

Environmental information factors that influence the development of a business idea into a business model

A case study of a winter sports outlet in Eastern Holland



By T. Baas

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Thesis Master Business Administration

By

T. Baas

University of Twente, Enschede, The Netherlands

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Supervisors University of Twente:

Dr Ir J. Kraaijenbrink

Drs. P. Blik

ABSTRACT

Developing a business idea into a successful business can be quite a challenge. A good idea does not automatically mean that it will grow into a viable business. An entrepreneur with a business idea will need to deal with all kinds of challenges and pitfalls when developing his business idea into a proper business. An entrepreneur will not deal with these challenges and pitfalls all by himself. The entrepreneur will seek for knowledge and information in his environment that can help tackle the problems during business idea development. Accepting and understanding these environmental sources of information might help the entrepreneur in developing a proper business. This study will try to give insight in these environmental information factors, which can then be used for further research in order to help future entrepreneurs use their environment to further develop their business ideas. This study gives a view of environmental factors that can influence an entrepreneur while developing a business idea. To get this view a case study was conducted, in which an entrepreneur develops his business idea into a business model. For a period of six months this entrepreneur recorded every environmental influence that changed his business idea, in a diary. The diary data was analyzed doing a content analysis. The data showed that an entrepreneur developing a business idea into a business model is indeed influenced by environmental information factors. The analysis showed that of all forces influencing the entrepreneur, those forces from his social network had the most influence. Although this study analyzed only one single case and therefore generalizing is difficult, the propositions made at the end of this study will contribute a lot to further research on this subject, by making entrepreneurs aware of the available information in their environment. Which can eventually help entrepreneurs with business ideas to develop these ideas into successful businesses.

PREFACE

Nine months ago I was given the opportunity to execute a graduation assignment for NIKOS. The result of the assignment is this master thesis titled: Environmental information factors that influence the development of business idea into a business model: A case study of a winter sports outlet in Eastern Holland.

After a careful preparation in which a lot of desk research has been done, an entrepreneur developing a business idea into a business model was analyzed in order to find out more about environmental information that influence this development process. All of this could not have been possible without the persons that helped me during this assignment, therefore I would like to thank them.

First of all I would like to thank my supervisors Jeroen Kraaijenbrink and Patrick Bliek who have helped me to shape this assignment by providing me with objective feedback constantly. Additionally, I would like to thank the NIKOS institute which gave me the opportunity to execute this assignment.

After nine months work, I am proud to present my master thesis. Many of the findings within this thesis can be used to conduct further research on the effect of environmental factors on entrepreneurs. I hope that this thesis can contribute to further research on this particular field of entrepreneurship.

Yours sincerely,

Tijs Baas

Enschede, December 29th 2008

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1. INTRODUCTION

This study will concentrate on just a small part of the entrepreneurship research field. It will analyze the effect environmental information factors have on the development of a business idea. This first chapter will present the exact focus and motivation behind the study. Then the study's objective will be formulated, which will lead to the problem formulation and the research questions. After that the research approach will be discussed. This research approach will explain how the research questions and eventually, the problem formulation, will be answered. At last a thesis outline is given, which explains what the reader can expect in every single chapter of this study.

1.1 MOTIVATION

To properly address this study's focus a closer look into entrepreneurship needs to be taken. Entrepreneurship can be defined as the competitive behaviors that drive the market process, entrepreneurship is all about dealing with opportunities (Davidsson 2004). This study is interested in dealing with those opportunities. The interest is concentrated on developing a business idea into a real business opportunity and the environmental information factors that have an effect on that development. Every day ideas of potential entrepreneurs grow out to be viable businesses. The whole process of developing an idea into actual business opportunity is a long and hard one. During the process from idea towards an actual business opportunity, the entrepreneur is under constant influence of factors from his environment. Entrepreneurs use their environment to come up with ideas and to further develop them. Actually, it has been found that entrepreneurs consistently use their networks to get ideas and gather information to recognize entrepreneurial opportunities. (Smeltzer, Van Hook & Hutt, 1991; De Koning 1999; Singh, Hills, Hybels & Lumpkin, 1999). This shows that the environment is already influencing the entrepreneur from the very beginning of the process. This influence of the environment is present from the initial business idea of the entrepreneur all the way down to moment that the product or service is put on the market, as we can see in figure 1, which is the entrepreneurial process as seen by Van der Veen & Wakkee (2004).

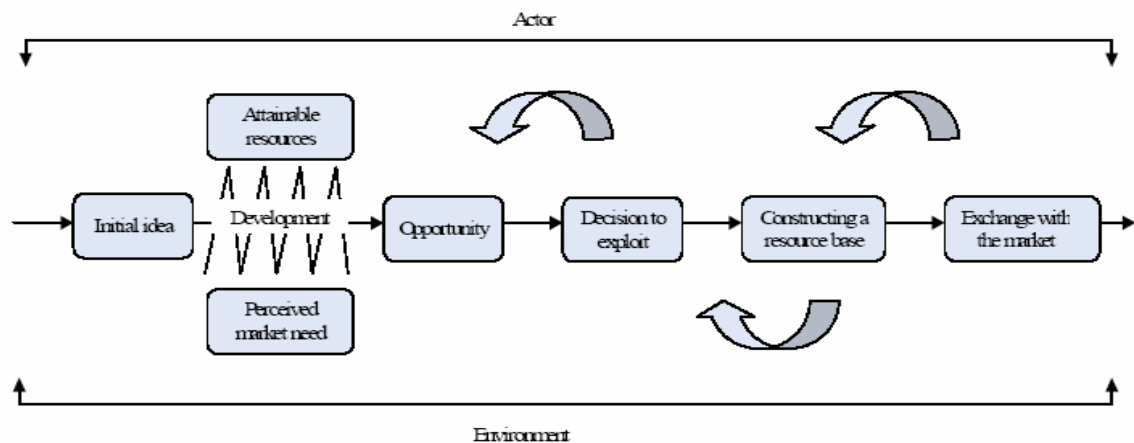


Figure 1 : The Entrepreneurial process (revised model) Van der Veen & Wakkee (2004)

This model shows that a business idea needs to be further developed in order to become an opportunity. Then a decision to exploit this opportunity is made, which leads to the construction of a resource base and eventually into exchange of the product or service with the market. As the model shows this process is being influenced by an actor (an entrepreneur or a set of entrepreneurs) and the environment. This study agrees with the fact that the environment is influencing this whole process, but is not satisfied with the amount of attention scientific literature gives to the environmental information factors that influence the business idea development phase. This study will try to make a scientific contribution by exploring these environmental information factors during business idea development, and finding out how they influence the process. The scientific contribution of the study will be that these factors are acknowledged and can be used in further research on the subject. The practical contribution is that the outcome can help entrepreneurs. Accepting and understanding these environmental sources of information might help future entrepreneur in developing a successful business. Van der Veen & Wakkee (2004) acknowledge that the idea development phase is being influenced by the environment but they do not specifically mention the environmental information factors and their effect on this phase. In scientific literature much is known about factors that influence an entrepreneur while actually running a business. Porter (1980) mentions five competitive forces that influence the entrepreneur. Greve and Salaff (2003) state that an entrepreneur is also influenced by his social network. Then there are several media influences surrounding an entrepreneur, like internet, books, magazines and television. It is known that these factors influence the entrepreneur when actually running his business, but do these factors also influence an entrepreneur when developing a business idea. This study is interested in this idea development phase, and the influence that environmental information factors have on this phase.

To get a better view of the position of interest of this study, the opportunity recognition process by Van der Veen & Wakkee (2004) will be used. This process takes place in the first part of the entrepreneurial process shown in figure one, and is situated between the initial idea and the business opportunity. In this process ideas are developed into opportunities just in the minds of the entrepreneurs, or by writing a business model or business plan. Van der Veen and Wakkee (2004)

mention the discovery and evaluation of opportunities, as mentioned by Shane and Venkataraman (2000) as part of this process. However the latter two have a slightly different view at the process. Shane and Venkataraman (2000) state that within entrepreneurship one must first have entrepreneurial opportunities. Their view is based on the existence, discovery and exploitation of these entrepreneurial opportunities. Shane and Venkataraman (2000) believe that these entrepreneurial opportunities are all around us, and can be discovered, evaluated and exploited. When comparing the model of Van der Veen and Wakkee (2004) and the theory of Shane and Venkataraman (2000) one can be easily confused. Does an initial idea become an opportunity as mentioned by Van der Veen and Wakkee or do opportunities always exist and just need be discovered, evaluated and exploited. In the model of Van der Veen and Wakkee (2004), the interest of this study is located between the initial idea and the opportunity. In the theory of Shane and Venkataraman (2000) the study focus is located between opportunity recognition and opportunity evaluation. To take away this confusion, this study takes the model of Van der Veen and Wakkee (2004) and the theory of Shane and Venkataraman (2000) together, and use these as the base for an own model. The view of this study on the process of how an idea is developed into a business opportunity is illustrated in figure 3. Because both theories address important aspects of this study's interest they both will be used to picture the point of interest of this study.

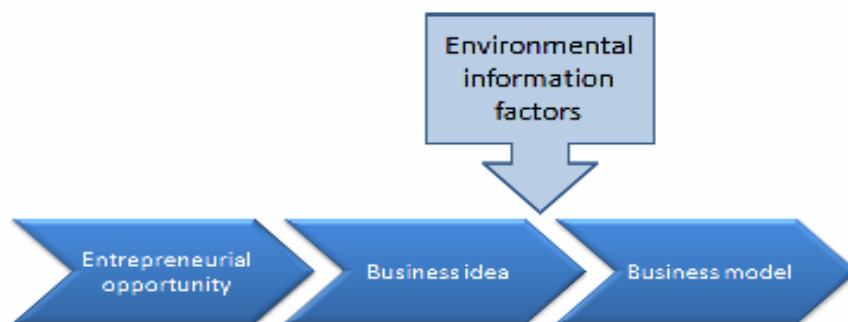


Figure 2: Opportunity development process

Now that the two theories are taken together and transformed into the model above it is more easier to address this study's view and interest on the subject. This study assumes that an entrepreneurial opportunity exist somewhere and is waiting to be discovered. When an individual than discovers the entrepreneurial opportunity the individual gets a business idea. This business idea needs to be developed further for it becomes a business opportunity. During the phase between a business idea and a business opportunity the entrepreneur most likely will develop a business model or business plan, to transform his business idea into an opportunity. During this development the entrepreneur can be influenced by information he gets from for example family, literature or competitors. Which are the environmental information factors as seen above. This study also understands that these factors are actually present before the initial business idea, but that is not where the point of interest lies within this study. The focus of this study will be on the environmental information factors that influence an entrepreneur while developing his business idea into a business opportunity. Before the study focus can be further specified insight is needed on how an entrepreneur can develop a business idea.

This study will try to get an insight in the environmental factors that influence the phase between the business idea and the business opportunity by conducting a case study. An entrepreneur that recognized an entrepreneurial opportunity will be analyzed during the development of his business idea into a business opportunity.

This entrepreneur wants to understand, describe and predict whether his business idea can survive in the real world. According to Osterwalder (2004) the best way to do this is developing a business model. An entrepreneur can develop a business model to develop his business idea into a business opportunity. The entrepreneur in the case study will therefore develop a business model to transform his business idea into a business opportunity. The environmental information factors influencing him during this development will be analyzed. Now the focus of this study can further be specified by saying that the interest of this study is to find out which environmental information factors influence an entrepreneur while developing a business idea into a business model. The outcome of this study can make an entrepreneurs with business ideas aware of the fact that they can use their environment for developing and shaping their idea into a business model and eventually into a business opportunity.

Before diving into theory about business models and environmental information factors that can influence business model development (chapter 2) a clear overview of the study in general will be given in the remaining of this chapter.

1.2 OBJECTIVE

The previous section explained the motivation and focus of this study. Now the motivation and focus of the study are clear, it is a small step towards the study objective. As said every day ideas of entrepreneurs are being transformed into viable businesses. The whole process of developing an idea into a company is very time consuming and takes a lot of effort. To develop ideas into viable businesses the entrepreneur might talk to people in his environment that have a different view of certain aspects of his idea. The entrepreneur might read books or uses the internet to get information about certain aspects of his business model. Suppliers, customers, competitors, are just a view other factors which will affect the entrepreneur while developing his idea into a business model. Summarizing, the actual business model that is made by the entrepreneur, is not only the work of the entrepreneur himself, but he will always be influenced by information factors from his environment. That brings us to the objective of this study.

The objective of this study is:

Finding out which are the environmental information factors, that influence the development of a business idea into a business model and how these factors influence this development.

1.3 PROBLEM FORMULATION

Based on the motivation and objective of the study, a problem formulation can be defined. This study will analyze the effect that environmental information factors have during business model development. The problem formulation is as follows:

Which are the environmental information factors that influence the development of a business idea into a business model and how do these factors influence the development?

1.4 RESEARCH QUESTIONS

To give a proper answer to the problem formulation formulated above it will help to put together a set of research questions that go deeper into the problem. The research questions all deal with a specific part of the problem formulation and an answer on these research questions will eventually lead towards the thesis objective.

1. Which are the environmental information factors that can influence the development of a business idea into a business model according to scientific theory?

- a.** Which are the environmental information factors influencing this development?
- b.** What effect can these environmental information factors have on this development?

This study wants to analyze which information factors influence an entrepreneur during the development of a business idea into a business model. As very little research is done in the particular part of this study's focus, theory will be analyzed about information factors that affect entrepreneurs in general. The effect of these factors according to scientific theory will also be explained. These environmental factors found in theory will be presented to the entrepreneur before he starts his business model development and will use a diary to keep track of the occurrence of these presented factors.

2. Which are the environmental information factors that influence the development of a business idea into business model in practice?

- a.** Which are the environmental information factors influencing this development?
- b.** What effect do these environmental information factors have on this development?
- c.** Do the environmental information factors and their effect, found in practice differ from those found in theory?

The environmental information factors influencing the development of a business idea into business model in practice, will be analyzed in order to make a comparison with the environmental information factors affecting entrepreneurs in general found in theory. For this part of the research a case study will be executed and analyzed. A business idea for a winter sports outlet in Eastern Holland will be used. In this case an entrepreneur is developing a business model for a winter sports outlet in Eastern Holland. As explained before the entrepreneur will develop this business model and will be constantly adjusting the model. This study assumes that the reason for these constant adjustments lies in the fact that the entrepreneur will be influenced by information factors from his environment. The entrepreneur is asked to record influences of the environmental information factors found in theory in his diary whenever they occur. So the environmental information factors that occur during his business model development will be recorded by the entrepreneur in a diary.. The entrepreneur records which aspects of the business model have changed and why these aspects changed. The diary will serve as a source of data for this study. The data collected with the diary will eventually show which environmental information factors influence the development of a business idea into a business model. This data will also show which environmental information factors have the most effect.

1.5 DEFINITIONS

Before going further good definitions of the terms used in this study, will help the researcher as well as the reader to further understand the subjects that are being studied. Definitions adopted by researchers are often not uniform, so key and controversial terms are *defined* to establish positions taken in research (Perry, 1998). Therefore this section will give definitions of the key terms used in this study.

Entrepreneur

This study uses a definition of Shane and Venkataraman (2000) to properly address this term. These authors see the field of entrepreneurship as the study of sources of opportunities; the processes of discovery, evaluation and exploitation of opportunities; and the set of individuals who discover, evaluate and exploit them. An entrepreneur is an individual who discovers, evaluates and exploits opportunities.

Entrepreneurial opportunity

Entrepreneurial opportunities are those situations, in which new goods, services, raw materials and organizing methods can be introduced and sold at greater than their cost of production (Casson, 1982).

Business idea

When an entrepreneur discovers an entrepreneurial opportunity this opportunity will lead to an idea for setting up a business. The entrepreneur might judge that the entrepreneurial opportunity is worth setting up a business for. The business idea is the product of this judgment.

Business model

In this study the factors that influence the process of developing a business model for a start up firm will be analyzed. As the business model is an important part of this study, the amount of attention given to define the term will be larger. How a business model should be made and what a business model serves for will be explained in chapter two. Osterwalder (2004) tries to give a proper definition by separating the two terms "business" and "model". By separating the two terms it is easier to understand where the term business model stands for. A business model tries to give an image of how a company buys and sells goods or services. The creation of a model helps us to understand, describe or predict how things work in the real world. So a business model can help us understand, describe and predict the "activity of buying and selling goods and services" and "earning money" of a particular company.

As the notions "buying" and "selling" are actually quite narrow, Osterwalder (2004) tries to extend it:

The business model is an abstract representation of the business logic of a company. And under business logic I understand an abstract comprehension of the way a company makes money, in other words, what it offers, to whom it offers this and how it can accomplish this."

Furthermore Osterwalder (2004) mentions several confusions people make regarding to business models, these will be shortly explained:

- a business model is quite different from business modeling, the latter is more process related, as where a business model has a more conceptual nature.

