NATIONAL REPORT

FROM INTERVIEWS
(ITALY)

Understanding and Developing
Business Models in the Globalisation Era

ProBM 2

28-04-2020

Erasmus+

1. INTRODUCTION

"*Understanding and Developing Business Models in the Globalisation Era*", is an Erasmus+ Project that brings together Universities and businesses from Malta, Poland, Italy, Greece, Portugal, Switzerland and Romania. The ProBM2 project is a continuation of the ProBM project "*Understanding and Developing Business Models*" (Erasmus+), in which the partners developed a compendium of business models for entrepreneurs.

The main objective of the ProBM 2 project is to increase the 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 of an optimal business model by the beneficiaries (entrepreneurs, prospective entrepreneurs, business owners, business managers) in their present or future enterprises.

The first phase of the project involved a questionnaire which was designed to gather information about the knowledge, understanding and use of business models in practice. The results will be used for the development of the business models training program for entrepreneurs and adult educators.

Those eligible to participate included directors, entrepreneurs, business owners, business managers, head of business or head of human resources who are involved with managing an SME (an enterprise with between 10 and 250 employees) that has been in operation for a minimum of 5 years.

The questionnaires were sent by e-mail to different selected enterprises in Italy. Training 2000 sent the questionnaire to 12 enterprises. 6 companies have responded to the questionnaire.

The questionnaire was divided into 4 blocks:

- BLOCK 1: General knowledge and opinions on business models
- BLOCK 2: Business model in your company
- BLOCK 3: Elements of business models
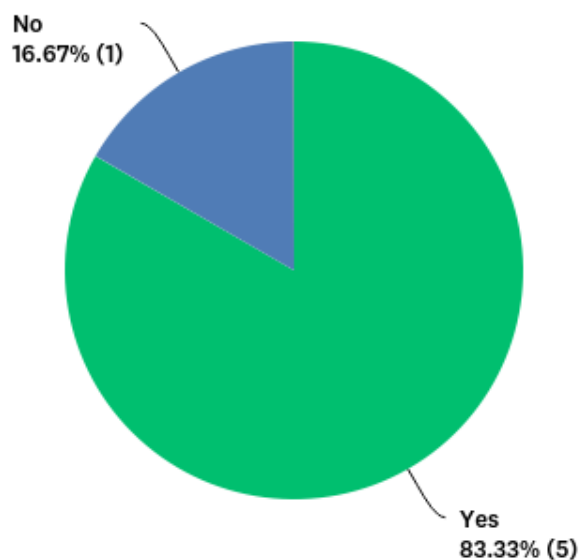- BLOCK 4: Company and interviewee profile

The results of the analysis are presented below.

2. RESULTS
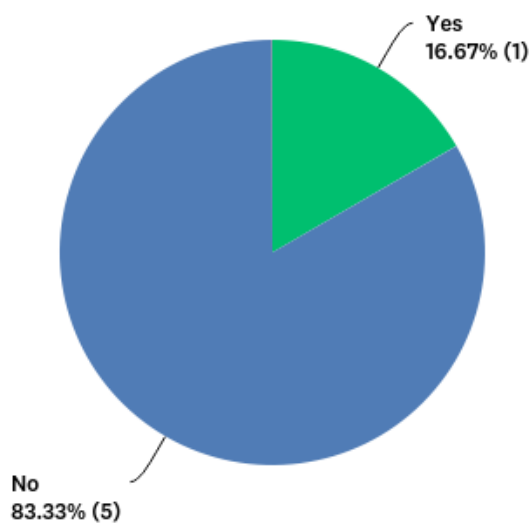
GENERAL KNOWLEDGE AND OPINIONS ON BUSINESS MODELS

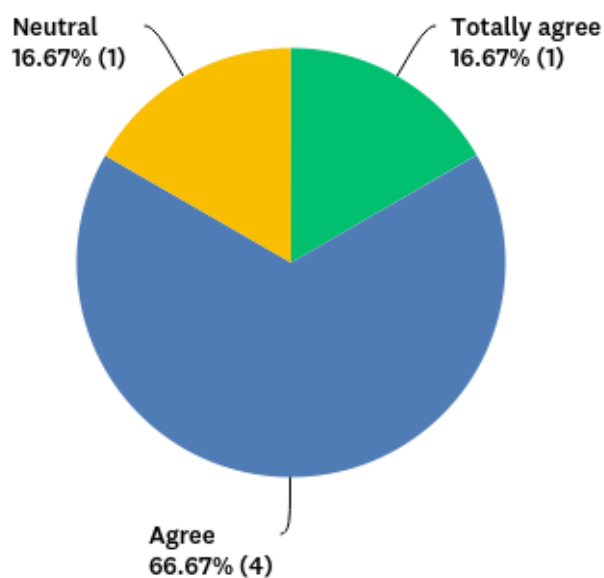**QUESTION 1:**
Do you know what a business model is?

No
16.67% (1)

Yes
83.33% (5)

QUESTION 2:
Have you ever heard about the Business Model Canvas (BMC)?

