

Thesis

Decision making in the business model development of an established firm

The perspective of mid-level employees in SMEs

UNIVERSITY OF TWENTE.

Factsheet

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Management Summary

In collaboration with the management of FMCO, a Dutch field marketing firm with 50 employees, it was revealed that the firm is currently facing a period of reorganisation. The slogan of the firm namely being “the power of human interaction” is not integrated enough in the firm's internal and external processes. This problem has been recognized by the management however, they are wondering how they can approach this problem.

This research provides insights into the theory of effectuation - a decision making method - and the view of five employees of FMCo and five employees of five small-medium enterprises (SMEs) in a similar maturity stage. Their opinion and reasons on executing hybrid thinking methods in their organization was collected. The research is based on the five dimensions of the two decision making methods effectuation and causation namely being *taking action (1)*, *risk and resources (2)*, *competition (3)*, *contingencies (4)* and *focus of control (5)*. Causation is a method that brings along analysis, avoiding contingencies, forecasting, structured approach to taking action with goals and hierarchy. Effectuation is the exact opposite of this method with a free and flat approach and means-based decision making. The question of the research surrounds the topic on how the combination of these two decision making logics (hybrid thinking) can shape the business model development of an established firm. The collected, qualitative data has been coded and analyzed by means of cross-case comparison. The results of the research suggest that combining both logics on the one side can create satisfied employees, it can enhance creativity and motivation for innovation and it enables long term relationships through honesty, transparency and partnerships with other stakeholders. While on the side, it creates a structured work environment with a clear value proposition and it helps to forecast the most profitable outcomes of market, competition and future. It was revealed that both methods can co-exist in the same dimension and do not have to exist individually. This contradicts the traditional effectuation literature and contributes towards the foundation of modern effectuation literature. As a practical solution a *holistic feedback circle*, *managerial motivation* and a *business association* are suggested to be applied, which enable employees of all levels to be involved and educated in creative decision making. By means of these solutions an organization can include effectual and causal elements into their business model and reach more human interaction within their firm.

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Introduction

Developing and growing a business requires an eye for detail and constant attention to the environment. No business in the modern world can afford to stand still and successful businesses need to stay on top of their competition through innovative ideas and entrepreneurs who implement these (Matalamäki, Vuorinen, Varamäki, & Sorama, 2017). An entrepreneur is according to Schumpeter (1965) an individual who exploits market opportunity through innovation in technology or organisation. Bolton & Thompson (2013) define an entrepreneur as an individual who creates and innovates to produce something of recognized value around anticipated opportunities so each entrepreneur follows a certain framework to undergo innovation with their firm.

Literature has revealed that entrepreneurship goes hand in hand with “entrepreneurial strategies”. The authors Cooper, Markman, and Niss (2000) explain this term by stating that entrepreneurial strategies suggest ways to “revitalize existing organizations” and make them more innovative. The authors explain that entrepreneurial strategies are the means through which a firm builds a fundamental set of relationships with its surroundings. They describe these strategies as a change in the decision making pattern of an organization (2000). Amit & Zott (2001) revealed in their research that entrepreneurial strategies focus primarily on the internal organization of the firm, with the entrepreneur being the person in focus, while the entrepreneurial strategies are based on innovation and creativity (Amit & Zott 2001). Turnipseed (1994) identified a significant linkage between the organizational environment, freedom and pride in work and the employees potential for innovation.

In this research, entrepreneurs will be put into focus in combination with their decision making processes to help a mature firm to innovate their business model. It can be differentiated between two major, entrepreneurial decision making logics, called effectuation and causation (Sarasvathy, 2001). These logics will lead the way of this research to help find a way how these entrepreneurial strategies can help revitalize a mature company.

Effectuation and Causation

One of the two decision making approaches to innovate and develop a business is called causation and is a linear process in which entrepreneurs determination leads to analysis and planning activities (Fisher, 2012). It is about having a defined goal to be achieved and having to decide which of the various options will allow the firm to best achieve that goal. It is an approach which assumes a predictable environment, in which extensive analysis and planning are essential (Chandler, DeTienne, McKelvie, & Mumford, 2011; Sarasvathy, 2001).

The other option to make decisions within the business development environment is a process called effectuation. Effectuation takes place if entrepreneurs start to look around at the means they have at their disposal, these means can be people, know-how, or resources, and then determine what potential goals might be achieved with this special collection of means (Fisher, 2012). In detail, effectuation brings along that entrepreneurs will have to engage in a process that uses “existing means, proceeds in small steps, limits financial risk, leverages contingencies, and establishes strategic partnerships” (Grimm, 2013). Furthermore, in his research Grégoire mentions that from a theoretical point of view, effectuation is about human action and the unfolding process of entrepreneurial action (2019). Hybridity is a method combining both strategies and has been detected recently by authors Reymen et. al (2015), Smolka et. al (2015; 2016) and Jiang & Rüling (2019) and will be further explored in the theoretical framework.

Business model development in established firms

According to Matalamäki (2017) an established firm refers to a company with cultural norms, internal resources, past experience, and perceptions about environmental uncertainty and hostility. In established firms there is a constant need for development and making the right decisions (Matalamäki, 2017; Johnson, Christensen & Kagermann, 2008). In order to integrate more human interaction into a firm, development of the business model is needed (Rodgers, Yen & Chou, 2002).

Entrepreneurial strategies revitalize existing organizations and make them more innovative (Cooper et. al, 2000). Business model development and innovation revitalizes a business and has been applied by theoretical literature of effectuation and causation (Reymen et. al, 2017; Reymen et. al, 2015). Therefore, it will serve as a basis to test effectuation on

entrepreneurial decisions. Business models are frameworks that combine a broad variety of 'ingredients' revealing that value creation comes from multiple sources (Zott, Massa & Amit, 2011). Business model innovation or "business model development" and - for simplicity - further referred to as "BMD", is a holistic approach that does not only focus on a new product or service, but also includes the choice of revenue model, activities, resources, market channels, and partnerships (Osterwalder and Pigneur, 2010).

Research gaps, objectives and questions

Sarasvathy first brought the idea of effectuation into literature in 2001. Back then effectuation was connected to the creation of new business activities and was perceived as an operating model that covers the early stages of an organisation's growth. In the early stages of effectuation literature, the decision making method was seen as the opposite of causation, which could not coexist alongside causation. Effectual decision making in new businesses and "New Venture Creation" (Reymen et. al, 2015; Chandler et. al, 2011; Read, Song, & Smit, 2009 & Wiltbank, 2009) and "Opportunity recognition" (Maine et. al, 2015; Chandler et. al, 2011 & Fisher, 2012) has been thoroughly researched. Alongside others, these researches proposed that effectuation is beneficial for companies in their early stages of growth, because this method helps firms to gather information through experimental and iterative learning techniques and dynamic, nonlinear, and ecological environments (Fisher, 2012) which allowed firms to identify and exploit opportunities in new markets with high levels of uncertainty (Fisher, 2012) and eventually reach higher firm growth and maturity.

The context of existing firms was neglected in effectuation research for many years, despite the fact that Wiltbank, Dew, Read and Sarasvathy, (2006) had already considered the suitability of effectuation logics in existing companies. More recent studies have put effectuation in the context of an existing business (Matalamäki, Vuorinen, Varamäki & Sorama, 2017; Smolka et. al, 2016; Grimm, 2013; Jiang & Rüling, 2019). This is because entrepreneurs of mature enterprise also seem to follow an effectual logic. For example, the corporate decision of a more mature company can still be based on the effectual affordable loss instead of on the causal maximisation of expected returns (Matalamäki, 2017), if the entrepreneur believes it to be more beneficial for the development of a small-medium enterprise (SME).

Critics of traditional effectuation literature argue that effectuation is an essential element to be integrated by mature firms as well. Multiple authors such as Matalamäki (2017; 2018); Reymen (2015), Perry, Chandler & Markove (2012) and Fletcher, Loane & Andersson (2011) mention that there is a need for more research in terms of business maturity and effectuation, which can be pooled to the approach of this research. Perry, Chandler & Markove (2012) explicitly mention the need for research that evaluates the relationship between effectuation and established entrepreneurship.

Next to that, authors are criticizing that effectuation and causation can and must coexist in a firm's business model development (BMD). Reymen et. al (2017) have done research on decision making in BMD. They investigated how effectuation and causation are used in different areas of the business model, and view causation and effectuation as independent logics, which work best if used alongside each other. Authors such as Mansoori & Lackeus (2019) and Morotz a & Hindle (2012) criticize that effectuation alone does not work in all stages of business development and needs to be combined with causation. Next to that, they criticise that effectuation is underdeveloped as a new theory of entrepreneurship and also suggest to improve and elaborate the theory (2012).

According to Matalamäki et. al (2017), the causal approach can fill in the gaps, where the flexible effectuation method does not prove to be useful, as it ensures that the venture stays focused and predicts what is predictable. Therefore, the following research is aiming to contribute a clear and straight forward message to mature firms in the effectuation literature, while also contributing to the evolving literature on hybrid thinking, (Smolka, 2015;2016; Matalamäki, 2017; Reymen, 2015; Jiang & Rüling, 2019) which is a combination of effectuation and causation in an organization.

The question of this research will be formulated as following:

How can the integration of hybrid thinking shape the business model development of an established firm?

In this research it will be looked at the approach of how a combination of both logics generates the optimal scenario that needs to be further explored in the context of mature SMEs. Growth and maturity can be measured by a theoretical model. One example of such is Greiners growth model (1998). The model helps to reveal the different phases a business

undergoes and the problems that come along. Each growth phase has individual periods of stability but sooner or later encounters a crisis (Appendix I). In this research, a mature Dutch marketing firm (FMCo), is put in the spotlight. This research aims to give advice on how to change their business model to have more human interaction by linking it to the integration of hybrid thinking within their business model.

Outline of the thesis

In order to answer the research questions on the following pages it will be made use of a thorough literature analysis. During the literature analysis in the chapter “theoretical framework” it will be looked deeper into the topic of effectuation and its differences and correlation with causation. Furthermore, challenges of effectuation will be discussed. Business model development will be linked to established enterprises and a conceptual framework will serve as a guide on how all topics of the theoretical part can be combined. After conducting the literature analysis, a methodology section will follow. In this section the data approach, collection and analysis are described and an overview of the 10 cases of the research is provided to the reader. In the results section the data of interviews with employees of FMCo and 5 other SMEs will give an insight about the retrieved data on hybrid thinking in mature businesses and their BMD. The results are discussed and suggestions for future research is the last chapter.

Theoretical framework

The following theoretical framework will serve as a basis to answer the research question stated in the introduction and help further develop the case study. The main concepts of hybrid thinking and business model development are clarified and connected in a conceptual framework, while propositions at the end of the chapter help to build up the foundation of the research.

Effectuation and its limitations

Matalamäki explains in his research that it can be differentiated between managers and entrepreneurs (2017). While managers often stay in lines and execute given tasks entrepreneurs innovate and rethink these lines. The emerging *entrepreneurial method of thinking and acting out of the box* during problem solving and venture creation is called effectuation (Sarasvathy, 2001). To understand effectuation and the following research it is important to be aware of the 5 elements that form the basis of effectuation research. These 5 principles are shortly listed beneath (Sarasvathy, 2008).

Principle	Explanation of the principles
Bird in Hand	Entrepreneur focusses on means available to them negotiating with stakeholders willing to commit to the project
Affordable loss principle	What an entrepreneur is willing to lose with the project
Crazy quilt	Entering new partnerships and setting up a network of self-selected stakeholders
Lemonade principle	Entrepreneurs must study the reason of the surprise the “juice of the lemon”, experimentation, collaboration and learning from surprises
Pilot in the plane mindset	Become the pilot of the plane to co-create the future instead of only being the passenger, change of mindset

Figure 2.1 *The principles of effectuation*

For years effectuation has not played a role in most corporations but has become a thoroughly researched topic in literature in the last 20 years. Effectuation is a constant circle for the entrepreneur of making decisions, falling down and standing up again (Grimm, 2013). Instead of analyzing the market or trying to predict possible outcomes the entrepreneur is focussed on what an enterprise has available and what it can risk and learn from its downfalls and how this, in cooperation with partnerships, can lead to new opportunities and ideas as well as means (Read et al., 2009). During this whole process new products, markets and firms are created, which is reflected by the airplane in the visualization beneath. This airplane can be linked to the pilot in the plane theory, which is about controlling the future instead of just being a passenger. Effectuation enables an individual more freedom for creativity (Reuber, Fischer & Coviello, 2016) and innovation for the individual which can be linked to employees motivation and intrinsic satisfaction (DeTienne & Chandler, 2010). This whole never-ending circle can be observed in the figure 2.2, which serves as a basis for understanding how the decision-making process effectuation is combined with the 5 principles listed in the table.

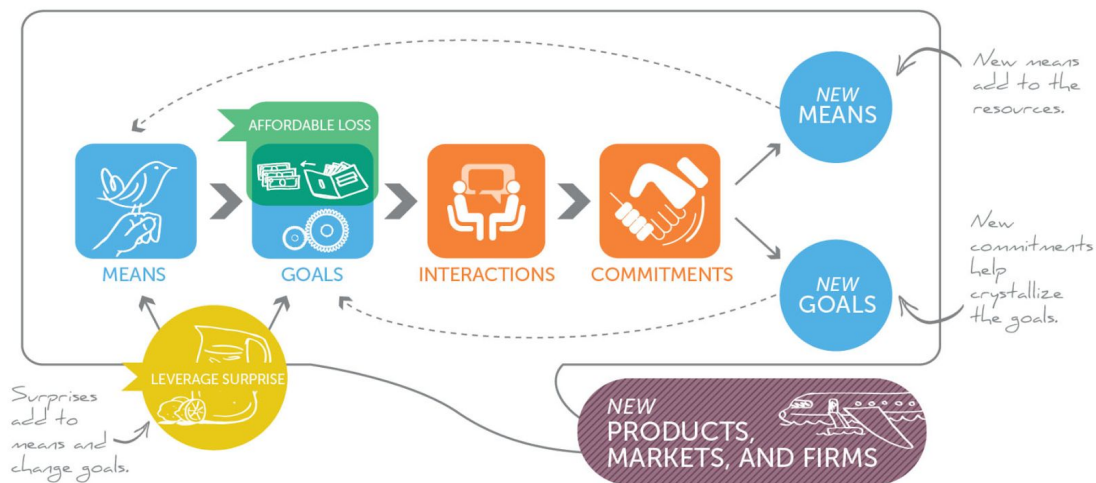


Figure 2.2 : *The 5 corporate principles of Effectuation by Blekman, T., 2016 on Marketingangels*

A limitation of the effectuation of Sarasvathy (2001) that has been recognized by Mansoori & Lackéus (2019) as they state that effectuation has a lack of behavioral tactics and has a limited applicability in later stages of venture development. Furthermore, effectual

entrepreneurs run the risk of letting others influence their goals and direction of the firm to a large extent. This makes them relying too much on the judgment and opinions of others (Maansoori, 2010). Moroz and Hindle (2012) criticized Sarasvathy (2001) for stating that causation and effectuation are opposites from each other and while research has detected that they can co-exist in the same situation in different proportions. They argue that it is even better for entrepreneurs to use causation alongside effectuation especially if the firm grows more mature and becomes more complex. Next to that, in his research Matalamäki (2018) states that firms in periods of growth use causation and effectuation in combination, while effectuation is the dominant logic being used, this combination of logics can be called “hybrid” (Reymen et al, 2015). In this research hybridity is referred to as *hybrid thinking*.

Hybrid thinking in mature firms

Effectuation has been a topic in the mouths of scholars since its introduction of Sarasvathy in 2001. It has since then developed towards a thoroughly researched model (Dew, Read, Sarasvathy & Wiltbank, 2009; Read et. al, 2009; Perry et. al, 2012; Jiang & Rüling, 2019; Reymen et. al, 2015; 2017). In the last years the author Matalamäki (2017; 2018) has come to the conclusion that effectuation does not only apply on firms that have recently been established. He emphasizes that mature firms are often left out in research while they can still generate innovation and growth (Matalamäki, 2018). Established firms in Matalamäki's definition are companies that have cultural norms, internal resources, past experience, and perceptions about environmental uncertainty and hostility. He further states that established firms enjoy higher levels of legitimacy, stakeholder support, and public awareness that accrue from their stability (2018). Other authors have further unraveled that effectuation is not only a theory that can be followed by start-ups or new ventures but also from established firms. Dew et. al (2009) have found out that mature firms have more task-specific knowledge. They state that this is a required essential in means-based decision making, which is an element of effectuation. Furthermore, mature firms often have more resources than new ventures which enables them to score points on leverage contingencies. Leverage contingencies is another element of effectuation which describes that act of expert entrepreneurs taking advantage of the inevitable surprises that occur in venture creation and turn them into opportunities (Duening, Shepherd, & Czaplewski, 2012).

Reymen et. al (2015) found it surprising that no research had investigated potential shifts in the use of causation and effectuation over time. The authors state that effectuation theory proposes “endogenous, path-dependent processes which, in addition to variation in perceived uncertainty, lead to variation in the use of effectuation and causation over time” (2015). These shifts of usage in effectuation and causation are in focus of this research and the hybrid use of them will be investigated further on. Entrepreneurs using causation should reconsider applying the other decision making method as well (Berends et. al, 2014; Smolka, 2016). Next to Reymen et. al (2015), Maine et. al (2015) and Nummela et al. (2014) found that hybridity, which is a combination of effectual and causal decisions is advised to be used in expanding businesses. In their research Reymen et. al (2015) suggest that In fact, it could be that the most advantageous decisions result from a combination of both logics, where causal logic ensures that an organization stays focussed and predicts what is predictable, while effectual decision making could help enhance a firms flexibility to changing circumstances and keep a hands-on control over ambiguous events of the venture (2015). Furthermore, Smolka has published an article in 2015 stating that entrepreneurs are “neither purely causal-driven nor exclusively effectual-motivated”. In her research Smolka emphasizes that both logics are an integral part of entrepreneurial behavior leading to beneficial performance outcomes when combined (2015).

Some authors (Smolka, 2016; Jiang, 2019, Reymen, 2015) of the effectuation theory are certain that causation and effectuation work best if applied in combination but in different situations. Reymen et. al stated in 2015 that causation is better suited for reaching specific goals, such as reducing the cost of goods sold or increasing market share, while effectuation can be more advantageous in exploratory situations, such as discovering the right delivery channel or discovering the right technology for a particular product (2015).

Causation is a good fit when uncertainty is low and the purpose is to optimize and reach a desired outcome. It focuses on the expected return and conducting analysis on competition and market (Perry et al., 2012). Causation can be linked to the so-called *exploitation methodology* (Appendix III). The exploitation method represents refinement, production, efficiency or execution (March, 1991). Effectuation on the other hand, has turned out to be a good fit for circumstances with uncertainty and when reasoning processes lie towards *exploration methodologies*. This can be linked to actions such as committing partnerships

with “competition”. Exploratory methods are more agile than exploitation however, it must be kept in mind that exploitation methods will be present in the phases that bring more value to the company (Gupta et al., 2006). In innovation and new idea generation, exploitation is essential for short-term goals while fast adaptation methods are needed as well, which are elements of exploration (March, 1991). Furthermore, due to the dynamism of the markets enterprises should acclimate to ongoing changes, which means that exploitation and exploration need to be present and balanced depending on the situation to achieve sustainable growth and maximize performance (Greeve, 2007; Appendix III). From the literature above a first proposition can be formed:

p1: In BMD, a combination of effectuation and causation helps an entrepreneur to combine the best of both worlds.

The 5 dimensions

In the table beneath it can be seen how causation and effectuation function differently in decision making divided into 5 different dimensions (Chandler et al., 2011; Fisher, 2012, Jiang & Ruling, 2019; Dew et. al, 2009).

The *1st dimension* describes the starting point of the venture. Causal firms are more goal-oriented. This approach aligns the concepts developed for the firms strategy (Zhang & Doll, 2001) and having a project plan to reach goals (Verworn, 2009). Effectuation on the other hand leaves the future undetermined and only forms rough visions of it, with the means that are currently available in the firm (Jiang, 2019). To determine means for a potential outcome transparency is needed in the company (Costa & Brettel, 2011) which correlates with the research of Child (2019) who emphasizes in his research, that effectuation and hierarchy do not go hand in hand and effectuation brings along freedom of creativity and innovation (p. 95).

Moreover, the *2nd dimension* elaborates that causation focuses on calculating potential returns based on the future predictions. In the causal approach expected return is the way of taking risk to reach a return on investment and trying to minimize risk through analysis, control and calculating return (Jiang, 2019). Causation is often linked to stable firms with low market uncertainty (Reymen et. al 2015) which can take higher risks due to market stability. Based on the calculation of different possible scenarios the highest outcome is

sought after and the return is to be maximized (Smolka et. al, 2016). Effectuation concentrates on what can be afforded to be lost, not the profitability of an investment (Fisher, 2012) granting a certain degree of autonomy and flexibility (Tatikonda & Rosenthal, 2000). Decisions are based on what individuals are willing to lose and lean business operations are used to predeposition risk (Smolka et. al, 2016) . Next to that, small bets (Read et al., 2009) and regular check ups in between the project help to monitor and minimize downside risk (Smolka et. al, 2016).

