



ProBM 2

NATIONAL REPORT MALTA

Understanding and Developing
Business Models in the Globalisation Era

ProBM 2

25-03-2020



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 involves a questionnaire which is 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 include 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.

A total of 11 interviews with entrepreneurs in Malta were conducted through Skype, email or face-to-face.

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 study are presented on the following pages.

While 11 respondents answered the majority of the questions in this survey, in Blocks 1 and 4, one respondent skipped two questions. In the legends, next to the graphs, the number of individual responses obtained is provided in brackets. In addition, it should be noted that in question 6 Block 1, question 4 Block 2, question 5 Block 4, it was possible for respondents to select multiple answers.

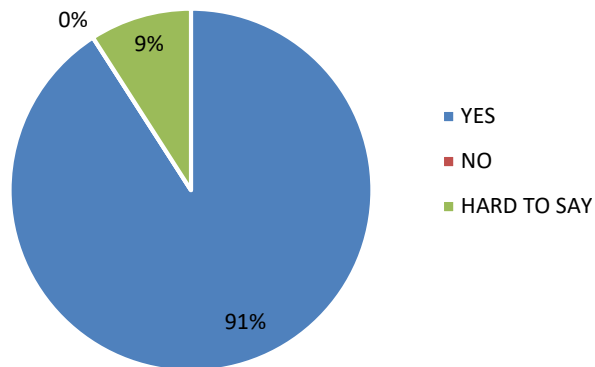
2. RESULTS

BLOCK 1

GENERAL KNOWLEDGE AND OPINIONS ON BUSINESS MODELS

QUESTION 1:

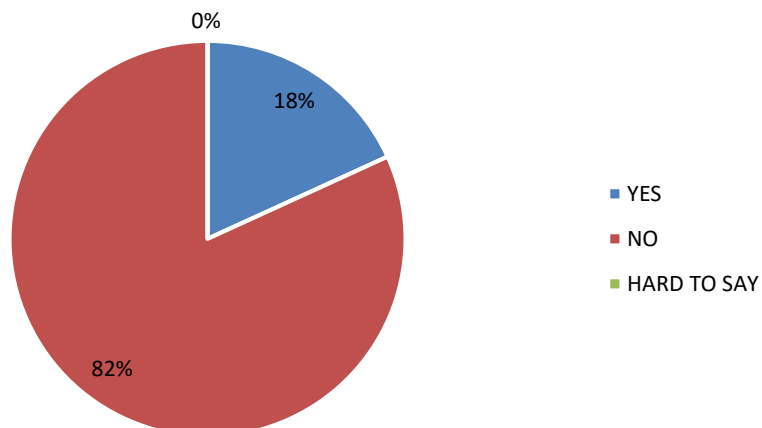
Do you know what business model is?



(Respondent Count: Yes = 10, No = 0, Hard to say = 1)

QUESTION 2:

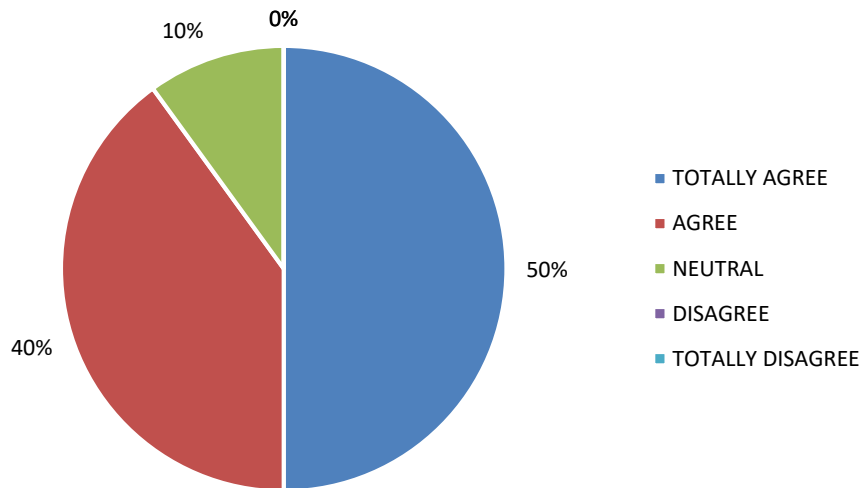
Have you ever heard about Business Model Canvas (BMC)?



(Respondent Count: Yes = 2, No = 9, Hard to say = 0)

QUESTION 3:

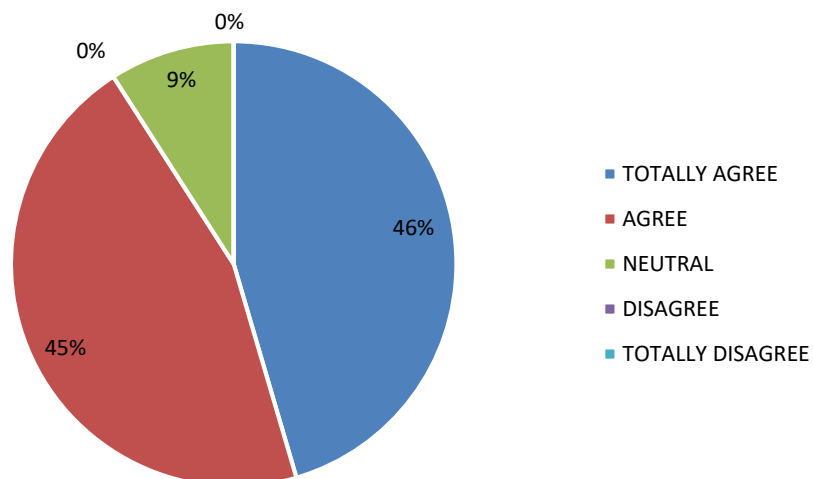
The development of the business model is crucial towards contributing to the success of a company.