Yes
16.67% (1)

No
83.33% (5)

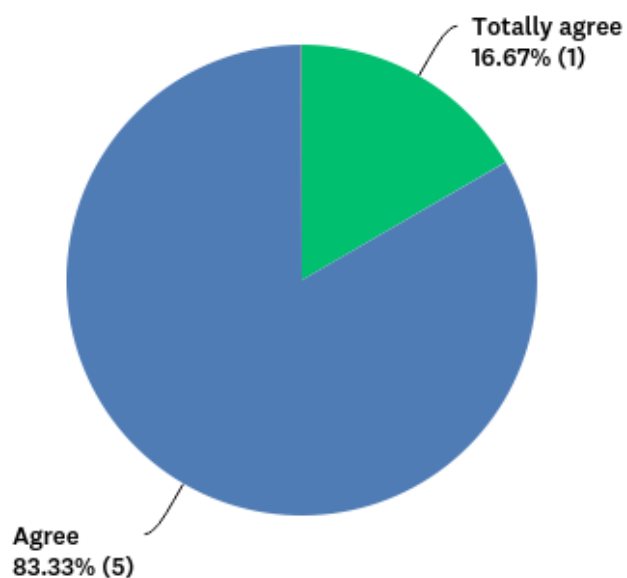**QUESTION 3:**

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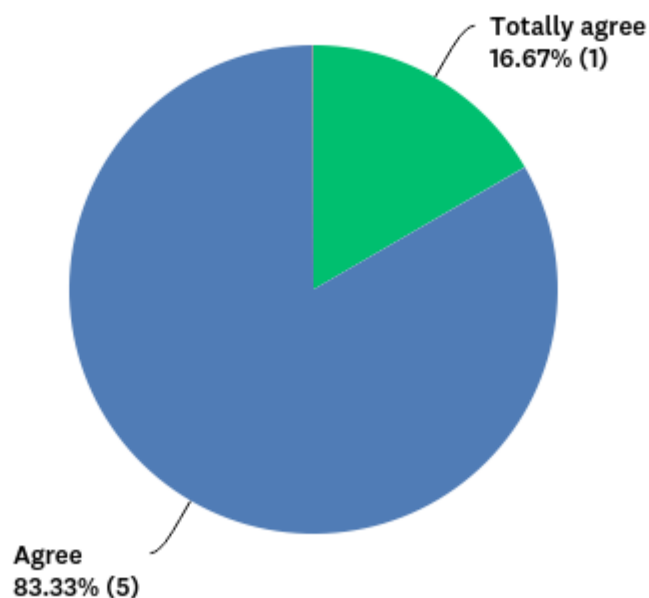

Neutral 16.67% (1)
Totally agree 16.67% (1)
Agree 66.67% (4)

QUESTION 4:

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

Totally agree 16.67% (1)
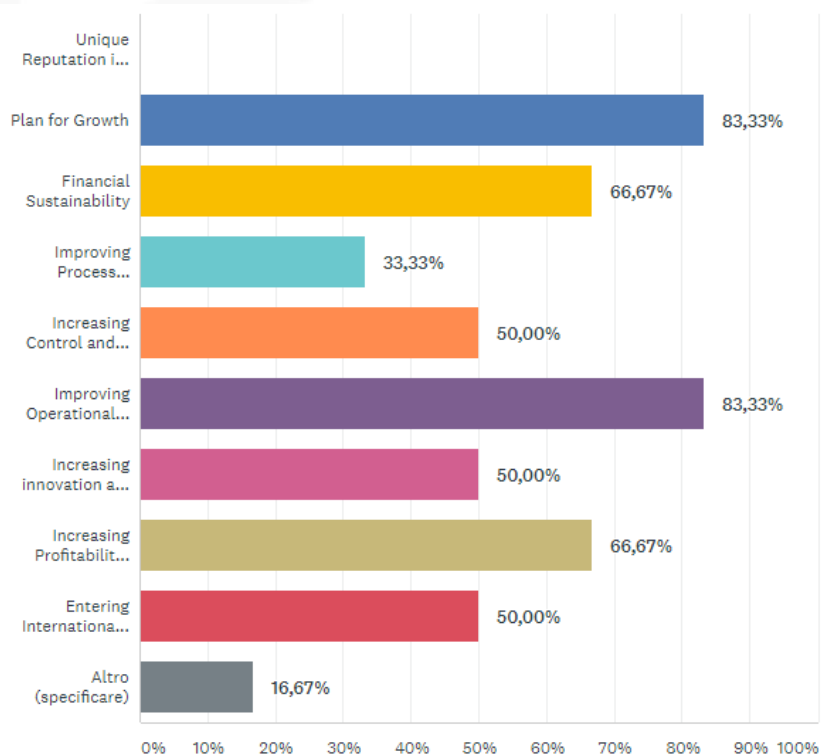Agree 83.33% (5)

QUESTION 5:

The increase in knowledge on business models reduces barriers to starting and/or improving one's own business.

QUESTION 6:

Could you define the benefits of using business models? Please list up to 5 most relevant benefits.
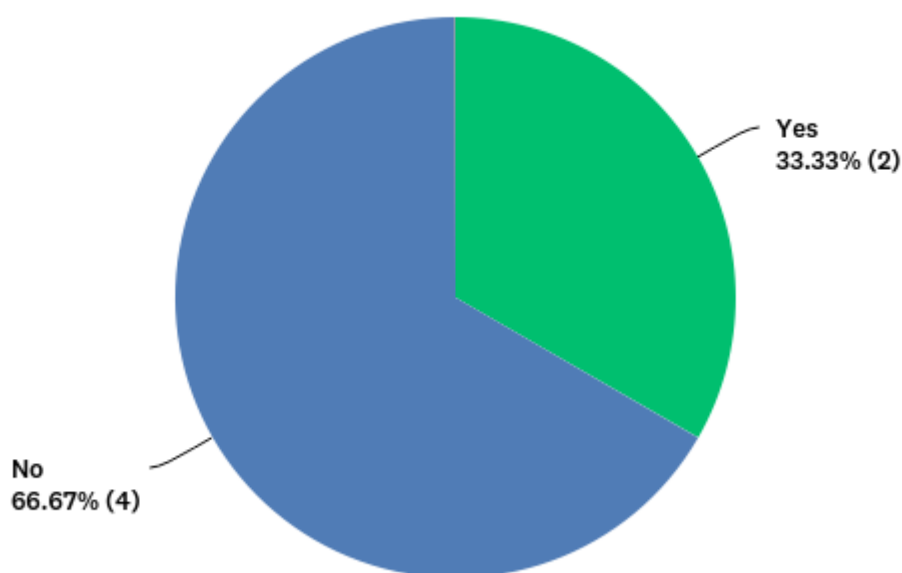
BUSINESS MODEL IN YOUR COMPANY

QUESTION 1:
Did you apply business models within your company?
If "Yes" interviewee continues with question No 3
If "No" interviewee continues only with question No 2, then goes to Block 3
If "Hard to say" interviewee continues only with question No 2, then goes to Block 3

QUESTION 2:
If "No" or "Hard to say", why didn't you use a business model in your company?

