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# **NEW TRENDS IN BUSINESS MANAGEMENT**

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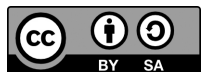
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## **Business Model Innovation Process on the Example of an IT Company**

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**Abstract:** The aim of the article is to explore one of the business model transformation processes in the XYZ company, operating in the ERP systems industry. This company, in order to repair internal problems, as well as strengthen its position on the market, decided to change the business model by adding a new business line, which introduced the company to the education industry. In order to achieve the aim of the article, an Individual In-depth Interview (IDI) and a review of the company's internal documentation were conducted. The article ends with conclusions and recommendations connected with Business Model Innovation (BMI). They describe factors conducive to modifying business models and the concept of complementarity developed on the basis of literature analysis and the results of in-depth interviews.

**Keywords:** business model, business line, business model modification, IT, strategy and business model, Business Model Innovation (BMI)

### **1. Introduction**

In the realm of business, there are several concepts frequently used by entrepreneurs and those aspiring to that status. One such concept in recent years has been the "business model," which, despite its relatively short existence spanning just over two decades in theory and management practice, has managed to establish itself prominently. Nevertheless, despite its popularity and widespread use, the definition of this concept and its relationship with corporate strategy remain unclear. This lack of clarity is particularly evident in theoretical discussions, where until recently, one could find claims that much remains unknown about the processes of evolution, modification, or destruction of a business model, as well as the very process of

its formation (Wierziński, 2015). The process of modifying a business model is increasingly being employed as a Business Model Innovation (BMI) process, primarily due to the rapidly changing business environment and crises. At the same time, a review of the literature has confirmed certain research gaps, pointing towards the existence of a research void.

The aim of this article is to explore one of the processes of transforming a business model within XYZ Company, operating in the IT industry, specializing in ERP (Enterprise Resources Planning) system implementations. Responding to internal and external challenges, the company transformed its model by entering the educational industry with a new service. To achieve this goal, the study involved a literature analysis, individual in-depth interviews (IDI) with a representative of the company's management, and a review of internal company documents.

## 2. The Essence of Business Models

The term “business model” consists of two words, with the word “model” defined in the Cambridge English Language Dictionary as “a smaller copy of a real object, often used to show how something works or what it looks like” or a “something that is an example for others to copy” (Model, n.d.). The word “business” is defined as “buying and selling of goods or services” or “an organization that sells goods or services” (Business, n.d.). A definition formed by combining these two separate words might read as follows: “A business model is a scheme illustrating the operation, characteristics, and relationships of a commercial or production venture that generates profit.” Researchers pay attention to elements such as characteristic features, relationships, and profit generation in the context of business models.

One of the first creators of the business model definition was Timmers (1998, pp. 3-8), who described it as:

- the architecture of products, services, and information flow, considering the characteristics of various business actors and their roles,
- characteristics of potential benefits obtained by different business actors,
- characteristics of revenue sources.

Magretta emphasized simplicity, while simultaneously focusing on delivering value to customers and businesses and aligning the interests of different parties. She presented the concept of a business model as something fundamentally different from complex formulas and calculations. She viewed it more as a narrative about how a particular organization operates, providing answers to questions like: who is the customer, and what does the customer value? How will the company make money in this model? And what is the underlying logic explaining how value can be delivered to customers at an appropriate cost? Magretta also highlighted the analytical origins of business models and the fact that the trend of creating business models can be attributed to the popularity of personal computers and

spreadsheets. She argued that data play a crucial role in business model creation and suggested that many successful businesses were created by chance before the era of data analysis and model building (Magretta, 2002, pp. 4-6).

One of the most well-known concepts of a Business Model was proposed by Osterwalder, Pigneur and Tucci, who defined it as a description of how an organization creates value and generates profits. According to them, a business model is a conceptual tool containing a set of objects, concepts, and their relationships to express the business logic of a particular company. Therefore, we need to consider which concepts and relationships allow for a simplified description of what value is delivered to customers, how it is delivered, and what the financial consequences are (Osterwalder et al., 2005, p. 3).

The popularity of this concept was largely driven by the Business Model Canvas template they created in 2010, which outlines 9 elements that fit into the process of revenue generation by a company (Beyer, 2019, p. 3) (see Tab. 1).

