

# BRUNEL HIVE REVIEW

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**Brunel**  
University  
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# CONTRIBUTORS



## **Xia Han**

Xia is Lecturer at Brunel Business School. He holds a PhD from Cambridge University, and an MSc in Information Systems from the London School of Economics. Prior to his academic career, he had nearly a decade of corporate experience in the Automotive, Media and IT industries in Europe and Asia. He has published articles and book chapters in peer-reviewed academic journals and industry-oriented outputs.

*Blockchain Technology*



## **Dani Saghafi**

Dani is Senior Lecturer at Brunel Business School where she leads the Consulting Group linking professional practice with thought leadership. Dani has 19 years of experience in leading investigatory work for multinationals with expertise in cross-border M&A transactions. She is a fellow member of the Association of Chartered Certified Accountants and holds an MBA from Derby University.

*Interview: The Consulting Group*



## **Riccardo Nucci**

Riccardo is lecturer in Entrepreneurship at Brunel Business School. He holds a PhD in Management from the University of Bath School of Management. His research focuses on Entrepreneurship and entrepreneurial learning occurring in business failures and by observation. He engages practitioners and nascent entrepreneurs providing mentoring and support to navigate through the journey of business start-up.

*Business Model Canvas*









# BLOCKCHAIN FOR CRYPTOCURRENCY

**Han Xia**

**Any business owner with even a passing interest in finance or investment will have well heard of Bitcoin.**

**But what is it? What was its purpose?/ How far have we deviated from it?**

## **ORIGIN STORY:**

### **A PEER-TO-PEER ELECTRONIC CASH SYSTEM**

**B**lockchain technology was originally created in 2008 as a foundation to support a payment system known as Bitcoin. BitCoin was

designed to be an alternative cash to be used on the internet. The original white-paper proposes that BitCoin is capable of removing centralised transaction mediums such as banks or PayPal. Let's take a look at the current status Bitcoin and the amplified applications based on blockchain technology. Then, we can compare how accurate was the original designed purpose of blockchain was and what are the potentials of the deviations. Finally, I will give some of my opinions about the future of blockchain, and what we can do about it.



## IS BITCOIN AN ALTERNATIVE TO CASH?

Cash in essence has two functions, exchanging value, and storing value. From the exchanging point of view, Bitcoin is arguably one of the most expensive, slow, and inefficient way to transfer money. A simple comparison between PayPal and BitCoin can show sufficiently how different they are (see below).

In fact, as a general customer, you are much better off using PayPal than Bitcoin for transaction purposes. Furthermore, due to the high volatility of bitcoin, very few businesses accept bitcoin (or most other cryptocurrencies) as a valid payment method. Hence, making the exchange function of Bitcoin very limited. A lot of cryptocurrencies since Bitcoin

**“Bitcoin is better described a medium that stores value.”**

have claimed to overcome some of the above issues, but

		
Cost per transaction	\$0	\$5.23
Time needed	near immediate	10 minutes (theoretical minimum). 40-30 minutes (with fee). Up to 1 week (w/o fee)
Cost to the environment	Negligible per transaction cost based on database server maintenance cost	707.6 KWh of electricity

the overall reality of blockchain based cryptocurrencies is still the same.

According to CoinMarketCap.com, Bitcoin consists of over 50% of the overall crypto currency market cap. Using blockchain technology to create a replacement for money still has a far way to go.

Bitcoin is better described a medium that stores value. Bitcoin is then better described as a “Digital Commodity.” The value of a commodity is based on its demand and supply. Let’s use crude oil as our first example. The traders would forecast the future demand and supply of oil based on macro-economic conditions and oil production outlook. If the global economy is expected to perform well,





more demand for oil-based fuel used for transportation, air travel and industry in general is expected. On the other hand, regional instability in the Middle East may negatively affect oil production level, hence supply.

However, compared with oil, Bitcoin does not have any intrinsic value for any value-added production. The demand of Bitcoin is often unpredictable, which partially explains its price volatility. Bitcoin's production volume is more predictable than crude oil.

