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BUSINESS MODEL CONFIGURATIONS IN THE CONSULTING SECTOR
Empirical evidence from business model configurations in Finnish consulting industry

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ABSTRACT

The current global financial crisis might have been pledging deeply economies and various business sectors around the world, but not that deeply the KIBS, and particularly the consulting industry, in Finland. To comprehend the particular phenomenon, the research lens is steered towards the successful Finnish business consulting companies and their business models. The particular lens investigates maps of different business model configurations which represent combinations of business model components related to the internal and the external environment of a company. Such focus captures a hollistic picture of the Finnish business consulting industry and the way involved companies operate. Hence, the motivation for the execution and the primary objective of this study is to identify the types of business model configurations successful Finnish business consulting companies apply.

There are two key theoretical areas that this thesis examines so to provide a solid picture of the different types of business model configuration in the Finnish consulting industry. Firstly, it appears important to comprehend the business model concept and identify the different suggested-in-time configurations through a systematic literature review, and secondly to understand the nature and the behaviour of the KIBS companies, and particularly of the consulting ones. Hence, the literature part of this thesis examines retrospectively and systematically published articles in journals and books regarding these two key theoretical areas. To further extent and in support to the drawing of a holistic picture, the thesis introduces findings of a qualitative empirical study from the Finnish business consulting industry by using semi-structured interviews with people from the higher levels of the companies.

The findings of the study suggest that there are 29 different types of business model configurations applied by the business and management consulting firms in Finland. Upon their commonalities, these types were assigned to configurational patterns. In particular, the six types form a pattern of two levels and each level consists of three distinct types of configurations. Two more types of configurations out of the 29 are also deduced each distinctly to a pattern. The rest of the 21 types of business model configurations are claimed as individual types of business model configurations that cannot be patterned further. The name and the description of each pattern and each configuration are all available under the section with the name Synthesis.

KEYWORDS: Strategic Management; Business Model; Configurations; KIBS; Consulting Industry

1 INTRODUCTION

The first two decades of the 21st century have proved challenging for the global economy. The financial crisis has subjected all industries around the globe to a major test of survival, while some of them have been deeply plagued by means that will not allow their easy recuperation. (Burger, Coelho, Karpowicz & Tyson 2009.) Notably, the respective financial crisis has been striking all sectors of economy at various levels and degrees of severity. This means that some sectors are struck at a greater extent while some others at a lesser extent. The sectors that are least influenced by the aforementioned crisis have definitely something to teach about survival in arduous periods.

A recent financial statement issued by the European Union justifies the aforesaid argument that there are different degrees of severity on the various sectors of economy. In particular, the statement indicates that the knowledge intensive business services sector, aka KIBS, is one of the few sectors that have been least affected by the crisis (Izsak, Markianidou, Lukach & Wastyn 2013). The particular sector encompasses services which set knowledge and expertise at the forefront of the agenda. This means that knowledge and expertise form the core of these knowledge intensive services and are viewed as the main inputs and outputs. (Toivonen 2004, 2007; Muller & Doloreux 2007.)

Nevertheless, the KIBS sector by itself is a controversial sector since the categorization of the services is quite vague. This means that sometimes services overlap and it is quite difficult to decide in which category to collocate them. However, Strambach (2008: 156) identifies that all KIBS firms have an activity of consulting. Indeed, it is rather acknowledged that any innovation activities of KIBS have a high consulting component (Schricke, Zenker & Stahlecker 2012). This suggests that consultancy has a contributing role in the sector of KIBS and should rather be examined. However, the starting point to examine consultancy should not be as a pure component but rather as a main activity. This means that in order to comprehend the outcomes of any consulting activity, one should focus on firms which operate with main domain the consulting activities. Therefore, this particular thesis focuses on the consulting firms which form subsector of the KIBS. Hence, the financial crisis has been a great challenge and, at the same time, an even greater opportunity for consulting companies to steer the wheel towards a different direction that can ensure or maximize the possibility of survival.

At this point, the principal question that is automatically generated seeks answers to what could this direction be and how one could identify it. A possible answer is that one could examine the business model of the respective firms. Although there is not a universally accepted definition yet, the business model depicts the content, structure and governance of transactions designed that aim at value creation through the exploitation of business opportunities (Amit & Zott 2001; Zott & Amit 2010). In other words, the business model is a map of how a firm organizes, manages and configures its various resources, capabilities, activities and any other components so to bring the desired value to itself and to its clients. Therefore, the business model can reveal much about consulting firms' performance during the period of crisis. Hence, the particular thesis examines business models and their configurations in consulting firms, and particularly, in the business and management consulting firms. This is because knowledge management has become a fashionable sales argument in the consulting industry and uniqueness is found in the way the big management consulting companies offer solutions to their clients (Dunford 2000). In addition, management consulting firms offer solutions that are directly related to strategy and management issues, just like some issues that are reflected by the business model.

Consecutively, companies pursue their survival by focusing on the value they can create for themselves and for their customers, through the ultimate capitalization of their resources and capabilities (Berthon 2010). Nevertheless, such initiative is not sufficient by itself. This means that exploitation of firms' resources is only a step upwards the hill. A keyword to the aforesaid argument is the configuration of resources and of other key elements that can lead to the firm's survival. However, the firm's ability to quickly change directions and reconfigure strategically in order to ensure its survival and achieve sustainability can be attained through market-focused strategic flexibility (Johnson Pui-Wan Lee, Saini & Grohmann 2003). Hence, firms must deploy strategic flexibility and, simultaneously, focus on the different combinations of resources and other elements so that they thrive and become competitive.

1.1 The scope of the study

Returning to the argument of industries stricken by the crisis, some industries have been performing and sustaining their existence better than others throughout the time of the crisis. One of these industries is the knowledge intensive service industry. The

particular industry comprises intermediary firms which specialize in knowledge screening, assessment and evaluation, and trade professional consultancy services (Consoli & Elche-Hortelano 2010). According to a report issued by the European Union on the impacts of the financial crisis on research and innovation policies, a number of European State-members show that only their general economic indicators have been affected by the crisis, but not their knowledge intensive activities. (Izsak et. al 2013.) Such observation indicates that the particular industry has something to show or even teach in terms of sustainability, value creation, success and loss.

In particular, Kuusisto and Meyer (2003) acknowledge that knowledge-intensive business services in Finland had the fastest growing since 1995. Additionally, export of knowledge-intensive services and license and patent revenues from abroad are growing noticeably in Finland (TEKES 2013). The aforementioned argumentations justify adequately why the scope of the study focuses on the particular sector and within the specific geographical boundaries. It is of great significance to justify the sustainability of a sector, especially during the time of a crisis. This could comprise scientific and practical elements essential to both the scientific and the business community. As Sheehan and Stabell (2007) argue, KIBS need special tools to discern innovative growth opportunities. This is because knowledge-intensive organizations create value in unique ways and their complex and multifaceted competitive landscape is quite different to that of industrial firms. Subsequently, managers of knowledge intensive organizations need a simple but efficient and trustworthy method of mapping competition in order to identify the best opportunities, to devise new business models, and to direct growth initiatives. (Sheehan et al. 2007.)

Additionally, and based on the fact that the financial crisis has least affected the knowledge intensive activities of some European State members - among of which is also Finland - (Izsak et. al 2013), the statistical institution of the European Union, aka Eurostat, has carried out a survey, indicating the countries with the highest share of knowledge intensive services employment in Europe. So according to Schricke et al. (2012), in the European Report on the knowledge intensive businesses in Europe, "*Sweden and Finland have the highest shares of knowledge intensive services (KIS) employment*". This suggests that KIBS employ more people in the aforementioned countries than in other European states and, thus, there must be more demand for knowledge intensive services in the respective countries than in the others. Therefore, the scope of the study covers the knowledge-intensive services industry within Finland.

Nevertheless, the knowledge intensive business services industry itself comprises a number of different natures of activities and, thus, it is preferable that the study focuses only on one of them. For this reason, the consulting sector has been chosen, since it has been showing slightly better performance than the others within some specific areas of the European Union (Izsak et. al 2013). Although, it is argued that all KIBS firms have an activity of consulting (Strambach 2008: 156) at a high degree (Schricke et al. 2012), it is only the pure consulting firms, meaning these firms that operate only under the umbrella of consulting services, that show better performance. This fact already instills curiosity to investigate and comprehend the reasons for Finnish consulting firms performing that well. Hence, companies who collocate themselves to the consulting sector and whose activities aim at providing solutions in terms of consultancy are the main subjects of the study.

However, there many consulting companies that widen the spectrum of their services at various sectors. This means that their consulting services might cover one or more sectors of the economy. For instance, a consulting firm might focus only on providing solutions regarding forestry to corresponding companies. On the other hand, a consulting firm might produce naval equipment and, at the same time, sell solutions regarding its products. For this reason, this master thesis focuses on consulting companies that limit their consulting activities in the business and management field. This means that only consulting firms which sell pure business and management solutions are examined. Ultimately, the knowledge management has been a great trigger in the consulting industry and has been selling quite much (Dunford 2000).

The aforesaid facts and arguments mystify and generate questions of the type: What do consulting companies do better than the others so to sustain throughout the crisis? or Why do consulting companies perform better than others?. In order to comprehend the particular trend and performance of the consulting sector, one must observe the reflection of its financial performance. As Plato stated in his work Allegory of the Cave, “...the shadows on the wall do not make up reality at all, ...so one should perceive the true form of reality rather than the mere shadows”. This suggests that one should observe and investigate what creates this shadow/reflection. In this sense, one should observe the business model these consulting companies adopt and use. The business model itself represents the logic how companies operate, deliver and capture value (Casadesus-Masanell & Ricart 2010). Therefore, the business model can reveal how do companies capitalize their activities, resources and other assets so to achieve their financial performance. Consequently, the need to study the actual business models in

search of different configurations within the consulting sector is generated. This will disclose what different combinations of the actual parts in the business model companies make, so to achieve sustainability throughout the crisis and perform better than others.

Additionally, the mere interest in researching the particular sector in the particular country derives from the scarce research that exists. There is not much research for the consulting sector within the Finnish boundaries. The Finnish market is quite small in comparison to other European ones and, thus, there is not much light shed on it. Furthermore, there is already much research on business models but very scarce on business models within the consulting sector and, especially, in Finland. This suggests that this master thesis could provide a step ahead in examining and discovering the business and management consulting sector in Finland as to the business model configurations that companies apply during the crisis.

Summarizing the previously argued facts, Finland is the second leading country in Europe in terms of KIS employment. This suggests that KIS is a promising industry in Finland, especially if one considers the actual population of the country. Furthermore, there is a need to further understand the design and the delivery of service innovation that the particular industry represents. This need can be met by focusing on the particular sector of consulting companies, since their services can be representative and quite promising for the entire industry. Hence, the design and the delivery of service innovation, along with all the dimensions and its activities, within the respective sector are captured by the concept of the business model. This means that the examination and analysis of various companies' business models will reveal the possible configurations that enable these companies to survive and overperform their competitors. So far, little has been researched in the field of knowledge intensive businesses and, particularly, in the Finnish consulting sector. Literature on the Finnish consulting sector is scarce, while there have been some researches around the topic of knowledge-intensive business services and their business models; however, nothing similar to this particular study here which aims directly at the heart of the topic.

1.2 The Research Objectives

The purpose of this research is to identify various business model configurations that Finnish consulting companies apply. This means that there is a need to understand why

some Finnish consulting companies are performing better than others. This performance, usually measured in financial terms, can be reflected in the configuration of each company's business model. Consecutively, various configurations might enable companies to survive and be sustainable during the crisis. The current paper aims at addressing the following research question:

RQ1: What types of business model configurations do Finnish business and management consulting companies apply?

Hence, a narrowly focused definition that could be extracted from the above research question and that could reflect the purpose of the research is: The main types of business models Finnish business and management consulting companies apply and the major configurations that enable each particular company to survive and be sustainable during the crisis.

The current research underpins a number of objectives. First objective is to gain a more complete and formulated understanding of the business model concept. This is because the particular concept has not yet been establishing itself within the scientific community and, thus, defies unified scientific established definitions and characteristics. Hence, a more profound comprehension of the concept will enable the further analysis of the Finnish business and management consulting sector in terms of the business models the latter encompasses. Furthermore, the second objective is to transcend from understanding the business model concept to identifying the various types of business models that exist and which ones are mostly applied by the Finnish companies within the consulting sector. The acknowledgement of the various business models will provide a more standardized background on the existence of the types of models, while it will facilitate the process of identifying which models are mainly embraced by the Finnish business and management consulting companies. The third objective of the study is to identify which of the business models applied by the Finnish business and management consulting companies are the most profitable and analyse them in terms of their configuration. This objective is mainly a supportively block to the transcendence to the final objective. This means that this third objective lays down the foundations to identifying the various configurations that enable a company to survive and be sustainable. By extend, this answers the last objective which is also and the main contribution of the study. Hence, the fourth objective is to provide a clear overview of why some business models applied by some companies are more successful than other

business models applied by other companies within the business and management consulting sector.

1.3 The research process and structure of the study

This paper adapts the linear-analytic structure (see **Figure 1**), which means that firstly an observation and, consecutively, a problem is introduced and then the review of the relevant prior literature is undergone. In continuation, all methods are described and the empirical data are presented and discussed, accordingly. Finally conclusions and implications are provided upon the existing literature, as well as upon the observations extracted from the empirical data. This particular format is applied with the highest frequency to most academic journal articles as well as to many case studies. (Sounders et al. 2009: 176.)

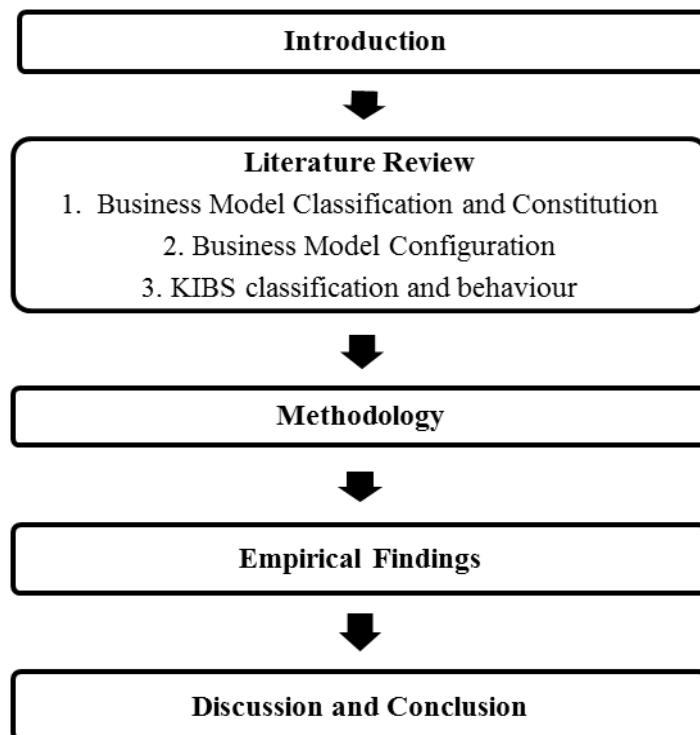


Figure 1. The structure of the study.

The overall research process encompasses three major milestones. The first one is to conduct and present a complete and comprehensive systematic review of all the past research results in the field of business model and detect the field's status quo.

Additionally, the nature of knowledge-intensive business services is to be examined so that one can identify how they function and how one can observe and interpret the different business model configurations within the respective industry. The second milestone comprises the various theoretical assumptions which were supported by the collection of primary empirical data through qualitative research methods. Finally, the third milestone is the marriage of theory with the primary research data, mainly through discussion and the eager to answer the research questions presented above.

The literature review procedure structure consists of six stages. The first stage is the systemic literature review by identifying all possible journals related to fields of general management and strategic management. The second stage is the identification of all articles that have been published within the aforementioned journals and with axis the business model concept and, then, the KIBS. The third stage addresses the reviewing of all the respective articles so to make a retrospection in the course of the concept's time and identify the most relevant and up-to-date information about the research topic. The fourth stage is the elaboration and the expansion of the existing literature of the business model classification, constitution and configuration. The fifth stage is the identification of the KIBS' nature so that business model literature can be drawn upon and within the respective industry. Finally, the sixth stage is the compilation of the findings of the recent academic works into this master thesis.

In continuation, the research methods for the empirical data collection were elected and the empirical data was accordingly collected. The primary empirical data was drawn from the Finnish consulting industry by using Orbis data system for defining a specimen of candidate companies and by using semi-structured interviews for retrieving the required information from the respective specimen. The empirical data collection is thoroughly addressed and discussed in the methodology part that follows the literature review. Finally, the compound of the empirical findings and the findings from the literature is conducted by discussion and accompanied by conclusions.

2 THEORETICAL BACKGROUND

The elaborated theoretical concepts in this research build upon a compact view on the business model, the knowledge-intensive business services and on the business model configurations within the consulting sector as part of the KIBS. Firstly it appears to be important to examine which types of business models consulting companies tend to use and, secondly how different possible business model configurations can prove beneficial or repressive for each company. Accordingly, in the following chapters, the business model concept will be examined and investigated as to its definitions, its characteristics, the different existing types and the various configurations it may embrace. To further extent, the knowledge-intensive business services will be investigated as to their nature and will be narrowed down to the consulting sector. In continuation, the various business model configurations will be linked to and researched in the consulting industry so to generate an overall image of the business model types consulting companies may use. In the **Table 1** below, there is a list of the key articles which nourish the literature review content.

Table 1. The main articles.

<i>Area of the literature review</i>	<i>Authors</i>
Business model nature (definition and/or constitution)	Timmers (1998), Hamel (2000), Linder & Cantrell (2000), Mahadevan (2000), Afuah & Tucci (2001), Alt & Zimmerman (2001), Amit & Zott (2001), Feng, Froud, Johal, Haslam & Williams (2001), Petrovic, Kittl & Teksetn (2001), Rayport & Jaworski (2001), Weil & Vitale (2001), Betz (2002), Chesbrough & Rosenbloom (2002), Dubosson-Torbay, Osterwalder & Pigneur (2002), Lechner & Hummel (2002), Magretta (2002), Van der Vorst, van Dongen, Nougier & Hilhorst (2002), Hedman & Kalling (2003), Chatterjee (2005), Flouris & Walker (2005), Gordijn & Tan (2005), Morris, Schindehutte & Allen (2005), Andries & Debackere (2006), Halme, Anttonen, Kuisma, Kontoniemi & Heino (2007), Johnson, Christensen & Kagermann (2008), Mason & Leek (2008), Patzelt, Knyphausen-Aufsess & Nikol (2008), Zott & Amit (2008), Björkdahl (2009), Shin & Park (2009), Spring & Araujo (2009), Baden-Fuller & Morgan (2010), Casadesus-Masanell & Ricart (2010), Dahan, Doh, Oetzel & Yaziji (2010), Demil & Lecocq (2010), Doz & Kosonen (2010), Itami & Nishino (2010), McGrath (2010), Sabatier, Mangematin & Rouselle (2010), Smith, Binns & Tushman (2010), Svejenova, Planellas & Vives (2010), Teece (2010), Wirtz, Schilke & Ullrich (2010), Yunus, Moingeon & Lehmann-Ortega (2010), Zott & Amit (2010), Zott, Amit & Massa (2011), Chatterjee (2013), Storbacka, Windahl, Nenonen & Salonen (2013).
KIBS and consulting firms	Miles, Kastrinos, Flanagan, Bilderbeek, den Hertog, Hutink & Bourman (1995), den Hertog (2000), Balaz (2004), Toivonen (2004, 2007), Rajala (2005), Wood (2006), Pardos, Gomez-Loscos & Rubiera-Morollon (2007),

Business model Configurations	Aslesen & Isaksen (2007) Muller & Doloreux (2007; 2009), Koch & Strotmann (2008), Strambach (2008), Amara, Landry & Doloreux (2009), Consoli & Elche-Hortelano (2010), Huggins (2011), Tuominen & Toivonen (2011), Schricke, Zenker & Stahlecker (2012).
	Viscio & Pasternack (1996), Timmers (1998), Hamel (2000), Linder et al. (2000), Mahadevan (2000), Afuah et al. (2001), Alt et al. (2001), Petrovic et al. (2001), Rayport et al. (2001), Weil et al. (2001), Betz (2002), Chesbrough et al. (2002), Dubosson-Torbay et al. (2002), Lechner et al. (2002), Magretta (2002), Van der Vorst et al. (2002), Hedman et al. (2003), Wirtz & Lihotzky (2003), Chatterjee (2005), Gordijn & Tan (2005), Morris et al. (2005), Andries et al. (2006), Halme et al. (2007), Willemstein, van der Valk & Meeus (2007), Zott & Amit (2007), Fiet & Patel (2008), Johnson et al. (2008), Mason et al. (2008), Patzelt et al. (2008), Zott et al. (2008), Björkdahl (2009), Froud, Leaver, Phillips & Williams (2009), Shin et al. (2009), Storbacka & Nenonen (2009), Baden-Fuller et al. (2010), Casadesus-Masanell et al. (2010), Dahan et al. (2010), Demil & Lecocq (2010), McGrath (2010), Sabatier et al. (2010), Smith et al. (2010), Svejenova et al. (2010), Teece (2010), Wirtz et al. (2010), Yunus et al. (2010), Zott et al. (2010), Zott et al. (2011), Chatterjee (2013), Storbacka et al. (2013).

2.1 The Business Model

The business model is a salient issue that has been drawing substantial attention from both scholars and practitioners all around the globe (Zott, Amit & Massa 2011). This attention is mainly triggered by various stimuli which are corollary of different recent developments and advancements. In particular, the aforementioned stimuli may mostly derive from technological progresses, competitive changes, governmental alterations (Wirtz, Schilke & Ullrich 2010), deregulations and/or the globalization (Casadesus-Masanell et al. 2010). However, the business model concept today is mainly associated with the ICT progress. This is the rapid and intensive advances in information and communication technologies, including the Internet, that have been first introducing the need for further research and modifications on the existing business model knowledge and theory (Zott & Amit 2008; Demil and Lecocq 2010; Zott et al. 2011; Wirtz et al. 2010). In other words, the technological advancements, and particularly the Internet, have been setting the business model concept to the forefront of the academic agenda. Yet, this does not nullify the contribution of the other previously-stated stimuli to the gradual emergence of the respective concept. Consecutively, the business model concept itself calls for further investigation, clarification and comprehension so that it acquires its own unique academic position within the established theoretical literature.

The need for further and more profound understanding of the business model concept is justified by the lack of a universally authorized and established academic definition. So far, there is a unanimous academic voice that expresses the universal inexistence of an established representative definition of the business model concept. Numerous researchers report the scarcity of a commonly developed and widely accepted business model language and literature. Amit et al. (2001), Markides (2008), Baden-Fuller and Morgan (2010), Teece (2010), Zott et al. (2011) are only some of the encountered researchers and scholars to have acknowledged the respective scarcity. For this reason, there is great ubiquity around the term and a plethora of uses for every distinct situation (Baden-Fuller et al. 2010). As Short, Payne and Ketchen (2008) indicate, different authors define a given term in various possible ways. Eventually, a brief retrospect in the evolution of the concept may shade some light on the status-quo of the term and provide a clearer picture.

2.2 The Business Model Evolution

It is argued that the business model term was used for the first time as an economic term in a public speech in the early 70s (Ghaziani and Ventresca 2005). Although the business model concept cannot be tracked with strict precision in time, its practical prominence is literally dated back to the end of the 20th century, namely, in the middle 90s (Ghaziani et al. 2005; Demil et al. 2010; Zott et al. 2011). This is when authors started to suggest business model definitions and to taxonomize them upon various criteria (Osterwalder, Pigneur and Tucci 2005). Respectively, this is also how the business model concept started to evolve. Osterwalder et al. (2005) acknowledge five different phases as to the historic evolution of the business model concept. These are: the definitions and taxonomies phase, the business model components phase, the business model elements phase, the modelling of the elements phase and the business model application phase. In particular, the first phase comprises the business model definition and its classifications, the second and the third phases address the components of the business model and the various elements which compile it, and the fourth and fifth phases mostly refer to the conceptual modelling of the business model and its application in real life. (Osterwalder et al. 2005.)

Taking a more profound insight, one will observe that the five phases encapsulate three terms which are directly related to the business model literature. These terms are: definition, components and configuration. According to Klang, Wallnöfer and Hacklin

(2014), these three terms form the three syntactical perspectives of the business model concept. More specifically, the aforesaid authors attempted to assemble and review the entire business model literature and give insights of the already existing theoretical background, as well as to comprehend the implications for future development. In this attempt, the authors examined the business model through three syntactical perspectives: the classification, the components and the configuration. (Klang et al. 2014.) Upon this examination, Klang et al. (2014) assembled all business model authors and listed them in a table, indicating each author's contribution to the business model literature. In the Table 2 **Table 2** is presented the collective work of Klang et al. (2014) with all business model authors and their contribution to the respective literature. Additionally, the table is expanded as to the methodology column and the results column, where the methodology each author has used is indicated and the results of his work are presented accordingly.

Table 2. Selected business model authors and their contribution in chronological arrangement. (adapted and developed from Klang et al. 2014).

