



ProBM 2

# NATIONAL REPORT FROM INTERVIEWS (PORTUGAL)

## Understanding and Developing Business Models in the Globalisation Era

ProBM 2

07-04-2020



## Introduction

The main objective of the ProBM 2 project is to increase skills and knowledge of adult educators and training providers in teaching business models. Acquired knowledge and skills will directly contribute to the design and use a good business model by the beneficiaries (the adults wishing to undertake business activity or already having a business) in practice in their present or future enterprises.

In an initial phase we collected information on the practical use of business models, through a survey, with 8 entrepreneurs from small and medium-sized organizations, with at least five years of existence. This contribution will help to better understand attitudes and general knowledge of business models.

The objective of this survey is to gather information about the knowledge, understanding and use of business models in practice. The results obtained in the survey will be used for the development of the business models training programme for entrepreneurs and adult educators wishing to teach about business models. This survey is part of the Erasmus+ ProBM2 Project.

The questionnaire has 22 questions, separated by 3 blocks.

Block 1 – General Knowledge and Opinions on Business Models - 6 questions

Block 2 – Business Models in your Company - 4 questions

Block 3 – Elements of the Business Model - 12 questions

The results will be presented below.

### **Block 1 – General Knowledge and Opinions on Business Models**

In block 1, the questions focus on the information that entrepreneurs have, in general, on business models.

Of the 8 companies surveyed, all of them answered that they knew what a business model is.

In the second question, half of the companies answered that they never heard of the “Canvas” business model.

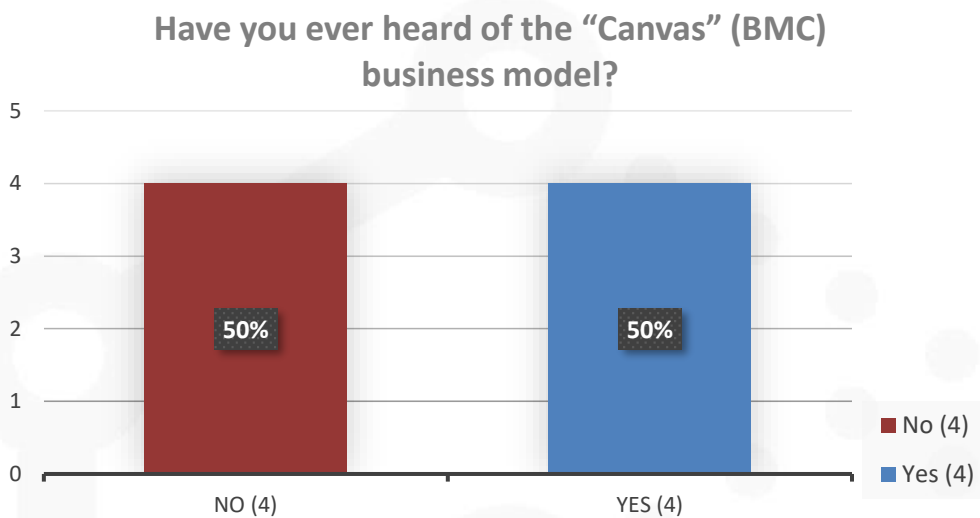


Figure 1

The third question asks if a business model is crucial for the success of a company and all agreed to be essential, with 87.5% agreeing and 12.5% fully agreeing.

**3. The development of the business model crucial towards contributing to the success of a company.**

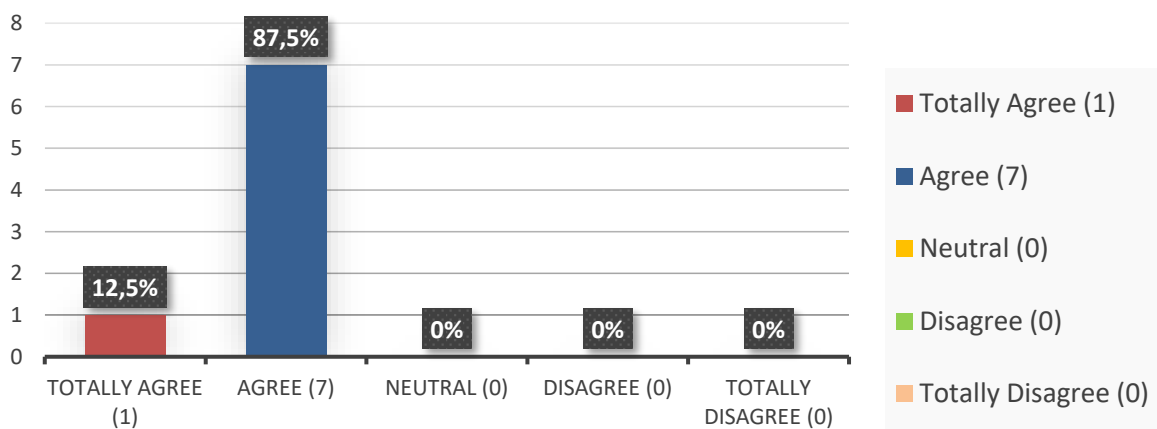


Figure 2

The next question asks if the use of a good business models improves the situation of the company / organization in the labour market, 75% answered that they agree and 25% that fully agree.

**4. The use of a good business model improves the situation of an enterprise/organisation on the market.**

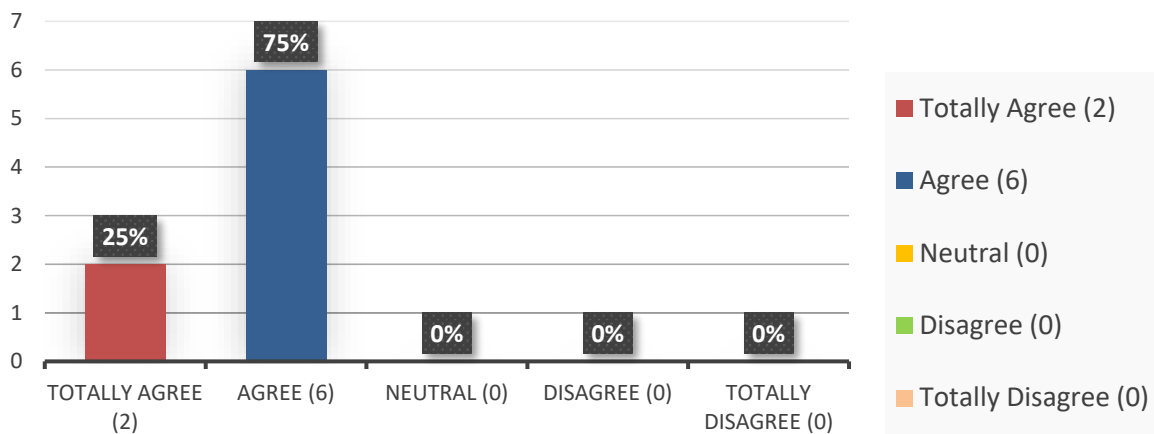


Figure 3

Question 5 - “The increase in knowledge on business models reduce barriers to starting or/and improving own business.”- had also an agreement rate of 100%, with 75% Agreeing and 25% Totally agreeing.

**The increase in knowledge on business models reduce barriers to starting or/and improving own business.**

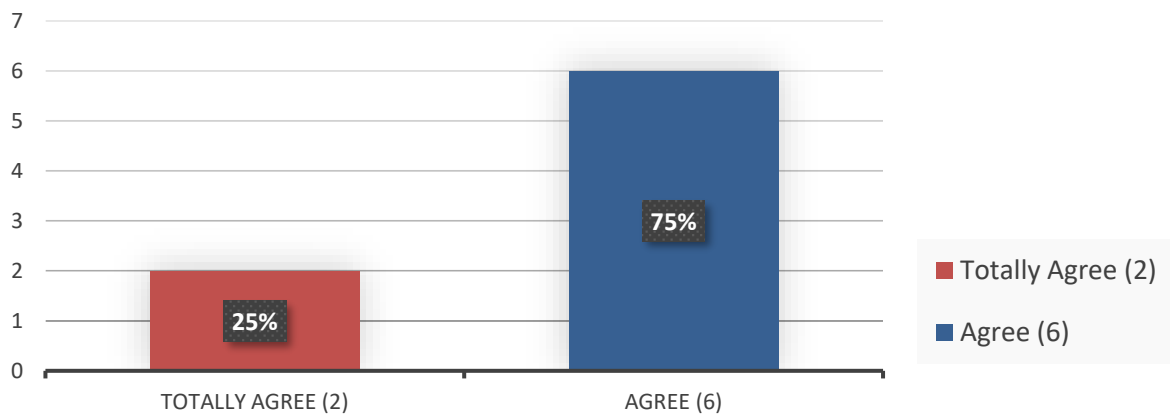


Figure 4

It was also asked to point five of the most relevant benefits in the use of business models, “Increasing profitability and efficiency” and “Growth plan” were the most chosen, and “Unique Reputation in the Market” was never selected.

