The Lean startup approach in for-profit organizations and for-profit inclusive businesses

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ABSTRACT,
The purpose of the research paper is researching the difference in the use of the lean startup approach between for-profit organizations and for-profit inclusive businesses. A multiple case study was designed to collect primary data. Within the case study, semi-structured interviews with six cases were conducted. Whereas two are focusing on businesses with social impact, the other four are experts in engaging with the Bottom of the Pyramid. The origin of the companies reaches from the Netherlands to Sweden and South-Africa. The findings indicate that there is not a difference in the use of the lean startup in an inclusive context. However, a Lean for-profit inclusive business cycle was created, which has been tailored to the BoP context. Moreover, a Lean for-profit inclusive Business Model Canvas was adopted for a more precise fit within the cycle. Research limitations outline a small data collection sample. Furthermore, it is a theoretical model, which has not been tested in a practical context. Nevertheless, the research contributes to practice, as the proposed Lean cycle can be used as a tool for a for-profit inclusive business startup development. Besides, startup accelerators focusing on supporting startups in embedding the BoP as a consumer can use the framework as a starting point. It contributes to theory, as a new theoretical Lean cycle with a newly adopted Business Model Canvas was created. Further research on practical use has to be focused on.

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1. INTRODUCTION

In the past years, the emphasis was put on the focus on being more sustainable. The growing middle class, as well as the increased use of resources, led to doing unsustainable business. As these trends are raising awareness, generally innovation is being considered as necessary for a sustainable future. An opportunity for being more sustainable is the focus on sustainable business model innovation. Already many scholars have researched sustainability in connection with business model innovation (Baldassarre, Calabretta, Bocken, & Jaskiewicz, 2017; Bocken, Schuit, & Kraaijenhagen, 2018; Brehmer, Podoynitsyna, & Langerak, 2018; França, Broman, Robèrt, Basile, & Trygg, 2017; Geissdoerfer, Vladimirova, & Evans, 2018; Joyce & Paquin, 2016). As startups are increasingly getting more attention, due to "The Business Model Canvas" (Osterwalder, 2010), "The Lean startup" (Ries, 2011), and "Running Lean", as well as "The Lean Canvas"(Maurya, 2012), emphasis should be put on developing a sustainable startup. All of the above-mentioned literature is focusing on building a profitable venture. Hence, the sustainable part is missing. Sustainability can be defined in a broad sense, as the United Nation developed 17 sustainable development goals (Nations, 2019). In the scope of this paper, sustainability can be tailored towards goal one, embodying the reduction of poverty. Moreover, the reduction of poverty through the involvement of the Bottom of the Pyramid (BoP) (Brehmer et al., 2018; Geissdoerfer et al., 2018). Thus, the main focus will be on the Lean methodology and being inclusive/sustainable while building a for-profit organization. Research has been done on the different aspects of the overall topic. The implementation of Lean in small and medium enterprises (Alkhoraif, Rashid, & McLaughlin, 2018), as well as the social impact, was considered (Gelobter, 2015). Furthermore, inclusiveness is often connected to the Bottom of the Pyramid (BoP) and business models. Hence, critical assessments of business models were researched (Massa, Tucci, & Afuah, 2017). Additionally, the focus on inclusiveness and the Bottom of the Pyramid were the focus of multiple researchers (Dembek, York, & Singh, 2018; Gradl & Knobloch, 2010; Rösler, Hollmann, Naguib, Oppermann, & Rosendahl, 2013).

However, there are no documents in Scopus, which connect the use of the Lean startup approach in an inclusive context. A Lean step by step approach was being created for for-profit organizations and Lean startups for social change, but not for for-profit inclusive businesses (Gelobter, 2015; Maurya, 2012). Therefore, it should be researched whether there is a difference in the use of the Lean approach for inclusive businesses. Moreover, if so, how does it deviate. It is an important topic, as the awareness of being more sustainable is being pressured upon businesses. Thus, being aware of the trends while creating a new venture can help to get past the rising concerns. To complete the research, questions such as "What are the main challenges and barriers for inclusive businesses to succeed?", "What is the difference in the use of the Lean approach?" and "If there is a difference, how does it deviate?" should be answered to create a valuable approach. The approach will help not only inclusive startups but also already established inclusive businesses to identify the most important parts of running Lean, being inclusive/sustainable, and making a profit.

The purpose of this paper is to address the difference in the use of the Lean approach between for-profit organizations and for-profit inclusive businesses. Whereas use defines how it is applied in the business development. Furthermore, the research will help to stay sustainable, due to creating a Lean for-profit inclusive business. Secondary data will be used as a base structure of the research, with the use of a research framework (2.4). Primary data, being interviews, will be the tool to answer the research question. Then, it can be said if there is a difference in the use.

1.1 Research Question

The lack of research about the use of the Lean approach in an inclusive context rises the research opportunity to find out if there is a difference in the use and if so, how does the approach deviate. Furthermore, research on business model creation in a Bottom of the Pyramid context can help to create a more precise and fitting tool for inclusiveness. Hence, it all leads to the following research question:

"What is the difference in the use of the Lean startup approach between for-profit organizations and for-profit inclusive businesses?"

Table 1: Definitions of used concepts

	Definition	Author(s)
Lean startup	"Represents a synthesis of Customer Development, Agile software development methodologies, and Lean practices".	(Maurya, 2012, p.8)
Inclusive business	"Business activities can contribute to the long-term goal of poverty alleviation by embedding the neglected poor parts of the world population into efficient value chains and market structures, both as consumers and as producers or distributors".	(Hahn, 2012, p.51)
Bottom/Base of the Pyramid	"This socio-economic segment is widely recognized as base of the pyramid (BoP) and represents 4 billion (60% of the global population approximately) people, who are poor by any measure, lives and transacts in an informal market ecosystem for the fulfillment of its basic social needs and earns less than $8 (2002 PPP levels) per person per day".	(Goyal, Sergi, & Jaiswal, 2016, p.2)
For-profit organization	A business or other organization whose primary goal is making money.	(BusinessDictionary.com, 2019)

In order to answer the research questions successfully, the following sub-questions should be asked and answered:

i. How is the Lean approach used in for-profit organizations?
ii. What are the main challenges and barriers for inclusive businesses to succeed?
iii. What is the difference in the use of the Lean approach?
iv. If there is a difference, how does it deviate?

2. THEORY

The following chapter is making the used concepts more transparent and will have a more in-depth look into the concepts of Lean, business models, inclusiveness, and the Bottom of the Pyramid. Lastly, the used research framework will be introduced. Henceforth, the following questions will be answered:

    i.   How is the Lean approach used in for-profit organizations?

    ii.   What are the main challenges and barriers for inclusive businesses to succeed?

2.1 Lean

In the beginnings of Lean, the focus was on the automotive industry (the 1980s), then in the mid-1990s and the 2000s, manufacturing was focused on. From 2000 on, value systems were ranked as most important, and Lean started to expand into the service sector. Learning steps were being developed to overcome the criticism about Lean thinking. Thus, two learning steps of the mentioned four are attractive in the context of the research. Value streams and value systems. Therefore, Lean is not only being applied on an operational level but also strategically (Hines, Holweg, & Rich, 2004). Throughout the years, Lean did not only focus on reducing waste anymore; it further focused on creating an awareness of what the customer wants. Thus, everyone who is striving for a competitive advantage or increasing performance and profits can use the Lean ideology. Critical factors for implementing Lean were being identified in the literature, whereas employee involvement and participation, as well as effective leadership, training, and education, were mentioned (Alkhoraif et al., 2018). Throughout the past years, the Lean methodology was getting increasingly more attention by entrepreneurs. The base of this movement was created through the publication of the book "The Lean Startup" (Ries, 2011). It "represents a synthesis of Customer Development, Agile software development methodologies, and Lean practices" (Maurya, 2012, p.8). In the book, Ries (2011) describes five principles as the base of "The Lean Startup." The first one is that entrepreneurs are everywhere. He emphasizes that the concept can be implemented in any sector or size of a company. One can call him- or herself an entrepreneur when one works within his definition of a startup. He defines it as "a human institution designed to create new products and services under conditions of extreme uncertainty" (p.17). Secondly, entrepreneurship is management. As startups are created in an uncertain environment, a new kind of management is crucial to success. Thirdly, validated learning is essential. As startups "exist to learn how to build a sustainable business" (p.18), regular experiments are essential to test individual parts of an entrepreneur's vision. Build-Measure-Learn embodies the fourth point of "The Lean Startup." This point outlines the importance of a feedback loop, which every startup should implement in its development. "To turn ideas into products, measure how customer respond, and then learn whether to pivot or persevere" (p.18). Lastly, innovation accounting is being point five. He accentuates the importance of measuring, milestones, and prioritization of work to hold innovators accountable and their entrepreneurial outcomes. "Running Lean" (Maurya, 2012) focuses on a three-step-approach, which base is "The Lean Startup," and it should help to build something that customer want. The three stages are being called "Problem/Solution fit", "Product/Market fit" and "Scale". After these steps, the focus is on optimizing one's business model and trying to figure out how to accelerate the growth of one's company (Maurya, 2012). The three-step-approach, as well as the following book, will be further elaborated upon in section 2.4. "Lean startups for social change" (Gelobter, 2015) is a book, which has a similar approach as the book "Running Lean". It also builds upon the Lean startup methodology, but focuses on creating a social impact, instead of making money. Here, four steps are being elaborated on, which will be described in section 2.4, as these two models are building the theoretical research framework.