<i>Authors</i>	<i>Definitio n</i>	<i>Constitu tion</i>	<i>Configura tion</i>	<i>Methodolog y</i>	<i>Results</i>
Viscio & Pasternack (1996)		x	x	Qualitative (Conceptual study)	The authors identify five business model components: the global core, the governance, the linkages, the business units and the services. Furthermore, they stress that the business model should generate system value in addition to the value from the individual parts, while the firm should focus more on knowledge and people.
Timmers (1998)	x	x	x	Qualitative (Multiple case study)	The author portrays the business model as a description of an architecture for the product, service, and information flows, as well as defines it as the potential benefits for the business actors and the sources of revenues. Additionally, the author develops a systematic approach for diagnosing business model architectures upon the value chain reconstruction. This way, he acknowledges ten types of business models for electronic markets.
Hamel (2000)		x	x	Qualitative (Case studies)	The author examines the business concept and parallels it to the business model, suggesting that the latter is a business concept itself. He identifies four business model components: core

					strategy, strategic resources, customer interface and value network. He expands each component to subcomponents, while he argues that the four major components are linked together by the customer benefits, the configuration and the company boundaries. Finally, the author acknowledges that configuration refers to the linkages between competencies, assets and processes.
Linder & Cantrell (2000)		x	x	Qualitative	The authors acknowledge the business model as the organization's core logic for creating value. Additionally, they suggest seven business model components: pricing model, revenue model, channel model, commerce process model, internet-enabled commerce relationship, organizational form, and value proposition. Finally, they identify four business model types: realization model, renewal model, extension model and journey model.
Mahadevan (2000)		x	x	Qualitative (Conceptual study)	The author defines the business model based on its three components: value stream, revenue stream, and logistical streams. He, additionally, suggests that there two factors that affect the right choice of the business model: the role in the market structure and the physical attributes of the goods traded.
Afuah & Tucci (2001)	x	x	x	Qualitative	The authors define the business model as the method by which a firm builds and uses its resources to offer its customers better value than its competitors and to make money doing so. They also see it as a system, whose components play as important role as the linkages between the components. They identify eight business model components: customer value, scope, price, revenue sources, connected activities, capabilities, implementation and sustainability. Finally, they identify ten business model types: brokerage, advertising, infomediary, merchant, manufacturer, affiliate, community, subscription, utility and rationale.
Alt & Zimmerman		x	x	Qualitative (Literature)	The authors identify six business model generic elements: mission, structure, processes, revenues, legal issues, and

(2001)				Review)	technology. Additionally, they suggest that all elements along with their dynamics should be considered when designing a business model.
Amit & Zott (2001)	x	x		Qualitative (Literature Review and Questionnaire)	The authors identify the business model as a unit of analysis on how e-Business firms manage to create wealth. To a further extent, they define the business model as a depiction of the content, the structure, and the governance of transactions so that firms can actually create value, mainly through the exploitation of business opportunities.
Feng, Froud, Johal, Haslam & Williams (2001)	x			Qualitative (Conceptual study)	The authors define the business model as management plans for cost recovery and sources of funding, including also the capital market. Additionally, they acknowledge the business model as the act of identifying the relation between innovation and cost recovery in the present-day capitalism.
Petrovic, Kittl, & Teksten (2001)	x	x	x	Qualitative (Conceptual study)	The authors define the business model as a description of how a firm makes money and how it can sustain itself by providing more value to its clients than to its competitors. Additionally, they identify and list seven business model modules: the value model, the resource model, the production model, the customer relations model, the revenue model, the capital model, and the market model. Finally, they suggest that the business model logic is based upon a complex mental model, which requires that one alters the mental representation of the real world so that the business model itself change.
Rayport & Jaworski (2001)	x	x	x	Qualitative (Conceptual study)	The authors identify four business model components: value proposition or value cluster for targeted groups, marketplace offering, unique and defensible resource system, and a financial model. Finally, the authors acknowledge four types of business models: the Porter's generic strategy model, the Sawhney and Kaplan model, the Rayport, Jaworski and Siegal model, and the Schwab's business model.

Weil & Vitale (2001)	x	x	x	Qualitative (Conceptual study)	The authors visualize the business model as a description of the roles and relationships among firm's consumers, customers, allies, and suppliers that identifies the major flows of product, information, and money, and the major benefits to participants. To further extent, the authors suggest eight atomic business models that can be merged to generate new e-business models.
Betz (2002)	x	x	x	Qualitative (Conceptual study)	The author defines the business model as an abstraction of a business and examines the profitability of the respective business. Additionally, he identifies four operational issues: resources, sales, profit, and capital upon which he suggest six generic business models that can be used in strategy formulation.
Chesbrough & Rosenbloom (2002)	x	x	x	Qualitative (Multiple case studies)	The authors describe the business model as building a heuristic logic that connects technical potential with the realization of economic value. To further extend, they acknowledge seven business model components: value proposition, market segment, revenue generation mechanism, value chain structure, cost structure, position, and competitive strategy. Finally, the authors outline and build the business model construct based on the concept of strategy.
Dubosson- Torbay, Osterwalder & Pigneur (2002)		x	x	Qualitative (Comparative study of two cases)	The authors acknowledge four business model components: <i>product innovation</i> which encompasses the value proposition the target and the capabilities, <i>customer relationship</i> which comprises the get-a-feel, the customer and the branding, <i>infrastructure management</i> which includes the resources and the assets, the activities and the processes, and the partner network, and finally, <i>financial aspects</i> such as revenue and cost profit. The authors construct a business model framework based on the above components.

Lechner & Hummel (2002)		x	x	Qualitative (Conceptual study)	The authors characterize the business model as a composition of different combinations of value chain elements of an entire industry. Additionally, they suggest a virtual community upon which they construct a socioeconomic business model. A significant emphasis has been given on the value chains of different cases, while the position of the intermediary, the service, or the industry weakens considerably as consumers gradually take control of the respective value chain.
Magretta (2002)	x	x	x	Qualitative (Conceptual study)	The author suggests new business models as a variation on the generic value chain and answers four questions: Who is the customer? What does the customer value? How to make money? What is the underlying economic logic?
Van der Vorst, van Dongen, Nouguier & Hilhorst (2002)		x	x	Qualitative (Literature Review and Multiple case study)	The authors acknowledge six business model components: value proposition, roles including the context and content provider as well as the commerce service customer, processes, functionalities, applications and characteristics such as what types of cooperation there are, the value integration, the economic control and the network effect. Finally, the authors identify four business model types for e-businesses.
Hedman & Kalling (2003)	x	x	x	Qualitative (Conceptual study)	The authors suggest eight business model components: customers, competitors, offering, activities and organization, resources, supply of factor and production inputs, and longitudinal process components. They propose a business model based on Information Systems and suggest a configuration that gives emphasis on the resources the customers and the offering. Additionally, they discuss the relation of the business model concept to similar models like Porter's causality model and Norman's business idea concept.

Wirtz & Lihotzky (2003)			x	Qualitative (Conceptual study)	The authors identify four types of business models: content, commerce context and connection, while they introduce seven retention strategies that can be combined with the business models. Finally, the authors acknowledge that the internet business models differ significantly in their value propositions and, hence, in their revenue sources.
Chatterjee (2005)	x	x	x	Qualitative (Conceptual Study)	The author acknowledges that capabilities, meaning resources and activities, are the main components of a business model. Additionally, he suggests that a firm should focus on outcomes and through the core objectives evaluate its current business model and recreate a new one.
Flouris & Walker (2005)	x			Qualitative (Comparative study of three cases)	The authors define the business model as the creator of a simplified description of a profit-oriented enterprise. In particular, they describe key characteristics of business models in the low-cost airline industry.
Gordijn & Tan (2005)		x	x	Qualitative (Case study)	The authors acknowledge the following as business model elements: dependency element, connection element stimulus element, AND and OR connection elements, and value interface revisited. suggest that there are many perspectives to observe e+business models. However, they focus onto to of these persepectives: the value models and the trust models.
Morris, Schindehutte & Allen (2005)	x	x	x	Qualitative (Literature Review and Conceptual study)	The authors characterize the business model as a concise representation of how a set of interrelated decision variables are addressed to create sustainable competitive advantage in defined markets. Additionally, they introduce a generic business model framework that serves managerial purposes and which unfolds on three levels: foundation level, proprietary level, and rules level.
Andries & Debackere (2006)	x	x	x	Qualitative (Conceptual study)	The authors define the business model as a construct that mediates the value creation process, by selecting and filtering technologies and ideas and assorting them into particular configurations that can be offered to a

					selected target market. Great emphasis is given on the firm's resources for a successful business model adaptation.
Halme Anttonen, Kuisma, Kontoniemi & Heino (2007)		x	x	Qualitative (Case studies)	The authors identify four business model components: customer benefit, competitive advantage, capabilities/competencies and finance arrangements/income flows. To further extent, they delineate four operative business model prototypes for eco-efficient services. These are: the MASCO model, the material efficiency as additional service model and the material flow management service model.
Willemstein, van der Valk & Meeus (2007)			x	Qualitative (Survey)	The authors examined 74 biotechnology firms in Netherlands and identified six types of business models: service, platform, product, hybrid: service/platform, hybrid: service/product, hybrid: platform/product and service/platform/product.
Zott & Amit (2007)			x	Qualitative (Hypothesis testing)	The authors attempt to link the design and configuration of the business model to the performance of entrepreneurial firms. Additionally, they suggest two business model design themes: the novelty-centered which addresses new ways of conducting economic exchanges and the efficiency-centered which addresses the transaction efficiency.
Fiet & Patel (2008)			x	Qualitative (Conceptual study)	The authors develop the concept of forgiving business models for new ventures based on interaction costs and outside options. The FBM conceptualizes that a resource provider accepts risks without being compensated for them, unlike in efficient capital markets. Additionally, they present four different combinations of increasing and decreasing, proportionally and-or disproportionately interaction costs and outside options.
Johnson, Christensen & Kagermann		x	x	Qualitative (Multiple case study)	The authors suggest four business model components: customer value proposition, profit formula, key

(2008)					resources, and key processes. According to the need of the present-day in the business life, a respective business model configuration will evolve. They identify five needs: out-of-the-market-customers' needs through innovation, capitalize on a brand-new technology, job-to-be-done focus, fend off low-end disrupters and response to a shifting basis of competition.
Mason & Leek (2008)		x	x	Qualitative (Single case study)	The authors acknowledge the business model as an example of inter-firm knowledge transfer. So, the organizations should focus on the types of knowledge transferred through the business model. Additionally, they consider the business model as preconceived organizational and network structures built through the development of interdependent operational and administrative routines that evolve through problem solving activities. In other words, they identify structures, routines and problem solving activities as business model parts.
Patzelt, Knyphausen-Aufsess & Nikol (2008)	x		x	Qualitative	The authors define the business model as how firms manage their transactions with other organizations such as customers, partners, investors and suppliers and, therefore, constitutes to the organizations' architecture for the product, service, and information flows. At this level, they examine how certain experience of management team members can influence the performance of a firm in the biotechnology industry.
Zott & Amit (2008)	x	x	x	Qualitative (Hypothesis testing)	The authors consider the business model as a new contingency factor that captures the structure of a firm's boundary and spanning exchanges. They define it as a structural template of how a focal firm transacts with customers, partners, and vendors and how it captures the pattern of the firm's boundary spanning connections with factor and product markets. Additionally, they focus on two design themes: the novelty-centered and the efficiency-centered business model. Finally, the authors dissociate the

					business model from the product market strategy and argue that the two concepts are complements and not substitutes.
Björkdahl (2009)	x	x	x	Qualitative (Multiple case study)	The author defines the business model as the logic and the activities that create and appropriate economic value, while he identifies the link between them. Additionally, he acknowledges six business model components: customer value, customer segment, offering, revenue model, sourcing, and distribution/selling. Finally, he presents in the various cases how changes in these components generate new business models and affect the company's profitability.
Froud, Leaver, Phillips & Williams (2009)			x	Qualitative (Single case study)	The authors identify the business model as a relation of sources of revenue and controllable costs to socio-cultural constraints established by stakeholders. They reflect the public sector business model concept, while they stress as an important component the various regulations, as well as the financial viability and the stakeholders' credibility.
Shin & Park (2009)		x	x	Qualitative (Single case study)	The authors develop a systematic model consisted of variants, for the e-business modelling. The authors identify two core business model components: the business process and the customer value. Finally, they provide clear guidelines on which method to choose for an appropriate e-business modelling.
Spring & Araujo (2009)		x		Qualitative	The authors discuss the relationship between the business model and operations management. They identify capabilities and profitable offering as main triggers for the business model concept, while they analyse four areas of the business model framework: network structure, carrying out transactions, revenue models and incentives, and providers' and customers' capabilities.
Storbacka & Nenonen (2009)			x	Qualitative (Conceptual study)	The authors conceive the business model as a configuration of inter-related capabilities, while they stress its configurational fit as underlying rationale. To further extent, they develop

					<p>a dyadic value co-creation relationship-performance model, which addresses the interaction between the firm and the customer. Finally, they acknowledge that the ability to create internal fit between the elements of a business model is required so to manage effectively business models.</p>
Baden-Fuller & Morgan (2010)	x		x	Qualitative (Literature review and conceptual study)	<p>The authors argue that business models as models challenge the idea and ideal of any single, or fixed, taxonomy or typology of business models. They acknowledge that business model works as a recipe, with a variety of ingredients, such as resources, capabilities, products, customers, technologies, markets and so forth, but it is also upon the cook, how the recipe will succeed. Hence, the mix of the organization and the integration will generate and the respective configuration.</p>
Casadesus-Masanell & Ricart (2010)	x	x	x	Qualitative (Conceptual Study)	<p>The authors distinct and clarify the difference among business model, strategy and tactics. They define business model as the logic of the firm, the way it operates and how it creates value for its Stakeholders. They identify two business model components: the managerial choices, which include policies, assets and governance structures, and the consequences of the choices, which are the business model itself. Thus, the authors do not want to specify particular parts for the business model following the steps of other authors, rather than present the consequences as variable parts of the business model.</p>
Dahan, Doh, Oetzel & Yaziji (2010)		x	x	Qualitative (Conceptual study)	<p>The authors argue that the business model can be visualized as generator of social value, while the economic value created can reinforce itself and the social value as well. Additionally, they introduce cross-sector collaborations, meaning alliances, in the business model concept. Finally, the authors identify four imperatives in former business model conceptualizations: combinative capabilities, organizational fit and culture, support to local business environments, and comprehension of the</p>

					local environment.
Demil & Lecocq (2010)		x	x	Qualitative (Literature review and conceptual study)	The authors explain the business model concept upon the Penrosian approach which addresses on the hand the physical and human resources and, on the other hand, the managerial capabilities. Thus, they identify three business model components: resources and competences, organizational structure, and propositions for value delivery. They develop the RCOV framework which stands for resource, competences, organization and value propositions. The model suggests that entrepreneurs and managers have to consider jointly questions of accumulated and combined resources, of organization and of value offered, while the dynamics come from between and within the business model components.
Doz & Kosonen (2010)	x	x		Qualitative (Conceptual study)	The authors define the business model as a set of structured and interdependent operational relationships between a firm and: its customers, suppliers, complementors, partners, and other stakeholders, while also it also addresses the relationship among its internal units and departments. They mainly focus on the stakeholders and on some units of the firm for restructuring the business model.
Itami & Nishino (2010)		x		Qualitative (Conceptual study)	The authors identify two major business model components: the business system and the profit model. They acknowledge that three things should be considered in the business model design: the division of labor between the firm and its trading partners, how to organize the in-house working system, and how to control the trading partners' activities.
McGrath (2010)	x	x	x	Qualitative (Conceptual study)	The author acknowledges two business model components: the basic unit of the business, meaning what customers pay, and the process or operational advantages, meaning the choices of process steps, especially these sets of activities that are employed to sell the basic units of the business. Additionally, he discusses how the business model

					<p>concept offers new ideas for strategy formulation and discovery driven strategic thinking. This is to experiment with business units and create business models before the actual investment is made. Finally, he suggests that experimentation is a key solution to the business model creation, by not just having the appropriate resources but also capitalizing on them.</p>
<p>Sabatier, Mangematin & Rouselle (2010)</p>	x	x	x	<p>Qualitative (Multiple case study)</p>	<p>The authors embrace the following definition: business model portrays business characteristics and its activities in a remarkably shorthand and concise way, in a way that matches the generic level that defines a kind or type of behavior, neither too general, nor to particular in its details. Additionally, they identify four business model elements: level of promise, resources, activities, value chain and profits. Furthermore, they identify four business model types from the European biotech: the virtual, the repurposing, the technology brokering, the technology platform and the contract manufacturing. Finally, the authors define the business model portfolio as the firm's strategy of balancing levels of promise and of interdependence with other actors across multiple activities, while it conceptualizes firm diversification within the same industry to generate and capture rents.</p>
<p>Smith, Binns & Tushman (2010)</p>	x		x	<p>Qualitative (Multiple case study)</p>	<p>The authors define business model as the design by which an organization converts a given set of strategic choices, such as markets, customers, value propositions, into value and uses a particular organizational architecture of people, competencies, processes, culture and measurement systems, in order to create and capture this value. Additionally, they identify three organizations that represent a complex business model and support paradoxical strategies: ambidextrous organizations, social enterprises and learning organizations. Finally, the authors stress the importance of the leadership group as to its functions, structures and decision patterns for paradoxical</p>

					strategies to be successfully implemented.
Svejenova, Planellas & Vives (2010)		x	x	Qualitative (Longitudinal inductive case study)	<p>The authors define business model as sets of activities, organizing, and strategic resources that individuals employ to pursue their interests and motivations, and to create and capture value in the process. Additionally, they identify two kinds of transformation mechanisms that lead to individual business model innovation: change mechanisms and value mechanisms.</p> <p>Finally, the authors capture the individual business model framework upon the following pillars: triggers of dynamics, changes in business model activities, organizing and strategic resources, and value captures changes.</p>
Teece (2010)	x	x	x	Qualitative (Conceptual study)	<p>The author identifies the business model as a conceptual, rather than financial, model of a business which demonstrates how a business creates and delivers value to customers, while it also outlines the architecture of revenues, costs and profits associated with the business enterprise delivering that value. He identifies five business model elements: embedded technologies in the product/service, customer benefits, market segments, revenue streams and value mechanisms. Finally, the author acknowledges various business models from different industries.</p>
Wirtz, Schilke & Ullrich (2010)		x	x	Qualitative (Multiple case study)	<p>The authors define business model as the reflection of the operational and output system of the company, which portrays how the firm functions and creates value. Additionally, they acknowledge five domains as business model components: sourcing, value generation, value offering, distribution and revenue. Finally, they suggest the 4-C business model typology (Wirtz 2003), meaning: the content, commerce, context and connection business model types, while they try to incorporate them in the Web 2.0 business environment.</p>
Yunus, Moingeon & Lehmann-		x	x	Qualitative (Multiple case	The authors suggest three business model components: value proposition, value constellation and a positive profit

Ortega (2010)				study)	equation. Additionally, they define business model innovation as the generation of new sources of profit by finding novel value proposition/ value constellation combinations. Finally, they develop a business model framework upon four basic pillars: social profit equation, value proposition, value constellation and economic profit equation.
Zott & Amit (2010)	x	x	x	Qualitative (Conceptual study)	The authors identify the business model as a system of interdependent activities that transcends the focal firm and spans its boundaries. They establish two parameters of activity systems in order to portray the sources of the activity system's value creation. The first parameter is the design elements, meaning the transaction content, the structure and the governance, and the other parameter is the design themes which encompass the novelty, the efficiency, the complementarities and the lock-in.
Casadesus-Masanell & Ricart (2011)	x	x	x	Qualitative (Conceptual study)	The author defines the business model as a set of managerial choices and the consequences of these choices. In addition, he identifies three kinds of choices as business model elements: the policy choices, the asset choices and the governance choices. Furthermore, there are two consequences: the flexible and the rigid. Finally, the author acknowledges three business model configurations: models that create virtuous cycles, models that weaken competitor's cycles and models that turn competitors into complement. To further extent, the author weans strategy from business model and explains that strategy is the contingent plan about which business model to use. identifies strategy as building block. The success or failure of a company's business model depends largely on how it interacts with models of other players in the industry. Good business models create virtuous cycles that over time result in competitive advantage.

Eyring (2011)		x	x	Qualitative (Multiple case-study)	<p>The author focuses on the emerging markets and calls for all businesses to consider the middle-market customers, meaning those who still strive for satisfying their basic needs. However, the author suggests simple and generic business configurations. In particular, Eyring suggests four business model elements: customer value proposition, profit formula, key resources ad key activities. Further, the authors suggests two business model configurations; the business model which competes on differentiation and the business model which competes on price.</p>
Govindarajan & Trimble (2011)		x	x	Qualitative (Multiple-case study)	<p>The author suggests a matrix business model which focuses on time and elements. In particular, the matrix has three columns which represent the present, the past and the future, accordingly. The three rows represent the three main dimensions which encounter different elements each. The first dimension is the strategy making which comprises the customer needs, the differentiation from the rivals and the profit maximization. The second dimension is the accountability which claims that companies should develop mechanisms that hold individuals accountable for results and that anyone who delivers on time, on budget and on spec should be rewards with raises and promotions. The third dimension is the organizational design which claims that companies should optimize a collaborative way of working among individuals through job specifications, organizational designs and work processes.</p>
Zott, Amit & Massa (2011)	x	x	x	Qualitative (Literature Review)	<p>The authors identify all the attributes and definitions that have been given to the business model in the course of time. Additionally, they identify different business model typologies that have been argued at times in the respective literature. Furthermore, they list the various business model components that have been suggested in the course of the business model literature. To further extent, the authors discuss the relation of the business model to the firm's</p>

					<p>performance. They also compare and contrast the different approaches to business models in the three following literature streams: e-Commerce, Strategy, and Technology and Innovation management. Finally, they provide the future direction of the business model literature is: the business model can be seen as a new unit of analysis, as a system-level concept, centered on activities, and focusing on value.</p>
Chatterjee (2013)	x	x	x	Qualitative (Literature Review)	<p>The author defines the business model as a configuration -activity systems- of what the business does (activities) and what it invests in (resources) based on the logic that drives the profits for a specific business. In addition, the author suggests that business models almost always have elements of both Porter's driven-by-efficiency and driven-by-perceived-value business models. Finally, the author acknowledges five business model configurations: the efficiency-based, the perceived-value-based, the network value and the network efficiency which shows two variations.</p>
Storbacka, Windahl, Nenonen & Salonen (2013)	x	x	x	Qualitative (Literature Review)	<p>The authors suggest that the two most used definitions of a business model are the value creation to the customers and the captured value to the firm. In addition, the authors identify four business model elements: the customers, the offerings, the operations and the organization. Finally, the authors identify four business model configurations: the customer embeddedness, the offering integratedness, the operational adaptiveness, and the organizational networkedness.</p>
Girotra & Netessine (2014)	x	x	x	Qualitative (Multiple case study)	<p>The authors define business model as a set of key decisions that collectively determine how a business earns its revenue, incurs its costs and manages its risks. As basic business model elements they acknowledge: offering, revenue, costs and risks. Successful changes to the offering, the time of the decisions, the person who makes these decisions and the reasons for doing so, provide the</p>

					successful configuration of the revenues, cost and risks elements. They also identify three business model configurations: the narrowly-focused, the commonality and the hedged portfolio.
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Nevertheless, the third phase has proven to be the most influential. This is because the respective phase incorporates a detailed description of the business model components and, to a further extent addresses them as building blocks (Osterwalder et al. 2005). Only some years later, Osterwalder and Pigneur (2010) published their book with the title “Business Model Generation”, where they parcelled business model into nine building blocks. This book has been the actual birth of the Business Model Canvas; one of the currently most popular frameworks for exploring the business model concept (van Limburg, van Gemert-Pijnen, Nijland, Ossebaard, Hendrix & Seydel 2011; Meertens, Jacob, Nieuwenhuis, van Sinderen, Jonkers & Quartel 2012).

2.3 Definition of the Business Model

As presented in the previous subchapter, the definition of the business model forms the first phase of the business model concept evolution. Throughout the entire evolution process, many authors and scholars have repeatedly acknowledged that a concrete widely-accepted academic business model definition is absent from the established academic literature. Mainly in accordance to and driven by such observation, Zott et al. (2011) captured the need to review and aggregate the broad and multifaceted concept of the business model literature into an article. In particular, the authors assembled a great number of articles where business model was conceptualized and defined, and narrowed the sample down to 103 articles. From these articles, the authors extracted the various perspectives through which business model has been approached and defined in time. This means that the various definitions that have been attributed to the business model concept throughout time are almost collectively presented in the work of Zott et al. (2011). Nevertheless, throughout the extended literature review for this master thesis, a couple of more perspectives have been detected and added on the aforesaid work of Zott et al. (2011). Hence, for practical reasons, the work of Zott et al. (2011) is first presented and upon that the literature review is expanded.

Zott et al. (2011) acknowledge that the business model has been mentioned as a statement, a description, a representation, an architecture, a conceptual tool or model, a

structural template, a method, a framework, a pattern and a set. These characterizations derive directly from the various definitions Zott et al. (2011) have collected and listed in the **Table 3** below, which is adapted accordingly from the authors' article.

Table 3. Selected business model definitions. (adapted from Zott et al. 2011: 1024).

<i>Author(s) (Year)</i>	<i>Definition</i>
Timmers (1998)	The business model is “an architecture of the product, service and information flows, including a description of the various business actors and their roles; a description of the potential benefits for the various business actors; a description of the sources of revenues” (p. 2).
Amit & Zott, 2001; Zott & Amit, 2010	The business model depicts “the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities” (2001: 511). Based on the fact that transactions connect activities, the authors further evolved this definition to conceptualize a firm’s business model as “a system of interdependent activities that transcends the focal firm and spans its boundaries” (2010: 216).
Chesbrough & Rosenbloom, 2002	The business model is “the heuristic logic that connects technical potential with the realization of economic value” (p. 529).
Magretta, 2002	Business models are “stories that explain how enterprises work. A good business model answers Peter Drucker’s age old questions: Who is the customer? And what does the customer value? It also answers the fundamental questions every manager must ask: How do we make money in this business? What is the underlying economic logic that explains how we can deliver value to customers at an appropriate cost?” (p. 4).
Morris, Schindehutte & Allen, 2005	A business model is a “concise representation of how an interrelated set of decision variables in the areas of venture strategy, architecture, and economics are addressed to create sustainable competitive advantage in defined markets” (p. 727). It has six fundamental components: Value proposition, customer, internal processes/competencies, external positioning, economic model, and personal/investor factors.
Johnson, Christensen, & Kagermann, 2008	Business models “consist of four interlocking elements that, taken together, create and deliver value” (p. 52). These are customer value proposition, profit formula, key resources, and key processes.
Casadesus-Masanell & Ricart, 2010	“A business model is . . . a <i>reflection</i> of the firm’s <i>realized</i> strategy” (p. 195).
Teece, 2010	“A business model articulates the logic, the data and other evidence that support a value proposition for the customer, and a viable structure of revenues and costs for the enterprise delivering that value” (p. 179).