**Table 1.** Business Model Canvas

| Key Partners   | Key Activities   | Value Propositions   | Customer Relationships   | Customer Segments  |
|--|--|--|--|--|
| Who are our Key Partners?<br>Who are our Key Suppliers?<br>What do we expect from our partners?  | What key activities does our Value Proposition require?<br>What are our distribution channels? | What value do we deliver to customers?<br>Which of the customers problems do we help to solve?   | What kind of relationships do our customers expect?<br>How are they integrated with our business model and what is their cost? | For whom are we creating value?<br>Who are our most important customers? |
|  | <b>Key Resources</b>   |  | <b>Channels</b>  |  |
|  | What key resources does our value proposition require?   |  | Through which channel will we reach the customer, and how are they integrated into the model?                                  |  |
| <b>Cost Structure</b>  |  | <b>Revenue Streams</b>   |  |  |
| What is the most significant cost driver?<br>Which of the key resources are the most expensive?<br>Which of the key activities are the most expensive? |  | For what value are our customers willing to pay?<br>What are they currently paying for?<br>In what manner do they pay?<br>What is the proportion of each revenue to the overall revenues in the model? |  |  |

Source: (Osterwalder and Pigneur, 2010).

The Business Model Canvas presents 9 key elements that are essential to include in an organization’s business model, along with the corresponding questions

that should be asked for a comprehensive description of each area. This tool is characterized by its universality and can be applied in various industries. Its structure allows for potential customization to suit the specific needs of an organization, such as accommodating multiple business lines. Due to these features, this concept has gained significant popularity, to the extent that in some circles, it is practically synonymous with the concept of a business model.

### 3. Business Model Innovation

Considering the main theme of the article, which is the issue of making changes in Company's Business Model, we should mention Business Model Innovation (BMI) which has been dynamically developed in practical business and theory for 10 years (Mihalache and Volberda, 2021, p. 203-204). It may be defined as "an activity or a process in which core elements of an enterprise and its business logic are purposely transformed" (Pucihar et al., 2019, p. 1). Despite the fact that the concept began to gain popularity around 2011, its genesis should be equated with the origin of the concept of Business Model, as every company applying any BM should continuously change it and develop to gain competitive advantage.

We can distinguish three forms of BMI (Mihalache and Volberda, 2021, p. 207):

- adoption, which means implementing new ways of value creation, by copying it from other companies, for example from other, more developed countries or regions;
- adaptation, which occurs when the company also copy another company's business model, but simultaneously make some changes to use their supplies in more efficient way in a new environment;
- creation, meaning building new forms of value generation, which did not exist.

Every form of Business Model transformation may have a huge impact on existing Business Model architecture. In such a case, the company should think if the new model will help fulfil its long-term goals, which may be identified as a part of strategy. Making changes in Company's BM leads us to relationship between business model and corporate strategy.

### 4. Business Model and Corporate Strategy

The difficulty in classifying the concept of a business model is, among other things, due to its unclear relationship with corporate strategy, with which it is often confused (and even incorrectly used as a synonym for strategy). This naturally raises questions about the differences and relationships between them. Unfortunately, the theoretical literature (like the case of the definition of a business model) does not provide a clear consensus on this matter. Moreover, the perspectives in management theory often contradict each other.

According to Chandler (1962, p. 13), “strategy can be defined as the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals”. On the other hand, Stabryła argues that management strategy for strategic units: (1) presents long-term and intermediate goals that determine the existence of the enterprise, (2) arises from the external environment and internal factors, (3) includes an analysis of competition, (4) is presented in the form of specific programs and plans for the company’s operations, (5) is time-bound, (6) its effects are measurable and subject to evaluation (Stabryła, 2000, as cited in Firlej, 2004, p. 46).

Thus, strategy represents the desired position of the company in the future in a competitive environment in connection with achieving satisfactory financial results. In contrast to the business model, it has a temporal dimension. Furthermore, it precisely defines the boundaries of the company’s operations (geographic areas, markets, products) and a bundle of the most important long-term goals (Wierziński, 2015, p. 491). At this point, it is worth emphasizing the genesis of the business model concept which, in the early 1990s, emerged from disillusionment with the traditionally understood organizational strategy. Nevertheless, a business model is not a substitute for strategy. We should not equate these two concepts, although they have important connections and similarities (as presented in Tab. 2) (Drzewiecki, 2013, p. 67).

#### **4.1. The Concept of Business Model Supremacy Over Strategy**

Drzewiecki, among others, discusses the superiority of the business model over strategy. He argues that a business model is an excellent way to test the idea forming the basis for creating a company. He also refers to the word “model” itself, which, in his understanding, emphasizes the “shaping” of the concept (Drzewiecki, 2013, p. 69). These arguments are indeed valid because, due to its universality, simplicity, and relative comprehensiveness, a business model can be applied at an early, conceptual stage in building a company. This aligns with the increasingly popular concept of Business Model Innovation (BMI) processes, defined by Wirtz et al. (2016, p. 4) as “an explicit design process aiming to create an entirely new business model in the market, accompanied by adjustments to value propositions and/or value constellations, with the goal of generating or securing lasting competitive advantage”. It is therefore recognized that designing a business model is a process, a form of testing solutions that are ultimately meant to give the company an advantage.