It is expected that the generalized Lean approach, which is being elaborated in 2.4, stays similar, as shown in the research framework for the development of a Lean for-profit inclusive business.

2.2 Business Model

"A business model describes the rationale of how an organization creates, delivers, and captures value" (Osterwalder, 2010, p.14). Generally, the concept of business models was being criticized. Hence, scholars started to name positive impacts concerning the concept. Firstly, they have an impact on competition and strategy of organizations. Secondly, business models can have the function of being an innovative enabler. Thirdly, goal realization and taking advantage of possible new opportunities can be enhanced. Lastly, economical- and environmental-value-creation can be the result of utilizing the concept correctly. Furthermore, business models can be interpreted as being attributes of real firms, as well as a cognitive and linguistic schema. Additionally, the concept can be interpreted as a formal, conceptual representation or description. Thus, organizational performance, shaping of opportunities, and the element isolation of firms´ activities are being impacted (Massa et al., 2017). Osterwalder describes in his handbook that it is important that there is an overall business model concept, which everyone understands. Then, discussions about innovations or workshops can proceed. One of the biggest challenges in creating such a concept is that the "concept must be simple, relevant, and intuitively understandable, while not oversimplifying the complexities of how enterprises function" (Osterwalder, 2010, p.15). The outcome of such a challenge is then the so-called "The Business Model Canvas". It "resembles a painter´s Canvas-preformatted with the nine blocks-which allows you to paint pictures of new or existing business models" (p.43). The nine-building blocks are Customer Segments, Value Proposition, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure. These are indented to cover the four key areas of a business, which are customers, offer, infrastructure, and financial viability (Osterwalder, 2010). As already mentioned in section 2.1, Lean became more interesting for entrepreneurs. Business models are an essential tool to start working on building a company. In the book "Running Lean" (Maurya, 2012), Maurya created a Lean version of the just described "Business Model Canvas". He then called it "The Lean Canvas" (Maurya, 2012). As the goal of the book is to create something that a customer wants, he transformed the Canvas using a customer-centric approach. Due to this, the nine initial blocks were adapted. Customer relationships, Key Resources, and Key Partnerships were changed to Problem, Solution, and Unfair Advantage. The book "Lean startup for social change" (Gelobter, 2015) used the initial building blocks of Osterwalder. As stated in the introduction, sustainability is getting more and more critical. Due to this trend, business models need to have the capability to be an innovative tool. The developed Business Model Canvas by Osterwalder can be used to "systematically challenge assumptions about one´s business model and innovate successfully" (Osterwalder, 2010, p.15). Furthermore, it "has become one de facto standard for business model development" (França et al., 2017, p.156). Additionally, business models can embody a form of innovation, as well as take shape through experimentation (Trimi S., 2012). Hence, it can be used as a base for a sustainable business model. The literature already showcased two possible ways of how Canvas could be used as a

base for developing a sustainable business model. Osterwalder (2010) and Ries (2011) argue that "business model creation starts with defining a value proposition that suits customer needs, suggesting an iterative process in which experimentation is used" (Bocken et al., 2018, p.81-82). Therefore, "The Business Model Canvas" was used as a base. Eight of nine blocks stayed the same. The eight blocks were separated into three main groups. These groups are Value Creation, Value Capture, and Value Delivery. The Value Proposition, being the fourth leading group, was split into People, Planet and Profit as the sustainable base of the model, which is known as the "Triple Bottom Line" (Księżak & Fischbach, 2018). He named it the "Sustainable Business Model Canvas" (Bocken et al., 2018). This model was also part of a study at the Delft University of Technology, where sustainable business model experimentation was the focus. Three startups used the model in their practices, where experimentation was proven to be a useful tool (Schuit, Baldassarre, & Bocken, 2017). A second model was being created for exploring sustainability-oriented business model innovation. The model, being "The Triple Layered Business Model Canvas" (Joyce & Paquin, 2016), added two more layers to the already established economic model from Osterwalder. These two layers are environmental- and social-layer. Henceforth, an organization can generate multiple types of values, being economically, environmentally, and socially. The environment and social layer are underlining the sustainable part of the business model.

As sustainability can be reached through multiple types of businesses, the involvement of the "Bottom of the Pyramid" is one of them (Brehmer et al., 2018; Geissdoerfer et al., 2018). Thus, the creation of an inclusive business model as the base for a Lean for-profit inclusive business can lead to sustainability.

It is expected that there will be an adaptive use of the Canvas model, which has the Business Model Canvas as a base, but additionally to the economic part, the sustainable/social/inclusive part needs to be implemented as well.

2.3 Inclusiveness and Bottom of the Pyramid (BoP)

Inclusive businesses are "business activities (that) can contribute to the long-term goal of poverty alleviation by embedding the neglected poor parts of the world population (BoP) into efficient value chains and market structures, both as consumers and as producers or distributors" (Hahn, 2012, p.51). Whereas the Base or Bottom of the Pyramid (BoP) "represents 4 billion (60% of the global population approximately) people, who are poor by any measure, lives and transacts in an informal market ecosystem for the fulfilment of its basic social needs and earns less than $8 (2002 PPP levels) per person per day" (Goyal et al., 2016, p.2). Inclusive businesses have emerged to tools that enable the poor to meet their basic needs in an economical-, environmental- and social-sustainable way (Likoko & Kini, 2017). As "the core premise of the BOP concept is the possibility to combine profits with poverty alleviation" (Kolk, Rivera-Santos, & Rufín, 2014, p.353), an inclusive for-profit startup would be a way to connect this statement. This leads to a need for radical business innovation and that the poor are not only involved as a consumer, but also as co-inventors in the value chain of BoP initiatives, to address such stakeholder needs. (Kolk et al., 2014; Likoko & Kini, 2017).

The inclusive business guide of Endeva is focusing on three main phases on how to build an inclusive business. Questions like "What", "How," and "Where" are being elaborated. The "What" introduces how to fight poverty and the building of markets as well as strengthening the supply chains. Furthermore, challenges are being assessed. These are market information, regulatory environment, physical infrastructure, knowledge, and skills, as well as access to financial services (Gradl & Knobloch, 2010). Rösler names more challenges, which are a lack of infrastructure, the need to create a market and demand, a lack of knowledge and skills among the poor and complex legal environments (Rösler et al., 2013). Development, implementation, and the growth phase are the most important ones to answer; "How to build an inclusive business?". The section "Where", outlines fitting countries, as well as sectors which have the potential for inclusiveness (e.g., Energy, Health, Water) (Gradl & Knobloch, 2010). A second paper is focusing on inclusive business models. Here, it is being explained how inclusive businesses can help the poor to get access to goods and services, as well as the integration of the poor and the contribution of inclusive businesses (Rösler et al., 2013). "A BoP partnership is a flexible multi-sector collaboration, with a central role for organizations or individuals working for or with the BoP, in which risks, responsibilities, resources, and competences are shared in order to co-create collective impact at the Base of the Pyramid" (Van der Klein, 2013, p.4). This so-called co-creation process is creating shared values with equal stakeholders while operating in an open environment (Chevrollier, Van der Klein, & Collée, 2013).