Nevertheless, the scrutinized literature review revealed some more characterizations that have been attributed to the business model by some other scholars in an attempt to define it. In this sense, business model has also been conceived as a construct (Andries

& Debackere 2006), a contingency factor (Zott et al. 2008), a generator (Dahan, Doh, Oetzel & Yaziji 2010), a system (Zott et al. 2010) and a configuration, meaning activity systems (Chatterjee 2013). In **Table 4** below, the respective definitions are presented.

Table 4. Extended list of business model definitions.

<i>Author(s) (Year)</i>	<i>Definition</i>
Andries & Debackere (2006)	Business model is a construct that mediates the value creation process, by selecting and filtering technologies and ideas, and packaging them into particular configurations to be offered to a chosen target market.
Zott & Amit (2008)	The business model is seen as a new contingency factor that captures the structure of a firm's boundary spanning exchanges.
Zott & Amit (2010)	The business model is conceptualized as a system of interdependent activities that transcends the focal firm and spans its boundaries.
Dahan, Doh, Oetzel & Yaziji (2010)	Business models can be viewed as generators of social value, and that economic value creation can be mutually reinforcing.
Chatterjee (2013)	A business model is a configuration (activity systems) of what the business does (activities) and what it invests in (resources) based on the logic that drives the profits for a specific business.

Although many definitions have been attributed to the respective concept in an attempt to capture and cover its wide spectrum of attributes, still inconsistencies, overlapping and/or contradicting approaches widen the gap within the existing literature (Klang et al. 2014). Nevertheless, each definition aspires to assemble the essential information of a concept in a few lines. In addition, some of the information within the various definitions will be contradictory, overlapping or irrelevant. Hence, some of the definitions with similar information will be categorized together while with contradicting information will be adding more categories to the overall sample of classification. This means that all definitions can be classified based on the information they comprise.

Respectively, Zott et al. (2011) in their research suggest three collocations for the business model conceptualization and scope in the overall literature. These are the e-business and the use of IT in organizations, various strategic issues and finally, innovation and technology management. Indeed, from the afore-presented table of definitions, one can observe that all definitions address one or more of the suggested categories. Nevertheless, Amit et al. (2001) claim no mutual exclusivity among the respective categories. On the contrary, the authors specify that these categories only allow the easy classification of the various definitions. Thus, according to the authors,

the business model has been adopted in order to flesh the explanation of the three above phenomena, meaning the e-business existence and the use of IT in organizations, the various strategic issues, such as value creation, competitive advantage and firm performance, and the innovation and technology management. (Zott et al. 2011.)

Returning to the historical phase where the business model components were examined in detail and baptized into building blocks, one would observe that the respective blocks serve to explain mostly strategic issues. In the case of Osterwalder et al. (2010), the authors defined business model as:

“...the rationale of how an organization creates delivers and captures value.”

Hence, the Business Model Canvas seeks to serve certain strategic issues and among them value too. To a further extent, the BMC aspires to present the logic with which the company intends to make money (Osterwalder et al. 2010). Respectively, the business model has been conceived as a means to express the lucrative intention of a company by other authors too (Amit et al. 2001; Betz 2002; Flouris & Walker 2005; Froud, Leaver, Phillips & Williams 2009). This is to create profitably money and accordingly wealth. Since the BMC is one of the most common used frameworks, the following subchapter will unfold the various components of the business model that lead the company to create the aforementioned wealth and, additionally, will focus on the nine building blocks that are suggested in Osterwalder et al.'s (2010) book.

2.4 Business Model Constitution

As it was argued in the previous subchapters, the business model constitution incorporates the various elements and components that can compile the business model. According to Klang et al. (2014), about 41 authors have contributed to the constitution part of the business model concept. Nevertheless, equal contribution of great importance is that of Osterwalder et al. (2010), despite the fact that they are not included in the **Table 3**. Some other of the most influential authors on the business model constitution are Hammel (2000), Mahadevan (2000), Hedman and Kalling (2003), Linder and Cantrell (2000), Alt and Zimmerman (2001), Applegate (2001), Chesbrough and Rosenbloom (2002), Dubosson-Torbay, Osterwalder & Pigneur (2002), Magretta (2002), van der Vorst, van Dongen, Nougier & Hilhorst (2002), Johnson, Christensen & Kagermann (2008), Bjorkdahl(2009), Shin and Park (2009). These authors' work has

formed the base upon which Osterwalder et al. (2010) have ended up with the creation of the BMC. This is because each of the aforesaid authors has identified and conceptualized, sometimes the same and others partially or totally different, the building blocks. Klang et al. (2014) acknowledged three prevalent themes based on which business model constituents can be classified. The first theme is the internal artefacts, which primarily comprise everything around the internal environment of the company and without directly affecting the company's relationships with its external stakeholders. The second theme is the relational mechanisms, which do affect the company's relationship with its external stakeholders. The third theme is the external stakeholders, which are allocated at the extended environment of the company, meaning outside the firm's boundaries. (Klang et al. 2014.)

Nevertheless, one can observe that Klang et al.'s (2014) classification of the constituents is quite compressed and the yielded results do not present the sincere picture of the business model background. This is because costs and value, for instance, are quite difficult to be classified under one of the suggested categories. Each constituent bears an individual logic and has an idiosyncratic but essential contribution to the functionality of the BMC. Additionally, the BMC has been paralleled to a human brain with two sides; the emotional and the logical. The emotional is interpreted as the value and the logical as the efficiency. (Osterwalder et al. 2010: 48-49.) Therefore, Klang et al.'s (2014) classification could be better understood by reformulating the categories and adding these two brain sides, meaning the category of the financial dimension and that of the actual value. One should not forget that, so far, any attempt of business model element classification into themes is only a personal reflection and one perspective of how constituents could be categorized. For this reason, this master thesis does not suggest one better or best way of constituents classification, but rather reflects a personal opinion of how business model elements could be collocated upon the Business model Canvas building blocks that Osterwalder et al. (2010) suggested. Therefore, the following paragraphs will present the nine building blocks and the possible categories into which they can be collocated, while a quick retrospect in the constituent literature will be carried out. This means that different authors who have suggested possible business model constituents will be acknowledged and their suggested elements will be assigned to the potential identified categories.

In particular, Osterwalder et al. (2010) suggested that the business model can be parceled into nine building blocks. These are: the customer segments, the value propositions, the channels, the customer relationships, the revenue streams, the key

resources, the key activities, the key partnerships, and the cost structure. All these nine blocks together form the Business Model Canvas, as visualized in **Figure 2**. (Osterwalder et al. 2010.)

The Business Model Canvas

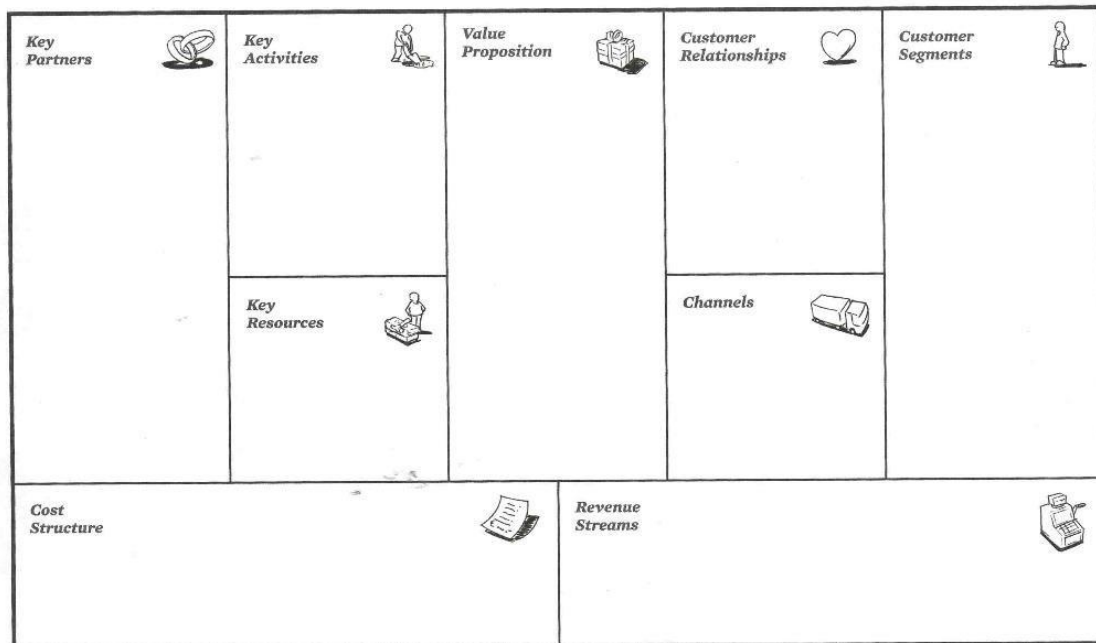


Figure 2. The Business Model Canvas. (adapted from Osterwalder et al. 2010: 44).

If one observes and examines more carefully the aforementioned building blocks, one can extract the following basic generic categories: the financial, the value, the stake holders, the internal artefact and the marketing categories. The financial category refers to the building blocks that are directly linked to the financial operation of the firm. In particular, the cost structure and the revenue streams are the two building blocks that are directly related to the financial aspects of the firm. Osterwalder et al. (2010) claim that the Revenue Streams building block represents the cash a company generates from each Customer Segment. Additionally, the authors suggest that there are two types of Revenue Streams; the transaction revenues which result from one-time customer payment, and the recurring revenues which result from ongoing payments to either deliver a Value Proposition to customers or provide post-purchase customer support. On the other hand, the Cost Structure building block refers to the costs incurred to operate a business model. There are two broad classes of costs: the cost-driven and the value driven. The latter one focuses on minimizing costs wherever possible, while the value-driven focus on the value creation rather than on the cost reduction. (Osterwalder et al. 2010.)

The value category refers to the value that the firm is about to generate and deliver to itself and to its customers. Under this category falls the Value Proposition building block. Osterwalder et al. (2010) suggest that the respective building block seeks to create value for a particular Customer Segment, by solving a problem or satisfying a need. In particular, the authors argue that the uniqueness of the created value can be found in the newness, in the performance, in the customization, in the design, in the price, in the accessibility and/or in the convenience or usability of the product or service. Additionally, value may be encountered in the cost and/or risk reduction in regard to the customers, meaning that the costs and the risks for the customer are reduced. (Osterwalder et al. 2010.)

The stakeholders category refers to the external parties that are outside the firm. In the external stakeholders classification, where the operation of the particular building blocks influences directly the relationships with the third parties, are allocated the Key Partnerships and the Customer Segments. The Key Partnerships visualize the network of suppliers and partners for the more efficient operation of the business model. Four types of partnerships can be identified: strategic alliances, cooptation, joint ventures and buyer-supplier relationships. The Customer Segments building block refers to the different groups of people or organizations an enterprise aims to reach and serve. Here, again there are different types of segments: the mass market, the niche market, the segmented, the diversified and the multi-sided platforms or markets. (Osterwalder et al. 2010.)

The internal artefact category comprises whatever exists and whichever takes place within the internal environment of the firm. This suggests that the key resources and the key activities are collocated under this category. Osterwalder et al. (2010) claim that the Key Resources refer to the most essential assets, which contribute to the creation of a Value Proposition, of revenues and to the maintenance or even creation of relationships with the Customer Segments. The Key Resources can be in physical, financial, intellectual or human form, while these can be owned or leased by the enterprise or even acquired from any key partners. The key activities, on the other hand, refer to the most essential actions that a company has to take so to create the Value Proposition and revenues and to maintain or even create Customer Relationships. (Johnson et al. 2008; Osterwalder et al. 2010.) Key Activities can be found in the form of production, such as in the manufacturing industry, in the form of problem solving, as in the consulting

industry, and in the form of a platform or a network, as in the e-business industry (Osterwalder et al. 2010).

The marketing category refers to any aspects that are related to the promotion and the distribution of the product and/or service the firm has, as well as to the customers and the relationships the firm maintains with them. Under this category the Channels and the Customer Relationship building blocks are to be found. The Channels building block incorporates the company's customer interface. As Osterwalder et al. (2010) suggest, the Channels can be direct or indirect, while they can be owned or be partnering Channels. Main goal of the Channels is to raise awareness about the company's product and services, to allow the customers evaluate the company's Value Proposition, to allow customers purchase what they are seeking for and their purchase to be delivered easily, while to establish a post-purchase support for any customer who is in need. The Customer Relationships, again, refer mostly to the relationships created with each Customer Segment. Some types of customer relationships are: the personal assistance and the dedicated personal assistance, which both are based on the human interaction. The main difference lies in that within the latter one a particular dedicated person for a particular customer is ascribed to help. There is also the self-service relationship and the automated services relationship, where in both types customers are given blueprints in order to serve themselves. The difference lies in that the latter relationship offers automated processes instead of only blueprint. Finally, there is the co-creation relationship, where the customer participates in his value-creation, and the communities relationship, where customers are introduced into communities and the communication between them is forged. (Osterwalder et al. 2010.)

Finally, some authors suggest strategy as part of the business model. Nevertheless, in this master thesis is suggested that strategy should be weaned from the business model constituents and be addressed as distinct concept, while it should not be considered absent from the canvas, but rather omnipresent. As Casadesus-Masanell and Ricart (2011) acknowledge, strategy is the contingent plan about which business model to use. This means that strategy should be treated severally from the business model concept, while little of that strategy does exist in every building block. Hence, this way strategy is ubiquitous in the entire canvas. This particular perspective will contribute to the more efficient examination of business model configurations, since organizations and their business models can better be understood if they are examined also holistically and not only in isolation as to their components (Fiss 2007). Finally, Miller (1996) argued that configuration itself is the core of strategy. Therefore, strategy addresses and,

consecutively, comprises part of the configurational approach. Hence, the strategy category is optional and gives value only to the retrospect of the constituent literature. The **Table 5** visualizes the six aforementioned categories, while on the left side of the table the Business Model Canvas building blocks are depicted how they are categorized, and on the right side of the table the authors who have been suggesting constituents are also collocated based on the categories.

Table 5. Constituents classification.

BMC Constituents/Elements	Generic Categories	Authors
Value Proposition	Value	<p>Hammel (2000) - Value Network Mahadevan (2000) - Value Stream Linder & Cantrell (2000) - Value proposition Applegate (2001)¹ - Capabilities, Value Chesborough & Rosenbloom (2002) - Value proposition, Value chain van der Vorst et al. (2002) - Value proposition, Roles (content and context provider) Hedman & Kalling (2003) - Offering Johnson et al. (2008) - Customer value proposition, Björkdahl (2009) - Customer value Shin & Park (2009) - Customer value Eyring et al. (2011) - Customer value Proposition Girotra & Netessine (2014) – Offering Storbacka et al. (2013) - Offerings</p>
Key Partners	Stakeholders	<p>Hammel (2000) - Value Network Linder & Cantrell (2000) - Commerce process model, Internet-enabled commerce relationship Chesborough & Rosenbloom (2002) - Market Segment Dubosson-Torbay et al. (2002) - Infrastructure management (partner network) van der Vorst (2002) - Characteristics (types of cooperation, network effect) Hedman & Kalling (2003) - Supply of factor and production inputs Björkdahl (2009) - Customer Segment, Sourcing Storbacka et al. (2013) - Customers</p>
Customer Segments		

¹ Applegate (2001) also identifies concept as business model element

BMC Constituents/Elements	Generic Categories	Authors
Key Resources	Internal Artefact	Hammel (2000) - Strategic Resources Linder & Cantrell (2000) - Commerce process model Alt & Simmerman (2001) ² - Processes Dubosson-Torbay et al. (2002) - Infrastructure management (resources or assets, activities or processes) van der Vorst (2002) - Processes
Key Activities		Hedman & Kalling (2003) ³ - Activities and organization, Resources, Longitudinal process Johnson et al. (2008) - Key Resources, Key processes Shin & Park (2009) - Business process Casadesus-Masanell & Ricart (2011) - Policy choices (Key activities), Asset choices (tangible resources) Eyring et al. (2011) - Key processes, Key resources Storbacka et al. (2013) – Operations and organization
Customer Relationships	Marketing	Hammel (2000) - Customer Interface Linder & Cantrell (2000) - Channel Model Mahadevan (2000) - Logistical Stream
Channels		Dubosson-Torbay et al. (2002) - Customer relationship (branding and customer) van der Vorst (2002) - Roles (commerce customer service) Hedman & Kalling (2003) - Customers Björkdahl (2009) - Distribution or selling

² Alt & Zimmerman (2001) identify also structure and legal issues as business model elements

³ Hedman & Kalling (2003) identify also competitors as business model element

BMC Constituents/Elements	Generic Categories	Authors
Cost Structure	Financial	Linder & Cantrell (2000) ⁴ - Pricing Model, Revenue Model Mahadevan (2000) - Revenue Stream Alt & Zimmerman (2001) - Revenues Chesborough & Rosenbloom (2002) ⁵ - Revenue Generation Mechanism, Cost Structure Dubosson-Torbay et al. (2002) - Financial aspects van der Vorst (2002) - Characteristics (economic control) Johnson et al. (2008) - Profit formula Björkdahl (2009) - Revenue Model Eyring et al.(2011) - Profit Formula Girotra & Netessine (2014) - Revenue, Costs
Revenue Streams and Pricing model (Value Appropriation)		
-	Strategy	Hammel (2000) - core strategy Alt & Simmerman (2001) - Mission Chesborough & Rosenbloom (2002) - competitive strategy

⁴ Linder & Cantrell (2010) identify also organizational form as business model element

⁵ Chesbrough & Rosenbloom (2002) also identifies structure and position as business model elements

Respectively, Hammel (2000) has identified as business model constituents the customer interface, the strategic resources, the value network, while he also presents as main elements the core strategy and other bridging components. The three former elements are the same as in the BMC, while the fourth is the overview of the BMC and the latter forms part of the extended BMC. Mahadevan (2000) acknowledges the value stream, the revenue stream, and the logistical streams. All three components are similar to the BMC just named in a different way. Hedman et al. (2003) acknowledge as business model components the customers, the competitors, the offering, activities and organization, the resources, the supply of factor and production inputs, and the longitudinal process. While some building blocks, such as the customers, the competitors, the activities and the organization, and the resources are similar to the BMC, the other components are more or less also addressed but as smaller sub-parts of the already existing blocks.

Linder et al. (2000) identified the pricing model, the revenue model, the channel model, the commerce process model, the internet-enabled commerce relationship, the organizational form, and the value proposition. Alt et al. (2001) identified mission, structure, processes, revenues, legal issues, and technology as business model components. On the other hand, Applegate (2001) describes only concept, capabilities, and value as business model elements. Chesbrough et al. (2002) described the value proposition, the market segment, the revenue generation mechanism, the value chain, the structure, the cost structure, the position, and the competitive strategy as components of the business model. In continuation, Dubosson-Torbay et al. (2002) visualized product innovation, customer relationship, infrastructure management and financial aspects as main elements of the business model. However, these four suggested constituents could also be seen as descriptive categories of the business model components, because each category comprises other elements. For instance, within product innovation lie value proposition, target and capabilities. Accordingly, within customer relationship fall branding and the customer, the infrastructure management refers to the resources or assets, to the activities or processes and to the partner network. Finally, the financial aspects incorporate the revenue and the cost profit. (Dubosson-Torbay et al. 2002.)

Further on the business model constituents, van der Vorst et al. (2002) suggested value proposition, processes, roles, functionalities, applications and characteristics as generic elements of the business model. By roles the authors described the context and content provider, as well as the commerce customer service. By characteristics the authors

visualized types of cooperation, economic control, value integration and network effect. (van der Vorst et al. 2002.) Following, Johnsson et al. (2008) suggest customer value proposition, profit formula, key resources, and key processes as business model constituents. On the other hand, Bjorkdahl (2009) identifies as business model constituents the customer value, the customer segment, the revenue model, the sourcing and the distribution or selling. Finally, Shin et al. (2009) describe only business process and customer value as business model elements.

The above table suggests that Osterwalder et al.'s (2010) nine building blocks are a holistic overview of the business model constituents and capture most of the aforementioned dimensions of business model elements as visualized by different authors. Even authors after the aforementioned ones, such as Casadesus-Masanell et al. (2011), Eyring, Johnson & Nair (2011), Storbacka, Windahl, Nenonen & Salonen (2013), and Girotra and Netessine (2014), did not really differentiate their suggested constituents, but rather changed the perspective from which the authors approached them. Therefore, the BMC can be a useful tool for exploring both the internal and external environment of a company. In particular, each element of the BMC covers a distinct area of the company's activity. Hence, the logic behind the canvas can be further enhanced by adapting all various and different elements and constituents that have been mentioned along the course of the concept's history to the basic line of the BMC's nine blocks. Additionally, each building block weighs the same importance as every other building block on the scale.

2.5 Business Model Configuration

The past two decades configurations have been studied in different academic fields, such as the strategic management and the human resource management field (Short et al. 2008). There have been quite some attempts to define the term; however, one representative definition is that of Miles and Snow (1984) which views configurations as any multidimensional constellation of conceptually distinct characteristics that commonly occur together. Nevertheless, this definition is quite general, whilst the focus of more recent configurational studies has been set in an organizational context. In particular, the configurational research has steered its focus towards the cluster of organizations that share key characteristics as to their strategy, goals and structures (Short et al. 2008). This means that the research has been focusing particularly on organizational environment since it is quite complex and diverse, and any phenomena

within it should be studied in more depth. Respectively, organizationally-relevant configurations, aka OR configurations, occur through distinct and internally consistent sets of units along dimensions such as environments, industries, technologies, strategies, structures, cultures, ideologies, groups, members, processes, practices, beliefs, and outcomes (Doty, Glick & Huber 1993).

Nevertheless, such dimensions are not sufficient to yield satisfactory results, if studied in isolation. This means that organizations can be better understood as such clusters of interconnected and interrelated structures and practices, rather than as individual organisms. Therefore, business model configuration should be examined holistically and not only as to simple, linear combinations of constituents. (Fiss 2007.) As Sabatier, Mangematin and Rouselle (2010) suggested, business model and its configuration can be conceived as a recipe, while the business model constituents as ingredients. The recipe differs from time to time, case to case and cook to cook. This means that the actual interrelation and interconnection between the ingredients go beyond bivariate interaction effects. This is because the responsible person for designing the business model, the required case circumstances and the given time conditions call on different paths for constituents to interact and counteract, accordingly. Hence, the concept of equifinality of Katz and Kahn (1978: 30) arises and suggests that a system can reach the same final state despite of the distinct initial conditions and followed paths.

Ultimately, the interconnections and interrelations between the business model constituents could easily be conceived as the human nervous system. This means that these interconnections and interrelations can be that complex and assume nonlinear causality between them that would be almost impossible to study them, if they cross the boundary of the three-way interpretation analysis (Fiss 2007). Hence, in continuation the various business model configurations that have been acknowledged in the course of time will be presented along with their logic, the proportion of the constituents used and under the given circumstances of the particular timeframe. Finally, upon the particular cases, a clear overview of the business model configuration will be drawn.

2.5.1 Types of Business Models

Various authors have designed, named or even assumed business model types and frameworks since the inception of the concept. Some of these types coincide and bear common characteristics as to the features of the organization, while others are in

alignment with or even based on the competitive strategies the companies deploy. Such observation resembles the theoretical approach to the organizational configuration Short et al. (2008) suggested. This is that the organizational configuration functions as an umbrella for particular types of configurations. Two of them are the strategic groups and the archetypes. The former ones are context-specific configurations for companies that deploy competitive strategies so that they compete within the market, while the latter ones are context-specific configurations based on the organizational features that companies might have in common (Short et al. 2008). In reality, however, one can claim that the suggested types of business models from different authors represent an actual configuration. Thus, the term type of business model has a parallel meaning to that of an actual business model configuration.

In addition, some business models are examined within a particular industry, while others are researched from a more generalized point of view. Again, Short et al. (2008) address this case with the terms generic strategies and organizational forms. The former ones are configurations that are identified based on competitive strategy alone and that apply to a variety of contexts, while the latter ones are sets of similar firms that are found across industries and that are identified based on an array of organizational features. (Short et al. 2008.) Therefore, it is quite challenging, and might be also misleading, to classify or categorize the various business model types that have been acknowledged in the course of time. Hence, the respective types will be outlined from the perspective authors have examined them, and upon them observations and conclusions in comparison to the Business Model Canvas will be drawn. The **Table 6** visualizes the various configurations different authors have suggested, while the elements which these authors have used are also stated and encountered on the right side of the business model frameworks. Finally, the table also comprises the particular industries in which their suggested business model frameworks are examined.

Table 6. Business Model Configurations.