(Respondent Count: Totally agree =5, Agree =4, Neutral =1, Disagree =0, Totally Disagree= 0)

QUESTION 4:

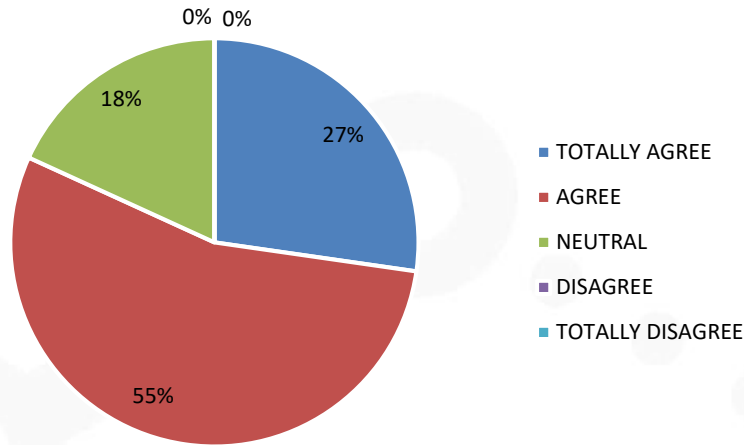
The use of a good business model improves the situation of an enterprise/organization on the market.



(Respondent Count: Totally agree =5, Agree =5, Neutral =1, Disagree =0, Totally Disagree= 0)

QUESTION 5:

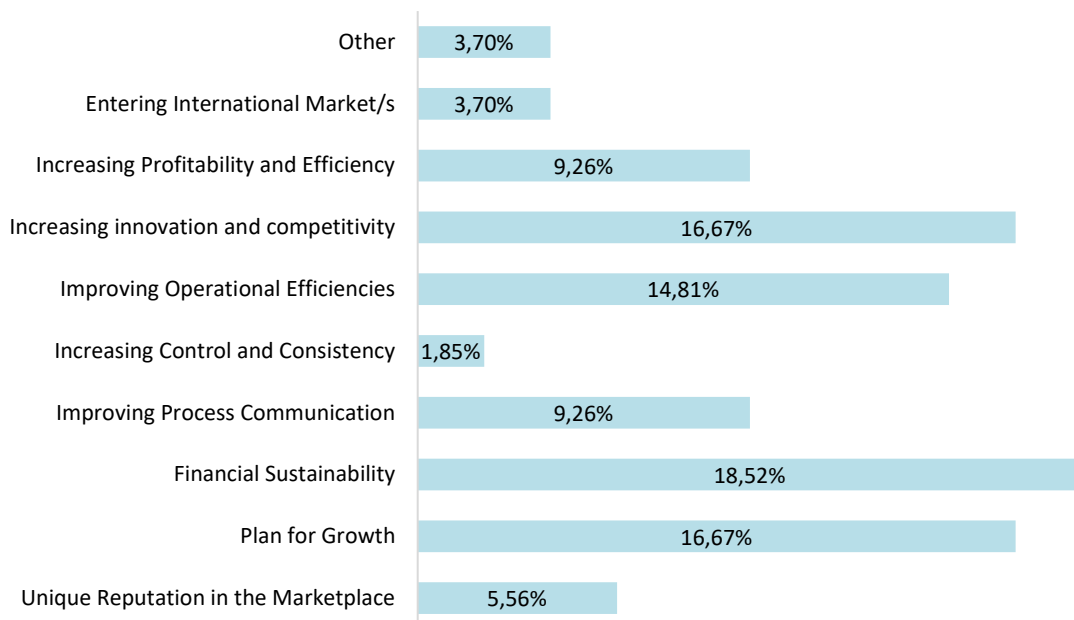
The increase in knowledge on business models reduces barriers to starting or/and improving own business.



(Respondent Count: Totally agree =3, Agree =6, Neutral =2, Disagree =0, Totally Disagree=0)

QUESTION 6:

Could you define the benefits of using business models? Please list up to 5 most relevant benefits.



Other reasons: (1) May help one to self-reflect and delve into more detail on business model components; (2) it works as a snapshot of how one's business model was, it allows one to contrast the current business model scenario against the previous scenario.

BLOCK 2

BUSINESS MODEL IN YOUR COMPANY

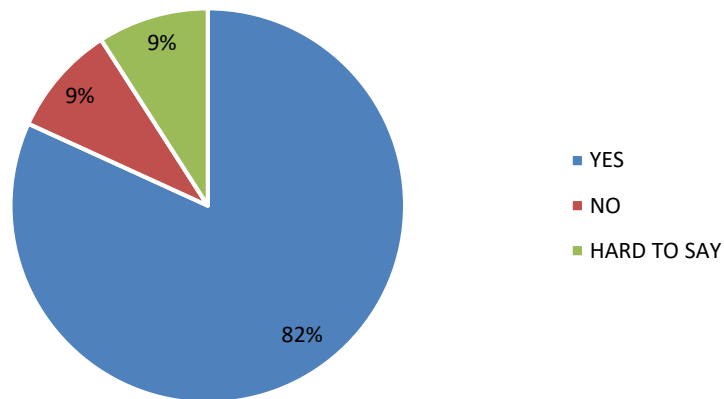
QUESTION 1:

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

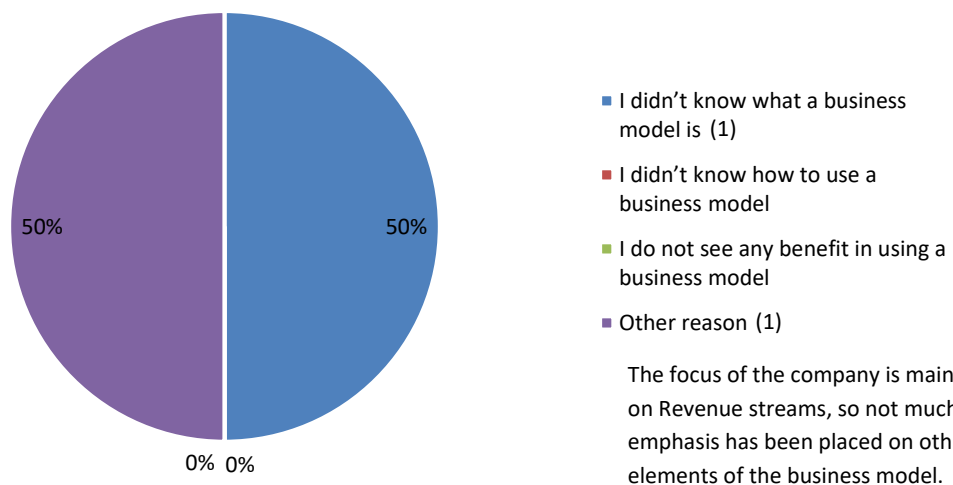
If "Hard to say" interviewee continues only with question No 2, then goes to Block 3