In the *3rd dimension* the effectuation approach focuses on committing relationships with other players in the market and potential partners are involved in certain projects for benefit on both sides (Costa & Brettel, 2011). As stated by Reymen et. al (2016) processes need to be open for- and dependant on the involvement of other people and organizations as committed stakeholders. Effectuation and it's attitude to outsiders brings along having self selected stakeholders (Smolka, 2016) and exchanging knowledge, partnering up with other stakeholders and being open and honest towards all parties involved (Reymen et. al, 2015; Smolka et. al, 2016). On the other hand causation analyses potential competition and market forces through analysis (Zhang & Doll, 2001). Reymen et. al (2015) stated that causal entrepreneurs protect knowledge from outsiders to build their competitive advantage and Smolka et. al (2016) found that it is essential to keep data well protected as there is a threat of competitors.

Moreover, in the *4th dimension* causation tries to plan enough to avoid contingencies, effectuation uses contingencies to learn in the process and encourages mistakes as a great opportunity for innovations (Read et. al 2009). In this dimension causal market analysis and prediction through forecasting means avoiding contingencies. The person usually goes on with a plan initially in mind as causation aims to carry out a strategy as planned, negatively reacting to any unexpected events that may arise, which are seen as "interruptions to the execution of the strategy" (Reymen et. al, 2015). Effectuation stimulates imaginative rethinking of possibilities and transformations of targets (Sarasvathy and Dew, 2005) and encourages flexibility, adapting to problems and learning on the way. Finding ways around problems means being able to leverage unexpected events to benefit the firm (Chandler et al., 2011) and it is a feedback-seeking and feedback-incorporating process (Reymen et. al, 2015) in which firms learn from feedback to improve.

Lastly, the *5th dimension* of focus of control concerns the research of Dew et. al (2009) revealing that causation is much more focussed on *predicting the market*, while effectuation uses non-predictive control and *shaping/creating the market* (Wiltbank et. al, 2006). This dimension can be used as an umbrella category summarizing all the others into one and is added to the existing four dimensions on the literature foundation of the research of Wiltbank et. al (2009). A company can decide to dive into a red ocean or co-create a new blue ocean with the help of others (Kim & Mauborgne, 2014). Co-creating and shaping the market actually summarizes the effectual elements stated in the other dimensions. Shaping the market means taking action based on means available, cooperating instead of competing with others, taking risk in such small bets that it can be afforded to be lost (Read et. al, 2009) and encountering problems is encouraged to learn from them. This leads to corporate innovations and alterations that help to create a new “blue ocean” (Kim & Mauborgne, 2014). Blue oceans are uncontested market spaces making contestants irrelevant and focusing on low cost. Red oceans focus on competition, exploitation (March, 1991), and aligning the whole system of a firm’s activities with its strategic choice, which goes in the direction of causal *predicting control*.

Dimension	Effectuation	Causation
<i>Taking action</i>	Means-oriented	Goal-oriented
<i>Consideration of risks and resources</i>	Affordable loss	Expected return
<i>Attitude towards market and other players</i>	Pre-Commitment	Competitor analysis
<i>Attitude towards contingencies</i>	Leveraging contingencies	Avoiding contingencies
<i>Focus of control</i>	Un-predicting control / Creation / shaping	Predicting control

Figure 2.3 *Five dimensions of causation and effectuation*

Business model development

Successful exploitation of an entrepreneurial opportunity requires translating that opportunity into a viable business model (Amit and Zott, 2012). Over time firms are likely to alter their initial design as they gain more knowledge (Gruber et. al, 2008). Berends et. al (2014) highlight in their research, that organisations tend to develop more causal logics once they grow, which replace the creative effectual approach. However, established businesses need BMD also at later stages of their existence, as in order for a business to be successful they need to leave their initial configuration with the help of flexible effectuation (Reymen, Berends, Oudehand & Stultiëns, 2017). The authors Reymen et. al (2017) state that BMD is the ideas, initiatives and activities aimed to help a business improve. The authors demonstrate that in BMD the use of effectual and causal logic shifts depending on the element of the business model. For example: generating a fitting value proposition towards a specific customer segment is done by effectual means, while causal means are used to define the “other business model components in relation to the value proposition and customer segments” (2017). A number of scholars have visualized the construct of BMD using graphics such as building blocks (Osterwalder and Pigneur, 2010; Johnson et al., 2008), storytelling or causal loop diagrams (Magretta, 2002; Casadesus-Masanell and Ricart, 2010). The authors, Zott et al. (2011) classified three business model components: value proposition, customer segments, and organization.

Business models include all elements for business development (Morris et al., 2005; Zott et al., 2011). A precise set has been constructed by Osterwalder and Pigneur (2010). They classified the main components of a business model as value proposition, customer segment, channel and customer relationships, partner networks, revenue streams, cost structure, and key resources and activities. An umbrella model of a BMD can be divided into three different streams (Gassmann; Frankenberger & Sauer, 2016). The first element is a revenue model innovation, which includes changing the value proposition and revenue streams. The second fragment is a customer model innovation, which entails developing customer- relations, segments and channels. Thirdly an innovation can be made on the level of the organisational model, which brings along development in cost structures, partnerships and organisational culture (Gassmann et. al 2016; Appendix II). Business

model development can implement changing all of these elements, while in other situations only some of the components can be adapted.

BMD involves high level *decision-making*, based on a realistic assessment of all potential changes and their impact (Beaver, 2002) and therefore fits to effectuation and causation, which are decision making logics. According to Reymen et. al (2017) decision making in BMD is often effectual in the basis to have an open view and a creative idea generation process. In the details BMD becomes more causal to analyze the revenue model and possible problems. As an example: During the process of “business innovation”, entrepreneurs regularly find ways to combine existing resources into new combinations (effectuation) (Fisher, 2012). These new combinations are often profitably commercialized (causation) and entrepreneurs are commonly considered to be drivers for economic development (Storey, 1994). Rainey (2010) states in his book that business development is “inventing the future” (p. 20), which can be seen as another link to the *5th dimension* of effectuation and the pilot in the plane mindset. Due to the literature found in the theoretical framework, this research anticipates a second proposition:

p2: Based on the notion that early stages of BMD are less predictable than later on, the degree of effectuation reduces, while causation increases over time.

Conceptual framework

The model beneath connects entrepreneurship theory to the decision making logics effectuation and causation. Furthermore, this model shows how the combination of these logics can lead to hybrid thinking, which has a positive influence on BMD according to proposition 1. High level of maturity of the firm in combination with (especially) causation have a strong positive effect on BMD and can be linked to proposition 2.

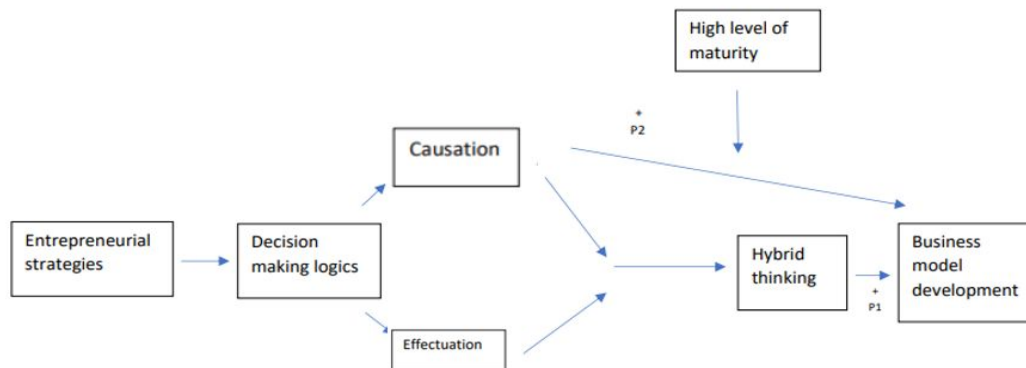


Figure 2.4: Conceptual framework

Methodology

Research design and approach

In order to test hybrid thinking as a possible enabling factor of business model innovation and to give an answer to the central research question *“How can the integration of hybrid thinking shape the business model development of an established firm?”*, the following research was set up in the design of a case study. Stake (1995) argues that case studies are used if the researcher focuses their research on *how and why* and behavior or performance is observed, instead of influenced or manipulated (p.58). On top of that, case studies provide further understanding of a phenomenon, and create clarity if the boundaries between the context and phenomena are not clear (Stake, 1995, p. 52). The approach of the research is an exploratory, qualitative data approach. This approach is especially useful if the research is supposed to give participants freedom and spontaneity instead of asking them to select answers from a set of predetermined responses (Creswell, 2014, p.14). Furthermore, qualitative approaches give room to be innovative and to move around within “researcher-designed frameworks” (p.21). To be more specific, they allow more “creative, literary-style writing” (Creswell, 2014, p. 21). In the exploratory approach answers are more

open-ended, less narrow and more exploratory. This can lead to learning unexpected news about the experience of the participants (Creswell & Creswell, 2017, p. 43). During an interview, follow up questions were asked beginning with why, how or in what way to get a deeper understanding of the issues. The field marketing firm (FMCo) in focus of this research is struggling to implement “the power of human interaction” in the firm's internal and external processes. They are aiming to approach this problem from a business development perspective, which fits the topic of this research. Furthermore, as we are looking for means to approach FMCo’s business development from a new angle, exploratory research is the most applicable and goes in line with the anticipated research design.

Case selection

The cases of this study have been carefully selected through purposive sampling which includes the researchers judgement and a short quiz. Purposive sampling is a way of probability sampling in which the cases are carefully selected (Suri, 2011). The researchers judgement was based on the interviewees communication performance, the willingness to contribute relevant, outspread information and most importantly: the maturity level of the SMEs. Therefore, a short conversation was held before the quiz with questions about the employee, their position in the company and the growth phase of their firm (Greiner, 1998). Furthermore, the conversation covered the ethical topic of whether participants were agreeing to the format form consent and their opinions being recorded and published. In all cases, they agreed and the researcher decided to go on to the second step which was a small quiz before starting the interview. The business model canvas was presented and the interviewee was asked to fill in the model for their own company. Two participants did not pass the test, as they did not provide enough knowledge about Business Development within their own company. Therefore, they were excluded from the research and two other cases were carefully selected going through the selection process again. As Remenyi, Williams, Money, & Swartz (1998) proposed in their research, only informants who have knowledge and insights of the business processes within their firms and those who can provide the best information to achieve the objective of the research (p.198), were selected.

Before the selection process it was decided to interview 10 employees in total. 5 respondents were mid-level employees of FMCo. Because there are five departments

within the firm in each department one employee was approached via mail or in person. A condition to be invited for an interview was that they were not employed as business developers but have knowledge of processes and current developments in the business model of FMCo. A reason to choose employees who are not the business developer of the firm, is that this might result in unexpected answers with voices and opinions that are often overheard or ignored in a business development context. Considering the growth model of Greiner (1998), all companies were screened by the researcher and anticipated to be in either one of the maturity stages 4 or 5. For certainty, the respondents were shown the visualization of the model and the crisis moments of each stage (Appendix I). In phase 4, new policies and procedures are introduced to bring structure to the organization. In phase 5, flexible scalable and agile systems replace bureaucracy (Greiner, 1998). The ultimate decision, in which stage a firm can be found in, was made based on whether or not the respondents believe that the crisis of each stage had been overcome yet. For example, in order to overcome the crisis of red tape in stage 4 and enter stage 5, an organization needs to double-down on developing great people managers and start to free up its procedures to allow more autonomy of middle management (Greiner, 1998). All respondents could find their firms to be in one of the two stages, depending on whether or not the crisis of red tape had been overcome yet. The data collected before and during the 5 interviews of FMCo, the firm is anticipated to be in the development phase 4 called “coordination”. After the interviews at Brandwise were conducted, it was decided to interview 5 mid-level position employees of other SMEs of similar maturity. They were approached via Email, LinkedIn and personal contact within the researchers network. The reason to choose employees of other firms is to compare the decision making logic of their firm with the one of FMCo. This can generate new insights into how hybrid thinking can be embedded in the business development of a mature firm.

Data collection

The interviews for this research were held from November 2019 till January 2020. Locations of the enterprises covered the west, middle and east region of the Netherlands as well as western German provinces. The number of 10 interviewees can be justified with the length of the interviews and the need for detailed qualitative data to dive into the depth of the topic of hybrid thinking techniques. Furthermore, the nature of the sample is limited by the

sampling technique and the size of the population (Browne & Russell, 2003). FMCo is quite a small enterprise with 50 employees, therefore the population to draw the 5 samples from is of limited size. With 10% of the employees of FMCo being included into the research and each interview reaching a duration between 45-75 minutes, a saturation of knowledge was reached. This entails that the researcher recognises patterns in the interviewees' experiences and with more interviews, it is confirmed what the researcher has already anticipated (Bertaux, 1981, pp. 29). The saturation of knowledge of the interviews further serves as a strong indicator for trustworthiness, reliability, and validity of the data that was collected (Guest et. al, 2006). Furthermore, this can be supported by methodologists estimating the sample size required for case study design to range from 6 to 24 cases (Teddlie & Tashakkori, 2009).

The measurement instrument of this interview was primary data, semi-structured interviews. The questions were asked in an open-ended style, guiding the interviewee in a certain direction of topics to talk about, but still giving enough room for creativity and own opinion (Creswell & Creswell, 2017, p. 37). Furthermore, it was essential to find out if and how the concept of hybrid thinking can be implemented in a mature enterprise context. All interviews were transcribed. The table beneath summarizes all cases and provides a detailed overview of the different interviewees and their companies.

Case Name	Case Initials	Number of employees	Maturity phase (Greiner, 1998)	Position in firm	Time in office
Field Marketing	FMco	50	Phase 4	Finance	7 months
Field Marketing	FMco	50	Phase 4	Sales	2 years
Field Marketing	FMco	50	Phase 4	Operations	3 years
Field Marketing	FMco	50	Phase 4	Marketing	10 years
Field marketing	FMCo	50	Phase 4	HR	1 year
Logistics	LCo	30	Phase 5	Operations	19 years
Social Media Marketing	SMCo	75	Phase 4	HR	5 years
Electronics	ECo	50	Phase 5	Sales	2 years
Railway	RCo	100	Phase 5	Operations	7 years
Online Fashion	FCo	30	Phase 4	Customer Service	2 years

Table 1 - overview of all cases

Data coding

After the interviews were transcribed, the data retrieved from the interviews was coded in a deductive approach. Coding is the process of organizing and sorting qualitative data and forms the second step in data analysis after transcription (Creswell, 2014). A deductive approach in this context means that the codes were established on the basis of a code book, comparing causation and effectuation, which was discussed with an expert of effectuation. In cooperation with the expert it was first agreed upon and later determined together how the final code book could serve as a basis for this research. The main categories -called dimensions- were retrieved from the theoretical section of this research and combined with the content of the coding book. The 5 dimensions of decision making are based on the theories of Chandler et al. (2011) and Dew et. al (2009). The subtopics were the either causal and effectual actions within the 5 dimensions. I followed the approach of Chandler et. al (2011) and Sarasvathy (2001) and kept effectuation and causation two independent constructs to detect whether they can co-occur in a firm. When reading through the data the answers of the interviewees were read “in between the lines”. This interpretative phenomenological analysis entails getting underneath what the interviewee is actually saying, in the attempt to truly understand their perspective (Sutton & Austin, 2015). The structural analytic approach used was thematic analysis which is a synthesizing strategy. This is not particular to any one research method and can therefore be used in this case study (Braun and Clarke, 2006). During the process of coding it was decided to include the element “frequency” in the table as used by Reymen (2015). It was applied to this research as answers given in the interviews were often repeated. This further enabled the researcher to count how often an answer had been expressed and to provide a numerical overview on “saturation of knowledge” (Guest et. al, 2006) . This combination of approaches helped the researcher to “explore patterns in the use of effectual and/or causal logics” (Reymen, 2015) and to get an insight into the situations that encourage change and alteration in the use of the two logics (Reymen et. al, 2015; Berends, Jelinek, Reymen & Stultiëns, 2014). The results were inserted and summarized into different topics in coding tables and the results drawn from the tables will serve as a basis for the advice for the firm. A good qualitative study can help to understand a situation that is enigmatic or confusing and its purpose is to explain a phenomenon. A *consistency* of data

will be achieved when the steps of the research are verified through examination of raw data. A number researchers have established their own concepts of validity and often generate or adopt the traditional approaches (Bashir, Afzal & Azeem, 2008). In this research it was decided to take cross-case variation of Reymen et. al (2015) into consideration. This analysis strategy helped to not only find quotes on the different dimensions but also compare the different companies with each other. The researcher adapted the principle of Reymen et al. (2015) to fit her research and called it cross-case comparison. It helped her to investigate whether both logics could work in a mature firm and provide more validity for the research results. This validity is generated because in cross-case comparison it can be found out whether the factors claimed to drive the observed outcomes actually drive them or if they are caused by others. Furthermore, it reveals whether the case study can be generalized to theoretical propositions (Iacono, Brown, Holtham, 2011).

Results

To either accept or deny the propositions of this research the results section will answer both in the last chapter of the results section. The tables present what the interviewees have stated on the 5 *dimensions* of effectuation and causation. In the interviews it was focussed on which elements the participants do and do not prefer in the 5 phases of decision making in BMD (See Appendix IV).

Dimension 1: Taking action

Sub logic	Example	Frequency
Means oriented	<ul style="list-style-type: none"> Look at means/ knowledge and then see what one can reach with these means Transparency: Involve and update employees in taking action phase Who are we: Communicate towards employees Flat company structure: Include lower management in corporate decisions 	3 (I1,3,6) 10 (I1 -10) 6 (I1,3,4,5,8,10) 7 (I1,3-6,9,10)
Goal oriented	<ul style="list-style-type: none"> Set big goals over a span of years with small goals in between External knowledge helps firms to improve and structure their goals Corporate strategy with core values and value propositions that are implemented in the firm DNA/ Business model to reach goals Make analyses before setting goals Management board decides on big goals 	10 (I1-10) 3 (I1,2,7) 8 (I1,3,4-8,9) 6 (I1,4-7,9) 2 (I8,10)

Table 2 - Taking action

Means oriented

In the *taking action* phase the effectual element “who are we” of the first stage in effectuation and its transparent implementation throughout the firm was explicitly described by interviewees. The findings propose that transparency also brings along involving and updating employees in the taking action phase such as through brainstorming. This gives them a deeper understanding of the firm they work for and a reason for their daily tasks. It also creates passion for their work.

“I do not believe in random knowledge. I think that the company should develop a very transparent business model. And then constantly challenge the bm from an expert role.[...] people in their departments must know, why am I doing this and what is my added value? [...] Why not have brainstorm value proposition sessions and business model discussions, with people who want to and all the ideas are evaluated and then implemented.” (I4)

“People cannot do anything if you do not go more into depth and involve them into the process, [...]. These opinions can be collected and good ideas might give stimulations that were not known before. This gives the employees the feeling of being involved.” (I1),

“So it is important to keep people involved and updated, so that they grow a passion and connection to the brand they work for. Everyone knows what our clients, and suppliers expect from us and is eager to fulfill our own goals and serve the best possible quality.” (I8)

Another element of effectual taking action is to begin with a flat structure. Next to being involved with ideas, interviewees encourage the flat approach of effectuation in their firm in which they can actually implement changes by themselves and also have an influence on high level. The findings reveal that flat approach also encourages creativity and personal development.

“I think we are very free, people have room for creativity and develop themselves and add their personal touch to projects. Management board is not interfering with projects. It is a very flat structure.” (I6)

“Goals that affect us and our processes are decided with the whole company. How we do that is an online survey. People are asked what they would like to see improve and if they have ideas for

improvement. [...] We adapt small changes within our departments so you as a "normal" employee feel like you are involved into the creation of the firm, which is great."(I7)

Essential in effectuation is the means oriented approach to set "goals", which only a few interviewees have stated to either have experience with or prefer to see it occurring in their firm.

"We should base decisions on how to reach that goal on what we have in house and what can we actually do." (I3)

"I would sit down with everyone in a group and talk with them about what I think could be changed and if they agree or have anything to add. I would try to change it by myself and with the means I have in my company." (I1)

Goal oriented

All interviewees agreed upon the fact that in the beginning goals need to be set as they are the basis for taking action. Goals serve to give clarity, create structure and help reaching and monitoring goals.

"It is good for a business to have a big goal in front of your eyes to give everyone clarity about what we want to reach over the next years and communicate this." (I2),

"We have main goals for the upcoming 10 years, we have external partners making predictions, and they are sent to us via e-mail. We are a market leader in technology so we are constantly working on how we can reach the goals that are set every 10 years." (I8)

"We work with ogsm, objectives, goals, strategies and measurements. So we have 4 main goals that we strive for [...]. And we have meetings in between to check up on reaching these goals." (I9)

The respondents argued that a corporate strategy with core values and value proposition needs to be communicated and implemented in the firm's DNA and business model in a structured way. The findings propose that a clear value proposition gives the daily work life in a firm more structure.

"It is about purpose marketing and value proposition, by talking, creating daily reports, signatures in the mails, billboards in the company stating the value proposition, creating human contact by letting people walk to each other's desk instead of calling. If you want to do it, so it is

in every aspect of the company. The key here is long term, choose a value proposition and work on it.” (I4),

“All our actions and tasks what we do in our daily work life is to serve the value proposition. It has to be a red line and in the DNA of the company. If we want to make life easier and serve premium quality it has to be in the people, the products and the image that we bring across. It should be in mind with each meeting that you have.” (I8),

Multiple respondents stated in their interview that identifying an opportunity before developing anything through analysis is crucial. They state that without analysis money is lost and you might invest in the wrong opportunities.