Industry	Authors	Constituents on which configuration is achieved	Business Model Types/Configurations	Description of Configurations
e-Business	Timmers (1998)	Cost structure Channels Value proposition customer relationships key partners	e-shop	Intensive promotion and Cost reduction
			virtual communities	Communication between the customers (stakeholders)
			value chain service provider	Logistics and payments
			e- procurement	More income through reduction of cost, wider range of suppliers and better quality
			e-auction	Electronic bidding
			e-mall	Collection of e-shops, aggregator, industry sector marketplace
			third party marketplace	Common marketing frontend and transaction support to multiple business
			value chain integrator	Integration of multiple steps of the value chain
			collaboration platforms	collaborative design
			information brokers	Trust providers, business information and consultancy

Industry	Authors	Constituents on which configuration is achieved	Business Model Types/Configurations	Description of Configurations								
e-Business	Petrovic, Kittl & Teksten (2001)	Value Resource Production Customer relationships Revenue Capital Market	Value model Resource model Production model Customer relations model Revenue model Capital model Market model	Focus individually on each constituent can generate a business model								
	Dubosson-Torbay, Osterwalder & Pigneur (2002)	<table border="0"> <tr> <td>Value proposition Target Capabilities</td> <td>} Product Innovation</td> </tr> <tr> <td>Get-a-feel Customer Branding</td> <td>} Customer Relationship</td> </tr> <tr> <td>Resources Assets Activities Processes</td> <td>} Infrastructure Management</td> </tr> <tr> <td>Partners network Revenue Cost Profit</td> <td>} Financial aspects</td> </tr> </table>	Value proposition Target Capabilities	} Product Innovation	Get-a-feel Customer Branding	} Customer Relationship	Resources Assets Activities Processes	} Infrastructure Management	Partners network Revenue Cost Profit	} Financial aspects	Not a particular model but rather any combination of the respective building blocks.	-
	Value proposition Target Capabilities	} Product Innovation										
	Get-a-feel Customer Branding	} Customer Relationship										
	Resources Assets Activities Processes	} Infrastructure Management										
	Partners network Revenue Cost Profit	} Financial aspects										
	van der Vorst, van Dongen, Nougier & Hilhorst (2002)	Economic Control and Value Integration	e-Marketplace model Information chain model Visual enterprise model Value chain model	Different levels of intensity in the economic control and value integration. Aggregated communities or alliances and demand-driven supply chain are also important.								

Industry	Authors	Constituents on which configuration is achieved	Business Model Types/Configurations	Description of Configurations
e-Business	Wirtz & Lihotzky (2003)	Revenue Stream and transaction dependency of revenue stream	Content model	Indirect revenue models and increasingly also of direct revenue models. Online provision of user-oriented content.
			Commerce model	Transaction dependent direct and indirect revenue models. Supplementing or substituting traditional transaction phases by use of the Internet.
			Context model	Indirect revenue models. Reduction of complexity and navigation.
			Connection model	Direct and indirect revenue models. Creation of technological, commercial or purely communicative connections in network.
	Amit & Zott (2001) Zott & Amit (2007, 2008, 2010)	<p>Content Structure Governance } Design elements</p> <p>Novelty Efficiency Complementarities Lock-in } Design themes</p>	Blending of each design element with each design theme	Table 3, p. 20
Technology (Biotechnology)	Andries & Debackere (2006)	<p>Human resources } Interactions between resources</p> <p>Technological resources } Financial resources } Networking resources }</p>	New Technology-based ventures (NTBV) model	Based upon two pillars: - Uncertainty = planning, testing and exploitation of a given direction - Ambiguity = explore new directions and experiment
	Willemstein, van der Valk & Meeus (2007)	Configuration upon Key activities	Service model	Interactions and combinations of key activities
			Platform model	
			Product model	
			Hybrid: service/platform model	Combinations of the first three models
			Hybrid: service/product model	
			Hybrid: platform/product model	
Service/platform/product model				

Industry	Authors	Constituents on which configuration is achieved	Business Model Types/Configurations	Description of Configurations	
Technology (Biotechnology)	Sabatier, Mangematin & Rousselle (2010)	Cost structure Customer segment Key activities	Virtual model	Product price, time and cost savings = capture value	
			Repurposing model	Product sales, time, cost savings = capture value	
			Technology brokering model	Making connections and managing the transactions between two firms. When the technology broker receives his commission the value is created.	
			Technology platform model	Optimising engineering, service price and co-development.	
			Contract manufacturing model	Optimization of processes for other chain value actors.	
Non-particular industry	Linder & Cantrell (2000)	Value network Virtual supply alliances Stand-alone business units Integrated capability Cost structure	Price model	Operating models	Buying club , one stop, low price shopping, free for advertising.
			Convenience model		One stop convenient shopping, instant gratification, comprehensive offering.
			Commodity-plus model		Experience selling, experience destination, cool brands.
			Experience model		Channel maximization, cat-daddy selling, quality selling, value-added reseller.
			Channel model		Trusted operations, solutions, product leadership, service and Defacto standard.
			Intermediary model		Incomparable products, service, breakthrough markets.
		Trust model	Change models	No change to the company's core logic	
		Innovation model		Change to the company's core logic. Configurations in: - Pricing model - Revenue model - Channel model - Commerce model - Internet-enabled commerce relationship - Organizational form - Value proposition	
		Realization model			
		Renewal model			
Offering Penetration Network Integration Cost structure	Extension model				
	Journey model				

Industry	Authors	Constituents on which configuration is achieved	Business Model Types/Configurations	Description of Configurations	
Non-particular industry	Betz (2002)	Resources Sales Profits Capital } Inputs or Outputs	Strategic finance model	Resources and sales as inputs, sales and capital as outputs.	
			Strategic response model	Resources and profits as inputs, sales and capital as outputs.	
			Strategic enterprise model	Resources and capital as inputs, sales and profits as outputs.	
			Strategic learning model	Sales and capital as inputs, resources and profits as outputs.	
			Strategic firm model	Sales and profits as inputs, resources and capital as outputs.	
				Strategic innovation model	Profits and capital as inputs and resources and sales as outputs.
	Hedman & Kalling (2003)	Resources Customers Offering	Generic business model	It encompasses the supply of factor and production inputs as well as the longitudinal process component which might influence in any way the configuration of the resources the customers and the offering-value proposition.	
	Morris, Schindehutte & Allen (2005)	Offering Market factors Economic factors growth/exit factors } Foundation level Proprietary Level Code of conduct } Rules level	Standard business model framework	The proprietary level refers to the unique combinations of the foundation level components.	
	Halme Anttonen, Kuisma, Kontoniemi & Heino (2007)	Customer benefits Competitive advantage Competencies Capabilities	MASCO model	No financial or personnel resources, costs covered by savings and the competitive advantage from financing model which states that company pays only for the actual results.	
			Material efficiency service model	No financial or personnel resources, the competitive advantage derives from the fact that the service provider knows already the customer's operations and the service provider recognizes the opportunities for material savings.	
Material flow management service model			Align the relationship between the service provider and the customer, professional operator in the production, competitive advantage derives from the better organization of the production process.		
Material consultancy service			Pay the service in the traditional way.		

Industry	Authors	Constituents on which configuration is achieved	Business Model Types/Configurations	Description of Configurations
Non-particular industry	Fiet & Patel (2008)	Interaction costs Outside options	FBM Framework model	Merging proportionally and/or disproportionately the interaction costs with the outside options, four business models are generated.
	Storbacka & Nenonen (2009)	Firm's resources and capabilities Customers' resources and capabilities	Dyadic business model	Configuration is achieved by the interaction between the value creation from two different perspectives; the firm's and the customer's.
	Demil & Lecocq (2010)	Resource Competencies Organization Value proposition	RCOV Framework model	Accumulated and combined resources of organization and of offered value, while there are dynamics deriving from some business model components themselves.
	Smith, Binns, & Tushman (2010)	Organizational architecture of people Competencies Processes Culture Measurement systems Problem solving process	Ambidextrous organizations' model	It hosts paradoxical strategies through differentiated subunits for each revenue stream, which are linked by targeted integration mechanisms and teams, and through senior executive behaviors.
			Social enterprises' model	It hosts the paradoxical tensions between social good and financial profit strategies. Profitability/sustainability must be a concurrent focus.
			Learning organizations' model	It hosts tensions between learning and performance, stability and change, control and flexibility, alignment and adaptability.
			Franchise organizations' model	Leverage global integration while seeking to address local demands,
			High technology/high quality with low cost model (Williamson 2010)	Provide high Technology or even high quality at low cost, which means variety and customization without a hefty price premium, so to gain access to demand by offering value for money that will convert today's niche segments into tomorrow's mass markets.

Industry	Authors	Constituents on which configuration is achieved	Business Model Types/Configurations	Description of Configurations
Non-particular industry	Svejenova, Planellas & Vives (2010)	Firm's resources and capabilities Customers' resources and capabilities + Changes in each value: - Value creation - Value capture - Value sharing - Value slippage	Dyadic business model (developed)	Configuration can be achieved by combining the resources with the business model activities and the value capture changes, while to account for the triggers of dynamics too.
	Teece (2010)	Dynamic capabilities Value chain Customer Value proposition Revenue stream	Provisional business model	It is provisional in the sense that it is likely over time to be replaced by an improved model that takes advantage of further technological or organizational innovations. It crystallizes customer needs and ability to pay, defines the manner by which the business enterprise responds to and delivers value to customers, entices customers to pay for value, and converts those payments to profit through the proper design and operation of the various elements of the value chain.
	Yunnus, Moingeon & Lehmann-Ortega (2010)	Value chain Value network of suppliers } Partners } Value constellation Value proposition Social profit equation Economic profit equation	Generic Framework	Configuration upon value proposition and value constellation.

Industry	Authors	Constituents on which configuration is achieved	Business Model Types/Configurations	Description of Configurations
Non-particular industry	Casadesus-Masanell & Ricart (2011)	Policy choices (Key Activities) Asset choices (Key Resources) Governance choices (Decision making rights over the above two)	Models that create virtuous cycles	Companies modify their business models to generate new virtuous cycles that enable them to compete more effectively with rivals. These cycles often have consequences that strengthen cycles elsewhere in the business model.
			Models that weaken competitor's cycles	Companies use the rigid consequences of their choices to weaken new entrant's virtuous cycles. Whether a new technology disrupts an industry or not depends not only on the intrinsic benefits of that technology, but also on interactions with other players.
			Models that turn competitors into complements	Rivals with different business models can also become partners in the value creation. They create value by matching two sides of the market and capture by taking a cut of the net winnings.
	Eyring, Johnson & Nair (2011)	Customer value proposition Profit formula Key processes Key Resources	Business Models upon Differentiation	First define the customer value proposition, then establish the resources and the activities needed to deliver the respective value and, then, the cost of the value proposition determines the price required in the profit formula.
			Business Models upon Price	It operates the other way round, meaning that after the firm has defined the customer value proposition, the company establishes the offerer's price, then the cost structure and, finally, the required resources and activities.
	Chatterjee (2013)	Key Resources Network Value Customers Cost structure Revenue Streams Hub (suppliers, customers and other stakeholders connected into one point)	Efficiency-based Model	It relies on human or capital resources to produce commodities. These businesses are usually price takers in a highly competitive market. Process innovation is often critical to win with an Efficiency-Based model.
			Perceived Value-based Model	This functions by positioning its output as a "want" item and command a price premium (price discriminate). The value drivers behind the "want" can be objective or subjective/perceived.
			Network Value (Loyalty-based)	Its main purpose is to create a Network Value so to supplement the profit logic of the Value-Based model with attributes that attract and retain the critical mass of customers while keeping imitators out. Further, this must be done while keeping the customer acquisition costs low.
			Network efficiency	There are two variations of business models that create efficiencies not at an individual firm level but across the entire network of suppliers and customers. The core resource for both variants is a meeting place or a hub that facilitates transactions between buyers and sellers. The generic value capture logic for both variants is to increase the volume of transactions.

Industry	Authors	Constituents on which configuration is achieved	Business Model Types/Configurations	Description of Configurations
Non-particular industry	Storbacka, Windahl, Nenonen & Salonen (2013)	Customers Offerings Operations Organizations	Customer embeddedness	A key result of providing solutions, i.e., that the relationships with customers become relational and long term.
			Offering integratedness	The integration of offering components, i.e., that a customer cannot unbundle the solution and buy the elements separately.
			Operational adaptiveness	The need to adapt solutions (from development throughout delivery) to the customer's situation and processes.
			Organizational networkedness	Actors within the solution business network become increasingly dependent on each other's processes and activities, which requires process harmonization across and within organizational boundaries.
	Girotra & Netessine (2014)	Offering Revenue Costs Risks	Narrowly-focused	Focused business models are most effective when they appeal to distinct market segments with clearly differentiated needs. So if your business currently serves multiple segments, it may be best to subdivide into focused units rather than try to apply one model. The main drawback for a focused business is that it must rely on a single product, service, or customer segment—and it may omit key customer needs.
			Commonality	Commonalities aren't just shared components among different products. They may also be the capabilities needed to serve various product, customer, and market segments. Consequently, companies can add to their mix products or services that reflect new applications of their capabilities. Commonality can, however, carry significant costs if components must be engineered for a wide range of makes and models. What's more, the strategy requires that the component-sharing products not all experience their demand highs and lows simultaneously.
			Hedged portfolio	Just as financial institutions try to create portfolios of investments that will hedge one another's risks, companies can select an assortment of products or markets to reduce the overall riskiness of the business model. Clearly, the approach works mainly for product and market combinations in which demand fluctuations are negatively correlated.

Many business model types are designed particularly for the e-business environment. Such a fact is quite comprehensible, since the business model concept has been given rise due to the ICT progress, meaning the advances in information and communication technologies and the Internet generally (Zott et al. 2008; Demil et al. 2010; Zott et al. 2011; Wirtz et al. 2010). Thus, these business models might be context-specific and, therefore, applied to the particular industry. An exemplary case of such types is the e-business models Timmers (1998) proposes. In particular, the author identifies ten e-business models. These are the e-shop, the e-procurement, the e-auction, the e-mall, the 3rd party marketplace, the virtual communities, the value chain service provider, the value chain integrator, the collaboration platforms, and the information brokers. Each business model represents a configuration by stressing one or more particular constituents. For instance, the e-shop is launched under intensive promotion and cost-reduction. The e-mall is an aggregator of e-shops that seeks to gain market share. The virtual communities stress the communication between the customers, or in other words between the stakeholders, and add significant value. The value chain service provider emphasizes the logistics and the payments, meaning sub-parts of the value chain. (Timmers 1998.) In reality, Timmers (1998) suggests innovation upon the increase or the decrease in the proportion of the following constituents of the BMC: cost structure, channels, value proposition, customer relationships and key partners.

However, Timmers is not the only one that has been suggesting e-business models. Dubosson-Torbay et al. (2002) have been suggesting an e-business model framework which is based upon four pillars; the product innovation, the customer relationship, the infrastructure management and the financial aspects. Each pillar consists of different constituents. The product innovation comprises the value proposition, the target and the capabilities. The customer relationship includes the get-a-feel, the customer and the branding. The infrastructure management encompasses the resources and the assets, the activities and the processes, and the partner network. Finally, the financial aspects address the revenue and the cost profit. (Dubosson-Torbay et al. 2002.) The increase and the decrease in the proportion of the particular constituents, as well as the combination and the fit between them can generate various business model configurations. Again, the particular e-business model framework is in alignment with most of the BMC's building blocks. It is quite different in the sense that it addresses branding separately, while it focuses on the cost profit and not on the entire cost structure, as the BMC does.

To further extent, Amit et al. (2001), Van der Vorst et al. (2002) and Wirtz and Lihotzky (2003) have also been suggesting business model configurations within the e-business environment. In particular, the two former authors have been identifying a business model framework that can be configured upon three design elements (Zott et al. 2007, 2008, 2010) and four design themes (Amit et al. 2001; Zott et al. 2007, 2008, 2010). The design elements are the content, the structure and the governance, which describe the architecture of an activity system (Zott et al. 2007, 2008, 2010). The design themes are the novelty, the efficiency, the complementarities and the lock-in, which describe the sources of the activity system's value creation (Amit et al. 2001; Zott et al. 2007, 2008, 2010). However, the respective business model designs have been admitted to be applicable to firms generally and over the boundaries of a particular industry in a later phase (Zott et al. 2007, 2008, 2010).

To further analysis, the novelty theme comprises the adoption of innovative content, structure and governance. The lock-in ensures the building of elements that will retain business model stakeholders, such as the customers. The complementarities theme represents the bundling of activities to generate more value, while the efficiency theme reorganizes the activities to reduce transaction costs. The latter theme resembles somehow the e-shop business model Timmers (1998) presented, which aims at reducing the costs, including the transactional ones, and enhancing the promotion. In the particular case of the efficiency theme, the promotion is not encountered but the reduction of the cost is. In reality, the framework Amit et al. (2001) and Zott et al. (2007, 2008, 2010) suggest encompasses some building blocks of the BMC, but it also addresses and the interaction between the constituents by suggesting how a design theme, like the novelty one, can be achieved by configuring the three design elements, or how the complementarities theme can be achieved by configuring key activities. Based on the aforementioned themes that Amit et al. (2001) and Zott et al. (2007, 2008, 2010) suggest, one can observe that the following BMC building blocks are covered: customers, cost structure, key activities. However, the difference lies in how the authors capture the interactions between the building blocks by proposing the design elements and the configuration based upon the content of the activities, the linkages between the activities and the responsible party for carrying out these activities, and the place where they will be performed. Additionally, the BMC does not encompass all stakeholders unitedly but rather separately, such as customers, key partners etc. et al. (2001) and Zott et al. (2007, 2008, 2010) address all stakeholders together.

Wirtz et al. (2003) have been identifying four e-business model types; the content, the commerce, the context and the connection. Unlike the other authors, Wirtz et al. (2003) have been generating business model configurations mainly upon the axis of the revenue stream. This is because each business model might have a different arrangement in the information of its content and a distinct aim but, technically speaking, the configuration in reality lies in the directness of the revenue stream and the transaction dependency of the revenue stream. This means that the main differences of the aforementioned e-business models are primarily whether revenues are obtained directly or indirectly from the customer and whether the revenue transaction is upon the request of the customer, like by clicking on a particular link, or the revenue stream is maintained without such an action (Wirtz et al. 2003). Secondly, the other differences lie in the content and the means of accomplishing each business model's aim. For instance, the connection business model aims at creating information exchange in networks; similarly to the virtual communities Timmers (1998) suggested. Of course, the product and the service in both cases of Timmers (1998) and Wirtz et al. (2003) is mainly information. In the consulting industry, however, is a step further up; knowledge. Hence, similarities to the BMC are the revenue stream and the customer interface, while the arrangement of information exchange in networks would be different. This could mostly resemble the alliances but not between the customers rather than between businesses. Such networks or alliances are mainly included within the key partnerships.

Van der Vorst et al. (2002) suggested four e-business models: the E-marketplace, the Information Chain, the Virtual Enterprise and the Value chain. The respective business models are based upon two axes; the economic control and the value integration. In reality, the particular business models offer a distinct value proposition but with different intensity in the economic control and the financial results, as well as in the value integration. The particular business models elaborate and configure upon the following BMC building blocks: value proposition, key partnerships and customers. However, they differ from the BMC in the aggregated communities or alliances and the demand-driven supply chain. Although, as argued before, alliances are addressed in the key partnerships, the demand-driven supply chain is also somehow included in the key partnerships.

Finally, Petrovic, Kittl & Teksten (2001) also suggested seven e-business models: the value model, the resource model, the production model, the customer relations model, the revenue model, the capital model, and the market model. Additionally, the customer

relationships model expands to the distribution model, the marketing model and the service model. Nevertheless, Petrovic et al. (2001) did not specify or suggest particular configurations but rather stressed the importance of the mental model which is responsible for conceiving facts and concepts of the real world. In particular, they suggested that only after one alters the mental model, meaning the perceptions about facts and concepts of the real world, then he can change the logic of the business model which is treated as a system. Nevertheless, the business models that the authors suggest resemble the BMC building blocks, but only conceived individually as business models. This suggests that focus on each particular building block could automatically generate a business model which has as driver the particular function of the building block. However, this does not mean that the particular business models can stand individually but rather that the emphasis for the respective business models is given upon the respective building block to which refers. Therefore, the common building blocks to the BMC are the value, the resource, the customer relations, the revenue and the capital, which is the equivalent of the cost structure. However, what is treated different is the market business model in which one chooses the actual environment where the firm will operate. Hence, the business environment where the company will operate is treated as an extra building block.

Similarly, Linder et al. (2000) have also been identifying most of the BMC building blocks as individual business models, but they have been advancing it and identifying eight operating business models and have been developing four change business models. In particular, the operating business models are the price model, the convenience model, the commodity-plus model, the experience model, the channel model, the intermediary model, the trust model and the innovation model. These models form the organization's core logic for creating value. On the other hand, the change models take a further beyond and visualize how the company will adapt in a dynamic environment and how it will change in time so to remain profitable. The change models are the realization model, the renewal model, the extension model and the journey model. (Linder et al. 2000.) In reality, the kind of configuration that Linder et al. (2000) suggest is the change that a company makes as to the core logic of its current business model. This change is represented by the four change models, where the realization and the renewal models indicate no change to the core of the company, whereas the extension and the journey models do depict such change in the core logic. Such change can be realized by modifying or even totally reforming the pricing model, the revenue model, the channel model, the commerce process model, the internet-enabled commerce relationship, the organizational form and the value proposition. (Linder et al. 2000.) The basic difference

here with the BMC is that the commerce process and the internet-enabled commerce relationship are not addressed separately in the BMC, but rather as parts of the distribution and the key activities building blocks. Additionally, the framework that Linder et al. (2000) suggest depicts the levels of change to which a business model is subjected due to the size of the changes applied to the aforementioned building blocks.

Business model configurations have also been examined in other industries such as the technology one. In particular, business model research has been done in the biotechnology field, in the biopharmaceutical field and in the new technology-based ventures field. Andries et al. (2006) have been suggesting the NTBV Model which stands for the new technology-based ventures business model. The authors have been giving significant emphasis on the resources and the interactions between them for the better business model generation. As resources they acknowledge the human, the technological, the financial and the networking. In reality, they focus on the key resources building block of the BMC and they recognize the same resources with only difference the technological one instead of the intellectual one that Osterwalder et al. Pigneur (2010) suggested in their BMC. Nevertheless, the adaptation phase of the NTBV model is based upon two pillars: the uncertainty which includes the planning, the testing and the exploitation of a given direction, and the ambiguity which seeks to explore new directions and focuses on experimentation. This distinction for configuring resources to generate business model resembles the observation that Sabatier et al. (2010) made upon the recipe and that one needs to experiment in order to find a configuration that adjusts the business' and the customers' needs.

To further extent, Sabatier et al. (2010) proposed five business models within the biopharmaceutical industry. These are the virtual, the repurposing, the technology brokering, the technology platform and the contract manufacturing. For instance, the virtual business model is based upon product price and time and cost savings as mechanisms for capturing value. In the repurposing business model the value is created by time and cost savings, as well as from product sales. The contract manufacturing focuses on optimization of processes for other value chain actors. In general, the authors have been examining how the cost structure can be rethought through the cost and time savings, as well as how the end-customers can be other pharmaceutical firms and not only the market, like in the technology brokering business model. This suggests that the cost structure, the customer segment and the key activities can be configured in that sense that can produce business models within the biopharmaceutical industry.

Willemstein, van der Valk & Meeus (2007) have been focusing on the medical biotechnology industry. They have identified seven business models: the service, the platform, the product, the hybrid: service/platform, the hybrid: service/product, the hybrid: platform/product, and the service/platform/product. The authors identify the business models upon the main activities of the companies they study. Therefore, they take into accountability the key activities the companies do. In this way, they acknowledge the first three business model types, while the hybrid ones are the combinations of the three first. This means that companies who have particular key activities can generate new business models by configuring two different types of key activities.

From a more general perspective, other authors have been suggesting various business model frameworks. For instance, Hedman et al. (2003) have been suggesting a generic business model framework which encounters: the customers, the competitors, the offering, the activities and organization, the resources, the supply of factor and production inputs, and a longitudinal process component so to cover the dynamics of the business model over time. These components are all cross-sectional and can be studied at a given point in time. Additionally, there are causal relations between the different components, while the authors give emphasis on the resources, the customers and the offering constituents. In reality, this generic business model framework resembles the BMC in the following building blocks: customers, the offering -meaning the value proposition-, the activities and the resources. Nevertheless, the particular generic business model framework encompasses the supply of factor and production inputs which is not addressed in the BMC. Thus, such a component could also influence the better functionality of the BMC, while it could facilitate the interaction between the building blocks if one also takes into consideration the longitudinal process component.

Demil et al. (2010) have been introducing the RCOV Framework which in reality addresses the resource, the competences, the organization and the value proposition dimensions. The model suggests that entrepreneurs and managers should consider jointly questions of accumulated and combined resources, of organization and of value offered, while the dynamics come from between and within the business model components. Obviously, the model does not differentiate much from the BMC apart from the dimension of competences which is indirectly included in the key resources of the BMC and, particularly, in the human and intellectual resources. Hence, one could emphasize individually the competences building block, but in this case it could also be omitted.

A similar business model framework to the previous one has also been suggested by Yunnus, Moingeon & Lehmann-Ortega (2010). The respective framework encompasses the social profit equation, the value proposition, the value constellation, and the economic profit equation. It becomes quite clear that the particular business model framework emphasizes the value proposition of the company and part of the cost structure and the revenues. In reality, the claimed business model configuration is achieved by different combinations of the value proposition and the value constellation. The value constellation, however, includes the company's own value chain the value network of its suppliers and its partners. Hence, the particular framework combines the key partners and the value chain, as well as part of the value proposition, in the value constellation building block. Such a combination might be interested to be studied as the interaction of the particular building blocks, but not to be adjusted as a unified building block into the BMC.

A simpler version of a business model framework is the FBM framework introduced by Fiet and Patel (2008). The respective framework encompasses two axes, meaning the interaction costs and the outside options, while it suggests a configuration based upon four different combinations of the two axes. This means that the particular combinations are achieved by merging proportionally and/or disproportionately the interaction costs and the outside options. This framework has not much in common with BMC, apart from the interaction costs which are part of the cost structure. The outside options, however, are somehow addressed as the external environment of the company and could be related to the market business model Petrovic et al. (2001) suggested, which encompasses the external environment and the conditions with the options that exist.

