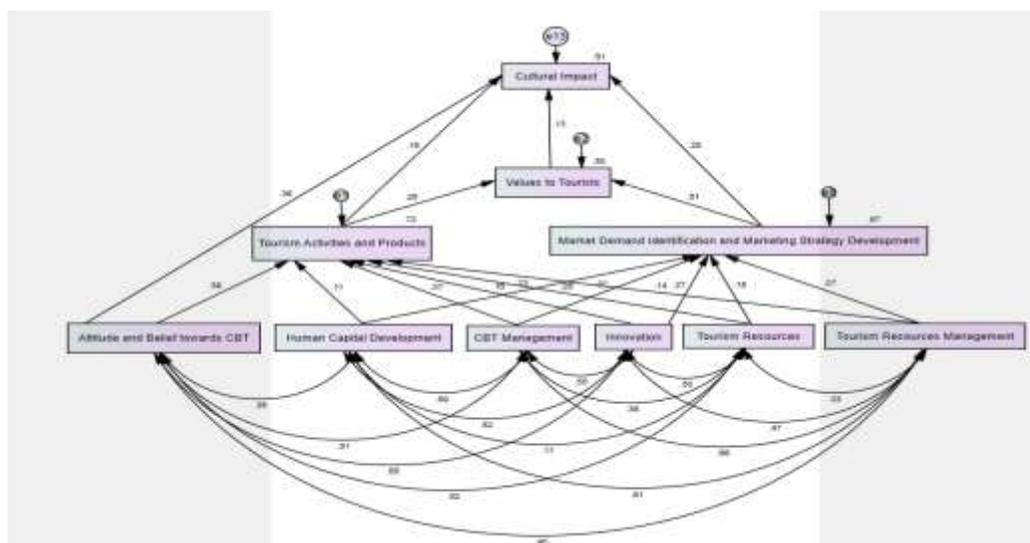


Figure4: Cultural Impact

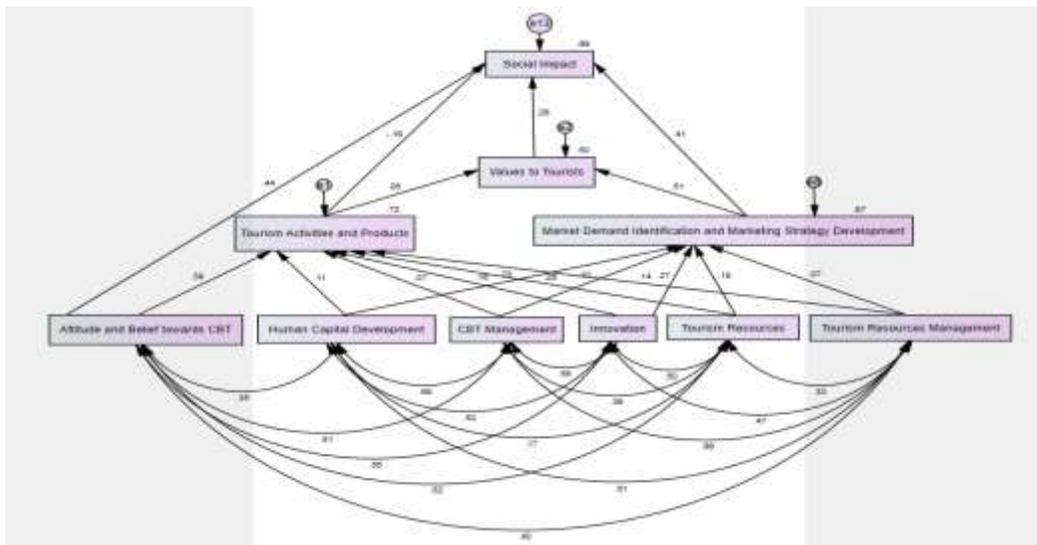


Figure5: Social Impact

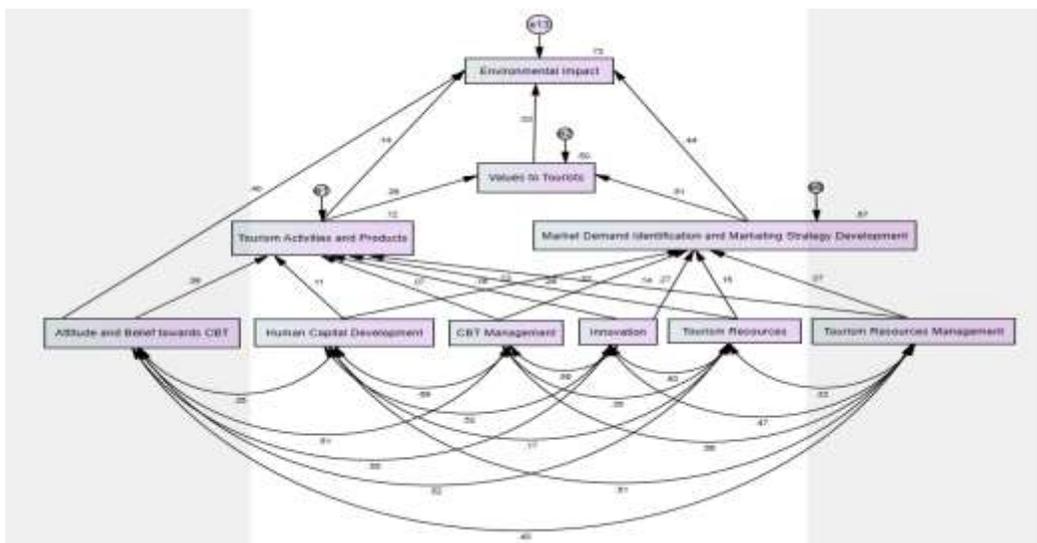


Figure6: Environmental Impact

Conclusion and Discussion

The result of BSC configuration of business model, presented and shown with strong variances explained in the structural equation models above 50%, provides the support for the three hypotheses raised, and has significant implications on both academic and practitioner fields. On the former domain, this