“We have one fixed-term person making the analyses, like SWOT and market analysis, which are then included in the set up of goals and targets. And our finance team makes financial forecasts. You need this once you are growing as otherwise you invest or employ people in a project or development that is born to fail.” (I6),

“[...] after careful analysis of the market and our departments, we came to a conclusion where everyone was integrated in. So now we go to Denmark [with our business] [...]. Two years ago we had a very big growth, and now our expectations were too high, and here we also learned to manage our expectations and forecast and analyse. We do research, and then we change it.” (I10)

Dimension 2: Risk and resources

Sub logic	Example	Frequency
Affordable loss	<ul style="list-style-type: none">• Lean business operations: involve employees in the process of risk taking• Changes in the BM are substantial but risks need to be afforded in case they are lost• Small Bets: set milestones to check if a project is at risk	6 (I1,2,5-7,9) 6 (I2,3,5,7,10) 4 (I5,6,9,10)
Expected return	<ul style="list-style-type: none">• Financial forecasting: Risks should be analysed and calculated beforehand in relation with turnover• High risk brings the best return but the firm needs enough financial stability to take risk	5 (I1-3,6-10) 8 (1-4,6,8-10)

Table 3 - Risk and resources

Affordable loss

In connection to the topic of risk and resources we see a slight tendency towards causal consideration of risk and resources in terms of frequency of statements made.

However, in the topic of lean business operations and making decisions based on what individuals are able and willing to risk respondents have expressed their opinion on involving employees when the entrepreneur is planning to take the risk as employees start to speculate, feel a lack of security or unmotivated and mistrust is created.

“Again, when taking risks, employees in the office should be involved and asked whether they want to take the risk or not. If you take a big step, such as a signing for a big partner it should be communicated and agreed whether the risk is worth it that staff in the office can either lose their job or get a salary raise depending on how the partnership goes.” (I1)

“If taking a risk, employees must be asked if they are willing to go into that risk.. If they do, we should give them extra valuation as a firm, as they have much more to lose compared to people who have fixed term contracts and are not willing to.” (I2)

“You need to be honest and transparent to all employees. Otherwise people start to speculate and feel insecure. Also during a crisis you need to take risks, this can help you to exit the crisis. Everyone should be up to date on the process of the risk taking, otherwise people lose motivation.”(I5)

According to the respondents of this research, changes are substantial in the development of an enterprise, but only if they can be afforded to be lost.

“It should be evaluated whether the result is worth the risk, and even during a crisis you should keep in mind, if it is worth to keep on going with a project. What will you lose and win if you go through with a plan.” (I2)

“So if it does not cost us a lot we take the risk [...] But usually we take short term risk without thinking too much about it. The show must go on even if you lose.” (I7)

To follow up on that, interviewees remarked that small bets help to take a risk not all at once but dividing a goal into small steps as it helps to limit risk. In the interviews it was discovered that monitoring the performance is essential in this process to not risk too much and checking up whether to continue a project or not.

"I think that you have to take risks, if they are healthy. But you need to evaluate in between if you are on the right track. Monitoring is a good one!" (I5)

"I think you should not take too much risk, you should be on the safe side, a big risk could harm us way too much. If we make big changes, we really consider the risks in milestone meetings and if they are too high we will not make the choice." (I10)

Expected return

The findings of the interviews propose that decision making is based on analysis and a well defined business plan. This includes financial forecasting and calculating the net present value. Interviewees state that this method enables them to reconsider decisions, invest properly and avoid costly mistakes.

"It cost us a lot, but we calculated and found out that going on with the project would not be profitable for us anymore as the market analysis was not very promising for the future. [...] We are more careful and double check other opportunities with other countries, and also double check the project managers responsible when starting a new project." (I6)

"So we [...] make analysis and then make decisions based on that. Mistakes are made, and they have huge negative influences on us. So now we try to avoid mistakes by forecasting. We became more careful, we adapted and learned from them." (I10)

Some interviewees have brought up the topic of high risk in connection to turnover. They are convinced that high risk brings the most outcome, but should only be taken if the company is stable enough and if there are enough experts in the firm.

"Small changes often do not bring a lot of risks along. I prefer high risk and better outcomes as that brings along much more financial benefits. [...] You can not take high risks if you are in an unstable situation. But if you are stable, risks should be high to keep on having innovations." (I8)

"You need to have a stable basis to take more risk. If I look at our situation at the moment, we are very dependent on one client. That is too risky to have more risk. We should build up new partnerships and then dare to take risks" (I2)

"If we have more business experts in the firm who know our value proposition and help creating it, making sure that performance are in line with deliverables [...] then you can take higher risks because you have the certainty that your employees are up to the task." (I4)

Dimension 3: Other market players

Sub logic	Example	Frequency
Pre-commitment	<ul style="list-style-type: none">• Be open, honest and transparent to all involved parties• Build on long term relationships• Entering partnerships with stakeholders• Integrate stakeholders in processes and meetings• Exchanging of knowledge	7 (I1,2,3,4,6,8,9,10) 9 (I1-8,10) 3 (I1,8,9) 4 (I1,6,8,9) 8 (I1,2,5-10)
Competitor analysis	<ul style="list-style-type: none">• Keep USP and confidential data or internal problems to ourselves• Competition: Collaboration does not fit to the market• Market analysis	8 (I1,3-6,8-10) 4 (I2,4,6,9) 3 (I5,8,9)

Table 4 - Attitude towards other market players

Pre-commitment

Then findings reveal that the effectual attitude in BMD towards outsiders helps to create long-term relationships, which can lead to a win-win situation, receiving help on projects and learning from each other.

"If you want to have a long term relationship, and you talk about win-win you cannot lie to them about the success of a project. You need to be open and honest. If you are caught with lies this relationship is destroyed."(I1)

"I think you have to be honest. [...] If we run into problems that risk our relationship with other stakeholders, we should be honest from the beginning. This can actually lead to a transparent collaboration, maybe changing and improving a project." (I3)

"We have to work on long term relationships. We must be honest to all customers and partners and look for a connection and relationship with them to learn from each other. [...] I would work on a better relationship with clients. We should take them on the hand and meet more face-to-face with them."(I2)

The second topic evolves around partnering up with stakeholders and integrating them in the processes. According to the findings, this enables a firm to improve processes and knowledge on the basis of external help and further develop relationships with their surrounding stakeholders.

"We work closely with our stakeholders and are very transparent with them. This enables us to integrate them into the business as if they are our own employees." (I9)

"We take them by the hand and have a lot of contact moments. We cooperate deeply, we agree on the processes on multiple meetings, often our clients do not only know our project managers, but also the back office. It is very important to us to maintain that relationship and involve them in the work processes." (I6)

"We cooperate with a firm developing applications. We use their application that they want to introduce to the market. We give them feedback on how to improve their programming and we on the other hand can have insights in the newest technology improvements." (I8)

The findings propose that through networking sessions and workshops with selected stakeholders, firms can learn and exchange knowledge with others to continuously become better in their practices.

"I think we can definitely learn from other firms and exchange knowledge, learn about different programmes that other firms use. Everyone just has a limited knowledge, also me and also the managing board. It is very good to do networking and schooling. You need to meet other people from the branch." (I1)

"I think exchanging know-how with other competitors could help us to understand programmes or improve processes! So for example we could learn how to use more modern Apps, from other players, which could improve our contact and transparency with clients and field employees." (I5)

"You need to exchange information. We need other agencies to grow and learn. We go to fairs or boot camps. During a bootcamp, other firms pay us to learn about new marketing methods, tools or programmes." (I7)

Competitor analysis

In terms of competitor analysis, the findings reveal that it is essential to keep internal data and unique selling points protected. Furthermore, the interviews reveal that the market is not fitting to the approach, as it is too competitive and competition is not to be trusted.

"Working together with competitors is quite hard in our field. If we give a presentation at Heineken and we meet our competitors at the entrance, it is the same feeling like another girl is looking at your boyfriend. There might be some industries where the effectuation approach works, but I feel like it is not used much.[...] I think we should share all results with them but not

our data, which is our USP. Think again about your value proposition, what do we want to offer and bring that back to the data you share.” (I4)

“Competitors are a no-go. I would not want to help them with anything, and it is the same way around for them. [...] I do not trust them. They want to destroy our company.”(I6)

“I think we should watch out. As our market is also competitive, we should definitely protect our USPs and really work on them and reach our targets.”(I9)

The topic of analysing market players is supported by some interviewees. They state that it helps their company to find the most profitable match and establish a clear USP in contrast to others. Furthermore, it helps them to stay innovative or find new clients.

“We need to make analyses to see what is going on in the market, and how our competition is performing at the moment. What is really important is to be different from the rest. A clear USP is something that we need here at FMCo.”(I5)

“We research and do a market analysis and check out new innovations and startups around us. As well as we analyze possible clients, if it is profitable to do business with them and if it helps to grow and improve our brand. This helps us to identify possible clients and approach them with an offer.”(I8)

Dimension 4: Contingencies

Sub logic	Example	Frequency
Leveraging contingencies	<ul style="list-style-type: none">• Be flexible, learn from mistakes and find ways around them• Coaching and developing employees• Give and receive feedback meetings with employees	7 (I1,2,5-10) 9 (I1-9) 8 (I1,2,5-8,10)
Avoiding contingencies	<ul style="list-style-type: none">• Forecasts and analysis to avoid problems• Go on with plan initially in mind	10 (I1-10) 3 (I1,5,6)

Table 5 - Attitude towards contingencies

Leveraging contingencies

As retrieved by the data, being flexible, learning from mistakes and finding ways around them means to be a profitable and successful firm. As retrieved from the findings, not being able to adapt fast can mean losing other possible opportunities.

"We should learn from them and adapt accordingly, we should see if it is too much of a process and if the changes are too many, if we need to go through with it or come up with something else to be successful"(I5)

"Flexibility in this is desirable to achieve the right result, because things go differently than you have calculated in advance and you need to anticipate this to be profitable."(I2)

"Try to find out the reason for the problem, try to solve them and go on with the development. You can not ignore problems, but set milestones to identify the problems as early as possible."(I6)

Coaching and developing employees is another element that helps firms to leverage contingencies. As retrieved by the data, having schooled employees helps a firm to be able to act accordingly when a problem arises.

"The company development is positive. It is important to retain the knowledge and skills within the organization and to facilitate employees through training and coaching. Looking back, due to the rapid growth of the company, insufficient attention has been paid to coaching and schooling in the past year but initiatives are currently being taken up. I think how it is done at the moment we are on a good way. The firm is growing to become a firm serving better quality due to better schooled employees." (I2)

As discovered in the interviews, another element for effectual learning is to give and receive feedback meetings as leveraging contingencies. Whenever no feedback is given after or during a project runs into problems it might not be possible to be worked around it, while feedback and training can help to improve in the future.

"We have defined steps, with feedback towards us after 3 weeks and after a year of no other projects we will visit them face to face if they have any other projects for us and how things are going."(I6)

"we should look more at our projects and what we can learn from them to improve for the next time. We need that feedback. It is valuable data that we can use in the future. This feedback we get especially from face-to-face contact."(I2)

" These meetings are per department but we can also set up meetings with other departments involved if we want to give them feedback. Here we learn to become better versions of ourselves and overcome problems together."(I10)

Avoid contingencies

The data of some of the interviews reveals that crisis should be avoided, the initial plan should be followed and not sticking to the plan brings along stress.

"A plan B must be there but we need to go on with the plan we had in mind and see what problems come along the way. We should avoid crisis in either way." (I2)

"I would follow my plan, I make my plan based on analyses and deadlines with a reason. These should be followed otherwise you end up in a stressful situation or things go wrong." (I5)

Making forecasts and analysis to avoid problems is another causal method to not encounter contingencies but prepare for them beforehand, to reach targets and be more successful in the future.

"Make a thorough analysis, what went wrong. Are we as a company able to support the project? We are not in a market where we pre-finance a lot of stuff. If something goes wrong, we analyse why and then check the results." (I4)

"[forecasts] are very important. It helps us to avoid problems in the first place and they help us reach our targets and succeed as a firm." (I9)

Dimension 5: Focus of control

Due to the findings in literature and in the interviews, it is believed that the 5th dimension *focus of control* serves as an overcoupling theme in the decision making process. Each individual had an opinion on how the decision making logics can either be implemented in or excluded from their business environment. The results were not added to a frequency table, as this does not fit the overcoupling topic. In the cross case comparison one can see a structured overview on all 5 dimensions. Controlling or shaping the future was perceived as realistic by seven out of ten cases. While all cases believe that prediction is essential and reachable, case 1 and 2 believe that a hybridity is possible in the 5th dimension.

Case 1: "With SSI they try to shape the market and learn from other market players [...] I would do a combination of both logics. So that customers know it is good to make forecasts and make it about the money but also be transparent and closely cooperate with clients and partners."

Respondent of case 6 believes in shaping the market, he says that to some extent it is possible in the environment of his firm. However, he believes that cooperating with competition will be quite hard. However with other stakeholders it could enable his firm to shape their future.

Case 6: "I think merging causation and effectuation is the best way. You need to be creative and risk something if you want to develop. Maybe you do not have a fixed goal in mind but just try it out, that's a very modern approach. [...] To shape the market is great however, it has to fit the market as well! In my opinion effectuation means cooperating with stakeholders and shaping the market together. It will be quite difficult for us to cooperate with competition but I am quite sure we are already shaping our environment."

Case 7-10 believe that when growing more mature, causation is needed to avoid mistakes through analysis and forecasting but effectuation keeps a firm innovative and young. And employees stay creative and happy. All of them find shaping their future to be essential but predicting as well.

Case 8: "Our big line is causation: How are we planning to stay the market leader? Through analysis, we find it out. Our small lines to become the market leader is very effectual with a lot of innovation, creativity and freedom. I think with how we are doing it at the moment we are able to have an effect on the future. We try to predict and shape it. [...] Big companies are often causal and they need to be. But in order for your employees to stay creative, innovative and happy, effectuation is a better way. It also helps them to grow!"

Case 10: "Before this interview I thought we were very causal. As it turns out we are both. We learn from our mistakes, and we also try to avoid them. We are very flexible on the way but we also try to stick to the plan. I think sometimes it could be more organized still, the more we grow the more organized it gets, which I am looking out for. I think you should always try to predict the future and - if your market lets you- also shape it. We are shaping it a bit in collaboration with other players because we are creating a new fashion market with no competition yet."

Case 3-5 did perceive effectual elements as useful in other dimensions. However, in the 5th dimension they believe that it does not fit their environment and business to be using effectuation. Case 3 mentions that there would be possibility but only if the company leaves their traditional environment.

Case 3: *"Shaping the market cannot be done with our competition. [...] I fear it is the dying era of supermarkets so shaping can only be done if we step outside the offline market. Maybe we can collaborate with other online marketing firms and learn from them."*

Case 4: *"Working together with competitors is quite hard in our field. [...] I would love to shape the market but do not believe it is possible. I would love to set new industry standards but it is a difficult market with old school views."*

Cross-case comparison

Before answering the propositions and the research question, a cross-case comparison was made to analyze the results between FMCo and 5 other firms in similar growth situations (Greiner, 1998). A cross-case comparison is often the second level of analysis that is brought in connection with a case study approach that is used in both quantitative, statistical analysis and in qualitative analysis. It often has visual displays of similarities and differences of cases and especially focuses on qualitative approaches (Mathison, 2005). This comparison will help to answer the propositions to a deeper extent as it compares the 5 cases of the main company FMCo with the 5 other cases and finds similarities and differences, by counting the amount of times effectuation or causation were mentioned positively by respondents. The frequency numbers of table 6 numbers can not be brought in correlation with frequency numbers of tables 2-6. In table 6 each argument is included because the focus lays on the quantity of the individual responses. In the prior tables, even if similar statements from the same respondent were stated multiple times, it was only counted once. This can be reasoned by the fact that in table 2-5 the focus was on the quantity of the total responses not on the individual.

The first 5 rows of the table below, cover the 5 interviews within FMCo. The 5 rows beneath cover the other 5 interviews held with employees from different firms. The dimensions were divided into the two umbrella categories causation and effectuation. The colorful numbers in the table describe how often an interviewee has stated an argument in support of one of the dimensions. The colors indicate, if the respondent has either mentioned more statements in favor of one of the decision making methods (green), less (red) or the same (blue). The words **most** and **least** have to be read vertically and indicate which individual has had the **most/least** arguments in favor of one dimension. The 2nd last row indicates

how often either the causal or the effectual dimension had the higher score and the last row reveals the total counts of arguments per decision making method, with the thick printed number being the total.

The most striking results are that one can directly see a strong tendency towards effectual decision making. Especially the effectual view of other market players has received strong support. In all dimensions -except for the 5th dimension- effectuation received higher total scores. Cases 3, 4 and 5 believe that effectuation does not work for their BMD in the 5th dimension about focus of control. What is striking in the results of FMCo is that causation scores higher than in the 5 external cases. Moreover, in the 5 external cases, it is striking that all respondents viewed causation and effectuation as two variables that can co-exist within the dimension of focus of control. Next to that, another finding is that employees who work for less than a year in their firm, such as case 1 (7 months) and case 5 (1 year), have the most positive attitude towards effectuation. Following up on that, an outlier in the dataset is case 6, who is employed in his company for as long as 19 years. Striking is that effectuation is very strongly supported by him and Case 4 who is employed for over 10 years at FMCo. Therefore, it was observed that there is no tendency to being employed for a long time and having a causal view. Taking action is the strongest causal dimension and received higher scores than effectuation 3 times. In comparison, the effectual view of other market players got significantly stronger support of the respondents than the causal view, with 9 cases stating clear preference for effectuation. When reading the table vertically, one can observe that the “most” scores can be outliers. Here FMCo has 3 times the “most” score on effectuation dimensions, which is the same as the external cases. Considering that FMCo has a higher degree of causality this result is quite surprising. However, one can observe that they are not as evenly spread amongst respondents as in the external cases, as seen beneath, cases 1 and 2 are the only ones with strong effectual views. Furthermore, it can be seen that the most “least” scores in effectuation are made by FMCo, which balances out the surprising result. Another surprising result is that the external respondents have more “most” scores in causation. Again this can be explained by outliers as they do have a strong effectual orientation seen on the amount of green numbers on the effectuation side.

Effectuation								Causation				
Case Initial s	Maturity phase firm	Time in office	Taking action	Risk	Other market players	Contingencies	Focus of control	Taking action	Risk	Other market players	Contingencies	Focus of control
FMco 1	Phase 4	7 months	8 (Most)	4	6 (Most)	2 (Least)	1	6 (Most)	3	1	1 (Least)	1
FMco 2	Phase 4	2 years	1 (Least)	2	4	5 (Most)	0 (Least)	3	2	1	3	1
FMco 3	Phase 4	3 years	4	2	3	3	0 (Least)	5	1	2	1 (Least)	1
FMco 4	Phase 4	10 years	5	2	4	3	0 (Least)	3	0 (Least)	2	3	1
FMCo 5	Phase 4	1 year	6	2	3	4	1	4	1	1	3	1
LCo 6	Phase 5	19 years	6	5 (Most)	4	3	1	4	2	4 (Most)	3	1
SMCo 7	Phase 4	5 years	6	2	2 (Least)	4	1	2 (Least)	2	0 (Least)	1 (Least)	1
ECo 8	Phase 5	2 years	5	0 (Least)	4	3	1	3	4 (Most)	2	5 (Most)	1
RCo 9	Phase 5	7 years	4	2	4	3	2 (Most)	5	2	3	2	1
FCo 10	Phase 4	2 years	3	2	3	2 (Least)	2 (Most)	3	2	1	1 (Least)	2 (Most)
Total	Higher scores		6	5	9	7	1	3	1	0	1	3
Total	Counts		48	23	37	32	9 (149)	38	19	17	26	11 (111)

Legend:

Lower score than the other decision making method of individual (horizontal view)

Same score (horizontal view)

Higher score than the other decision making method of individual (horizontal view)

Highest score per dimension (vertical view)

Lowest score per dimension (vertical view)

Table 6 - Cross-case comparison

Conclusion

In this research 6 different companies were approached and in total 10 interviews were held. The firm in focus FMCo was struggling with developing their business in such a way that they could engage more human interaction within their business model. This problem was approached by using the theory of effectuation and combining it with the theory of business model development. These theories helped to establish a basis for the research on how to solve their problem. The interviews combined the two theories by asking mid-level employees of the different organizations how they prefer decision making processes in business model development and why.

The question to be answered in this research was:

How can the integration of hybrid thinking shape the business model development of an established firm?