As creating business models is being different at the Bottom of the Pyramid, due to the mentioned barriers, possible sustainable business models were being assessed. Here, individual business models were being explained and outlined how different value is being created for different stakeholders. Three types of models were being assessed. Delivering models focus on a single stakeholder group, where the assumption is that the value will be multiplied, leading to value creation within the community. Sourcing models are targeting the end-consumer and the BoP community, who supply the product. Lastly, reorganizing models are primarily adding value by targeting the well-being of larger communities (Dembek et al., 2018).

Throughout the literature, there is a tremendous amount of emphasis on the co-creation process with the poor. Not only being customer or suppliers but being integrated into the development as business partners (Chevrollier & De Vogel, 2013; Chevrollier et al., 2013; Lashitew, Bals, & van Tulder, 2018; Nahi, 2016; Reficco & Márquez, 2009; Van der Klein, Chevrollier, & Collée, 2012; Van der Klein, Mancheron, Wertheim-Heck, & Collée, 2012; Van der Klein et al., 2013). Therefore, the co-creation process and direct involvement are crucial for the development and survival of inclusive businesses. Hence, it should be considered in the development of this research.

It is expected that in the development of the business, a close look has to be put on the collaboration with Non-Governmental Organizations (NGO´s) or directly the local community. Furthermore, this co-creation approach will be important. It could be implemented in the sustainable/social/inclusive part of the business model.

2.4 Research Framework
The proposed research framework is a combination of the book "Running Lean" (Maurya, 2012) and "Lean startup for social change" (Gelobter, 2015). Both books have the Lean startup approach as a base of their proposed framework. Figure 1 showcases both models integrated into each other. The model from Gelobter (2015) was taken as a base. The three-stage model of Maurya (2012) was then integrated. The light grey parts belong to the Lean startup for social change and the dark grey parts to the book running Lean. The general frameworks are similar, but there is some variation between the used steps. The Lean startup for social change cycle focuses on four discoveries

before there is a validation. As a base, the main principles of the Lean startup are always in the back of the head.
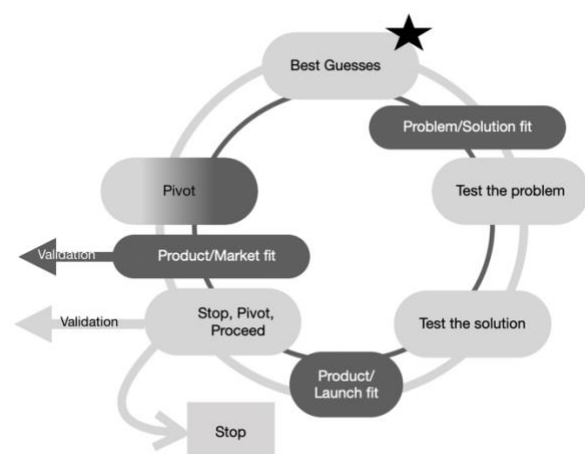

Figure 1: Full discovery cycle and three-stage model (adapted from (Gelobter, 2015; Maurya, 2012))

The first discovery focuses on the best nine guesses, where the author talks about the Business Model Canvas, which was used in both books. Various parts within the Canvas were used in both approaches. Discovery two, test the problem and discovery three, being test the solution is closely held. In step two, preparation is being focused on for step three, which is focusing on testing the problem and solution. The graphic separates these two steps. Discovery four is then the last stage before one needs to pivot, stop, or proceed. There are multiple reasons for being forced to stop. These can be no funding, running out of resources, have not found a problem and/or solution. If one has a proven problem and solution hypothesis, found targets, and started to raise money, one is being able to validate his/her idea. Throughout the stages, the main principles of the Lean startup are being mentioned (Gelobter, 2015). The second framework, which is being integrated into the discovery cycle of Gelobter (2015) is the three-stage model of the book running Lean from Maurya (2012). Stage one until three are mainly focusing on validated learning. The last step, which is called scale/validation, is focusing on growth. As the focus is on the used Lean approach, the steps until the validation is the most important ones. Step one, being a problem/solution fit is the focus on the question, if one has a problem worth solving. Three main factors are if it is something that customer want? Can it be solved? Will they pay for it? Here also, Lean Canvas is being used to get a plan A. Then problem interviews are being conducted, as well as solution interviews. The second step, product/launch fit, focuses on building a most viable product (MVP). Feedback and measuring are of the essence as well. So, at the end of the second stage, one can ask, if the product is ready to launch? If so, stage three, a product/market fit is focusing on getting the product ready for the market. Therefore, measurement, prioritized features, and pivoting are part of the process. After successfully ending stage three, raising funding and preparing for the scaling and validating process are the following essential steps (Maurya, 2012).

The most significant difference is that the full discovery cycle has four steps until the validation and the three-step approach, three stages until the validation (Figure 1). The first step of the running Lean approach is already covering the first three steps of the discovery cycle. The Lean Canvas, problem interview, and solution interviews are already part of the first stage. Then the launch of the product is being prepared, which can be placed between the "test of the solution" and "stop, pivot, proceed" stage of the discovery cycle (see Figure 1). The last stage of both

approaches can be placed at the same place in the cycle. Both stages are preparing for validating one´s product/business. Lastly, both approaches have a possible way to pivot if one´s idea did not work out due to multiple reasons. These can be a lack of resources, have not found a solution nor a problem.

It is expected that the most significant change happens, where the star is placed in Figure 1. In theory, high emphasis was put on a co-creation process and involvement of the local communities at the Bottom of the Pyramid. Therefore, a step of such an involvement is missing. Furthermore, the "best guesses" describe the creating of multiple Canvases. As outlined in theory, the inclusive part is often missing. Hence, this particular step of the cycle is expected to be adapted. Furthermore, it is expected that the rest of the showcased cycle will remain similar, as it creates the base of a Lean business development.

3. METHODOLOGY

As the purpose of the paper is to research the difference in the use of the Lean approach between for-profit organizations and for-profit inclusive businesses, it is vital to find the best fitting research design, as well as the best fitting data collection strategy. There are multiple research designs available in the social sciences. These are single- and multiple case studies, field experiment, panel study, focus group, and surveys (Flynn, Sakakibara, Schroeder, Bates, & Flynn, 1990). The best fitting of these is a multiple case study for numerous reasons; (1) data is collected from multiple cases, and every kind of information is being documented and noted; (2) case studies are a good fit for exploratory questions; (3) there is no required control over behavioural events needed (Yin, 1994). Additionally, it is an excellent way to create summary tables at the end for a better analysis of the data collection (Flynn et al., 1990). Besides, "the case study´s unique strength is its ability to deal with a full variety of evidence – documents, artifacts, interviews, and observations" (Yin, 1994, p.8). After the selection of the research design, the best fitting data collection strategy should be chosen to gather data. In this case, interviews are the best option. Moreover, structured interviews outline the usage of a prepared script with the exact questions being asked for each participant. (Flynn et al., 1990). A second option is semi-structured interviews for the data collection part of the research, which allows asking more questions besides the structured questionnaire (Bryman, 2012).

The following chapter describes the selected cases and the reason why they were chosen for the research.

3.1 Units of analysis

This chapter outlines the interviewed persons, as well as their backgrounds. An overview of the contacted persons and the process can be found in Appendix 10.1. Due to confidentially, names and company names are being left out. The interviews were being transcribed. One recording was broken, whereas taking notes and the follow-up on a few details were used for the data collection. The main platforms used for contacting the interviewees were LinkedIn, E-mail, phone calls, and Skype.

These following paragraphs will shortly introduce the units of analysis of the research and the reason they were chosen. A more detailed elaboration of the findings during the interviews will be presented in section 4 and 5, being results and discussion.

In total, six cases were being interviewed. Four of the companies are based in the Netherlands. One in Sweden and the last one in South-Africa. These six interviews can be categorized into two main groups. The first group is for-profit organizations with a social impact. The second group is inclusive businesses, which engage in emerging markets. As outlined in the theory section, the Lean startup was elaborated upon for for-profit organizations.

The research framework was based upon the Lean approach for for-profit organizations and the Lean startup with social change. Hence, it is designed to create already a connection to social impact and builds a transition towards inclusiveness.