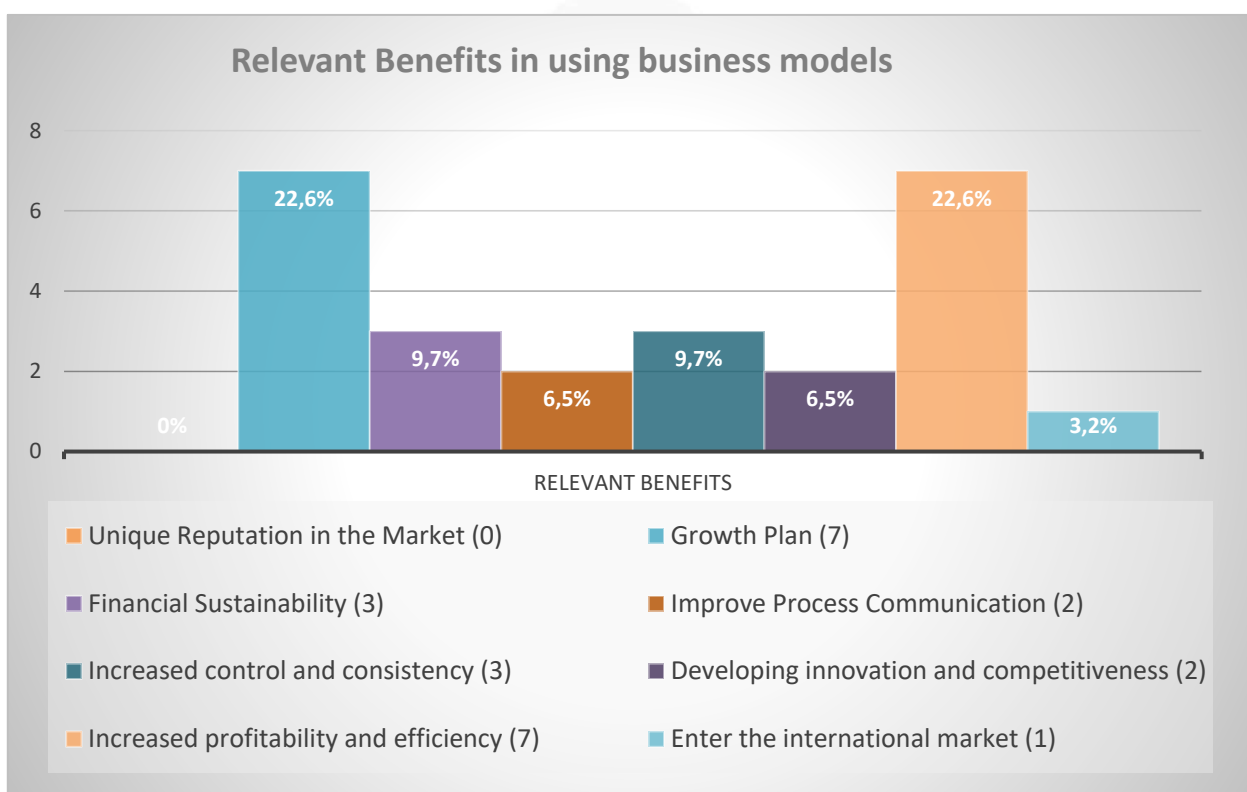


Figure 5

With these answers is clear that entrepreneurs know what a business plan is, but only half recognize the Canvas Business model. The attitude towards business plans appears to be positive, since they recognize the benefits of it, like being crucial for the success of a company, improves the situation of the company / organization in the labour market and reduce barriers to start or/and to improve a business. From a list of benefits of the use of business models, “Increasing profitability and efficiency” and “Growth plan” were the most selected.

## Block 2 – Business Model in your company

Questioned if the companies have ever applied business models. 50% of respondents said Yes, 37% said they had not applied and 13% said they did not know if it was applied or not.

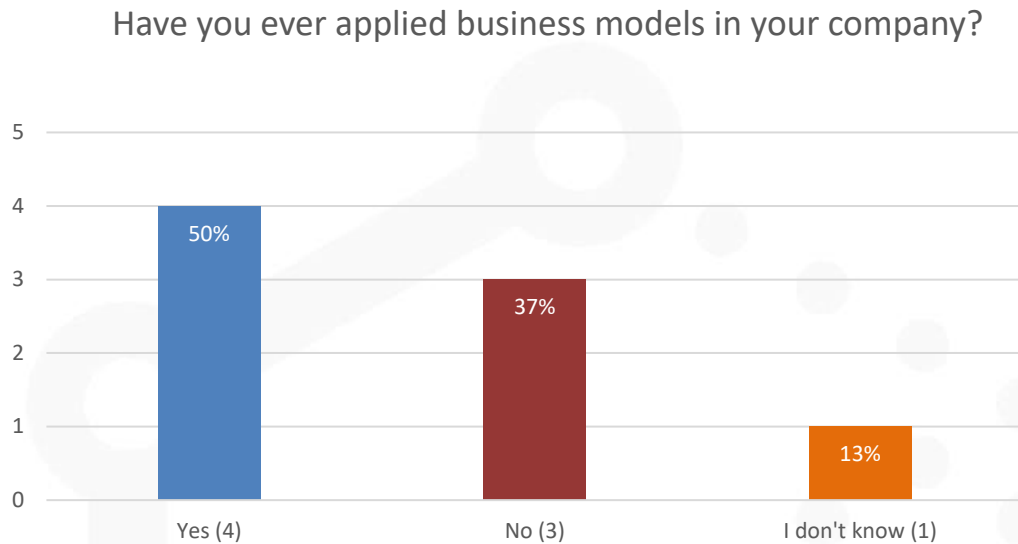


Figure 6

From the ones that answered no, or that they didn't know in the previous question, it was asked why they haven't used a business model, below are the results:

If you answered "No" or "I don't know how to answer", why didn't you use a business model in your company?

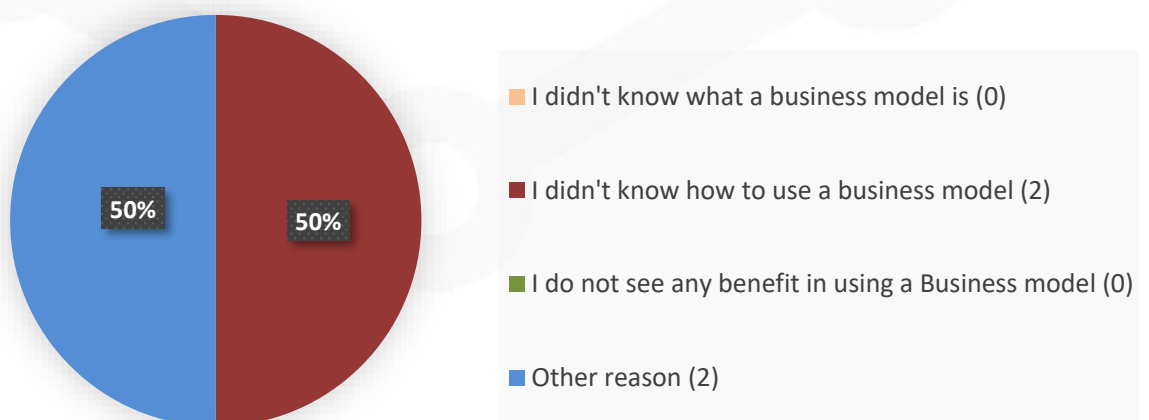


Figure 7

For the ones, that answered yes, the following two questions were made. The first was “what type of revenue source the company uses. The results were the following:

Company	Activity Developed	Source of Revenue Used
1-	Consulting	Direct Selling Model
2-	Information Technologies	Low-Cost Model, Direct Selling Model, Signature Model, Add-on Model and Affiliate Marketing Model
4-	Manufacture of various machines for specific use	Affiliate Marketing Model
8-	Fitness and Human Nutrition	Add-on Model and Affiliate Marketing Model

Table 1

In this sample, the affiliate model is the most used, followed by Add on and Direct Sales, as is visible in the following chart.