To answer the research question, this research suggests that combining both logics and using them in a weighted out balance can create the happiest employees and enhance creativity and innovation (effectuation) on the one side and maintain structure and overview in the development process (causation) on the other. Overall, this research revealed that effectuation is preferred by the respondents during BMD. However, the future should be tried to be predicted with causal elements but also created through effectual elements. Hybrid thinking combines the best of both worlds in the BMD of established firms. Why? Because it enables structure *and* freedom for employees and entrepreneurs to make the most out of their BMD. This research provides insight into the fact that mature firms need to break routines and especially need to cooperate with other market players to let employees learn and develop. Furthermore, employees want to be included in lean business operations and want to be secure during risk taking of the firm. Causal goal setting, corporate strategy and a clear value proposition need to be communicated and are essential for employees as they provide structure and overview. In the theoretical framework the authors Reymen et. al (2015) were highlighted with their statement that causal logic ensures that an organization stays focussed and predicts what is predictable, while effectual decision making can help to enhance firm flexibility to

changing circumstances and keep a hands-on control over ambiguous events of the venture (2015). This research has proven the statement to be correct.

Research propositions

P1: In BMD, a combination of effectuation and causation helps an entrepreneur to combine the best of both worlds.

All interviews were held with as basis the development of a firm's business model. The whole data collection was based on business model development in mature SMEs and respondents were chosen based on their knowledge about the development process and the maturity of their firm. As displayed in the table of the cross case comparison, all respondents use both decision making logics in almost all dimensions. In the data, it is revealed that in each company, elements of both decision making logics need to be represented. The reason for that is that mid-level employees in SMEs, with not very turbulent environments, strive for freedom, cooperation with other market players and learning and development. They prefer to be included in lean business operations and want to be secure during risk taking of the firm. On the other side, structure, analysis, causal goal setting, corporate strategy and a clear value proposition need to be communicated and are required from mid-level employees as they provide structure and overview. In the cross-case comparison it was identified that hybrid thinking is emphasized 90% of the time in BMD. With all firms in the growth phases between 4 and 5 (Greiner, 1998), no significant difference in the use of decision making logics could be detected in the two stages. In the interviews and in literature it has been revealed that causal elements do increase with growth of a firm (Reymen, 2015) this research significantly shows that growth and maturity does not exclude effectuation. Therefore this proposition can be accepted.

P2: Based on the notion that early stages of BMD are less predictable than later on, the degree of effectuation reduces, while causation increases over time.

Effectuation is an essential component of BMD and - as stated by the interviewees - was often extensively used in early stages of their business. The cross-case comparison declared that in FMCo a total of three effectual areas were perceived as non-corresponding to the firm (see: 0, in table 6). In contrast to that, only in one external case the two logics were not seen as two elements that can exist alongside each other. This demonstrates a

high approval of effectuation techniques in the external cases. It can be seen in the frequency tables and the table of cross-case comparison that effectual elements are represented and supported to a higher extent by the respondents. Respondents have argued that they can identify more with an effectual leadership, as it makes them happy and they work much harder and with more passion. However, data also demonstrates that causal elements can not be left out and are needed once companies grow more. 111 causal elements were mentioned next to 149 effectual. This leads us to the proposition P2, as we have to slightly redefine it. It results in the following statement:

P2 (redefined): Based on the notion that early stages of BMD are less predictable than later on, the degree of effectuation reduces, while causation increases over time, reaching an optimal balance in the long-term that motivates and stimulates mid-level employees.

Redefined conceptual framework

As proposition 2 had to be redefined, a new conceptual framework will serve as an overview of the research and its findings. Here one can see that both logics have a strong positive effect on business model development once the firm reaches a high level of maturity.

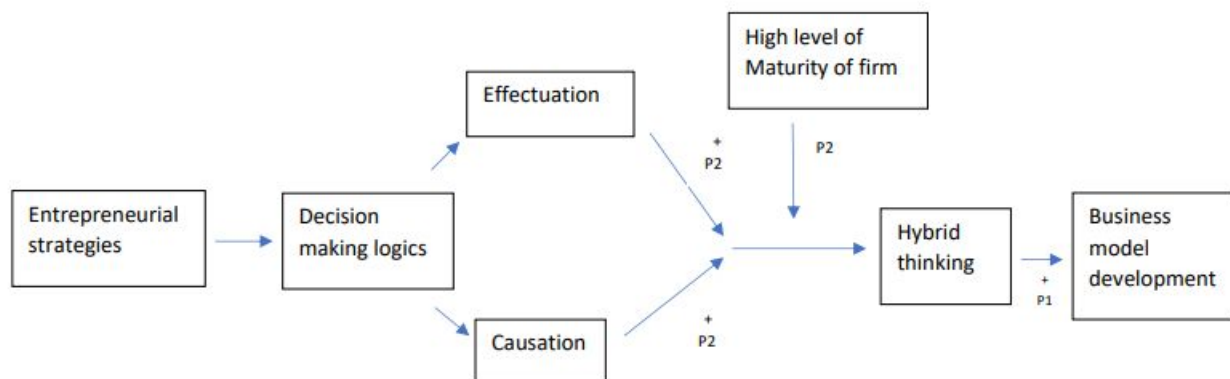


Figure 4.1 *Redefined conceptual framework*

Discussion

Key findings

One of the most significant findings of this research is that hybrid thinking is possible to be applied in mature firms, with a slight tendency towards effectuation. As an example: one respondent said: “[...] it is not black and white” (I5). This goes in line with the literature of Reymen et al. (2015) and Smolka (2016) and contradicts the theory of Sarasvathy (2001) and Fisher (2012). The contributions of this research to effectuation literature are: 1) *Overall, mid-level employees prefer effectuation in their mature SME*; 2) *Strong causal management tactics can have a negative effect on the perception of hybrid thinking and happiness of employees*; 3) *A flat structure with transparency gives employees the feeling of being involved, a reason to work and it creates passion, while clarity and overview and guarantee quality results*; 4) *If a firm takes a large risk in BMD, it should have a defined business plan and a stable financial situation to not risk its employees*; 5) *Cooperation with other market players is essential, even in competitive environments, but the USP of a company should be protected and competitors analyzed*; 6) *Through training of staff and feedback meetings, employees can avoid problems and find ways around them*. The reasons for these 6 statements, will be elaborated in the following abstracts.

Mature firms have not often been brought in correlation with effectuation literature. The theory of Matalamäki (2017; 2018) of mature firms and their use of hybrid thinking first inspired me to apply effectuation on established firms. Next to Matalamäki (2017; 2018), Reymen et. al (2015) and Jiang & Rüling (2019) are two authors who further helped me build up the foundation of hybrid thinking for this research. However, I first believed none of them had researched the effect of hybrid thinking on BMD but rather on “New Venture Creation” (Reymen et. al, 2015) or “Innovation and Product Development” (Matalamäki, 2017). However, I later discovered that Reymen et. al (2017) had covered BMD and effectuation two years later. Reymen et. al (2017) had actually done research on effectuation and causation and business models. However, they detected causation and effectuation are being used in different situations within an organization. This research has significant proof that they can be used simultaneously and that they can co-exist in the same dimensions during BMD.

In this qualitative approach it was not concentrated on how decision making influenced the different elements of a business model, but rather on how it influences the business model as a whole. I did not view the different elements of a business model as independent variables which stands in contrast to the research of Reymen et. al (2017). This can be explained by the fact that the topic in focus of this research were the 5 dimensions (Chandler et al., 2011; Fisher, 2012; Jiang & Rüling, 2019; Dew et. al, 2009), and the relevancy of the research increases when viewing the BMD as a whole and diving in to the 5 dimensions, which will be discussed in the following abstracts.

1 & 2) This research is different in its approach compared to others as it does not analyse expert entrepreneurs (Sarasvathy, 2001; Dew et al., 2009, Fisher, 2012) but mid-level employees. I decided to interview mid-level employees as they have enough insights to have a relevant opinion and are relevant for the success of a firm, but have to my knowledge never been the focus of attention in effectuation research. Important to consider is that, as the research group is employees, the results can turn out different then when including entrepreneurs or business developers. However, especially “normal” employees are very interesting to be researched, as they often form the largest group and are the foundation of the business.

What is striking in this research is that the employees of FMCo have a more causal focus than the external cases. The differences between the more causal opinions of FMCo, can be explained by the current management style of the company. During the interviews it became obvious that external interviewees worked in environments with a high degree of effectuation, while the employees of FMCo were not able to think as effectual as the external cases. This can be reasoned by a causal management at FMCo, which was discussed in the interviews, often with negative connotations. Furthermore, I noticed that all external interviewees were more satisfied with their employer, than the employees of FMCo. The data shows a causality between effectuation, passion and happiness. As i.e. interviewee 8 stated: *“in order for your employees to stay creative, innovative and happy, effectuation is a better way. It also helps them to grow!”*. Passion creates happiness, which has been explained by literature (DeTienne & Chandler, 2010). The research has revealed significant data, that passion for work is created through transparency for- and involvement and development of the employee, which are effectual elements. This

therefore gives reason to believe that employees of FMCo are less happy through strong causal decision making of their management.

3) In my research, I discovered that mature SMEs need to involve and update their employees in their business model development. They need to provide transparency on *who are we and what are our means*, because it gives employees the feeling of being involved, a reason to work and it creates passion, which according to the data and literature, leads to more happiness and motivation (Forest et. al, 2011; DeTienne & Chandler, 2010). Costa and Brettel (2011) state in their research that to determine means for a potential outcome, transparency is needed in the company, this research took this statement even further and provided significant knowledge to the fact that transparency brings along involving and updating employees on the current business development situation of the firm. Employees who understand why they are doing the things they do, develop passion for their work. Next to that the involvement of employees asks for a flat management structure and as discovered by Martins and Terblanche (2003), a flat firm structure creates room for creativity and innovation, which again goes in line with the statements of the respondents.

In terms of causation, there is a need for big goals and a clear corporate strategy with clear value propositions that is imprinted in the DNA of the firm. This can be brought in connection to clearly specified and given goals (Smolka, 2016) and the red ocean strategy in which the whole system of a firm's activities is aligned with its strategic choice (Kim & Mauborgne, 2014). Thorough market analysis when entering new partnerships, or exploring new possibilities is essential as well for respondents. All in all, the causal findings of this research reveal that this logic provides employees clarity and guarantees an overview and quality results for the firm.

4) The data retrieved revealed that small bets in BMD, (Read et. al, 2009) let a company take risks that it can handle. Innovations and changes in the BMD need to be monitored and people should not be running the risk of losing their jobs or feeling a lack of security, as employees will speculate and lose trust towards their employer. In favor of causal logics, the interviews have revealed that high risks bring better financial benefit. The data has significantly shown that if an organization is to take a large risk within a BMD, it should have a well defined business plan and a relatively stable financial situation. To sum it up, high risk in BMD means higher profit for the firm, compared to the effectual approach, in

which the future is not forecasted and investments on a small scale are made. These findings go in line with the findings of the research of Matalamäki et. al (2017).

5) Being committed to your stakeholders as first introduced by Sarasvathy (2001) includes an open, honest and transparent communication to create trust amongst all involved parties (Reymen et. al, 2015; Smolka et. al, 2016). As retrieved in the data, being honest does not only create trust it may even help a firm to improve their product or service as their partner could be helping them overcome the problem together. However, this research also revealed that cooperating with competition during BMD can be difficult. This is due to a competitive, traditional market that the firms are found in. This goes in line with Reymen et. al (2015) who have stated in their research that causal entrepreneurs protect knowledge from outsiders to build their competitive advantage. The majority of cases indicated that it is essential to keep data well protected which can be brought in connection to the threat of competitors (Smolka et. al, 2016). In contrast to that, exchanging knowledge, partnering up with other stakeholders and being open and honest towards all parties involved (Reymen et. al, 2015; Smolka et. al, 2016) is needed to build long-term relationships and grow, learn and be innovative. Therefore, firms should start breaking routines and start cooperating even in competitive environments. In the meantime, the USP of a company should be protected and in competitive environments, other players need to be analyzed, as it helps to be the most profitable when carefully selecting whom to operate.

6) Another aspect discovered in this research can be found back in the flexibility when encountering problems. Most of the cases studied showed that adapting fast and being flexible enables firms that are encountering a crisis to create new opportunities. Through the training of staff and feedback meetings, employees can learn to become better versions of themselves and avoid problems and find ways around them. These findings can be brought in connection to the feedback-coordination process of Reymen et. al (2015). However, not many other authors have brought training and workshops in combination with effectual leveraging of contingencies, while this research has proven that it is an essential element to be able to survive an unanticipated situation. In terms of avoiding contingencies, according to the data it appears to be essential to prepare for a crisis through analysis and forecasting because it has the most financial benefit.

Practical implications

In order for a mature causal SME to have more human interaction in their business model, I suggest integrating effectual elements in their business. The practical implications view the business model as a whole and suggest improvements to be made covering at least three dimensions of hybrid thinking.

A transparent (Costa and Brettel, 2011) holistic feedback circle should be created to enable an organization to make adaptations in their business model. A virtual, internal newspaper can help employees of a firm to know what is going on with each department and how the company change is going. The newspaper should serve as a solid base to promote the value proposition of the organization and to integrate it in the mindset of all employees (Smolka et. al, 2016; Kim & Mauborgne, 2014). The paper should also include polls and a possibility to give feedback. It will contribute to more transparency within the firm and helps to keep employees updated and involved. The feedback given in the online feedback form of the newspaper should be evaluated and striking problems need to be discussed in feedback circles. In either way holistic feedback revolves around the fact that everyone is able to give and receive proper feedback. This flat approach and involvement of employees, (Child, 2019) brings along personal freedom and enhances employees creativity and innovation (p. 95). Proper feedback can also be taught to employees in training and workshops. This development can have an effect on multiple business model elements. It could change the revenue stream but also the customer or organisational model.

Secondly, the culture of an established firm should find the right balance in hybrid thinking, including effectual and causal elements. This mindset should start at the management and they should be responsible to reflect it onto the firm culture. This could be by actively breaking routines of causal decision making, through regular brainstorming and workshops within their network. These training sessions can help to develop the skills of employees in multiple effectual areas and increase relationships with outsiders. Interactive training could be in topics of flexibility and learning and succeeding in a crisis. Workshops, creative brainstorming and other meetings should be about engagement and actively participating in innovation. Next to making a “workshops-budget” available for the individual and groups, management can support this approach through executing three elements: a proper

communication of strategic goals (1), the encouragement to innovate (2) and the acceptance to fail (3). This stimulates passion, happiness and expert employees (DeTienne & Chandler, 2010), who will become effectual experts.

Last but not least, the results of this research showed a great need of cooperating with other market players. However, cooperating with competitors does not come easy, as some companies are positioned in traditional, competitive markets and the intentions of potential partners could be harmful. Therefore, a suggestion of this research is to join or start an own business association with players of the field. According to Nicolaus (2015) a business association brings along the benefits of visibility, referral, knowledge and networking. Nicolaus states that: 49% of consumers are more likely to think positively of a product if it was a member of an association and another 80% were more likely to purchase a product or service from a member (2015). Within a business association, entrepreneurs can exchange knowledge, get to know their competitors and are free to decide whether to take the step from there and enter strategic alliances with some of the entities they already know and trust. Loyalty of association members is much higher than when cooperating without any prior personal acquaintances but a clear contractual agreement should be made before entering an alliance. An ideal strategic alliance can lead to competitors combining forces and coming up with revolutionary innovations that create new markets and new possibilities. Therefore, entering a business association does not only help credibility it helps a firm to cooperate and form relationships even in a competitive environment.

Limitations and Opportunities for Future Research

A limitation of this research is that the element of frequency does not cover how heavy each of the arguments weighs for the individual. With this I imply that an interviewee could detect both logics in their firm. However, maybe they only explained 3 effectual factors in taking action and went along talking about 5 elements in causation. This does not weigh out how important each factor is for them. It might be that they even prefer the effectual logics but did not explicitly mention it. In qualitative research it is often focussed on the why and how, which has been detected and integrated into the results by quoting the data. The frequency does not provide an insight into how essential each element is for the cases but rather helps to support the statement of saturation of knowledge, because it reveals

how often a statement has been mentioned. As an explanation, frequency may not directly imply how heavy each argument weighs for the individual, however it can reveal which topic they provided more positive statements about, which is a way of calculating the final strength of the logic.

Another limitation of this research is the fact that not all of the expressions of the interviewees are reality and currently applied in their organization. Therefore, the feasibility of integrating hybrid thinking into mature firms was not tested. This research has made a first step towards simultaneous hybrid thinking in mature firms and has explicitly discovered why employees prefer a specific decision making method and how this could shape the environment of their firm. This can be linked to the research of Gregoire (2019) who explicitly mentioned “[...] to better explain *why they* do what they do”. Therefore, future research is suggested to be applied on the feasibility of hybrid thinking in BMD of mature firms. This can be done in both quantitative as well as qualitative research. Next to that, the data has proven that the ideas of employees can have an opinion on decision making logics and as they form the core of an organization should be taken into consideration in future research as well.

A third limitation of this research could be that the company and case selection was made by purposive sampling (Suri, 2011) which excluded firms out of my reach and individuals in the position of business development managers. When including a broader variety of employees of a broader selection of firms, the results could reveal new insightful information. Next to that the firms only covered the Netherlands and small parts of Germany. Therefore, this research can not be generalized and applied to all mature sized firms around the globe. As an advice for future research, it could be of importance to undergo high-scale research that takes firms into consideration that are proven to be in the same maturity stage through prior, in-depth analysis. Next to that, finding more firms of different countries and continents could grant results that are globally applicable. Also, including business developers and mid-level employees and comparing their opinions could give new insightful information. However, for the time and scale of this research, the demographics and sample size of this research were adequate. Next to that, the findings of this research have contributed new knowledge to existing effectuation literature, by approaching the theory from a new angle by interviewing mid-level employees of mature

SMEs in Germany and the Netherlands. The new findings can be applied in these and similar European regions.

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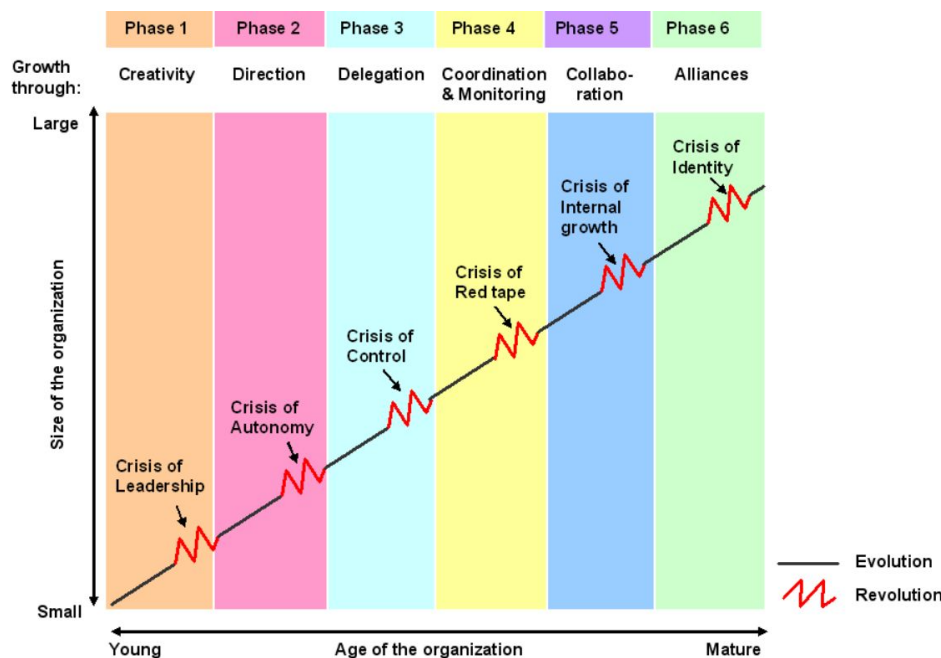
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Appendix

Appendix I

Greiner's Growth model



Retrieved from: <https://projectmentoring.wordpress.com/2015/10/09/curva-de-crescimento-de-greiner/>

Phase 1: Spontaneous, informal communication; creating a product with founders in charge; *Crisis of leadership solved by*: founders must go from hands-on doers to leaders and need to hire/ develop other senior leaders

Phase 2: Top down management, more structure; business managers installed, *Crisis of autonomy solved by*: chaos and management unable to oversee all operations so they need to delegate tasks

Phase 3: Decentralized structure; departments do not work with each other; top management acting in exception; *Crisis of control solved by*: organization standardizing its procedures

Phase 4: New policies and procedures are introduced to bring structure to the organization; Solve *crisis of red tape*: organization needs to double-down on developing great people managers and start to free up its procedures to have autonomy

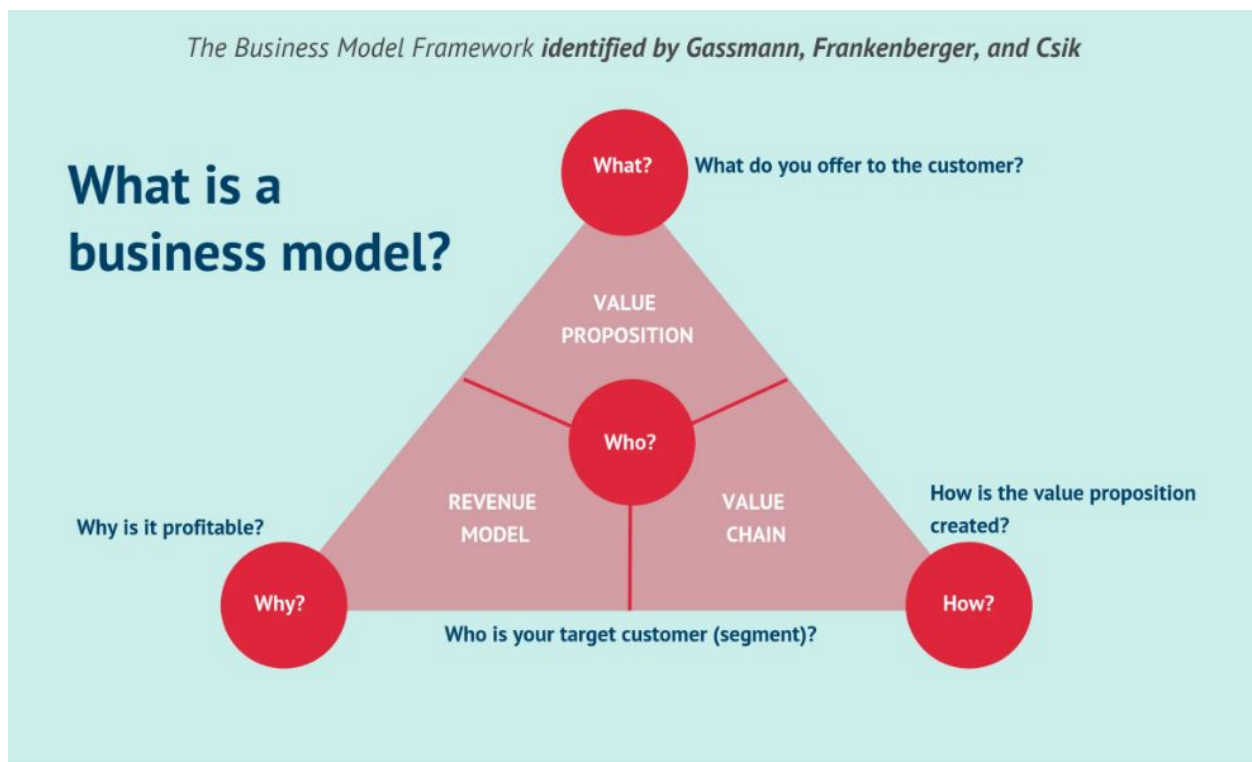
Phase 5: flexible scalable and agile systems replace bureaucracy. Emotionally intelligent leaders are trusted to use good judgment; Solve *crisis of internal growth*: alliances

Phase 6: Outsourcing, mergers and acquisitions; *solve crisis of identity*, refocus on its vision, mission and strategy and partner with organizations that best further that.