Another simple version of a business model framework was introduced by Storbacka and Nenonen (2009). The respective framework is a dyadic model that shows the relationship between value co-creation and performance. In particular, the model encompasses the capabilities that act as pillars and their interrelation to the organizational fit. This means that the authors show the relationship between the value that is created by the firm and the value that is created by the customers, while they claim that the firm's resources and capabilities and the customers' resources and capabilities interact. The suggestion of the authors so that one identifies such an organizational fit is not to study the two value-captured dimensions in isolation. Hence, the proposed framework presents the interaction between the value creation from two different perspectives; the firm's and the customer's. Such an interaction does not

become clear in the BMC, if one thinks that the value proposition might comprise the interaction between the two values, but does not present it straightforward.

On the other hand, Svejenova, Planellas & Vives (2010) addressed the interaction between the two captured values, meaning the firm's and the customers', but also addressed the changes in each one. Particularly, the authors examined the changes in the value creation, the value capture, the value sharing, and the value slippage which is when third parties develop ideas by copying particular value activities of a firm and, finally, monetize them. However, the actual business model framework which Svejenova et al. (2010) developed encompasses: the triggers of dynamics, the changes in the business model activities, the organizing and strategic resources, and the value capture changes. The particular model captures the following BMC building blocks: the key activities, the key resources and the value proposition. However, the emphasis is given on the changes in every building block, as well as the interaction that can happen between them due to these changes. Finally, the framework of Svejenova et al. (2010) captures also the triggers of the dynamics that can influence the function of the business model, which is not captured in reality by the BMC.

Halme, Anttonen, Kuisma, Kontoniemi & Heino (2007) identified four business models for material efficiency services. These are the MASCO model, the material efficiency service model, the material flow management service, and the material consultancy service. All models comprise the customer benefits, the competitive advantage, the competencies and capabilities and the income flow. However, each model differs in the contents of the aforementioned building blocks. In reality, the particular business models share the competencies and the capabilities as common building block with the BMC. Nevertheless, the BMC addresses these as part of the resources. The income flow, again, is reflected in the revenues of the BMC, while the customer benefits and the competitive advantage are not treated as building blocks but rather as results of the interactions between the building blocks.

Furthermore, Morris, Schindehutte & Allen (2005) developed a business model framework which is divided in three different levels of decision making, and every level is sub-divided into six more detailed levels. The three main levels, however, are the foundation, the proprietary, and the rules. In reality, the foundation level comprises all the components of a business model. These components are: factors related to offering, market factors, internal capability factors, competitive strategy factors, economic factors, and growth/exit factors. The proprietary level, on the other hand, refers to the

unique combinations of the foundation level components. The rules level just comprises the code of conduct, meaning the operating rules, to achieve the unique combinations. The particular model shares the following BMC building blocks: the value proposition, which is captured as offering and the cost structure and revenue, which are viewed altogether as economic factors. However, what does this model address in addition to the BMC is the market factors, which Petrovic et al. (2001) addressed with the market business model, while the growth/exit factors approach the outside options that Fiet et al. (2008) suggested. In any case, the external environment is captured as a building block, while the internal capabilities factors are addressed distinctly from the resources within the internal environment. Finally, Morris et al. (2005) treat competitive strategy as building block of the business model.

Betz (2002), however, identified six strategic business models upon particular inputs and outputs. The strategic finance model has resources and sales as inputs, and profits and capital as outputs. The strategic response model has resources and profits as inputs, and sales and capital as outputs. The Strategic Enterprise business model has resources and capital as inputs, and sales and profits as outputs. The Strategic Learning business model comprises sales and capital as inputs, and resources and profits as outputs. The Strategic Firm business model addresses sales and profits as inputs, and resources and capital as outputs. Finally, the Strategic Innovation business model encompasses profits and capital as inputs, and resources and sales as outputs. Hence, the author has been suggesting different configurations upon the following four components: resources, sales, profits and capital. (Betz 2002.) In reality, these business models are mainly economic-centric models since three of the four components address economic factors. Only, the resources are addressed as non-economic building block.

Teece (2010) has been suggesting a provisional business model framework which more or less seeks answers to questions similar to these Magretta (2002) has been suggesting in her work. These questions are mainly related to the customer, the problem-solving process, the value, the target segment, the market conditions/positioning and the costs. These questions, obviously, cover some building blocks of the BMC, such as the customer segments, the value proposition and the cost structure, but they also encompass the market conditions/positioning as Petrovic et al. (2001), Morris et al. (2005) and Fiet et al. (2008) have been suggesting. Additionally, the provisional model emphasizes the importance of the problem-solving process which, however, is encompassed by the BMC within the value proposition.

Finally, Smith, Binns & Tushman (2010) have been providing a reversed perspective of the business model frameworks that others developed. This means that Smith et al. (2010) have been seeking for types of organizations that use particular business models rather than seeking for particular types of business model configurations that organizations use. Thus, the authors have identified the following companies: ambidextrous organizations, social enterprises, learning organizations, franchise organizations, and business models that integrate high technology/high quality with low cost. The authors believe that these kinds of complex business models allow the development of strategic tensions which if these tensions are successfully managed, the firm will gain competitive advantage. (Smith et al. 2010.) Hence, the focus of the study is also on the characteristics of the managers as to controlling these tensions, the structures of the companies and the functions. This suggests that the key activities of some particular organizations, the structures they have and the capabilities of the human resources, and especially the managers', are at the forefront of the study. This means that the particular framework Smith et al. (2010) have developed focuses on the organizational architecture of people, competencies, processes, culture and measurement systems. In this way, the BMC lacks the culture and the measurement systems as perspectives of the main building blocks. However, culture is a more generic aspect that exists within the philosophy of the business model and not in the building blocks. The measurement systems, again, are a support to the smooth function of the business model building blocks and not a separate component.

2.5.2 Observations on Configurational Literature

From the aforementioned observations and upon **Table 2**, one can observe that the business model concept is examined by most of scholars (e.g. Timmers 1998; Betz 2002 etc.) mainly within the private sector, while by others within the public sector (e.g. Froud et al. 2009). On the other hand, one might also observe that the business model concept and the strategy are associated or dissociated. In particular, some scholars suggest that strategy is a component of the business model (Hamel 2000; Chesbrough et al. 2002; Morris et al. 2005), others that the business model is part of the company's strategy (Hedman et al. 2003; Sabatier et al. 2010), while some totally dissociate the two concepts (e.g. Zott et al. 2008) and face them as interacting forces that can ensure a sustainable competitive advantage (Teece 2010). However, as argued earlier, strategy is ubiquitous within the business model canvas and, therefore, it is better suggested that the two concepts are studied holistically, even if they are addressed as separate or as one

part of the other. Hence, the argument Teece (2010) presents is quite contributing in the sense that although one concept might encompass part of the other, the two interfere with each other and react in such a way that they can ensure a sustainable competitive advantage.

Additionally, many different business model configurations have been identified by various authors, as presented in the above subchapter. Some of these configurations are realized upon combinations of similar business model components, while others are achieved upon different or extra components. The BMC has been identified with nine major building blocks; the key partners, the key activities, the key resources, the value proposition, the customer relationships, the customer segments, the channels, the cost structure and the revenue stream (Osterwalder et al. 2010). However, the following building blocks have been identified as extra to the BMC through the literature review: the outside options or market conditions/positioning (Petrovic et al. 2001; Morris et al. 2005; Fiet et al. 2008; Teece 2010), stakeholders, triggers of dynamics/longitudinal process (Hedman et al. 2003; Svejenova et al. 2010), internal capabilities (Morris et al. 2005; Smith et al. 2010), culture (Smith et al. 2010).

However, suggested building blocks that are included already in or addressed by the nine BMC building blocks are not viewed as extra. For instance, the cost profit that Dubosson-Torbay et al. (2002) suggested is already addressed individually in the cost structure as subpart of it, and generally is collocated as a trigger in the cost efficiency/finance category of the BMC. Respectively the same applies for the networks/alliances that Wirtz et al. (2003) suggested as building blocks. The BMC key-partners building block already addresses the particular dimension of alliances and networks. On the other hand, the retraction of analytical building blocks into one more generalized building block is also avoided due to two main reasons. The first reason is that some significant dynamic trigger might not be revealed if a building block is not examined at the already existing level of analysis, but rather converged into one more generalized building block. The second reason is that the identified categories of the nine building blocks function as an umbrella under which building blocks are collocated upon a more general characteristic and, thus, the conversion of a building block into a more generalized one is mere redundancy. For instance, Amit et al. (2001) and Zott et al. (2007, 2008, 2010) address all stakeholders together, while the BMC addresses them individually (e.g. customer segments, key partnerships etc.). Additionally, one category of the BMC building blocks is the customers/external stakeholders and, thus, such a retraction is already encompassed by the particular categorization.

Nevertheless, the following extra building blocks cannot be studied along with the main nine BMC building blocks: the outside options or market conditions/positioning building block (Petrovic et al. 2001; Morris et al. 2005; Fiet et al. 2008; Teece 2010) and the triggers of dynamics/longitudinal process building block (Hedman et al. 2003; Svejenova et al. 2010). This is because the particular building blocks are quite complex and encompass a series of interrelated, profound and non-fully comprehensible forces that would complicate more the analysis and the drawing of any clear conclusions. In addition, the culture building block (Smith et al. 2010), as argued previously, is a more generic aspect that exists within the philosophy of the business model and not in the building blocks. Additionally, the culture diverges from the technocratic dimension of the business model, meaning that cannot be studied upon its actual practical reflection, such as the value proposition that can be either a product or a service, but it can be studied rather as a concept only. Therefore, the culture is suggested not be an actual building block of the BMC.

Regarding the forms of configuration, some authors (e.g. Timmers 1998; Dubosson-Torbay et al. 2002; Fiet et al. 2008) have been suggesting configurations upon the increase or decrease in the proportion of use of particular building blocks. Others (e.g. Linder et al. 2000) have been introducing configurations by modifying or even changing the building blocks in such a way that the business model core logic is changed. Some others (e.g. Andries et al. 2006; Sabatier et al. 2010) have been suggesting the experimentation of combining building blocks so to open new ways and discover the most appropriate configuration. Others (Willemstein et al. 2007) have been suggesting the configuration between the main activities of a company. Others (Betz 2002) have been conceiving configurations between the inputs and the outputs of a company and each time, depending on the combination, the building blocks can be either inputs or outputs. Zott et al. (2007, 2008, 2010) have been proposing configuration through design themes which means that either the company configures by enabling the design elements to interact between them or by combining the main activities upon their content, the responsible person for running them and the place where they should be acted.

The above observations suggest the examination of business models upon the nine components, meaning the BMC nine building blocks, collocated into the five business model constitutional categories. Additionally, when studying and identifying the various configurations within the consulting industry, one must have bear in mind the distinct

forms of configurations in order to capture all the possible dimensions and systemized manners of designing a business model framework. Finally, before moving onto criticizing and observing in detail the various identified types or configurations for every industry, and whether they are applicable to the consulting industry, the KIBS literature review will be executed. This is because the KIBS literature review will provide the ground to identify the authors that have attempted to study configurations within the particular sector.

2.6 KIBS

The development of KIBS in recent decades indicates the transition from an industrial economy into a knowledge-based one (Schricke et al. 2012). This has been a major trigger for why KIBS have become a core concept for examination in the scientific agenda (Muller & Doloreux 2009). However, the most influential driver for this increasing interest in KIBS is the effort of the western countries and the European Union to become knowledge-based economies (Schricke et al. 2012). Additionally, the focus of the literature on innovation in services has also been a contributing factor to the KIBS' development (Muller et al. 2007; Consoli et al. 2010). This is because it is suggested that knowledge-intensive services influence the learning and the innovation activity in knowledge-based economies (Aslesen & Isaksen 2007). Therefore, innovation regarding service activities is acknowledged as the main axis of examination and definition of the KIBS (Miles 2005; Amara, Landry & Doloreux 2009; Consoli et al. 2010). Notwithstanding, innovation as indicator of service activities is quite challenging (Amara et al. 2009; Schricke et al. 2012), while the classification of the service activities is quite vague. Hence, in the following subchapters, the respective issues, meaning the classification of services and the concept of innovation, will be reviewed and clarified as to their status-quo.

2.6.1 Definition and Classification of KIBS

Despite the already existing literature and the efforts to define KIBS, there is still lack of a common unified definition (den Hertog 2000). The hurdle associated with defining and characterizing KIBS stems from the fact that it is difficult to define and measure the knowledge-intensity of these services, let alone the innovation in the respective services. In reality, the innovation indicator was initially developed for measuring technological

innovation in the manufacturing industry. (Schricke et al. 2012.) Nevertheless, service innovation activities are strongly related to competencies and knowledge (Aslesen et al. 2007; Huggins 2011) and, thus, it is even more challenging to narrow down the spectrum of possible answers, especially when there is such a high heterogeneity of services (Schricke et al. 2012) and corresponding competencies to these services. However, a brief overview on the definitions of KIBS can clarify the nature of the term.

The current literature of KIBS acknowledges knowledge as the kernel of KIBS. This is because almost all attempts to define the term KIBS, suggest that knowledge is the cornerstone for which KIBS operate and exist. Indeed, knowledge-intensive services are emphasized within the existing literature as an innovation agent to service users' innovation process, and to facilitate knowledge transfer and diffusion in innovation systems (Miles, Kastrinos, Flanagan, Bilderbeek, den Hertog, Hutink & Bourman 1995; den Hertog 2000). If one takes a closer look at the following definitions in **Table 7**, one will see that knowledge-intensive firms are knowledge-centric organizations, which base their existence and operation on the production, creation and use of knowledge for all possible purposes.

Table 7. KIBS definitions.

<i>Author(s) (Year)</i>	<i>Definition</i>
Miles, Kastrinos, Flanagan, Bilderbeek, den Hertog, Hutink & Bouman (1995)	Knowledge intensive business services are services that involve economic activities which are intended to result in the creation, accumulation or dissemination of knowledge.
Toivonen (2004)	Knowledge intensive business services are those services provided by businesses to other businesses or to the public sector in which expertise plays an especially important role.
Wood (2006)	Knowledge-intensive business services, as usually defined, serve public and consumer, as well as different business markets, at different geographical scales—urban, regional, national, and even international.
Pardos, Gomez-Loscos & Rubiera-Morollon (2007)	Knowledge intensive business services are personalized services that offer a relatively diversified range with high quality provision.
Toivonen (2007)	Knowledge-intensive business service firms (KIBS) are expert firms that provide services to other firms and public organizations.
Muller & Doloreux (2007)	KIBS are mainly concerned with providing knowledge-intensive inputs to the business processes of other organisations, including private and public sector clients.
Muller & Doloreux (2009)	Knowledge intensive business service firms locate, develop, combine and apply various types of generic knowledge about technologies and application to the local and specific problems, issues and contexts of

	their clients.
Consoli & Elche-Hortelano (2010)	Knowledge intensive business services are intermediary firms which specialize in knowledge screening, assessment and evaluation, and trade professional consultancy services.
Schricke et al. (2012)	KIBS are a subset of KIS, meaning the high-tech industry and knowledge-intensive services, and include firms that provide knowledge-intensive goods and services for other business firms.

Additionally, Miles (2005: 39) indicated that the core competence of KIBS is mainly their capability to combine, upon their extensive experience, systemized scientific and technical knowledge with tacit knowledge in a new unique skeleton of knowledge. This way, other organizations are helped to handle problems by using external sources of knowledge (Miles 2005: 39).

Immediately, the above observations suggest that knowledge is not only a key production factor of the firms, but also the good they sell (Strambach 2008). This means that knowledge is the tool upon which KIBS base their operation, and the result of this operation. In more technical and economic terms, knowledge is the input and, at the same time, the output of KIBS. The second tidbit that can be retrieved from the aforementioned definitions and observations is that KIBS form a node in a system of customers (Toivonen 2004). This means that KIBS require an intensive and in-depth supplier-user interaction (Miles et al. 1995; Strambach 2008), since they have to handle with various clients that are usually other organizations and not households. And there lies basically the difference between a knowledge-based service and an information-based service; the former one requires in-depth interaction between the supplier and the user for the production of knowledge, while the latter one does not even necessarily encompass the purpose of producing or supplying knowledge (Miles et al. 1995). Therefore, KIBS can also be intermediary firms, as defined by Consoli et al. (2010), since they can get involved in a network of clients and/or cooperation partners (Toivonen 2004), and form the node of the respective network. Finally, the activity of consulting, meaning the problem solving process, is adapted to the clients' needs and, therefore, the content of the interaction process between KIBS and their clients can range to different degrees (Strambach 2008). This explains why it is quite difficult to measure, evaluate and generalize the operation of KIBS, once one of the most critical criteria, meaning the interaction with the customer, is customized and variable rather than standardized and constant.

The greater problem, however, lies into the classification of the KIBS due to high heterogeneity (Schricke et al. 2012). This is because KIBS present high heterogeneity and, therefore, it is difficult to classify them upon generalized criteria. This suggests that a detailed description of company activities is required so that one can actually classify KIBS. So far, many attempts by various authors, including Baláž (2004), Miles et al. (1995), Toivonen (2004), Rajala (2005), and Koch and Strotmann (2008), have been made so to classify KIBS based on the type of the service they provide. All attempts, however, have been verifying the heterogeneous nature of KIBS.

In particular, Baláž (2004) identifies the following services as major categories: accounting, management consultancy, technical engineering, R&D activities, design, services related to computer and information technology, and financial services. Miles et al. (1995), on the other hand, have identified two major categories; the traditional professional services KIBS I, and the businesses using new technologies and new knowledge-intensive services KIBS II that create new technologies. The former category comprises marketing, advertising, training, designing etc., while the latter one encompasses services such as software design, office services and building services (Miles et al. 1995). Nevertheless, Toivonen (2004) acknowledges three types of KIBS: private companies that provide services on profit basis, public organizations that provide services on non-profit basis, and hybrid forms between private-public and profit-nonprofit service actors. Rajala (2005), however, builds upon Toivonen's classification and identifies a nexus of knowledge intensive business services. In particular, he makes a distinction between different KIBS actors which can act either on profit or non-profit basis and whose interactive service relationships with the users are essentially bilateral or multilateral learning processes that expand the business capabilities of KIS actors. The respective actors are acknowledged as: private providers, public providers, collaborative partners and internal actors. (Rajala 2005.) Nevertheless, the classifications identified in many works upon the KIBS frequently follow the NACE scheme or, in other words, the Statistical Classification of Economic Activities in the European Community. This is a European industry standard classification system consisting of a six digit code and has become popular for identifying KIBS. The **Table 8** summarizes the contribution of the aforementioned authors to the classification of the KIBS.

Table 8. KIBS classifications.

<i>Author(s) (Year)</i>	<i>Classification</i>
Miles, Kastrinos,	KIBS I: Traditional Professional Services, liable to be intensive users of

Flanagan, Bilderbeek, den Hertog, Hutink & Bouman (1995)	new technology KIBS II: New Technology-Based KIBS
Balaz (2004)	Post and telecommunications, Financial intermediation services, Insurance and pension funding services, Services auxiliary to financial intermediation, Real estate services, Renting services of machinery and equipment without operator, Computer activities and software supply, Research and development, and Other business services such as legal activities, accountancy and advertising.
Toivonen (2004)	Private companies that provide services on profit basis, Public organizations that provide services on non-profit basis, and Hybrid forms between private-public and profit-nonprofit service actors.
Rajala (2005)	KIS actors: private providers, public providers, collaborative partners and internal actors. Types of Services: Business consulting services, Legal services, HRM services, IT consulting and support services, Communication services, Research services, Sales and distribution services, etc. Role of Service: Informative, Diagnostic, Advisory, Facilitative, Turnkey, Managerial.
Koch & Strotmann (2008)	Technical KIBS: Hardware consultancy, Software consultancy and supply, Data processing, Data base activities, Maintenance and repair of office, accounting and computing machinery, Other computer related activities, Research and experimental development on natural sciences and engineering, Architectural and engineering activities and related technical consultancy, Technical testing and analysis, Professional KIBS: Research and experimental development on social sciences and humanities, Legal, accounting, book-keeping and auditing activities / tax consultancy / market research etc., Advertising.

The above table suggests that the classification of KIBS can be quite a dynamic process which depends on the perspective from which one approaches the concept. This is because times change and services advance. Such observation can be supported by the fact that the division KIBS I and KIBS II later on turned into a division between consulting services and technical services, accordingly. Nevertheless, it becomes clear from the above classifications that the consulting services, indeed, belong to the KIBS and form subcategory of them. Additionally, there are authors that although follow the NACE classification, do actually omit some activities or services or classify them as an extra category. Such a case is Koch et al. (2008) who exclude some sub-sectors of the NACE major sectors. Therefore, one must identify some key positioning characteristics of KIBS in relation to the various industries, while one must keep in mind that the respective characteristics might not apply to some articular industries.

In relation to the aforesaid statement, Sheehan et al. (2007) conducted an extensive review on scholarly writings and on various industries and identified four key positioning characteristics of the KIBS. These are: the key value creating activity, the fee structure, the reputational capital, and the governance. The first one addresses the created value through the problem-solving, the fee structure refers to the fees collected from the services rendered or to the rents collected by the ownership of property rights, the reputational capital refers to the reputational status the firm has and how the clients receive that reputational image, while the governance encompasses the choice of the company to be a stand-alone partnership or part of a larger corporation. By applying these characteristics to various knowledge-intensive industries, the authors extracted three types of KIBS; diagnosis shops, search shops and design shops. (Sheehan et al. 2007.) Nevertheless, these key characteristics resemble the categorization of the business model nine building blocks, as visualized in **Figure 2**. In particular, the key value creating activity can be paralleled to the offer group which comprises the value proposition, while the governance can be somehow reflected to the infrastructure through the partnership network. The reputational capital can be paralleled to the customer group and how well the firm communicates the clients with its services and its efficiency so that it builds a reputation strongly perceivable by the customers. Finally, the fee structure can be reflected to the cost structure, which is interpreted as the share collected from the created value.

Of course, such communion of the four key positioning characteristics with the four groups of the business model nine building blocks might be amiss, but yet it is quite helpful in terms of examining business models within the consulting sector. However, although it is clear that the consulting sector is a subcategory of KIBS, the respective literature on consulting firms is quite scarce and does not facilitate the easy identification of the industry's behavioral tendency. In other words, there is a research gap regarding the overall literature on the consulting industry and, thus, this should be exploited in the future in terms of an academic contribution. For this reason, the four key positioning characteristics, as were acknowledged above, can be an axis based on which KIBS can be examined and observed as to their operation and behavior.

2.6.2 KIBS behavior and Business Model Configuration

As previously argued, the KIBS engage in an intense interaction between the service provider and the client, creating and sharing this way knowledge (Miles et al. 1995).

Therefore, KIBS firms rely heavily on their employees' professional competences, as well as on their customers' competences which are required so to produce successful services (Tuominen & Toivonen 2011). However, the directly corresponding feature to the aforementioned behavior is that KIBS have the ability to innovate and to contribute to their clients' innovation rates, by enabling the clients to be also co-creators of the innovation (Santos-Vijande, González-Mieres & López-Sánchez 2013). Thus, the interaction between the firm's and the customers' capabilities should be at the lens of inspection. This means that the interaction between the building blocks of customers and the firm's resources should be taken into consideration. Ultimately, Svejenova et al. (2010) had already studied the two captured values, meaning the customer's and the company's, as well as the changes in these two values.

Another specific feature in KIBS is that innovation activities are highly iterative. The firms may deliberately launch incomplete concepts to markets early, and conduct the development iteratively with the actual service delivery (Toivonen & Tuominen 2009; Tuominen et al. 2011). Such initiative implies that KIBS firms need to test some of their ideas or services in practice and upon the service delivery. This behavior is not directly related to the business model, but rather to the strategy they deploy. This means that KIBS firms may deploy emergent strategies as to their innovation concept. However, if one would intend to relate this particular behavior of KIBS to the business model, one would say that some of the configurations that would generate innovation are based on the experimentation that Andries et al. (2006) and Sabatier et al. (2010) suggested. This is because the trial-and-error process underlies this test-in-practice notion. Therefore, KIBS firms might engage in some kind of experimentation as to the innovation they want to achieve.

Additionally, another characteristic that KIBS have is the unintended ad hoc innovations due to the birth of many novelties in the customer interface as the result of a tailor-made solution. Hence, organizations face challenges in identifying and replicating the beneficial novelties. (Tuominen et al. 2011.) Such a behavior leads to the observation that the customers/external stakeholders category, which comprises the key partners and the customer segments, should be examined thoroughly. The customer interface seems to be a prolific building block for innovations and the replication of these innovations is presented as challenging. Hence, the documentation of the interactions and the key activities in relation to the customer relationships and segments should be documented and studied.

These features have been argued to characterize other service firms, too, but they are explicitly emphasized in KIBS firms, due to the complex nature of customer problems (Tuominen et al. 2011). Hence, the abovementioned behaviors could be examined upon the equivalent building blocks of the BMC in order to be understood and interpreted, while they will also lead to the revelation of other interactions.

2.7 Potential applicability of Business Model Types/Configurations to the consulting industry

As identified above, the classification of KIBS is a dynamic process and depends clearly on the perspective from which one observes it. For this reason, the need for some behavioral or attributive criteria that will help to define whether a company belongs to the KIBS sector is reinforced. The previous subchapter, indeed, provided such criteria. Yet, it is difficult to clearly state which of the suggested business model configurations can be applicable to the KIBS sector and, particularly, to the consulting industry. This is because authors on the business model configuration literature might not have been focusing necessarily on the KIBS sector, but some of their identified configurations might still have to some extent applicability to the KIBS and, by extension, to the consulting industry. In addition, the available literature upon the consulting industry is significantly scarce and, thus, imposes an even more challenging environment for identifying the configurations upon the respective sectors. Nevertheless, as it was identified earlier, the consulting sector is part of the KIBS and, hence, the former shares at least some behavioral characteristics in common with the latter. Therefore, this subchapter will identify whether the nature of the business model configurations is effective or defective as to their applicability to the KIBS, and particularly, to the consulting industry, under always the hypothesis that the consulting industry shares common behavioral tendency characteristics with KIBS.