Drzewiecki also points out the difficulty of imitation by competitors, emphasizing the superiority of the business model over strategy. Companies often try to copy their competitors’ strategies, resulting in all companies competing within the same strategic group achieving similar results, barely allowing them to survive

(Drzewiecki, 2013, p. 69). The revolutionary nature underlying the business model makes such copying challenging, forcing entrepreneurs to:

- identify established conventions and rules in the industry,
- seek discontinuities in different areas of reality that can allow changes in sector norms,
- identify and deeply understand the essence of key competencies of the company,
- utilize all their knowledge to identify revolutionary ideas and unconventional options that can be applied in their business activities (Drzewiecki, 2013, pp. 69, 70).

Drzewiecki's perspective is supported by other researchers whose definitions of the relationship between the business model and strategy are presented in Table 2.

**Table 2.** Definitions of relationship: Business model as a concept superior to strategy

| Author                          | Definition of relationship   |
|---------------------------------|--|
| Duczowska et al. (2013, p. 294) | The strategy and the business model are not identical, but they are mutually interdependent. The direction is such that business model shapes the strategy, rather than the other way around. This is because, for strategy to be feasible, it must be built upon the capabilities, resources, and the current position of the company.  |
| Morris et al. (2005, p. 733)    | The business model enables entrepreneurs to: <ul style="list-style-type: none"> <li>• conceptualize the enterprise as a set of strategic choices,</li> <li>• seek complementary relationships among its components,</li> <li>• define a set of activities within a logical framework for the company's operations.</li> </ul> Ensure coherence between strategy, the architecture of operations, the business economics, its growth, and exit possibilities. |
| Teece (2010, p. 179)            | The business model is a broader concept than the business strategy. The integration of strategic analysis and the business model is required to maintain a competitive advantage derived from the design of a new business model.  |

Source: own elaboration.

## 4.2. The Concept of Strategy Supremacy over Business Model

When considering the superiority of strategy over the business model, it is essential to reiterate the temporal nature of strategy. If we assume that the strategy defines the desired position of the company in its environment in the foreseeable future, along with a bundle of key long-term objectives enabling the achievement of that position and the means to realize them, then the business model constitutes the last of the mentioned elements of the strategy (Wierzbiński, 2015, p. 496). Thus, it will be one of the most critical ways to achieve long-term goals – a tool for strategy implementation and even a part of it. In this concept, the business model is therefore



subordinate to the company’s strategy, complementing or replacing a portion of the strategy that describes goal implementation. This is because the business model, in the described form, with elements such as a description of the value proposition to customers, target groups, the place of operations, descriptions of key stakeholders, technology, and profit generation methods, is a more comprehensive solution than what is proposed in traditional strategy.

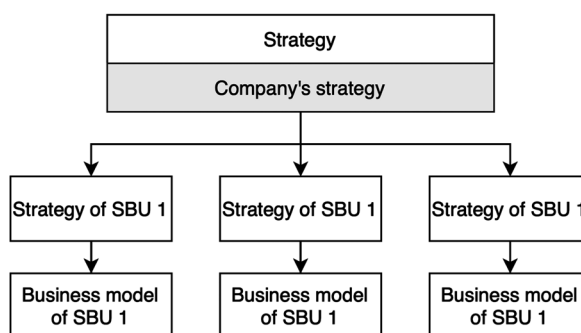
This perspective on the relationship between these tools is also supported by the fact that a business model is a much more flexible and less complex tool than a strategy, which is often developed for many years in the form of a comprehensive document. Such an approach allows for the modification of the business model as conditions change, enabling the continued pursuit of the company’s long-term goals. Definitions of relationships confirming the superiority of strategy over the business model are presented in Tab. 3.

**Table 3.** Definitions of relationship: Corporate Strategy as a concept superior to Business Model

| Author                                     | Definition of relationship  |
|--|---|
| Casadesus-Masanell and Ricart (2010, p. 2) | The business model pertains to the logic of how a company operates and how it creates value for stakeholders. Strategy relates to the choice of a business model through which the company will effectively compete in the market. Tactics, on the other hand, relate to the remaining choices open to the company based on the selected business model.  |
| Jabłoński (2013, p. 61)                    | The business model is a collection of specific resources, their configuration, and their interrelationships that enable a company to achieve profits. Strategy, on the other hand, sets the pace of changes to the business model.  |
| DaSilva and Trkman (2014, p. 13)           | The business model differs from strategy in two ways: <ul style="list-style-type: none"> <li>• Strategy shapes the development of capabilities that may alter the business model in the future. Strategy involves building dynamic capabilities aimed at effectively responding to future and existing contingencies;</li> <li>• Strategy reflects a long-term perspective, while the business model represents the current or short-term perspective.</li> </ul> |

Source: own elaboration.