(Gordijn, Akkermans et. Al 2000)

- A business model is not the same as a business strategy. The business model actually translates strategies into elements and relationships of the money earning logic of a company (Stähler 2002: Seddon and Lewis 2003)
- A last common but important confusion is that people tend to speak about business models when they really only mean parts of a business model

(Linder and Cantrell 2000).

Osterwalder (2004) shortly summarizes a business model by using a few statements, he describes a business model as an abstract conceptual model that represents the business and money earning logic of a company, and as a business layer (acting as a sort of glue) between business strategy and processes. But, the business model is not a guarantee for success as it has to be implemented and

managed and is something else than the company's business process model (Gordijn, Akkermans et al.2000).

For this study there now is a much clearer view of what a business model actually is, and to actually state what is meant with a business model in this study, the following working definition from Osterwalder (2004) for a business model will be used:

A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing a company's logic of earning money. It is a description of the value a company offers to one or several segments of customers and the architecture of the firm and its network of partners for creating, marketing and delivering this value and relationship capital, in order to generate profitable and sustainable revenue streams.

Environmental information factor

In this study an environmental information factor is seen as a source of information existing in the environment of an entrepreneur that can influence or change the view and understanding of the entrepreneur about the foundations of his business.

1.6 RESEARCH APPROACH

As explained in the previous sections this study wants to get an understanding of the environmental information factors that influence the development of business idea into a business model. To get this understanding scientific theory will be used to get a better idea what a business model is, what it serves for and what a good business model structure should look like. Also the factors that could influence business model development according to scientific theory will be viewed. As there is very little research done in this particular field, this study will analyze the theory about environmental information factors that affect an entrepreneur in general. Porter (1980) and his five competitive forces; competitors, substitutes, buyers, suppliers and new entrants will be used. The social network factors of Greve and Salaff (2003) and several media influences will also be used. These factors will be further explained in chapter two and will be used in the case study to analyze their effect on business idea development.

Most of the interest of this study will go out the environmental information factors that influence business model development in practice. By conducting a case study this study tries to get a better view of these influential factors in practice. This case study will be performed by closely monitoring an entrepreneur busy with developing a business model. This entrepreneur will be, Tijs Baas, also the writer of this research. This entrepreneur will use the business model structure that will be found in scientific theory (chapter 2). The entrepreneur is only presented with a basic structure, the way the entrepreneur composes the business model is totally up to the entrepreneur. The idea behind his business model will be shortly explained, in order to give the reader a better view of the goal of his business model;

Tijs Baas' attention is on the fact that every year more and more Dutch people are traveling towards the snow, to ski, snowboard or just to relax. So he noticed that there is a large market for winter sports equipment in Holland, with a large annually growth. Therefore in Western Holland large stores have arisen that particularly focus on winter sports equipment. In those stores one can buy everything that is needed to go on their vacation towards the snow. Tijs Baas noted the absence of such a store in Eastern Holland. The absence of such a store in Eastern Holland could have a reason, but it can also be that such a store may well be quite successful in Eastern Holland. Tijs Baas wants to further develop his business idea. A decent business model will be set up in order to find out whether or not a winter sports outlet can be successful in Eastern Holland.

To actually construct the model the entrepreneur will dive into the situation in Eastern Holland. The entrepreneur keeps a real close eye on the situation in Eastern Holland for a couple of months. During those months the entrepreneur will talk to all kinds of persons, for example stakeholders, financiers. The entrepreneur will also be reading literature and observing and listening to people. Certain aspects of the model will continuously be confirmed by environmental information factors, other aspects will be viewed differently each time an aspect is analyzed. Summarizing, the entrepreneur will be continuously influenced by environmental information factors as found in theory, while developing his business model. This way the model will change over time and will hopefully become better and better.

The environmental information factors affecting an entrepreneur found in theory will be presented by the researcher to the entrepreneur. Every time one of these environmental information factors have an effect it will be documented by the entrepreneur in a diary. In this diary the entrepreneur notes, which aspect of the model changed, the date of this change, the source responsible for this change and the way this source affected the change. The data in this diary will be analyzed by the researcher by performing a content analysis.

The environmental information factors influencing an entrepreneur when developing a business model will be described in this research and the effect of the occurrence of these influential factors will be explained. The case study used in this research is of exploratory nature. Exploratory studies are being used by finding out 'what is happening; to seek out new insights; to ask questions and to assess phenomena in a new light' (Robson, 2002:59). It is particularly useful in order to clarify ones understanding of a problem, such as if one is unsure of the precise nature of the problem. The data collected in this research will be obtained from one single business model development. Therefore this research is a single exploratory case study. As already mentioned the researcher in this study is also the entrepreneur in this case study. Organizing this will be a tough job, in order to get good research results Tijs Baas will need to totally objective within the two roles. This is an important limitation of this study and will be further addressed in chapter. The use of a diary and analyzing the data derived from that diary also has its limitations, not to mention the fact of performing a case study. These limitations will all be highlighted in chapter 3.

1.7 THESIS OUTLINE

The little attention the authors give to the environmental information factors that influence the idea development phase caused the motivation for this study. This research will analyze which environmental factors influence the development of a business idea into a business model. An entrepreneur with a business idea for setting up a winter sports outlet in Eastern Holland is going to be used for a case study to find out what these environmental information factors are and how they effect the business model. This section will summarize the remaining of this thesis. In chapter 2 an overview of the different purposes of business models for the entrepreneur used in the case study will be given. In scientific theory there are a lot of different views of how to set up a good business model. For this study one decent business model structure needs to be selected for the entrepreneur to develop a business model for a winter sports outlet in Eastern Holland. This selection will also take place in chapter 2. The important environmental information factors that can affect an entrepreneur when developing a business idea into a business model according to scientific theory will also be analyzed in chapter 2. Chapter 3 will describe the methodology used to collect the data that will be used to answer the research questions, as well as the way this data is being analyzed. The major limitations and advantages will also be analyzed here. The results of the data and will be presented in chapter 4. Chapter 5 will give a final conclusion and a reflection on the research. With help of the data presented in chapter 4, hypotheses for further research will be formulated in chapter five.

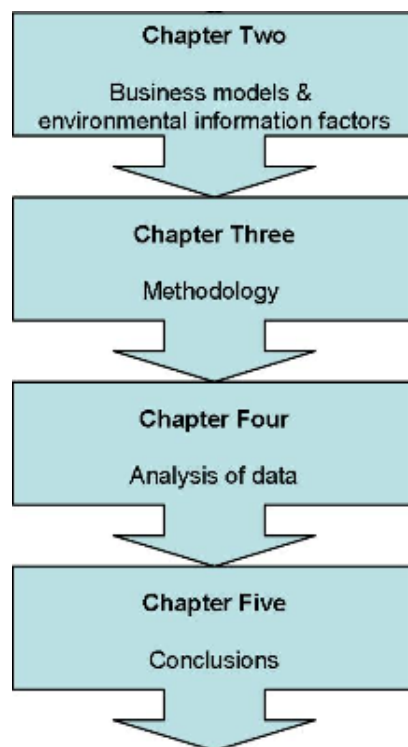


Figure 3: Model of chapters

2. THE BUSINESS MODEL AND ENVIRONMENTAL INFORMATION FACTORS

This chapter presents a business model structure, which will be used by the entrepreneur in the case study. After this selection the theory behind using and developing a business will be analyzed. The chapter will give an understanding why a business model is a good tool to use when developing a business idea. The different purposes a business model has for an entrepreneur in the idea development process will be addressed as well. This chapter will also review theory about environmental information factors already mentioned in chapter one that affect an entrepreneur in general. Understanding of these factors is necessary as they will be presented to the entrepreneur in the case study. This entrepreneur will record these factors whenever they occur.

2.1 INTRODUCTION

Chapter one showed that the motivation for this study is the fact that little research has been done towards environmental information factors influencing an entrepreneur while developing a business idea into a business model. The way this study will try to give answers to this phenomena was already explained in the first chapter of this study. Understanding environmental information factors and using them can help entrepreneurs to create better businesses. The entrepreneur needs to be aware of the fact that he is surrounded by knowledge and this study will help entrepreneurs to use these information sources.

The environmental information factors that can influence an entrepreneur in general according to theory, will be presented to the entrepreneur. So the case study contains an entrepreneur, a business model and environmental information factors. The theory behind the latter two subjects will be discussed in this chapter.

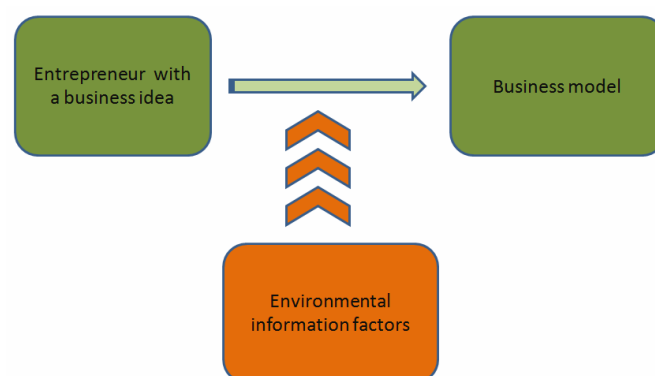


Figure 4 : Influences during business idea development

In figure 5 the role of environmental information factors during business idea development is further highlighted. The business idea of the entrepreneur will be transformed into a business model, during this development process the entrepreneur is likely to be influenced by several different information factors. This chapter will analyze what is said in theory about the entities used in this development process, by exploring the theory behind the influential information factors that can affect the entrepreneur and business models. The purpose of the business model for the entrepreneur when developing a business idea will be presented, a business model structure will be selected and a theoretical view on environmental information factors affecting an entrepreneur in general will be given.

2.2 THE BUSINESS MODEL

A working definition of the term “business model” was already given in chapter one, in the following section a closer look into theory about business models will be taken. This section will explain what purposes the business model can have for an entrepreneur when developing a business idea. Also a business model structure will be chosen that is used by the entrepreneur to develop his business idea into business opportunity.

2.2.1 SELECTING A BUSINESS MODEL STRUCTURE

The clear definition of a business model given in chapter one and analyzing what purposes a business model can have for a company, learns that a business model is very suitable for developing a business idea into a business opportunity. When developing a business idea into a business opportunity the business model will help explain the whole structure of the potential company and the way it can make profit. Actually every company has a business model, but not every company really visualizes it. Some companies might not even recognize the fact that they have a business model. Now it is clear that using a business model in the case study is a good choice, the business model structure used by the entrepreneur in the case study needs to be selected. The entrepreneur needs a business model structure with which he can further develop his business idea. As there are many kinds of business models and a lot of theories are written about how a model should be built up, it is important for this study to select one business model structure that will be used. It is important that the entrepreneur and the researcher have the same perception of the business model structure. Therefore a business model structure is selected that will be used for the base of this research. For this study it is important that the business model used is extensive and complete. This is best for the entrepreneur because his idea will be documented in the best way possible. For the study it is necessary to make the business model as extensive and complete as possible, to get a good view of all the factors that can affect the entrepreneur while developing a business model. A lot of different authors have tried to give a good view of what a business model is and how it should be built up. Mahadevan (2000) indicates that a business model consists of a configuration of three streams that are critical to the business. Firstly, the value stream, which identifies the value proposition for the business partners and the buyers. Secondly, the revenue stream, which is a plan for assuring revenue generation for the business. Thirdly, the logistical stream, which addresses various issues related to the design of the supply chain for the business. Chesbrough and Rosenbloom (2000) for example simply list six main

functions of a business model. These are the articulation of the value proposition, the identification of the market segment, the definition of the structure of the value chain within the firm, the definition of the cost structure and profit potential, the description of the position of the firm within the value network, including identification of complementors and competitors and finally the formulation of the competitive strategy. These are just two views of how a business model should be applied. Osterwalder (2004) has identified every meaningful view of business models and used these views to compose his view on business models. Osterwalder (2004) first identified which business model building blocks have been proposed by other authors in the field and afterwards he constructed a new model taking their contributions into account. As seen in Table 1 Osterwalder mentions four central business model pillars, which he divides into nine building blocks of a business model. As Osterwalder (2004) based his nine building blocks on a synthesis of existing business model literature we can assume that these nine building blocks cover the way a business model should look like and therefore is extensive and complete enough to use in this study. As Osterwalder (2004) was influenced by the Balanced Scorecard approach (Kaplan and Norton 1992) and more generally business management literature (Markides 1999) Osterwalder suggests adopting a framework which emphasizes on the following four areas that a business model has to address:

Product: This pillar explains what business the company is in, which products and which value proposition is offered to the market.

Customer Interface: This pillar explains who the company's target customers are, how the products and services are delivered, and how the company builds a strong relationships with the customers.

Infrastructure Management: This pillar explains how the company efficiently performs infrastructural or logistical issues, with whom the company works, and what the company's network looks like.

Financial Aspects: This pillar shows the company's revenue model, the cost structure and the business model's sustainability.

Pillar	Building Block	Description
Product	Value Proposition	A Value Proposition is an overall view of a company's bundle of products and services that are of value to the customer
Customer Interface	Target Customer	The Target Customer is a segment of customers a company wants to offer value to.
	Distribution Channel	A Distribution Channel is a means of getting in touch with the customer.
	Relationship	The Relationship describes the kind of link a company establishes between itself and the customer.
Infrastructure Management	Value Configuration	The Value Configuration describes the arrangement of activities and resources that are necessary to create value for the customer.
	Capability	A capability is the ability to execute a repeatable pattern of actions that is necessary in order to create value for the customer
	Partnership	A Partnership is a voluntarily initiated cooperative agreement between two or more companies in order to create value for the customer.
Financial Aspects	Cost Structure	The Cost Structure is the representation in money of all the means employed in the business model.
	Revenue Model	The Revenue Model describes the way a company makes money through a variety of revenue flows.

Table 1: The nine business model building blocks (Osterwalder 2004)

The nine building blocks by Osterwalder (2004) will be presented and used by the entrepreneur to develop a business model for a winter sports outlet in Eastern Holland and will be shortly explained. The building blocks will be constructed and the entrepreneur will record which environmental information factor had an effect in which pillar and building block.

1 Value proposition (Part of Product pillar)

This block will give a view of the products or services a company wants to offer that can be of value for their customers. The block explains why the company is of value for customers and why it could be successful.

2 Target Customer (Part of Customer Interface pillar)

A company needs to know which segment of customers is best to offer his products or services to. This segment is analyzed in the target customer block.

3 Distribution channel (Part of Customer Interface pillar)

The segment of customers have to know about the existence of the company in order buy the company's products or use the company's services. Therefore a company has to get in touch with their segment of customers. The way a company will get in touch with their target customers is explained in this building block.

4 Relationship (Part of Customer Interface pillar)

Once a company gets the attention of the target customers, a relationship between the company and the customers will arise. The relationship block shows which way a company wants to be seen by the customers and the way the company acts towards the customers.

5 Value configuration (Part of Infrastructure Management pillar)

The goal of a company is to create value for which the customers are prepared to pay. This value is the result of internal and external processes and activities. The value configuration shows all the activities and processes that are necessary to create value.

6 Capability (Part of Infrastructure Management pillar)

To execute the activities and processes of value creation a company needs assets in order to constantly repeat these processes and activities. The capability block describes these resources that are necessary to execute these processes and activities.

7 Partnership (Part of Infrastructure Management pillar)

The partnership block describes potential cooperative agreements the company has with other companies in order to create value for the customers.

8 Cost structure

This block presents a view of all means mentioned in the business model. It is a representation in money of all the cost that need be made in order to make the business model successful.

9 Revenue Model

The company has a certain way of making money, through a variety of revenue flows. The way the company will make money is shown in this building block.

2.2.2 THE PURPOSE OF A BUSINESS MODEL

As mentioned in chapter one, developing a business model helps to further understand, describe and predict a business idea, but the business model can serve an entrepreneur and a company in many more ways. For an entrepreneur the goal of a business model actually can be to persuade the bank or another investor to offer a loan in order to set up a company. The entrepreneur in this study also has these goals. When the business model for the outlet is finished and the model proves to be feasible, the entrepreneur will try to use the business model to actually set up the winter sports outlet. He will use it as a tool to persuade the bank or other investors of the feasibility of his outlet. However developing a business idea or persuading investors is not the only function of a business model. Osterwalder (2004) identifies five different functions a business model can have in business management, which are understanding & sharing, analyzing, managing, prospects and patenting of business models. This study is only interested in those functions of a business model while developing a business idea. Figure 6 gives a clear image of these functions.