(Respondent Count: Yes =9, No = 1, Hard to say =1)

QUESTION 2:

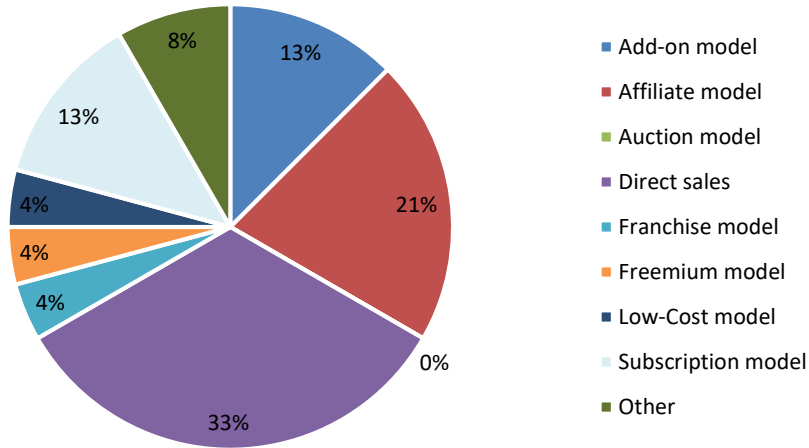
If "No" or "Hard to say", why didn't you use a business model in your company?



The focus of the company is mainly on Revenue streams, so not much emphasis has been placed on other elements of the business model.

QUESTION 3:

What type of revenue streams do you use?



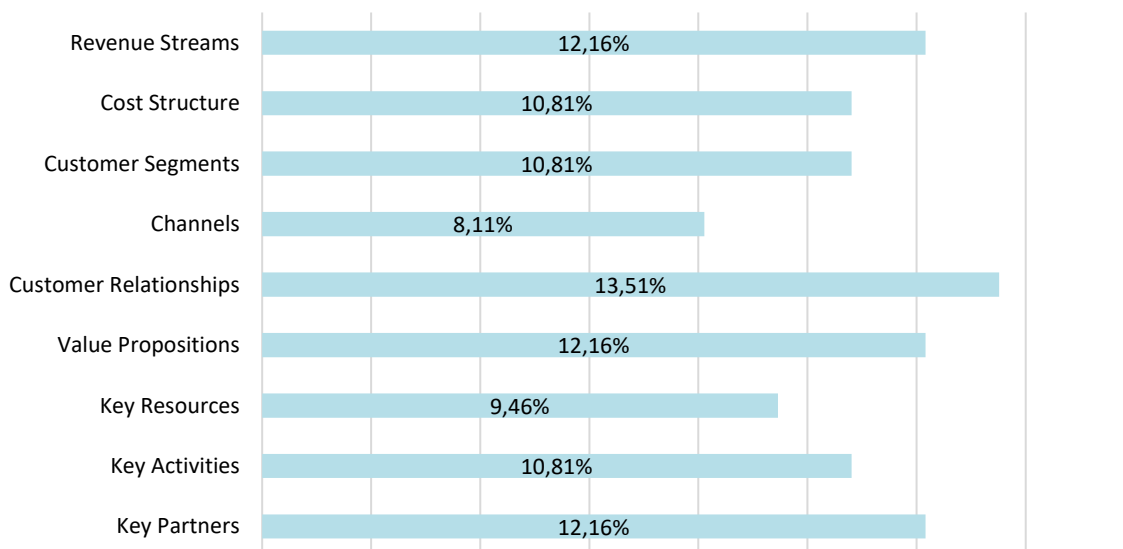
(Respondent Count: Add-on model =3, Affiliate model = 5, Auction model =0, Direct sales =8, Franchise model =1, Freemium model =1, Low-cost model =1, Subscription model =3, Other =2)

Other: (1) Government service admin charge; (2) professional service

QUESTION 4:

Which of the following elements have you included in your business model?

Possibility to choose more than one answer.



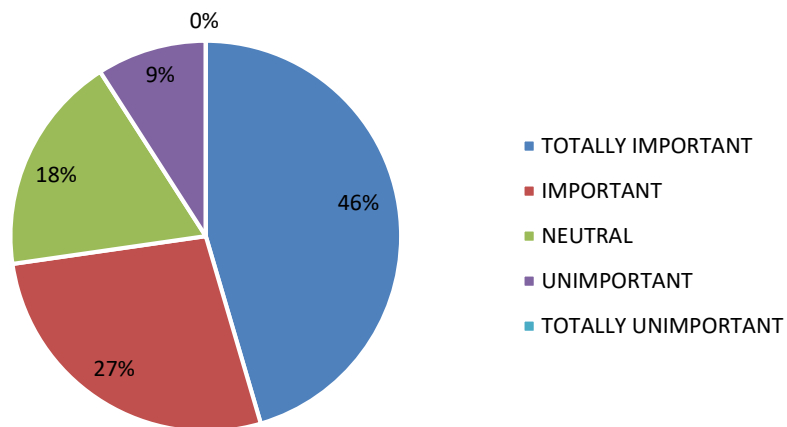
BLOCK 3

ELEMENTS OF BUSINESS MODEL

Based on the elements of Business Model Canvas, please indicate which elements you perceive as important in your business activity.