Wierzbński has presented the structure of relationships between strategy and business models, incorporating Strategic Business Units (SBUs) into this structure. These SBUs also have their own strategies that align with the corporate strategy. They implement specific strategies through separate business models, ultimately enabling the achievement of the corporation’s long-term objectives (Fig. 1).



**Fig. 1.** Strategy and business model by Wierzbiński

Source: own elaboration based on (Wierzbiński, 2015, p. 497).

The relationship between a company's business model and its strategy will be a crucial theme in the later part of the article. To illustrate the process of modifying the company's business model, it is worth considering whether the modified model had an impact on the strategy and whether the strategy influenced decisions regarding the transformation of the model.

## 5. Modification of the Business Model of Company XYZ

The main objective of this article is to show the process of transforming the business model of XYZ Company which faced a shortage of qualified specialists in its industry. The new company model focuses on providing a comprehensive educational process for individuals interested in starting a career in the IT industry, particularly in ERP systems, and subsequently recruiting the best among them. At the same time, the company does not abandon its existing services, such as ERP system implementation. This challenge has presented numerous issues related to the previous strategy and business model that needed to be addressed to smoothly facilitate the modification processes.

### 5.3. Methodology of Conducted Research

To achieve the article's objectives, qualitative research was conducted using a case study methodology. The data sources included individual in-depth interviews (IDI) as the primary source, along with internal company documentation and archival data as complementary research sources. The chosen methodology is one of the best ways to explore a specific process due to its focus on answering "how" and "why" questions, its usefulness in evaluative research, and its ability to explain complex cause-and-effect relationships that may be too intricate for other research methods (Lisiecka and Kostka-Bochenek, 2009, p. 25).

The main drawback of the chosen methodology is the accusation of subjectivity in the conducted research, resulting in lower result credibility (Lisiecka and Kostka-Bochenek, 2009, p. 27). To mitigate this problem, three data sources were used in the research (interviews, archival data, and internal documentation).

The interviewee in the conducted in-depth interview for the research is the founder, a representative of the company's management team, and the originator of the change in the business model to address the problems the company faced. The interviewee has five years of experience in the IT industry, particularly in Odoo ERP system implementations, works as a digital transformation consultant for companies, and is enthusiastic about new technologies and education. In addition to XYZ Company, the interviewee also owns a marketing agency as part of the XYZ brand. Therefore, they have extensive business experience.

Before conducting the interview, a scenario was prepared, including the following 7 questions.

- What is XYZ Company involved in?
- What problems did the company face?
- What prompted the change in the business model?
- What problems/needs did it address?
- What did the change in the business model entail, and how was it implemented?
- What is the relationship between the implemented modified model and the overall company strategy?
- What are the company's plans?

The description of the company and its environment in Section 5.2 was based on the conducted research and a review and analysis of trends. Section 5.3 primarily consists of the analysis of research results that depict the process of changing XYZ Company's business model. Section 5.4 presents the concluding remarks, including concepts related to business model modifications.

#### **5.4. Description of the Company XYZ<sup>1</sup>**

Company XYZ was established as a sole proprietorship in 2020 and was transformed into a limited liability company on February 17, 2021. The commencement of its operations coincided with the deepening trend of digitalization of businesses in Poland, driven by the COVID-19 pandemic and the resulting restrictions (cf. European Commission, 2022, p. 6). From the very beginning, the company engaged in consulting services related to digital business transformation and the implementation of the Odoo ERP system, seeking a niche in this area. The company has operated remotely from the outset, functioning as a virtual company for an extended period. During this time, it collaborated with a team employed under

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<sup>1</sup> The data comes from internal company materials.

various forms of agreements. For certain development tasks, such as creating new Odoo modules, the company utilized the services of foreign programmers (due to their availability and lower service costs compared to the Polish market).