Some indicators such as customers' faith in the US dollar often negatively correlate with Bitcoin. Meaning, investors see bitcoin as a way to hedge risk against economic down turn. But reality is a little more complex than this. Based on the algorithm,

there will be only limited number (20,999,999,9769 coins to be precise) of Bitcoins. So far, over 18 million Bitcoins have been produced. This certainty of limitation is much more similar to gold. Only very limited number of new gold mines are being discovered. The demand for US dollars is more of a predictor of gold price, similar to Bitcoin. The term "digital gold" is a much more appropriate description. ■

# BUSINESS MODEL CANVAS

**Originally created by Alexander Osterwalder, this tool has revolutionised the way of representing a Business Model. With this handy tool, we can understand complex elements that affect the operation of an entire company, in a simple and extremely intuitive way. A visual tool that is quick to learn and accessible to everyone: 9 blocks allow you to visualise and imagine the constituent elements of each Business Model.**

## Riccardo Nucci

The Business Model Canvas (BMC) is handy, simple, and quick tool for representing business models. But what is a business model?

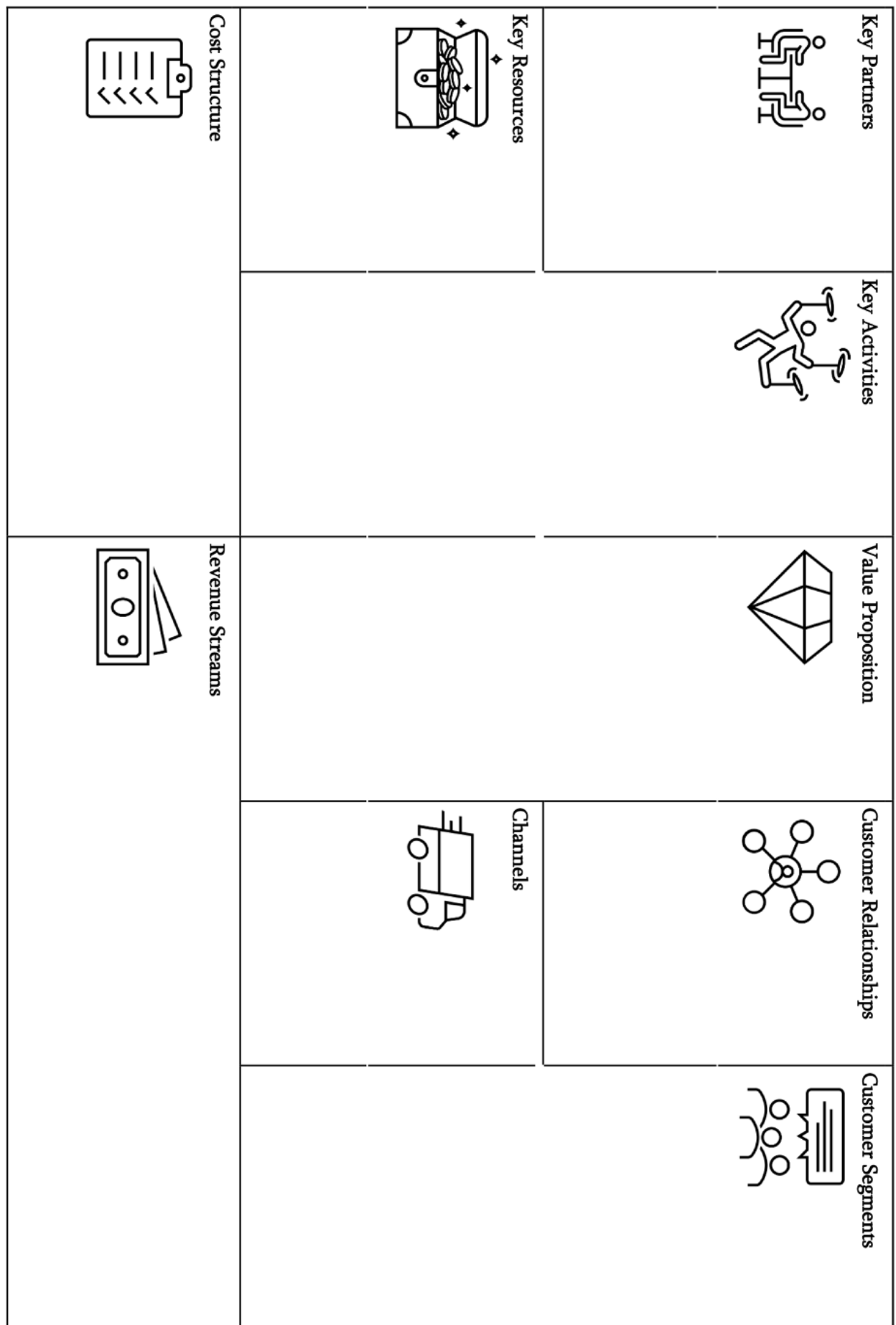
A business models is a description of how an organisation creates, delivers, and retains value. In a nutshell, the business model describes how the company makes money. A business model is for entrepreneurs and managers what theory is for scientists containing and relating the assumptions and hypothesis behind the company. Although often overlooked, the business model is of critical importance: different companies with underlying similar ideas can have significantly different performances depending on the business models implemented.