It is quite clear that the KIBS sector, as the acronym declares, refers to knowledge-intensive business services. This means that two clear parameters can be retrieved from the respective abbreviation; the knowledge-intensive and the services. This means that when a configuration is studied upon a particular industry or a particular company, like in the business model configuration literature review, it should be clear whether this particular sector or company is focusing on products or on services or on both. The second parameter means that the particular sector or the company and the product or service it addresses should be examined as to the knowledge intensity. However, as

stated earlier, it is difficult to define or measure the knowledge intensity of a service (Schricke et al. 2012). Therefore, each author and his suggested business model configurations will be observed upon three parameters. The first parameter is whether the sector and the configurations focus on products or on services or on both. The second parameter is whether there is a knowledge-based reality for producing or executing the product and/or the service, since the intensity is difficult to measure. Finally, the third parameter is to examine whether a configuration can be applicable to the consulting industry, although the respective configuration might be identified on an industry or on a company where there are only products and/ or there is no knowledge-based requirement to produce the respective product.

According to **Table 6**, the first industry to be examined is the e-business industry. Six authors have identified business model configurations within the respective industry. All of the authors (Timmers 1998; Petrovic et al. 2001; Dubosson-Torbay et al. 2002; van der Vorst et al. 2002; Wirtz et al. 2003; Amit et al. 2001; Zott et al. 2007, 2008, 2010) make it clear that the e-business models are models which are based on the use of Internet so to do business and, by extension, electronic commerce. This means that the actual business might not take place physically but electronically, aka online, whether the object of the business is a product or a service or even both. Such case would be quite applicable to any KIBS company too, since the company could have digitalized a big part of its services or the way of handling its products. Additionally, knowledge and information can be also digitalized and negotiated on an Internet base commerce. Nevertheless, each author suggests configurations by combining different constituents and by creating a different environment for operating any suggested business model configuration. For this reason, each of the configurations are examined individually below in relation to the KIBS and, more specifically, to the business consulting industry.

In particular, all of the ten suggested business model configurations of Timmers (1998) could fit to the KIBS and to the consulting firms in ideal conditions. However, the reality strays quite much from the ideal conditions. Since the focus of the study, however, is on the consulting firms, the identification will be executed upon the consulting firms and not on the KIBS generally. In fact, an e-auction business model would be quite risky to apply to the consulting firms at the present stage, since an e-auction refers to an electronic bidding of goods. In ideal conditions, the particular configuration could also encompass services or even management tools as products, but this sounds quite futuristic. Based on the KIBS behavior subchapter, there must an

intense interaction between the provider and the customer, which in real conditions requires a minimum of physical presence and interaction. However, as the behavioral characteristics of KIBS also state, the trial and error process is a good way of learning whether a product or service or even a combination functions. Therefore, only a trial-and-error process could prove whether an e-auction could be applicable to the consulting industry and could bear desired results. Besides that and upon the description of the business model configurations in **Table 6**, the rest of the suggested business model configurations, meaning the e-shop, the virtual communities, the value chain service provider, the e-procurement, the e-mall, the third party market place, the value chain integrator, the collaboration platforms and the information brokers, could function in the consulting industry under ideal conditions and, probably, also under real conditions. Notwithstanding, especially, the last configuration, meaning the information brokers, can be applied to the consulting industry, since Timmers (1998) himself identified about consultancy and trust services and stated that there should be a direct payment or a pay-per-use payment in the case of consultancy and a authentication certificate in the case of a trust service.

The configurations Petrovic et al. (2001) suggest could easily be applied to the consulting industry. Although the authors identify the particular configurations on the digitalized online market, the actual configurations are executed more or less upon the constituents of the BMC and, therefore, could also be applicable to the consulting industry. In particular, the value, the resource, the customer relations, the revenue and the capital models are quite clear as to which way they could be applied. This is because the respective models represent combinations of different elements within each building block that can generate value for the particular building block itself. The production model also can be applied since it describes the logic of how elements are combined in the transformation process from the source to the output. The market model, on the other hand, could also be applicable because the company chooses on which environments it will focus its operations. (Petrovic et al. 2001.) This means that it chooses the market, the sector and the customer segment(s) to which the company will provide its product and its services.

Accordingly, the same applies for the configurations of Dubosson-Torbay et al. (2002). Dubosson-Torbay et al. (2002) did not suggest a particular configuration but rather any combination of their suggested building blocks that are visualized in **Table 6**. This means that any combination of the product innovation which equals to the value constitutional category, or of the customer relationship, or of the infrastructure

management which equals to the internal artefacts constitutional category, or of the financial aspects would be applicable also to the consulting industry. In fact, the authors did not specify the e-business on a product but rather included the possibility of being any product or service.

Van der Vorst et al. (2002) suggest configurations on Food supply chain. This means that the configurations are upon products and not services. Furthermore, the configurations are also focusing on the supply chain and not generally on all processes. In particular, the e-marketplace brings the sellers and the buyers together. Such business model would probably be applicable to the KIBS, since such an intermediary service is suggested for KIBS, but it would not necessarily fit to the consulting industry. Usually, the reality requires that the consulting firm is in actual interaction with the customer and if not, in ideal conditions, there might be an intermediary. However, the intermediary might have a more temporal role, that of a satisfied existing customer who suggests the consulting company to another potential customer, and the potential customer to the consulting firm, accordingly. Thus, the e-marketplace could be ideally an applicable configuration but yet it is to be attempted to know the results. The rest of the three suggested configurations, meaning the information chain, the visual enterprise and the value chain models could be applied to the consulting industry, especially more easily the information chain one and less the other two. This is because the information chain adjusts the various processes to the wishes of the customers by capitalizing particular information about the customers (Van der Vorst et al. 2002). The other two refer to a community of participating companies that deliver together the value (Van der Vorst et al. 2002), and usually this is more difficult to be found in the consulting firms, unless the consulting companies deliberately, and not under customer's demand, cooperate between them so to deliver the value.

Some of the configurations Wirtz et al. (2003) suggest could be applicable to the consulting industry, others not but yet all of them would be insufficient. The respective configurations are executed merely on the revenue stream and on the transaction dependency of the revenue streams. In particular, the content model is based mainly on secure and micro payments (Wirtz et al. 2003). The commerce model is mainly based on transactions and, thus, this could not be reflected in a consulting service, even if it was totally digitalized. Neither the context model would be applicable because the required value would not be generated only by that in the consulting industry reality. However, the connection model could be a potential configuration since that would enable the instant communication of the buyer and the seller, but not of a group of

customer as primarily suggested. However, this model would still be insufficient to create the desired value for a consulting firm, since the requirements of the consulting reality exceed the contribution of this particular model.

Finally, Amit et al. (2001) and Zott et al. (2007, 2008, 2010) suggest configurations upon the combination design elements and design themes. The suggested design elements and themes, however, encompass parameters for both product and services as the authors explain. Additionally, the authors include also the parameter of information. Thus, possible combinations of the design themes and elements could also possibly be applied to the consulting firms.

The second industry encountered in **Table 6** is the biotechnology one. In fact, most of the suggested configurations within this industry could also be applicable to the consulting industry. On the other hand, there are others they could not. In particular, the configurations Andries et al. (2006) suggest focus on the new technology-based ventures. All of the three suggested configurations refer to a more general development of the companies at an organizational level through the combination of constituents. It is also suggested that these configurations are based on uncertainty, which means that they require planning, testing and exploitation of a given direction, while they are also based on ambiguity, which requires the exploration of new directions and the experimentation; likewise KIBS. The ambiguity and the uncertainty parameters form the adaptation phase of the suggested constituents. Thus, these configurations suggest the development stages of a company and they do not really provide particular combinations of constituents. This means that if one wants to identify the development phases of the consulting firms through the combinations of constituents, then these configurations would be contributive. However, in the case of this particular thesis, it is not the development of the companies through the configuration of constituents that is studied.

The configurations of Willemstein et al. (2007) could be applicable to the consulting industry. This is because the authors have encountered configurations about any service, configurations about a platform and also about a product. The first model is quite clear as to its applicability since it refers to service. The second one could also be applicable if a consulting company has a particular IT model platform and on which it operates serves customers by also supplying them such a platform. The product model, however, under ideal conditions could also be applied if the consulting company was making, for instance, tools and was selling them. However, in the real consulting life this is not always applicable. Thus, the hybrid models too, which are combinations of the above

models, could be applicable to the consulting firms with wariness about the ones that include the product model.

Finally, all the configurations, apart from the technology brokering one, that Sabatier et al. (2010) suggest could be applied to the consulting firms. This means that the virtual model, the repurposing model could be applied because the configuration is based on the time, the sales, the price and the costs which are related to the consulting reality. The technology platform model could be applied because consulting firms that focus on IT sector and work on it include the engineering of platforms and the co-development with customers upon the latter's templates. The contract manufacturing model could be applied because of the partnerships consulting companies might have and the processes they optimize for them. The technology brokering, again, as it was argued in the previous e-business industry is under ideal conditions and, in fact, the intermediary usually and temporally cannot easily be someone else rather than an existing customer. Therefore, the particular model is uncertain as to its applicability to the consulting industry.

The rest of the suggested configurations in **Table 6** are not examined within a particular industry. However, this does not mean that they are also totally generic. Some of them could be applicable to the consulting industry, others not. In particular, Linder et al. (2000) have been suggesting many different configurations. However, few of them seem to be applicable to the consulting industry. This is because of the focus these configurations have. In fact, most of the operating models that appear in **Table 6** are conceived upon products and not services. For instance, the price, the convenience and the commodity-plus models are clear as to their reference to products and not to services. In addition, these could not be applied to the consulting industry due to their nature. The intermediary model neither could, due to the reason that has been stated above in the other two industries-analyses. Notwithstanding, the experience, the channel, the trust and the innovation model could possibly be applied to the consulting industry. On the other hand, the four suggested change models could be applicable to the consulting industry. Nevertheless, only the two would be appropriate for this thesis, since the other two capture a spectrum outside the boundaries of the one this thesis encompasses. In particular, the realization and the renewal models could be applicable because they optimize configurations upon constituents without changing the core company's core logic. However, the extension and the journey models present the change of the company's core logic due to the configuration of the corresponding

constituents and, thus, this thesis is not studying the change in the core logic but rather the actual configurations.

The configurations Betz (2002) has suggested could be supported by the consulting sector. This is because the configurations do not focus on a particular product, but they could also be about a service. In addition, the inputs or outputs that are identified as constituents and represent the internal artefacts and the financial categories can be configured for a service and for any knowledge-based company such as consulting companies.

The configuration of Hedman et al. (2003), however, seems to be disputable, since the constituents it uses are not easy to be captured, especially, in knowledge-based company and, by extension, to the consulting firms in general. Despite the fact that the respective model is generic, it uses the supply of factor, the production inputs and the longitudinal process components which cannot be easily capture or identified in the consulting firms. The configured building blocks that are identified in the model could be applicable to the consulting industry because they maintain their generic character, but the first three components could be easily disputed. For this reason, the application of the particular model to the consulting industry might be disputable.

Morris et al. (2005) do not suggest particular configurations, configurations of constituents within a generic model. The constituents seem to be capturing the reality of a service and a knowledge-based company and, thus, could be potentially applicable to the consulting industry.

Only two of the configurations Halme et al. (2007) suggest seem to have a potential applicability to the consulting industry. In particular, the material consulting service and the material flow management service model could be applicable. The former one could be applicable due to the fact that it maintains the personnel resources and the traditional way of payment, while the latter due to the fact that it could be applied to a service too, and not only to a product. The MASCO model and the material efficiency service model could not be applied, since they omit the personnel resources. And as it is known, the consulting firms base most of their services and their activities on human resources.

The configurations Fiet et al. (2008) suggest with their FBM framework could be potentially applied to the consulting industry. Although, the configurations are based on the interaction costs and the outside options, they could be applicable to services and to

knowledge-based companies. The same applies for the suggested configurations of Storbacka et al. (2009). Although the dyadic model presents configurations of resources and capabilities from two different perspectives, still the model could be applied to the consulting industry and reveal a particular part of configurations of the consulting firms. This means that the configurations of the suggested constituents could be also for services and for knowledge-based companies.

The generic framework that Demil et al. (2010) have suggested is quite flexible as to whether it can be applied to a product or to a service. In addition, the description of the configuration in **Table 6** potentially implies that it could be applied to the consulting firm. On contrary, the case of Smith et al. (2010) seems to be special and idiosyncratic as to whether the configurations can be applied to the consulting industry. This is because the respective authors do not identify configurations in fact, but rather types of companies that use particular business models. This means that some consulting firms could be using similar business models to these of Smith et al. (2010). Thus, the respective business model types could be potentially identified into the consulting industry.

The dyadic business model of Svejnova et al. (2010) could also be applied to the consulting industry. This is because the model and the configurations it encompasses are based more or less on the building blocks of the BMC and do not refer particularly on a product but to either a product or a service. The same applies for the provisional model of Teece (2010), although the model is a bit more precise as to its configurations. Nevertheless, the possibility to apply it to the consulting firms is open.

The generic framework of Yunnus et al. (2010) suggests configurations upon the value proposition and the value constellation, which makes it possible to be applicable to the consulting firms. There is no restriction to whether the configuration is upon a product or a service. And although, it does not capture all the building blocks of the BMC, still it can be applicable for the respective captured constituents to the consulting industry.

The configurations Casadesus-Masanell et al. (2011) suggest refer more to configurations that companies may use in relation to their competitors. Nevertheless, two of these configurations, and particularly the models that create the virtuous cycles and the models that turn competitors into complements, could be applied to the consulting industry. These are quite flexible as to whether they are upon a product or a service, or on knowledge-based companies. The models that weaken competitors'

cycles, however, refer to technological companies and usually consulting firms do not have such technology that would even disrupt an industry. Ideally, that would be possible, but in real conditions resounds quite challenging.

The configurations of Eyring et al. (2011) seem to be applicable to the consulting industry, since they are upon differentiation or innovation, but the constituents are similar to the building blocks of the BMC and they are not specified upon a product. Furthermore, the suggested configurations can also be applied to knowledge-based companies.

The configurations Chatterjee (2013) has suggested may seem applicable to the consulting industry, but they are not all. In particular, the efficiency-based, the perceived-value and the network value configurations could possibly be applied to the consulting industry since there is no restriction upon a product. However, the network efficiency requires this intermediary position which consulting firms cannot have. For this reason, the particular configuration seems quite disputable as to its applicability.

The configurations Storbacka et al. (2013) have suggested are primarily meant for industrial companies which want to shift from product-based to solutions-based companies. However, all of the four configurations could be applied to the consulting industry, if one would consider the management tools as products and the solutions as the services the consulting firm provides to its customers in relation to the tools. This especially applies to consulting firms that focus on IT solutions. Finally, the configurations Girotra et al. (2014) have suggested could all be applicable to the consulting industry, since the constituents and the parameters they set for the configurations could easily be applied to knowledge-based services.

3 METHODOLOGY

The following chapter reflects the applied research methods and presents a discussion on the reliability and validity of the respective methods. In addition, contextual limitations are presented.

3.1 Research Methods

A research procedure is a plan and a procedure of a research that indicates the path from broad assumptions to detailed methods of data collection. This plan involves various decisions, among of which is the research method of data collection that the researcher will apply. Hence, the researcher will make a decision about the appropriate methodology upon the research question he has defined and he is aiming to answer. (Creswell 2013: 3.)

The course of time has showed that a respectful number of scholars and researchers opt for a research method between two main methodologies; the quantitative and the qualitative. Quantitative methods require standardization of terminology and operationalization of phenomena. On the other hand, qualitative methods focus on some phenomena more in depth, particularly when the boundaries between the phenomena and context are vague or not clearly evident. (Patton 1990: 13 – 14.) The great debate, however, about the two methodologies has been based upon the differences in assumptions about what reality is and whether or not it is measurable (Jha 2008:6).

As there is no explicitly defined and commonly accepted jargon among scholars and practitioners regarding the business model concept and the configurational approaches, the qualitative research methods appear to be an appropriate tool to examine the topic. In particular, an applicable empirical enquiry that investigates contemporary phenomena in depth and within real life context is required (Yin 2009: 18). Therefore, an adjusted case study may be seen as the appropriate enquiry. To further extent, this thesis examines multiple separate cases experienced by different organizations and/or institutions so to avoid, as much possible, biased conclusions. Therefore, this study may be seen as a multiple case study which expands in three phases: the collection of the data, the analysis of the data and the evaluation and the observation upon the yielded result from the analysis and in connection to the theoretical frameworks.

According to Yin (2009), there are six main sources from where the case study evidence may be retrieved. These sources are the documents, archival records, interviews, direct observation, participant observation and physical artifacts. This thesis applies personal thematic, or semi-structured, interviews, which are a method that intervenes somewhere between the structured questionnaire and the deep interview. In particular, a personal thematic, or elsewhere semi-structured, interview allows the interviewee to emphasize the most important factors, while the focus on the key areas of the research is not shifted. In other words, a balance between structure and openness is achieved. In addition, the interviewee can clearly express his opinion without being influenced by the researcher's opinion or any particular wooden jargon (Gillham 2005: 70–79).

After the first step of the collection of the data, follows the analysis of the retrieved data. There are a series of techniques for analyzing case studies, among of which are the pattern matching, the explanation building, the time series analysis, logic models, and the cross-case synthesis (Yin 2009: 38). However, in this thesis the following tools were used so to analyze the data: cross-case synthesis, explanation building and pattern matching. In particular, all the interviews were scrutinized for commonalities and patterns in order to identify combinations that have been allowing the organizations to excel in their business model configurations. Then the findings of the separate cases were brought together for cross-case synthesis so to formulate a generic picture of the data and analyze it simultaneously and more effectively. Finally, the findings were reflected upon the theoretical frameworks to identify which of the latter represent best the results.

3.2 Validity and Reliability

The validity and reliability of the research outcomes is a cornerstone for the quality of a research method. In particular, validity is probably the most critical criterion because it indicates the degree to which an instrument measures what it is supposed to measure (Kothari 2004: 73-75). In other words, the validity verifies the applicability of a selected research method regarding the actual measurement of the phenomena that are under examination. The reliability, again, is about the accuracy and the precision of a measurement procedure. In particular, the reliability is achieved when the same research is carried out and it yields the same results. (Kothari 2004: 73-75.) Nevertheless, repetition of the study is not anticipated. However, detailed explanation of the entire

research process and a high number of direct quotations from the interviews are stipulated so to increase the reliability of the study.

3.3 Context

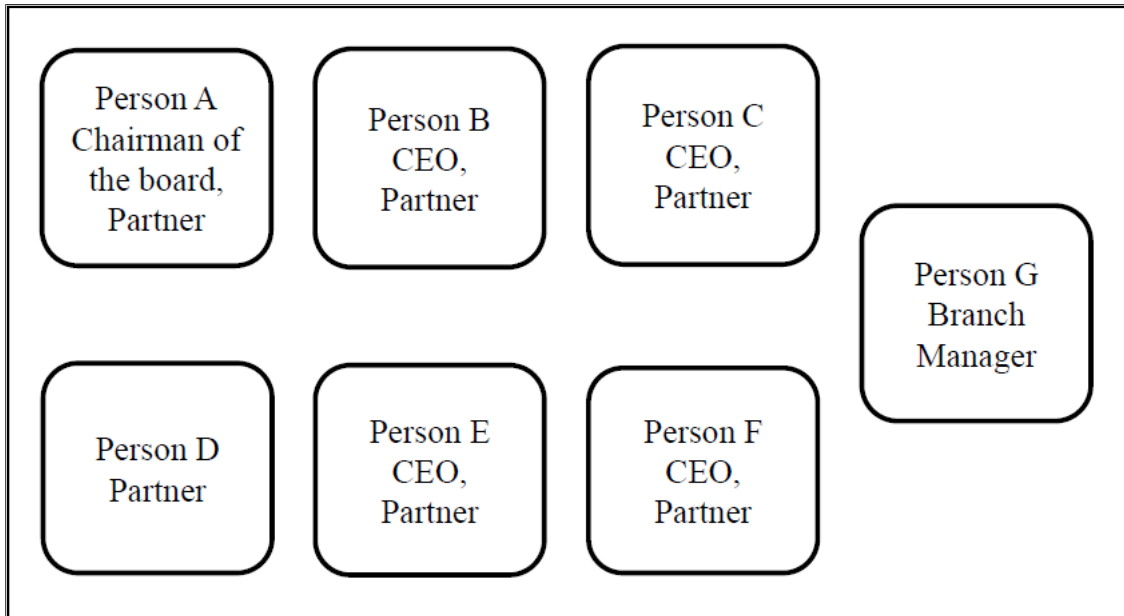


Figure 3. Interviewees.

The primary research data consists of seven (7) interviews of approximately 60-90 minutes each. The interviews were recorded and completely filtered so to increase the reliability of the study. The data was gathered during the February and March in 2015. The companies for interviews were systematically selected from the online Orbis database. Orbis is an online database that contains information about nearly 150 million listed and unlisted companies worldwide.

The primary criteria for filtering companies in Orbis were the following: the country, the industry sector, the size of the company measured in number of employees, the business description, their product and services portfolio, the site availability and a wide range of financial data for the years 2004 until 2013. In particular, as country was set Finland, as industry sector the Business and other management consultancy activities and as size of the company minimum five (5) employees under the last fiscal year (2013). The research sample produced 543 candidate companies for interviewing.

The main sample was filtered down gradually and with progressive criteria. The first step was to filter companies that in their trade description and their product and service portfolio did not meet the requirements of the business and management consultancy activities. This means that any trade description that was focusing out of the business and management consulting sector and any product and service portfolio that did not comprise the respective consultancy activities were beyond consideration. The second step was to filter companies that did not have any trade description or business and service portfolio description at all, neither a site available to search the aforementioned data. Therefore, all these companies without the aforesaid descriptions were verified one by one by searching on the internet for their official webpage, and if there was none they were also excluded from the sample. The third step was to verify one by one the companies that were kept into the sample by checking their official webpages as to the real nature of data in their product and service portfolios. This means that each company was checked online if it was active and if it, indeed, provided consultancy services despite the trade description from the Orbis database. After the aforementioned criteria were applied, the sample was filtered down to 99 candidate companies.

The sample was further filtered down by applying financial criteria. In particular, the following financial criteria were applied: the operating revenue (turnover), the profit margin, and the return on equity (ROE) using profit or loss before tax. All data was calculated upon percentage (%). The first step of the financial filtering was to calculate the turnover growth, the profit margin growth and the ROE using L/P before tax growth for the years 2004-2013. The second step was to measure the average rates of the aforementioned growths. The third step was to sort firms by ordering them from the highest to the lowest growth rates for each financial criterion and give them a corresponding numerical indication for their growth performance. This means that companies were first sorted upon the average turnover growth, from the highest to the lowest rates. The company with the highest growth was given the numerical indication one (1), while the second highest was given two (2) and the numerical indication was attributed respectively. The same sort system was applied for the average profit margin growth and for the average ROE growth. The fourth step was to identify which firms have been performing in all the three financial criteria within the 40 best companies. This means that if in all three criteria a company had scored less than 40, the company was automatically within the final sample. All these companies that would be included in the final research would belong to the top performing ones. The fifth step was to identify these companies that have been performing in two financial criteria within the 36 best. These companies would also be included in the final sample as the middle

performing. Hence, the sample was formed with ten (10) top performing companies and 13 middle performing companies. The final step of the financial filtering was to include two more companies that have been marginally performed from the sample, so to round up the final list of companies to 25.

From the ten (10) top performing companies were interviewed four (4), from the 13 middle performing companies only one (1), and from the two (2) marginally performing companies both of them. Hence, the final sample consists of seven (7) companies.

As the focus of the study is on the business model configurations, the interviewees were selected among the top levels of the organizations who are responsible for applying the various business models. More specifically, the empirical data is retrieved from the managing directors and the CEOs. However, it must be acknowledged that six of the interviewed companies focus their operations only on the private sector, whereas the seventh company focuses its operations on the public sector. Such a fact does not mislead the findings regarding the different types of configurations there might be in the Finnish consulting sector; however, it must be pinpointed that the seventh company enjoys an advantage of propitious external conditions regarding the competition and, thus, facilitates in its sustainability which might not necessarily be corollary of a successful configuration. Hence, the study may be considered limited as to provide a truthful picture only from the internal perspective and may not represent the viewpoint of the external environment and the conditions if the market.

4 EMPIRICAL FINDINGS

This chapter comprises the description of the analyzed interview results and a summary of the discussed issues. In addition, one can observe from the interview template (see **APPENDIX** Interview Structure) that the question format of the interview has been set as quite open and flexible in providing answers in order to consolidate the drawing of a holistic picture.

The quest to investigate in profound how consulting firms in Finland combine business model constituents and configure them into successful set of business models has been quite challenging. This is because knowledge and any kind of information leakage prevent any company from sharing its actual internal data, as well as its position regarding its strategy. Therefore, some of the collected data might reflect part or even one side of the actual reality and not the actual reality itself. Nevertheless, the analysis of the data has been executed in a scrutinized way and with tremendous care. Therefore the analysis is executed in two parts. The first part provides a within-case analysis as to the individual business model configurations the companies apply, and the second part presents a cross-case analysis of the seven interviewed companies. Finally, the retrieved results from the analysis of these two parts are composed into a synthesis section where the different identified configurations are presented and examined for any configurational patterns.

4.1 Within-case analysis

Each company possesses its own unique recipe of combining its business model elements. And even though one would think that some building blocks could be the most important so that a configuration is successful, any establishment of such conclusion would be misleading. Nevertheless, it might be true that some building blocks may enjoy more attention than others but that is not applicable to all industries. Each industry might have distinct weight of importance on building blocks, but this does not negate the fact that all building blocks play their role in a successful business model configuration. In fact, internal artefacts, meaning key resources and key activities, is an important component for the consulting industry, and in most cases, the starting component or the base upon which a configuration can be achieved. However, the underlying forces and the pragmatic conditions under which a company executes a business model configuration are quite complex and require multiple lenses to be

captured. This means that although a company might admit that the most important success element is the human resource it possesses, the configurational map will present also other elements that function equally significantly in parallel to the internal artefacts and lead the company to its actual results.