**Table 4.** SWOT analysis of the business model of the company XYZ

| Strengths   | Weaknesses  |
|---|---|
| <ul style="list-style-type: none"> <li>• the use of the Odoo system, which ranks among the leading ERP systems globally</li> <li>• having a loyal customer base that utilizes post-sales services (e.g., system maintenance)</li> <li>• extensive knowledge and experience of the team</li> <li>• possession of well-documented internal processes and significant company know-how</li> <li>• a wide range of post-sales offerings</li> <li>• offering a niche product, Odoo ERP for NGOs</li> </ul>                   | <ul style="list-style-type: none"> <li>• low popularity (currently) of the Odoo system in Poland</li> <li>• weak internal team integration due to exclusively remote work</li> <li>• having only one externally licensed system in the portfolio of implemented tools</li> <li>• a very lengthy and costly customer acquisition process</li> <li>• attracting clients from the SME sector with high demands and very limited budgets</li> <li>• a small, permanent team that allows for the execution of only 1-2 deployments simultaneously (larger projects require external resources)</li> <li>• post-sales services alone do not ensure the company's financial liquidity</li> </ul> |
| Opportunities   | Threats   |
| <ul style="list-style-type: none"> <li>• one of the few implementation companies of the Odoo system in Poland</li> <li>• actions taken by the company Odoo S.A. to promote their tool, which could lead to an increase in the popularity of Odoo ERP in Poland</li> <li>• the trend of digitization in businesses, driven by crises and simultaneously accelerated by funding for these purposes</li> <li>• the popularity of working in IT (the possibility of attracting new employees seeking experience)</li> </ul> | <ul style="list-style-type: none"> <li>• potential increase in competition with the popularization of the Odoo tool in Poland, as well as potential promotion of Odoo S.A. partners (which company XYZ is currently not)</li> <li>• collaboration with the team, particularly programmers, on contracts for specific tasks, which they can easily terminate and begin working with the competition</li> <li>• team departure and the removal of company know-how</li> <li>• financial liquidity threats due to crises and the inability of clients to pay for the system</li> </ul>   |

Source: own elaboration based on data from internal company materials.

The company's situation, including its strengths, weaknesses, opportunities, and threats encompassing the most critical internal and external aspects, is presented in a SWOT analysis (Tab. 4). Based on this analysis, it can be observed that XYZ Company is solidifying its presence in the ERP system market in Poland. It is taking actions aimed at filling niches (Odoo NGO) and focusing on internal development (processes and documentation) to enable future scalability. Additionally, the company entered the market at a favourable time for the development of ERP

implementation services. However, several weaknesses and threats are also identifiable. Among them is the potential lack of cohesion within the team, which may hinder future business expansion. Furthermore, if the company seeks to hire new employees, it must consider the costly recruitment process or the lengthy process of educating new employees. This is due to the shortage of specialists in Odoo ERP implementations in Poland. Financial liquidity is also a noticeable threat to the company. Company XYZ has only one main product (Odoo ERP). These observations were made in the company in 2021, leading to the decision to modify the business model in the second quarter of 2021.

### **5.5. The New Business Model of the Company XYZ**

Decisions within the company's management regarding the modification of the business model stemmed primarily from three internal and external challenges:

- 1) challenges in customer acquisition and a lengthy sales process,
- 2) limited availability of implementation specialists in the market,
- 3) the risk of financial liquidity disruption, largely resulting from the first two factors.

In response to these challenges, the company decided to initiate a project (which later evolved into a separate business line) that extended beyond its existing industry. This new project aimed to address issues while being consistent with the company's main business model. The project entailed creating a course called the "Odoo Academy," designed to educate individuals in the IT industry, particularly in ERP systems, over a 3-month period. The project had commercial characteristics, and it also had an internal objective to address financial liquidity problems arising from project backlogs. Notably, in 2021, no similar courses on ERP implementations were available in Poland, which introduced an element of risk for the introduction of this premium service. Consequently, the company adopted a flexible sales model, in which the project's execution depended on sales results, as emphasized by the informant:

We started with a sales trial. If it turned out that we couldn't "acquire" anyone, it wouldn't make sense to carry out the project. The conditions (for sales) varied. We tried everything from starting with a higher price to a lower price, from free practices to paid practices, and so on. Eventually, we sold the targeted number of packages required to execute the project.

The project was implemented from July to September 2021 and achieved the expected results, enhancing both financial liquidity during that period and successfully training 9 ERP system implementation specialists, 5 of whom were subsequently employed by XYZ Company. The potential that the project had was quickly recognized, and immediately after the first edition of the Odoo Academy, the decision was made to make it a permanent part of the business model. The project, which was initially a prototype, has now evolved into a recurring event intended to expand the entire educational ecosystem built around ERP system topics.

The company's intended business model was expected to consist of two main business lines. It's worth noting that the company added a B2C component to the services it provided in its primary business line. These business lines are as follows.

- **Line I:** ERP system implementations, including post-sales services such as team training, module creation, and system maintenance.
- **Line II:** specialized training for ERP system implementation specialists, including upselling additional specialization courses (Project Manager, Python Developer, Manual Tester), brokering recruitment to partner companies, and offering body leasing services (renting a specific specialist by the hour for external projects).