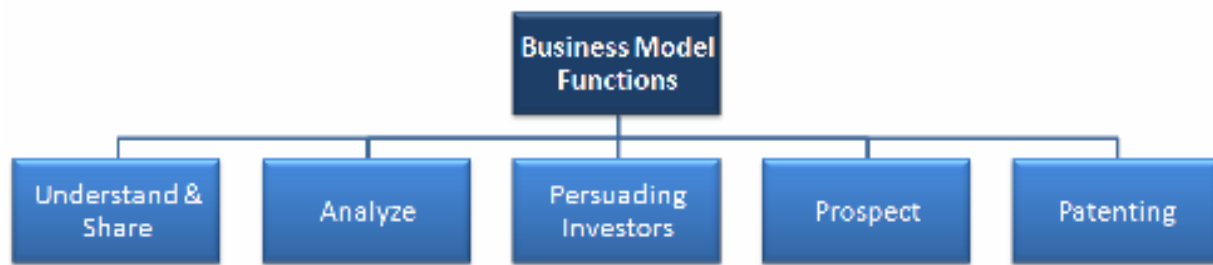


Figure 5: The functions of a business model while developing a business idea

For this study it is important to recognize the purposes of the business model, because it shows that business model are a very good tool to further develop a business idea. Showing the functions of a business model will help the entrepreneur to understand the reason behind the development of a business model. Understanding the functions of a business model will help to actually use the business model as a tool to reach these purposes. Osterwalder (2004) mentioned five functions, persuading investors is the function this study added as an addition to the five Osterwalder (2004) already mentioned. Managing, is the function being left out of the model above, because this function is not present in the business idea development stage. Each function that Osterwalder (2004) mentions and the one added by this study contains several different aspects. These aspects will be briefly discussed below.

Understand & Share

A business model is used by entrepreneurs to let his stakeholders understand what his business will be all about. Four different aspects play a role in this process:

1 Capture : By making a business model, the different images people have about a business is captured in one framework, so that everybody has the same view on the model.

2 Visualize: The model can be presented graphically to everyone

3 Understand: A visual presentation helps people to understand the business.

4 Communicate & share: Understanding a business model can help people to communicate and share this understanding of the business to stakeholders.

This is a very important function of a business model. In order to function properly, the environment surrounding the company needs to know what the company is about. A business model is a perfect tool to picture an image for the external world, so that they understand what the company is about and what the goals of the company are. Not only is this important for the external world, also the internal part of the company, like employees need to know what the company is all about in order to function properly.

Analyze

In a business model a lot of aspects are being noted, once these aspects are being noted these aspects can be analyzed in three different ways:

1 Measure: A business model helps to identify relevant measures that can improve management.

2 Observe: A structured approach of a business model can help to identify which issues changed over time.

3 Compare: Similar to observing a company's business model over time, a structured approach allows companies to compare their business model to the ones of their competitors. This is based on the reasoning that things are only comparable if they are seized and understood in the same way.

When something is written down and thought about, one can compare it more easily over time or with other companies. One can check whether the company is running the way it should be running.

Manage

Having a clear picture of what the business will be all about will make the business easier to manage. Five aspects are supporting this statement:

1 Design: Having a business model ontology at hand that describes the essential building blocks and their relationships will make it easier for managers to design a sustainable business model.

2 Plan, Change & Implement: It is much easier to go from one point to another, when one can exactly understand, say and show what elements will change. In this regard, Linder and Cantrell (Linder and Cantrell 2000) speak of so-called change models that are the core logic for how a firm will change over time to remain profitable in a dynamic environment.

3 React: Once a business model is developed and understood, a business can react rapidly to external pressures, this is essential in a rapidly changing and uncertain environment.

4 Align: A business model makes it easier for a company to align the different aspects it has to deal with, for example strategy vs. technology.

5 Improve decision-making: As the business model improves the understanding of the business, the decision makers will also make more informed and better decisions.

If you know where you want to be heading with your company it is easier to manage the process of reaching your goals.

Persuading Investors

For an entrepreneur having a business idea it is difficult to persuade other people of the viability of his idea, just by mentally picturing it. Especially banks or investors need more insight in the potential of the business idea, or actually is the business idea good enough to make money with it. The business

model tries to visualize this potential. The model explains how the business idea can be transformed into revenue. For that reason the business model is an excellent tool to persuade investors of the potential of the business idea.

Prospect

With a business model the entrepreneur will be better prepared for the time that lies ahead. There are three different ways an entrepreneur can use a business model to let the company fit the future:

1 Innovate: Similar to improving change and increasing reaction time, a business model can help a company on the innovation aspect. A clear image of the whole company is made within a business model, therefore it is more clearer where the company can innovate and what tools it should use to innovate.

2 Business model portfolio: Based on Allen's law of excess of diversity in evolutionary theory (Allen 2001) one may argue that it could be interesting for a company to maintain a portfolio of business models in order to be ready for the future. The future is unpredictable, business models could function as scenarios for the future. A company can have develop several different models for different situations in the future.

3 Simulate & Test: By simulating and testing possible business models, the company might be better prepared for the future.

Patenting

Business models can play a role in patenting. Once a patent on a model is gathered the model cannot be copied by other companies. However other companies can make adjustments to the model and still use it, but in a slightly different way.

2.3 ENVIRONMENTAL INFORMATION FACTORS

The selection for a business model structure used in the case study was made in the previous section. The purposes of a business model were also explained. The previous section pictured why a business model is suitable to use while developing a business idea into a business. To actually analyze which environmental information factors affected the entrepreneur during the development of his business model, this study will first mention the environmental information factors affecting an entrepreneur according to theory. As this study is being conducted because of the few interest that is given to the focus of this study, it is quite difficult to find any literature available which analyzes the influence of environmental information factors when developing a business model. However, what can be done is to analyze environmental information factors that influence entrepreneurs in general when managing a company. Auster and Choo (1993) state that organizations scan their external environment to seek information. Environmental scanning is the acquisition and use of information about events, trends, and relationships in an organization's external environment, the knowledge of which would assist

management in planning the organization's future course of action (Auster and Choo, 1993). This study is particularly interested in the acquisition of this information, or better said the sources of this information. As it are these sources that can also affect an entrepreneur while developing his business idea. Auster and Choo (1993) mention several information sources, like customers, newspapers or reports that affected senior managers. Porter (1980) mentions competitive forces, like suppliers or buyers, that can have an affect on the entrepreneur and the company and can provide information. Greve and Salaff (2003) stated that information factors in the social network of an entrepreneur, like family or friends, can have a huge affect on the entrepreneur. Kraaijenbrink and Groen (2006) also mention the internet as an important source of information for small companies. Nowadays internet is a never ending source of information and an entrepreneur will like be influenced by it. Looking at the environmental information factors mentioned by these authors, this study categorizes these factors into; competitive forces factors, social network factors and media factors. These categories of environmental information factors will be further explained and analyzed in the following sections. The way the environmental information factors can form a factor of influence, as well as the effect the factors have on the development of the business idea well be mentioned. Another important aspect that needs to mentioned are the characteristics of the entrepreneur himself. For example is he motivated, determined or open-minded. The characteristics also play an important role in how the business idea will be further developed. These characteristics need to be taken into account, however the are not the point of interest in this study.

2.3.1 BUSINESS MODEL DEVELOPMENT AND INFLUENTIAL COMPETITIVE FORCES

The competitive forces mentioned by Porter (1980) as seen in figure 2 consists of those organizations that have a direct interest in the marketing activities of the entrepreneur. These organizations cannot be controlled, but on the other hand can be influenced. The competitive forces can also have quite an impact on the development of an idea into a business model and therefore have to be take into account in this study. In developing a business model the forces that will have most effect will be, suppliers, competitors and buyers. Because these factors are always present. The other two factors, threat of substitution and threat of new entry, are of less concern in the development of a model, because they will not always be present. This does not mean that one can ignore the latter two. One should always be aware of these factors as they can suddenly arise. When developing a business idea the entrepreneur will be surrounded by the competitive forces. For example the entrepreneur needs to find out who his competitors, customers or suppliers will be. A competitor can be used a source information to for example find out what prices are being used at the current market. For a company it is vital to offer what the customer wants. In order to reach this demand, the entrepreneur could talk to his potential customers and find out how they want the product or service to be offered. A potential supplier might have information about the market the entrepreneur wishes to sell his product or service to. The content of theses forces and the effect these forces have on the development of the business idea will be further discussed in the following sections.



Figure 6: Porter's five competitive forces

Threat of new entry

Threat of new entry will depend on the extent to which there are barriers to entry. These are factors that need to be overcome by new entrants to the market if they want to compete with other businesses on the market successfully. These should be seen as providing delays to entry and not as permanent barriers to determined potential entrants. They may deter some potential entrants but not all of them. Some examples of barriers to entry are: Customer or supplier loyalty, Experience, Capital requirement of entry.

Threat of entry as information source

An entrepreneur developing his business idea might know already the potential entrant. This entrant can have an idea that is similar to his own idea. The entrepreneur might make contact with this potential entrant and fish for information in order to stay a couple of steps ahead of him.

Effect on business idea development

The effect of a potential entrant on the development of a business idea can be quite large. However the chance that an entrepreneur with a business idea already knows a potential entrant is very small. The chance that this potential entrant will provide the entrepreneur with information is even smaller. The potential entrant might be a company with a great reputation or a great idea, and scare off the entrepreneur, who will then lose faith in his own business idea.

Threat of substitution

Substitution reduces demand for a particular “class” of products as customers switch to alternatives, even to the extent that this class of products or services becomes obsolete. This depends on whether a substitute provides a higher perceived benefit or value. Substitution can arise in several forms:

- Product-for-product substitution: For example, e-mail substituting for a postal service.
- Substitution of need: For in IT businesses are giving people the tools to undertake jobs themselves, for which they previously needed a service provider.
- Generic substitution: Services compete for disposable income. For example, furniture manufacturers compete for available household expenditure with suppliers of televisions, videos, cookers.

Threat of substitution as an information source

As with the threat of potential entrants an entrepreneur developing his business idea might know already the potential threat of substitution. The entrepreneur might make contact with the company that makes this substitute and fish for information in order to keep on track with this company, because the entrepreneur will probably lie a couple of steps behind on this company.

Effect on business idea development

The effect of a potential entrant on the development of a business idea can be quite large. However here it is the same again as with a potential entrant, the chance that an entrepreneur with a business idea already knows the company with a substitute is very small. The chance that this company will provide the entrepreneur with information is even smaller. The potential product however might be so good that the entrepreneur can never reach that same level with his business idea. This way the entrepreneur will lose faith in his own idea and stop developing it any further.

The power of buyers and suppliers

These two forces are put together because they can have similar effects in constraining the strategic freedom of a company and in influencing the margins of that company. Together these two forces represent the value network within which a company is operating.

Buyer power is likely to be high in the following situations:

- When there is a concentration of buyers, especially when the volumes purchased by the buyers are high and the supplying industry consists of a large number of small operators.
- When the cost of switching supplier is low or involves little risk.
- When there is a threat of the supplier being acquired by the buyer.

Supplier power is likely to be high in following situations:

- When there is a concentration of suppliers rather than a fragmented source of supply.
- When the switching costs from one supplier to another are high.
- When suppliers are competing directly with their buyers.

Buyers and suppliers as an information source

The buyer is the potential or target customer that the entrepreneur wants to reach by developing his business idea. This target customer can inform the entrepreneur on how this customer wants the product or service to be offered. The buyer can help shape the product or service to perfection.

The supplier may well be supplying other companies that offer similar products or services to the market as the entrepreneur wants to offer. This means that the supplier has a good view of the current market and could have information that helps the entrepreneur to develop his business idea. Summarizing, the Porter model is a very defensive model. The model states that you should defend your company against these competitive forces, on the other hand a company can also use these forces and work together with these forces in order to create an even better business. An entrepreneur developing a business idea should be aware of this fact. Competitive forces can become partners when developing a business.

Effect on business idea development

The buyer can have a large effect on the business idea development, because eventually the target customer is the one that needs to be the product or service. Therefore the entrepreneur has to make sure that the product or service fit the needs of the target customer.

The supplier has a smaller effect on the development of the business idea. Although the supplier can provide market information, the way the entrepreneur sees the market can be very different. It may be part of the business idea to fully change the current market. The supplier can provide information, but is not a crucial factor.

Competitive rivalry

Competitive rivals are organizations with similar products and services aimed at the same customer group. There are several factors that affect the degree of competitive rivalry in an industry or sector:

- To which the competitors are in balance.
- Industry growth rates may affect rivalry
- High fixed cost in an industry
- High exit barriers to an industry
- Differentiation

Competitors as an information source

Competitors can form an interesting source of information for an entrepreneur. Also the information that an entrepreneur can get while closely looking to his competitors can be vital. One can find out what products or services they offer and how they offer it. This can be of value for the entrepreneur as he is also looking for a good to offer his products or services.

Effect on business idea development

The entrepreneur has to perform better than his competitors, to do so the entrepreneur needs to know the strengths and weaknesses of his competitors. Because of the fact that an entrepreneur will have to perform better than his competitors, the information he finds out about them will have a direct effect on the development of his business idea.

2.3.2 BUSINESS MODEL DEVELOPMENT AND INFLUENTIAL SOCIAL NETWORK FACTORS

In this study the social network of an entrepreneur is seen as the environment that directly surrounds the entrepreneur and from which the entrepreneur gathers information which will influence him when developing a business idea. These influences can come from persons in the direct environment, like friends, family and other contacts known by the entrepreneur. These persons form the social network of an entrepreneur.

The entrepreneur and the social network

Greve and Salaff (2003) recognize the effect concerning the entrepreneur and his social network. These authors use the work of several different authors to explain the what a social network actually is and the effect of the social network on the entrepreneur;

When the social network of an entrepreneur is analyzed, the attention is turned to the relationships between entrepreneurs and others that provide the resources that are important in establishing a business (Johanissson, 1988; Larson 1991). Translating this to this study, it means that entrepreneurs use people in their direct environment to shape their company. These people can act as provider of resources needed by the entrepreneur, but also as information sources. Or as Hansen (1995) explains; entrepreneurs get support, knowledge and access to distribution channels through their social networks. The knowledge the entrepreneur gets from their social network is were the interest of this study in social network lies.

To present the factors that are active within social network to the entrepreneur in the case study, it is necessary to find out what factors can be found within the social network. The following gives a good view of the factors within a social network; To fit their enterprise needs, entrepreneurs bring both those that are closer and distant to them into their business decisions. Family members can play a critical part. As they entertain, plan for, and actually set up a firm, entrepreneurs call on their family and others in their networks for different kinds of help and support (Rosenblatt, de Mik. Anderson, & Johnson, 1985). What is meant with this is that people close in the direct environment, like friends and

family, affect the way the entrepreneur is running his business. But not only friends and family are part of the social network of the entrepreneur. Also people, less close to the entrepreneur like bankers, other entrepreneurs, accountants, almost every person in the direct environment who can be used as a resource is part of the social network of the entrepreneur. What makes the social network interesting for this study is that a lot of information that is unknown to the entrepreneur can be gained from his social network. The social network is very important to an entrepreneur and can heavily influence an entrepreneur when developing a business idea. These factors within the social network are presented to the entrepreneur in the case study so that they can be recorded in his diary whenever the entrepreneur is influenced by them.

To make these factors of the social network easier to recognize, they are categorized into the following social network influences; friends, family, other entrepreneurs and experts. The first three categories are obvious and do not need to be further explained. The latter category is still a bit vague and needs further explanation. Experts in this study are seen as those people in the social network who are specialized in a distinct part of entrepreneurship. For example, lawyers, accountants, or bankers. In every social network persons with a particular specialization are active, these are seen here as experts. This categorization is made in this way, because this study believes these are the most important aspects of the social network. Every influence from the social network can be placed in one of the categories.

Social network as a source of information

As the social network is closely surrounding the entrepreneur it is very easy for the entrepreneur to attract information from it. The entrepreneur can find out how people in his direct environment think about his idea and also how these people think the business idea can be successful.

Effect on business idea development

The effect of social network factors can be large, as the entrepreneur will look for those persons within his social network that are capable of providing interesting information. The information that is provided by these individuals can influence the development of the business model. A close friend or relative might have a good view about certain aspects of the business model, maybe better than the entrepreneurs own view. This might cause the entrepreneur to adjust his business model. Of course the perception the entrepreneur has of a certain person or medium is of importance. The entrepreneur might forget about advices from people he does not qualifies as intelligent or experienced, and take advices from people that set an example for him. So the way the entrepreneur sees a person in his social network is also important. Granovetter (1983) argues that strong ties in the social network have a bigger influence on an individual as weak ties in the social network. This means that the individuals closest to the entrepreneur will probably have the most influence.

2.3.2 THE ENTREPRENEUR AND INFLUENTIAL MEDIA FACTORS

The entrepreneur is also exposed to all kinds of media that will influence him. Think of books, magazines and internet. In the following sections the most important influences from media factors will be discussed.