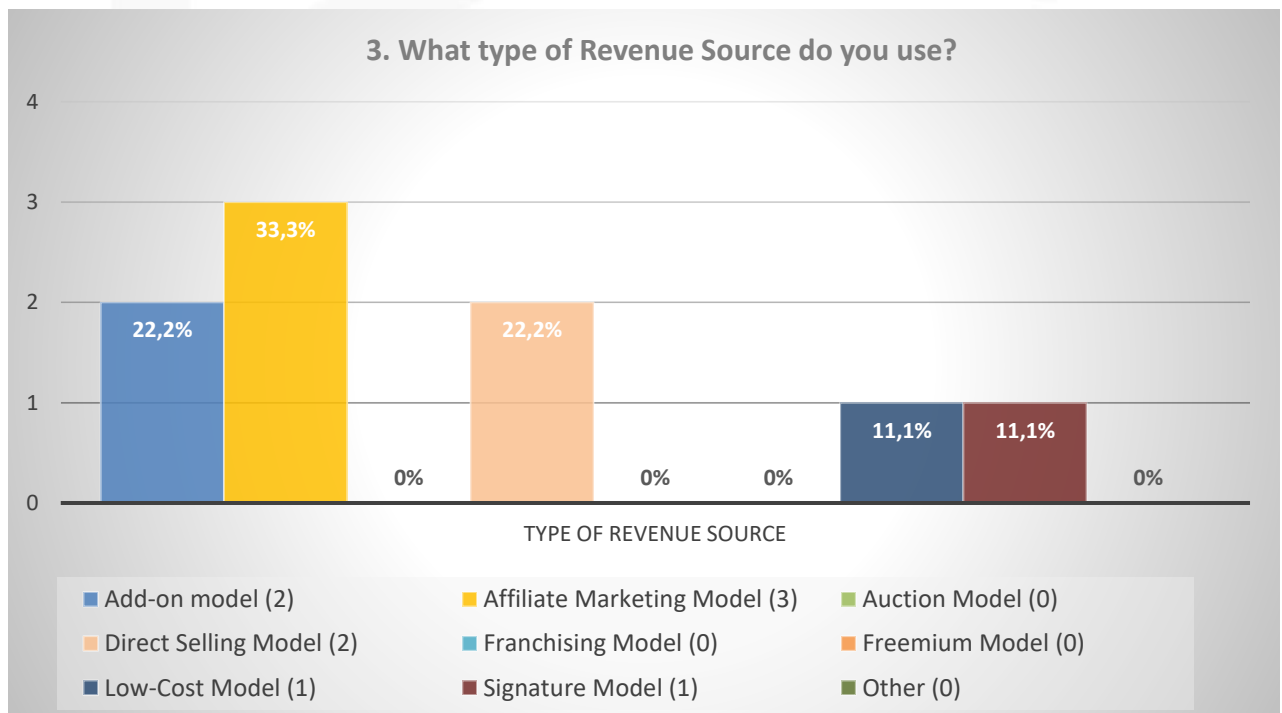


Figure 8

The second question, for those who answered yes, was “which of the element’s respondents included in their business model”. The most pointed elements were “Value proposition” and “Customer relationship”. In the opposite side, Customer Segments and Channels weren’t selected.

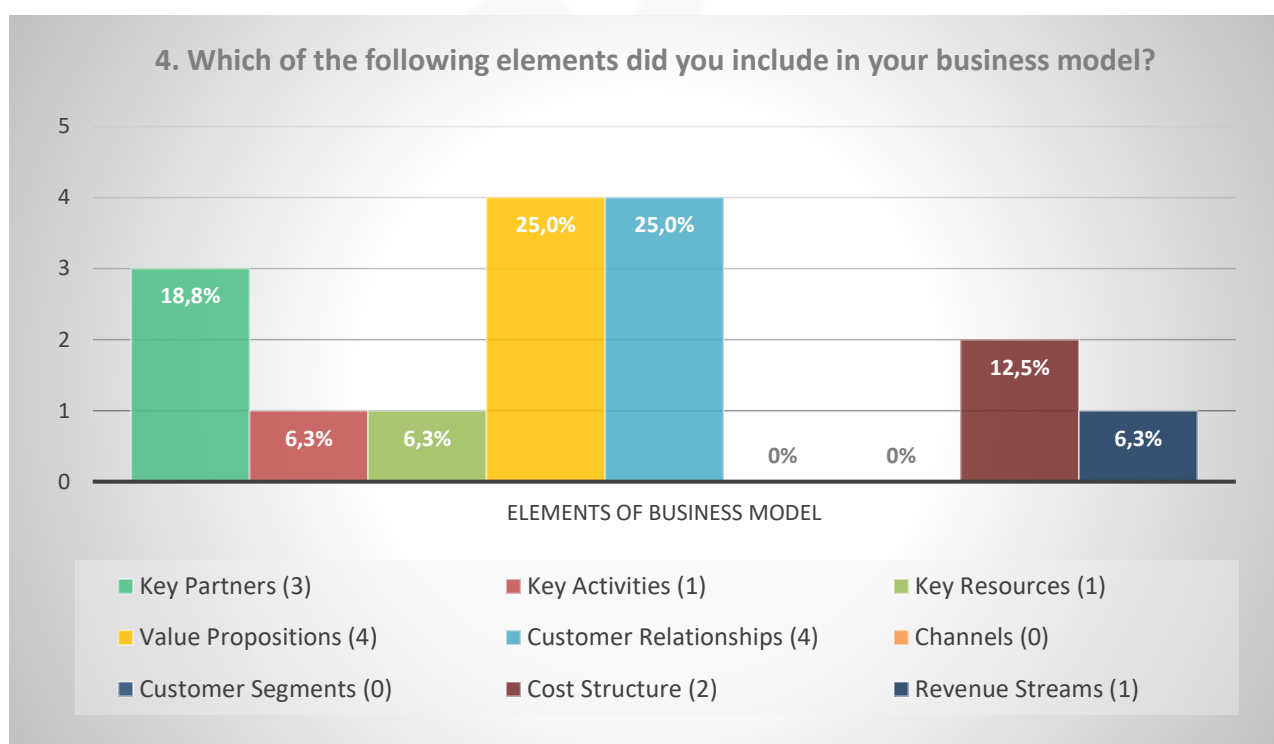


Figure 9

### Block 3 – Elements of Business Models

This section questions are about the elements of the “Canvas” Business Model. The importance of each of the elements were questioned. Although all elements were seen as Important, again, the elements with higher importance recognition were Value Proposition and Relationship with Customers.

	TOTALLY IMPORTANT	IMPORTANT	NEUTRAL	UNIMPORTANT	TOTALLY UNIMPORTANT
1.Key Partners	3	5	0	0	0



2.Key Activities	4	3	1	0	0
3.Key Resources	3	5	0	0	0
4.Value Proposition	5	2	1	0	0
5.Customer Relationships	5	2	1	0	0
6. Channels	2	3	3	0	0
7. Customer Segments	0	5	2	1	0
8. Cost Structure	2	6	0	0	0
9. Revenue Streams	2	6	0	0	0

Table 2

The charts by question are presented below.