The respondents added these answers:
- The company is not structured to manage a business model
- Inability
- Satisfactory performance of the company
- Interpretation of business with an old vision of one man business

QUESTION 3:
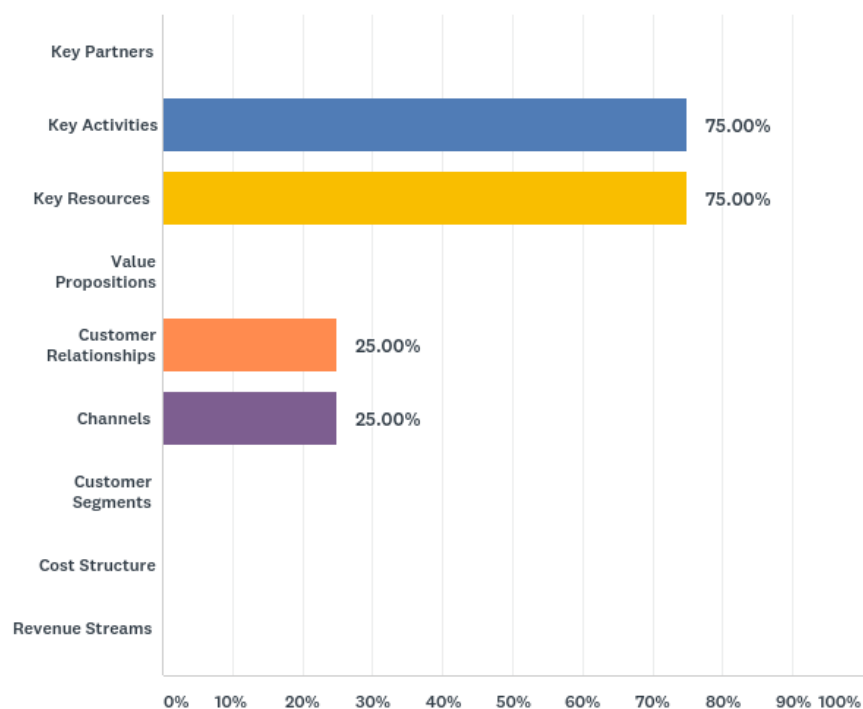What type of revenue streams do you use?

Legend:
- **Add-one model** (you sell one product for low price in hopes of selling additional p...
- **Affiliate model** (you support someone who sells a product in return for commissic...
- **Auction model** (with the use of e.g. e-bay)   **Direct Sales model**
- **Franchise model**
- **Freemium model** (you give the basic service for free, but if a customers want to g...
- **Low-Cost model**
- **Subscription model** (a customer pays a recurring price at regular intervals for acc...
- **Altro (specificare)**

QUESTION 4:
Which of the following elements have you included in your business model?
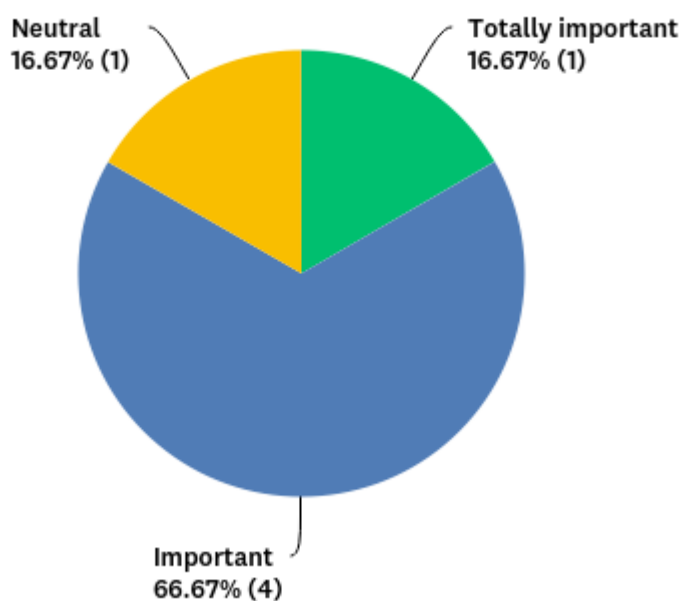*Possibility to choose more than one answer.*