An entrepreneur is not only surrounded by organizations or persons that provide him with information, there are also different sources of information that can affect an entrepreneur while developing a business idea. Cooper et al. (1995) mention books and manuals as widely used sources of information for entrepreneurs. Kraaijenbrink and Groen (2006) also mention the internet as an important source of information for small companies. These streams of information offered almost everywhere can be seen as media sources. What is trying to be said here is that entrepreneurs have access to a lot of media sources. Entrepreneurs can read books, magazines, newspapers, watch television and let's not forget the internet. There are a lot of media sources surrounding entrepreneurs, which can affect their way of thinking about particular subjects. An entrepreneur developing his business idea can be affected by these media sources, and therefore these media influences have to be taken into account in this research. As said this study see these sources of information as media sources. Three main sources of information that can affect an entrepreneur while developing a business idea will be used in this research; literature, TV & Radio and internet. As with former two categories of information sources, this one will also be presented to the entrepreneur in the case study to record their occurrence.

Media as a source of information

Media sources are all around and easy to access. A lot of information is offered to us via media sources. It is almost impossible not to be influenced by media factors as these influences are surrounding us every single day.

Effect on business idea development

The effect of media factors can be large as the reliability of these factors are very high. Nowadays a lot of communication is done through media factors. Articles in newspapers, internet or magazines might provide the entrepreneur with information regarding the set up of his business model. The information within these articles can change the entrepreneurs view on his business model. As with persons within a social network also the entrepreneurs perception of a medium is vital.

2.4 CONCLUSION

The entrepreneur used in this research needed to be provided with a basic structure to build up his business model, therefore a business model structure needed to be selected. To sum up three questions were answered in this chapter. What is the function of a business model? Which business model structure will be used for this research? Which are the environmental information factors that influence an entrepreneur and what is their effect? To answer the first two questions a thesis by Osterwalder (2004) was used. Osterwalder (2004) states that a business model has five main functions. It can help *understand and share* what the business is about. Once a clear picture is made of a business, this picture can be *analyzed*. A business model makes it more easier to *manage* and *innovate*. And a business model can form the base of a *patent*. The business model structure selected for this research also came from the Osterwalder (2004) thesis. Several structures by other authors were used to come up with nine business model building blocks.

The third question was answered with theory about environmental influence on In this chapter these factors were divided into, competitive forces, social network and media influences. The theory showed

that several different environmental information factors from different categories can influence an entrepreneur in general. These factors are summarized in table 3.

Competitive forces Influences	Social Network Influences	Media influences
Buyer	Friends	Literature
Supplier	Family	TV & Radio
Substitutes	Other entrepreneurs	Internet
New entrants	Experts	
Competitors		

Table 2 : Influential environmental information factors on business model development

3. METHODOLOGY

The environmental information factors found in the previous chapter were explored so that they could be presented to the entrepreneur developing his business idea.

This chapter will present how this entrepreneur and these factors will be used in the case study. This chapter will give an understanding of how the case study is organized and which methodologies are used to organize the case study.

3.1 INTRODUCTION

It is now clear what a business model serves for, and a good business model structure is selected. The environmental information factors that could arise during business model development according to theory were also analyzed, as well as their effect on the development. As explained in chapter one this study is conducting a case study in order to find out which environmental information factors influence business model development in practice. The way this case study is exactly organized will be explained in this chapter. The chapter will describe the methodology used to collect and analyze the data and the limitations that arise within the methodology used in this study.

3.2 METHOD OF DATA COLLECTION

To collect the data needed to answer the research questions set up earlier in this study, an entrepreneur developing a business idea into a business model was observed for a period of six months. The selected business model structure of Osterwalder (2004) was presented to the entrepreneur. From 1-03-2008 until 31-08-2008 the entrepreneur used this structure to develop his business idea of a winter sports outlet in Eastern Holland into a business model. Just by observing an entrepreneur while developing a business idea, it is impossible to see which environmental information factors influenced the entrepreneur. To collect data when conducting a case study Yin (2003) mentions six sources of evidence; documentation, archival records, interviews, direct observations, participant-observations and physical artifacts. For this study it is of importance that the moment of occurrence of an environmental information factor was directly reported. The collected data needs to be; stable, unobtrusive, exact, broad and precise, which are, according to Yin (2003), the strengths of using archival records. As the entrepreneur is the first to notice the environmental information factors influencing him, the best way of capturing this data is to let the entrepreneur keep a personal record. Therefore the entrepreneur was asked to keep a diary while developing the business model. Although this study strives to be as unobtrusive as possible, it is very difficult in this case study as the researcher is also the entrepreneur. The knowledge the researcher has, will strongly influence his role as the entrepreneur. The entrepreneur is also presented with quite a systematic approach of developing his business, this does not contribute to the unobtrusiveness of the study.

In the diary, which was made by using Microsoft Excel, the nine key elements of a business model mentioned by Osterwalder (2004) were used to describe in which element the environmental information factor had an effect. Every environmental information factor affecting the development of the business idea was described by the entrepreneur in this diary. Diary studies have often been classified into the three categories of interval-, signal-, and event-contingent protocols (e.g., Wheeler & Reis 1991). In the case study used in this study the entrepreneur notes an environmental information factor only when the entrepreneur was influenced by it. This means that according to Wheeler and Reis the diary method used in the case study can be categorized as an event-contingent protocol. According to Bolger et al. (2003) diary studies serve one of two major purposes: the investigation of phenomena as they unfold over time, or the focused examination of specific, and often rare, phenomena. The diary study used here is clearly focused on the examination of a specific phenomena. Summarizing, the data that needed to be collected for this study was provided by the diary of the entrepreneur. To create an insight into the environmental information factors, the entrepreneur was asked to keep a diary to record these information factors whenever they occurred. This data is used in this study to analyze which environmental information factors affect business idea development, and what the effect of these factors is.

3.3 ANALYZING THE COLLECTED DATA

As explained in the previous section, an entrepreneur will develop a business model and the data about environmental information factors will be collected by using a diary. In this design the diary will be the unit of analysis and the occurrence of influential factors noted in the diary, will be the units of observation. Although the method of data collection is not very unobtrusive, the method data analysis is unobtrusive. Babbie (2007) mentions three different types of unobtrusive research; content analysis, analysis of existing statistics and comparative and historical research. As the use of a diary can be seen as a study of recorded human communications, doing a content analysis will be most appropriate to analyze the data in the diary. The interaction between the entrepreneur and the environmental information factors can be seen as a form of communication. These forms of communication are recorded by the entrepreneur in his diary. Babbie (2007) states that content analysis is particularly suited for answering the classic question of communication research: "Who says what, to whom, why, how, and with what effect?" As this study wants to find out which factors affect the entrepreneur and how they affect the entrepreneur, the use of content analysis fits perfectly within this study. The content analysis on the diary will be made by analyzing the nine different building blocks of the business model separately and the effect of environmental information factors within these building blocks. The results of the analysis of these nine building block will be formed into an overall table which will show the frequency of environmental information factors per building block. This table serves as the foundation to further analyze the influence of the factors per pillar, per category and their overall effect on business idea development. An overall model will be created that visualizes the effect of environmental information factors on business idea development. In the end, hypotheses for further research will be derived from the analysis.

3.4 LIMITATIONS

The methodology used in this study has its limitations. The way the researcher is performing two roles in this research is not quite common and brings along limitations. The use of a diary also brings along limitations, as well does conducting a case study. As these limitations will affect making a clear conclusion at the end of this study, it is important that these limitations are addressed. Some limitations can be avoided, others can not and will influence the study results. The limitations of this study will be mentioned in this section.

3.4.1 PARTICIPATORY ACTION RESEARCH (PAR)

One limitation of the study is that the researcher performs both roles used in the study. The role as researcher and the role as participant in the study. It is important that the role as entrepreneur will be performed objective. To be more specific, the entrepreneurial role should not be performed in a way that it will help realizing the aim of the research. The kind of research performed in this research falls within the participatory action research paradigm (PAR). Pain and Francis (2002) name some advantages and limitations in performing participatory research.

Advantages	Limitations
Effective for accessing 'hard to reach' groups	Produces certain types of information
Potentially wide coverage of population	Information may be brief and superficial
Participants choose level of involvement	Relationship with researcher may be very brief
Groupwork is inclusive, and promotes information sharing and education	Presence of others affects personal accounts
Research is emergent and reflects people's own priorities and interests	Information may not address goals of research
Can tailor tools to participants	Selective involvement of participants in verification and analysis
Participants as experts in problem definition and solutions	Unequal power and representation amongst participants, and between participants and researcher
Collective solutions emerge organically	Social and political factors can effect change to the detriment of the participants

Table 3 : Some advantages and limitations of participatory diagramming as a research method
(Pain and Francis 2002)

3.4.2. DIARY METHOD LIMITATIONS

The data in the case study will be collected by the use of a diary, in which the entrepreneur will keep track of the environmental information factors that influenced him while developing his business idea. The main advantage of a diary is that, one observes an entity in a real life setting. A fundamental benefit of diary methods is that they permit the examination of reported events and experiences in their natural, spontaneous context, providing information complementary to that obtainable by more traditional designs (Reis 1994). This is also the reason that the use of a diary was chosen in the case study. Next to this major advantage, the diary method also has a couple of limitations. These limitations will be discussed here.

One practical concern is that diary studies often require detailed training sessions to ensure that participants fully understand the protocol (Reis & Gable 2000). This is not of concern in this study, although the protocol is quite complicated, the participant is presented with a structure to develop the diary. The nature of the structure does need specialized training for the participant, however the double role of the researcher does requires attention. The role of the entrepreneur needs to be performed in a objective manner. The entrepreneur must not let the knowledge he has as a researcher influence the diary. In order to obtain reliable and valid data, diary studies must achieve a level of participant commitment and dedication rarely required in other types of research studies. The burden of repeated queries and responses places substantial demands on the participant. To address this, investigators usually design diary instruments that are short and take several minutes to complete. Doing so can limit diary studies to less in-depth reporting of a phenomenon at each time of measurement.

3.4.3. CASE STUDY LIMITATIONS

To determine which factors influence business model development for a start up firm, a case study is used. A case study allows the researcher to retain meaningful information of real-life settings. But than again it is also difficult to generalize from a case study. Using a case study simply brings along several advantages and disadvantages, these will be discussed here.

According to Tellis (1997) construct validity is especially problematic in case study research. It is has been a source of criticism because of potential investigator subjectivity. Yin (1994) proposed three ways to deal with this: using multiple sources of evidence, establishing a chain of evidence and having a draft case study report reviewed by key informants. The latter of the three remedies will be used in this research to deal with the construct validity. Tellis (1997) states that internal validity is a concern only in explanatory cases. Since this research is exploratory, there will be no problems in relation to internal validity. The external validity of the case study performed in this research is also under pressure. It is difficult to say whether the results found in this particular case study will generalizable beyond the specific case of developing a business model for a winter sports outlet in Eastern Holland. Reliability is another important aspect to deal with when performing a case study. In this case study their will only be one observer. This observer is also the person being studied, therefore it is very difficult for the researcher to stay unobtrusive (Glesne & Peshkin, 1992).

3.4.4. CONTENT ANALYSIS LIMITATIONS

The biggest limitations in content analysis performed in this study is that it is limited to the examination of recorded communications between the entrepreneur and the environmental information factors. The communication must be recorded in order to permit analysis. This means that it is not possible to measure the factors that did not influence the entrepreneur. Therefore during the results we must be aware of the fact that there were also information factors from which the entrepreneur received information but did not affect him.

3.4 CONCLUSION

This chapter showed how the case study used in this study is organized. The data is being collected by using a diary. In this diary the entrepreneur records the environmental information factors presented to him whenever they occur. The data in the diary is then being analyzed doing a content analysis. The methodology presented in this chapter also has its limitations. The fact that the researcher in this study performs a double role, might give the researcher the opportunity to affect the data collected within the case study. The researcher is totally aware of this double role and will perform his role as an entrepreneur as objective as possible. This limitation will always be present however. Using a diary to collect data also brings along some limitations. Whereas the use of a diary is praised because one can observe an entity in a real life setting, the entrepreneur needs to stay dedicated to his diary during the whole process. The entrepreneur might lose interest in the diary or does not see the importance of recording the information influences properly. The entrepreneur does not need training sessions to understand the structure of the diary. He does nonetheless need to be aware of the fact that it is not common to perform a double role. It will be quite a challenge to stay as objective as possible while using the diary. As the results of the data only apply to one single case it will be difficult to generalize from them. The results however will bring us a step closer to understanding the effect of information factors when developing a business idea. One more concern is the use of content analysis. As only the data in the diary will be analyzed the factors that might influenced the entrepreneur but were not recorded, can not be analyzed.

4. ANALYSIS OF DIARY DATA

The contents of the diary will be analyzed in this chapter. Tables and graphs will be presented that give a view of the influence of environmental information factors. This chapter will show the results of the analysis, chapter five will then present the conclusions and propositions that are made based on the results presented here.

4.1 INTRODUCTION

The previous chapter explained how the data in this study was collected and how it will be analyzed. This chapter shows the results of the analysis of this data, so that the findings of this analysis of data can be discussed in chapter 5 and propositions can be derived from that data. The qualitative data collected by letting the entrepreneur keep a diary (Appendix A) was analyzed by doing a content analysis. In this chapter the content of the data will be analyzed in order to find out what the most important environmental information factors were that affected the entrepreneur while developing his business model. This chapter will also give more clarity of the effect these factors had on the business model development. This chapter will show whether or not these environmental information factors actually influenced the entrepreneur to actually change the business model.

4.2 ENVIRONMENTAL INFORMATION FACTORS AND THEIR EFFECT

This section will show what the most important information factors were that influenced the entrepreneur while developing his business model. The entrepreneur noted the environmental information factors affecting an entrepreneur according to theory, whenever they occurred. For every building block the entrepreneur recorded, the date, source and effect of the information factor. By doing a content analysis every influence per building block was made visible (Appendix B-J). The overall result of the content analysis performed on this diary is shown in table 4.

Environmental information influences in Business Model overall

	Competitive Forces					Social Network				Media			
	Buyer	Supplier	Competitor	Substitute	New Entrant	Friends	Family	Entr.	Experts	Radio-TV	Internet	Literature	
1. Value Proposition	0	1	0	0	0	2	1	3	2	0	3	0	12
2. Target Customer	0	1	1	0	0	0	0	1	3	0	1	0	7
3. Distribution Channel	0	1	0	0	0	0	0	3	0	0	4	0	8
4. Relationship	0	0	0	0	0	1	1	4	0	0	2	2	10
5. Value Configuration	0	0	1	0	0	0	0	2	0	0	0	1	4
6. Capability	0	1	0	0	0	0	0	1	0	0	0	0	2
7. Partnership	0	0	0	0	0	0	1	0	0	0	0	0	1
8. Cost Structure	0	0	0	0	0	0	0	1	1	0	1	1	4
9. Revenue Model	0	0	0	0	0	0	0	1	1	0	1	1	4
Total	0	4	2	0	0	3	3	16	7	0	12	5	

Table 4: Environmental information influences on business idea development

The data in table 4 is used to present a better view of the following aspects:

- The environmental information influences per building block
- The environmental information influences per pillar
- The environmental information influences per information category
- The influences per environmental information factor

4.2.1 CONCLUSION

Table 4 shows that every category of environmental information factors had an effect on the overall development of the business model. It is obvious that the social network had the most influences during the development. The value proposition and the relationship block were most influenced. Whereas table 4 gives a view of where the environmental information had an effect, the following sections will each deal with a specific part of table 4 in order to get a better vision on the effect the information factors. These sections will all be ended with a conclusion that will explain the main findings in every section.

4.3 THE ENVIRONMENTAL INFORMATION INFLUENCES PER BUILDING BLOCK

Figure 7 presents a view of the number of environmental information factor influences per building block.

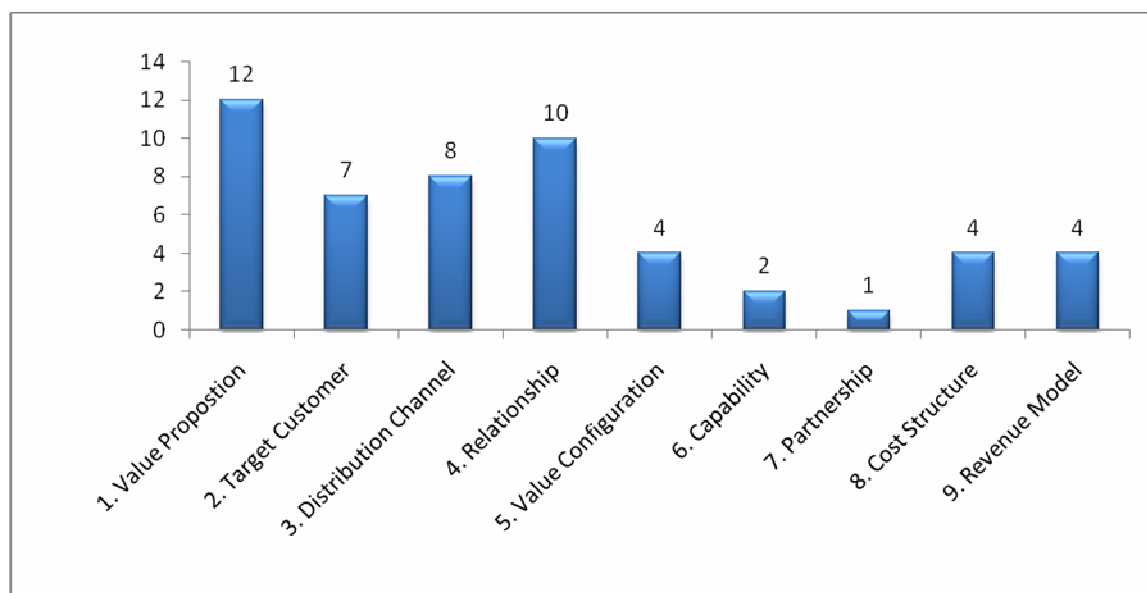


Figure 7: Environmental information influences on business idea development per building block

The figure shows that environmental information factors had a high influence in the value proposition, target customer, distribution channel and relationship block, with the value proposition block as most influenced. The environmental information factors had a medium influence in the value configuration, cost structure and revenue model block. The capability and partnership block showed low influence of environmental information factors, with the partnership block having the lowest influence. As mentioned in section 4.2, a detailed overview of the influence of the environmental information factors per building block can be found in Appendix B until J.