Appendix II

Business Model Development visualisation

The visualization beneath shows all elements that are attached to business model development. The “why” can be linked to the organisational model, the “what” to the customer model, and the “how” to the revenue model.



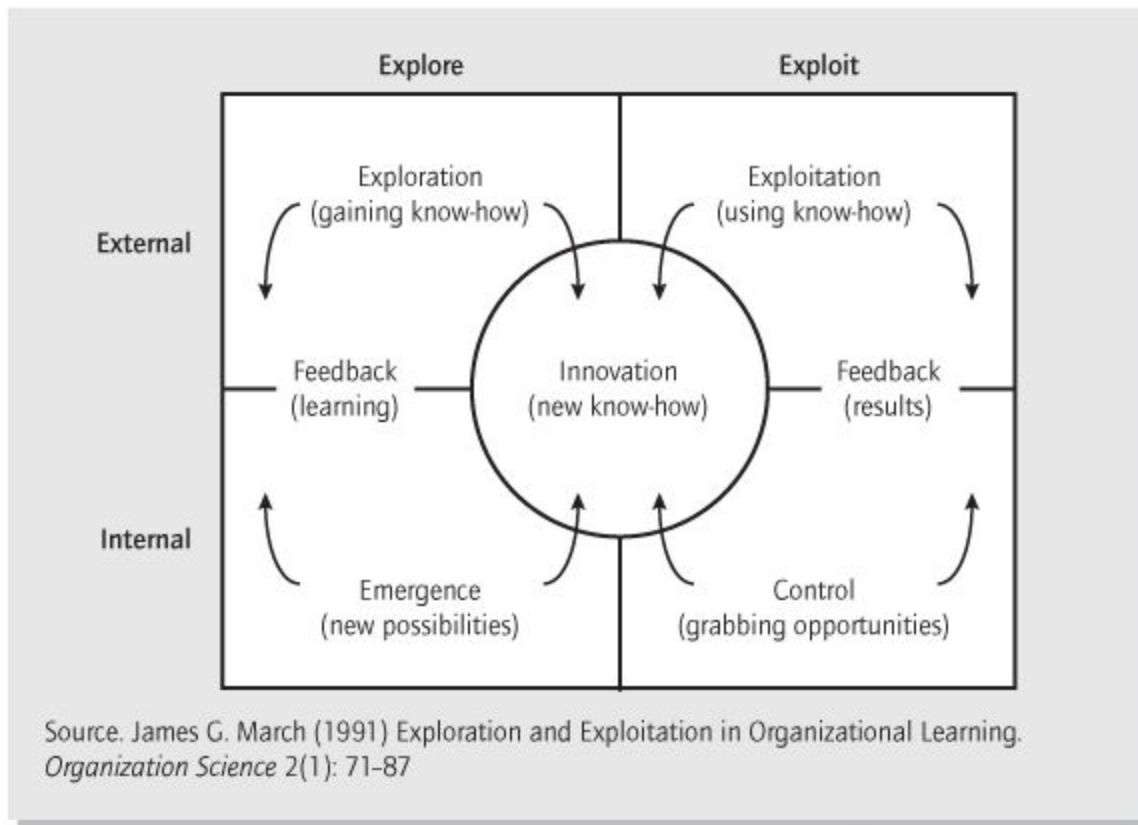
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Appendix III

Exploiting and exploring methodology

Appendix III, shows an overview over the exploring and exploiting method by March (1995). This image is used to visualize the similarity with causation and effectuation. Exploration (effectuation) tries to gain knowledge through exploring, learning from feedback and ending up with new know-how while exploitation controls internal processes (causation) and uses feedback to reveal retrieved results instead of using it as a learning opportunity (March, 1991).



Retrieved from:

<https://www.oreilly.com/library/view/the-innovation-book/9781292011905/html/chapter-045.html>

Appendix IV

Interview guide

Short introduction of the two decision making logics effectuation and causation.

Imagine you are a business model developer, provide a narrative on the events that lead to the business model development. I have brought an example of a business model canvas with me. Here you see the 7 elements that in their definition make a business model.

Taking action:

1. When taking action, like setting up a plan for BMD, how would you go about to plan your steps?
2. What kind of a role do employees play in the planning and implementing of the firm's strategy? How would you do that differently?
3. What is the value proposition of your firm? How clearly is this communicated to employees? Do you like that and why?
4. How is the organisational structure of your firm? Would you want to change the amount of control of management?

Risk and resources:

1. Why would you settle for either keeping risk and outcome low or having high risk and better outcomes?
2. Imagine that your risk taking results in a crisis, how does this affect later decisions?

Attitude towards other market players:

3. How openly should information be exchanged amongst the different stakeholders?
4. What is your opinion on sharing know how with competition and why?
5. How are clients contacted, do you think this should be changed? How would it affect the business or customer database if something is changed? Give an example
6. How is information about expectations from clients and suppliers shared within the enterprise and different employees?

Contingencies:

7. Are there problems in the firm's development? How are they handled?
8. How do you feel prepared for problems in business model development?
9. How strict should you stick to the planning when making business change? Why?

Control:

10. Do you think your firm is shaping or predicting the future? How would you like to see that differently?
11. After this interview, what do you think about merging both decision making logics during business model development? Give an example of a routine breaking activity.

Interview 1 - Wim

FMCo, Finance, 7 months in office

J: Hey Wim, nice that you could make it today. Today we are going to talk about effectuation and causation and their effect on a business. The first question is quite broad but I will later on build it down into different blocks. Imagine you are a business developer provide a narrative on the events that lead to business model development. Can you follow that?

W: No

J: Okay, I will break it down for you into different questions. We will start with the first building block. Taking action. Imagine you sit in a meeting and discover something is not going well with our business, you do not have enough human focus for example. How would you go about?

W: I support being open and honest to all employees. Imagine people do not work together in a team as it should be. I would sit down with everyone in a group and talk with them about what I think could be changed and if they agree or have anything to add. I would try to change it by myself and with the means I have in my company. Sometimes a problem is too big to be solved alone, then I would get expertise in house and not try to solve it by myself. It has to be manageable, but I would always include employees into the decision making process. Not only myself with my own ideas. If I just get expertise without involving employees of the firm it will not get the same support as if I involve the staff of the company.

J: In this situation, would you set a goal for a long term vision or just for a few weeks?

W: 1-5 years I would say but we have to split it up into different small steps along the way. For FMCo the goal for the long term is not yet clear to many people at the firm. Also many external people are hired for a short period of 5 months, while they do not know much about the company and its values. The chance that people work past each other is 100%.

J: To make this clear, you would want everyone in a company to have a clear goal?

W: The managing board should be more clear about what they want to reach in the next 5 years, which problems are they encountering along the way and how they plan to solve them by taking certain steps. I would recommend to take employees along the journey so that they know why they are working for the firm and with what goal. Problems are solved and the businesses develops in small steps.

J: Clear. What do you think about the role employees should play in the implementation of a new strategy?

W: I would listen more to what problems people run into. This does not happen here. The systems run slow, too few people are sitting in some departments. But if one person comes and complains about the problems, nothing happens. A good management would recognize the problem itself or listen to problems of the employee of a certain department and call for a meeting ASAP. The problem can be solved by sitting together with people from inside the firm who know the company well, people from the department running into trouble and the management board. The problem will be carried out into the organization, and all employees who want to participate are asked for their ideas and opinions. These opinions can be collected and good ideas might give stimulations that were not known before. This gives the employees the feeling of being involved. What I see that it is all about different islands in this firm. Everyone just does something without actually knowing why. I also believe that responsibility should be lower. Here the management makes all decisions. It is very top down. Every department has a manager who should have more responsibility and can make a decision based on experience and knowledge of their field. Here at FMCo the management, has entrepreneurial skills but can not be an expert in all departments, is still responsible for all decisions.

J: So you say all the department managers should be more involved in making decisions?

W: Yes, but also all the other employees should be involved. And when the managing board has listened to their own people, then they should start to get external knowledge into the firm to get an even bigger picture.

J: And how would you change the way the business is developed? Think about the business model canvas and all the different elements of how a firm makes money and what it stands for.

W: What I run into at FMCo is that there is no clear mission, no vision and no way how they want to reach goals. Can I do my work? Yes, but as an employee I do not know why I am actually working for this firm and what their goal is. If I would be in the managing board, I would look at what we stand for, how we see our firm and what we want to reach. And clearly communicate this to the employees. FMCo is a firm with its value being people. Not machines, not a product. So you need to have good people on the field and in the office! And you need to trust these people. And I see that the managing board does not trust the MT members (Managing Team, all managers of the departments). So if something goes wrong they just pass the MT members and decide alone. This discourages the managers of the departments and you can see that here and FMCo many people quit, which I believe can be connected to that. It is a great firm, with potential but what are its values? What does FMCo stand for? I don't know and many other people also do not know. I would much more listen to my employees as they are the most important asset.

J: Has the managing board done anything to give FMCo more structure or a clear value?

W: Yes, buying external knowledge, which is a good thing! External knowledge helps firms to improve, get clarity and structure. But it must be implemented by management into the firm and structured in such a way that all employees know about it. However, the implementation MUST be happening and often external knowledge is bought but then nothing is done with it - which is a waste of money - because the managing board is busy with many different things. The humans or people of this firm are not first priority.

J: How would you create and then implement a value proposition in which the focus is on the human interaction?

W: My first step would lay in the management board to communicate the core value of the firm. This core value should be openness to each other and to customers and honesty. And that FMCo offers a secure workplace and whatever employees have to say or criticise it can be said. This safe work environment is not existent today. People can not express their feelings or ideas, and they start giving away responsibilities, no one feels responsible for

the problems in the business, they try to stay out of it. So if you want to change your human interaction, you should provide security and be honest to all people involved. And not only say it but do it! Make people feel important and involved in the processes of the firm, while it should be of importance to talk regularly to employees and ask them what they currently struggle with and what things run smoothly. At the moment employees are put in a position where they lie to provide a better image to customers of FMCo. If your core value is we want to make money over the back of other people that's okay, but then you have to communicate it to all employees so that they know exactly what is going on and can choose if they want to work for such a company.

J: Okay, I think that's a good impression. On to the next building block. It is about risk taking in decision making. So when you set goal in developing your business, how much risk would you take, when the outcome is very attractive?

W: I am an entrepreneur, I like to take risk! But I think in field marketing, it is different. Your core asset is people and you risk their lives when taking too high of a risk. My advice is for this firm is to offer more security to people on the field, through long term contracts. This is a high financial risk for the firm, as it could result in people not doing their job right or getting paid for doing nothing. But I think this risk could also help the firm to offer high quality field employees who get educated and undergo workshops. Building on a better community and giving employees security makes better employees. If you lose the project you have too many employees but you really invest in customer relationships with high quality employees. Again, when taking risks, employees in the office should be involved and asked whether they want to take the risk or not. If you take a big step, such as a signing for big partner it should be communicated and agreed whether the risk is worth it that staff in the office can either lose their job or get a salary raise depending on how the partnership goes.

J: Why would settle either for high risk and high outcome or low risk and low outcome?

W: I would choose for high risk and high outcome. But then always be in contact with my employees if they are willing to take the risk as well. I would work much more closely with the employees because now they get a very risky project from the managing board but they do not understand or are not motivated enough to make it their problem. So it is

pushed over the table to someone else. People lack responsibility and I think with more risk and employees integrated into that process they would be more motivated.

J: Imagine your risk taking results in a crisis, such as a project going wrong what would you do?

W: I would stop the project if possible and I see that it costs me more money than anticipated. Also I would try to learn from the mistakes but first let the company recover and try it again in half a year, while keeping the risk low for some time until then. Also you should not play with valuable employees at your office if it is a risky project it is also a possibility to buy external knowledge.

J: Would you try to learn from your mistakes and keep on going with the same project or try another one?

W: If it is a very nice project worth the risk, I would go through with it! I would have around 70% of the people work on fixed term contracts and like 30% on flexible contracts, which are paid well but run the risk of failing a project and stand alone without a job. You do need to take risks and the flexible employees serve as a buffer for fixed contract employees. However, all of them are in jeopardy with a big project, therefore we all need to work hard and are dedicated and motivated.

J: Our third building block is about the view of other market players, this can be clients and competitors. How would you integrate clients and suppliers more into your business?

W: That depends on your business model. Personally, I see FMCo in customer intimacy. I would make the organisation open. I would sit around the table with nestle and coca cola. And communicate our core values. We are for example open and transparent and want to serve perfect service. And even if something is not going well we will be openly about it. For this quality we are 20% more expensive. If the brands agree, they go into direct contact with our project managers, you can ask them anything and know their approach. I know that some customers do not care about customer intimacy, they are more about operational excellence. Which means cheap prices but a lot of outsourced field employees, bad quality, no good analysis and chaos. FMCo must choose which customer segment they want to serve. It is important to decide on your core value as a firm. As a high quality firm

going for customer intimacy, customers get all wishes fulfilled but also need to pay a higher price. And this is what FMCo should go for!

J: How openly should information be exchanged between the different stakeholders?

W: I would be openly but not about all aspects of the firm. I would not share all data with stakeholders. We should be careful. But how did a project go and did we reach our goals, we should be open about it. If you do not fulfill the targets you should come with an explanation and a suggestion on how to make it better next time. We need to be honest to our partners.

J: How is it about learning and exchanging know how with other parties?

W: I think we can definitely learn from other firms and exchange knowledge, learn about different programmes that other firms use. Everyone just has a limited knowledge, also me and also the managing board. It is very good to do networking and schooling. You need to meet other people from the branch. WAB is a new thing from 1.1.20, which would be nice to exchange information about with other field marketing companies but also of course a lawyer. You should not give data to each other but exchange knowledge. I think in this firm we only have 4 experienced project managers from 12 employees. This is too few and new employees learn from inexperienced managers. So you need to invest in experience and knowledge from outside and inside.

J: How would you make people feel involved?

W: I would like FMCo to be a company where people like to go to. Where there is laughter and made fun at work and inspiration can be unfolded. Like in google, where they work 4 days and one day is brainstorming and idea generation. Maybe also with customers integrated into the process.

J: Can you go to the managing board with your opinion?

W: I can but I am an external, and will leave after my project is done here. I have nothing to lose. Employees who go there have more to lose and if they get screamed at, they do not dare to speak up for themselves.

J: How is information about expectations from clients and suppliers shared within the enterprise and different employees?

W: I do not think it is shared at all. If an important client expects something, it is said to the managing board, but it often does not go further than that. Instead of brainstorming with more employees how these expectations can be met, managing board handles it all. There are a lot of people with expectations in this company and they do not get taken seriously and their voices are not heard. I think that the organisation and the market are amazing. The vibe is young and you could make something amazing out of it.

J: Do you not think people have fun at work?

W: If the management board is there the atmosphere changes and if they have a bad day people suffer from it.

J: Okay, how are clients contacted and would you change that?

W: I do not know something about that.

J: Contingencies, how are they solved? How do you feel prepared for problems in Business model development?

W: I would make rating conversations and feedback meetings. Also people with a bit of responsibility need to be coached. Field employees but also people from the office. Recruiters must know how to recruit, and planners must be accompanied with the new system.

J: Would you say that the use of programs would help the firm to get less chaos? Why?

W: Maybe. But a new system does not help our communication problem. Today we have a meeting talking about the vision over the next few years. That is a good step. To let the lines vanish between the different departments, excursions are another option for better communication. There are many different departments who all work separately from each other and people of one department do not know what others are doing. As an employee you need to know that teamwork is essential. We also have many new people and they do not dare to ask questions but they should not try to figure it out themselves but with the

help of others. That should be made clear from the beginning. Secondly, we work with different systems. Which are not clear to everyone. We need to school people on systems and competences! Excel or planning system workshops are a good idea.

J: Think about what kind of problems you could encounter along the way of a business change and how would you change those?

W: That's a fundamental question. FMCo is in a change but people do not know in which direction FMCo goes. If people do not know which way they the business wants to go they are lost. This needs to be made clear to them from the managing board. The managing board should say what our strategy is. Do we want strategic customers, do we want to focus on customer intimacy, do we want to have less sick leave? FMCo should not only try to change within departments, but the fundamentals should be adapted and made clear as well. This will eventually cause change within the departments.

J: How would you bring clarity to the employees?

W: You see that the managing board sits down for a week and throws a new mission into the company. We have a night to talk about the strategy developed by the management. People can not do anything if you do not go more into depth and involve them into the process, you should put a clear vision in focus and then repeat it like a red line within the organisation. Then employees of all levels feel like they helped to shape the business environment.

J: Okay so everyone knows what human interaction actually means and why and how to implement it into the strategy.

W: Yes

J: Do you think that predicting the future, or controlling the future is done by FMCo, and in what way? Predicting can be done by means of forecasts or roe, while controlling can be done with all market players, stakeholders etc together., shaping the market together.

W: SSI is an international strategy with FMCo being an element in shaping the market. But on the other side, we are only about short term goals and thinking about how to make money fast, while not thinking about shaping the market or trying to model the future. I

would go more for collaboration with competition. Here you can make deals with competition and agree to focus on different strategic clients than others. This also helps to shape a clear vision. FMCo could then also decide to focus i.e more on data analysis. If they focus on one sector especially they can excel in one area instead of having multiple areas they serve average quality. The margin is much higher if you focus on data and serving high quality. Having 5-10 employees in data analysis would shape FMCo in a completely different way. The daily work of the other employees would become different as well as you offer different services and make data a focus of your firm. At this moment Hamilton Bright - our competition - is handling the big projects with higher turnover and more fun events, while we are on the corner of merchandising and cooking.

J: How is the organisational structure of the firm, how much power do the different departments have and would you like to change the amount of power of the management board?

W: It is said that everyone has a voice but I do not feel that way. The management board has the strings in the hand and only consists of 2 people, who do not sit on the same line. So they contradict each other, also with their opinions towards our ideas. Our Management Team is growing but the final decisions lay at the management board. They are way too much involved into the different departments and their decisions. They should trust their MT members more with making decisions. Also in daily business life so that they can keep busy with strategic choices.

J: Okay, and what kind of effect would that have on the company culture?

W: Employees feel controlled and not trusted. A secure environment with more flat management structures should be created. A team manager should guide his/her own team. That should not be done by a member of the board. If they expect something from a team they should communicate with the MT members. Clarity is another part that should be more essential. For example, sales is done by managing partners while they accepted a sales manager, and it is not clear what her role is, so the lines become blurry.

J: Okay, after this interview, what do you think about merging the two decision making logics within FMCo ? Which logics are they using at the moment? Are they shaping or predicting?

W: They are very causations. I think that they cover all elements of causation decision making. They do use SSI as effectual approach, as they try to shape the market and learn from other market players.

J: Okay so you think FMCo could be cooperating with other market players, or learn from mistakes instead of avoiding them.

W: The difficult part is that they say they do something and then they do not do that.

J: What do you mean?