Using the BMC, entrepreneurs and managers can easily develop business models for new business ventures or review the business models of existing companies. There are many benefits in quickly drawing a BMC. Obviously, it is a powerful planning and testing tool. Yet, ideas and assumptions can be easily shared and communicated to employees or co-founders. In a recent interview, Ann Miura-Ko (partner at Floodgate and renown venture capitalist) stated that, she would rather look at a single page BMC than at a fifty-page long business plan.

The simplicity of the BMC lies in organising the business model in nine key elements that are sketched in a single page: partners, resources, activities, value proposition, customers, relationships, channels, cost structure and revenue streams.

While anyone can fill a BMC individually on a simple A4 paper, it is best done in group. Get the right team of 3-5 people together. Grab a large chunk of wall space to fill with sticky notes and markers. Have fun filling the boxes. ■





Business Model Canvas adapted from Osterwalder (2010) "Business Model Generation".

# HOW TO COMPLETE A BMC IN 6 EASY STEPS

## 2. FILL

- Map out elements
- Focus on core aspects
- Clear short descriptions

## 4. NOW

- Focus on single point in time
- Do not mix ideas for future

## 6. NEXT STEPS

- Visualise the BMC
- Discuss with the team
- Test your assumption

## 1. SET UP

- Form the team
- Print the canvas
- Have sticky notes and markers

## 3. LINK

- Spot relationships
- Every value proposition has its own customers
- Use different colours

## 5. REVIEW

- Take site back
- Make sure left and right boxes are link together
- Rate boxes from 0 to 10







# BRUNEL HIVE CONSULTING GROUP

**Brunel Hive Consulting Group is the consulting arm of Brunel Hive. The group helps small businesses to seize growth opportunities by defining specific challenges and opportunities and exploring the range of possible actions. Clients work with experts drawn from across Brunel Business School and the wider university to deliver tailored solutions. While working with international firms, the group is particularly interested in working with ambitious West London companies.**

## INTERVIEW WITH

**Dani Saghafi**

**Dear Dani, what does Brunel Hive Consulting Group do exactly?**

We set to deliver business solution to SMEs. We help small businesses across West London to tackle their challenges and allow them to grow sustainably and achieve leading positions in the markets they operate.

**So, is it a group offering consulting services to businesses just like any other consulting firm?**

Yes, of course it is. We offer consulting on a wide range of business issues to our clients. However, we are different from a typical consulting firm. We offer cutting edge research-led business solutions to small businesses. We do this by bringing academic expertise, locally and internationally. In fact, different from traditional consulting firms, our group does not have a dedicated team. We bring together experts from across Brunel Business School and Brunel University to provide tailored solutions that address each clients' specific needs.

**What is your role in the group?**

I facilitate the consulting process by liaising between the client and the academics. Offering effective business



solutions to SMEs is not easy. One of the first steps is to help SMEs to find out what support they need. Most businesses are not sure how to accelerate growth and are not aware of what academic consultants can do for them. Businesses need to consult with someone to help them identify what their challenges are and what our group can do for them. That person, at the moment, is me.