Two Dutch-based cases do fit into the first group and create; therefore, the just described connection in a practical manner. The first interviewee is the founder of a smart textile technology that creates shared or individual musical experience, reacting to touch. It is mostly placed in homes of people who suffer from dementia and people with multiple disabilities. Furthermore, they cooperate with sheltered employment, which creates a social impact. The second interviewee is an adviser. The main focus area is education, where a program, so-called "poverty and debt prevention" is the most fitting one for the research. Cooperating with peer educators, they try to prevent students from falling into poverty, which are at risks. The so-called peer educators are people, which have been in the situation already and try to help through their impact and experience.

Cases three to six build the end of the transition towards inclusiveness. They are, by definition, engaging in emerging markets and involving the BoP in their business context. One is a project officer at a startup accelerator. The second one is a project manager, where her job is to train entrepreneurs, which either are from the BoP or serve the BoP. Besides, the third interviewee is the co-founder and development director of a non-profit organization in Sweden. They are focusing on helping Swedish startups and organizations to develop an inclusive impact at the BoP while creating profit in the long-term. Moreover, the focus is mostly on Business to Business (B2B) partnerships, while laying the foundation of a clear path for co-creating and scaling inclusive business models with the BoP. Lastly, the South-Africa-based company is trying to provide cooking stoves to the BoP, which do not create unhealthy toxic smoke. He is an example of an entrepreneur who does not belong to the BoP but wants to engage in it. The research is created for outside BoP entrepreneurs.

Thus, theory lays the foundation of a Lean startup approach for for-profit organizations. The research framework, as well as two cases, creates the transition between solely for-profit organizations and inclusive businesses. Meaning, being businesses creating social impact and profit, without the involvement of the BoP. Then, four cases focusing on primarily the emerging markets and the impact-creation at the BoP while focusing on creating profit in the long run. Taking all these six cases together, they will create an excellent foundation to answer the research question and see how the research framework will be influenced.

3.2 Data collection

Semi-Structured interviews are being selected as a data collection strategy. Meaning, that a list of questions is the base of the so-called interview guide. However, the interviewer has then the ability to be more flexible and can ask questions differently. Furthermore, it is possible to ask follow-up questions on selected topics during the interview, which are not written down in the guide (Bryman, 2012). The interview guide is being created through the alignment of the proposed research framework in section 2.4 of the research paper. Additional questions, which are necessary to have the most appropriate data collection to the proposed research question (1.1), will be used as well. Therefore, the exact steps and their detailed implications will be asked and followed up on. Furthermore, questions about the company's startup phase and their development, as well as the most important factors for building an inclusive business will be asked, to see if these are matching with assessed literature.

As the case study was chosen as the primary research design, different aspects have to be considered that the data collection is valid and reliable. Furthermore, to ensure the best applicable outcome and usage of the collected data. In more detail, construct-, internal-, and external validity, as well as reliability, must be checked to improve the quality of the data collection. The mentioned tests are defined by Yin (1994, p.33) as followed:

(1) "Construct validity: establishing correct operational measures for the concepts being studied."
(2) "Internal validity: establishing a causal relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships."
(3) "External validity: establishing the domain to which a study´s findings can be generalized."
(4) "Reliability: demonstrating that the operations of a study – such as the data collection procedures can be repeated, with the same results."

As already defined above, the different tests will be elaborated upon now. There are a few tactics available to increase construct validity. One of them is to use multiple cases of evidence. As different cases were selected for the data collection part, this tactic is already fulfilled. Furthermore, the interview guide is being built upon the theoretical framework, as well as the research framework. Hence, ensuring correct measures for the research. Internal validity is being coped with the establishment of a causal relationship. As this case study is explanatory, causal relationships are not being researched. Therefore, this part of the validity testing is not being used. External validity is focusing on the generalization of the findings. As six different cases were interviewed, external validity is limited in the study, as there was only one interviewee per case. To increase reliability in the study, an interview guide was being structured for each interview. Hence, the same structure and questions were asked to each participant. As the interviews are semi-structured, each participant had a few different follow-up questions, due to their responses. Additionally, as the guide was based on the theoretical framework, reliability is being increased (Yin, 1994). The guide can be found in Appendix 10.2.

3.3 Data analysis

To generate valuable and accurate outcomes, the data needs to be analyzed precisely. All of the interviewees agreed to a recording of the interview. Hence, more reliable content was provided, as facts cannot be forgotten or can be re-heard to be completely accurate. Taking notes, as well as a transcription of the collected data, were made to generate beneficial outcomes. Furthermore, Appendix 10.3-7 showcases all quotes of the interviewees. The first case was not added, as the recording was broken. To generate a better link to the research question, as well as the framework, the data was coded taking the framework as a base. Meaning, that headers were created based on the framework and the interview guide, which led to a table, which summarises the key results (Table 2). The outcomes of the collected data, being interviews, can then be summarized and visualized in this table. Tables are an excellent and essential way of creating a valid analysis (Miles, 1994). Furthermore, the overview of the data collection will help to analysis and assess it easier. Differences across the participants will be visualized and realized, as well as the similarities. Thus, it will help to generate an accurate analysis and outcomes of the interviews, which will be elaborated on in the following chapter.

4. RESULTS

This section presents the key results, which were researched through the primary data collection. A summary of the key results can be found in table 2.

Table 2: Overview of key results

Company	Role	Type	For-Profit/ Non-profit	Use Canvas?	Missing in Canvas?	Use MVPs?	Use Lean?	Lean for inclusive business?	Key factors
Case 1	Founder	Startup (in scale phase)	For-profit	Yes	Flexibility in operationalisation	Yes	Yes	—	Partners, feedback, Iteration
Case 2	Advisor	Company for social innovation	For-profit	No	—	Yes	Yes	—	Flexibility, Transparency, Iteration, Partners
Case 3	Founder	Startup	Aim for for-profit	No, but would consider it	Combination of economical and social parts needed	Should have	Yes	Yes	Trust, Partners, Funding, Feedback, Iteration
Case 4	Co-founder and development director	Advise and support	For-profit	Yes	Impact part important, developed tools	Yes	Yes	Yes	Partners, Funding, Time, Expectations, Feedback, Iteration
Case 5	Project officer	Startup accelerator	For-profit	No, but inclusive adaption is interesting	—	Yes	Yes	Yes	Capacity, Quality, Partnership
Case 6	Project manager	Business development services	Non-profit	Yes	Impact part and developed tools	Yes	Yes	Yes	Local context, Sustainable revenue, Fast scaling

In this section, the sub-questions three and four are answered, which will help to answer the research question fully.

These sub-questions were:

iii.   What is the difference in the use of the Lean approach?
iv.   If there is a difference, how does it deviate?

In the following paragraph, the most significant results will be elaborated on.

Cases 1 until 5 are for-profit or aim to do so. As the research is focusing on for-profit inclusive businesses, their insights are profit-focused and therefore, a good fit.

Half of the cases were not familiar with the Business Model Canvas. After elaborating on the BMC, two of them were convinced that it could be a good way to start the development of an inclusive business. Nevertheless, three cases highlighted the importance of an impact category within the model to generate a better fit towards the BoP.

As the research aims to find the difference in the use of the Lean startup, the results showcase that every single case is aware of the Lean methodology and uses it accordingly. Additionally, MVPs are used in each case. Moreover, each of the four cases, which are concerned with engaging in emerging markets and working within an inclusive context, suggested the Lean methodology for inclusive businesses. As an essential part of the Lean startup methodology highlights the use of "Build-Measure-Learn", multiple interviewees stressed the importance of gathering the feedback of customer to adapt accordingly. "Gathering really tangible, useful consumer insights is absolutely crucial" as one said, or "we try to get as much customer feedback as possible (…) when we can, we do pivot, change and adapt". While interviewing them about the feedback loop, they responded with "we definitely try to do it as much as possible". Others said, "constantly adapting and changing in sort of a trial and error (…) prototyping would have been useful and testing it with the customers". Additionally, "I think the feedback loop is key when working with a target group like this". Hence, all interviewees saw the importance of the feedback loop in the development of social or inclusive businesses.