Incorporating an entirely new business line into the business model partially introduced the company to a new industry – education. This change entails a shift in various processes, including marketing, sales, legal matters, as well as communication and post-sales relationship maintenance. Sales would occur in a B2C context, which is a novelty for the company. The modification of the business model also exposes XYZ Company to new external factors.

The outlined target business model for XYZ Company has not been fully implemented yet. This transition is scheduled to occur in early 2024. Currently, the company is in the process of organizing the second edition of the Odoo Academy which has undergone changes and will no longer be an additional project but will become the second business line in the company's business model. In future, if the Odoo Academy brand solidifies itself after several editions, the business line based on training ERP system implementation specialists will be transformed into a separate entity. Additionally, the company plans to expand its new business line to offer more services in both B2B and B2C formats. However, these plans are part of the company's future development. To summarize the described process and the company's plans, the informant concludes, "the project was born out of necessity, transformed into a business line, and will eventually evolve into a separate business entity."

## 5.6. Research Conclusions

The presented case study in this article is undoubtedly unique due to several influencing factors. Nevertheless, it would be a mistake to assume that the conclusions drawn from the conducted research are not applicable to other enterprises undergoing a similar process. In dynamically changing conditions, leveraging the experiences of other businesses can serve as a source of inspiration and be a key to success. The next two sections outline the principal findings resulting from the research, which include the factors facilitating business model modification and the concept of strategy complementarity with the business model.

### Factors Facilitating Business Model Innovation

The transformation of the model primarily involves internal changes within the organization. It is worth noting that the efficiency of the modification process can largely result from prior efforts in building an organizational culture and structure, as emphasized by the informant. There are certainly factors that can facilitate this modification. Based on the process conducted in company XYZ, 6 facilitating factors have been identified and are presented in Tab. 5.

**Table 5.** Factors facilitating business model modification in the company XYZ

|  |   |
|--|---|
| Openness to change   | Openness to change, as part of the organizational culture, is crucial in conducting the modification process. As emphasized by the informant: "You must build a good organizational culture and prepare employees for changes; then, such actions (modifications to the model) are not as complicated or long-lasting. It became somewhat <i>ad hoc</i> ."  |
| Observation and proactive response to issues   | Observations in the process of modifying the model were noted at multiple stages. Foremost, the most significant observation is the one that initiates all actions – the recognition of a problem. However, one should not abandon it even at later stages to strive for perfection.  |
| Implementing changes in a way that is parallel to the operation of the original model  | Implementing an additional business line in a way that does not disrupt the operation of the primary line could have been crucial for an organization undergoing change. Preserving a certain source of income in the company allows for 1) the ongoing functioning of the organization, 2) financing the introduced changes, and 3) the possibility of safely abandoning the idea in case of implementation problems.                                    |
| Validating the modification idea with a pilot project  | Conducting a pilot project in 2021 allowed the company to draw conclusions and make changes to the ultimate plan of business model modification. Along with testing their idea, the company significantly mitigated the risks associated with the modification.   |
| Implementing changes on a small scale (in relation to the entire model) or adding a new element with low dependencies that can operate independently | This factor corresponds with factors 3 and 4. Implementing changes on a small scale or as a separate business line helps reduce risk. In the event of failure, the company can disconnect the line from the model and eliminate it without significant interference with the overall organization. This also provides the opportunity to later detach the established line and create a separate business entity (as in the case of Company XYZ's plans). |
| Consistency of implemented modifications with the company's strategy   | The implementation of modifications in the business model is much more efficient when they are consistent with the company's strategy and long-term goals. In the case of Company XYZ, the Odoo Academy allows for the acquisition of specialists and the development of the market. This aligns with the company's initial intent – aiding in the digital transformation of SMEs using the Odoo ERP system.  |

Source: Self-composition based on conducted research.

### The Concept of Business Model Complementarity to Business Strategy

As one of the significant facilitating factors in modifying the business model within the company, the alignment of introduced modifications with the company's strategy was mentioned. The inconsistency in understanding the relationship among theorists leads to further exploration of the optimal position of the business model in relation to the strategy, as highlighted in Section 3. It is essential to note that the disagreement in observing this relationship also results from a lack of unified perspectives. Thus, Drzewiecki, arguing for the superiority of the business model over strategy, presents it from the perspective of the time of establishment and development of the enterprise. On the other hand, Wierzbiński looks at the matter from the perspective of organizational structure, which leads to his voice in favour of the superiority of strategy. However, it seems that these two concepts are not mutually exclusive. The concept in which the model serves as a means of testing business ideas (as presented by Drzewiecki) has its merits. On the other hand, after the testing phase, there may be a moment when the model is absorbed into a more comprehensive strategy that encompasses the ideas behind the creation of the enterprise and the insights derived from the tests. At this point, ambition, one of the most critical factors behind a strategy and its long-term goals, should not be forgotten. So, how can long-term goals be achieved? According to Wierzbiński's concept, they can be achieved through one or more business models (depending on the organizational structure), striving for the holistic implementation of the company's strategy. This creates a relationship, as presented in Fig. 2.