ELEMENTS OF BUSINESS MODEL

Based on the elements of the Business Model Canvas, please indicate which elements you perceive as important in your business activity.
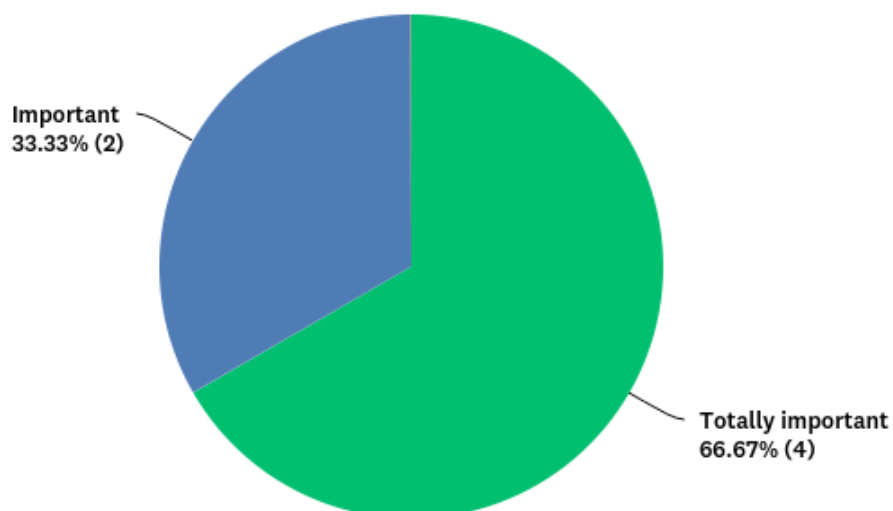
1. KEY PARTNERS
(Business partners, without whom the business could not operate properly; these are usually sellers, suppliers and subcontractors)

Neutral
16.67% (1)

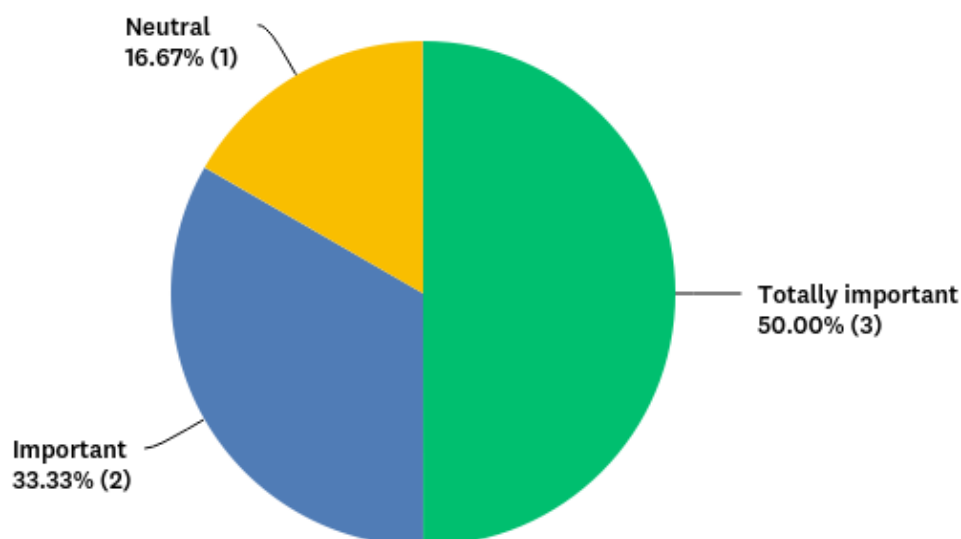Totally important
16.67% (1)

Important
66.67% (4)

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)
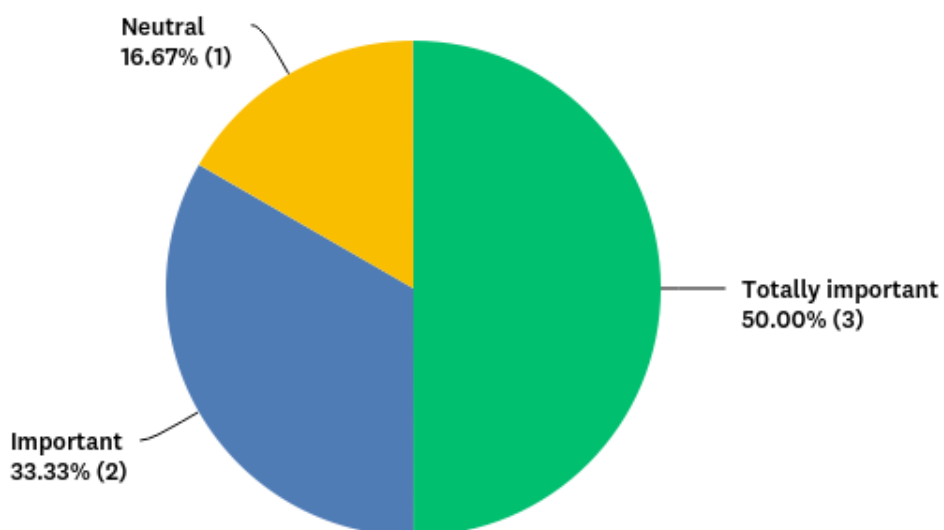

Important
33.33% (2)

Totally important
66.67% (4)

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

Neutral
16.67% (1)

Totally important
50.00% (3)
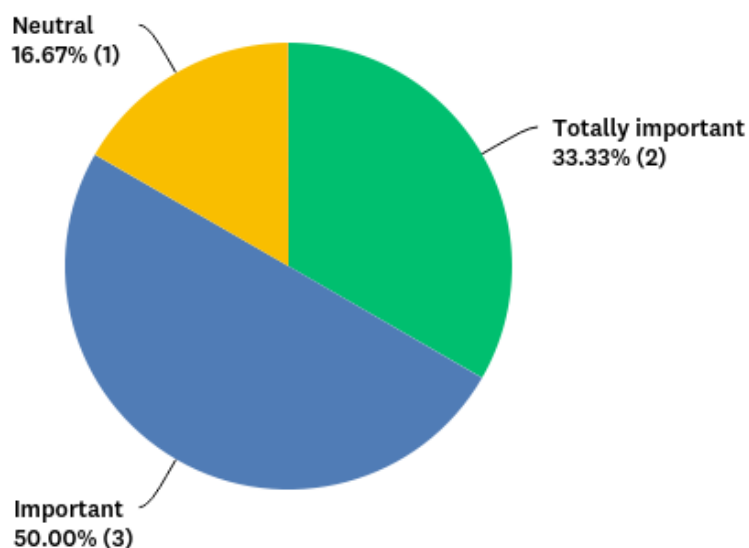
Important
33.33% (2)