Thus, the Lean startup methodology does not differ for inclusive businesses. The feedback-loop is seen as one of the most important factors for an inclusive development, as well as a traditional for-profit development. Moreover, a startup accelerator mentioned that "the Lean startup is one of our main methodologies for the startups". As they not only focus on engaging in the emerging markets, but also support traditional startups, it can be said that the approach is the base for both business developments.

Additionally, key factors of their business development were outlined. First of all, time is a huge factor in developing an inclusive business and being then profitable. "In the BoP market, most startups do not make a profit to the five to ten years mark". Secondly, gathering information about the local context is essential, which can be done through partnerships and close collaborations. It is crucial in the development, as people at the BoP have different needs, wants, cultures, and ways of doing business. Constant iteration, customer feedback is part of successful business development. Furthermore, funding is a crucial part, as such projects cost much money, and one cannot ask for the same prices at the BoP, compared to the Top of the Pyramid.

5. DISCUSSION AND IMPLICATIONS
This chapter outlines the Lean for-profit inclusive business cycle, a discussion part about the proposed cycle, the theory, and a recommendation. The Implication part, being the theoretical and practical implication, will follow afterwards.

5.1 The Lean for-profit inclusive business cycle
Figure 2 visualizes the Lean for-profit inclusive business cycle, which will deviate from the research framework as different priorities are set in developing a for-profit inclusive business. The cycle is a proposed tool, which could be used for startups. It is best fitting if the startup aims to be inclusive while embedding the BoP as customers, but also want to focus on profitability. Furthermore, inclusive businesses will help to reduce poverty in the long run. As usual, these kinds of businesses are non-profit organizations; the goal would be to create the same impact while

making a profit. As an interviewee said, "what do you want more, you are helping people, and everybody is happy (…), so you can make money as well".
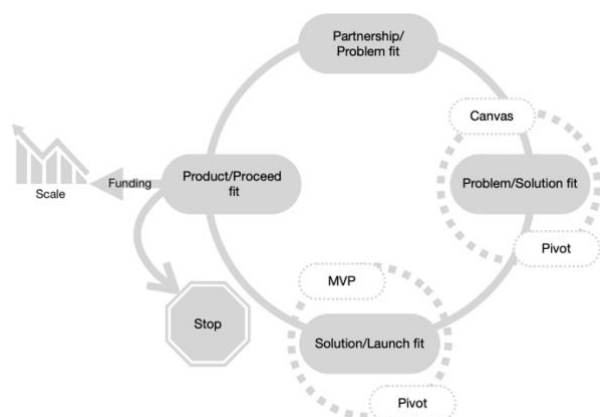

Figure 2: The Lean for-profit inclusive business cycle

The cycle is structured into four steps. These steps are "Partnership/Problem fit", "Problem/Solution fit", "Solution/Launch fit", and "Product/Proceed fit". In the following sections, each step will be elaborated. The Lean methodology is setting the base of the Lean for-profit inclusive business cycle. The following description of the cycle is the result of primary and secondary research, as well as a personal contribution.

5.1.1 Step1: Partnership/Problem fit

Step 1 describes the importance of gaining local context in the emerging markets. Three different possibilities are being elaborated upon. The most fitting one in the research is a B2B partnership with a local organization. It is set as the first priority as a pilot will be created, which is necessary for each of the following steps. Furthermore, a need driven approach is used in identifying a problem, whereas the local context is essential to do so.

Now, the three possible partnership options will be discussed.

"I think one of the critical things we have found is that you have to understand your end-consumer", as well as "you need to find the right entry point in the local communities". This being said, different options build the ability to get the local context. One company, which was part of my interview work with a recruiting company together. "They recruit people, which are part of the BoP community or have a strong link with them and they train them in customer insights and that they do the customer research". Meaning, recruiting a local employee and train them is the first possibility in gaining local context. As the creation of a pilot is essential in the development of the feedback loop, as well as testing, one employee is not enough to get the needed understanding.

Option two is working with Non-Governmental Organizations (NGOs) together. This option enables businesses to get into touch with local communities, where they already trust the NGOs, which is a crucial aspect in cooperating. Furthermore, close collaborations with local communities are already established, and possible needs are being identified. A negative aspect cooperating with NGOs is that they have their vision, mission, as well as strategy. Henceforth, "you should make sure to align with their mission and their operation" as an interviewee said, who is cooperating with NGOs. Otherwise, it will be challenging to have a good working relationship. As these aspects could differ between NGOs and the startup, a different partnership option can be chosen.

The third option and best fitting one in this research is a B2B partnership. An interviewee said that "we promote a lot of partnerships between companies, B2B initiatives (…) it actually is the best way for me to create impact, as soon as possible". Furthermore, "they know how to engage with the communities (…) for testing and then for distributing" and "it is always good to engage them as much as possible". Finding these local B2B partners is essential, but "most of the companies, like startups, (which) want to go to emerging markets, they lack, for example, the ability to find a local partner", which is a negative aspect for this option, as it might be challenging to find one. However, it is crucial, as then a pilot is created for testing. Nevertheless, one should "be very careful, because you are testing with people in need ", and "you have to mind expectations".

The next paragraph will elaborate on the "problem", which will be identified within the first step.

"Entrepreneurs actually change their value proposition completely, because they realized that they have addressed the wrong problem and that the BoP consumer does not see what they saw as a problem, a problem". This dilemma uses resources, which can be identified as waste. Therefore, the focus should be "on the necessity for the need". Multiple Interviewees mentioned that the need-driven-approach is useful. "I feel much more useful to start the other way around and believe once you start any business in those markets (BoP markets), you will encounter needs." Furthermore, "(we) ask around our network (…) and if there is a problem that is recognized, we will start looking for a solution and will make a new project". Additionally, a third interviewee said that "ideally we like to be need driven (…) we hear a lot of problems and then we can find a solution".

Henceforth, the need-driven approach is the tool for identifying a problem with the selected local business partner. This procedure creates the Partnership/Problem fit.

5.1.2 Step 2: Problem/Solution fit

The second step is concerned with identifying a problem/solution fit. As this step is already known due to the book "Running Lean" (Maurya, 2012), the Lean startup methodology will be used as a base for constant feedback and adapting. The Business Model Canvas (Osterwalder, 2010), will be adapted to create a better fit.

The step is mostly concerned with three questions, as outlined by Maurya (2012). Is the problem worth solving? Is the solution feasible? Also, would a customer pay for it?

The problem is worth solving, as identified in the previous step, as a real need was being identified, which is seeking for a solution. As the problems are essential ones, a feasible solution will be found and if not "you find another solution, because you are able to make adoptions". Moreover, customers will pay for it, as an interviewee mentioned that "we work mainly with businesses and helping them to generate profit at the same time, as they address local development needs, but it always is for-profit".

5.1.2.1 The Business Model Canvas

An essential tool in creating such a Problem/Solution fit is the Business Model Canvas. Many interviewees emphasized on the use of the Canvas model. "We usually start with doing a Business Model Canvas", "we work with the inclusive Business Model Canvas" or "Canvas (was) used in incubators and is great for a start". Therefore, the Canvas model was used in the research as well. It was said that startups "were facing a lot of challenges and problems, because they were innovative in the products, but not their business models". Therefore, innovation in the model will be a useful tool to be as efficient as possible. Hence, mainly an adaptive version was used in the context of working in emerging markets, which led to the creation of a personal adaptive version.

After explaining it to an interviewee, he said; "I think that the adopted business model helps startups to create impact".

Figure 3: Lean for-profit Inclusive Business Model Canvas (adapted from (Bocken et al., 2018; Maurya, 2012; Osterwalder, 2010; Sweden))

Principle four of the Lean startup, being Build-Measure-Learn, plays a considerable role in the presented Lean cycle (Figure 2). As interviewees said, "(we) first do a pilot and see how people respond", or "we always start with a pilot, so with a small group, they give us feedback on how it fits, and then we re-develop". Therefore, the cycle implements the feedback loop already in step 2, and the Canvas model will be re-developed through customer feedback until a perfect fit is created.

The following paragraphs will explain in more depth the used segments of the Lean for-profit Inclusive Business Model Canvas. These are "The General segment", "The Lean segment", "The inclusive/sustainable segment" and "Tools".