W: They want to have strategic clients and then they still serve other clients. So you do not make a choice. If you want to have a long term relationship with a client, and you talk about win-win you can not lie to them about the success of a project. You need to be open and honest. If you are caught with lies this relationship is destroyed. I think they want to become more effectuos but they can not as they are too causations and think about competition and traditional approaches. I would do a combination of both logics. So that customers know it is good to make forecasts and make it about the money but also be transparent and closely cooperate with clients and partners.

Interview 2 - Jose

Sales Manager, 6 months in office

J: Hi Jose nice that you could make it today. The first part we will be talking about today is taking action. Do you know how you would set a goal for FMCo? Would it be divided into small steps or would you set a big goal?

JO: It depends where you want to go. We are looking to work more on a strategic level with our clients. So it can be that we start with small steps. We look at what our clients expect from us. Our goal at the moment is to go for long term strategic relationships and that could be our new value proposition as well. But it is good for a business to have a big goal in front of your eyes to give everyone clarity what we want to reach over the next years and communicate this.

J: Okay and what kind of role do other employees play in the implementation of a new strategy?

JO: We all should know where we want to go. We should refuse small assignments from small clients as we have to work on long term relationships. We must be honest to all customers and partners and look for a connection and relationship with them.

J: And in what way are employees involved in the decision making process?

JO: This is happening through brainstorm meetings, we had one already. There is a need for more of those to manifest the vision into the employees. We should go for sending and receiving, it is about meeting in the middle. Employees listen to the ideas but can also bring in their own ideas. This helps employees to know what they are doing and why.

J: How would you change the business model compared to how it is done now?

JO: It is about how do we contact our clients. If our client does not see us in their daily life it is a problem. I am in sales and still trying to figure out all the points that make the business model of FMCo, but one thing is for sure: FMCo should be more in the heads and really a keyword for people. It should ring a bell and social media can help there.

J: Okay, let me be more precise and if you think about the value proposition, how would you create and implement it into the firm compared to how it is done at the moment?

JO: I would work on a better relationship with clients. We should take them on the hand and meet more face-to-face with them. The contact via mail is very static, that is not human interaction! Through high work pressure, we do not go for quality but quantity. From these meetings we do not learn as much as there is no extended feedback sessions. This can also be done via Skype. So the clients have a face by a project with us.

J: So it is about a personal touch and face to face, close qualitative contact with clients.

JO: Yes, so we should filter out which clients we have the best projects with and focus on building up a long term relationship, with extraordinary service. You should know everything about them and create really strong bonds to bind clients with your firm.

J: Okay, this is good information to further elevate on. Imagine that you will make a new business change. How much risk would you take if the outcome is very attractive.

JO: I like to take risks, but you have to see if it fits to FMCo at the moment. People are dependent on the firm. You should not risk your own employees.

J: Okay how would you take risk without endangering your employees?

JO: If taking risk, employees must be asked if they are willing to go into that risk. If they do, we should give them extra valuation as a firm as they have much more to lose compared to people who have fixed term contracts and are not willing to. I also understand if people want stability, we should have both.

J: How would you value an employee?

JO: Not only with money, but also development and coaching. So I help you build a future as managing board.

J: Why would you settle for either high risk/ high outcome or the other way around?

JO: I would always settle for high, I am an entrepreneur, that is how it is. You need to have a stable basis to take more risk. If I look at our situation at the moment, we are very

dependent on one client. That is too risky to have more risk. We should build up new partnerships and then dare to take risks, while being transparent to our employees about it. You always need to evaluate risk and think about whether it is worth it in your company.

J: Imagine you take a risk and it results in a crisis, how does this affect your later decisions?

JO: Crisis does not happen if you analyze beforehand. Also a plan B must be there but we need to go on with the plan we had in mind and see what problems come along the way. We should avoid crisis in either way.

J: Other market players is our next topic. In what way should clients and partners be included into FMCos processes?

JO: We need to have better communication with them. We need more security and less ad hoc projects.

J: What do you mean by security?

JO: We need to check our employees on the field better. This can be done with technologies, employees that make quality checks with our suppliers. More systems to double check projects and employees actions. Next to that we need the development of employees.

J: So you say security means double checking processes such as logistics and employees on the field especially?

JO: Yes and also we should look more at our projects and what we can learn from them to improve for the next time. We need that feedback. It is valuable data that we can use in the future. This feedback we get especially from face-to-face contact.

J: How openly should information be exchanged amongst stakeholders

JO: We need to solve our problems in house before we go with it to the outside.

J: Okay, and what about competition and joint activities?

JO: As FMCo, we should exchange knowledge with others. This can be done in ways such as buying knowledge from others, extending the network by not only SSI but other firms from

the Netherlands that can help us with knowledge about field marketing or process improvement in general.

J: How are clients contacted, do you think that should be changed?

JO: We should take the lead, we should be more visible. We must be the Albert Hein in the field marketing area.

J: How would that change FMCo?

JO: We need a bigger sales and marketing division. And we need to develop on relationship building, also not only work based but also personal contact.

J: What do you mean with taking the lead?

JO: We should be more actively contacting clients by means of marketing and being present on the market.

J: Are there problems in the firm's development? How are they handled and what would you do differently?

JO: The company development is positive. It is important to retain the knowledge and skills within the organization and to facilitate employees through training and coaching. Looking back, due to the rapid growth of the company, insufficient attention has been paid to coaching and schooling in the past year but initiatives are currently being taken up. I think how it is done at the moment we are on a good way. The firm is growing to become a firm serving better quality due to better schooled employees.

J: Can you give examples or training?

JO: If you want to be able to continue to bind and fascinate people, then it is necessary to invest in this as a company. As I said already, one of our problems is that we have not developed employees sufficiently. I think that good training is related to the position of the employee. They should become better in what they do to serve the increase of quality we want to deliver to the client. They need to become experts in their fields. Personally, I think in-company training is important as well. So that teams are involved in this. We reap the benefits in the short and longer term. I think this is personal development and is also

essential and can be given in a more broad matter. A point for attention within the organization is time management, sales skills.

J: How strict should you stick to the planning when making business change? Why?

JO: A planning is necessary to keep an overview during the project. Flexibility in this is desirable to achieve the right result, because things go differently than you have calculated in advance and you need to anticipate this to be profitable..

J: Are forecasts an essential element in the development process? I. the financial forecasts, roc, production management systems etc. and why?

JO: A prognosis is essential for steering. Deployment of people, cost indication etc. We need it to become and stay successful and serve the quality we want.

J: How is the organizational structure of your firm? Would you want to change the amount of control or management?

JO: Initial steps in the organization have been taken and are shaped by the deployment of MT, but I think that the control is way too high up. We need a more decentralized system with department managers being able to make decisions within their reach without constantly having to check with management.

J: Okay, and after this interview what do you think about merging both decision making logics during business model development?

JO: I think effectuation is a possible way to indulge innovation and creativity within your firm. As we are quite large and exist for some time, we need to have some causal elements. Forecasting and setting goals is important. But including all levels in idea creation, distributing power to lower levels and learning from the market could be quite beneficial for FMCo.

J: Do you have an idea how to break the routine of this?

JO: No not at this moment sorry.

J: Okay no problem thank you for the interview.

Interview 3 - Leander

Process manager of FMCo, 7 years in office

J: Hey Leander, I will firstly explain to you effectuation and causation [Explanation]

L: About the taking action part you were talking about, I would like to say something. Last week during the kick off they explained to us that they want to implement more human interaction into the firm. I think that has been brought across to all of us. But the steps towards that goal have not been made clear to us. We will have regio coaches that will be the face of FMCo on the field, which is great!

J: So you would say the way to implement the field coaches should be transparent?

L: Yes, they are starting to be more transparent but it should be more for all office employees at FMCo. Not only with the regio-coaches but also other steps for more human interaction. The communication is super important! In the past the implementation of good ideas from staff of the office was lacking. So it is talked about once and then forgotten. I hope this can change in the future. I am busy with the processes of FMCo and constantly make pressure to have MT members (Management Team), in close contact with the managing board. So they can make decisions together. A lot of things go wrong because the topics are not brought up the meetings of managing board and MT and that must change. Normal employees should be able to go to their Managers, whom solve the problem with the board.

J: Okay, so I would like to talk with you about a few questions. I will shortly introduce to you what a business model is and will ask you a few questions in combination with effectuation and causation [short explanation]. Imagine that you are a business developer at FMCo. And you make the value proposition for FMCo, how would you go about?

L: We need to set big goals, like we want to be the biggest of the Netherlands. We should base decisions on how to reach that goal on what we have in house and what can we actually do. Decisions for projects of important clients are made spontaneously without a lot of planning. To serve good quality we need planning and structure how a project will go about. Management says something, without thinking about whether it is realistic to start a

project in such a short time. Tasks are then divided amongst employees, and everyone just does something to make it on time, this will not satisfy the client neither the employee. Communication must improve and made much more clear with everyone involved in a project. That are the project managers, (with big decisions the managing board), the team leader and the client itself must be updated at all times.

J: So you say as employees, a structured planning is favorable?

L: Yes and good communication with the parties involved. Not the managing board making all decisions without the employee actually carrying out the project being asked if it is realistic and reachable.

J: Can you give an example?

L: Like our client is not happy about the communication and transparency that we deliver. Our employees on field are not much in contact with the office. We do not have quality control checks and the clients are not too happy about that.

J: So for you quality through communication would be a value proposition?

L: Yes, but they are working on the communication. What still needs more focus is the structure within FMCo, it should be implemented and kept in the whole company strategy.

J: When implementing a firm's strategy, how are employees included in this process? And how would you do it differently?

L: I think they are trying to involve people from the office, but then eventually hopes get up and nothing is done about the opinions of the office employees. So for me that's a waste of time. So if you want the opinions of others, then you first need to give them a clear clarity per department. For example: This is where we want to go with your team, do you have ideas how to get there, or improvements. Asking random ideas from everyone to each topic, their answers are not based on much valuable knowledge. Also I would like some follow up and just short updates on how it is going with all developments. Including everyone just creates chaos and brings hopes up that so far have not been fulfilled here.

J: Imagine you have to implement a value proposition in the strategy, how would you do that?

L: We need to focus on the human connection and this is already found by FMCo. This should be communicated more clearly to employees in the office. And people need to be motivated.

J: So how would you do that?

L: Processes and working together with different departments should be better, by having scheduled meetings with everyone. And when making agreements or agree on something there needs to be a digital place where people can set times and upload official, clear agreements, which all involved parties can look up later. This would create more clarity and structure amongst departments.

J: We move on to the second subject, risk and resources. How much risk would you take if the outcome is very attractive

L: As a commercial firm you need to take risks, it should be risks connected to the goal that you want to reach. So the risks taken should help the image of human connection or interaction. You need to take risks that are necessary and reachable, it should be well thought about.

J: So would you settle for high risk and high outcome or low risk and low outcome?

L: The risks should be normal not too high to lose everything, keep the processes going and do not risk the people in your firm.

J: Imagine your risk results in a crisis, how would that affect your later decisions?

L: If your decisions result in a crisis, this should have been expected beforehand. Through analysis and forecasts you can predict and prepare for a crisis. It should be evaluated whether the result is worth the risk, and even during a crisis you should keep in mind, if it is worth to keep on going with a project. What will you lose and win if you go through with a plan.

J: Okay, on to the next building block, how would you involve stakeholders into the firm and how is it done now?

L: I think that we involve a lot of our partners. We sit together with them and I think communication and rules are important. We do not involve them into the decision making process.

J: How openly should information be shared amongst different stakeholders? This can be clients but also partners?

L: I think you have to be honest. We should not share internal problems as long as it does not affect them. But if we run into problems that do risk our relationship with other stakeholders, we should be honest from the beginning. This can actually lead to a transparent collaboration and maybe changing and improving a project. For example we had a collaboration with a client and pretended we had a lot of experience in this area, while we were actually still busy with inventing the wheel and had never done something like it before. This led to much irritation from the client but eventually we succeeded in the project. If we were to be honest in the beginning, it would have saved a lot of irritations of our client. But again, maybe we would not have gotten the job. I think this is risk taking as well. But I think overall honesty wins and we should just share information with customers and suppliers as long as the information is not something of our USP or company secret.

J: So in general you would say, share information but really watch out what to share?

L: Yes, I would always sit down with the other party and talk honest with them. But you should not create panic if it is not needed.

J: Okay and how is information shared with employees that are discussed between the management board and clients?

L: I think important information needs to be shared, so that we as employees can also think along a project and become more creative and think about innovations as well. But I think that not everyone should be updated about everything as that's a lot of loose information.

J: And how would you share this information?

L: Information should be clear amongst each department! Every week there should be a mandatory meeting of each division, this does not happen here so people are not up to date.

J: How are clients contacted? And how would you improve that?

L: At this moment it is personal contact. We need to be more proactive with the clients we have. There are so many options that we could take with the huge brands we work with. But the managing board are the sellers and the face of the firm. Either you get more account managers to get new clients, or the management board starts to trust their management team and goes out the door to really maintain and grow these relationships with big clients. At the moment they keep busy with small processes within the firm that they should hand over to other employees. Mostly the big brands are contacted from the managing board via via.

J: Okay, how do you feel prepared for problems in business model development?

L: It is an investment, but if you look towards firms like Netflix, they offer training on professional and personal level. So you learn on a trajectory of 2 years how to professionally develop in presentations, feedback conversations or microsoft office. While you can personally develop and learn how to play guitar or another hobby. This binds employees to the firm and makes them more enthusiastic about their work. However, if I get a really nice other offer at another firm it maybe lets me think twice about leaving but does not really hold me back to leave. But we need to bind people to the firm and this can be done via training. What I see in this firm -it is a bit off topic- not even management has a good overview over who does what and how all processes work. This results in chaos and tasks simply not being followed up on. So a lot of work is left behind and everyone forgets about it.

J: How would you solve that problem?

L: The biggest problem of FMCo is that they need to improve quality. And then management still stays in the processes and does not let the departments work it out themselves. This causes the problem that employees feel time pressured and the projects do not go well and quality is not improved. If you let departments work on it and set a realistic deadline, then it could be reachable. Every department needs a manager that has the overview and knows all the processes so that nothing is left on the way and management board can do things they are good at. This can lead to less chaos.

J: The last element of this research, do you think it is important to predict or control the future?

L: I think we need to predict. Control the market can not be done with our competition. They are so competitive in field marketing and I fear it is the dying era of supermarkets so shaping can only be done if we step outside the offline market. We should maybe extend our horizon and go into online marketing or data. There is a lot to invest in and it has a future, maybe we can collaborate with other online marketing firms and learn from them.

J: How is the organisational structure of the firm?

L: Well it is way too much control from above. The middle layer is not strong enough. The management team of each department should make decisions on their level.

J: Yes we have talked about that already in the beginning. After this interview, what do you think about merging both decision making logics? And what do you think does FMCo use at the moment?

L: I think that they are working on effectuation but at the moment they are more causations. I think it is better if they merge both logics in the business model. In terms of effectuation, they need to invest in quality on the field. And this comes from the office. So the basis in the office must work and then the people in the office have overview and can give clear instructions to people on the field. Everyone should follow trainings and learn and develop so eventually we end up in a high quality sector of field marketing.

Interview 4 - Michiel

Creative manager, 10 years in office

M: This feels really theoretical. Because working together with competitors is quite hard in our field. If we give a presentation at Heineken and we meet our competitors at the entrance, it is the same feeling like another girl is looking at your boyfriend [both laugh]. There might be some industries where effectuation approach works, but I feel like it is not used much.

J: But what I am researching is how you could combine both logics. So include effectuation but not solely. What this interview is about, what you would do if you were a business developer within FMCo with your knowledge. My first question is how would you go about when making a business development?

M: I would say you create a big goal that is ambitious but realistic. But I am on the same page as you with small goals in between. If you compare it to climbing mount everest, if you take a backpack and just walk with the goal being reaching the top, the chance is that you end up dead in the glacijs somewhere. What you want to do is to find out what steps are necessary to reach the top and what are the conditions I can be expecting. Try yourself with small steps and set small steps. And from the first base you can assess the conditions and set further goals for reaching the top. So I would say, set a big goal and then determine small goals along the way to get there.

J: Is that done at the moment.

M: I think that we tend to live by the big goals. But now we are becoming a mature company. The market is divided. If I compare it to the mountain, first you climb winterberg and people have respect for you. But then you find out there are even higher mountains. So you set your goals on that. So now we are as a company growing more mature but also our market and companies are adapting to it or excluding field marketing. It is becoming more difficult to set big goals so I think we should go more into the direction if setting intermediate goals. We need to upgrade our intermediates.

J: Through which tools would you feel prepared for problems in business model development?

M: To be honest, I feel like everyone should have trainings! We need to be up to date with current theories in marketing and sales. Training is necessary. However, training can be very generic. Workshops, meetings, branch workshops or lectures. We need to participate much more in these. To understand our customers, find solutions, learn their vocabulary.

J: What would you say about training about personal development over a period of time. So you bind them to the company?

M: I wouldn't be bothered by such a certificate. It is more important to give circular achievements. That is where people learn to define goals within the intermediates that we as a company have and identify where schooling would be needed for them towards an intermediate.

J: So you would say investing in knowledge that is already there and improving the performance of an employee. So they grow from a junior level into an intermediate? Instead of growing on a personal scale?

M: Yes, exactly.

J: Okay, we drifted off a little bit. What kind of role do employees play in the creation and implementation of a firm's strategy?

M: I can not say a whole lot. And I can not be the first one saying that. I think this has always been a very personal driven organisation with a strong top to bottom target setting. Without a circular feedback system.

J: What and how would you do about that?

M: It should be a stereo system. I think you should develop your staff. All those circular achievements are going to build up into one big achievement, where you create your own market and start to create momentum that will bring you into a new heights you were not expecting. If you create a system, where people learn to implement their knowledge and implement it into it for the firms advantage, I think you are going to create a whole new

things. If employees have the opportunity to develop themselves and create added value to their resume and their lives, they are much more connected to the firm.

J: Even if all employees would have training, how would you collect all the knowledge?

M: I do not believe in random knowledge. I think that the company should develop a very transparent business model. And then constantly challenge the bm from an expert role. Our image should be exclusivity with good quality and human contact. All brands want to achieve a goal. And we need to be aware of our point.

J: The value proposition.

M: Yes, and we should all be aware of that and think about that from our expert roles. And people in their departments must know, why am I planning and what is my added value? The knowledge should be on expert level so that all departments can help forming the value proposition of the company and get this into the mindset of everybody.

J: That has not really answered the question how knowledge is collected then. Because we all just learn for ourselves and then grow, how do we report what we learned and how do people know we learned something new? It is all independent aspects then. Or is the management team responsible for that?

M: Think about the holistic approach where everyone is their own element. I do not believe in top down. I believe everyone should decide for themselves what they want to reach and contribute to the firm. People should know the why and help the firm develop from there. If everyone knows the business model and is taken along the process the business will develop itself if you give employees the opportunity to learn and grow.

J: And how would you bring across a clear value proposition?

M: It is about purpose marketing and value proposition, by talking, creating daily reports, signatures in the mails, billboards in the company stating the value proposition, creating human contact by letting people walk to each others desk instead of calling. If you want to do it, so it is in every aspect into the company. The key here is long term, choose a value proposition and work on it. Something that is continuously improved over a long time span

of years. Talk to people in their field of expertise in relation to the value proposition. And then I mean all people not only the management.

J: How would you change the way the business model is developed compared to how it is done now?

M: People need to get the business model canvas into a physical thing. Make it a game and brainstorm together. People can then see it returning in their weekly meetings, if weekly meetings make sense. That is another thing, meetings should be relevant! People will turn off otherwise.

J: Okay and how would you go about when looking for a value proposition?

M: We should look at all aspects that make us us. We had building blocks about FMCo, where was the aspect that we want to serve the big companies? I did not see it, and it is basically what we are working on the whole time. And they forgot it in the set up. The stage that we are in, we do need much more experts in the firm, who know our value proposition and help creating it, making sure that performance are in line with deliverables. That's much more important than transparency or fun.

J: How much risk would you take if the outcome sought after is very attractive?

M: We are a company that is privately owned. In a company like this, we need to negate the risk and take small steps towards a goal. I believe that only if I have enough insights and are convinced it will turn out well, I would take a risk. If you have more business experts in your firm, then you can take higher risks, because you have certainty that your employees are up to the task.

J: Imagine you take a risk and it results in a crisis, how does this affect your later decisions?

M: It comes back to the first question. Make a thorough analysis, what went wrong. Are we as a company able to support the project. We are not in a market where we pre-finance a lot of stuff. If something goes wrong, we analyse why and then check the results. If it is a mistake that we can not solve, as we do not have the resources, then we should stop the process and keep the ambition on creating the expert level so that we may later reach the goal.

J: In what way should clients and suppliers participate in your business?

M: I think that one of our key elements should be, that our service is always embedded with the company that we are working for. You should actually work really close together. We are a service provider, so if you create a service it should always be in collaboration with the customer. We should really focus our entire operation on an open, transparent way of working. For example, if we have ICT program, so we could connect with their ICT program. So that they have clear insight into everything we are actually doing and we do not have create polished outlooks. This would require that our expert level gets to a way higher point, so that we are able to convince them that we are good. And they should also be able to share their goals with us. We should also look outside the box, like our channels, why not visit ethnic stores as well? This requires that they work with us, follow the process and help us invest in more research so we can expand their market even further.