With the help of the diary data and the results of the content analysis, the connection between the development of a building block and the influence of an information factor will be further analyzed. The change of a building block in relation to the information factors. A closer look will be taken in how environmental information factors shaped a business model building block. This will be done for every single building block.

Value proposition

The environmental information factors helped the entrepreneur to test the quality of his business idea and to understand which value should be offered to customers. The data in the diary shows that the environmental information factors actually helped the entrepreneur to confirm the viability of his business idea. With help of these factors the value proposition changed from the initial idea, which was, as said tested with help from the environment, into the entrepreneur's view of how the outlet could offer value. Appendix B shows that other entrepreneurs and internet were of most influence during the change in the value proposition. Friends and experts formed the second largest group of influence. Supplier and family both influenced the entrepreneur once during the change. In this first building block it was necessary for the entrepreneur to get an idea of the value the outlet can offer. In what way could the shop distinguish itself from the competition. Other entrepreneurs helped a great deal in this as seen in the passage of the diary (Appendix A):

Ivo Baas

Ivo is an entrepreneur and had a quite good view of the way value could be offered in the winter sports outlet. People nowadays want to do as much as possible with very little effort, he said. Therefore offering everything for winter sports in the same shop would save people time. They go to one shop and buy it all. What he was trying to say that the outlet should have a very broad range of products.

Target Customer

To identify the target customer the environmental information factors were of great use. The entrepreneur could make the contents of his target customer block more specific with the help of information factors. It became more and more obvious who were the outlets target customers. As seen in Appendix C, experts were the most used information factors. These experts had a good view of the winter sports population in Eastern Holland. After experts a supplier, a competitor and an entrepreneur were used to identify the outlets target customer. Internet was also used only once, but

had an important function. With the help of internet, the entrepreneur was able to find out the exact number of people performing winter sports in Eastern Holland. Especially the information of experts helped the entrepreneur to recognize his target customers. This can be made more clearly with a passage of the diary (Appendix A):

Trudy Nijkamp (Ski Vereniging Twente)

I wanted contact with this institution to find out whether there was a market for a winter sports outlet in Twente. Trudy was not really thrilled by the idea, but this had a reason. She explained that most of the members of SVT were older than 50 years, and most of them already had an address for their gear for years and years. She let me know that these older people don't switch from supplier anymore and that my focus should be at "younger" customers. The age group that will receive

the main focus varies from 18 till 50 years old. And off course the children the people in this age group will have.

Distribution Channel

The entrepreneur needed to find a way to let his value offer reach his target customers. The environmental information factors were a great source for helping him to reach his target customers. Looking at Appendix D, the internet served as the main environmental information factor in this building block. It helped the entrepreneur understand how could advertise in order to reach his customers. He also used websites of competitors to see how they try to reach their customers. After the internet, other entrepreneurs were the favorite environmental information factors. These entrepreneurs were asked how they reached their target customers. They were used to compare. A supplier was also used for information, the supplier could explain what feeling a customer wants to have when they walk in a winter sports shop. As mentioned the internet helped to entrepreneur to reach his customers in a proper way. The internet showed that a good website is must in order to set up a proper business, as shown in the following passage of the diary (Appendix A):

businesscompleet.nl

On this website an article was presented about the importance of a good website for a company. It is a way a company can earn the confidence of the customer by presenting the company's expertise. Nowadays a lot of people use the internet and therefore the first contact a customer has with the company will be through the internet. Therefore it was stated in this article that a good website is a must. You can let the customer know you exist and the customer can evaluate your product.

Relationship

The relationship a company needs to have with its customers in order to be successful became clearer with the information gathered from the environmental factors. Especially how a customer needs to be treated and the way a customer can be kept loyal towards the outlet were learned from the environmental information factors. Other entrepreneurs influenced the building block the most (Appendix E). The way these entrepreneurs established the relationship with their customer was used by the entrepreneur to translate this to his outlet. Internet and literature both influenced the development of the building block twice, these sources were also used to see how other companies established a relationship. Friends and family also had input in the building block by serving as a source of information once. Friends and family were used to discuss the way of establishing a relationship with. The most valuable thing that was learned from the environment in this building is that the outlet should offer expertise about the products it sells, this is shown with a passage of the diary (Appendix A):

Marleen Brandes

Marleen worked in a winter sports store for several years and told me that it is very important that the outlet store offers professional advice about the equipment. This means that one should always be up to date with the latest innovations. It isn't just selling the equipment, when you give people good advice and the customers feel that these advices were right this can help build the relationship between the customer and the store.

Value Configuration

In comparison with the first four building blocks, less environmental information factors were used to develop the value configuration block. The factors did help the development of this block though. Other entrepreneurs were used to find out where the most value was added within the outlet and to decorate the outlet in such a way that customers feel at home (Appendix F). Literature was used to see that advertising is important for the outlet and is also very expensive. By visiting another store

(competitor) the entrepreneur got an idea how a shop could be decorated. The influence of competitors in the value configuration block is shown with a passage of the diary (Appendix A):

Sport 2000

By visiting this store, I immediately noticed that decorating a store takes quite some time and money. The store needs to be tidy at all times. The products need to be placed in the store. This is an aspect which can determine whether or not something is being sold. Customers do not like messy stores.

Capability

This building block was only influenced twice, by an entrepreneur and by the supplier (Appendix G). Although the influence of information in this building block was low, the information factors were very important. The two factors used had a very good idea of the assets needed for a winter sports store as they both have experience with this kind of stores. The entrepreneur was satisfied the amount of information given by these two factors and did not search for further information. The influence of suppliers in the capability block is shown with a passage of the diary

(Appendix A). This passage shows that talking with suppliers helped the entrepreneur how he should organize the outlets logistics.

Erik van der Waarde (Salomon NL)

Erik is a sales manager for Salomon in the Eastern part of Holland. He visits a lot of sports shops and could therefore tell me a lot about which capabilities a store should have.

Partnership

The outlet actually functions without any partnerships in the beginning, therefore there were very few information factors influencing this building block. There was one influence that suggested a partnership with an indoor ski track (Appendix H). This suggestion was made by a family member. The influence of family in the partnership block is shown with a passage of the diary

(Appendix A):

Henk Baas

My father made me aware of the fact that it could be smart to work together with an (indoor) ski track in Eastern Holland. Your potential target customers will be there as well. Unfortunately there is not one in Eastern Holland. But there might exist ideas to set up one in Eastern Holland. This advice convinced me that it could be a good idea to work together with a ski track and persuaded me to investigate if there existed ideas for setting up a ski track in Eastern Holland.

Cost Structure

As the entrepreneur has not got enough experience with number he needed the help of information factors. These information factors provided him with the information he needed to set up a proper cost structure. The influence of these factors were very valuable as the entrepreneur did not only use the information factors to actually discuss but he really needed the factors to built this block. Appendix I shows that the number of influences were low in this block. The contents of the influence were very valuable on the other hand. Another entrepreneur, an expert, internet and literature was used to construct this building block. The way a cost structure should look was not clear to the entrepreneur he therefore used literature in order to get a better idea of a company's cost structure. The influence of literature in the cost structure block is shown with a passage of the diary

(Appendix A):

Gouvernement brochure (Wegwijs voor ondernemers)

This brochure explained with what financial aspects a business model should deal.

The brochure helped me understand the money streams and how they work within a company.

Revenue Model

The story behind this building block is practically the same as that of the cost structure building block. The entrepreneur was not influenced a lot, but the factors that did influence him played a critical role. Appendix J shows that the entrepreneur was affected by the same sources of information as in the cost structure. The entrepreneur needed the help of experienced people to construct these two building blocks. This experience came from other entrepreneurs who made it clear to the entrepreneur how a proper revenue model should look like. The influence of entrepreneurs in the revenue model block is shown with a passage of the diary

(Appendix A):

Tom Velthuis

Tom is an entrepreneur and told me that when investors look at a business model they are interested in the way a company makes money. He advised me to make a profit and loss account to give insight in the way you the outlet wants to make money.

4.3.1 CONCLUSION

This section proved that the business model developed in the case study was affected in every building block. The environmental influences helped to shape the building blocks. It is also noticed that there is a large difference between the number of influences in the building blocks. Especially the building blocks that deal with the product and customers of the new firm were heavily influenced. Probably because of the fact that these parts are very vital for the existence of the firm and therefore receive a lot of extra attention. In every building block it was noticed that the information received from the environment actually helped to shape and to better understand the blocks.

4.4 THE ENVIRONMENTAL INFORMATION INFLUENCES PER PILLAR

The business model structure of Osterwalder (2004) used in this study is built on 4 different pillars, already mentioned in chapter two. To see which environmental information factor had most effect in a pillar table 5 is presented.

	Competitive Forces					Social Network				Media			
	Buyer	Supplier	Competitor	Substitute	New. Entrant	Friends	Family	Entr.	Experts	Radio-TV	Internet	Literature	
Product	0	1	0	0	0	2	1	3	2	0	3	0	12
Customer Interface	0	2	1	0	0	1	1	8	3	0	7	2	25
Infrastr. Management	0	1	1	0	0	0	1	3	0	0	0	1	7
Financial Aspects	0	0	0	0	0	0	0	2	2	0	2	2	8
Total	0	4	2	0	0	3	3	16	7	0	12	5	

Table 5: Environmental information influences on business idea development per pillar

Two things immediately deserve our attention, the extremely high influences of entrepreneurs and internet in the Customer Interface pillar. One more interesting point to notice is that although social network influences are the highest in the first three pillars, the social network influences in the financial aspects pillar are equal to the media influences. When we look at the number of influences, the Customer Interface, has the most influences (25). The number of influences per pillar are presented in figure 8.

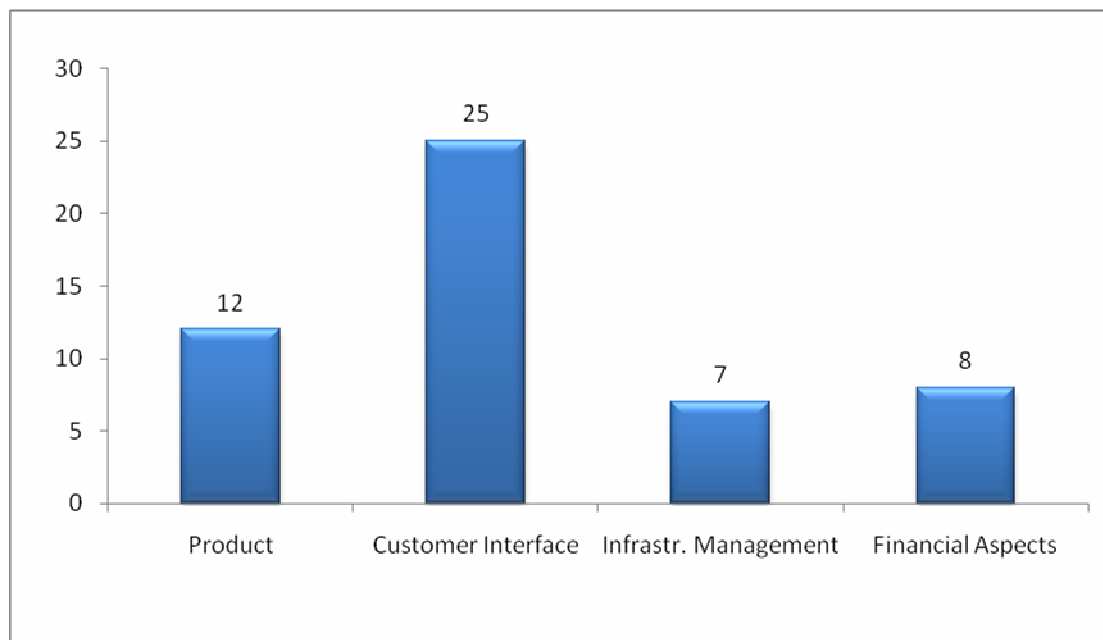


Figure 8: Number of influences on business idea development per pillar

Now it is clear that the number of influence is the highest in the Customer Interface pillar (25), with more than 50 % less influences followed by the Product pillar (12). The difference between the Infrastructure Management pillar (7) and the Financial Aspects pillar (8) is very small. The influences in the Product pillar were mostly used to get a clear view of how the outlet could offer value to its customers. To actually develop the product of the outlet in such a way that it can offer value. The information factors in the Customer Interface pillar were used to discuss how this value could be best offered to the customers. The information factors helped to identify the target customers and how these customers should be reached and treated. Within the Infrastructure Management pillar these information factors helped to explain how the structure of the company should be in order to create and deliver value to the customers. Experienced sources in developing a management structure were used here. The last pillar is actually dominated by experienced influences, within this pillar the entrepreneur looked for factors that could clearly explain the financial aspects as the entrepreneur himself lacks the experience.

4.4.1 CONCLUSION

As already mentioned in section 4.3.1 the product and customer part of the business model are very vital for the existence of the new firm. The entrepreneur therefore wants to make sure that these parts are build up properly, and therefore discusses these parts very often. In the first two pillars of the business model the environmental factors were used to make the pillars more extensive, whereas in the latter two, the information factors were used to make the pillars more specific.

4.5 THE ENVIRONMENTAL INFORMATION INFLUENCES PER CATEGORY

In chapter two the environmental information factors were divided into three different categories; competitive forces, social network and media. As seen in table 4 these different categories were also taken into account during the analysis of the diary data. Figure 9 shows the number of influences per environmental information category on the business idea development. This figure shows which category of information factors affected the entrepreneur in our case study the most.

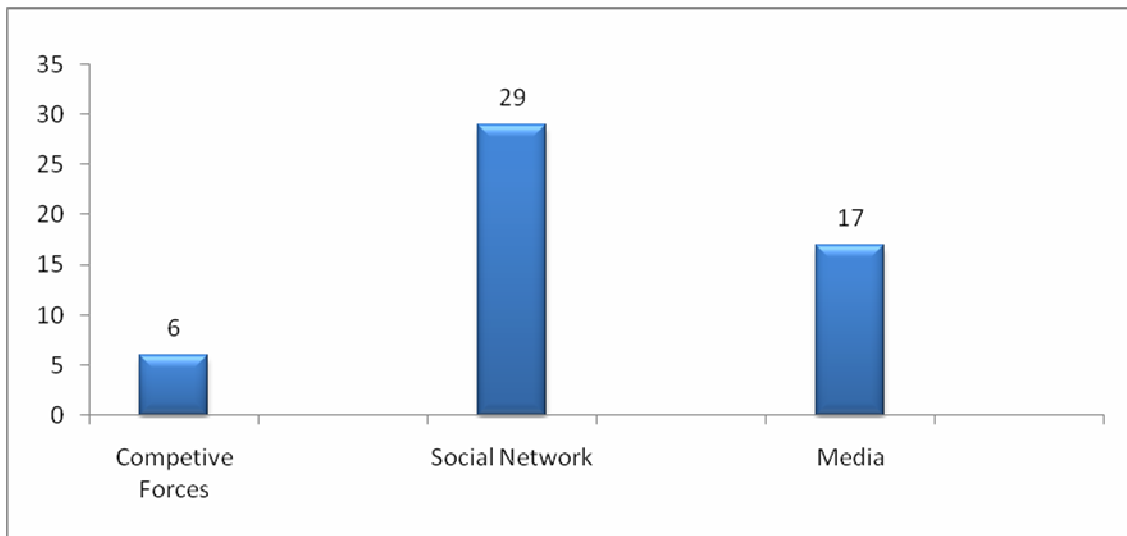


Figure 9: environmental information influences on business idea development per category

Competitive forces with six influences was the category with the least amount of influence. These factors of competitive forces were used to test whether the concepts thought out by the entrepreneur were feasible and to see how these concepts were dealt with at the competition. The social network factors with 29 influences is the largest category of influence. The social network was used to discuss the ideas of the entrepreneur, to test them. The social network also served as a comparison source, the entrepreneur looked at the way other entrepreneurs fill in certain building blocks. To get hard information about how something is done, for example setting up cost structure, the social network was also used. The media was the second largest categories of influences. This category was used to get quantitative data about the customers. It also served as a form of espionage, through internet one can easily see how other companies or competitors are dealing with certain building blocks. As with the factors within the social network the media category was used to get hard information about how something is done, like developing a revenue model. For now this section already gives an insight on the way certain information factors influenced the business model, by looking at the way a category influence the model. Later on section 4.6 will give an insight in the way the environmental information factors individually affected the business model.