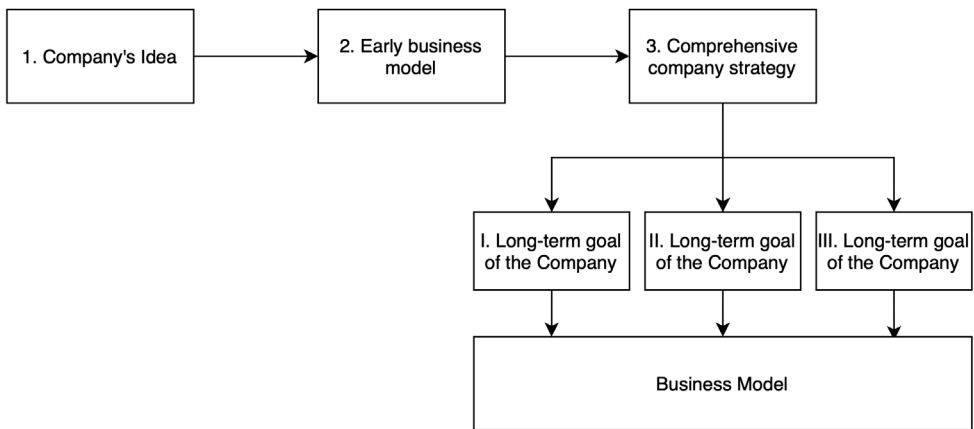


Fig. 2. The concept of Business Model complementarity to Business Strategy

Source: Self-composition based on conducted research and (Drzewiecki, 2011; Wierzbiński, 2015).

The presented concept starts with the idea which represents the motivation to create a new entity, such as a company. This idea should partially include a vision

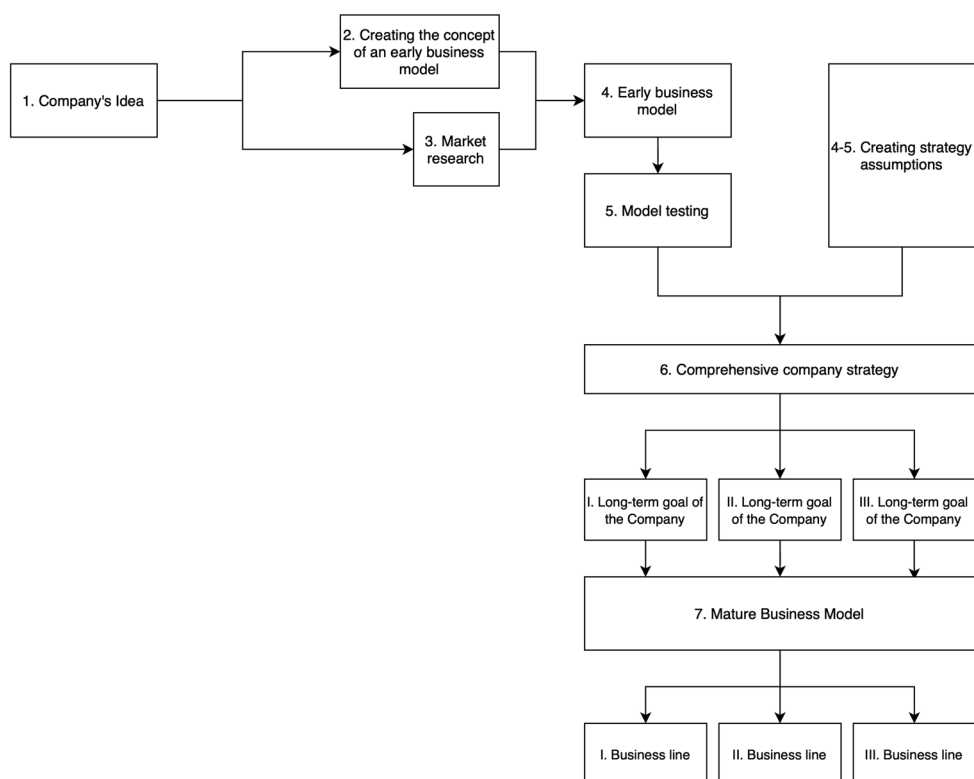


(answering questions about where the organization would like to be in a few years), thus establishing a connection to the subsequent stage, which involves long-term goals. The second stage involves creating an early business model that allows for the initial assumptions on which the organization will be based to be tested. An effective tool for conducting these tests is the Business Model Canvas (discussed in Section 2) which provides a comprehensive view of the organization, including the required resources and areas. Based on the early, already tested business model, a more comprehensive business strategy should begin to take shape. This strategy should encompass specific long-term goals based on the earlier idea. The ultimate business model should serve as a tool for achieving these goals. However, this does not imply its inferiority to the strategy; instead, it highlights the complementarity of these two tools. As observed, the business model appears in this concept in two places: as an early and as a final model. Therefore, the strategy could not be formulated and subsequently implemented without it.