It must be pinpointed that typical evident fact, such as the generation of revenues from any consulting services, is seen as the rule to the general case and, thus is not depicted in the configurational maps for the easier comprehension of the map itself and the depicted configurations. This means that standardized services which lead to typical revenues is taken for granted, even though there might be cases where this rule is not necessary applicable, and, therefore, the configurational maps indicate everything else rather than the obvious and direct connection of that a service leads to any recurring or transaction revenues. The only case of a revenue illustration deriving from a service will be when the particular service represents a great percentage, meaning over 60%, of the company's revenues.

Finally, any identified configuration is attributed a descriptive title for the easier elaboration in the synthesis section. This means that each configuration will have a name. In case two configurations of distinct companies have similar names it might be that a pattern can emerge from there. However, such patterns will be investigated in the synthesis section after the cross-case analysis is also executed. The individual cases are presented below.

4.1.1 Company A

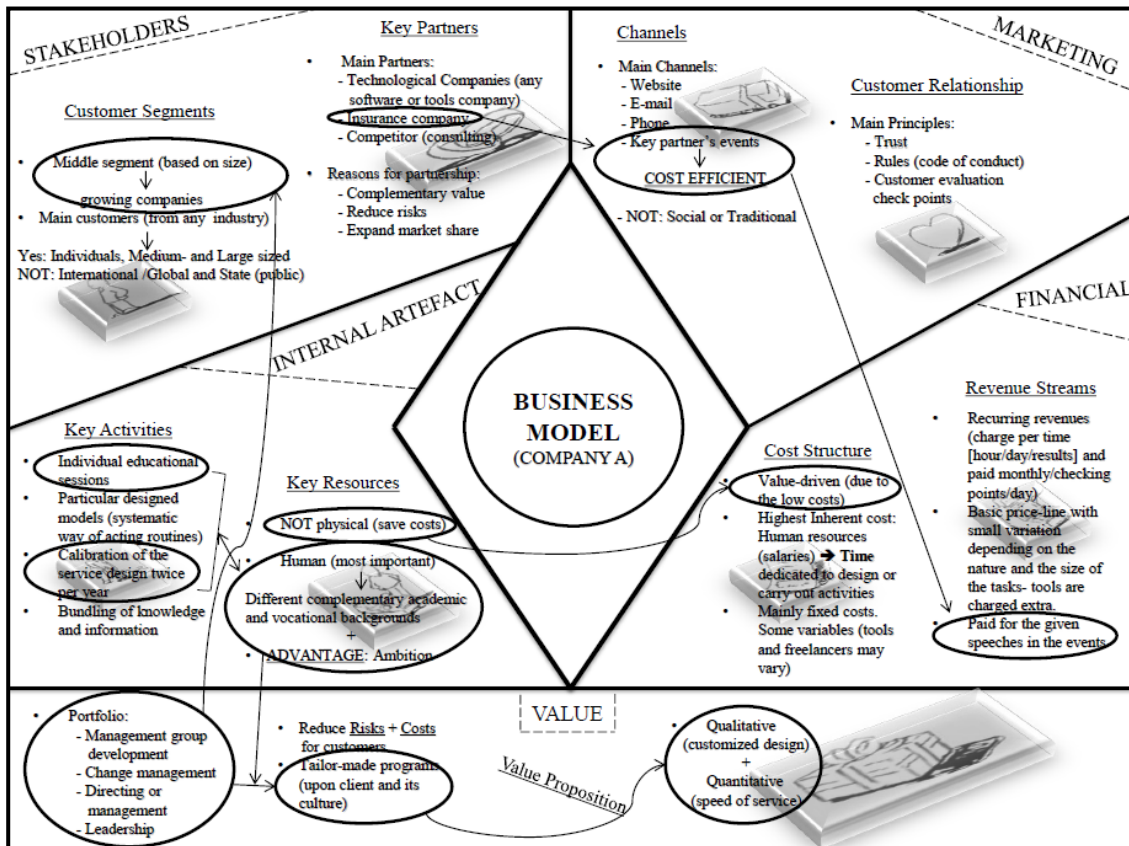


Figure 4. Company A's Business Model Configurational map.

The particular company uses all of the five generic constitutional categories to achieve various configurations. In particular, the above figure illustrates four different types of configuration. The first configuration is achieved by company A combining its key resources with its key activities in such a way so there is always a continuous development. In fact, the company acknowledges, as to its human resources, a diverse and complementary educational and vocational background, as well as a combination of skills, experience and personality that cannot be copied. In addition, it acknowledges an ambition that gives the lead to the company as to generate the desired results for the customers.

"[...] it is combination of certain skills and backgrounds and experience and personality and things like that, you cannot copy it. [...] And one thing we have noticed that we are more ambitious than usually the people in the companies. [...] We get the projects that we are able to get the results, so that's the ambition as well." (Person A)

Furthermore, the company ensures that each employee gains twice per year some personal time to elaborate and comprehend the learnings of the bygone business operational time and to calibrate the offered services so to renew them effectively.

“[...] You have to concentrate, let's say, minimum two times per year [...] one week you recover and after that you think about the past and what things did you learn and what kind of tools the customers they need, and which way I should renew everything,”
(Person A)

Immediately, there is a combination of the two building blocks of the internal artefacts. Nevertheless, from this combination it derives a configuration of the internal artefacts with the value constitutional category. This is because this process of service calibration leads to new customized designs. In addition, the company adjusts the methods of delivering the value to the goals and the culture of each customer.

“The methods we use [...] depend on the goal and the culture of the company and the person to whom we are the business partners.” (Person A)

This leads to the fact that company A wants to cultivate further the academic and vocational background of its key resources by urging its employees to have some educational moments with themselves. In addition, through the personal employee development it also promotes the development of the service design. In other words, company A motivates its employees to hold individual educational sessions so to elaborate new knowledge and, by extend, to calibrate and restructure the design of a service twice per year for a better customer value. This type of configuration could be named Knowledge and Service Development model.

The second identified configuration is between the internal artefacts and the financial constitutional categories. In particular, the company deliberately does not possess physical resources that would set the costs high and, therefore, the company's costs structure leans more onto the value-driven structure. This means that the company organizes its key resources, and particularly its physical resources, in this way so that the value-driven cost structure is achieved. This particular type of configuration could be named as economical.

“It is value(-driven cost structure). [...] As I told you we have no office[...] and the reason of course to that is the cost.” (Person A)

A third configuration is identified by combining the key resources, the value proposition and the customer segments. In particular, the company offers a general wide range of management consulting services, but deliberately, to a particular customer segment. This means that the company configures its value constitutional category with the stakeholders constitutional category. In fact, the company offers its respective consulting services only to companies which seek growth and not to the already international and global companies.

“In our case, for us it's easier to go into the customers which are in a way growing. So there is the middle segment, if you think about the size. So these big companies, really big international companies, they are not for us.” (Person A)

In addition, the services it provides encompass tailor-made programs with customized design and at a certain speed of delivering them, which reinforces the generated value. This means that the company provides both qualitative and quantitative value to its customers. This kind of configuration could be named double customer-focused value, since it is upon a particular category of customers and comprises both qualitative and quantitative value.

Finally, the fourth identified configuration is achieved by combining the stakeholders constitutional category with the marketing and the financial constitutional categories. In particular, the company acquires a key partner and uses the latter's events as communication channel and as a revenue stream. This is because the company by attending to the respective events gives particular speeches for financial returns. This means that the company uses a key partner's channel, which proves to be also the most cost-efficient for the company, and communicates new customers, while it also gets paid for its speeches at the events. This type of configuration could be named as Dual Functional because the company combines building blocks to achieve two goals; first to generate some revenue and second to acquire new customers.

“But also we have this for example insurance company. I have been talking in their, how to say, this kind of customer events [...] And that's the one way we can get customers. [...] Because in those events we get paid for the speech in a way, we have over there, and after that we are going to get customers.” (Person A)

To summarize, company A applies four different types of configurations under the following claimed models: knowledge and service development model, double customer-focused value model, economical model, and dual functional model.

Table 9. Company A's Business Model Configurations.

	Constituents	Business Model Types/Configurations	Description of Configurations
Company A	Key partners Channels Revenue streams	Dual Functional model	Use key partner's events as a channel to communicate customers and generate some revenue from giving speeches.
	Key Resources Cost Structure	Economical model	Keep the costs related to the physical resources low so to have more available margin and, thus, be able to give more focus on a value-driven cost structure.
	Key Resources Key Activities	Knowledge and Service development model	Motivate human resources (employees) to hold individual educational sessions so to elaborate new knowledge and, by extend, to calibrate and restructure the design of a service twice per year.
	Key Resources Value proposition Customer segments	Double customer-focused value model	Provide tailor-made programs with customized design and at a certain speed upon a portfolio of services and for a very particular category of customers.

4.1.2 Company B

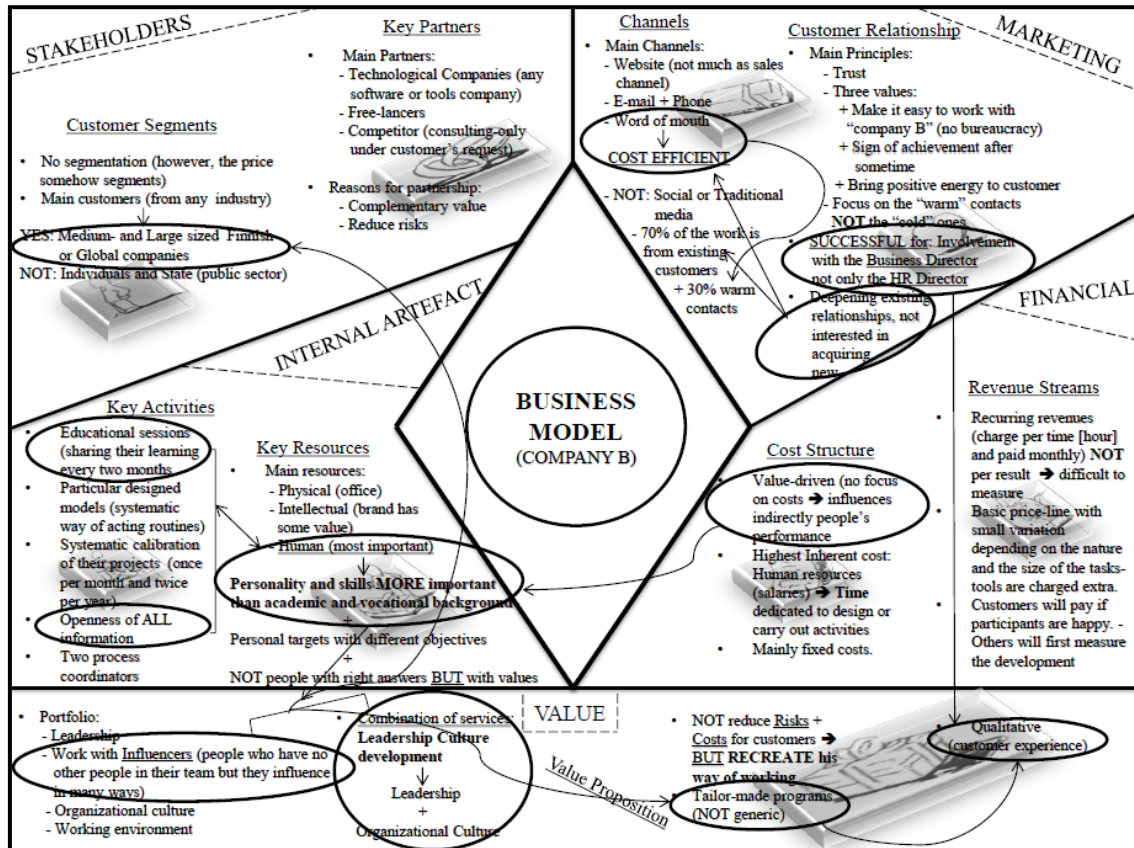


Figure 5. Company B's Business Model Configurational map.

Company B reveals a slightly more complicated business model configuration than Company A. It is obvious that company B also uses all five constitutional categories to configure. However, it uses some similar and some different configurations. In fact, company B is identified with five different configurations. In particular, company B also configures the two building blocks of the internal artefacts constitutional category. This means that, likewise company A, company B combines its key resources with its key activities. In reality, company B supports also educational sessions, however not individual, but as a group in its main activities portfolio, as well as it supports openness regarding the company's internal information. This means that company B subjects its human resources to educational sessions every two months so to share their learnings and experience and, consecutively, to achieve individual and overall development.

"We have every two months one day session when we share our learning. [...] And this is something we are doing differently, and I think this is one of the key things [...] is

openness, and I really mean openness. [...] We share the information, everything we can.” (Person B)

However, unlike company A, company B acknowledges regarding its key resources that academic background is not that important as the personality and skills. Nevertheless, the existing human resources the company possesses do vary in their educational backgrounds.

“They have very different background, very different education. And I would say that the background has nothing to do with this work, it is more about the person [...] I am not interested about the background [...] It is about his or her ability to convince me.” (Person B)

This suggests that company B’s attitude to not focusing on the academic background is supported and overbalanced by the educational sessions which promote and develop the consultants retrospectively. This type of model could be named as knowledge development model.

The second identified configuration is between the internal artefacts constitutional category and the financial constitutional category. In particular, company B combines the cost structure building block with the key resources building block, in such a way so to ensure the better performance of the latter building block. In other words, company B claims that any focus on costs would make its human resources to worry and, consecutively, influence their performance. Therefore, the cost-structure of the business model leans onto the driven-value structure so to ensure the quality of the human resources’ work. This type of model could be named as performance boost model since it boost the performance of the consultants by protecting them from worries such as costs.

“We do not focus on costs at all. And I do not want our people to focus on costs, because it makes them worry, and when they are worried, they do not work as well.” (Person B)

Following, the third identified configuration is between the value constitutional category and the stakeholders constitutional category. In particular, company B provides a specific and customized service portfolio to a particular customer segment.

“We also work with the people we call influencers, which means that they do not probably have people in their own team, but they are people who are influencing in many ways [...] we do have many combinations, especially when we work with a company which wants to develop its leadership culture. [...] So usually we work with big companies like top 100 or top 500, and then some medium size.” (Person B)

In addition, the company provides tailor-made services which set the value of the services to be qualitative.

“All our work is tailor-made [...] I would say, well, qualitative, because if I think about our work, we more or less kind of stop them, challenge them. [...] it is the customer experience they have through the challenge you give them.” (Person B)

This type of configuration resembles a lot the double customer-focused value model that company A applies. The difference, however, between the configuration of company A and that of company B, is that the latter's configuration does not encounter the quantitative customer value but only the qualitative. Furthermore, company B's focus is not only on a particular category of customers but also on a particular service of its portfolio. Hence, company B's configuration could be named as partial qualitative customer-focused value model.

The fourth identified configuration is between the marketing constitutional category and the value constitutional category. In particular, company B includes in its customer relationships more and more the business director and less the HR director, because with the business director tasks are more specific and clearer for the company B how to act and deliver the desired value.

“We usually work more with the HR director, but at this moment we work more and more with the business director [...] because even though the projects are usually bigger, when the HR director is having them, but they are more specific, when the business director is having. He (the business director) has more specified needs, and it is even nicer work, because the need is clear, it is clearer, how we can help them.”
(Person B)

This suggests that the focus on a particular person with concrete duties generates more value for both company B and the customer since the aims and the goals are clearer. Hence, this type of configuration could be named as duty-focused value model.

Finally, the fifth identified configuration is between the two building blocks of the marketing constitutional category. In particular, the company directs its customer relationships upon a long-term basis, while it does not focus on acquiring new customers, unlike other companies do. This means that company B deepens its relationships with the existing customers. This customer relationship tactic is wisely combined with the channels of communication, since it becomes clear that 70% of the work is from the existing customers with whom many projects have or still run, while 30% of the work will be with some new customers who will be introduced by an existing customer. Hence, company B acknowledges that the word of mouth, which is the most cost-efficient way to communicate new customers, is corollary of the long-term and good customer relationships with the existing clients, while it simultaneously introduces new customers as warm contacts.

“We have many customers with whom we have worked [...] the whole history of the company. So that means that there have been many different projects with them. [...] 70 percent of our business comes from the customers where we are working at the moment. [...] Usually if it is a company where we have not been working before, then it is probably some of our customer who has told something. [...] It is word of mouth.”
(Person B)

This suggests that company B uses the word-of-mouth technique to acquire new customers by focusing onto deepening relationships with existing customers who become more and more satisfied and, consecutively, recommend the company to other potential customers. Hence, this type of configuration could be named as word-of-mouth model.

To summarize, company B is identified with five different types of configurations under the following claimed models: knowledge development model, performance boost model, duty-focused model, partial qualitative customer-focused model, and word-of-mouth model.

Table 10. Company B’s Business Model Configurations.

	Constituents	Business Model Types/Configurations	Description of Configurations
	Key Resources Key activities	Knowledge development model	Motivate human resources (employees) to hold group educational sessions every two months so to share their learning and elaborate new knowledge, while to ensure openness to all kind of company’s information for the better

Company B			impact on development.
	Key Resources Value proposition Customer Segments	Partial qualitative customer-focused value model	Provide tailor-made programs with customized design upon a specific service of a portfolio and for a very particular segment.
	Cost structure Key Resources	Performance boost model	Maintain a value-driven cost structure so that the performance of human resources (employees) is not influenced.
	Channels Customer relationships	Word-of-mouth model	Use the word-of-mouth technique to acquire new customers by focusing onto deepening relationships with existing customers who become more and more satisfied and, consecutively, recommend the company to other potential customers.
	Customer relationships Value proposition	Duty-focused value model	Focus onto a customer's employee with specific and concrete duties so that it is easier to specify the goals and generate the value.

4.1.3 Company C

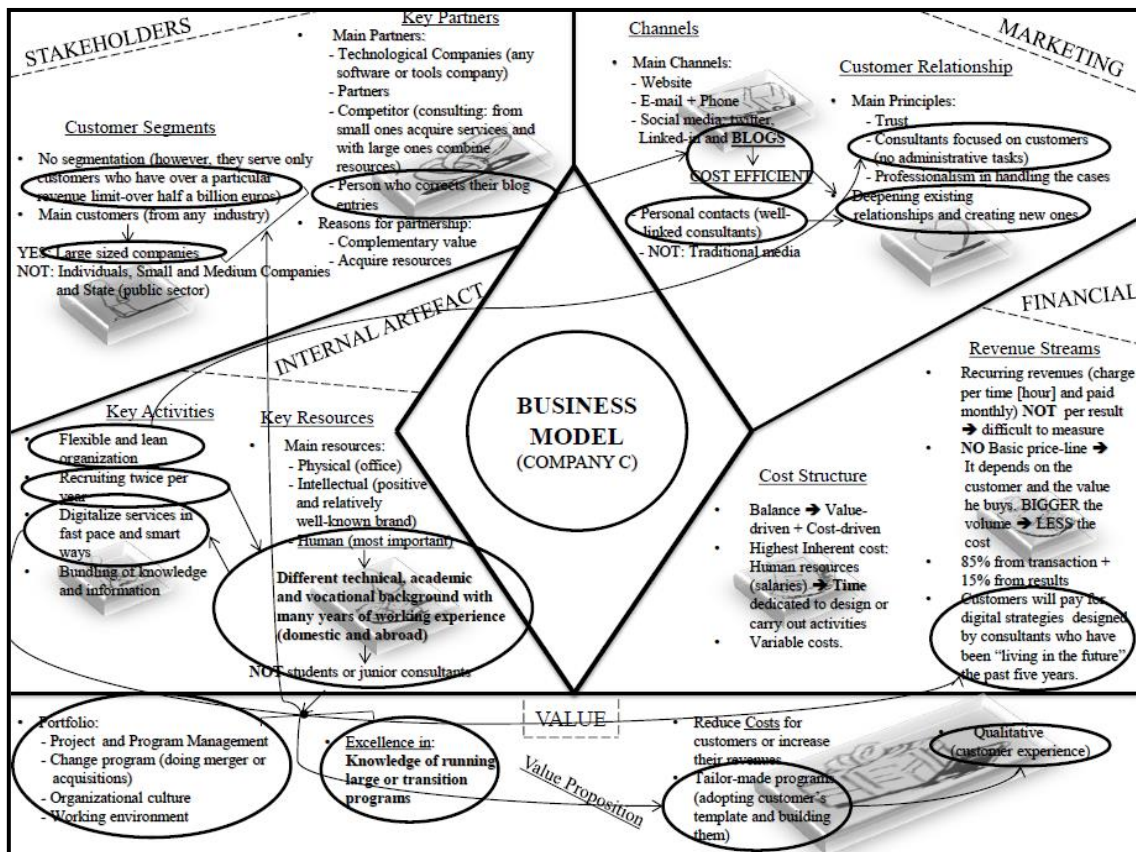


Figure 6. Company C's Business Model Configurational map.

Company C presents an even more complicated configuration map, since the combinations seem to be multiple. Company C is also identified with five different

types of configurations. In particular, the first identified configuration is between the two building blocks of the internal artefacts constitutional category and, then, the internal artefacts constitutional category with the value constitutional category. Company C acknowledges that the senior level of human resources it possesses is a strong play for the successful results. In order to maintain this high standard of consultants which ensures the customer value, the company recruits twice per year and only senior consultants.

“It is the key-people. [...] we do have only experienced consultants, I do not have any students or I do not have any juniors involved. [...] We are very picky with recruiting, so that is maybe the key asset [...] you need to be recruiting every spring, every fall. [...] That is so customers can trust that they get a good guy.” (Person C)

Hence, this type of configuration could be named as resource invigoration model, since there is a standard frequency in the recruitment of human force with high standards.

The second identified configuration is between the key activities and the revenue streams. In particular, to the question for which service would be the customers willing to pay, the company acknowledged the motive of customers to pay for digital strategies designed by consultants who do really see far ahead in the future and, therefore, the company is under the process of digitalizing services in fast pace and smart ways.

“We have people who would be very good at defining digital strategies for our big clients (who are willing to pay for these strategies), guys that have been living in the future for the past five years. [...] we hope to digitalize our services, trying to do that very fast and in a smart way.” (Person C)

This suggests that the previous configuration of frequent recruitment of senior consultants justifies also the need to have people with experience and long-term vision so to manage and fulfil the main motive of customers’ willingness to pay for digital services. Hence, this type of configuration could be named as digital revenue model.

The third identified configuration is achieved by combining a key activity with the customer relationships building block. Company C claims to have a lean and flexible organization which allows consultants to be exempted from any administrative tasks and, consecutively, be merely focused on the customer.

“The organization is very lean, and that is of course bringing a lot advantage. [...] we are very flexible [...] our consultants focus fully on the work they do for the customer, there are no administrative tasks for their work.” (Person C)

This configuration suggests that consultants can be totally focused on the customers when they are not distracted by administrative tasks. Thus, this type of configuration could be named as client-focused model.

The fourth identified configuration is the combination of key resources with the value proposition. To the question, in which combination of services might be the company excelling, company C answers the long-term experience of the human resources onto running large transition or change programs. In addition, this combination of services, along with the long-term experience of the consultants and the company’s programs adapted to those of its customers, leads to a customer experience which declares the company’s customer value qualitative.

“[...] everybody who is taking a program has the real 15 or 20 years of experience of running large programs, large change or transition programs [...] usually we adapt customer's templates [...] (so our value leans) on the qualitative [...] it is more customers' service experience.” (Person C)

Notwithstanding the value constitutional category is in parallel configured with the stakeholders constitutional category. In particular, company C focuses onto a specific customer segment so to deliver its services. This segment is defined by its annual turnover which means that candidate customers are accepted only if their turnover rate is over half a billion euros.

“We pick the customers that they are only, there is a certain revenue limit, that we see as a target group, that is above half billion Euros as a revenue.” (Person C)

This configuration suggests that the company opts to focus on a particular category of potential customers and to deliver a qualitative value to them upon the company’s portfolio of services. Hence, this type configuration could be named as qualitative customer-focused value model.

Finally, the fifth identified configuration is between the stakeholders constitutional category and the marketing constitutional category. In particular, company C cooperates

with a partner who is acting as an official text corrector of the blog entries the company uses as communication channels to the customers. It should be pinpointed that, also here, the particular chosen channel is considered the most cost-efficient channel for the company. This means that the company combines a key partner with its most cost-efficient channel like company A does.

“[...] and blogs, we will write a lot [...] writing a blog is the most (cost) efficient way. [...] we have somebody who will check all the text that we produce, he is living in California [...] But he is checking everything we write in English.” (Person C)

In addition, the aforementioned blogs, along with the well-linked networks of the consultants, contribute to the maintenance of the long-term relationships, as well as to the acquirement of new customers.

“Well, both, absolutely both (deepen the existing customer relationships...), and we try to get new ones [...] I'm sure it (the blogs) is strengthening the knowledge and the attractiveness of the business, so it is needed very, very much. [...] (however,) most of the links come from social media in general.” (Person C)

This suggests that the company uses the consultants' network and a key partner to add value to the communication channels which will deepen existing customer relationships and will create new ones too. Hence, this type of configuration could be named as dual distributive model.

To summarize, company C is identified with five types of configurations under the following claimed models: resource invigoration model, digital revenue model, client-focused model, qualitative customer-focused value model, and dual distributive model.

Table 11. Company C's Business Model Configurations.

	Constituents	Business Model Types/Configurations	Description of Configurations
Company C	Key activities Customer relationships	Client-focused model	Maintain a lean and flexible organization by absolving consultants from administrative tasks so that they can focus their attention onto customers
	Key Activities Revenue streams	Digital revenue model	Digitalize services in fast pace and smart ways that will generate revenues due to the willingness of a customer to pay for digital services that are designed by consultants who “have been living in the future”.
	Key Resources Key Activities	Resource invigoration model	Recruit well-educated humans with long-term experience twice every year so to maintain the high standards of employees.