4.5.1 CONCLUSION

This section learned that the categories of influences found in theory all had their influence on the development of the business model. The social network by far had the most influences on the entrepreneur. The business model is such a vital tool for a business, that the contents of the business model will be discussed with factors that are trusted by the entrepreneur. The entrepreneur will be easier influenced by persons that he knows and mean something to him. The entrepreneur already has a certain perception of these persons. These persons are likely to be found in his social network.

4.6 THE INFLUENCES PER ENVIRONMENTAL INFORMATION FACTOR

Entrepreneurs served as the main environmental factor during this business idea development process, with 16 influences during the whole process (table 4). This can be seen more clearly in figure 10.

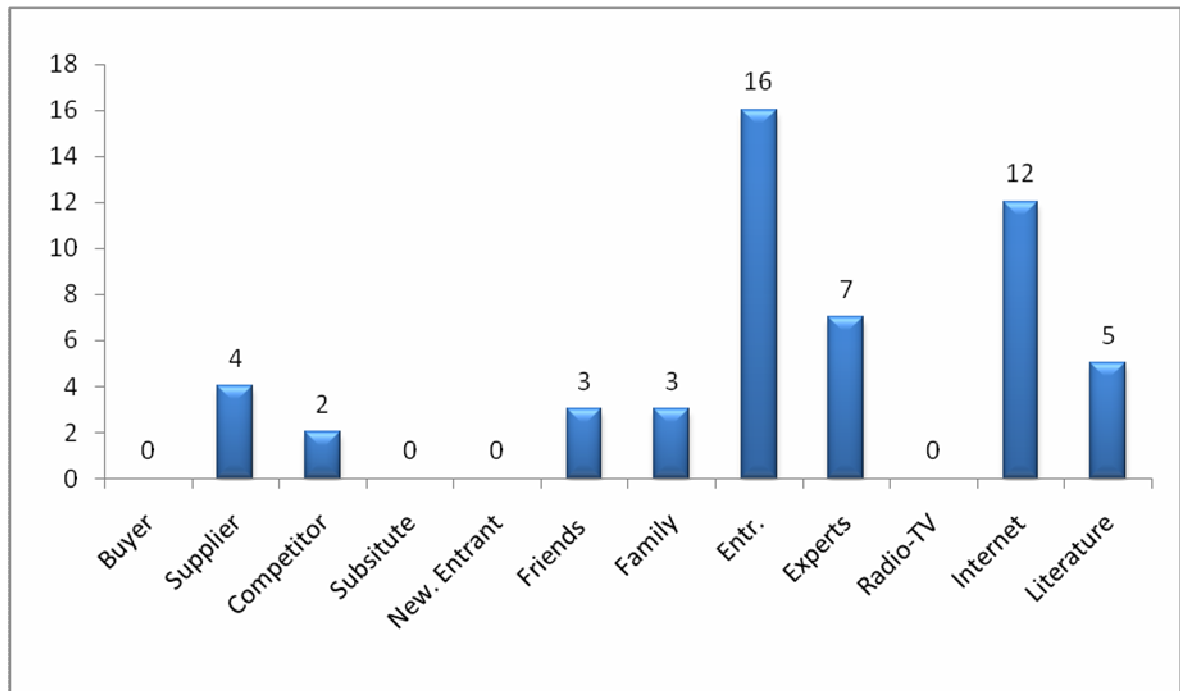


Figure 10: Influences per environmental information factor

After entrepreneurs, the internet factors influenced the business idea development process the most, with twelve influences. The experts factor came in third with seven influences. The entrepreneur was influenced five times by a literature factor. Four influences came from the supplier factor. The friends and family factors both scored three influences. The last factor actually influencing the entrepreneur was the competitor factor with two influences. The buyer, substitute, new entrant and Radio-TV factors

did not have any influence on the entrepreneur in the case study while developing his business idea. As for the buyer this was not really surprising because the entrepreneur in the case study did not contacted customers to give their view of how they felt the outlet should offer value. During the months of development the entrepreneur did not notice any substitutes or possible new entrants to his market, therefore he was not able to attract information from these factors. The absence of these last three factors have logical explanations. The absence of Radio-TV factors however is quite odd. Radio-TV factors which were all around the entrepreneur were not used. The entrepreneur practically used these factors every day, yet he was not influenced by them. The entrepreneur explained that radio or TV were forms of relaxation for him and endures these factors as a “normal” person and not as an entrepreneur. As mentioned in section 4.2.1 this section will give an insight the way the individual factors influenced the business model. This will help understand whether or not the environmental information factors were used for the same purpose in every situation. Every single environmental information will now be analyzed to see which effect the factors had on the business model.

Buyer, substitute, new entrant and Radio-TV

These factors did not have an influence in the business model development and can therefore not be analyzed. The reason of absence of these factors was already explained earlier in this section.

Supplier

Suppliers helped the entrepreneur to test whether the business idea was feasible. The supplier was used as testing source for the idea. The suppliers helped understand whether or not there was a market for the business idea and to get insight in the current market. The supplier helped to make the first two pillars more specific.

Competitor

The competitors were used as a source to compare their way of offering value to their customers with that of the winter sports outlet. The entrepreneur then decided to copy or to improve this value.

Friends

In the case of the entrepreneur friends are not asked for information. The conversation about the business idea just comes up and is being discussed. These discussions eventually led to a piece of advice of friend which could be used for the business model. These pieces of advice were extra ideas to offer and deliver value to the customers. It made the building blocks of the business model broader not more specific.

Family

The influence from the family factors had the same effect on the business model as the friends factors. The also led to an extension of the business model. The discussions with family broadened the view of the entrepreneur.

Other Entrepreneurs

Except for partnership this environmental information factor was used in every building block. These other entrepreneurs were asked for advice. The entrepreneur identified them as persons that might help him with certain aspects of the business model and specifically asked them how they would deal

with those aspects. As said these entrepreneurs were asked how they solve certain situations in their companies. They helped to make the aspects still foggy for the entrepreneur more specific. These factors actually helped shape the business model with the help of their own experiences.

Experts

Experts were used by the entrepreneur for their knowledge of certain aspects of the business model. The entrepreneur had to rely on these information factors for this knowledge as they are experts in certain area's. These experts were asked for advice on very specific subjects, like the target customer and the financial aspects. The experts were used for knowledge that the entrepreneur did not have. With the help of this knowledge the entrepreneur was able to specify the business model.

Internet

It seems that internet factors had multiple functions for the entrepreneur. The internet was used to "spy" on competitors, to see how they offered and deliver their value. It was used to get specific numbers on the amount of target customers and how to reach these target customers. At the same time the internet was used to look up specific information, the same information that experts could provide. Internet than served as sort of school book, on which the entrepreneur could look for answers on things that he did not understand himself.

Literature

In the literature factor two influences can be recognized. Literature provided information about other companies or entrepreneurs so that the entrepreneur in the case study could compare himself with this information and judge whether he should cope with aspects in the same way as he reads in literature. Literature was also used to look for specific information. This was the case in the financial aspects pillar. The entrepreneur needed information on how to set up these financial aspects and trusted on literature for the right information.

This section again showed that information factors from which the entrepreneur has a good perception, often influenced the development of the business model. Not every factor found in the literature in chapter two also had an influence on the entrepreneur. The absence of influence of these factors were explainable and this absence does not mean that entrepreneurs developing business models will not be influenced by those factors. In this particular case the entrepreneur did not use these factors, it is not to say that other entrepreneurs also will not use them. Especially the role of other entrepreneurs when developing a business idea turned about to be vital.

4.7 CONCLUSION

The result of this chapter is that there now is a clear view on environmental information factors and their effect on the development of the business idea of the entrepreneur in the case study. This chapter showed that the perceptions an entrepreneur has on his business idea and his business model changes because of the effect of environmental information factors. From table 4 several different graphs were derived that showed in which building blocks and which pillar the entrepreneur was influenced, which category of factors had most influence and which factor had most effect on the development overall. With the help of the dairy data it was able to see which effect a certain

information factor had on the entrepreneur. It showed that different information factors were used for different reasons. Every information factor had his own effect on the business model. In general the influences from the social network were the highest, with other entrepreneurs as the overall top influential factor. Also internet served as large source of information and heavily influenced the development of the business model. The results also showed that the product and customer pillars were vital for the business model and that entrepreneur therefore gave special attention to these two pillars and extracted as much information as possible from his environment in order to optimally develop these two pillars. It is difficult to make assumptions about the information factors that were not used or about parts of the business model that were not heavily influenced, as only one single case was observed. In this particular case the absence of certain influences could be explained and it might be possible that in other cases these influences will have a larger influence. With these results it is now possible to say more about the environmental information factors and their effect, that influenced the entrepreneur in the case study. We have seen that throughout the whole development of the business model the environmental information factors changed the entrepreneurs view of the model. The entrepreneur actually needed his environment to find out more about certain elements of the business model. His environment actually changed his business model. The results of this chapter can be formulated into some interesting propositions, which will be made in the following chapter.

5. CONCLUSIONS, PROPOSITIONS AND REFLECTIONS

With help of the analyzed data in the previous section this chapter will go one step further. In this final chapter this thesis will be concluded. First, the overall conclusions of this thesis will be discussed. Second, propositions to conduct further research on this particular subject will be presented. Third, reflections on this thesis will be given for further research on this subject will be drawn. And last, recommendations for entrepreneurs who try to develop their business idea will be given.

5.1 INTRODUCTION

This study was conducted because it wanted to make a distinct contribution to the knowledge on entrepreneurship. This study was especially interested in entrepreneurs developing business ideas, and the effect that environmental information factors have on an entrepreneur while developing his business idea, or let us say developing a business model. This resulted in the following problem formulation:

Which are the environmental information factors that influence the development of a business idea into a business model and how do these factors influence the development?

Chapter 4 will serve as a base for the main outcome of this chapter which will be answer to the problem formulation and a number of propositions for further research on the of influence environmental information factors on business idea development. One more important aspect to mention before going further to the conclusions of this study, is that this study used a qualitative methodology with limited or actually no claims for statistical generalizability. The conclusions drawn can only be referred to the particular case study conducted in this study. This study is conducted to excite researchers to do further research in this part of the entrepreneurship field, which got so little attention till this day.

5.2 CONCLUSIONS

As very little research was done towards environmental information factors and their effect on business idea development, literature on this specific subject was not available. To come up with environmental information factors this study explored the theory about environmental factors that influence entrepreneurs in general. With the help of the explored theory in this section three major categories of environmental information factors were mentioned; competitive forces influences, social network influences and media influences. Within these three categories several different factors were mentioned, which led to a total of twelve environmental information factors that could affect the entrepreneur according to this study.

The twelve environmental information factors found in theory were used in the case study in order to find out whether these information factors affected the development of a business idea. The results of the case study shown in chapter four learned that most of the factors found in theory did indeed affect

the entrepreneur while developing his business model. The most important overall findings that can be recognized from the data in chapter 4 are:

- The entrepreneur in the case study was affected most by factors from his social network with other entrepreneurs from his social network having the most influence.
- The influence of media factors was less, but still had appreciable effect on the entrepreneur, with the internet factor as the second largest influence on the business idea development.
- Although the effect of competitive forces factors was expected to be high, this category had the least influence of the three categories. The entrepreneur in the case study was only affected by suppliers and competitors.
- Whereas the absence of influences of substitutes and new entrants were more or less predicted due to the fact that while developing a business idea the entrepreneur is not yet active on the market, the absence of buyer influences is extremely odd. The buyer will eventually judge the value of the company, so it is strange to notice that this source was not used to get a perception of the value that the customer expects from the company.

This study believes that the reason behind the large influence of the social network on the entrepreneur lies in the fact that the entrepreneur tends to use sources which he trusts and of which he has good perception. These sources are bound to be found in his social network, because these persons are already familiar to him. Buyer, substitute, new entrant and Radio-TV factors were not used by the entrepreneur in the case study. After discussing the absence of these factors with the entrepreneur it became clear that there were good reasons for this absence. We can not conclude that these factors do not affect an entrepreneur developing a business idea in general, they just did not in this particular case.

Another interesting finding in the case study is that one can see in which part of the business model the environmental information factors had most effect.

- It is shown that the first four building blocks of the business model were affected most by environmental information factors with the value configuration, in which the offered value is determined, affected the most.
- These first four building blocks are part of the product and customer interface pillar, which are the pillars that were mostly affected by environmental information factors.
- As these first two pillars are so vital for a company because they determine whether a company is attractive for customers or not, the entrepreneur might seek for confirmation from his environment to make sure that the company is attractive for customers.
- The analysis showed that the environmental information factors all had a different affect on the business model. In the first two pillars of the business model, the environmental factors were used to make the pillars more extensive, whereas in the latter two, the information factors were used to make the pillars more specific.

Although the conclusions drawn above can only be referred to the particular case study conducted in this study, it was a good first exploration of this particular field of research. These conclusions can be transformed into propositions that might help to do further research on this subject.

5.3 PROPOSITIONS

With help of this study's main findings, propositions can now be stated that say something about the relationships between the concepts used in this study. These propositions can then be used for further research on business idea development and the influence of environmental information factors. The most important findings of this study will be formulated into propositions. Propositions can be made referring to several different aspects of the business model and the information that had an effect in that particular aspect. Propositions will be made for findings in general, for findings per pillar and for findings within information factors. The most important findings within these categories will be translated into propositions. For the building blocks there will not be propositions, as the propositions per pillar give a better overall view of the effect of environmental information within the building blocks.

General

1. *Environmental information factors affect an entrepreneur developing a business idea into a business model.*

This study wanted to find out whether the environment affects an entrepreneur while developing a business model. Existing theory proved that entrepreneurs in general are affected by their environment, however little was known about the effect of the environment on entrepreneurs when developing a business idea. Looking at table 4 it is seen that within the case study the entrepreneur was affected by his environment numerous times.

2. *Entrepreneurs should be aware of the amount of information that is available in their environment and use this information to develop a business idea.*

The results in chapter 4 showed that the entrepreneur in the case study learned a lot from the available information sources that were present in his environment. These information factors helped him to tackle certain problems and to further shape his business idea.

Pillar

3. *Product and customer parts of a business model are most influenced by environmental information factors because of their vital nature for the company.*

The results of the case study showed that these first two pillars were mostly influenced by the environmental information factors. This study believes these first two pillars are vital for the existence of every company. One needs a good product and a good way to bring products under attention.

4. *Management and financial parts of a business model are made more specific with the help of environmental information factors.*

The information the entrepreneur got from his environment about these two pillars helped him to better understand the contents of these two pillars. This was addressed in section 4.3, where it was shown that the entrepreneur had very little knowledge about financial aspects and information factors from his environment helped him to make the contents of those pillars clear.

5. *Product and customer parts of a business model are made more extensive with the help of environmental information factors.*

The quotes in section 4.3 showed that the entrepreneur at first had a very narrow view of what products he should offer and how he should offer it. Talking with several different environmental information factors clearly widened the view of the entrepreneur. He recognized more and better ways to compose his products and to reach and treat his customers.

Category

6. *The social network of an entrepreneur has the strongest influence when developing a business idea into a business model.*

Of the three categories of information sources the social network had the most effect on the entrepreneur while developing his business idea. In order to stay precise we must state that the social network had the strongest influence of the three categories of information factors formed in this research.

Information factors

7. *Other entrepreneurs are the most valuable sources of information for an entrepreneur developing a business idea into a business model.*

Looking at figure 10 one can quickly see that the knowledge of other entrepreneurs was very important for the entrepreneur. The entrepreneur probably looks up to these other entrepreneurs because they know how to get things down in a company. Those other entrepreneurs also have experienced several different situations about subjects the entrepreneur with a business idea is still unsure.

8. *Internet is an important source of information for an entrepreneur developing a business idea into a business model.*

Figure 10 also shows that internet also functions as an important source of information. More and more information is made accessible through the internet and therefore this fact did not come as a surprise. The internet can be used all kinds of information.

As mentioned these are the most important propositions that can be drawn from the conclusions of this study. The data found in this study contains much more information that can be of use for further research, however this study has chosen to translate the most important findings into propositions.

5.4 REFLECTIONS

The methodology of this study focuses on the current entrepreneurial situation. With the future technologies it is not unthinkable that entrepreneurs will use media factors much more as they might become even more easier to access. This can lead to totally different outcomes than the ones in this study.