J: How openly should information be exchanged amongst all different stakeholders?

M: In an ideal world we should exchange everything, complete transparency.

J:Why?

M: I think we should share all results with them but not our data, which is our USP. Think again about your value proposition, what do we want to offer and bring that back to the data you share.

J: How are clients contact, and would you change that? How would that affect the customer database?

M: We do not have a database. We should totally change it. Instead of calling and selling them our service we should go to the meetings they already have and actively participate. For example industry meetings, workshops, lectures and then talk to people in person. Like organising networking events to show our added value.

J: If you change an element of a business model and you encounter problems along the way, how would you solve that? Give an example.

M: I think the challenge in a top down organisation would be, that people see opportunities but can not express them. It is difficult for me to come up with complaints and go into the managing boards office. Why not have brainstorm value proposition sessions and business model discussions, with people who want to and all the ideas are evaluated and then implemented.

J: So do you think predicting the future is an essential element of FMCo?

M: Yes, they are. But on the whole I think we do not have to predict a year in advance. Our product is people, so we can be very flexible. I would love to shape the market like in the effectual approach but do not believe it is possible. I think our strength is to quickly adapt instead of changing the market.

J: Why?

M: I think our environment has many limitations, it requires a lot of commitment while I think what makes us unique is that we adapt quickly, so why not use it to our advantage?

J: What are the limitations for you?

M: We did have some meetings with competition, but we could never agree on something. Or they have been made and not followed. I would love to set new industry standards but it is a difficult market with old school views and providing a service not a product.

J: What do you think are activities to help FMCo to develop further and learn about the decision making methods, so that they can break routine of being very causatios at the moment.

M: Again I would love to be able for everyone to think about this in their respective role. Ask people to become more expert and use their insights within a structure value proposition discussion. That would give them insights to challenge their organisational approach. Does not mean we have to let go of causal approach, but sometimes the eastern route is better than the wetsern route. Have relevant meetings and use the knowledge in your company.

J: Do you have anything to add?

M: We should change the set up of our meetings into more creative settings. Not so standard. Have a talking stick or whatever and keep it brief! People talk way too long. But do not make it cheesy, otherwise people lose interest.

Interview 5 - Miranda

Department manager Planning, 1 year in office

J: Hey Miranda, could you introduce yourself?

M: My name is Miranda, I work in the department of planning within FMCo. So we are responsible for planning in people for projects that project managers execute. We work closely with the department Recruitment, as they get the field staff into the firm and we plan them in for projects.

J: Today I will ask you a few questions about the business model of FMCo. The first dimension is taking action. Imagine that you have an influence on the business development of FMCo. How would your planning within business development of FMCo look like?

M: As the market changes a lot, I would set small goals and adapt them along the way. A goal for over 10 years is nice but often adapted along the way. 5 years is better in our market. We need to make analyses to see what is going on in the market, and how our competition is performing at the moment. What is really important is to be different than the rest. A clear USP is something that we need here at FMCo. Important is to include employees in the process of making a goal, ask them for their opinions. If you do not have transparency people just do something, and do not know why they are actually working.

J: And what do you say about mistakes you encounter along the way?

M: We should learn from them and adapt accordingly, we should see if it is too much of a process and if the changes are too many, if we need to go through with it or come up with something else to be successful. Definitely analyze to get to the core of the problem!

J: What kind of role do employees play in the planning and implementing of the firm's strategy? How would you change that?

M: I think there are a lot of positive changes within the firm at the moment. The goal of FMCo however, is not clear to employees. I am doing what I have to, but I am not able to think on a broader level. I really like to have brainstorm sessions, like the one we had in Diemen, but there should be more like that and they should be more straight to the point

and results should also be presented to us. With these session you create more involvement amongst employees. But I think they give us a lot of opportunities to develop here.

J: Do you have an idea, how it would be more clear for you what the value proposition of FMCo is?

M: Give us practical examples to which we can relate. Otherwise it stays too theoretical and on policy level. I think the MT team does not know how they can imprint it into the minds of the employees.

J: You have the feeling that you can develop freely within FMCo, can you give an example about that?

M: If you have the need to develop yourself on a professional level, and request it at the management there is the opportunity to do that. However, not a lot of people know. But I think it is a very positive thing that the option is there.

J: How would you change the way the business development is made at the moment?

M: I think that we are working with very big clients. So we are good in contacting clients. What I do not like is the treatment of clients. We should work on our customer relationship. So I think that once the clients are in the company, the effort decreases.

J: Can you elaborate?

M: Not enough contact, we do not provide them with enough expertise. We should really look at what the client wants. And we need to follow promises that we made.

J: Do you have any other examples of business elements that should be changed?

M: Our own resources are people. We need to take care of them! Also the people on the field. Field managers are an improvement. But our resource management could be better. Ask them how they liked the work, keep up with the execution of their tasks. This ensures better quality through more motivated and satisfied workers. Something to improve that is creating a survey, to our clients and our employees. What can we improve, what are the

things we are good at? What do they expect? This is also an option to find our value proposition.

J: Would you either settle for high risk and high outcome or the other way around, and why?

M: I think that you have to take risks, if they are healthy. But you need to evaluate in between if you are on the right track. Monitoring is a good one! You need to be transparent to your employees. It should not risk the ones that want and expect security.

J: Imagine your risk taking results in a crisis, how would you solve that?

M: You need to be honest and transparent to all employees. Otherwise people start to speculate. Also during crisis you need to take risks, this can help you to exit the crisis. Everyone should be up to date on the process of the risk taking, otherwise people lose motivation.

J: How openly should information be exchanged between all stakeholders?

M: Protect your USP's. We should be exchanging information but protect what is ours. I think exchanging know how with other competitors, could help us to understand programmes or improve processes! So for example we could learn how to use more modern Apps, from other players, which could improve our contact and transparency with clients and field employees. For FMCo it would be an idea to outsource employees.

J: What do you think about the way clients are contacted?

M: I do not know. And that is a problem within FMCo as well. We all do not have an overview about who does what. I do not know which project manager does which project. Who gets the clients inside, no clue. Why not have an overview, a board or something, so everyone knows whom to approach with what project or what question? We are all different islands, and everyone just does their thing.

J: Okay, good to know. How strict would you stick your planning within business planning and why?

M: I would follow my plan, I make my plan based on analyses and deadlines with a reason. These should be followed otherwise you end up in a stressful situation or things go wrong. If you stick to the planning you can easily detect problems, work on them and move on.

J: How do you feel prepared for problems in Business model development?

M: Trainings for time management, so people know when to do what. That's what we just talked about. People should work more efficient and all be on the same line. So deadlines are followed and work life is more structured. We are always so busy that we do not look above the edge and people are not encouraged to change their work style. Time management and good organisation, that are used by everyone, could give projects more structure and give us more time to keep busy with other process improvements. And an office training, also a good one!

J: What is your opinion about about forecasting the future? And why?

M: I think we need them but we should also try to react and adapt easily to market changes. So we need to be flexible but also make analysis about how the market is going to look like in a few years.

J: How is the organisational structure of the firm?

M: I think the lines are short however, people in higher positions press their will onto others without including other opinions. I think it is very top down and that is sad. I can express my opinion but they often do not do anything with it. Also they often base decisions on personal preference instead of rational choice.

J: At the end of this interview what do you think about Brandwises way of being effectutious and shaping their market

M: I said that, we should set short goals and long term goals, we also have to look at what we can we reach with our knowledge in house and come up with innovations, we should do analysis and try to avoid mistakes but also learn from them on the way, and adapt to a crisis. So I think that the one can not stand without the other. It is not black and white. However, shaping the market is not what we should be going for, rather adapting to it.

Interview 6 - Hubertus

Director/ Senior consultant, 19 years in office

J: If you want to change the business model of a business. How would your planning look like?

H: I think for a company of our size a reasonable way to do it is to analyze what our opportunities are. We would set small goals on the way but not change the whole business at once. We have 2 employees responsible for innovation and research within our firm, they are responsible for implementing changes, but they make them on a small scale. We are a mature company, so big changes are not necessary. I would set goals for 2-3 years and in between targets that are regularly checked.

J: How do those checks look like?

H: We have a yearly check ups and decide if we are on a good track or if we need to adapt by for example increasing the budget or stopping the project. We would not touch the business model, which is our foundation, as a whole, as we are very profitable and satisfied with what we are.

J: Do you think big changes are not needed within the firm?

H: It is too risky for our firm, we make small changes and innovations. For example, we started a major change project of internal processes. We made interviews with all employees in our firm, about how they feel and what they would like to see improve. Based on that we changed internal processes amongst departments, to work closer with each other and optimize the communication. But we would not throw over the whole business model all at once. We are safe, we are profitable, so why risk it? We are slowly improving processes internally, but also with clients and suppliers we try to constantly innovate and improve processes. This is done by our 2 headed team of innovation, while they involve people of all departments into the decision making process.

J: What is your USP, that makes your company as successful as it is?

H: The directors are very experienced, they have decades of experience and strong relationships with clients. Our service is people, knowledge and skills. And we have it all! That makes us unique.

J: What role do employees play in the changing and implementing your firm's strategy?

H: I think we have developed that. It used to be the managing board doing all decisions, but they have learned, they need the team. They are the USP of our firm so we need to include them into our decision making process. We have leading circles, where changes are discussed. For example we have meetings each Friday with all key persons to discuss openly, what is going on and what should we change. We have another regular meeting 4 times a year, in which we discuss major changes with everyone of the firm in one whole day.

J: How is everyone included into those discussion rounds?

H: You can either just throw it out there or write your opinion on a paper before hand. Some people do not dare to speak out their opinion. But that is also why we started this change process about internal processes with interviews. So people were put in a team of 3 or 4 employees from different departments and they had discussions about what should be changed and how relevant it is. The results were shared with the company anonymously. The expert guiding this project was external so people dared to speak up against the management. And this helped the management to start new and optimize old processes. I think we are on a good way!

J: What would you change about the way your business is developed now?

H: I think that the team or employees on lower level are not very engaged in the changing of processes. They were not active enough to bring the changes to life. So we need more controlling and following up on these changes.

J: What is the value proposition of your firm?

H: We have great knowledge and give the best solutions to our customers. We know and care about our clients. And are the communication point between different stakeholders.

Internally, we have a big amount of responsibility and freedom about my tasks. I can do my tasks in the way I like!

J: Can you give an example of different development programs?

H: Yes for people starting in our company as consultants or project managers. They first join a junior team with other project managers and a senior project manager. In the beginning they are not responsible for their own client but they learn from other juniors and a senior. So they follow a track and come on different projects with others until they are ready to have their own. That is our internal training program. We also have personal development training, which are external. But you have to request them, but the option is there. I am personally not a big fan of them, but others are, so it is good that we can decide whether we want to follow these trainings or not.

J: Getting back to the value proposition, is it clearly communicated to all employees? As you have stated quite an extensive explanation it seems like there is not one clear sentence known to everyone.

H: I think not everyone is aware of our value proposition but it is a good idea, as it gives people a reason why they work at the firm. And it explains what the company stands for.

J: Yes it develops passion indeed. Why would you settle for either keeping risk and outcome low or high?

H: We keep risk low. It is not needed as we are mature and profitable, we just risk peoples positions.

J: Imagine you do take a risk and it results in a crisis. How would that affect your later decisions? Can you give an example?

H: Depends on the costs of the crisis. If it explodes the budget limits, we should stop. But I would not say, we did not reach our goal, so now we stop. We have to evaluate whether it is still reachable with the resources we have. So we can adapt a bit in the planning. We had one try, with some major projects in Turkey. After 2 years we saw that the project was not very successful, we made huge costs with this business development. After one year we decided even without reaching our goal to go on and invest a bit more. Eventually, it was

not successful in the second year so we stopped. It cost us a lot, but we calculated and found out that going on with the project would not be profitable for us anymore as the market analysis was not very promising for the future.

J: How did this affect your later decisions with other projects?

H: The result was, that we are more careful and double check other opportunities with other countries, and also double check the project managers responsible when starting a new project. If they are able to represent us in an effective way.

J: In what way should clients and suppliers participate in your business? How are they integrated in the processes?

H: We have very close contact with our clients. We take them by the hand and have a lot of contact moments. We cooperate deeply, we agree on the processes on multiple meetings, often our clients do not only know our project managers, but also the back office. It is very important to us to maintain that relationship and involve them in the work processes. With our suppliers, we also have a good relationship, but we do not share much of our internal processes. What we do is we help them with innovations and give them tips, based on our knowledge, as eventually that helps us offer better products to our clients. We also offer them our showroom to try out new innovations, so we also maintain a good relationship with suppliers willing to cooperate. But we are not dependant on them, as we have multiple suppliers to choose from. We are more dependent on our clients, so we really offer them custom, high quality service, fitting to their wishes and needs.

J: To follow up on that, how openly do you think information should be exchanged and what kind of information should be exchanged with suppliers and competition?

H: We do not share more information than needed.

J: Would you make use of exchanging know how between stakeholders, and what kind of information?

H: It would be useful, if we want to develop new ideas and double check how effective they are. On the other hand we need to consider that we should not depend too much on one supplier so we should not maintain a close relationship to just one party. Maybe a little bit

more, for getting ideas, but then not concentrating on one firm but include different suppliers in the process. Competitors are a no-go. I would not want to help them with anything, and it is the same way around for them.

J: So there would not be any benefit for your firm, exchanging information with competition?

H: I do not trust them. They want to destroy our company.

J: How are clients contacted and why should that change?

H: We have a CRM system, which reminds us to check up with clients . It is very professional and lets us have a good overview over all projects and their status. So whenever we complete a project we stay in touch with our client. We have defined steps, with feedback towards us after 3 weeks and after a year of no other projects we will visit them face to face if they have any other projects for us and how things are going. During our project we have a lot of contact points as well, that are regulated within the system..

J: Okay, our next topic is contingencies. How do you feel prepared for problems in business model development?

H: We have internal trainings and external trainings that can be requested. I think it would be good to have strategy trainings that make people more involved into the firm and rethink processes. Also for people new to the firm it is good to understand all processes, help to innovate them plus gain more knowledge in their field. But it should not be mandatory, but management board can be more encouraging to follow trainings.

J: How would you handle problems within business development?

H: Try to find out the reason for the problem, try to solve them and go on with the development. You can not ignore problems, but set milestones to identify the problems as early as possible.

J: Would you stay strictly to the planning while developing a business? Also when experiencing contingencies?

H: I think we already discussed that with learning from risks. We need to make check ups and make adjustments. You need to take measures to bring the development back on track if that doesn't help you should stop. So sticking to a planning as long as it goes well, yes.

J: Do you think forecasts etc. are an essential element in your business and why?

H: Yes, they are absolutely necessary. So if you have a development process you need a control that. So you have to always keep financial benefits calculations in mind. That is the pure outcome we strive for. Money.

J: What are ways to break the routines of your business to become more effective?

H: We are already doing that. I see some minor opportunities for changes through this interview, but I think we are breaking routines by giving freedom to project managers and have discussion on development level with everyone.

J: What do you think about the amount of control of the management within your firm?

H: I think we are very free, people have room for creativity and develop themselves and add their personal touch to projects. Management board is not interfering with projects. It is a very flat structure.

J: After this interview what do you think about merging the two decision making logics?

H: I think merging causation and effectuation is the best way. You need to be creative and risk something if you want to develop. Maybe you do not have a fixed goal in mind but just try it out, that's a very modern approach. In our company we could use a bit more of that, but we are working on it and are aware of it.

J: How do you feel about shaping the market?

H: To shape the market is great! However it has to fit to the market as well! In my opinion effectuation means cooperating with stakeholders shaping the market together. It will be quite difficult for us to cooperate with competition however in all other areas we talked about I can imagine we are already shaping our environment.

Interview 7 - Monica

Office Manager, 5 years in office

J: So after my explanation, imagine that you are a business developer setting up a new plan for business model development. How would you go about like plan your steps?

M: If I look at my company we only reach goals of maximum 5 years, because you can not look ahead into the future that much. What I experienced the last few years, was that we were able to adapt to the challenges and we improved our structure a lot. We improved our processes, we grew very fast! So we are constantly developing, growing in numbers of employees and innovating new elements in our business model. That is very important if you have a business in the marketing field. Constantly adapt, innovate and evolve. However, our CEO is currently busy with connecting different departments with each other. We have measurements to get to know each other, like a breakfast on one wednesday a month and each unit has to organise it once, and we not only eat together but we talk about our performance in the last time and what our goals are for the upcoming month. Each unit also reveals their results of the last month in a short presentation with photos and movies. This makes everyone really attached and we can learn from each other.

J: Could you maybe explain again how the goal setting is done at your firm?

M: We usually set a goal for what we want to reach within a year. But that's about numbers like profit. The small goals within the projects and business development are constantly adapted. We go along with the developments of the market and talk about these goals in our monthly meetings. Everyone is on track and people have a reason to work. They know which targets must be met and are motivated to do their best.

J: Okay, and in what way are employees of different levels involved into the process?

M: We have a flat hierarchy, we have 6 units (departments), usually our team leads, which are the department managers and the managing board, discuss goals. Some goals are decided alone, while goals that affect us and our processes are decided with the whole company. How we do that is an online survey. People are asked what they would like to see improve and if they have ideas for improvement. This is then taken into the managing

board/ team lead meeting and they discuss the issues of employees. In our next all hands, the goals are presented to everyone. We adapt small changes within our departments so you as a “normal” employee feel like you are involved into the creation of the firm, which is great. What we have also invented this feedback talk once a year. Employees and company give feedback to each other to learn from each other.

J: What is the value proposition of your firm? How clearly is this communicated to employees?

M: We have 3 different disciplines under one roof, that's what makes us special. Data, Creative and IT. We have one sentence that we have as a slogan. We put together what belongs together! It is something that we say at each meeting and clearly pass on to all new employees. If we have meetings or go out to have drinks. People say it and it is like a joke but also like a prophecy for our firm. They are all very connected to their workplace and it feels like a family.

J: How would you create and then implement a value proposition in which the focus is on the human interaction?

M: Our clients are the most important for our image and we really define ourselves through our image. We want other marketing agencies to know how “cool” we are and intimidate them with our performance. Humans are our focus and we make sure that this image is shown to the outer world. We serve the best quality in our branch.

J: How do you do that?

M: We only work with the best clients, our office always looks super hip, we have young talented professionals inhouse and offer them many benefits so they stay with us.

J: Why would you settle for either keeping risk and outcome low or high?

M: Our business is about people. We were stagnating with the firm and stood still in our progress, so we needed to heavily invest in better performance. We merged with other firms, and employed a lot of people. We took a high risk there but it eventually helped us to grow and improve our quality. We also had times, where people could not be paid anymore, they had to leave us so it is important to have non fixed contracts for people willing to get

paid very well but eventually leave if performance declines we call it “hire and fire”. We also buy people with knowledge, learn from them and then they leave after a period of 2 years in which they could detect problems, analyse and then implement new strategies. For us it is important that when they leave something has already changed and is deeply rooted into the structure of the company so it is without any problem kept alive once they leave. We usually take very high risk in the short term. So if it does not cost us a lot we take the risk, otherwise we let it be analysed and eventually decide whether it is a good option or not. But usually we take short term risk without thinking too much about it. The show must go on even if you lose.

J: How openly should information be exchanged amongst stakeholders?

M: You need to exchange information. We need other agencies to grow and learn. We go to fairs or bootcamps. During a bootcamp, other firms pay us to learn about new marketing methods, tools or programmes. They pay us, which is another income source, while we can also go there and learn from them. But our market is young and dynamic so it is possible. But the information we teach can not be used against us, so we are giving broad trainings without revealing our strategy or USP. It is also a way of marketing. If firms see we are much better in a certain area they ask to collaborate on a project and we even get shares of a project.

J: Okay and how do you contact clients?

M: The network of the CEO -he set up Pinterest-, online marketing, fairs and mouth to mouth propaganda. They come to us it is all about networking.

J: Do you see the need for training for more employees as the company has developed? Is it openly communicated to them?

M: So if people are performing well, they get offered personal development programmes in the form of incentives. We really promote it as well because people are motivated by it. But we also want people to invent and come up with development programmes by themselves. If we need more knowledge we also sent project teams in training and then it is not personal development but market specific development.

J: Can you give examples for market specific development?

M: For example, we need to have an english course as we have many international clients. And we were tested on our skills and now receive classes.

J: How would you say that people are connected to your firm as an employee?

M: You need to be a name. People need to know you and like to work for you because you stand for something. You need to bind them with incentives, nice climate where everybody is seen and plays a role, good after work binding with parties and dinners together and offering them a place to develop themselves personally and careerwise. We call each other a family here and people are valued and thanked if they worked for 1 or 5 years in the firm with a thank you gift.

J: Can you give an example of good company climate?

M: Yes, we are a big office but everyone is in one room. We have nice spots everywhere to have meetings but in general you sit in the middle of all your colleagues. This makes it very humane and creates close contact.

J: How strict should you stick to the planning when making business change? Why?

M: We do not take the planning very seriously. Of course you need deadlines but unexpected things can happen along the way of a project or a business change. Important is that you are prepared to adapt and are flexible.

J: Do you see the need for forecasts within the firm? Can you give an example?