1. KEY PARTNERS

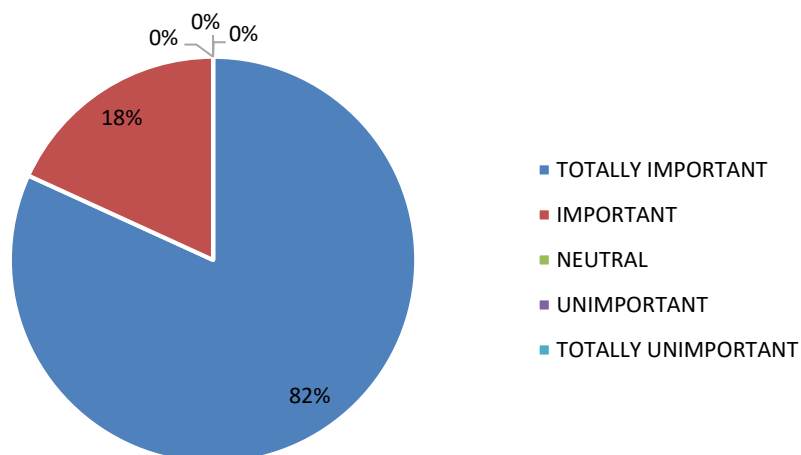
(Business partners, without whom the business could not operate properly; these are usually sellers, suppliers and subcontractors)



(Respondent Count: Totally important =5, Important =3, Neutral =2, Unimportant =1, Totally unimportant= 0)

2. KEY ACTIVITIES

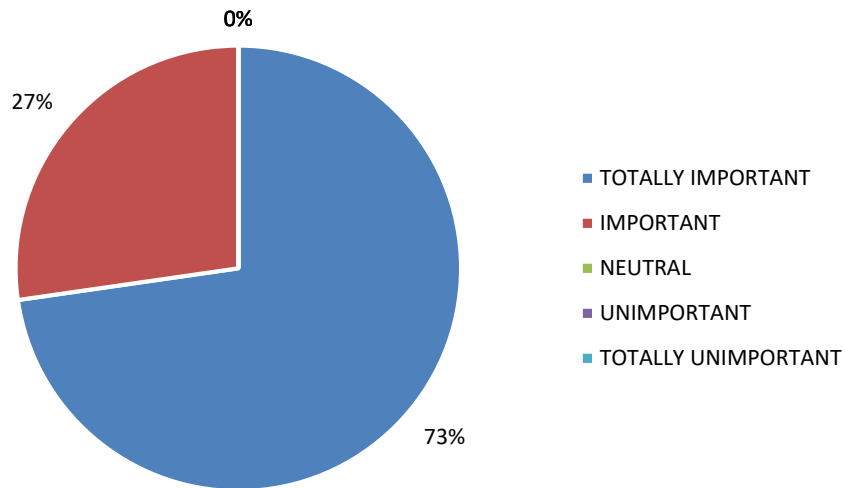
(The most important activities that a company must perform to provide added value, establish a relationship with a customer, and generate revenue)



(Respondent Count: Totally important =9, Important =2, Neutral =0, Unimportant =0, Totally unimportant= 0)

3. KEY RESOURCES

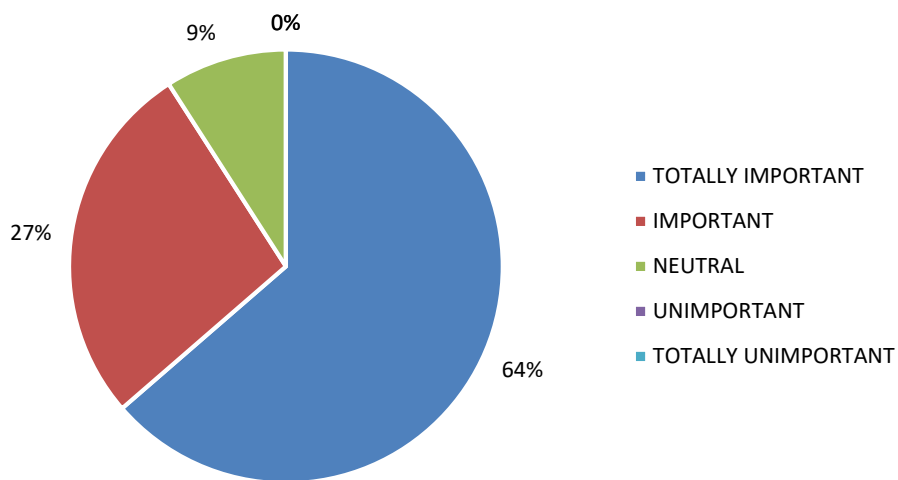
(Company resources that are necessary for the operating of a business, both tangible and intangible)



(Respondent Count: Totally important =8, Important =3, Neutral =0, Unimportant =0, Totally unimportant= 0)

4. VALUE PROPOSITIONS

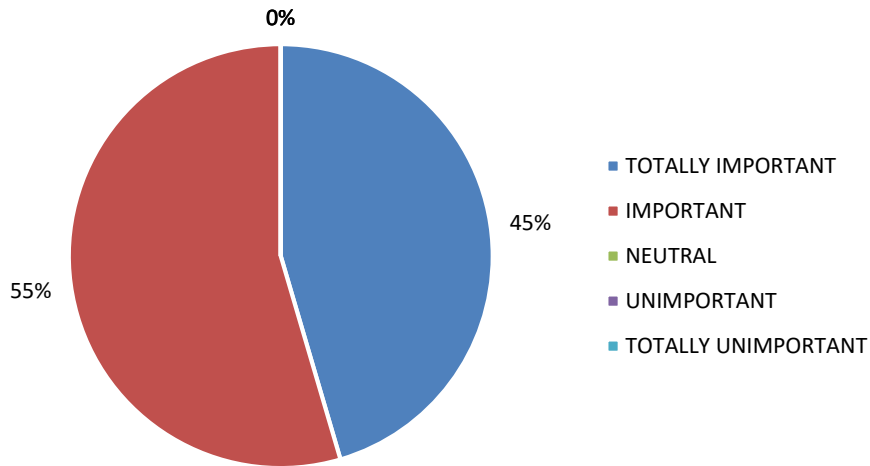
(It is what we offer our clients, what distinguishes us from what our competitors offer. These are the benefits that the customer will receive)



(Respondent Count: Totally important =7, Important =3, Neutral =1, Unimportant =0, Totally unimportant= 0)