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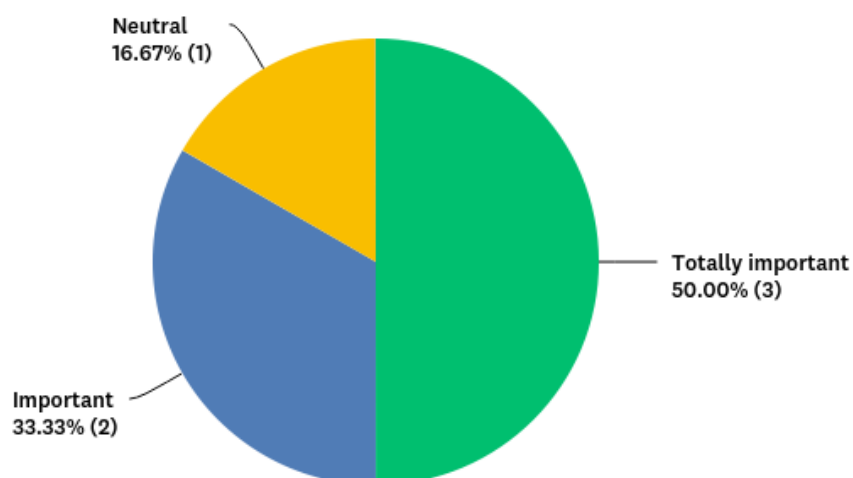

Neutral
16.67% (1)

Totally important
50.00% (3)

Important
33.33% (2)

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

Neutral
16.67% (1)

Totally important
33.33% (2)

Important
50.00% (3)

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

Neutral
16.67% (1)

Totally important
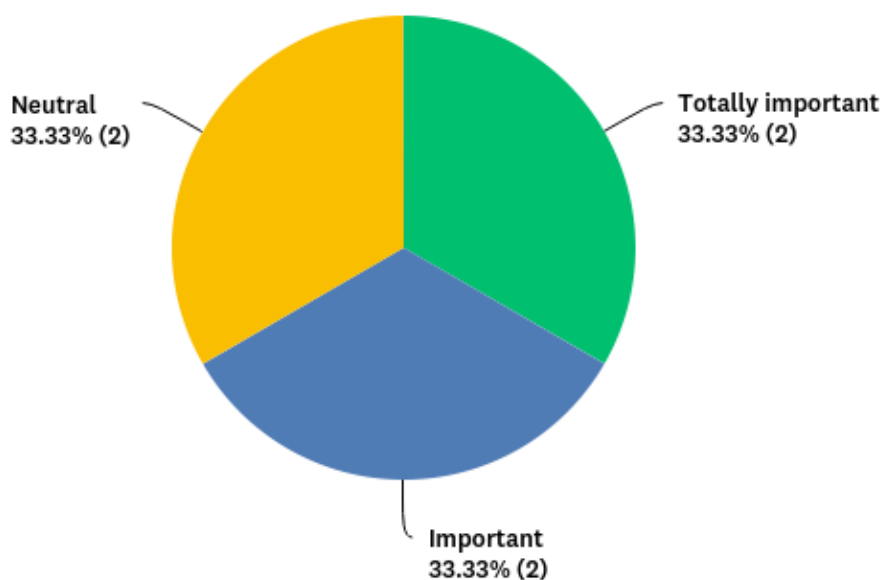50.00% (3)

Important
33.33% (2)

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)
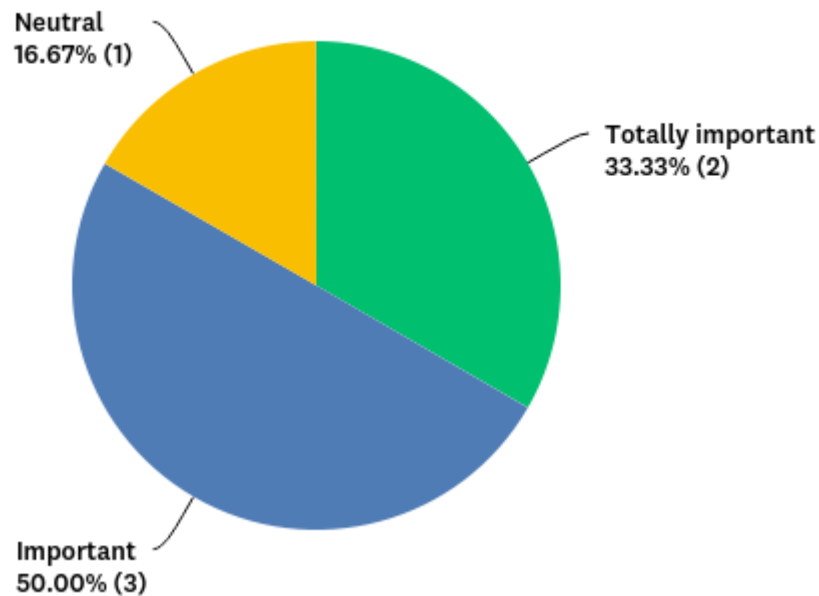

Neutral 33.33% (2)
Totally important 33.33% (2)
Important 33.33% (2)