5.1.2.2 The General segment

The used parts of the general Business Model Canvas are Key partners, Key activities, Key resources, Customer relationships, Channels, Customer segments, Cost structure, and Revenue streams (Osterwalder, 2010). These building blocks set the broad base of the business model.

Key partners are people being directly involved in the supply chain (suppliers, business partners, distributors, etc.). Key activities and key resources are the main driving activities and resources being used in developing the business. The three blue segments are focusing on customers. Customer segments are the targeted audience of the product being developed. Customer relationships outline the function of the customers. Channels are the way these products are being distributed. Mostly, the cooperating local business can be used for distributing the product at the end, as they are familiar with distribution strategies at the Bottom of the Pyramid. Costs take the expenses into account which arise during the development (employees, travel, operationalization, development). The Revenue structure describes what kind of revenue is being generated. This part is included as the approach is aiming for a for-profit organization. An interviewee also said, "I believe more and more, without sustainable revenue, you also will not going to have an impact, because your business is going to close down".

5.1.2.3 The Lean segment

The Lean segment consists of "Problem" and "Solution" (red segment).

As it is a Lean development process, the Lean part needs to be considered in the business model as well. As Lean focuses on creating a product, that the customer wants (Maurya, 2012), "Problem" and "Solution" need to be considered. This part of the Canvas will create an even more effective Problem/solution fit, which the second step aims for.

5.1.2.4 The inclusive/sustainable segment

This segment includes Social-, Environmental- and Economic Impact (Green segment).

Interviewees, which work with emerging BoP markets, said that "we (…) include an extra section in the middle, that we call social impact or impact". Also, "(we) always add the impact component to help them with the business model; (…) sustainable and economical, you know everything is connected". Hence, value proposition, shortly describing the main features of the product, which solve the problem, is being expanded, by including all three impact parts in the model.

5.1.2.5 Tools

Tools describe a function which will help to create a more in-depth understanding of involving the BoP in every possible segment of the business model.

"In every section of the Canvas, we ask how can you involve the BoP here (…) sometimes just asking the question is already triggering". Furthermore, "after the BMC exercise, we move towards more focused tools (…) which in this case actually are more tailored to the BoP". A different interviewee said, "we have developed with other partners toolkits (…) that we have to complete the Business Model Canvas, with always an inclusive perspective". These tools need to be developed for the constructed Canvas and are therefore in need of further research.

5.1.3 Step 3: Solution/Launch fit

Step 3 is also part of the Lean cycle of the book running Lean (Maurya, 2012). In this step, MVPs are being developed to create a Solution/Launch fit. The Lean startup methodology is again the base of this step, as "the feedback loop is key when working with a target audience like this" and "you always have unforeseen things, that you find out when piloting, that you have to adjust".

After asking interviewees about testing the solution, many have answered that prototyping (MVPs) are being used in the process. "Yes, we work with MVPs (…) we do take customer feedback from the BoP". Furthermore, it was sad that "if you go there and you do not work with a group of people to get feedback, first-hand feedback, there will be no chance". Moreover, "What we like from the Lean approach. Like, you pilot as soon as possible and then develop your viable product as soon as possible, and you test and have your final product, which is ready to go to the market". This statement describes the importance of the third step and is the reason why it is used in the developed Lean cycle. One has to be aware that "you are testing at the Base of the Pyramid" and that you have to "be very careful because you are testing with people in need". Hence, "you have to mind expectations very well". This means that the pilot should know from the beginning of what is being expected by the development of the product/business.

5.1.4 Step 4: Product/Proceed fit

After the first three steps, there should be a product/business now developed, which solution fits the local needs/problems of the BoP and which solves the needs as well. Meaning is wanted. Now, the task is to create a Product/Proceed fit.

Here, a decision has to be made on how to go forward with the developed product/business. The aim is to proceed, as the name of the step already mentions. Then, funding and scaling will be focused on. Chapter 5.1.5 outlines these two factors. The second option is to stop the development, as for example, "the funding is gone, or you change your country". Furthermore, internal or external factors could play a role, as well.

But, as the stage states, the aim of the proposed cycle is to create the Product/Proceed fit, which will lead to the following two tasks.

5.1.5 Funding and Scale
The part elaborates upon two topics, which will follow after the proceeding path was chosen. Funding and scaling are both critical for the successful development of a product and/or business.

The following paragraph will outline funding.

The interviewee mentioned that "funds are good, but where is the source of the funds is usually the problem". Furthermore, "the impact in the investment scene is hard. People are not willing to take risks, which frankly, I think, need to be taken for these markets to grow". To solve this problem, "what we try to do is a pilot, show proof of concept to show the potential and then present them to investors to get input". This proof of concept will be needed as fast as possible and can be created during the second step. The Canvas model can then be used as a concept and will be presented to investors after having adopted the best fitting model.

The next paragraph will outline the second part, embodying scale.

"I think the key in the BoP markets is scale. Scale quickly to become profitable". This statement of an interviewee underpins the importance of scaling and creating profit. As "without sustainable revenue, you also will not going to have an impact, because your business is going to close down". Thus, as fast scaling is vital, the Lean cycle emphasizes on the most efficient way of working, to scale as fast as possible. As it was mentioned that "in the BoP market, most startups don't make a profit to five or even ten years mark", efficient and effective working is essential. Moreover, an interviewee said that the locals "know how to engage with the communities (…) for testing and then for distributing". Scaling will then be even faster through the direct distribution with one's business partner.

5.2 Cycle, Theory, and Recommendation
Firstly, the proposed Lean cycle will be discussed. Then, the results will be illustrated in connection with the theory chapter. Lastly, a personal recommendation is given.

Generally, the adapted Lean cycle is a proposed tool for entrepreneurs which do not belong to the BoP. Therefore, every selected Case were interviewees who do not belong to the BoP. Furthermore, in the framework, the BoP is targeted as customers and possible distributors, as it is also stated in the definition of inclusive businesses. Furthermore, as there are different industries, whereas the BoP can play a significant role, different business models are being used for each industry. Adding to this, an interviewee said, "entrepreneurs go for the business model that they see around them or the standard for their industry". Hence, many entrepreneurs might not be aware of the Canvas Model, as no one uses it in their industry. Therefore, this approach can be applied for many different industries to have an alternative, accessible and understandable approach to create a business model in an inclusive context compared to their competitors, which could create a competitive advantage. Often, it is stated that there is still a big focus on the social impact, rather than the profitable one, especially with a lot of NGOs working in the field. As mentioned multiple times in the research, that sustainability is a crucial factor for future businesses; inclusive businesses should be sustainable to keep creating impact at the BoP. To stay sustainable and independent, profit is an essential part. If there is not a creation of sustainable revenue along the process, these businesses will be bankrupted and will not be able to create impact further. Thus, the emphasis should also be on generating quick profit, as well as creating impact. A balance between these two aspects is crucial. Typically, traditional for-profit startups take around three years to generate a profit.

Startups in a BoP context take five to ten years to be profitable. As explained that profit is equally important as the impact, the focus should be on scaling fast to have as early as possible revenue streams. The proposed Lean approach is aiming for a reduction of waste, meaning being as efficient and effective as possible. Thus, following the approach will help an entrepreneur to be able to scale one's business as fast as possible.

In the theory part, three main areas were being discussed; which are Lean, Business modelling, and the BoP. Theory of each aspect will be discussed in the following paragraphs.

The Lean startup by Ries (2011), created the base of starting up a business in a Lean manner. As the five principles were already discussed in chapter 2.1, the most important one in this research is Build-Measure-Learn. The feedback loop creates the essential base of the proposed Lean cycle. Moreover, the Lean startup generally is again seen as a base of a Lean cycle, which was already created by Gelobter (2015) and Maurya (2012). The proposed Lean cycle was adapted accordingly to the inclusive context.

The Business Model Canvas, is the base in the already established Lean cycles, is again used as a base in the cycle of this paper. As stated in the literature, it is an excellent tool for business model innovation, as well as a base of a sustainable business model (Bocken et al., 2018; Joyce & Paquin, 2016). The initial nine building block was extended. "Problem" and "Solution" were added due to the focus on a Lean approach. Moreover, the inclusive "impact" category was added, embodying social-, environmental- and economic impact. The 14 segments create the perfect fit for the proposed Lean cycle.