1. KEY PARTNERS - (*Business partners, without whom the business could not operate properly; these are usually sellers, suppliers and subcontractors*)

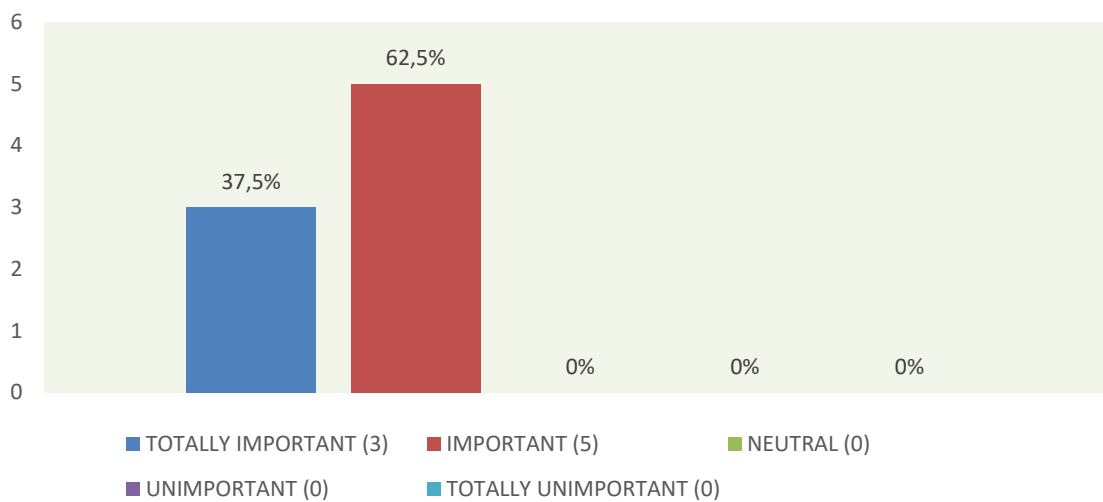


Figure 10

**2. KEY ACTIVITIES** - *(The most important activities that a company must perform to provide added value, establish a relationship with a customer, and generate revenue)*

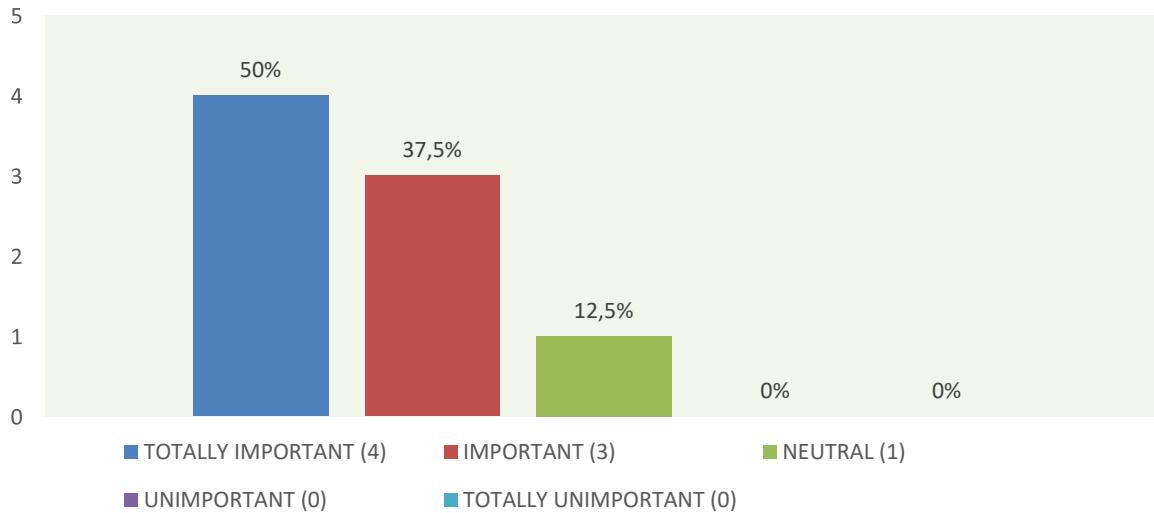


Figure 11

**3. KEY RESOURCES** - *(Company resources that are necessary for the operating of a business, both tangible and intangible)*

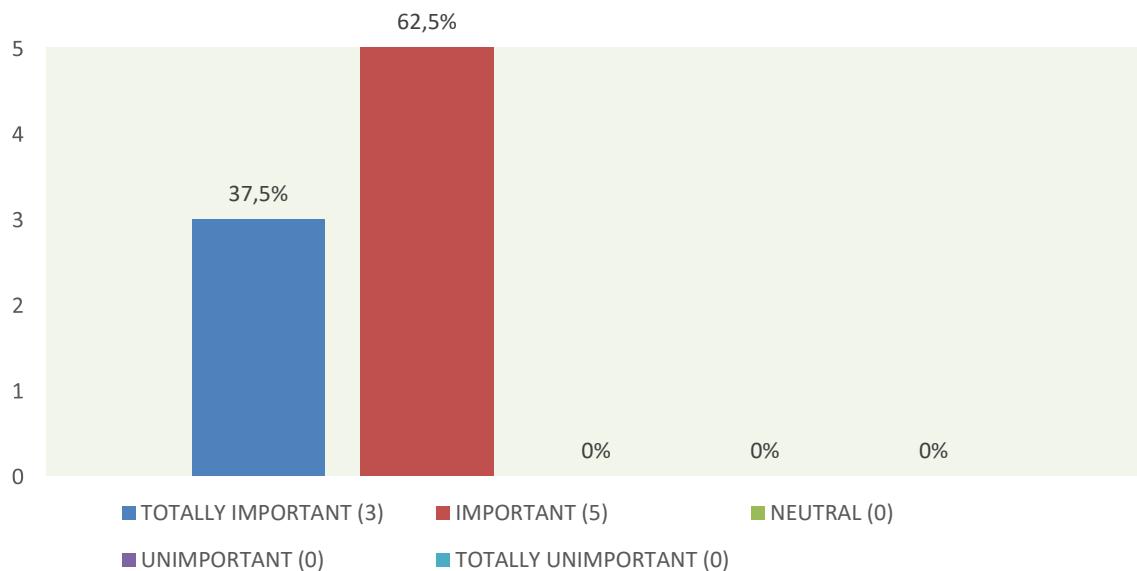


Figure 12

**4. VALUE PROPOSITION** - *(It is what we offer to our clients, what distinguishes us from what our competitors offer. These are the benefits that the customer will receive)*