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

Neutral 33.33% (2)
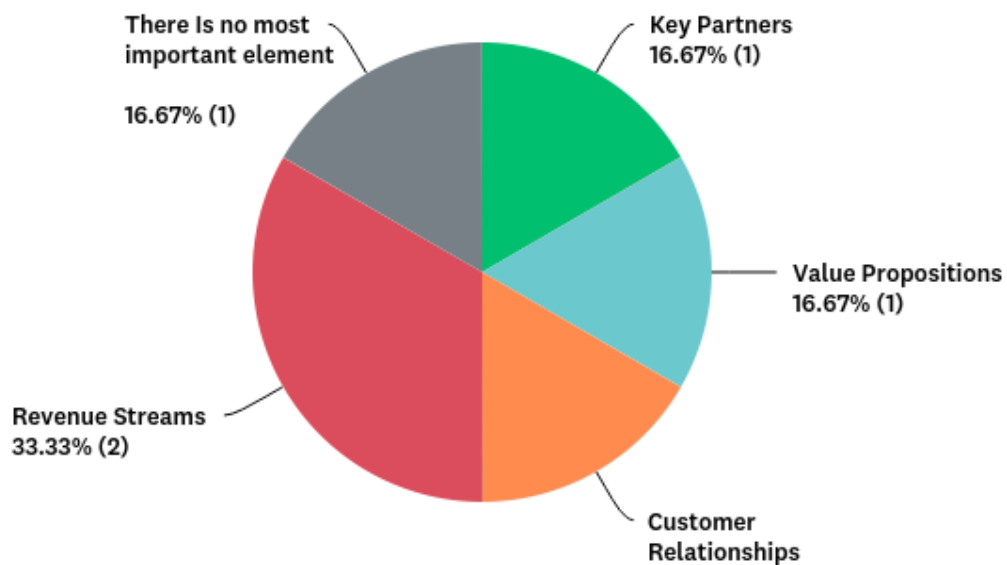Totally important 33.33% (2)
Important 33.33% (2)
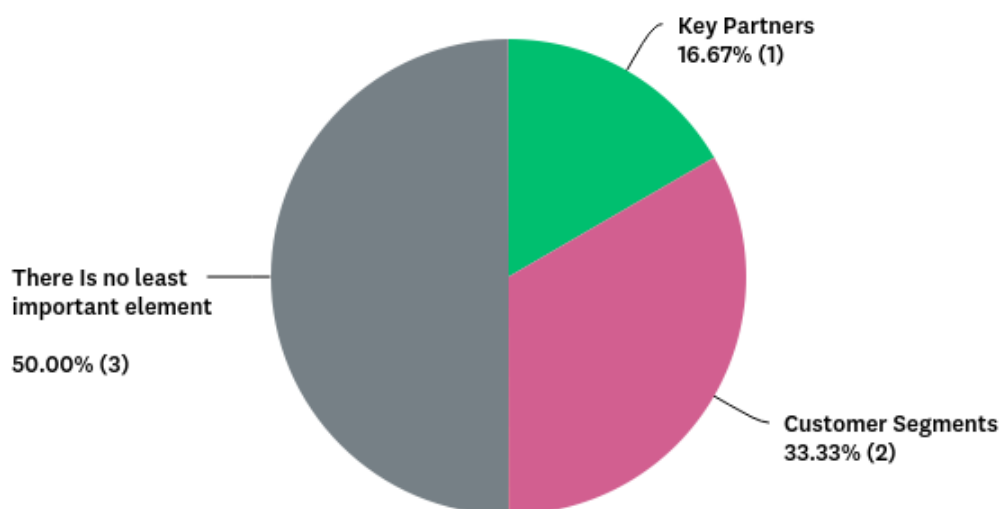
9. REVENUE STREAMS
(An introduction of how the product or service will generate revenue. It may be different for each customer segment)
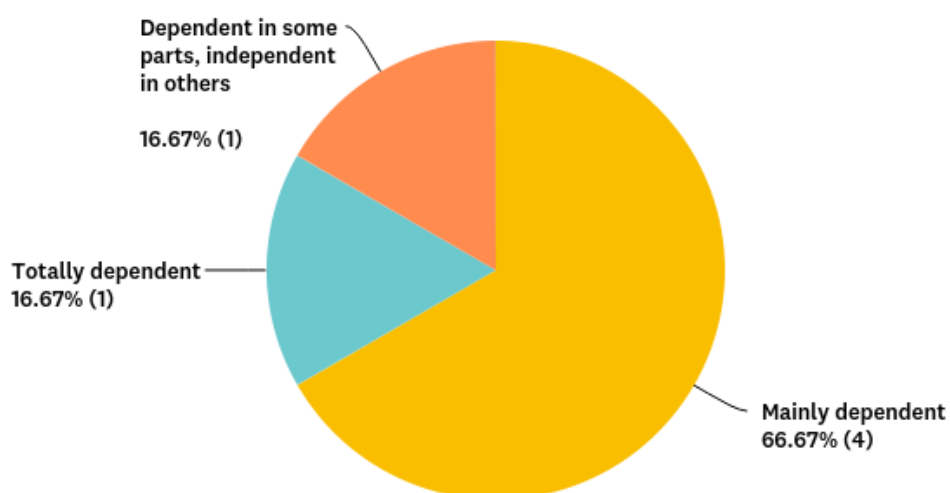

10. Which of the above elements is the **MOST IMPORTANT** in your opinion?
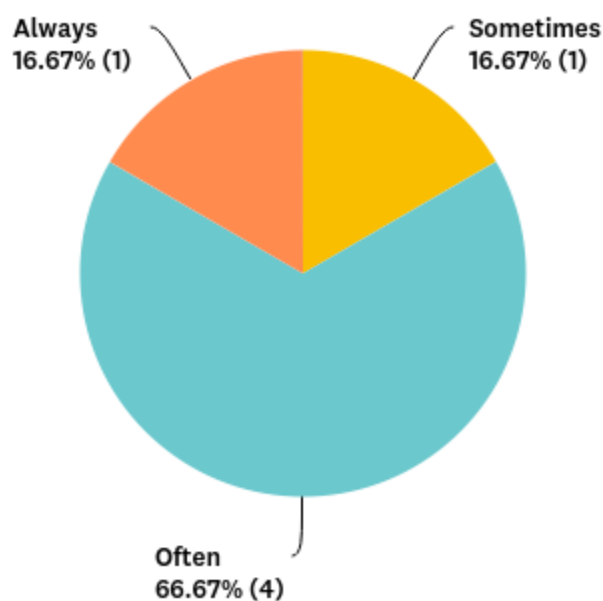
11. Which of the above elements is the **LEAST IMPORTANT** in your opinion?