5. CUSTOMER RELATIONSHIPS

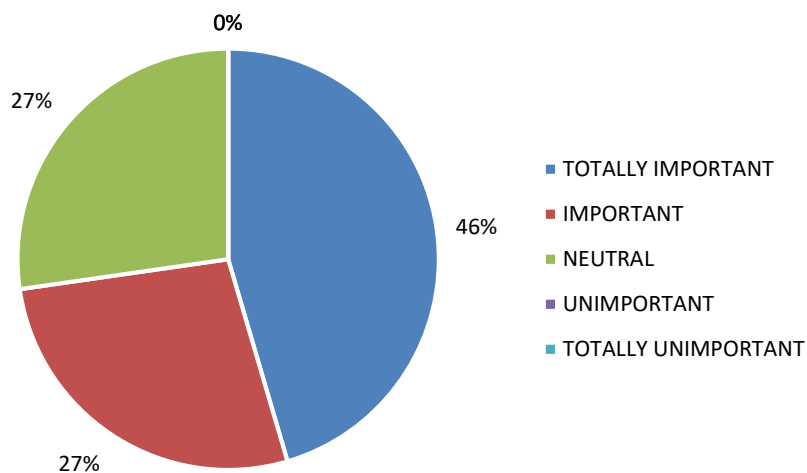
(Characteristics of relationships with the client)



(Respondent Count: Totally important =5, Important =6, Neutral =0, Unimportant =0, Totally unimportant= 0)

6. CHANNELS

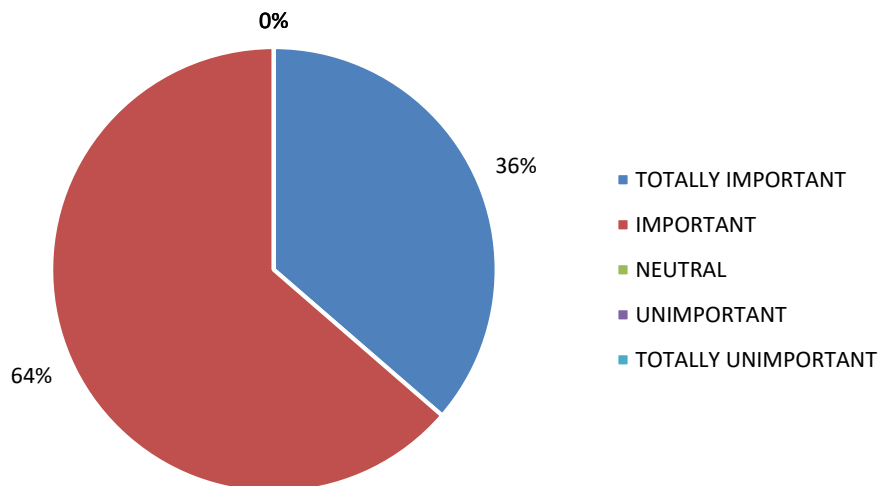
(Ways of reaching the customers, how we can reach them and sell the product)



(Respondent Count: Totally important =5, Important =3, Neutral =3, Unimportant =0, Totally unimportant= 0)

7. CUSTOMER SEGMENTS

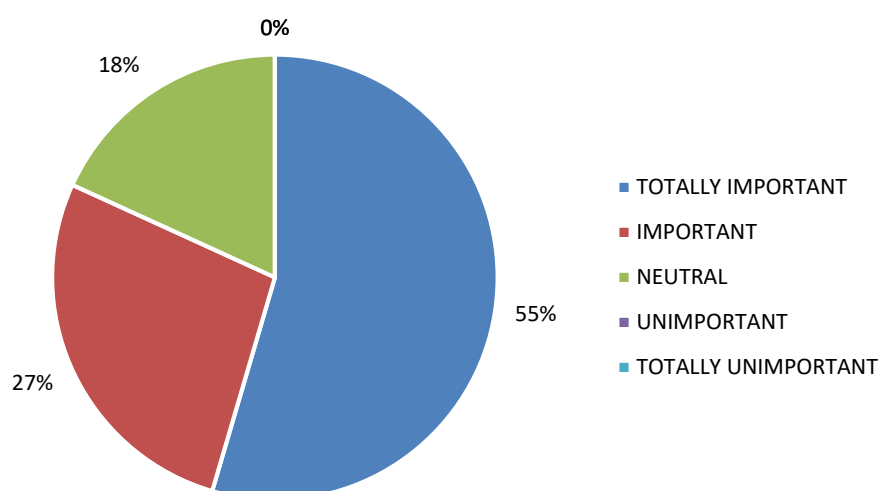
(Different groups of people, organisations to which activities will be directed. They will be the customers. Customer segments should be separated if they differ significantly)



(Respondent Count: Totally important =4, Important =7, Neutral =0, Unimportant =0, Totally unimportant= 0)

8. COST STRUCTURE

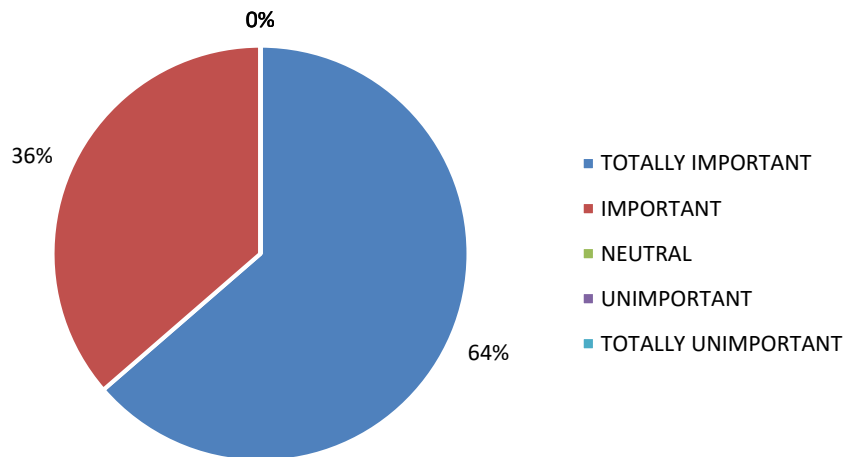
(All expenses incurred in connection with the functioning of the business model)



(Respondent Count: Totally important =6, Important =3, Neutral =2, Unimportant =0, Totally unimportant= 0)