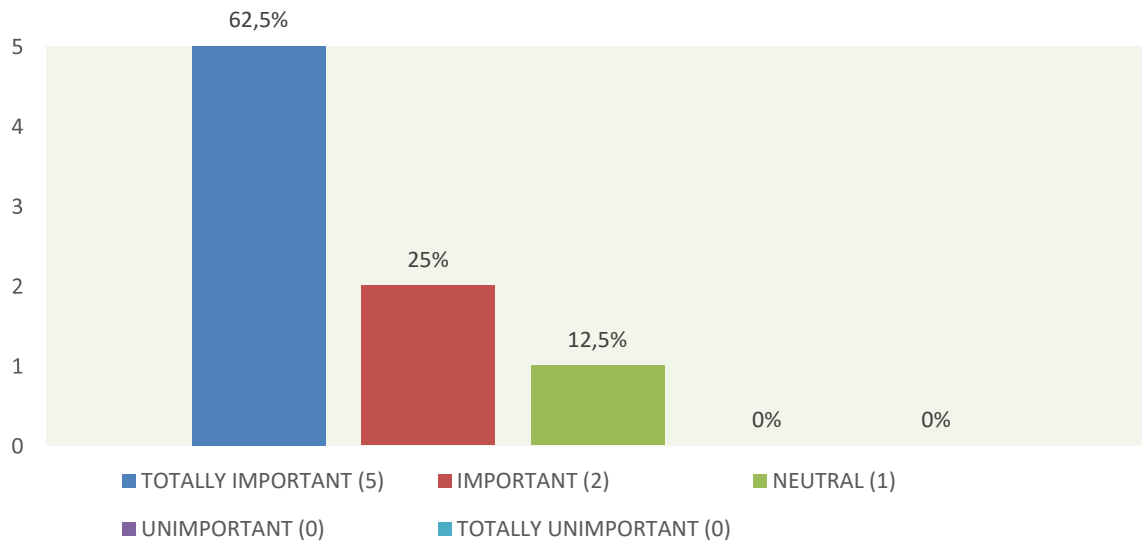


Figure 13

**5. CUSTOMER RELATIONSHIPS** - *(Characteristics of relationships with the client)*

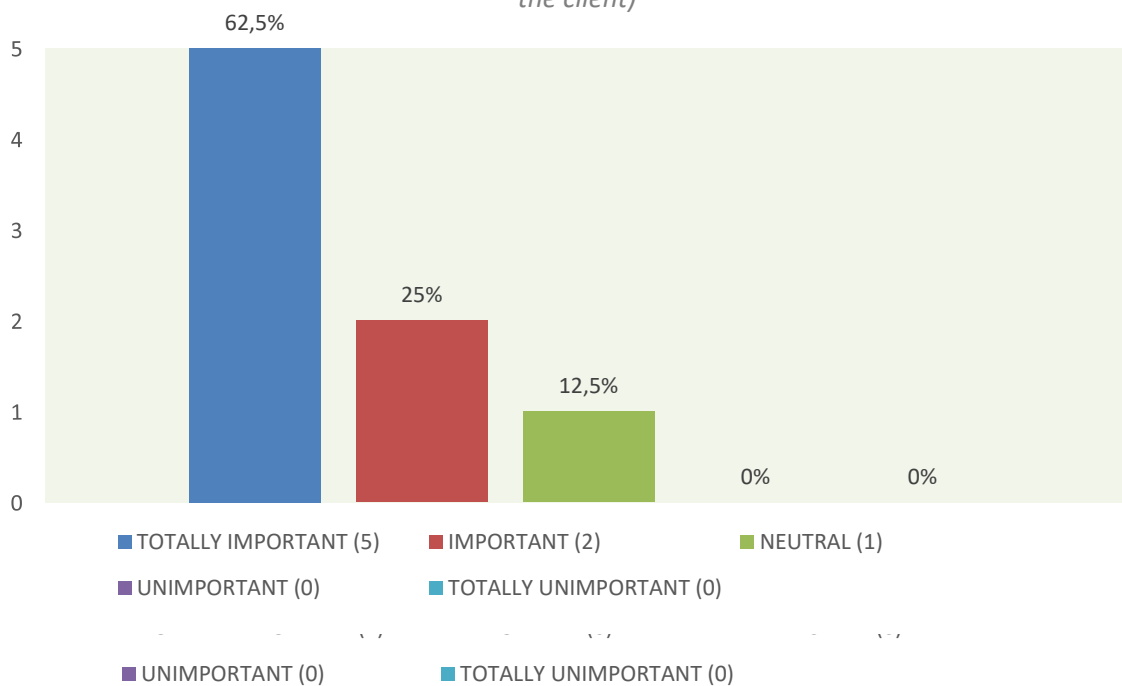


Figure 14

## 6. CHANNELS - *(Ways of reaching the customers, how we can reach them and sell the product)*

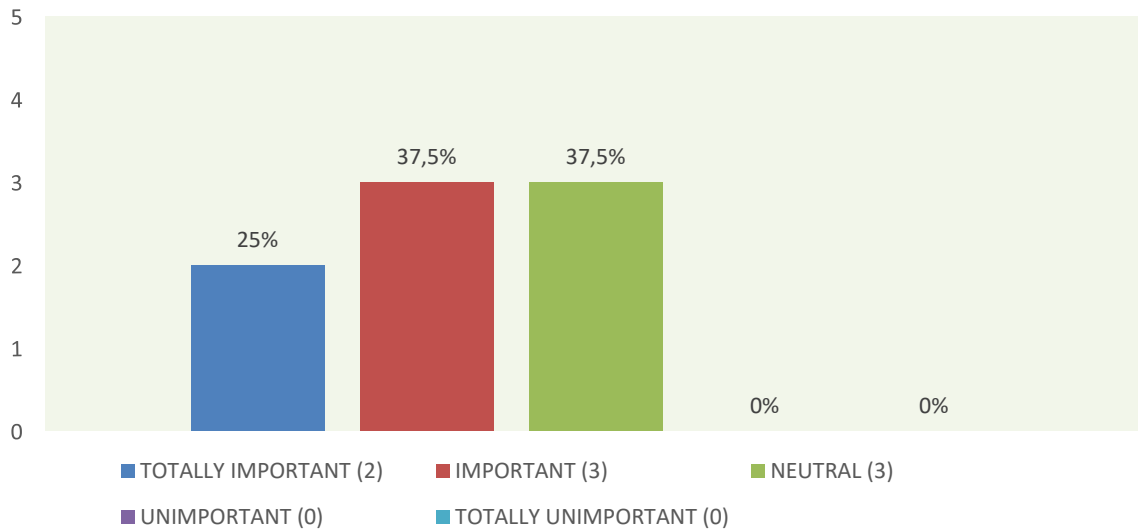


Figure 15

## 7. CUSTOMER SEGMENTS - *(Different groups of people, organisations to which activities will be directed. They will be the customers. Customer segments should be separated if they differ significantly)*

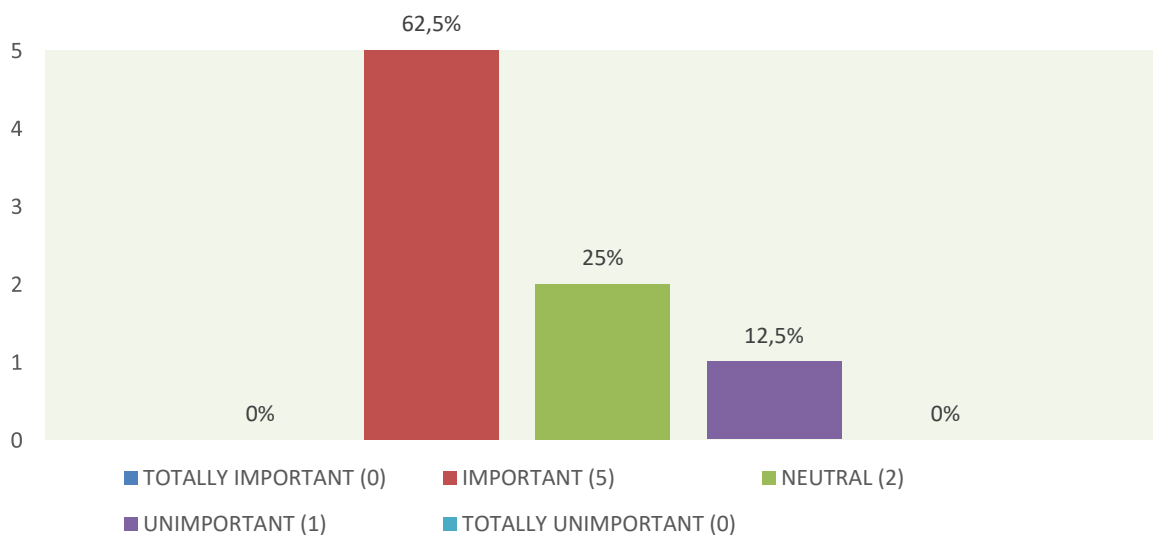


Figure 16

### 8. COST STRUCTURE - (All expenses incurred in connection with the functioning of the business model)

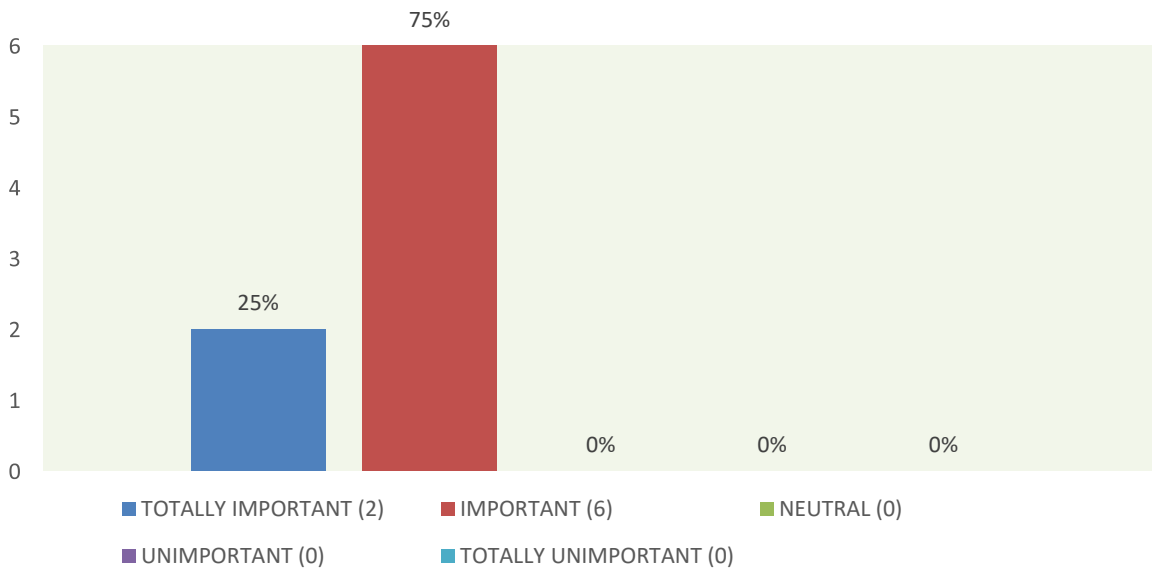


Figure 17

### 9. REVENUE STREAMS - (An introduction of how the product or service will generate revenue. It may be different for each customer segment)