Engaging in emerging markets, many barriers were being mentioned, like a need for local knowledge and skills, infrastructure, legal information, and access to financial services (Gradl & Knobloch, 2010; Rösler et al., 2013). Hence, these critical factors are being considered in the development of the cycle and are solved due to the involvement of a local partner. Dembek et al. (2018) described three different kinds of models, which are concerned with the BoP context. Delivering models and recognizing models are a good fit for the evidence, which is being presented in the research paper. Delivering models describe the value creation for a single stakeholder group, which then will result in a multiplication of the value-creating value for a whole community. Recognizing models are primarily adding value by targeting larger communities. Hence, in the proposed Lean cycle, one specific stakeholder group is being targeted and used as a pilot in the development of the product. Thus, value is being created for this group or community of people. Later, after the development, during the scaling phase, the well-being of larger communities is being targeted. Therefore, both models are being considered in the proposed cycle.

I suggest that the proposed cycle and model are a useful tool for an entrepreneur, who is not from the BoP and interested in starting a for-profit organization while creating an impact in targeting the BoP as a customer. Nevertheless, limitations of the research should be considered, as well as further research, before relying on the framework.

5.3 Implications
The implication part describes the theoretical and practical contribution to the research.

5.3.1 Theoretical implication
The research contributes to the theory, as the research gap, being the lack of knowledge about the Lean startup approach in an inclusive context, was bridged. Moreover, the Lean startup was used as a base for developing a newly adapted Lean cycle for the BoP, and an adapted Business Model Canvas was created. It can

also be used for further research, which could be the creation of a whole new Lean approach and resulting in an entirely new defined theory for any startup.

5.3.2 Practical implication

The practical implication is, that startups, which would like to target the BoP as customers and want to be profitable while doing so, can use the proposed framework as a tool for starting up their business. Furthermore, experts for the BoP startup business development, as well as startup accelerators, which are focusing on the BoP context, can use the framework as a tool and possibly rethink their current approach. Already established startups, but not being profitable or stuck in the development, can start using the approach to adapt their current activities.

6. CONCLUSION

Throughout the paper, the importance of sustainable businesses was often highlighted. As this trend is putting pressure on a variety of businesses, innovation can be a tool to comply with the trend. As the embedding of the Bottom of the Pyramid (BoP) in one´s value chain can be seen as a sustainable approach, inclusive businesses are getting more attention and gaining in importance. As the Lean methodology was an innovative tool for starting a business, many entrepreneurs decided to use the Lean startup approach. Moreover, the Lean startup approach was often used as a base of a developed Lean cycle (chapter 2.4). As many scholars have outlined the need for business model innovation for a successful sustainable future, the Business Model Canvas gained more attention due to its innovative ability.

The research question stresses the importance of finding the difference in the use of the Lean startup approach between for-profit organizations and for-profit inclusive businesses. To answer the research question, it needed to be identified how for-profit organization uses the Lean startup approach — furthermore, barriers in engaging the BoP needed to be identified. Moreover, interviewees helped to gain knowledge about the use of the Lean startup approach for for-profit inclusive businesses.

Secondary data enlightened the use of the Lean startup approach for traditional for-profit organizations. Additionally, barriers like the need for local knowledge and skills, infrastructure, legal information, and access to financial services were identified. The research framework set the base for the data collection. The Lean cycle of Maurya (2012) for traditional for-profit organizations and the Lean cycle of the "Lean startup for social change" by Gelobter (2015) were used. Here, a transition towards inclusiveness was created. Two cases on businesses with social impact and four cases engaging with the BoP helped to gain knowledge on the use of the Lean startup in an inclusive context. Evidence showcased that the Lean startup in an inclusive context is not different than in a traditional context. Therefore, the Lean startup approach was used as a base for a newly adapted Lean cycle, which was tailored to engaging with the BoP. Here, the BoP is the consumer.

The Lean for-profit inclusive business cycle is a tool for for-profit inclusive startups, which emphasizes a local B2B partnership. Moreover, pilots are being created to identify a problem at the BoP in a need-driven manner. Constant first-hand customer feedback is essential in the process and identifies the base of the Lean startup methodology. The Lean for-profit inclusive Business Model Canvas helps to create the best Problem/Solution fit. The development of MVPs helps to identify the perfect Solution/Launch fit. Then, the stage Product/Proceed fit focuses on proceeding with the development. The emphasis is on funding and fast scaling. A feedback loop is an essential tool in each stage to create the most efficient and effective development to proceed with the following steps. Creating sustainable revenue is important, as otherwise future impact will not be present, due to a breakdown of the business. Funding throughout the process will help to make the development even possible.

7. LIMITATIONS AND FUTURE RESEARCH

The last chapter outlines limitations and possible future research to strengthen or adapt the tool, which was being created.

As the topic is specific, there is a limitation in data collection, as the data sample is small. Hence, more people need to be interviewed for each case to see if this approach solves the problems and barriers. Then, cases from the BoP can be involved as well. Additionally, further research will help to generalize the proposed results. Furthermore, the concept is built theoretical, which means that the solution was not tested practically yet. Therefore, the approach should be used in practice to see how efficient and effective it might be. This will help to identify aspects, which need to be improved and/or adapted to make it more useful.

Thus, future research could use the tool in a field experiment. Then, one group gets the treatment, being the proposed Lean cycle. Whereas the other group, embodying the control group, will continue without knowing about the adopted cycle. This will lead to further indications about the usefulness of the tool and if more adoptions need to be made. Moreover, as limited information about the last step of the Lean cycle (5.1.4) were available, new insights about possible pathways and the probability in continuing with the development will be researched. Furthermore, specific tools should be created for the business model, to have even more efficient and effective use of the approach. These tools will help to make one´s model clearer and more in-depth focused on the BoP. Tools for each step of the proposed cycle should be developed as well, to make the whole process more smooth and easier to use. Further research should focus on finding investors who are able and willing to fund your business. More detailed research can be conducted on the success factors, as well as critical factors and barriers while working with the BoP context. This will help to generate an even more precise fit to the situation. Then, it could be researched if the approach can also be used when the BoP is not a customer or distributor. Moreover, a supplier, for example. Thus, it can be figured out if the approach is generally useable for the BoP context. Furthermore, it could be researched if the use of the proposed Lean cycle could be generalized for a Lean application. If this cycle could also be a more efficient and effective usage for not only the BoP context but also for the traditional for-profit startups. Additionally, research about increasing efficiency during the process can help to get even faster to the scaling process.

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10. APPENDIX

10.1 Interview

Table 3: Overview of contacted persons and the process

Companies	Way of contact	Who?	Contacted?	Answered?	Interested?	Date	Type of interview	Stay in the loop	Duration	Extra
—*	E-mail	—*	Yes	Yes	Yes	16.05.2019 at 10:00 am	Skype	Yes	34 min 22 sec	—
—*	E-mail/Phone	—*	Yes	Yes	Yes	27.05.2019 at 3:00 pm	Skype	Yes	31 min 29 sec	—
—*	E-mail	—*	Yes	Yes	Yes	16.05.2019 at 11.30 am	Phone	Yes	40 min	—
—*	E-mail	—*	Yes	Yes	Yes	21.05.2019 at 10:00 am	Skype	Yes	34 min 11 sec	Extra info via E-mail
—*	E-mail	—*	Yes	Yes	Yes	11.06.2019 at 9:00 am	Skype	Yes	28 min 59 sec	—
—*	LinkedIn	—*	Yes	Yes	Yes	12.06.2019 at 11:30 am	Skype	Yes	32 min 11 sec	—
—*	E-mail	—*	Yes	No	No	—	—	—	—	—
—*	E-mail/Phone	—*	Yes	Yes	No	—	—	—	—	—
—*	E-mail	—*	Yes	No	No	—	—	—	—	—
—*	Website/ LinkedIn	—*	Yes	Yes	Not a good fit	—	—	—	—	—
—*	E-mail	—*	Yes	Yes	No time	—	—	—	—	—
—*	LinkedIn	—*	Yes	No	No	—	—	—	—	—
—*	E-mail	—*	Yes	Yes	No time	—	—	—	—	—
—*	LinkedIn/ E-mail	—*	Yes	Yes	No time	—	—	—	—	—
—*	LinkedIn/ E-mail	—*	Yes	Yes	Think is not a good fit	—	—	—	—	—
—*	LinkedIn	—*	Yes	No	No	—	—	—	—	—
—*	LinkedIn	—*	Yes	No	No	—	—	—	—	—

* left out due to confidentiality

10.2 Interview guide

Name of the interviewed person

- **General**

  - Who are you, and what is your position?