In this study a business idea was developed for a shop. Maybe a business model for a production company might look totally different and therefore might be influenced by different environmental factors. A technology based idea is likely to be influenced by experts how have knowledge about the new technology. What is meant here is that the sort of company that is developed might determine which environmental factors are used.

The perception an entrepreneur has about a certain information factor is not measured in the methodology used in this study. This off course plays a very important role. It is not impossible that the entrepreneur might have received valuable information from certain environmental information factors but did not use this information because of the bad perception he had of this factor.

Information factors can have multiple backgrounds, for example friends might well be entrepreneurs. This phenomena also occurred during this study. In this study the entrepreneur record information from a particular factor only once. But it is very difficult to distinguish whether a person speaks to you as a friend or as a entrepreneur.

One last statement for further research can be made. The limitations that occurred during this study should be dealt with. As this study used a case study methodology further research should focused on the need to generalize the findings in this study. Similar research as done in this study could be done by using more entrepreneurs developing business ideas for different companies and study the way they are affected by environmental information factors.

5.5 RECOMMENDATIONS

The findings within this study make it possible to formulate some recommendations for entrepreneur wanting to develop their business idea. As already learned in the beginning of this study it is wise to translate a business idea into a business model or business plan. This will help the entrepreneur as well as other future stakeholders to understand what the future company will look like. It visualizes the idea and pours it into a solid plan. Next to that entrepreneurs should use their environment for information to develop their business idea. The environment can help to shape and to develop the idea into a solid business. Vital information can be right around the corner, one just needs to open up for environmental information. The environment does not only act as a source of information, it can also provide proper feedback which helps to develop the business idea and eventually contributes to a successful business.

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**Environmental information factors that influence the development
of a business idea into a business model**
A case study of a winter sports outlet in Eastern Holland



By T. Baas

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APPENDIX A : THE ENTREPRENEUR'S DIARY

BUILDING BLOCK : VALUE PROPOSITION

Date 11-3-2008
Source Dr Ir J Kraaijenbrink & Ger Bos (NIKOS)
Description After I told these two persons about my idea of setting up an outlet in Eastern Holland they were quite enthusiast. The idea was further shaped and we talked a lot about what the outlet had to offer that other stores couldn't. The actual value of the outlet for customers was widely discussed. The main outcome of this conversation was that the outlet could offer everything under one roof, the prices had to be low in order to make winter sports affordable for people and the outlet shouldn't be what you normally expect of an outlet (a warehouse packed with goods), but I the shore should breathe a winter atmosphere and good service needs to be provided.

Date 2-4-2008
Source Erik v/d Waarden
Description Erik is a sales manager at Salomon Ski Equipment. He was one of the first persons I contacted to find out whether Ski manufacturers were willing have a company sell their collections of previous seasons. According to Erik this was already happening on a small scale in existing sport shops. But the idea of a winter sports outlet looked promising he said. This boosted the confidence in my business idea and inspired me to go on developing it.

Date 13-5-2008
Source Marleen Brandes
Description Marleen Brandes also tries to start up her own business. She tries to set up an indoor ski track. I came in touch with her trough Ger Bos. She has a lot of experience in the winter sports section as she has worked in a store that sells winter sports gear, for several years. She thought the outlet was a great idea and was happy to think along with me about what was the best way to offer value to the customers in Eastern Holland. She supported the three pillars of the outlet (one roof, low price, high service) and she named several different brands that should be sold in the store, like Salomon, Kjus, Peak Performance, North Face.

Date 27-5-2008
Source Anneke Verstappen (Ski vereniging NL)
Description I contacted SVNL to find out whether they had lists of ski shops in Holland. So that I could find out which sports stores are selling winter sports equipment. Such a list was not available, but Anneke and I did talk about my business idea and she told that there isn't a store in Eastern Holland that is selling older series of ski's and equipment and that it might be a possible to do so.

Date 2-6-2008
Source Internet (www.skihut.nl)
Description I wanted to know how stores in Western Holland offered their goods to their customers. So I actually checked what the competition was doing in order to find out how I could offer value to my customers. I found that providing service is very important for customers when buying winter sports material. They want to be properly informed about the characteristics of the material they buy.

Date	2-6-2008
Source	Internet (www.frantzenwintersport.nl)
Description	I wanted to know how stores in Western Holland offered their goods to their customers. So I actually checked what the competition was doing in order to find out how I could offer value to my customers. I found that providing service is very important for customers when buying winter sports material. They want to be properly informed about the characteristics of the material they buy.

Date	2-6-2008
Source	Internet (www.boudriewintersport.nl)
Description	I wanted to know how stores in Western Holland offered their goods to their customers. So I actually checked what the competition was doing in order to find out how I could offer value to my customers. I found that providing service is very important for customers when buying winter sports material. They want to be properly informed about the characteristics of the material they buy.

Date	14-6-2008
Source	Ivo Baas
Description	Ivo is an entrepreneur and had a quite good view of the way value could be offered in the winter sports outlet. People nowadays want to do as much as possible with very little effort, he said. Therefore offering everything for winter sports in the same shop would save people time. They go to one shop and buy it all. What he was trying to say that the outlet should have very broad assortment.

Date	21-6-2008
Source	Willeke Reuver
Description	Willeke is my girlfriend, and me and her talk a lot about the idea for a winter sports outlet. In order to offer extra service she came up with the idea to let the equipment people order or rent be delivered at home.

Date	3-7-2008
Source	Tom Velthuis
Description	Tom is an entrepreneur who was very successful in the telecommunication business. Tom mentioned that although the price of the products is low, the quality of the products should always be perfect. Selling at a low price does not mean that the quality can be less as well. The best way of selling something is at a low price and great quality he said

Date	27-7-2008
Source	Kevin Agten
Description	This person is a good friend with whom I talk a lot about entrepreneurship. He goes on a winter sports holiday annually and noted that the material for winter sports is extremely expensive. He especially told that keeping prices in a winter sports store low could be a key to success.

Date	21-8-2008
Source	Meta Baas
Description	Meta is my mother and told me that people with kids also rent ski's in order to save money. Therefore this option should also be offered to the customer. The customer should also have the opportunity to rent ski's at the winter sports outlet.

BUILDING BLOCK : TARGET CUSTOMER

Date	13-5-2008
Source	Marleen Brandes
Description	Marleen told me that about 6,7 % of the people living in Holland annually go on a Winter sports holiday. These numbers were collected from a Dutch institute called CBS. With this information I was able to do my own research and find out which group could be seen as target customers for the winter sports outlet.
Date	2-4-2008
Source	Erik v/d Waarden
Description	Erik confirmed that Eastern Holland was missing a store that was specialized in selling Winter sports articles. He named two big stores in Western Holland (Skihut and Frantzen Winter sports) and admitted that Eastern Holland would be a good place to set up a store similar to those. This way Erik helped me to analyze my target area.
Date	6-4-2008
Source	Internet (www.cbs.nl)
Description	On this site the information that Marleen Brandes gave me was confirmed. 6,7 % of the Dutch population annually go on a winter sports holiday. On this website the exact number of inhabitants of Twente, the target region, was also found. With this information I was able to calculate the number of target customers in Twente.
Date	10-4-2008
Source	Trudy Nijkamp (Ski Vereniging Twente)
Description	I wanted contact with this institution to find out whether there was a market for a winter sports outlet in Twente. Trudy was not really thrilled by the idea, but this had a reason. She explained that most of the members of SVT were older than 50 years, and most of them already had an adress for their gear for years and years. She let me know that these older people don't switch from supplier anymore and that my focus should be at "younger" customers. The age group that will receive the main focus varies from 18 till 50 years old. And off course the children the people in this age group will have.
Date	11-4-2008
Source	Rinus Claus (Ski Vereniging Achterhoek)
Description	Rinus told me the same thing as Trudy did. He told me the focus on the "younger" customers.
Date	28-4-2008
Source	Boudrie wintersport
Description	I managed to extract some information about the kind of people that visited this store. This information was extracted when I paid a visit to this store. Most of the people visiting the store are young people (20-45 years old) with children. Especially when going on a winter holiday with a family it is always nice if you can save money on equipment. Therefore these young families are a target group of the winter sports outlet.
Date	27-5-2008
Source	Anneke Verstappen (Ski ver. NL)
Description	In our conversation Anneke told me that a winter sports outlet could be very appropriate for people with kids. Going on a winter sports holiday with your family is already very

expensive she stated and saving money on equipment could be very valuable for these families.

BUILDING BLOCK : DISTRIBUTION CHANNEL

Date	29-3-2008
Source	Jos Kötter
Description	This entrepreneur told me that in order to reach a big part of the target customers in Twente advertising in Twentsche Courant Tubantia was a great option. Jos has several furniture stores in Twente and advertising brings a lot of customers to his stores.
Date	2-4-2008
Source	Erik v/d Waarden
Description	Erik told me that although low prices could be a success for the outlet, the way the store is decorated is almost as important. A customer should feel right at home when walking in the store. The store should be decorated in such a way that the customer will notice that he is in a professional ski shop.
Date	12-4-2008
Source	www.bereiktwente.nl
Description	To reach the target customers a strategy is needed. Therefore I had to know how the people in Twente can be reached. The best way to reach them was advertise in local newspapers. Calculations learned me that over 80% of the population of Twente can be reached this way.
Date	24-5-2008
Source	www.skihut.nl
Description	Of course the internet is also a great way to reach target customers. This was a fact that I already knew. Skihut.nl showed me that having an easy to find and well outlined website can attract a great amount of target customers to the store. Also advertising on websites that focus on the region Twente can help attract target customers.
Date	4-6-2008
Source	Rutger Aldenberg
Description	Rutger is an entrepreneur who told me that skiing is a family thing. So the store needs to be decorated for families. Make sure that children like it in your store and the rest of the family will be pleased as well.
Date	10-6-2008
Source	Jos Kötter
Description	Jos told me that especially after sales was very important when running a store. The complaints and problems of customers should be handled with care and be solved in such a way that satisfies the company as well as the customer. The way a customer is treated when having a complaint can determine whether or not this customer will return to the store.
Date	28-8-2008
Source	businesscomplete.nl
Description	On this website an article was presented about the importance of good website for a company. It is a way a company can earn the confidence of the customer

by presenting the company's expertise. Nowadays a lot of people use the internet and therefore the first contact a customer has with the company will be through the internet. Therefore it was stated in this article that a good website is a must. You can let the customer know you exist and the customer can evaluate your product.

BUILDING BLOCK : RELATIONSHIP

Date 22-3-2008

Source Bas Kötter

Description Bas is a friend of mine, who mentioned that it could be a good idea to commit people to the winter sports outlet. A store like this needs loyal customers. This can be done by selling quality but also by building a band between the store and the customers. He suggested setting up a system where customers can collect 'points' every time they buy something in the store. Saving up these points eventually will lead to certain discounts for customers.

Date 4-4-2008

Source Marleen Brandes

Description Marleen worked in a winter sports store for several years and told me that it is very important that the outlet store offers professional advice about the equipment. This means that one should always be up to date with the latest innovations. It isn't just selling the equipment, when you give people good advice and the customers feel that these advices were right this can help built the relationship between the customer and the store.

Date 17-4-2008

Source inextenzo.nl

Description inextenzo is a company that develops loyalty programs to keep customers loyal towards your company. After exploring their website it was obvious that for a store the best way to keep customers loyal is to work with a saving card, on which customers can save points every time they buy something in your store.

Date 4-6-2008

Source Frans Kötter

Description Frans is a brother of Jos. Together they own the furniture shops I mentioned. Frans spends a lot of time selling furniture in a showroom in Oldenzaal. Therefore he knows what is important in the contact between the customer and the salesman. Honesty is very important he mentioned. Let people know that you are thinking along with them and give them enough attention. Do not try to sell as many stuff as possible by telling fairytales.

Date 8-7-2008

Source Ivo Baas

Description Ivo is an entrepreneur who mentioned that customer attracted by low prices are not loyal customers, as they will easily go somewhere else if the prices are lower.

Date 9-7-2008

Source marketing-online.nl

Description To keep the prices low and the customers loyal a solution was needed. One option is to attract customers with very low prices for ski's and make the profit with other products the customer needs like clothing. (gilette & raisor blades)

Date 28-7-2008
Source Joost Kortman
Description Joost is an entrepreneur how runs a store where people can buy household electronics, like tv's, dryers, radio, etc. One thing Joost pointed out when running a store is that customers like to be recognized whenever they come into the store. This strenghtens the relationship between the store and the customer.

Date 10-8-2008
Source www.sprout.nl
Description When visiting this website I noticed an section about attracting customers with several low priced products and make the real money and products customers buy that they also need when buying the cheap product. Kind of like Gillette and razor blades. This inspired me to do the same in the outlet. Attract people with low prices for ski's and shoes and then try to make the money on the clothing and other equipment customers buy with those ski's.

Date 12-8-2008
Source Sprout magazine
Description A lot of companies give their customers or potential customers gadgets or let's say giveaways. In sprout magazine it was mentioned that these gadgets should have a connection with your product or service.

Date 14-8-2008
Source Annemiek Baas
Description My sister worked in a clothing store for several years. Letting customers feel at home is very important she mentioned. She told me that the winter sports outlet should offer customers a cup of coffee and let them feel at home and relax in the store.

BUILDING BLOCK : VALUE CONFIGURATION

- Date** 13-5-2008
Source Marleen Brandes
Description The main importance in the value configuration is knowing where most of the value is added in a sportstore. Marleen Brandes worked in winter sports store for Several years and could tell me where most of the value is added by the store. She told me that most of the value is added to marketing & sales and service. She also told me that margins on ski's is only 2%.
- Date** 18-3-2008
Source Sport 2000
Description By visiting this stores, I immediately noticed that decorating a store takes quite some time and money. The store needs to be tidy at all times. The products need to be placed in the store. This is an aspect which can determine whether or not something is being sold. Customers do not like messy stores.
- Date** 18-4-2008
Source Twentsche Courant Tubantia
Description A lot of advertising is done by sports stores to attract the people to their stores. Off course value is added to a website, but also advertising isn't cheap. And to keep the people informed about your store it is necessary to advertise.
- Date** 25-5-2008
Source Frans Kötter
Description As an entrepreneur and salesman Frans told me that the when customers notice chaos in a store, they think that the whole organisation of your company is bad. Therefore always make sure that your store is ordered at all times.

BUILDING BLOCK : PARTNERSHIP

Date 25-3-2008
Source Henk Baas
Description My father made me aware of the fact that it could be wise, to work together with a (indoor) ski track in Eastern Holland. Your potential target customers will be there as well. Unfortunately there is not one in Eastern Holland. But there might exist ideas to set up one in Eastern Holland. This advice convinced me that it could be a good idea to work together with a ski track and persuaded me to investigate if there existed ideas for setting up a ski track in Eastern Holland.

BUILDING BLOCK : COST STRUCTURE

Date 12-6-2008
Source Government brochure (Wegwijs voor ondernemers)
Description This brochure explained with what financial aspects a business model should deal. The brochure helped me understand the money streams and how they work within a company.

Date 13-7-2008
Source Peter Postma (planning & control at Vitens)
Description Peter Postma advised me while making the cost structure. He answered questions about the set up of the cost structure. He eventually contributed to the actual profit and loss account.

Date 12-8-2008
Source Tom Velthuis
Description Tom is an entrepreneur and told me that when investors look at a business model they are interested in the way a company makes money. He advised me to make a cost structure to give insight in the way the costs of the outlet are built up.

Date 16-8-2008
Source kvk.nl
Description This website provided information about business plan and their cost structures. This information helped me setting up a decent cost structure for the business model.

BUILDING BLOCK : REVENUE MODEL

Date 7-8-2008
Source Sprout magazine August 2008
Description An article in this magazine explained how entrepreneurs can persuade investors. One of the business model purposes is to persuade investors, therefore this article was very useful. An investor for example will look if the business model is realistic and whether the entrepreneur will be financially committed.

Date 12-8-2008
Source Tom Velthuis
Description Tom is an entrepreneur and told me that when investors look at a business model they are interested in the way a company makes money. He advised me to make a profit and loss account to give insight in the way you the outlet wants to make money.