Key Partners
16.67% (1)

There Is no least
important element

50.00% (3)

Customer Segments
33.33% (2)

12. You see the different elements of business model as:

Dependent in some
parts, independent
in others

16.67% (1)

Totally dependent
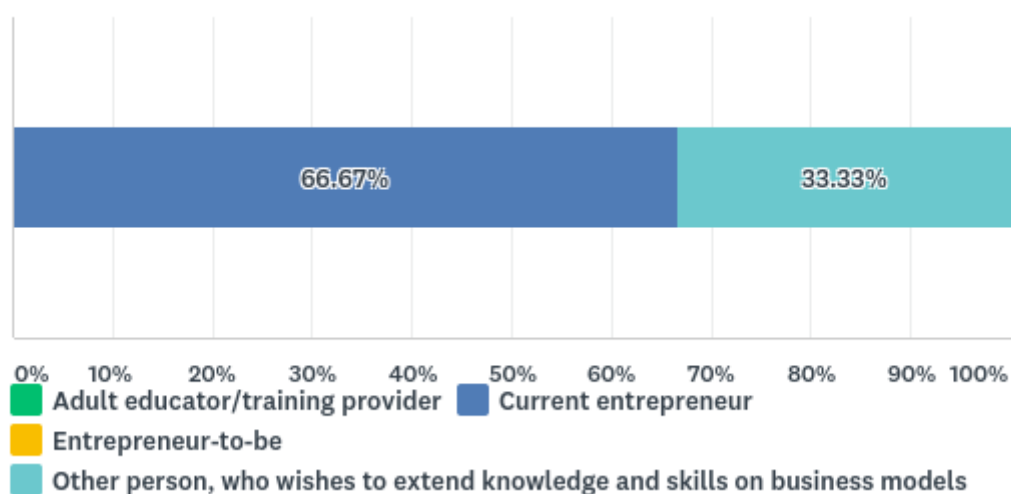16.67% (1)

Mainly dependent
66.67% (4)

13. How often, in your opinion, does a change in one of the elements lead to a change in other(s)?

COMPANY AND INTERVIEWEE PROFILE

QUESTION 1.
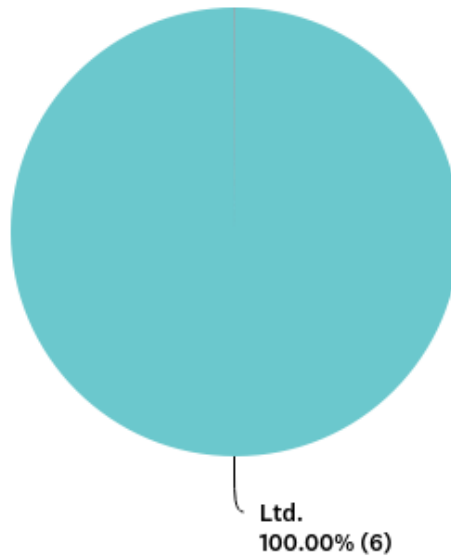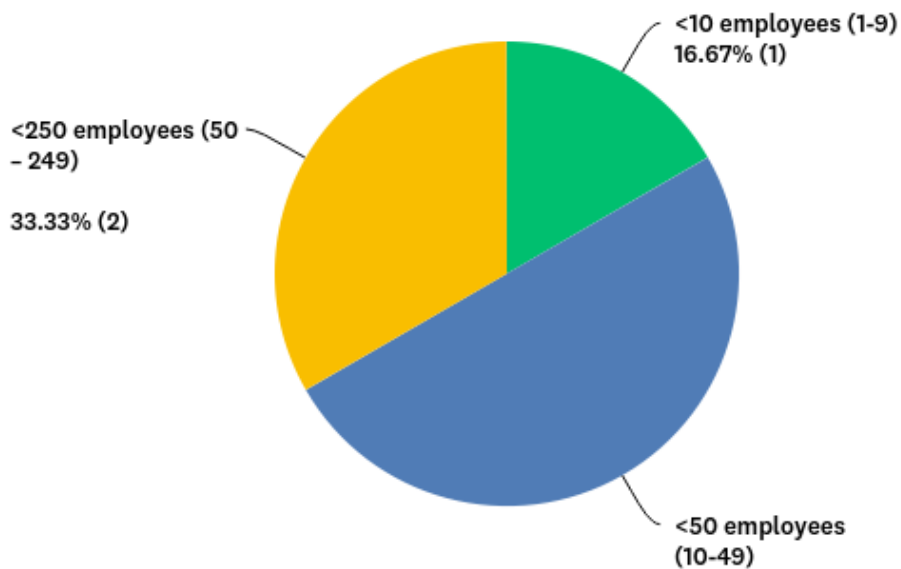Which target group do you represent?