  - Would you consider what you (company) are (is) doing as inclusive?

    Inclusive = A set of business activities that contribute to the long-term goal of poverty alleviation by embedding the BoP context into efficient value chains and market structures, both as consumers and as producers or distributors.

  - For- or non-profit?

  - Why are you inclusive? What is the contribution?

  - Which approach & business model is being used to build up such inclusive startups?

  - What are the most crucial factors in creating such a business?

  - What are the most crucial factors cooperating with the BoP?

- How do you cooperate with the BoP?

- What is your opinion on a for-profit inclusive business/startup?

- Have you heard about the lean startup?

  The lean startup: Approach of starting a business, and it outlines the importance of a feedback loop, which every startup should implement in its development. "To turn ideas into products, measure how customer respond, and then learn whether to pivot or persevere."

- Do you think that it is a useful approach for building an inclusive startup?

- If yes, why? If no, why?

- **Research Framework**

  - What is the product/service you sell?

  - What customer problem does it solve?

  - How do you test, whether it is a real customer problem? (market research, interviews, etc.)

  - How do you find out that product/service solved the problem?

  - How do you test whether your product/service worked? (Prototypes, MVP, trails)

  - Was there a need for pivoting/iteration?

- **End**

  - Would you like to add something important? Or any more remarks?

  - Am I allowed to use your name/company name in my research?

  - Would you like to stay in the loop and receive my thesis, when it is finalized?

10.3 Quotes Case 2

Case 2	Quotes
	"We always place more weight on the social targets that we have"
	"When we develop our projects we also work together with our peer educators and the target audience itself"
	"We always start with a pilot, so with a small group, they give us feedback on how it fits and then we re-develop and that is what we bring to the target audience"
	"I think the feedback loop is key when working with a target audience like this"
	"Ask around in our network (…) and if a problem is recognised, we will start looking for a solution and will make a new project"
	"You have always unforeseen things, that you find out when piloting, that you have to adjust"

10.4 Quotes Case 3

Case 3	Quotes
	"I have always had the idea of creating just a for-profit organisation in the long run"
	"What do you want more, you are helping people and everybody is happy (…) so you can make money as well"
	"It is not simple to create a business model that really works"
	"It is hard to find the right ways of doing business, to find the right partners"
	"When you aim for a business model in which you can make more and do good at the same time, I would not know what would be the cons of that"
	"Reaching out to the end-consumer is crucial and having the trust of these end-consumers is also important" (BoP as consumer)
	"You need to find the right entry point in the local communities"
	"I think what we failed to do is to work in small projects, where you can have a group of people to try out the product and get user experience to share the things with each other."
	"Make use of local projects with small groups of people that are committed to try out a new product, monitor them, support them, coach them"
	"It can be a good idea to cooperate with NGOs, but you should align, you should make sure, to align with their mission and their operation."
	"Constantly adapting and changing in a sort of a trial and error kind of way, to try something out and see how it works".
	"Stay with initial customers and not leave them before they were very happy and ready to work".
	"Prototyping would have been useful and testing it with the customers"
	"Doing business here in Africa can only be done with a lean sort of approach"
	"They would never choose being loyal to you, if they have to choose between you and the local community"
	"I think you should always try to create business opportunities for local people and do it together"
	"You find another solution, because you are able to make adoptions"

10.5 Quotes Case 4

Case 4	Quotes
	"They were facing a lot of challenges and problems, because they were innovative in the products, but not in their business models"
	"We work mainly with businesses and helping them to generate profit at the same time, as they address local development needs, but it always is for-profit"
	"Most of the companies, like startups, that they want to go to emerging markets, they lack, for example, the ability to find local partner"
	"We promote a lot of partnerships between companies, B2B initiatives (…) it actually is the best way for me to create impact, as soon as possible"
	"We work with the inclusive Business Model Canvas and we have tools"
	"Same model but a space for impact"
	"Always add the impact component to help them with the business model"
	"We have developed with other partners toolkits and that we have to complete that business model canvas, with always an inclusive perspective"
	"Sustainable and economic, you know everything is connected"
	"Company needs to be sustainable"
	"Be vary careful, because you are testing with people in a need"
	"You need a local partner. Always. 100% of the time"
	"They know how to engage with the communities (…) for testing and then for distributing"
	"It is always good to engage them as much as possible"
	"If you go there and you do not work with a group of people to get feedback, first hand feedback, there will be no chance"
	"You have to mind expectations very well"
	"Maybe the funding is gone or you change your country"
	"So ideally we like to be need driven (…) we hear a lot of problems and then we can find a solution"
	"Funding is crucial" "Funding and partners, that's it"
	"I would say 5 years"
	"What we like from the lean approach. Like, you pivot as soon as possible and then develop your viable product as soon as possible and then you test and have your final product, which is ready to go to the market".
	"Because maybe the funding is gone or you change your country"

10.6 Quotes Case 5

Case 5	Quotes
	"Lean startup is one of our main methodologies for the startups."
	"People who are BoP, does not make much a difference on the way we use it"
	"In the case that they are clients, with the loop and the MVP, what is done with the startups is that it is mostly being tested"
	"But, I don't see much difference on the use of the lean startup in the BoP situation and the use on the more, lets say, traditional use of clients"
	"I think that the adopted business model helps startups to create impact"
	"I think what you have described is a useful process for any kind of business."
	"This sounds like a process that is useful for BoPs and non BoPs."
	"The funds are good, but where is the source of fund is usually the problem"

10.7 Quotes Case 6

Case 6	Quotes
	"We are really looking to build viable business models with them" - on for-profit inclusive startups
	"We usually start with doing a business model Canvas"
	"We then look at each part of the Canvas and see where we could maybe innovate or do better"
	"Entrepreneurs go for the business model that they see around them or the standard for their industry"
	"Other things we might do is to include an extra section in the middle, that we call social impact or impact"
	"Every section of the Canvas we ask how can you involve the BoP here"
	"Sometimes just asking the question is already triggering"
	"After the BMC exercise, we move towards more focused tools (…) which in this case actually are more tailored to the BoP."
	"As a customer, I think one of the critical things we have found is that you have to understand your end-consumer (..) gathering really tangible, useful consumer insights is absolutely critical".
	"Entrepreneurs actually change their value proposition completely, because they were realising that they have addresses the wrong problem and that the BoP consumer does not see what they saw as a problem, as a problem."
	"They recruit people, which are basically part of the BoP community or have a strong link with them and they train them in consumer insights and that they do the consumer research"
	"Because there is also a cultural barrier in gathering these insights, that you have to be aware of"
	"Focus (…) on the necessity for the need"
	"I think what is more important is that you get a local understanding and that could be a partnership"
	"You go into a market and you are doing what you are doing, because it is your business and then you realise that there is a need."
	"I feel much more useful to start the other way around and believe once you start any kind of business in those markets. You will encounter needs."
	"First do a pilot and see how people respond, but that is during the product or service launch and you want to go to know the impact."
	"Like you are doing business for impact, but your first priority is business. You can just say assume that people are using your product, so let's say the water filters again, and we sold that number of filters, so that is the impact".

10.7.1 Continue with Quotes of Case 6

Case 6	Quotes
	"I personally think it should be a somewhat middle ground between the two somewhere." (social and profit impact)
	"I also believe more and more, without sustainable revenue you also will not going to have impact, because your business is going to close down"
	"Yes we do work with MVPs"
	"we try to get as much customer feedback as possible"; "We do take customer feedback from the BoP"
	"When we can, we do pivot, change and adapt"
	"In the BoP market, most startups don't make profit to 5 or even 10 years mark"
	"I think the key in the BoP market is scale. Scale quickly to become profitable"
	"What we try to do is a pilot first, show proof of concept to show the potential and then present them to investors to get input"
	"The impact in the investment scene is hard. People are not willing to take risks, which frankly, I think, need to be taken for these markets to grow"
	"We definitely try to do it as much as possible" (about feedback loop)