### **What are the typical challenges faced by SMEs?**

Challenges could vary. Some are general whilst others could be industry specific. For example, cash is critical to survival of small businesses and managing it well requires expertise. Just because a business has lots of revenue does not mean it has a healthy cash position. Another example is where SMEs fail to explore all the available revenue streams and miss out on easy wins. There can be incorrect costing models or pricing strategies that are not suitable for their business models. Given the many technological advances, lots of SMEs are lagging behind in implementing digital solutions. Also, the human factor is sometimes overlooked where many businesses do not have the right organisational structure in place and suffer from high staff turnover.



**Is Brunel Hive Consulting Group capable of addressing all these issues?**

Certainly, yes! As I said, we tap into various divisions of Brunel Business School to connect the most relevant expert to each client based on their case. For instance, we can help our clients enter new markets. We can identify the right segments and define the best approach guiding the business through the first steps. Or we help customers in coming up with new strategies to tackle changes in their customer base. We operate in fast-changing environments and customers' needs change rapidly. What a business had been doing before, might no

***"We are different from a typical consulting firm. We offer cutting edge research-led business solutions to small businesses"***

longer be fit for purpose. So, we support them in coming up with a new strategy.

We can also help SMEs to monitor their activities and performance. Entrepreneurs and managers can easily lose track of what their teams are doing. We can help them implement metrics, and create KPIs to monitor performance. This is critical in managing their business and understanding whether they

are on target or not and what they should be doing differently.

To summarise, we support SMEs to diagnose problems and then help them come up with and implement solutions.

**What is the main benefit for small business in West London to work with Brunel Hive Consulting Group rather than one of the many private consulting firms?**

Our group is inherently different from the typical consulting firm. We are deeply connected with the University and offer cutting edge research-led solutions to SMEs. This means that by working closely with us, small businesses have access to unique and innovative business solutions based on scientific evidence that they would usually not get from traditional consulting firms. We leverage our scientific approach and academic creativity to offer unique and innovative solutions that our clients can readily implement in their organisations.

Also, we are able to leverage years of combined experience in business mentoring and advisory together. Many academics are involved in multinational and government consultations and have advisory roles. This allows our clients to also benefit from an important network of

organisations at international levels, such as national funds or European funds. Obviously, this is something a business would not necessarily be able to find in traditional consulting firm. And lastly, being aware of the social impact we have, we support small businesses and local economies offering a more competitive rate compared to the market.

**On the other side, what are the benefits for academics in participating in projects through Brunel Hive Consulting Group?**

We aim to facilitate the transfer of knowledge between academics and practitioners. We do this by taking a collaborative team approach to projects drawing on collective skills. Of course, there are many advantages for academics that do consulting through our group. Firstly, we have the benefits of collective power, not only in dealing with clients, but also the actual delivery of projects. I truly believe in teamwork. From my experience, in the context of consulting, a team has a significant advantage over a solo consultant. For example, within a single project, we can bring cross-discipline experts say in finance and in organisational behaviour to tackle different aspects of a single project. As a team we have much more competency, resources, and power than as individuals.



Secondly, we have access to a large network of professionals, international companies, and governmental bodies. This is a great opportunity for getting exposure and establishing your name. Of course, this also leads to research opportunities as it is common to identify gaps and topics that have not been researched.

Thirdly, consulting projects involve various legal, admin, and finance issues. Rather than individual academics going through all of that, we deal with these aspects within the consulting group, protecting academic consultants against

liabilities and risks involved in consultancy work. Not to mention saving lots of time and headache.

Most importantly, we have the possibility to truly make a difference with our research. I believe it can be greatly satisfactory for any academic to see their own research having an impact on a local small businesses and helping it to grow.

### **How does a consulting works? How does a typical consulting project unfold?**

Well, we starts by setting up an initial communication with the key management of a business or venture. We attend meetings. We study the case to identify the problem that we can assist with. Eventually, we pitch our proposals to the client suggesting a scope of work, the potential deliverables, the timeline, the team picked to do the work and a price quote for the work.