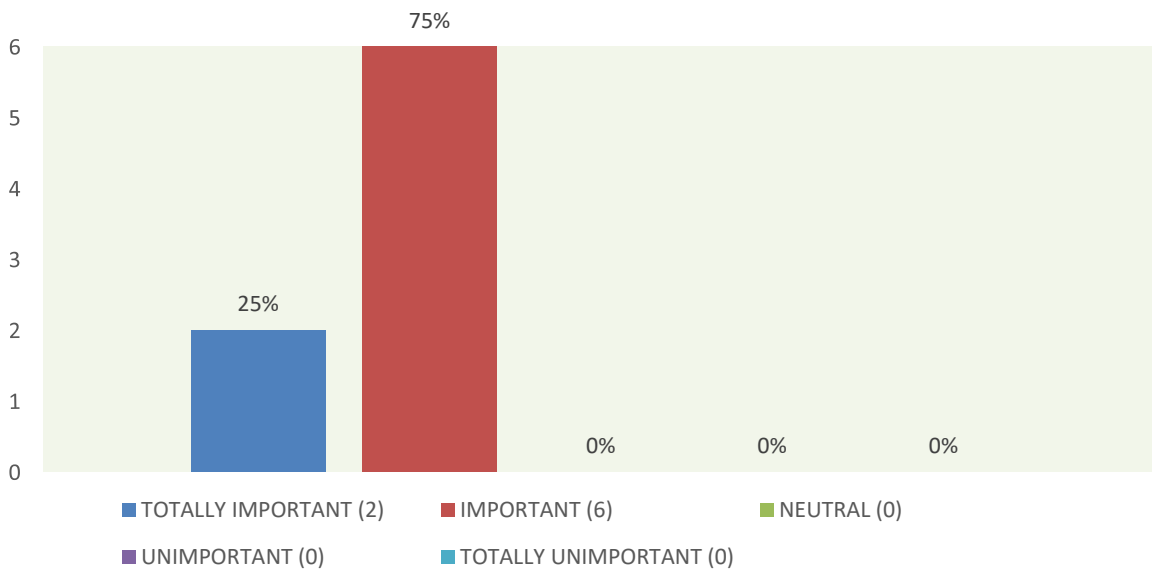


Figure 18

Directly questioning which element do you think is the MOST important? The value proposition was the most indicated, and many options were not selected.

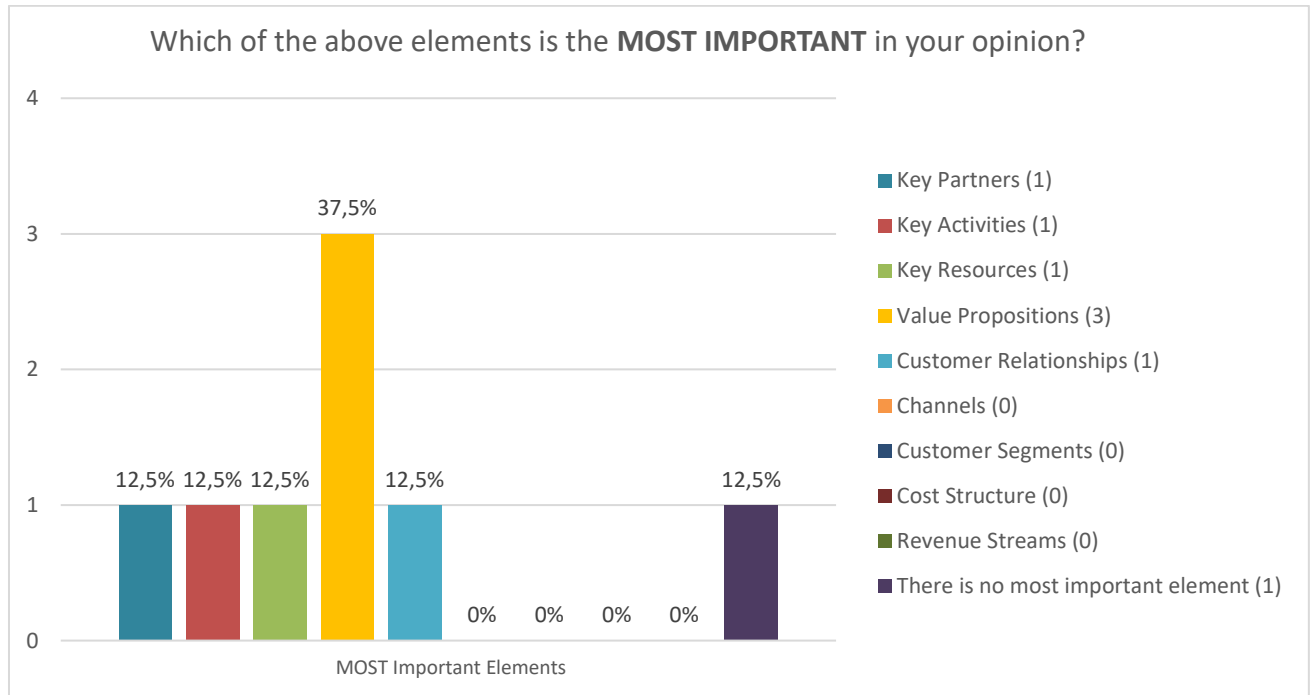


Figure 19

When asked about the LESS important element, 62,5% affirmed that there is no least important element, 25% indicated the Channels and 12,5% Key partners.

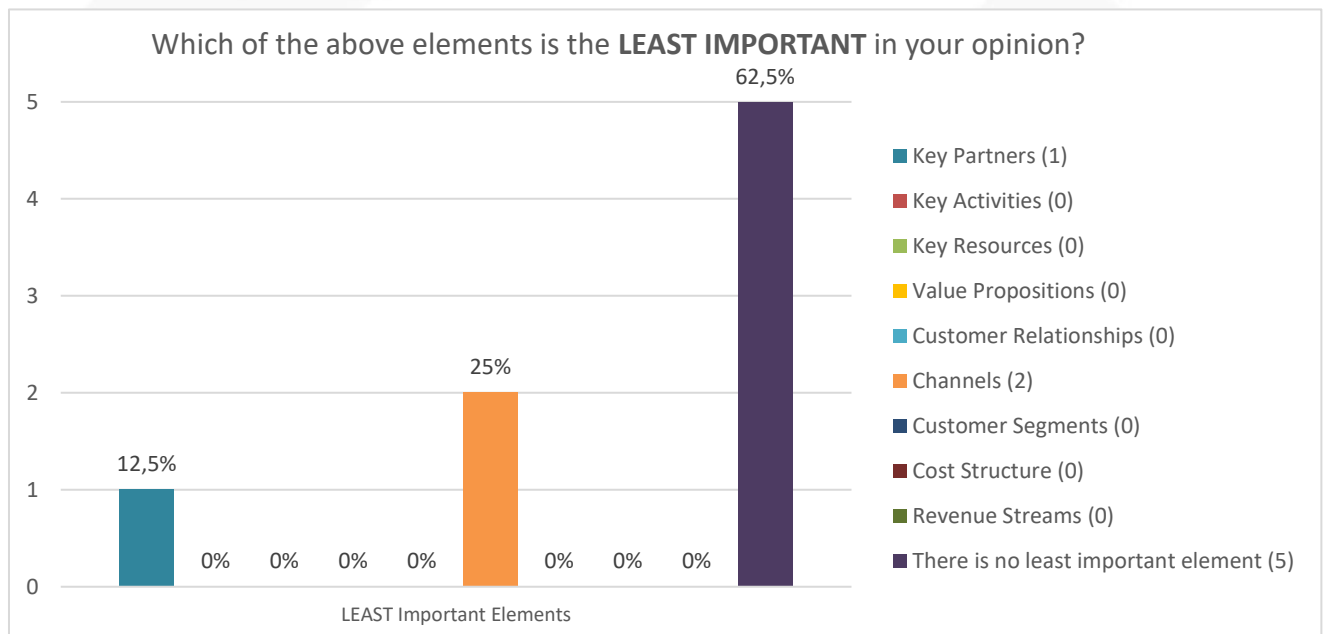


Figure 20

Question 12 focuses on how business respondents see the connection between business elements, with the majority claiming that they see them as mainly dependent.