QUESTION 2:
Type of the company

Ltd.
100.00% (6)

QUESTION 3:
Size of the company

<10 employees (1-9)
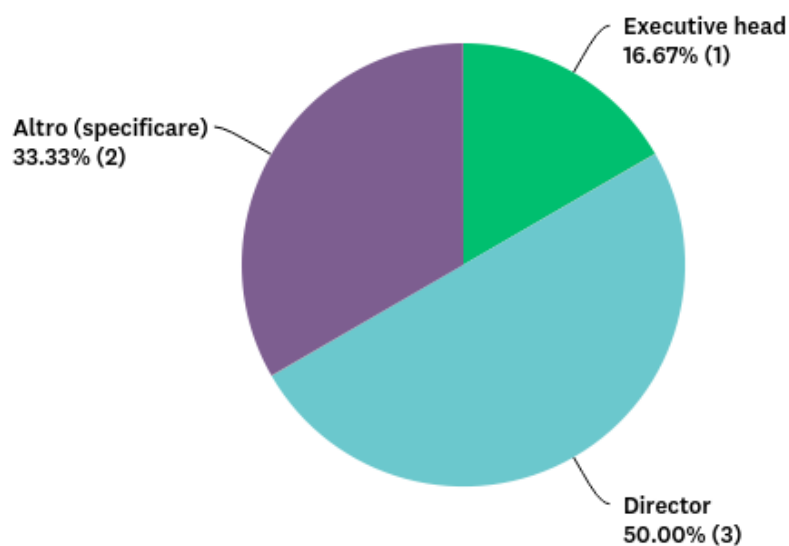16.67% (1)

<250 employees (50
– 249)

33.33% (2)

<50 employees
(10-49)

QUESTION 4:
Position in the company

Other: (1) Responsible for foreign sales, (2) Backoffice- Commercial department – Italy.
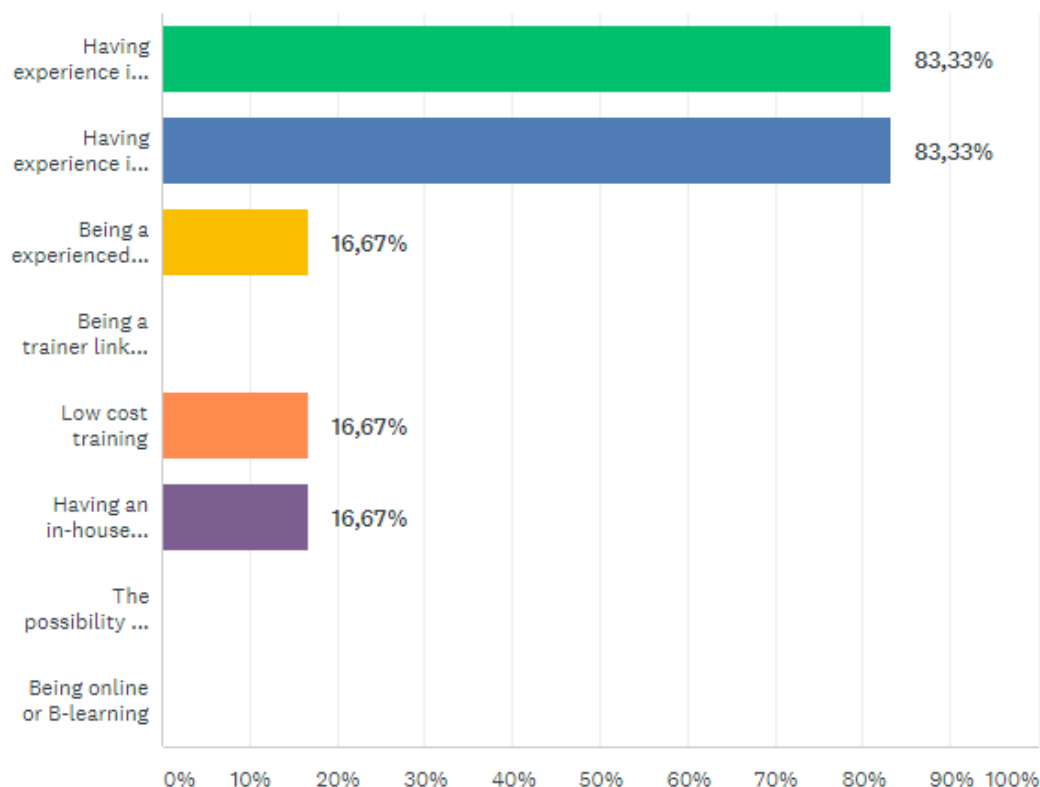
QUESTION 4:
Sector of the company:
- Fine mechanics machinery (1)
- Textile and fashion (1)
- Commerce (1)
- Production of lighting elements (1)
- Software B2B (1)
- Tourism (1)

QUESTION 5:
What kind of trainer features would you appreciate if you search for a business models training? You may choose more than one answer

3. CONCLUSIONS

According to the results of the six surveys collected, it can be clearly noted that nearly all entrepreneurs know what a business model is, but only 33.33% of them apply it in their activity, even if the majority of them recognize the importance of business models for the success of the company and to improve the situation of an enterprise in the market. Also, 83.33% of them agree that the increase in knowledge on business models reduce barriers in starting/improving own business.

According to the results, the main benefits in using a business models are: having a plan for growth, improving operational efficiencies, having financial sustainability and increasing profitability and efficiency. When asked why they do not apply a business model in their company, the reasons were: the inability of the company to manage a business model, the old vision of one-man business or the satisfaction for company's current performance.

All the companies of the interviewees use direct sales model as revenue streams.

The majority of them agree that every element of the business model canvas is perceived important in their activities. The most important ones are revenue streams (33.33%), customer relationships (16.67%), key partners (16.67%) and value propositions (16.67%). 33.33% of them answered that customer segments are the least important element. 66.67% of them find that the different elements of a business model as mainly dependent, 16.67% as totally dependent and 16.67% as dependent in some parts, and independent in others. When asked how often a change in one of the elements lead to a change in other(s), they answered often (66.67%), always (16.67%) and sometimes (16.67%).

Finally, the respondents were asked to indicate what kind of trainer features they would appreciate if they were to search for business models training. They think that having experience in business model training (83.33%) and in their business area (83.33%) are the most important features.