**"We worked with Brunel University over a 6-month period to support the Liberti Group. The Liberti Group are 7 businesses that want to work together to support each other's client and our own business growth. We engaged Brunel University to review our current approach to working together and to advise us on how to get the most from the collaboration. The team at Brunel were exceptionally professional and thorough in their analysis of our current ways of working, research into similar organisations and recommendations for the way forward. The project resulted in a clear plan that was accepted by all the businesses in the Liberti Group and as a result we have alignment and clarity around the way forward. We look forward to continuing to work with Brunel over the coming years."**

**Helen Stenhouse**

**Director and Co-owner**



Testimonial from Brunel Hive Consulting Group client

But, it all starts with getting to know each other. We spend a lot of time with businesses to understand in depth what they do and where the gaps are. Before acting, we need to identify the areas that we can help them with. For example, what type of market research they need? Or do they need a core brand identity? What is it that the businesses are missing? What is it that they need to either fix, recover, or develop?

So, it starts with developing a relationship that then evolves into a consultancy opportunity by connecting the gaps in a business with the right expertise of the many academics within our departments, so we can develop a proposal to secure the project with the client.

### **How can an academic get involved in consulting?**

I believe at the early stage, we should actively seek potential clients, networking to find and develop those projects so that we can bring a positive impact and help small business to grow sustainably. And when I say “we”, I mean not only the Brunel Hive Consulting Group, but each academic at Brunel Business School. Potential clients are all around us, a neighbour working for a company, a longtime friend or their business contact.

For example, in a recently completed project, a key executive of a Medium size company was attending our Small Business Leadership program funded by government through Small Business Charter. Through conversations between the Brunel facilitators and building a professional relationship with this company an opportunity was identified where our team of academic consultants could add value to this business.

***“A boutique consulting unit offering unique and creative solutions based on the most recent scientific research tailored to specific clients’ need.”***

I was informed of the opportunity, and we started to have initial meetings with the client to identify exacts needs and formulate and scope out how we could add value.

It is fair to say that there was a lot of time spend prior to entering a contract to fully understand what these needs were and how we could add real value. The project had no name nor any scope. As the relationship was developing, we identified the need and then came up with the gaps. Meeting after meeting, we brainstormed and drafted a proposal.

### **Based on your extensive experience in the industry, do you see potential in the consulting for academic?**

Absolutely, I do. Businesses do not naturally approach universities for consulting projects. Large companies tend to turn to big consulting firms. In turn, SMEs usually are not aware of what consultants can do for them. Those types of dynamics have created an asymmetry in the market: universities create knowledge that can help small businesses to grow and to achieve their goals. So, Brunel Hive Consulting Group is establishing itself as a boutique consulting unit offering unique and creative solutions based on the most recent scientific research tailored to specific clients’ need. ■





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# BRUNEL HIVE

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BRUNEL HIVE REVIEW Dr Riccardo Nucci

Brunel Hive is the growth and engagement platform at Brunel Business School. Our mission is to engineer the accelerated growth of West London businesses, and indeed businesses across London. As part of this mission, we facilitate the internationalisation of London's businesses in rapidly emerging economies across Asia, Africa, and the Middle East. Brunel is a university for a changing world.

With Engaged Scholarship at the core of our long-term strategy, our key objective is to be a leader in knowledge exchange in London. Brunel Hive has had an exciting year, and we look forward to working with both small and large businesses to explore new markets, technologies and opportunities globally. Engage with us. A world of opportunity awaits.



# BRUNEL HIVE REVIEW

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We make practical contributions on various business-related topics.

We welcome research shorts, case studies, interviews, information and opinion pieces.

Would you like your work and experience to be featured in the Review? Please submit your contribution at:

Brunel Hive Review is the main communication channel of Brunel Hive. We aim to connect Brunel academic expertise with local and international businesses.

Our mission is to become a leading forum for university-industry-society discussion, addressing critical policy, strategic and operational issues. The Brunel Hive Review features in-depth interviews with leading global entrepreneurs, business leaders, academic experts, and policy-makers. The Review makes strong, practical contributions to ongoing debates and approaches in knowledge exchange, executive learning, student entrepreneurship and business practice and research.

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