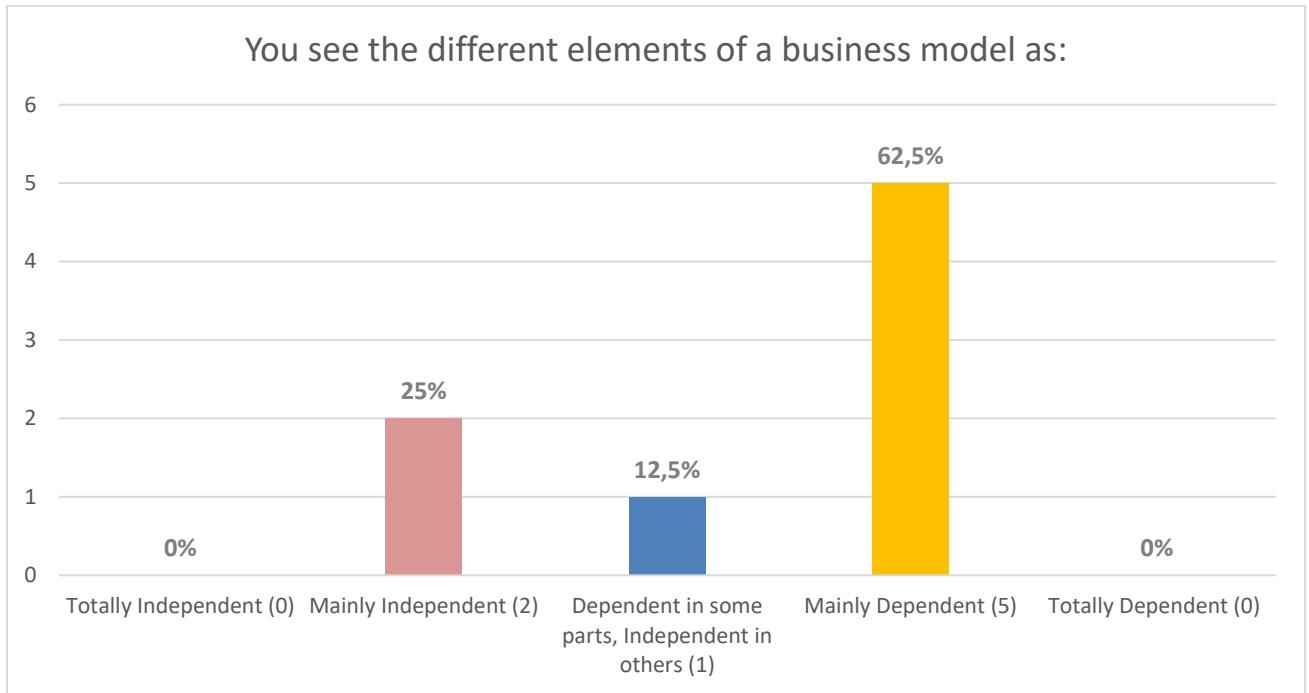


Figure 21

The last question in the block 3, (question 13), asks how often a change in one element causes a change in another, only one person (12,5%) responded “Never”, with the option “Sometimes” being the most select, followed by “Often”.

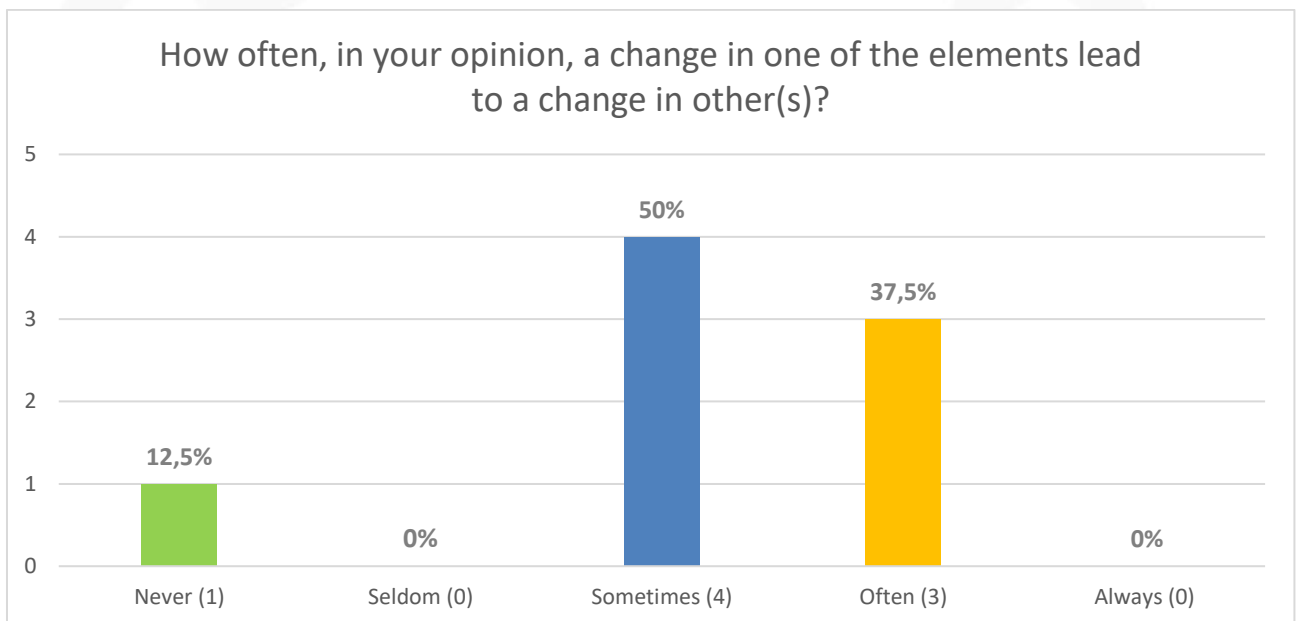


Figure 22

## Block 4 – Company and interviewee profile

In this block, information about the organizations and the person representing them were identified.

Type of the company:

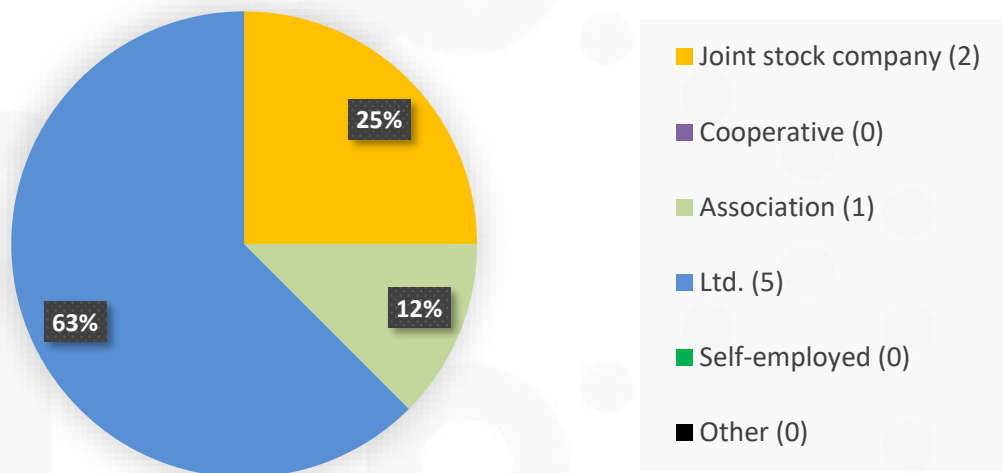


Figure 23

Size of the company:

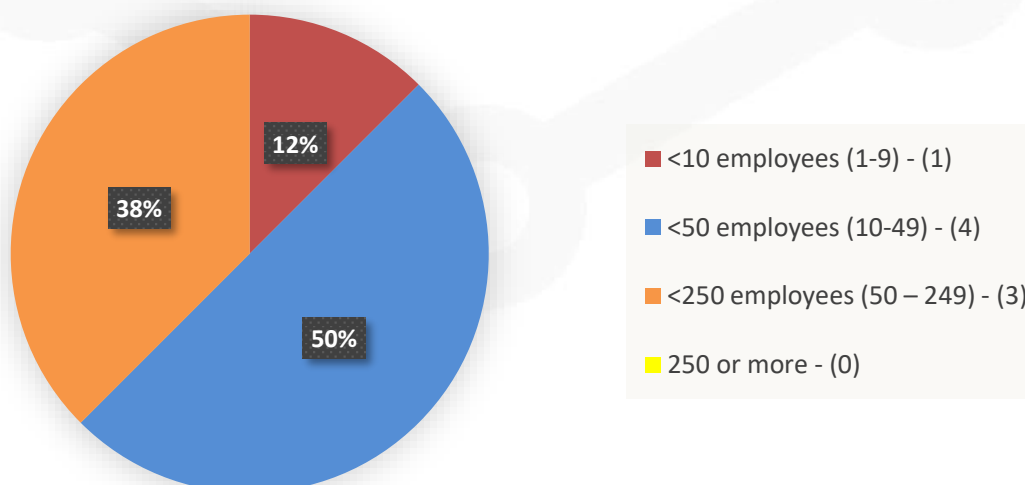


Figure 24



**Position in the company:**

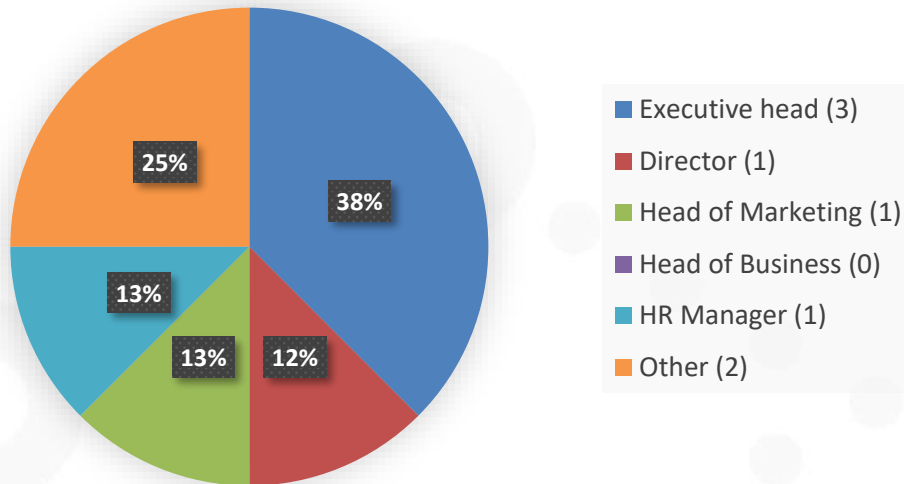


Figure 25

Below the sector of each company is identified.

<b>Sector</b>	
1	Consulting
2	Human Health
3	Information Technologies
4	Retail Trade
5	Manufacture of plastic products
6	Retail sales of fuels for domestic use in specialized stores
7	Information Technologies
8	Nutrition and Fitness

Table 3

The last question asks for features that would be appreciated in a business model training (Trainer and training). It was possible to choose more than one option. The most appreciated feature was “(the trainer...) having experience in my business area”, followed by “having experience in Business models training” and “being an experienced trainer”.

### What kind of training features would you appreciate if you search for a business models training?

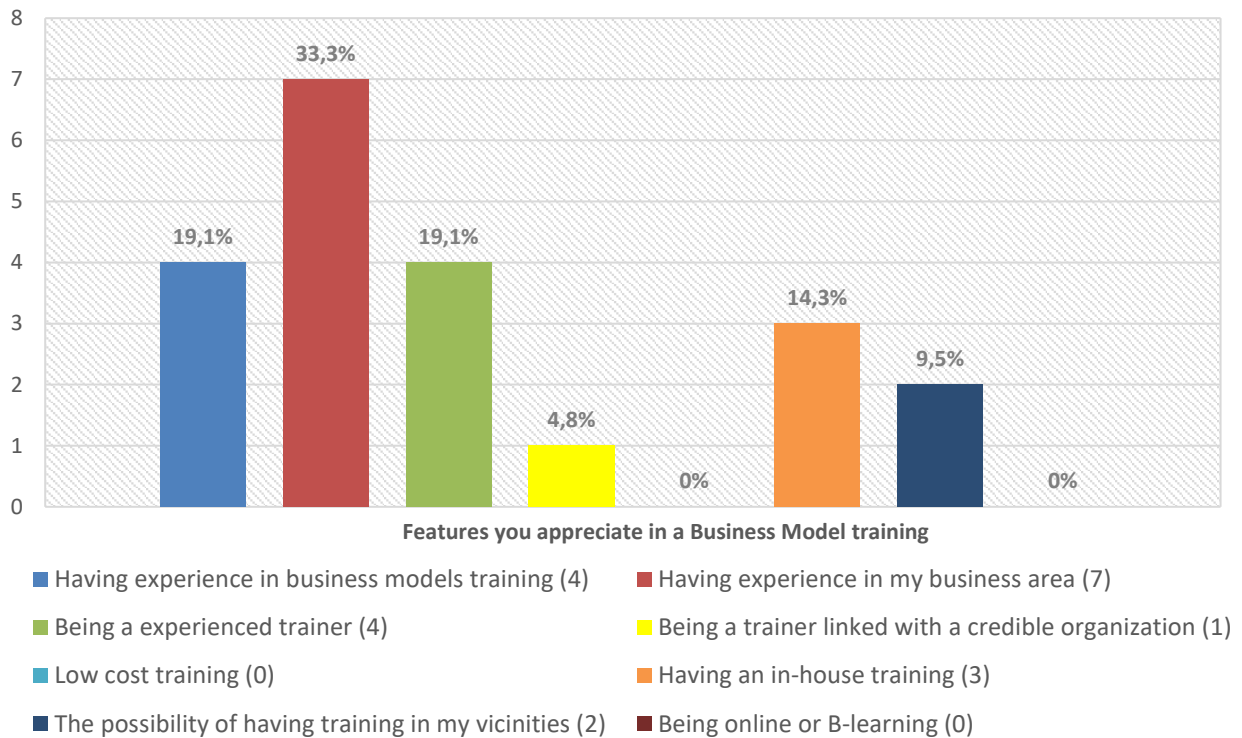


Figure 26

## Conclusions

In this small sample, we have eight companies from many different sectors, from Health, to Information Technologies, including Retail Trade, Nutrition and Fitness. Most of them are ltd organizations (63%) and have between 10 and 49 employees (50%). Those who answered have different positions in the organization, from HR Manager to Head of Marketing, but the most represent position was Executive Head (38%).

Everyone answered they knew what a business model is, however, only half have heard of the “Canvas” business model.

The attitude towards business plans appears to be positive, since they recognize the benefits of it, like the following:

- ✓ Being crucial for the success of a company (87.5% Agreed)
- ✓ Improves the situation of the company / organization in the labour market (75% agreed)
- ✓ A lot of benefits were identified in the use of business models, but “Increasing profitability and efficiency” and “Growth plan” were the most picked (Both representing 22,6% of the total benefits chosen).

Although companies consider a business model to be a highly effective tool, half of the companies surveyed did not apply it. From those who did apply it:

- ✓ The type of revenue source they use most is the Affiliate Marketing (33%), Add on (22,2%) and Direct Selling Model (22,2%).
- ✓ The main elements included in their Business Model were: Value Proposition and Consumer Relationships (Both representing 25% of all the answers). Channels and costumer segment were never selected.

Considering the answer from all the respondents, all elements of a business model were considered important, with some variations.

- ✓ Considering the evaluation of all the elements, Value proposition had the higher importance rate (62,5% considering it totally important) and Customer segments the lower (62,5%, important, 25% neutral and 12,5% Unimportant).

- ✓ In the direct question about the MOST important element, Value Proposition is the most chosen (37,5%).
- ✓ Questioned about the LESS important element, they consider that there is no less important element (62,5%).
- ✓ Regarding the connection between business elements, the majority claims that they see them as mainly dependent (62,5%), and when one is changed it influences the others (50% said it happens sometimes and 37,5% often).

The main features that the companies' value in a training are related to experience:

- ✓ The trainer has experience in my business area (33% of the features indicated)
- ✓ The trainer has experience in business models training (19,1% of the features)
- ✓ Be an experienced trainer (19,1% of the features)

Resuming, there is a general knowledge of the existence of business models, but in this small sample that didn't translate in a generalized use of it, neither in the generalized identification of what is the Business model Canvas. The attitude towards a business model seems positive because a lot of positive benefits are identified. It looks like there is a general idea of how a Business models should be used, for instance, all elements are considered important in spite of the differences among them and there is a general identification of the mutual influence of the elements of a business model, but not everyone in the sample identified this connection. Experience is something value in a business model training.