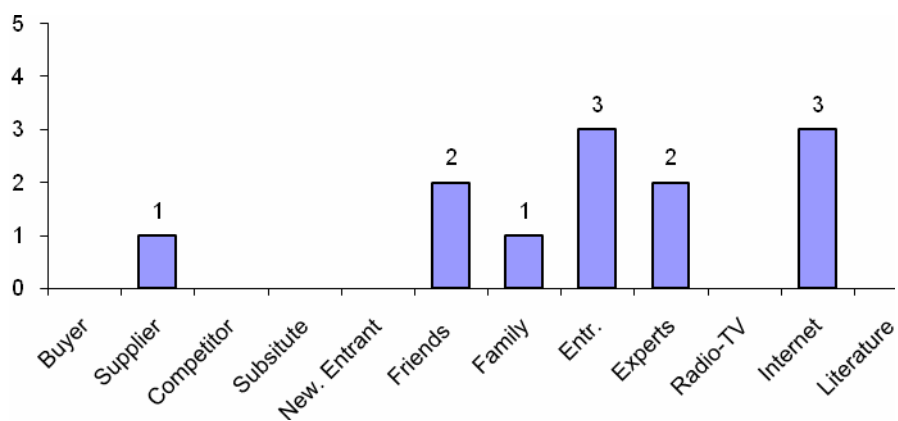
Date 13-7-2008
Source Peter Postma (planning & control Vitens)
Description Peter Postma adviced me while making a profit and loss account. He answered questions about the set up of such an account. He eventually contributed to the actual profit and loss account.

Date 16-8-2008
Source kvk.nl
Description On this website information was available that gave me a view of how a revenue model could look like.

APPENDIX B:

Environmental information influences in Value Proposition block

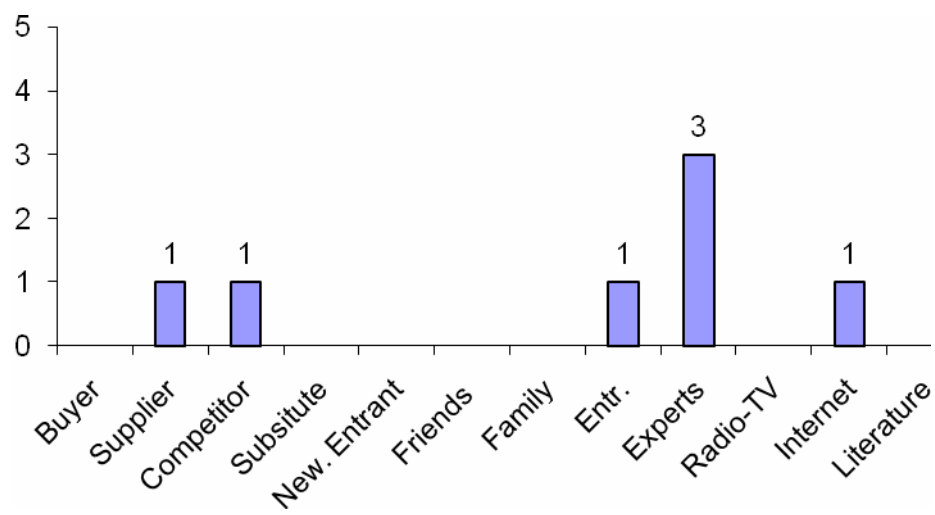
Date	Source	Competitive Forces					Social Network				Media		
		Buyer	Supplier	Competitor	Substitute	New. Entrant	Friends	Family	Entr.	Experts	Radio-TV	Internet	Literature
11-03-08	Kraaijenbrink/bos									1			
02-04-08	Van der Waarden		1										
13-05-08	Brandes								1				
27-05-08	Ski ver. NL									1			
02-06-08	skihut.nl											1	
02-06-08	frantzen.nl											1	
02-06-08	boudriewintersport.nl											1	
14-06-08	Ivo Baas								1				
21-06-08	W.Reuver						1						
03-07-08	Tom Velthuis								1				
27-07-08	Kevin-Lian						1						
21-08-08	Meta Baas							1					
	Total		1				2	1	3	2		3	



APPENDIX C:

Environmental information influences in Target Customer block

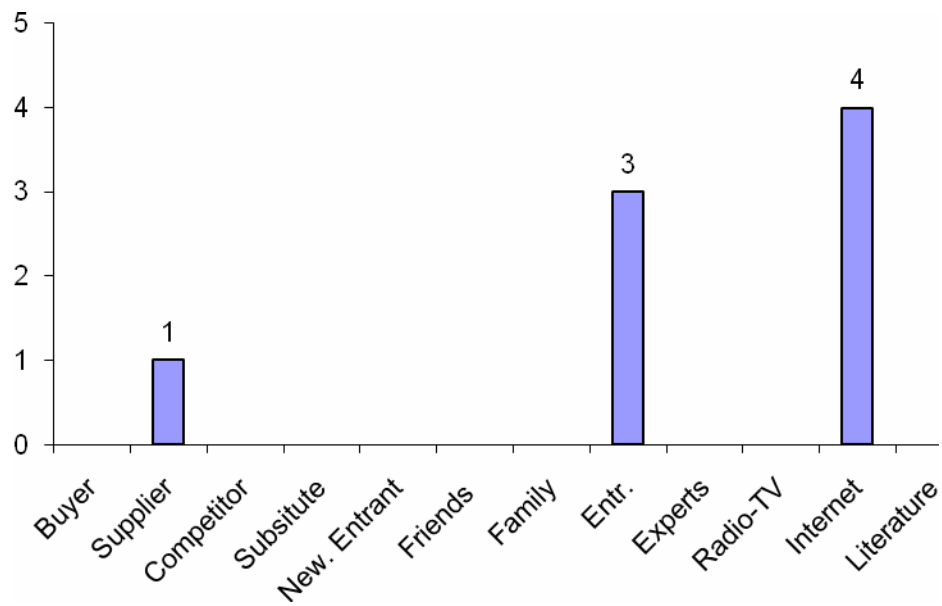
Date	Source	Competitive Forces					Social Network				Media		
		Buyer	Supplier	Competitor	Substitute	New. Entrant	Friends	Family	Entr.	Experts	Radio-TV	Internet	Literature
13-5-2008	M. Brandes								1				
2-4-2008	v/d Waarden		1										
6-4-2008	cbs.nl											1	
10-4-2008	S.V.T									1			
11-4-2008	S.V.A									1			
28-4-2008	Boudrie			1									
27-5-2008	Ski Ver. NL									1			
	Total		1	1					1	3		1	



APPENDIX D:

Environmental information influences in Distribution Channel block

Date	Source	Competitive Forces					Social Network				Media		
		Buyer	Supplier	Competitor	Substitute	New. Entrant	Friends	Family	Entr.	Experts	Radio-TV	Internet	Literature
29-3-2008	J.Kötter								1				
2-4-2008	Erik v/d Waarden		1										
12-4-2008	bereiktwente.nl											1	
24-5-2008	skihut.nl											1	
26-5-2008	frantzenwintersport.nl											1	
4-6-2008	R. Aldenberg								1				
10-6-2008	J.Kötter								1				
28-8-2008	businesscompleet.nl											1	
	Total		1						3			4	

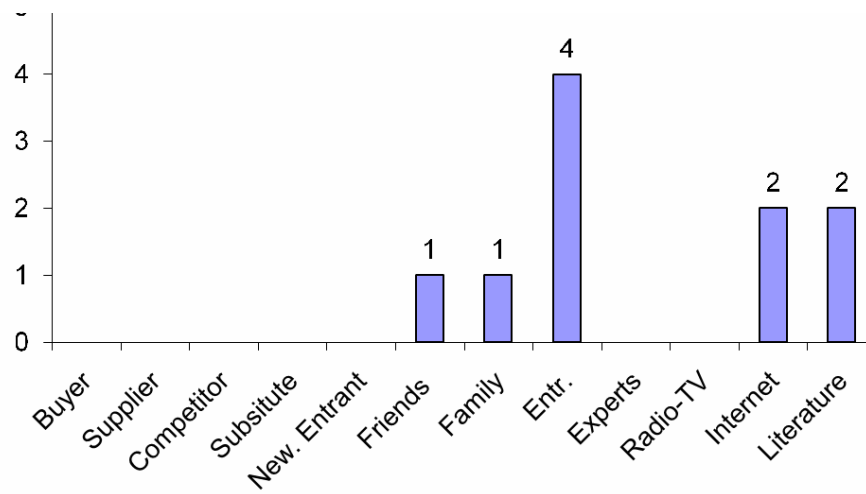


APPENDIX E:

Environmental information influences in Relationship block

Date	Source	Competitive Forces					Social Network				Media		
		Buyer	Supplier	Competitor	Substitute	New. Entrant	Friends	Family	Entr.	Experts	Radio-TV	Internet	Literature
22-3-2008	B.Kötter						1						
4-4-2008	M. Brandes								1				
17-4-2008	inextenzo..nl												1
4-6-2008	F. Kötter								1				
8-7-2008	I.Baas								1				
9-7-2008	marketing-online.nl											1	
28-7-2008	J.Kortman								1				
10-8-2008	sprout.nl											1	
12-8-2008	sprout magazine												1
14-8-2008	A.Baas							1					

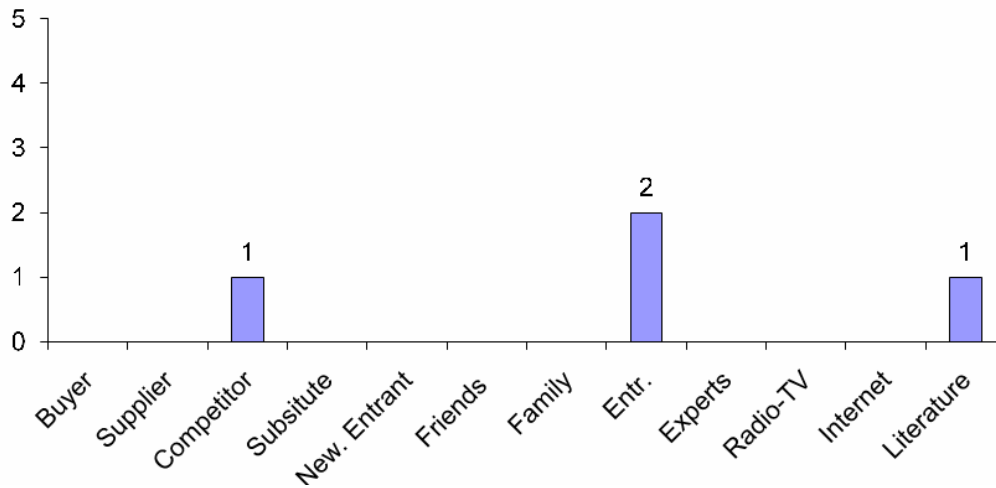
	Total						1	1	4				2	2
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APPENDIX F:

Environmental information influences in Value Configuration block

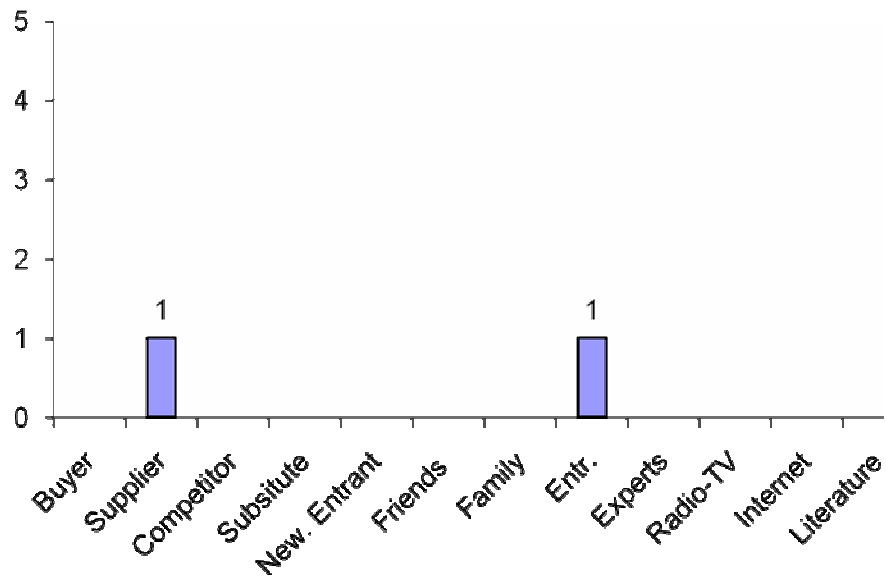
		Competitive Forces					Social Network				Media		
Date	Source	Buyer	Supplier	Competitor	Substitute	New. Entrant	Friends	Family	Entr.	Experts	Radio-TV	Internet	Literature
13-5-2008	M.Brandes								1				
18-3-2008	Sport 2000			1									
18-4-2008	TC Tubantia												1
25-5-2008	F. Kötter								1				
	Total			1					2				1



APPENDIX G:

Environmental information influences in Capability block

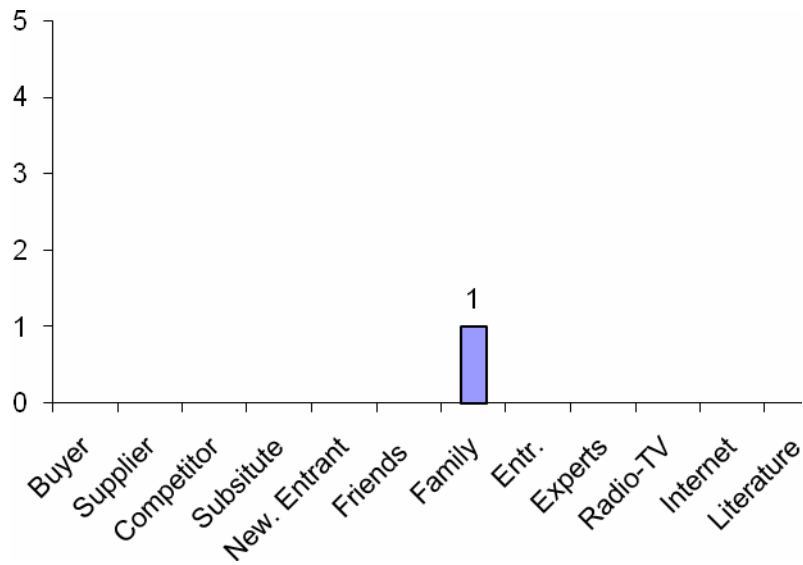
Date	Source	Competitive Forces					Social Network				Media		
		Buyer	Supplier	Competitor	Substitute	New. Entrant	Friends	Family	Entr.	Experts	Radio-TV	Internet	Literature
13-5-2008	M.Brandes								1				
17-4-2008	E. v/d Waarden		1										
	Total		1						1				



APPENDIX H:

Environmental information influences in Partnership block

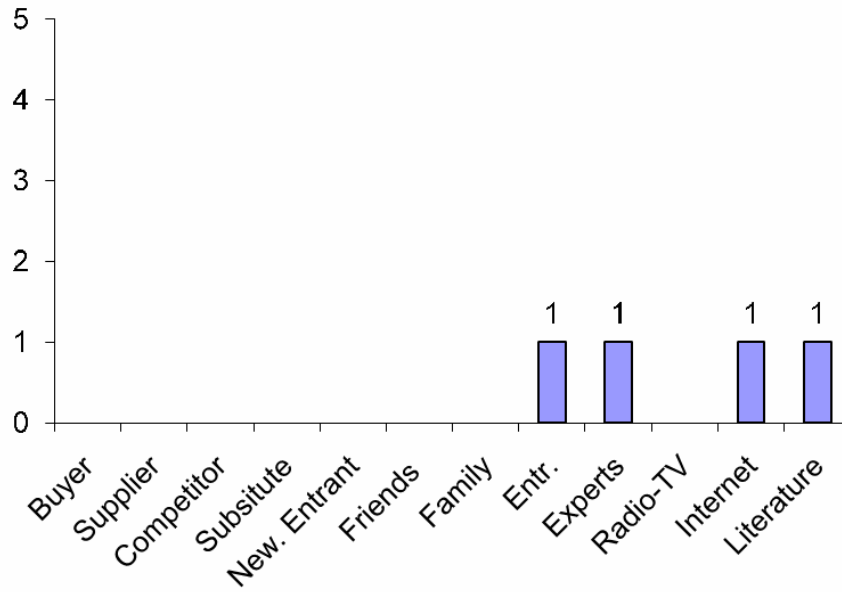
Date	Source	Competitive Forces					Social Network				Media		
		Buyer	Supplier	Competitor	Substitute	New. Entrant	Friends	Family	Entr.	Experts	Radio-TV	Internet	Literature
25-3-2008	H. Baas							1					
	Total							1					



APPENDIX I:

Environmental information influences in Cost Structure block

Date	Source	Competitive Forces					Social Network				Media		
		Buyer	Supplier	Competitor	Subsitute	New. Entrant	Friends	Family	Entr.	Experts	Radio-TV	Internet	Literature
12-6-2008	Wegwijs												1
13-7-2008	P.Postma									1			
12-8-2008	Tom Velthuis								1				
16-8-2008	kvk.nl											1	
	Total								1	1		1	1



APPENDIX J:

Environmental information influences in Revenue Model block

		Competitive Forces					Social Network				Media		
Date	Source	Buyer	Supplier	Competitor	Substitute	New. Entrant	Friends	Family	Entr.	Experts	Radio-TV	Internet	Literature
13-7-2008	P.Postma									1			
7-8-2008	Sprout												1
12-8-2008	Tom Velthuis								1				
16-8-2008	kvk.nl											1	

	Total								1	1		1	1