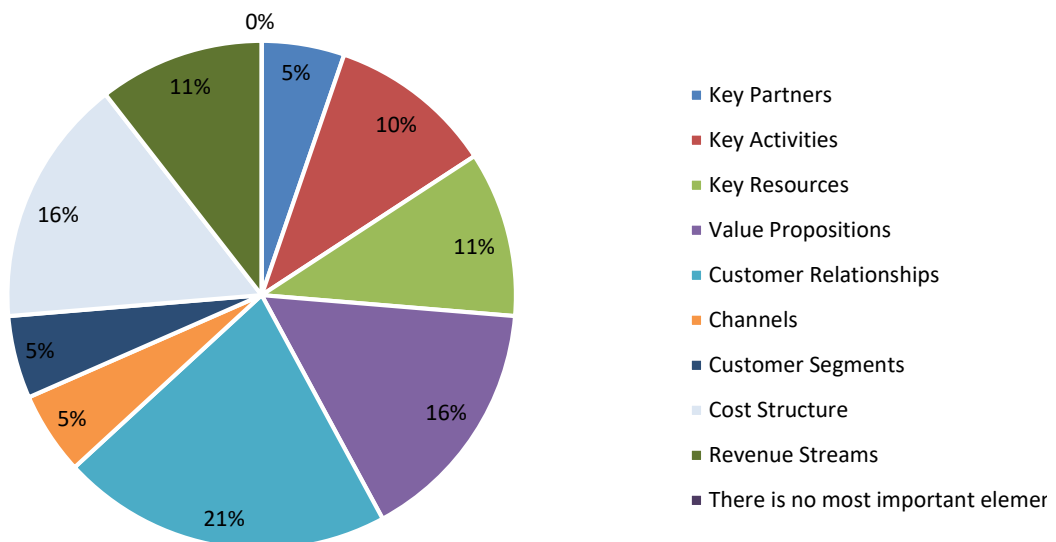
9. REVENUE STREAMS

(An introduction of how the product of service will generate revenue. It may be different for each customer segment)



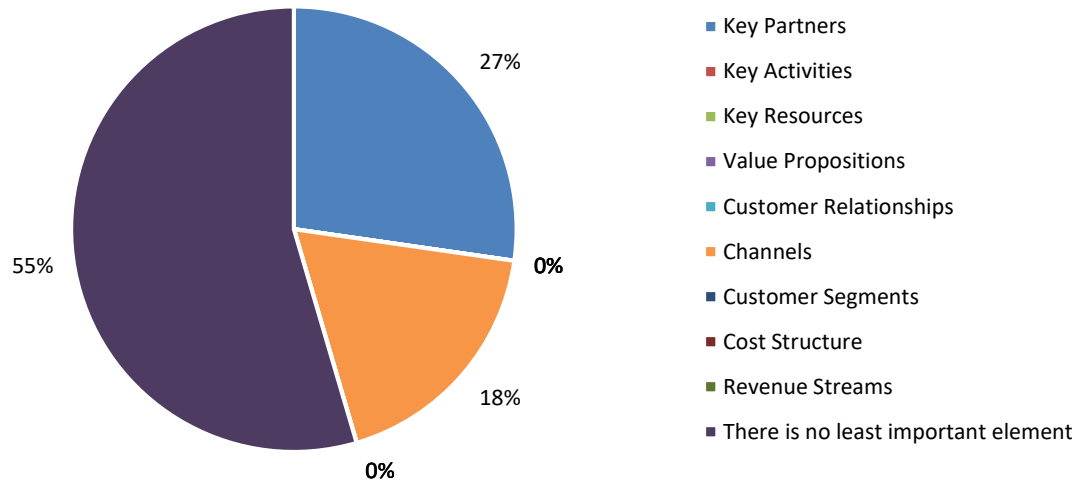
(Respondent Count: Totally important =7, Important =4, Neutral =0, Unimportant =0, Totally unimportant= 0)

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



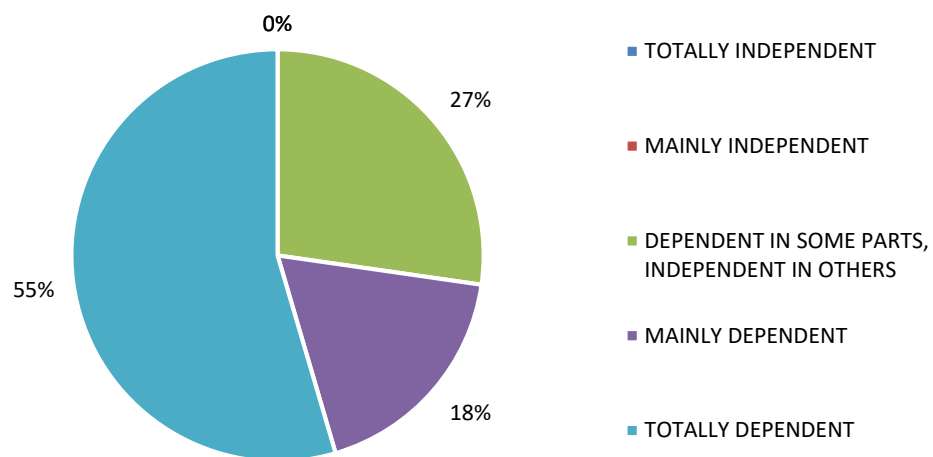
(Respondent Count: Key Partners= 1, Key Activities= 2, Key Resources= 2, Value Proposition= 3, Customer Relationships= 4, Channels= 1, Customer Segments= 1, Cost Structure= 3, Revenue Streams= 2, There is no important element= 0)