M: Yes we have for example a new software that we wanted to improve. So we have one fixed-term person making the analyses, like SWOT and market analysis, which are then included in the set up of goals and targets. And our finance team makes financial forecasts. You need this once you are growing as otherwise you invest or employ people in a project or development that is born to fail. So we are always up to date, which is another benefit for our clients. What is very good at our firm is that our analyses and forecasts are actually used and integrated into the processes during the meeting of team leads and managing board.

J: What are ways to break the routine of decision making of the firm?

M: Everyone can sit anywhere to avoid routine. We have a balcony to get fresh air.

J: And how would you describe the structure of your firm?

M: The management makes the large corporate decisions in cooperation with department managers. Lower level employees can come up with new ideas and they are discussed amongst the management meeting. If it is relevant and reachable it gets implemented. The lines of communication are short, which enables department managers to make small department related changes independently, which is very much appreciated.

J: Okay let me ask something else, what do you think about merging effectuation and causation into your firm?

M: We are getting there. Our firm is very effectual but with time and growing more mature, we are integrating some causal elements. I think for a firm growing more mature this is the way to go as you need to predict and analyse and try to avoid mistakes, while on the other side shaping your future and seeing competition as partners instead of enemies you stay innovative and keep on learning. It is important to always stay effectual as it keeps a company young and inspirational.

Interview 8 - Joren

Field manager, 2 years in office

J: When taking action, setting up a business plan for example how do you plan the steps in between at your firm?

JO: We have main goals for the upcoming 10 years, we have external partners making predictions, and they are sent to us via e-mail. We are a market leader in technology so we are constantly working on how we can reach the goals that are set every 10 years. They are for the whole brand all over the world. As they are for the whole company, I contribute my small part and use these 10-year-goals as a guideline. The nice part about my job is that I am completely free in my decisions but the goal must be clear. I have a budget and as a manager of my team I am able to come up with new processes and ideas and implement them, without constantly asking for permission. I think in the top levels of our company it is very causal but on the lower level we are quite effectual. I can be innovative, have freedom in my decisions. This makes us very creative and gives employees the feeling of being able to influence the company, this encourages them to do extra.

J: Can you give an example of how the process looks when you have an idea on low level management?

JO: With our marketing department we make plans for the upcoming year. Here everyone can present their ideas on how to improve processes. This is in collaboration with higher level management. When the idea is accepted, it is regularly checked up with us, how the implementation of a process improvement is going through informal meetings.

J: What kind of role do you play in the planning and implementing of the firm's strategy?

JO: The big decisions are made in the managing board. However, all the changes that affect us we either encourage ourselves or we are asked for our opinion and are actively integrated into the process of change management. For example: we have brainstorm meetings once a quarter, to gather information on how to improve processes.

J: What is done with the information gathered at those meetings?

JO: We all write our ideas on cards, they are collected and discussed and then in the next brainstorm session the board presents the ideas they have implemented, so they actually do something with that information. All kinds of employees are involved into this session, that's great!

J: What is the value proposition of your firm?

JO: We make life easier through our technology products.

J: How is that communicated to the employees? Do you like that?

JO: It is very well known and we keep it in the back of our heads. We want to bring the product closer to our customer to ease their life and implement that in our marketing style. Our proposition is adapted sometimes, if we see changes in the market. But in presentations it is talked about it and repeated. All our actions and tasks what we do in our daily work life is to serve the value proposition. It has to be a red line and in the DNA of the company. If we want to make life easier and serve premium quality it has to be in the people, the products and the image that we bring across. It should be in mind with each meeting that you have.

J: Imagine you are on a project to develop processes within your department. Would you settle for high risk and outcome or low?

JO: It depends. If you want to change big processes within your business model risks are higher. But then you need to analyze the threats and opportunities this change has. Small changes often do not bring a lot of risks along. I prefer high risk and better outcomes as that brings along much more benefits.

J: And what would you do if that risk results in a crisis? And how would that affect your later decisions?

JO: I would definitely stop taking high risks for a while. And do more analysis before moving on. You can not take high risks if you are in an unstable situation. But if you are stable, risks should be high to keep on having innovations.

J: Do you think your firm should share information between different stakeholders? And why?

JO: We do share information, to gain trust with our clients and suppliers. Often to make yourself look better than you actually are. I also think that information should be kept to a minimum and no internal information that could turn out to be harmful to share should be shared with others. We are on the stock market, so we share profit and loss. You share goals of how to plan create the market in the future and how your suppliers can help you reach that.

J: What is your opinion on sharing knowledge amongst competitors?

JO: We have trainings from other companies how to become better in general things. For example, some business developers were following trainings how our firm can become more eco-friendly. But our market knowledge and product knowledge we do not share with our competition. Anyways, we work together in knowledge sharing with a lot of other companies. For example, we cooperate with a firm developing applications. We use their application that they want to introduce to the market. We give them feedback on how to improve their programming and we on the other hand can have insights in the newest technology improvements.

J: How do you approach your B2B customers?

JO: We do face-to-face meetings, but our customer base grows constantly. As we are a market leader, firms want to work with you but we also approach new customers. We research and do a market analysis and check out new innovations and startups ups around us. As well as we analyze possible clients, if it is profitable to do business with them and if it helps to grow and improve our brand. This helps us to identify possible clients and approach them with an offer.

J: How are expectations of other stakeholders shared amongst employees at your firm?

JO: We have short lines. We get all information in meetings. So it is important to keep people involved and updated, so that they grow a passion and connection to the brand

they work for. Everyone knows what our clients, and suppliers expect from us and is eager to fulfill our own goals and serve the best possible quality.

J: What are the problems that your firm is currently facing and how are they handled?

JO: We are not profitable enough for the headquarters. As we are not independent but have multiple offices and one HQ in Korea, they analyze our proficiency. Problems are shared amongst all employees and we are involved in the improvement process.

J: And how is the process of handling a problem?

JO: Usually we all feel committed to our firm and do our best to help the problem. We learn to ask the right questions to find out where the problem is coming from. In meetings we then collect ideas and the managing board uses it as a help to detect why we are not profitable enough. The change is implemented by a change manager to make sure profitability increases after the changes have been made.

J: How do you feel prepared for problems in business model development? Can you give examples?

JO: Training is needed in many ways as it helps employees and therefore firms to grow and learn. Not only people in the office, but also people on the field should be trained. So you need to be trained everyday and also challenge yourself. The training should be specifically adapted to one employee and their work and knowledge and strengths and weaknesses. People at our firm get the opportunity to make an own personal development plan, here they learn to improve their work abilities, to become a better employee. Part of this personal development plan is that everyone gets a training with the whole group and then gets to decide what they think they need to improve for themselves. This individual personal development process is regularly updated with their manager to see if they are on a good way to become a better employee, while they also get individual online or offline trainings to improve. If employees have higher positions with fixed contracts they get more training as it has more benefit for the company, to invest in people who stay.

J: Imagine that you have problems or difficulties along the way of a business change. How strict would you stick to the planning?

JO: This is situational. I would say you do not have to stay strict to the planning. You need a broad view, why did something go wrong and then either adapt big or small changes. I think you should be flexible on the way of a business change.

J: Do you think that forecasts are an important element in the development process? Why?

JO: Definitely, for example this year during the world cup, we had forecasts about an increase in TV-sale. All kinds of analysis help us to approach the market in the right way and play in the trends and developments of the industry.

J: What do you think about the organisational structures of the firm?

JO: It is quite hierarchical. We treat each other with a lot of respect and the lines within the firm are clear and strictly followed. For me it could be less. However within the lines there is a lot of freedom. I do not have to report to all layers maybe one or two and can mostly make decisions on my own. As long as the plans go well and the goals are achieved it is fine.

J: How is it checked if the goals are reached?

JO: We are a data driven company. They check the data, they check up with you. I think it is important to always check and control the people that work for you. This is how you can guarantee good quality to your customers. I also think the way they manage us is not actually management but leadership. They do not only tell you this is the goal, go for it, they try to lead you, train you and guide you to the goal together.

J: After this interview what do you think about merging the two decision making logics causation and effectuation within your enterprise?

JO: As I already said we combine it a bit. Big companies are often causations and they need to be. But in order for your employees to stay creative, innovative and happy, effectuation is a better way. It also helps them to grow!

J: Why would you say employees are more happy in effectual companies?

JO: I think effectuation is not a lot of planning but looking for ways around the problems. People are involved in this process and listened to. The plans are not as strict as in causation.

J: How are these two logics combined in your company ? And what effect does that have on the future of the firm?

JO: Our big line is causation: How are we planning to stay the market leader? Through analysis, we find it out. Our small lines to become the market leader, is very effectautious with a lot of innovation, creativity and freedom. I think with how we are doing it at the moment we are able to have an effect on the future. We try to predict and shape it.

Interview 9 - Jos

Operations Manager, 7 years employed

J: When looking at the business model, how would you go about when making changes in your business?

JO: We work with ogsm, objectives, goals, strategies and measurements. So we have 4 main goals that we strive for and we change them annually. And we have meetings in between to check up on reaching these goals.

J: How does that work?

JO: So you talk about where you stand at the moment and how you are trying to reach the annual goal. We have these meetings every month, so we keep the goals in the back of our head during all projects that we carry out. So this year one of our 4 goals is being more on time with our services. All our projects are then focussed on improving that process and we follow the ogsm process.

J: What kind of role do employees play in the planning and implementing in the firms strategy?

JO: You can translate it all into the ogsm. So the vision and the mission can be found back in these elements. But I think you really have to approach problems yourself and you are not asked to help improve the processes on a higher level than your own position. I miss that in our firm as low level employees are not that much involved in decision making. A lot of times even if I have ideas, they are not being taken seriously due to a quite hierarchical system.

J: How would you like your firm to do it better?

JO: Establish development places. For brainstorming with people from different departments where they are also invited to work with related departments to the one with their own to make changes together. So often the look outside of the box is missing, where if you collaborate with others it could help you to improve the processes much better. For example here, the office should cooperate more with the people in their field. The train riders in this case. If you ask them to brainstorm together, you might find out things you

didn't know before because you are not outside like they are. If you let one representative work in the office for 2 days a week, you might learn completely new, practical insights. People should be motivated to be able to develop themselves.

J: So how can an employee present and implement their ideas?

JO: What we do is we have are process tables. If I have an idea, I write a plan and then the idea has to go through 3 levels. So from each stakeholder involved one representative is at the table and anticipated changes are then discussed amongst them. If the strategic, project or process improvement is accepted from one table it goes up the ladder until it has passed the third process table. This takes really long to be implemented and the only thing an employee in a low position can do is hope and wait. This comes through our management levels. So whenever I have small changes within my department, I discuss them in our weekly meetings but whenever my project reaches out to a minimum of three departments it has to be thoroughly analyzed. I think that is actually good.

J: How clearly is the value proposition communicated in the firm and set in the DNA? Why do you like that?

JO: We want to give the customer a 9+ experience. So it is about accompanying the customer, making it easy to communicate with us through service on the stations and just helping them with struggles and everything they need. This is what makes us special from our competition as well and we are all aware of a clear structured value proposition.

J: How is that done? Why do you like that?

JO: We have internal newspaper, podcasts during weekly messages, we have presentations about the value proposition, visions and DNA of our firm. I like it because it is constantly kept in the back of our heads.

J: That is clear. Why would you settle for risk and outcome being both high or both low?

JO: What we have is we have a department called safety. They do a risk analysis and check whether risk and outcome are on a proper scale. So high risk is okay as long as the outcome is also interesting enough. So if my project or implementation has too much risk and is not worth it I do not even have the option to go to the process tables with it. We call

that the opportunity-impact scenario. I like this principle, but I think TCo is a very stable company so that is why risk taking can be high. With the safety department we are not spending money unnecessarily and I feel safe with the projects I do.

J: Imagine that your risk taking results in a crisis, how does this affect your later decisions?

JO: So I think, if I would get a go from the safety department I would still go for it. Because we are stable and because it is basically not my fault if it goes wrong I would take a high risk again. If the risk department has granted projects that did not go too well, eventually they ended up allowing away fewer projects and keeping it stable for a while.

J: And how openly should information be exchanged amongst different stakeholders? Think about competition but also suppliers and other stakeholders.

JO: I have a good example, we share knowledge with our competition and offer them training on how to make their employees experts on the field. We have a dataset App with all kinds of knowledge and tests, that we share with them. They pay us for it plus we can shape the market together and have better quality field staff in the train traffic and create more safety. With our suppliers we also share our knowledge, which could be useful for them or our cooperation. We also exchange human resources with competition sometimes, this helps us again to keep the market running.

J: And how about stakeholders? How is your communication?

JO: We work closely with our stakeholders and are very transparent with them. This enables us to integrate them into the business as if they are our own employees.

J: What is your opinion on sharing knowledge with competition?

JO: I think we should watch out. As our market is also competitive, we should definitely protect our USPs and really work on them and reach our targets. What happens in the train market is that it is privatized. Every company gets the opportunity to take over specific train rails, depending on their resources and knowledge. Every 5 years there is a competition on different tracks and others can also apply for them. At this moment we are the biggest but the other companies are growing fast.

J: How are your clients contacted? Think about B2B.

JO: So usually clients come to us. We have a big network of existing B2B customers and they are approached via calling or email or in person if we need something, or they approach us if they need something or think we need something. This is regulated with the sales department and account managers and as we are very known this goes quite well. But our focus is more B2C customers in my division.

J: How is information of expectations shared within the enterprise?

JO: I think the goals that are set by the government, as we collaborate closely with them, are very well shared within the enterprise. It is again about what affects me, and usually the expectations that affect me are shared but unnecessary information not and that is fine.

J: How are problems in business development handled in your firm?

JO: That is something that I keep myself busy with. What we do is we set up a brainstorming sessions with all stakeholders and think about how to improve the problem and make a new plan. If it affects more than 3 business units, solving a problem entails bringing it to the process tables again and wait very long. It is slow business management in TCo operations. But I think one process table is fine!

J: And how strict would you stick to the planning if you encounter problems?

JO: I would not try to lose the goal, the goal is holy! The way there should be adapted as you always encounter things along the way you didn't anticipate. If I notice along the way that my goal is not as holy or could be adapted, I think it is good to consider changing it and work with what you have as long as it helps you in your business management, why wouldn't you do it?

J: Do you notice the need for more training of employees?

JO: We have an intranet where you can develop yourself on business level. There is also enough room to develop on a personal level, and they grant us a lot of budget for that.

J: Could you give an example of a training?

JO: I had a training on how to present myself and find out what I want. And also when you start in the office, you learn things like time management and organisation skills. It is very much communicated, which is nice.

J: How do you feel prepared for problems in business model development?

JO: Forecasts as they are very important. It helps us to avoid problems in the first place and they help us reach our targets and succeed as a firm.

J: How is the organisational structure of the firm and would you like to change the control of management?

JO: Yes I think it could be less, they used to be very top down. But they try to introduce lean management and bottom up approach, which is nice.

J: How do they do that?

JO: So we have brainstorming, include field employees, less process tables. But I think a bit of hierarchy results in structure and being profitable. If everyone could just go through with their projects it would be too chaotic. Mature firms with more employees need to have some standardization and routine.

J: What do you think about merging effectuation and causation?

JO: Forecasting is very important, but you also need to be in constant cooperation with stakeholders and competition to shape your market so cooperation of both makes the best environment.

J: Do you have an idea to break the routine of effectuation?

JO: I think our company is rooted in a very causal approach. The top management should have some workshops to change their mind set and become more effectual.

Interview 10 - Caro

Head of operations and customers, 1 year in office

J: When setting up a plan for BMD how would you go about i.e plan your steps? Can you tell me more about this process?

C: We have department goals, which we call KPI's and we have quality goals for the upcoming 3 months that every individual has to reach on their own. These goals are achievements an individual wants to reach for the firm. The quality goals are checked upon each quartile and all the department managers are meeting to talk about how it went and what the new goals will look like. In these three months every department manager is responsible for reaching their quality goals but each month we also have one on one conversations with a person in a position above. So I do that for my team, while I go to the management board to talk about myself but also my quality goals status. We call our management board, founders.

J: How are all the employees of all levels involved in the decision making of your company?

C: So it does not matter if you are an intern, half or full time employees. Everyone gets quality goals and it is checked up in them. However, I see that mostly high level employees are included in the decision making process such as the founders and the head of growth. The others are always welcome to give feedback but they are not quite as involved in the process establishment as they do not have the right or sufficient knowledge of our business model.

J: And how do you give feedback?

C: We use slack. It is a communication app but I can also see my weekly agenda and who is occupied with what at the moment. In slack, I just slide in a feedback message to the person responsible or we talk about it in our weekly meetings. These meetings are per department but we can also set up meetings with other departments involved if we want to give them feedback. Here we learn to become better versions of ourselves and overcome problems together.

J: Would you do anything different about the way how employees are involved in the decision making process?

C: Yes sometimes, sometimes our founders make quite fast decisions without including our knowledge. If they would take people affected by it into consideration the decisions could be wiser. But on the other hand, I think this is how you make the fastest decisions and we are very involved already. Our founders are very transparent with their numbers and the firms performance and changes towards us and the investors. For example during our transition of getting away from being a start-up, we were constantly updated and integrated in the voting system of for example where we want to expand our markets to. Here after careful analysis of the market and our departments, we came to a conclusion where everyone was integrated in. So now we go to Denmark.

J: What is the USP of your firm and how is that integrated in the DNA of the firm and communicated to employees?

C: We make life easier for men, in a sustainable way. I think since I work here I reconsidered my personal choices. I became more aware of natural protection, and everyone does that as we are all supporting our product and our mission and do something good for the world as well.

J: What kind of influence does that have on the employees?

C: We are very passionate and do our job with love. We saved 9 million liters of water last year, everyone was so happy about that and really believes in what we are doing also as a person not only as an employee. This makes our work very personal, like a family. Our marketing also reflects that, as we reach out to existing and potential customers in a very informal, friendly way.

J: Why would you settle for either high risk and high outcome or the other way around?

C: I think you should not take too much risk, you should be on the safe side, as we are not completely stable a big risk could harm us way too much. If we make big changes, we really consider the risks and if they are too high we will not make the choice.

J: Imagine your risk taking results in crisis, how would that affect your later decisions?

C: We took decisions that were quite risky and we ended up regretting that. So we learned from that and now reconsider everything in more detail, make analysis and then make decisions based on that. Mistakes are made, and they have huge negative influences on us. So now we try to avoid mistakes by forecasting. We became more careful, we adapted and learned from them.

J: How do you make forecasting?

C: Everyone of their department has to take their own responsibility and make forecasts by themselves. So each year we have one meeting to prepare numbers of each department and how their development is and based on that foresee what KPIs we set for the future. So our quality goals that we set each 3 months can be connected to the yearly goals that are set up with all departments.

J: What do you think about sharing information?

C: I think it depends on the market, in our market knowledge is shared a lot. Especially, if people are interested in starting their own company they learn it from us. Or we learn from firms that are even more experienced or mature in the same sector of start up fashion. But these are general things. We do not share company secrets or finances. As an example our marketing department started working together with another marketing department of our competitor. They combined forces and both learned from each other how to do their marketing better. This is especially if you are still young.

J: Do you think this can be connected to risks?

C: No I do not think that, as we do not share our USP, which is the ingredients we use to make our shirts.

J: How are clients contacted? Would you change that?

C: We do that via our online channels, but I know that we are not very aggressive. But I do not know how we should change that.

J: How is information communicated to the employees?

C: We are very clear about the expectations and they are shared with every employee. Then you have one goal with everyone that gives us structure in our head. But not all information is needed for everyone as otherwise it would be too much. I still share a lot with the founder, so I have a backup when I go on vacation or am sick.

J: Are there problems in the business development of your firm, how are they handled?

C: Yes there are always problems. It depends on the departments and how much you expect to grow. You see the problem, you try to change it, you set goals and then also try to change them if you notice the need for it. Two years ago we had a very big growth, and now our expectations were too high, and here we also learned to manage our expectations and forecast and analyse. We make research, and then we change it.

J: Do you notice the need for more training for employees.

C: Yes, depending on your department again but there are quite some offers, especially with exchanging knowledge in marketing. I wish there would be more for my department as well, but I do not need it as much or there is not much in customer support.

J: Are forecasts an essential element of your business development and why?

C: Yes we love numbers, they are incredibly important to see where you stand and what you can expect to reach in the coming years. So we look at everything like return rates, profit etc. All the data we get we work with.

J: How is the organisational structure of your firm?

C: Even if we have 2 bosses and they sometimes give you feedback it is also the other way around. So you can also give them feedback. I like that. It does not feel like you do not dare to say that, it is both ways. They make it very clear that people are very important to them and they trust us. Nothing should be changed here.

J: After this interview what do you think about merging both decision making logics in your business and what effect would that have on the future?

C: Before this interview I thought we were very causal. As it turns out we are both. We learn from our mistakes, and we also try to avoid them, we are very flexible on the way but we

also try to stick to the plan. I think sometimes it could be more organized still, the more we grow the more organized it gets, which I am looking out for. I think you should always try to predict the future and - if your market lets you- also shape it. We are shaping it a bit in collaboration with other players because we are creating a new fashion market with no competition yet.

J: Can you give an example of how you could break the routine of being only one of the two logics.

C: We should set a goal and then be more strict on the planning and be able to stick to the planning by more forecasting and analysis. It is also bad to take out the spontaneity, because it creates creativity.