Following the in-depth interview with the informant and considering (1) the review of internal documents, (2) a comprehensive analysis of the business model modification process, and (3) the informant's comments on the above concept, a new, more comprehensive, and practical concept of the complementarity of the business strategy to the business model has been developed (Fig. 3).

Like the first concept, everything begins with the idea behind establishing a business. Importantly, although not depicted in the figure, the idea typically stems from a private need of the entrepreneur, as emphasized by the informant during the interview. The subsequent stage involves the creation of an early business model. This encompasses both "creative" elements, such as the concept, and "reproductive" elements, involving a market review. The informant stressed the importance of consistently generating new value without "distorting" their concept through the review of existing solutions. Such a review should be conducted only after the unit or team within the organization has formulated its own concept, to verify its assumptions and introduce any necessary adjustments. This process results in the creation of an early business model which should be tested. Alongside the early model, its testing and analysis, the organization should revisit the "idea" to establish the strategic framework. The verified model and formulated strategic assumptions should be transformed into a "comprehensive business strategy" with various long-term organizational goals. Based on these long-term goals and the insights drawn from model testing, a "mature business model" should be developed, comprising multiple business lines that fulfil various (and sometimes shared) long-term organizational goals.

This approach to building a strategy and business model primarily provides the organization with flexibility which is crucial for the future operation of the company. Flexibility becomes apparent when market conditions change, or certain model assumptions do not prove effective. The organization can then react by "replacing" one of the business lines, which would be challenging in the case of the business



**Fig. 3.** The concept of business model complementarity to business strategy, complemented with informant's insights

Source: self-composition based on conducted research.

model's supremacy over the strategy. In the concept of complementarity between business strategy and business model, modifying the model offers the opportunity for adaptation while simultaneously pursuing long-term goals, and therefore, the company's strategy. Simultaneously, by testing the model before formulating a comprehensive strategy, the organization ensures stability and confidence in the chosen direction, with a high probability of being the correct one.

## 6. Conclusions

The case study presented in this article demonstrates the complexity of business model innovation, a process that can extend over several years. The described changes in XYZ Company not only shed light on the challenges an organization faces when implementing changes in its business model but also highlight that a company does not have to confine itself to a single industry to maintain consistency between

its strategy and a business model that extends beyond the organization's original "bubble," as was the case with XYZ which, while implementing ERP systems, ventured into the educational sector while preserving coherence.

The research results presented here also illustrate how to build an organization to minimize disruption when making these changes. The findings, captured in individual recommendations, open the door to broader research efforts that can validate the universality of the presented theses and their applicability to other organizations. The subject of business models and their modification is an extensive area in management theory with a shortage of research, as acknowledged in the introduction. Due to the wide scope of the topic and its dependence on numerous factors, it is evident that the subject remains far from exhausted. Many areas await further exploration, and the increasing instability in the business environment may fuel the growing demand for such research.

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## Modyfikacja modelu biznesowego na przykładzie firmy z branży IT

**Streszczenie:** Celem artykułu jest eksploracja jednego z procesów modyfikacji modelu biznesowego w firmie XYZ, działającej w branży systemów ERP. Firma ta, chcąc rozwiązać wewnętrzne problemy, a także umocnić swoją pozycję na rynku, zdecydowała się na zmianę modelu biznesowego poprzez dodanie nowej linii biznesowej, która wprowadziła firmę w branżę edukacyjną. Aby osiągnąć cel artykułu, przeprowadzono analizę rynku wdrożeń systemów ERP oraz edukacji informatycznej. W ramach badań przeprowadzono indywidualny wywiad pogłębiony (IDI) oraz przegląd dokumentacji wewnętrznej firmy. Pozwoliło to na opracowanie czynników sprzyjających modyfikacji modeli biznesowych oraz koncepcji komplementarności wypracowanej na podstawie analizy literatury i wyników wywiadów pogłębionych.

**Słowa kluczowe:** model biznesu, linia biznesowa, modyfikacja modelu biznesowego, IT, strategia a model biznesowy, Business Model Innovation (BMI)