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



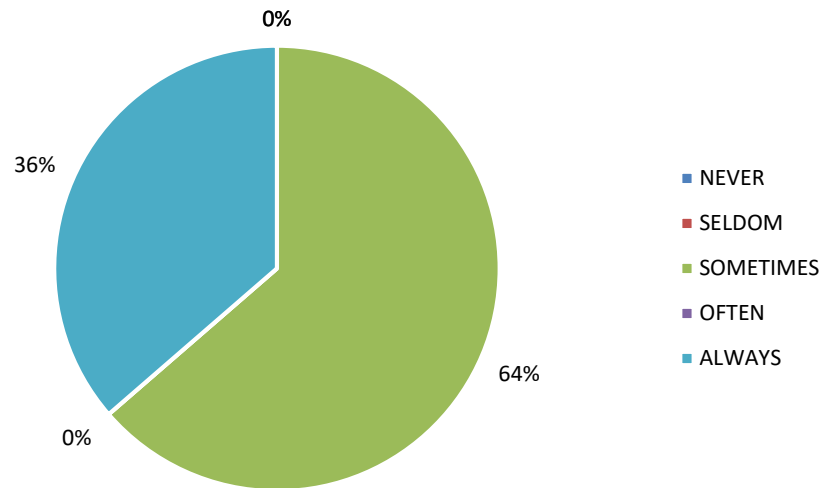
(Respondent Count: Key Partners= 3, Key Activities= 0, Key Resources= 0, Value Proposition= 0, Customer Relationships= 0, Channels= 2, Customer Segments= 0, Cost Structure= 0, Revenue Streams= 0, There is no important element= 6)

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



(Respondent Count: Totally independent= 0, Mainly Independent= 0, Dependent in Some Parts, Independent in Others= 3, Mainly Dependent= 2, Totally Dependent= 6)

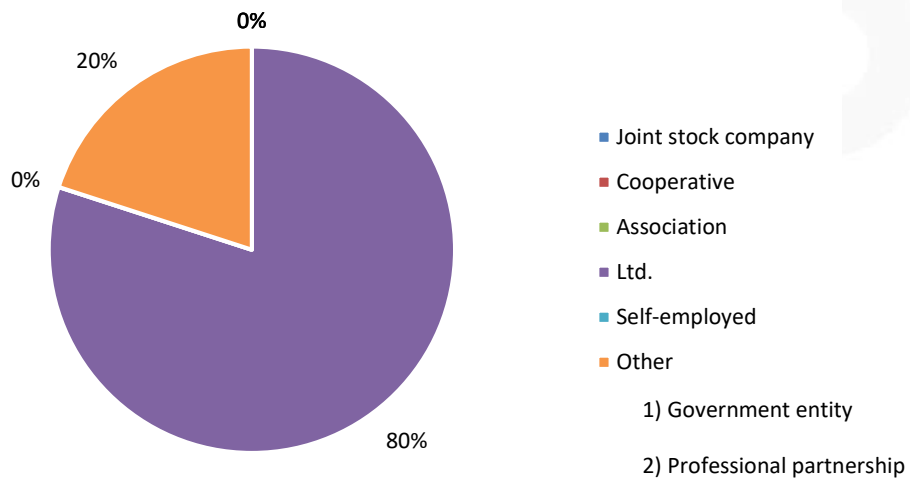
13. How often, in your opinion, does a change in one of the elements lead to a change in other(s)?



(Respondent Count: Never= 0, Seldom = 0, Sometimes= 7, Often= 0, Always= 4)

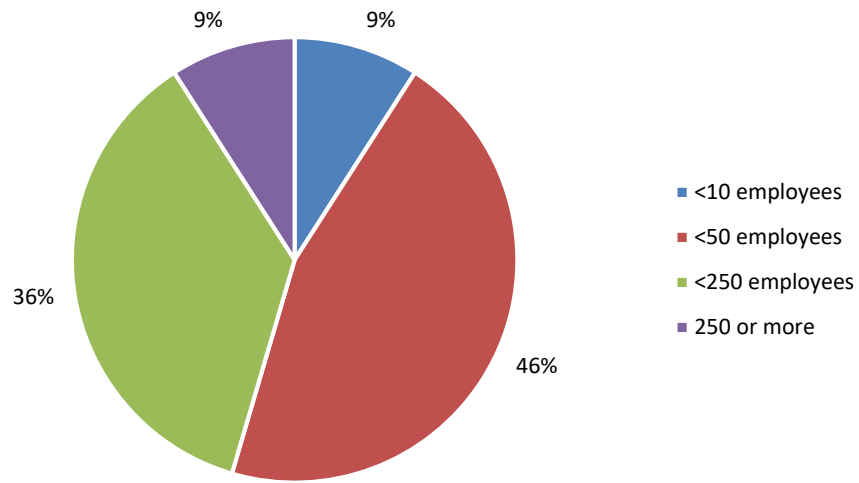
BLOCK 4 COMPANY AND INTERVIEWEE PROFILE

QUESTION 1:
Type of the company



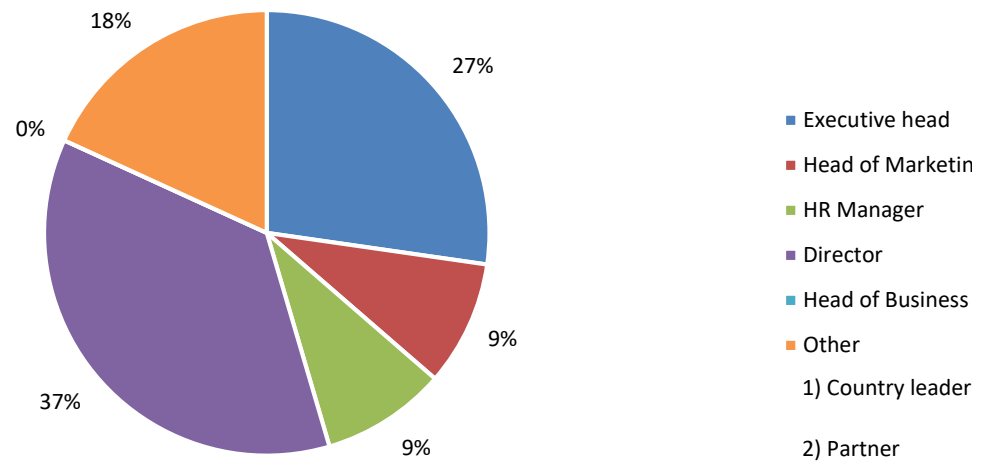
(Respondent Count: Joint stock company=0, Cooperative=0, Association=0, Ltd.= 8, Self-employed=0, Other= 2)

QUESTION 2:
Size of the company



(Respondent Count: <10 employees= 1, <50 employees= 5, <250 employees= 4, 250 or more= 1)

QUESTION 3:
Position in the company



(Respondent Count: Executive head= 3, Head of marketing= 1, HR manager= 1, Director= 4, Head of Business= 0, Other= 2)