paper presents the statistically verified empirical evidences to the practicality and usefulness of the BSC configuration of business model, which addresses the research objective. On the practitioner fields, the BSC configuration of business model serves as a platform of performance measurement and strategic management which would help the community members to brainstorm and strategize forward in order to achieve their entrepreneurial goals in setting up community-based tourism (CBT) initiatives.

Attitudinal factor is statistically shown as important predictor in hypotheses H1 and H2 levels, and the focus-group discussions and interviews illuminate as such. One interviewee stated, “Many communities still lack the collective emotion, lacking of interaction and remain inactive. To my view, the collective emotion and community attitudes must gradually be developed, which, I think and many others also, think it is a key success factor.” Developing attitude is important, as another interviewee highlighted, “Many of the community members are older generation, and we need to provide them with the opportunity to see by themselves the actual examples, and this would equip them with new knowledge learned from seeing the successes from other communities, and thus, to help them stimulate new ideas and creativity, and support the CBT initiatives.” The experience-based tourist value and innovation factors were also reinforced in a qualitative confirmation, at post-survey stage, with an interviewee stated: “On the demand-side, we need to develop a storyline, such as educational story of each community, in terms of food, for instance. The community can design unique experiences to tourists as part of the service innovation.” On top of these, the attitudinal factor can serve as a proxy of “co-operation and relationships among the networks of tribe members” (cf. Gorman, 2006) and “accountability”, especially in the co-creation context to bond the community members and across different communities for cluster-based synergy and is, in general, concerning the “location of responsibility and the mechanisms” (Svensson et al. 2006) through which the communities are held accountable.

The model is applicable to tribes of similar livelihood structure, particularly, of the communities relying on coffee and tea cultivation as the main income source. In this way, the BSC configuration of business model can be reckoned as a system of specialized activities with attention focused on learning and growth, the supply-side and the demand-side activities, in order to supply a CBT product that matches the demands of the tourists and visitors, as well as in alignment with the unique identity of each community. In addition, in integrating the theories of production, theories of markets, and theories of governance as manifested in balanced scorecard, via a root in learning and growth, the BSC-configured business model can aim to bring about systemic consciousness of the communities in systematic manner. Learning and growth perspective highlights both tangible and intangible resource leveraging represented by attitude and belief towards CBT, human capital development of the community members,

innovation, CBT management, tourism resources and tourism resource management. The degree of systemic consciousness would hopefully increase the commitment, shape the attitude, and challenge the creativities of the communities, and help them foster towards the integration of actors in the CBT system. In other words, the system would hopefully become a unified tribe-based platform to co-create and co-improve the CBT initiatives in Chiang Rai and elsewhere. At this juncture, the following communities have shown agreeable with the model, in general sense, and are now in further investments and improvement stages: Huai Nam Guen Village, Huai Ma Kliang Village, Doi Ngam Village, Khiang Mae Loi Village, HuaiKaew Village, PhayapaiLitu Village, Phayapai Mae Mhor Village, Pang Sa Village, Pang Khon Villag, Doi Chang (Akha and Lisu Villages), Mae Chan Tai Village, Mae Mon Village, Khun Lao Village, Ban Mai Pattana Village, and Ban HuaiKhrai Village. These villages share common main livelihood income sources coming from either or both coffee and tea cultivation, value adding and trading.

In co-created context, the model could thus be served as a system for also helping the tribe groups to integrate in the context of the so-called Integrated Rural Tourism (IRT), known as a “mesh of networks of local and external actors, in which endogenous and embedded resources are mobilized in order to expand their assets and capabilities of rural communities and empower them to participate in, negotiate with influence, and hold accountable the actors and institutions that affect their lives” (Saxena & Ilbery, 2008). In a way, this cluster-based CBT framework, through establishing in the BSC-configuration of business model, is a type of “CBT amalgamation” which helps to realize the network advantages in facing up to the complexity of the business environment (Gorchells, 2012). Certainly, with learning and growth as the penultimate foundation and drivers for success in business model, the BSC-configured business model framework is certainly contributing towards a conceptualization of a local system of CBT innovation, which facilitates innovations to take place in areas of products, service processes, marketing, organizational and institutional levels. Through tribe-based co-creation, diffusion of knowledge and innovation also become emergingly important and advantageous (cf. Poon, 1993), which would be able to bring about, for instance, inclusiveness of partnerships i.e. “the capacity of partnerships to widen the range of actors involved in the processing” (Svensson, Nordin, & Flagestad, 2006) of CBT development activities.

The BSC structure of business model, when superimposed on routine performance measurement commitment, would serve another aspect of destination governance, besides attitudinal strength, namely coherence, and offer many important benefits, such as heightened awareness and visibility. Coherence is referred to as “the ability to gain support for a common outlook” on CBT development and “the mobilization of common resources for implementation of agreed operations” (Svensson et al. 2006). Through emphasizing on learning and

growth, the business model is generative in operating context, capable of creating value for the tourists and visitors.

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