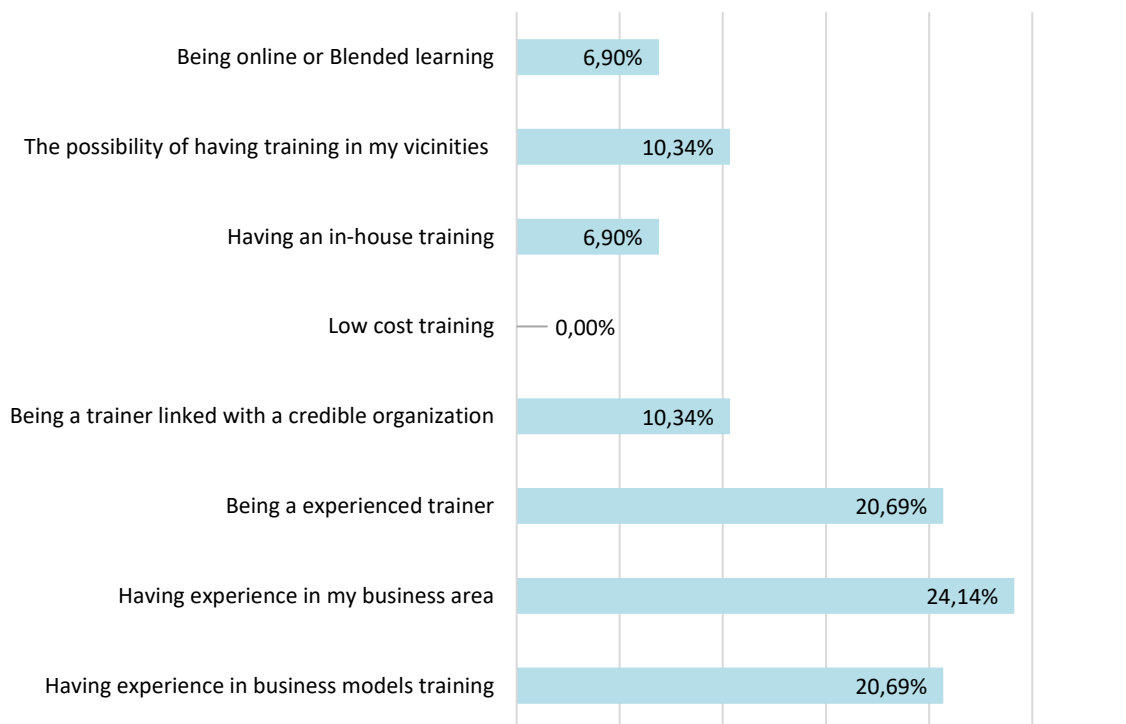
QUESTION 4:

Sector of the company:

Sector	Number of respondents
Technology	1
Insurance	1
Consulting and training	1
Environmental services	1
Transportation, mobility and technology	1
Cultural heritage	1
Corporate services	1
Video games	1
Information technology	1
Architecture and civil engineering	1
Manufacturing and retail	1

QUESTION 5:

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



3. CONCLUSIONS

Based on the preceding results, the majority of Maltese entrepreneurs who participated in this survey claim that they have basic knowledge in business models, with 90.91% of respondents selecting this option. While the majority of respondents seem to be knowledgeable in business models, only 18.18% of respondents claim that they are aware of the business model canvas, whilst 81.82% of respondents had never previously heard of the business model canvas. When respondents were asked to rate whether they totally agree or totally disagree with the following statements:

- the development of business model is crucial towards contributing to the success of a company;
- the use of a good business model improves the situation of an enterprise / organisation on the market;
- the increase in knowledge on business models reduce barriers to starting or / and improving own business.

Results reveal that the majority of respondents totally agree or agree with the preceding statements, while, on the other hand, a few respondents displayed a neutral response to these statements. No respondents disagreed or totally disagreed with the aforementioned statements.

When asked about the benefits of using business models, the majority of Maltese respondents indicated that business models primarily assist organizations attain financial sustainability. Moreover, Maltese entrepreneurs indicated that other benefits associated with business models include 1) increasing innovation and competitiveness, 2) plan for growth, 3) increasing profitability and efficiency, and 4) improving process communication. In contrast, respondents indicated that the least important benefits of business models include 1) unique reputation in the marketplace, 2) entering international markets, and 3) increasing control and consistency.

When interviewees were asked to indicate whether they make use of/made use of business models, 81.82% of respondents indicated that they have made use of business models, while 9.09% of respondents indicated that they did not or they remain unsure of whether they've made use of business models.

Respondents also indicated that the revenue streams that they use in their companies are:

- Add-on model (12.50%)
- Affiliate model (20.83%)
- Direct sales (33.33%)

- Franchise model (4.17%)
- Freemium model (4.17%)
- Low-cost model (4.17%)
- Subscription model (12.50%)
- Government service and admin charge (4.17%)
- Professional service (4.17%)

Results also indicate that respondents make use of the following business model elements:

- Key Partners (12.16%)
- Key Activities (10.81%)
- Key Resources (9.46%)
- Value Propositions (12.16%)
- Customer Relationships (13.51%)
- Channels (8.11%)
- Customer Segments (10.81%)
- Cost Structure (10.81%)
- Revenue Streams (12.16%)

Entrepreneurs were also asked to indicate how important they perceive the individual elements of business models. Accordingly, Maltese entrepreneurs indicated that they perceive the majority of business model elements to be important or totally important

According to respondents, the most important business model element is Key Activities (81.82%), while the least important element is Customer Segments (36.36%). The majority of Maltese entrepreneurs perceive that business model elements are totally dependent (54.55%), and a proportion of respondents also indicated that these elements are dependent in some parts and independent in others (27.27%). When asked whether respondents believe a change in one business model element is likely to lead to a change in subsequent business model elements, respondents stated this would occur:

- Sometimes (63.64%)
- Always (36.36%)

Respondents indicated that the trainer features they would be most interested in include a trainer who has experience in their field (24.14%), a trainer who is experienced (30.69%) and a trainer who has previous experience in business model training (20.69%). The least important features for respondents are having in-house training (6.90%), being online or blended (6.90%) and low-cost training (0%).