	Key Resources Value proposition Customer segments	Qualitative customer-focused value model	Provide tailor-made programs of noteworthy customer experience upon a portfolio of services and for a very particular category of customers.
	Key partners Channels Customer relationships	Dual Distributive model	Deepen existing customer relationships and create new ones by optimizing consultants' contact network and by acquiring a person who corrects the english-text blogs which communicate various messages to costumers.

4.1.4 Company D

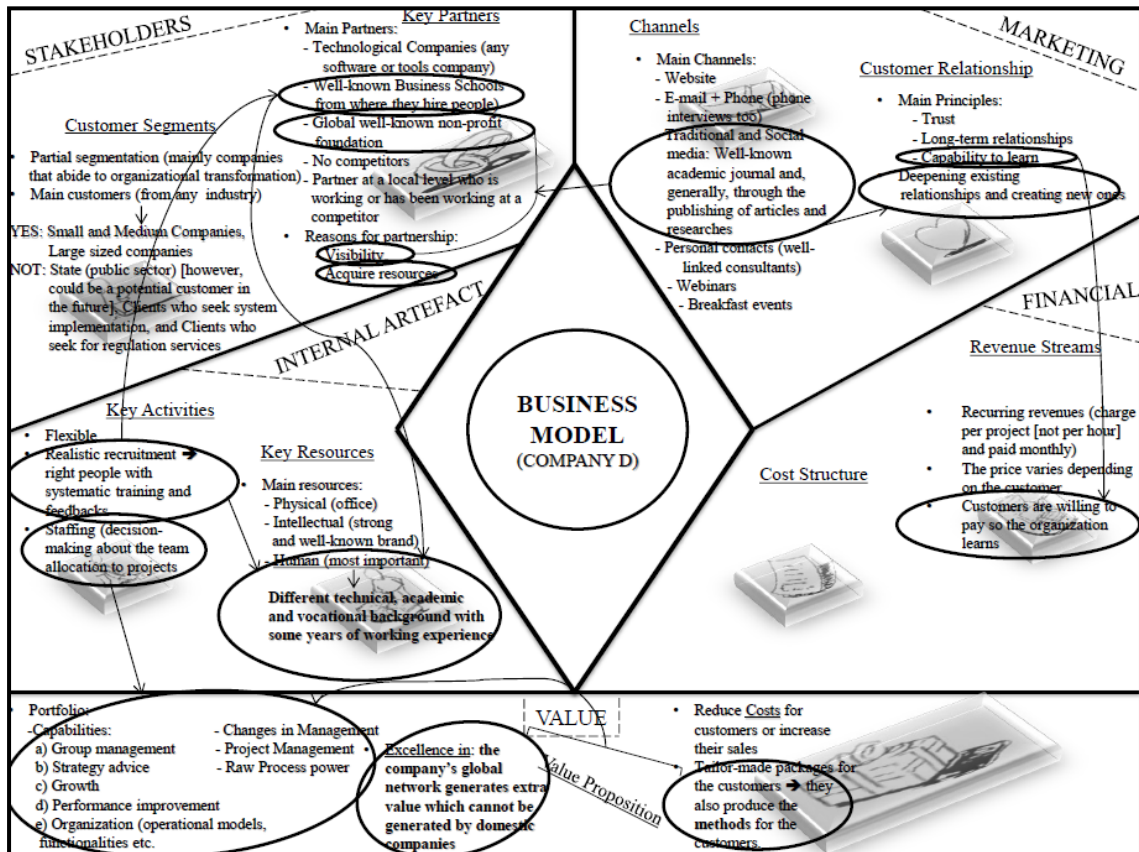


Figure 7. Company D's Business Model Configurational map.

Company D is also identified with four different configurations. The first configuration is between the key resources with the key activities and the key partners. In particular, the company acknowledges time as the most important resource; however, it does not deny the importance of the human resource and reinforces the workforce by a realistic recruitment. Nevertheless, unlike the other companies, company D claims that the systematic training and the feedback are those that make the human resource to gain its actual value and be maintained as workforce of the company.

“[...] which is the most valuable from our resources, that is our time. [...] Of course, and recruitment is an important function so to find the right people. [...] as long as there is a realistic perception in the beginning (of the recruitment phase) [...] this systematic evaluation and feedback and coaching so they improve, is what keeps them in the company.” (Person D)

Nevertheless, the interesting observation derives from the fact that the company recruits people from its key partner. In particular, the company cooperates with different honored business schools, from which the company acquires the human resources.

“So big business schools like “name of a well-known business school” or “name of a well-known business school” or “name of a well-known business school”, some others, with which we collaborate and in this sense the recruitment.” (Person D)

The above facts suggest that company D acquires well-known business schools as key partners and recruits therefrom human resources who will be trained and given feedback systematically, so that later can generate a competitive customer value. This type of configuration could be named as partner network optimization model.

The second configuration is between the key activities and the value proposition. In particular, company D has a specific key activity named staffing which functions as a decision-making activity for the team allocation to projects. This is because company D does not sell that much individual consultants rather than teams. This way, depending on the project that derives from the portfolio, the company will allocate and the teams.

“We sell teams, in which there are many people per se. [...] The first business model is that we have consultants in the company and we sell them out in teams. And of course there are business models, in which individuals are sold (too).” (Person D)

To further extent, company D reinforces the value proposition of its business model by combining elements within the respective building block. In particular, the company claims that it produces the methods for its customers, while it gives an extra value that other domestic Finnish companies cannot give. This assumption is based on the fact that company D has a wide global network. This way, the company combines these two elements with its portfolio so that its services give extra value to its customers.

“Of course, what we produce, that is the method. And the method is to a certain extent the product, but the method is probably more than that [...] This global network that we have is, of course, an extra value to the companies that operate globally or, at least, multinationally [...] we would produce an extra value there, that a domestic agent would not be able to deliver.” (Person D)

Thus, the aforesaid observations lead to the conclusion that company D optimizes a decision-making process, aka staffing, about the team allocation to projects upon a portfolio of services. In addition, this team will produce the methods for the customer, as well as the team might use the global extended network of the company to generate unique customer value that cannot be generated by domestic companies. This type of configuration could be named as added-value process model.

The third identified configuration is achieved by the company combining its key partners with its channels and, consecutively, its channels with its customer relationships. This is achieved by capitalizing its key partners not only as a source for acquiring resources but also using them as communication channels and increasing the company's visibility. This means that the company uses its partnerships as channels where publishes and distributes articles and researches and, consecutively, this would bring more customers. Nevertheless, the company acknowledges the value of the personal contacts, especially, through the breakfast events.

“ [...] we want visibility in the compacted environment [...] but the bigger part is also these “name of a well-known academic journal” articles. And then it is some of these “name of a global non-profit foundation” or some other similar ones. [...] A classic occasion would be that somebody has done a research about something, and then is a breakfast occasion where people are invited, and then they come there to listen and a lecture is held about something.” (Person D)

The aforementioned configuration is decoded in the particular case as: Company D uses a well-known academic journal as channel of communication by publishing articles and researches, and later distributes the articles and the researches through a global well-known and non-profit foundation so to reinforce visibility. This visibility also deepens existing customer relationships and creates new ones. Hence, this type of configuration could be named as visibility model.

Finally, the fourth configuration is between the customer relationships and the revenue streams. In particular, the company has identified that customers are willing to pay so that the organization learns. However, the company defines in its customer relationships that the aim of developing the customers capability to learn. So in a way, the company chooses customers who are also willing to learn so that the results are boosted.

“ [...] what the customer wants honestly to pay is that there is not only an individual squeeze, from which something is gained, but that we also help in a way, so that the organisation learns, so that it is capable of doing, to transfer the company’s capability [...]” (Person D)

Hence, the particular type of configuration could be named as capability-to-learn model.

To summarize, company D is identified with four types of configurations under the following claimed models: partner network optimization model, added-value process model, visibility model, and capability-to-learn model.

Table 12. Company D’s Business Model Configurations.

	Constituents	Business Model Types/Configurations	Description of Configurations
Company D	Key Resources Key activities Key partners	Partner network optimization model	Acquire well-known business schools as key partners and recruit therefrom human resources who will be trained and given feedback systematically.
	Value proposition Key activities	Added-value process model	Optimize a decision-making process, aka staffing, about the team allocation to projects upon a portfolio of services. In addition, this team will produce the methods for the customer, as well as the team might use the global extended network of the company to generate unique customer value that cannot be generated by domestic companies.
	Key partners Channels Customer relationships	Visibility model	Cooperate with a well-known academic journal and publish articles which can be later distributed also through a corresponding global well-known and non-profit foundation so to achieve visibility and deepen relationships with existing customers as well as acquire new customers.
	Customer relationships Revenue streams	Capability-to-learn model	Define your customer relationships upon a principle which promotes the capability to learn because it will generate revenues due to the willingness of the customers to pay for their companies to learn.

4.1.5 Company E

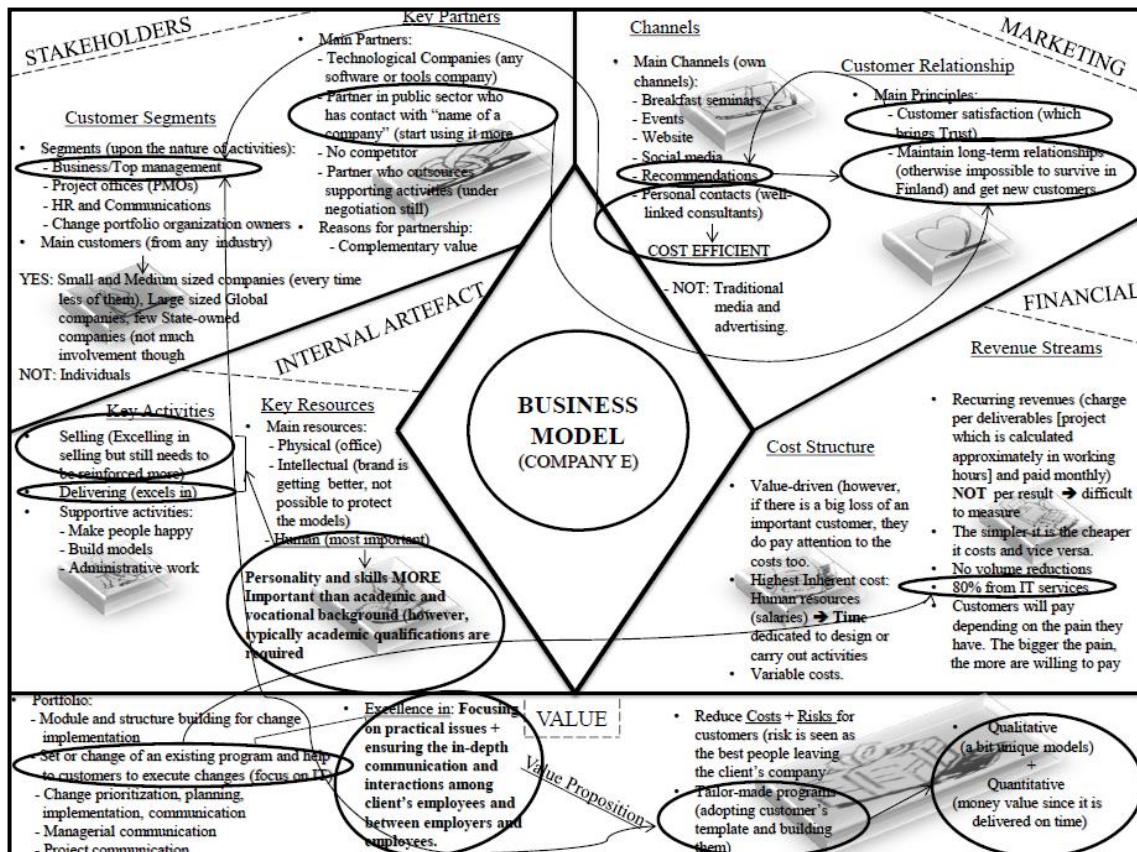


Figure 8. Company E's Business Model Configurational map.

Company E seems to present a complex network of configurations. In fact, company E was identified with six configurations. The first configuration is between the key resources with the key activities. In particular, company E adapts the position as to its human resources that personality is more important than a typical academic and vocational background and the skills. Nevertheless, some kind of academic qualification is required just for typical reasons. But the personality and the skills seem to be reflected into the key activities and, particularly, into the selling and delivering processes, in which the company excels.

"Well, the only kind of thing that I typically insist is academic degree [...] The personality maybe is more important than the skills [...] but some experience of course would be nice. [...] key activities are delivering and selling. [...] is always on how much the person costs who is doing it (the selling and the delivering)." (Person E)

Hence, this type of configuration could be named as selling-delivering model.

The second identified configuration is between the value proposition and the customer segments building blocks. In particular, the company claims a portfolio of change management but it focuses more and more on setting or changing an existing program and helping customers to execute the changes because there all the money currently exists. In addition, the company acknowledges as advantage the fact of its practical insights and actions regarding its services as well as excelling interaction skills. So, the company combines these two elements of its value proposition with the customer segments building block. Indeed, the company focuses more and more on the top management from its customer segments so to deliver extra value.

“We either build a model, hand it over, maybe pilot it and give it to the customer, or then we go to a change and execute the change. [...] So nobody has the budget for the model. [...] But there is quite nice budget still for a change. [...] So maybe the special thing that we do is that we ensure that it (the change) happens with the practical way of doing it plus then strong interaction communications approach. [...] We are more and more focusing on the top management, because that's, if we really want to help them, that's where we need to be.” (Person E)

Furthermore, company E also boosts the two aforementioned elements in such a way so to reinforce the customer value. In particular, the company provides tailor-made programs which are identified by the same company as a bit unique.

“We have done certain things to our models, which make them at least a little bit unique [...] it is kind of well-being value, so I get out from this change as soon as possible, but then it is also money value, because you get it done in time.” (Person E)

Hence, the above combination of qualitative and quantitative value upon a particular customer segment resembles the double customer-focused value model. To remind, model describes a company which provides tailor-made programs with customized design and at a certain speed upon a particular service of the portfolio and for a very particular segment. Nevertheless, company E acknowledges segments and focuses on a particular one, while it also focuses on a particular service of the portfolio and not on the entire portfolio itself. Hence, this particular type of configuration could be named as partial double segment-focused value model.

The third configuration is identified between the value proposition and the revenue streams. The focus on a particular service of the portfolio, and in company E's case the change execution, is justified as rational since 80% of their revenues comes from the particular focus on the service and on IT generally.

"I would say that over the years 80 percent of our income has been from IT [...] So in a sense IT is (where we focus on), and plus they seem to still have money." (Person E)

Hence, this type of configuration could be named as intended service-focused revenue model.

The fourth identified configuration is between the customer segments building block with the channels building block. The company believes that the personal contacts, which happen to be also and the most cost-efficient channel, are also the most effective way to approach the desired customer segment on which the company focuses on, so to deliver more value.

"It is about personal contacts [...] as it is business to business, and as we need the top management to make a decision." (Person E)

Hence, the company uses personal contacts so to approach the top management customer segment. This type of configuration could be named as customer approach model.

The fifth identified configuration is between the key partners and the customer relationship building blocks. Company E acquires a partner who has a contract with a customer that earlier had been approached by company E. Nevertheless, that customers had rejected company E for unknown reasons.

"And we made our offer (to "name of a company"), but we did not know how to play the game, so we did not get in. [...] But anyway, so we now have a partner in public sector, who has a contract with "name of a company", and we are starting to use it more and more." (Person E)

Thus, this suggests that company E uses a partner as an intermediary so to approach a lost customer. This type of configuration could be named as intermediary model.

Finally, the sixth configuration is between the channels and the customer relationships. In particular, company E believes that customer satisfaction brings the required trust in the customer relationships and usually, this way, also come the recommendations of the customers to other potential customers.

“High customer satisfaction [...] and of course that builds trust. And then high customer satisfaction means that we were able to provide the value that they were expecting. [...] so we want to exceed expectations always to get the customer happy [...] and then tokind of recommend us.” (Person E)

The above statement of company E suggests the word-of-mouth model that company B also uses. In particular, that model suggests that a company uses the word-of-mouth technique to acquire new customers by focusing onto deepening relationships with existing customers who become more and more satisfied and, consecutively, recommend the company to other potential customers. Therefore, company E uses also the configuration.

To summarize, company C is identified with six configurations under the following models: partial double segment-focused value model, selling-delivering model, intermediary model, word-of-mouth model, customer approach model, and intended service-focused revenue model.

Table 13. Company E’s Business Model Configurations.

	Constituents	Business Model Types/Configurations	Description of Configurations
Company E	Value proposition Customer segments	Partial double segment-focused value model	Provide tailor-made programs with customized design and at a certain speed upon a particular service of the portfolio and for a very particular segment.
	Key resources Key activities	Selling-delivering model	Company emphasizes on the personality first and then on the skills of its human resources so that the company excels in selling and delivering.
	Key partners Customer relationships	Intermediary model	Acquire a partner who has already a contract with a customer that could potentially be the company’s customer too. Hence, the company could use the partner as intermediary.
	Channels Customer relationships	Word-of-mouth model	Use the word-of-mouth technique to acquire new customers by focusing onto deepening relationships with existing customers who become more and more satisfied and, consecutively, recommend the company to other potential customers.
	Channels Customer segments	Customer approach model	Use personal contacts to approach a very specific customer segment on which the company already focuses because the former can bring added value to the latter.
	Value proposition Revenue streams	Intended service-focused revenue model	Focus on a particular service of the portfolio which accounts for a great percentage (over 60%) of the revenues.

4.1.6 Company F

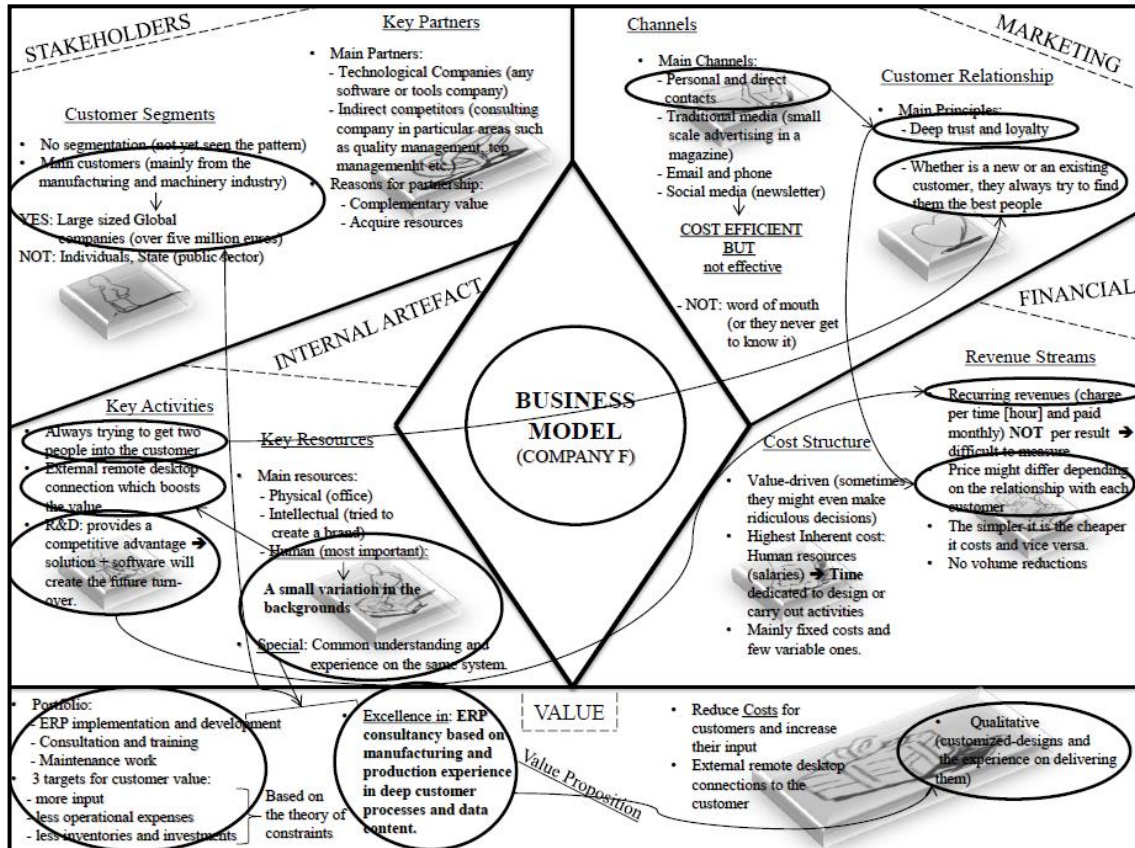


Figure 9. Company F's Business Model Configurational map.

Company F is identified with five different configurations. The first configurations is between the key resources and the key activities. In particular, likewise all companies, the respective company also acknowledges that its human resources are the most important and, in addition, they act as complementary in terms of academic or technical background. Nevertheless, the company ensures with a key activity that if a member of the key resources is not aware of a technical issue, then another member of the human resources to resolve it without being exposed to the customer and present a negative image. This is achieved by the use of the remote desktop connection to the customer, which does not require physical existence. In addition, this remote system seems to reinforce the productivity of the human resources.

“Because we have different skills and customer always requires a wide selection of different kind of skills and services, [...] and (so) we try to combine skills. [...] That has

increased our productivity, I think so, because we can share experience without telling customers ok, I do not know.” (Person F)

Hence, the company seeks the better productivity of its human resources, as well as their protection from any exposure to customers. This type of configuration could be named as external remote protection model.

The second configuration is between key activities and the customer relationships. In particular, the company always tries to get at least two people in the customer meetings so to convince the customers that they have a strong workforce.

“And one thing more is, internally we always try to get at least two of us within the customer, somehow. You know, from the very first meeting we are two there if possible, and normally we are working in a way that the customer will be convinced that we are more of us than we are.” (Person F)

This type of configuration could be named as influential attendance model. This is because it enhances the possibility to convince the customer about the professionalism and the responsibility of the entire team.

The third configuration is between the key activities and the revenue streams. In particular, company F invests in R&D and considers it a key activity that will bring the future turnover of the company from the development of solutions, software and products.

“Yes, that is one thing (that R&D gives the company a competitive advantage), and of course we hope that solutions and software and products they develop, will create our future turnover more than those costs or investment for that R&D is.” (Person F)

This kind of combination represents and investment that will generate revenue. Hence, this type of configuration could be named as investment revenue model.

The fourth identified configuration is between the key resources, the value proposition and the customer segments. In particular, company F acknowledges that its human resources have a common understanding and experience upon the system they work and allows them to go deep into the customer processes and implement all the developments.

“We have common understanding and common experience of this one particular system. And that is why we are special [...] Special is ERP consultancy based on manufacturing and production experience. So, and very deep in customer's processes and data content.” (Person F)

Nevertheless, this specialization in the ERP on the aforementioned sector of manufacturing and production justifies why company F also chooses to serve and focus on manufacturing and the machinery industry, while its customers are chose upon the criterion of revenue limit and, particularly over five million euros.

“Manufacturing and mainly in, how you call it, machinery workshops [...] Yeah, that's our main focus. [...] The companies might be plus 5 million Euros turnover.” (Person F)

This combination of qualitative value with professionalism upon a portfolio of services and a focus towards a specific category of customers resembles the qualitative customer-focused value model. And, indeed, this is the configuration compay F uses. This is because it states that all of its human resources share a common understanding on a same program, the company chooses customers upon the particular criterion of revenue limit and it provides customized designs upon a portfolio of services.

Finally, the fifth configuration is between the channels, the customer relationships and the revenue streams. In particular, company F acknowledges that it tries to keep a list-price standard but, nevertheless, the prices will also depend on the maturity of their customer relationships. And the company always strives for deep trust and loyalty with its customers.

“Trust and loyalty, definitely [...] so definitely there is this deep trust [...] But of course depending on the customer relationship maturity there are discounts and specific quotations. But we try to keep the list price.” (Person F)

In addition, the company acknowledges that personal and direct contacts might not be the most cost-efficient channel, but it definitely is the most effective.

“It (the newsletter publishing) is most cost-effective, but still the most effective way is the personal meeting.” (Person F)

Hence, the above statements of company F suggest that the company uses consultants' personal contacts to define the level of trust and loyalty with a customer and, by extend, to define also the pricing of a service upon the maturity and the level of the relationship with the respective customer. This is because the personal and direct contacts might not be the most efficient, but they are for sure the most effective. Thus, this type of configuration could be named as relationship-maturity pricing model.

To summarize, company F was identified with five configurations under the following claimed models: qualitative customer-focused value model, influential attendance model, investment revenue model, relationship-maturity pricing model, and external remote protection model.

Table 14. Company F's Business Model Configurations.

	Constituents	Business Model Types/Configurations	Description of Configurations
Company F	Key resources Value proposition Customer segments	Qualitative customer-focused value model	Provide tailor-made programs of noteworthy customer experience upon a portfolio of services and for a very particular category of customers.
	Key activities Customer relationships	Influential attendance model	Whether it is an existing or a new customer, the company attempts to send at least two people in meetings to present them that they are more than one and convince them about the potential of the rest of the team.
	Key activities Revenue streams	Investment revenue model	Invest in R&D which provides a competitive advantage in terms of software and solutions and, later, the combination of both will give the future turnover.
	Channels Customer relationships Revenue streams	Relationship-maturity pricing model	Use consultants' personal contacts define the level of trust and loyalty and, by extend, define also the pricing of a service upon the maturity and the level of the relationship with the customer.
	Key Resources Key activities	External remote protection model	For the easier handling of issues a company establishes an external remote desktop connection to a customer. In addition, this protects consultants to be exposed in case of not-instant solution to a problem.

4.1.7 Company G

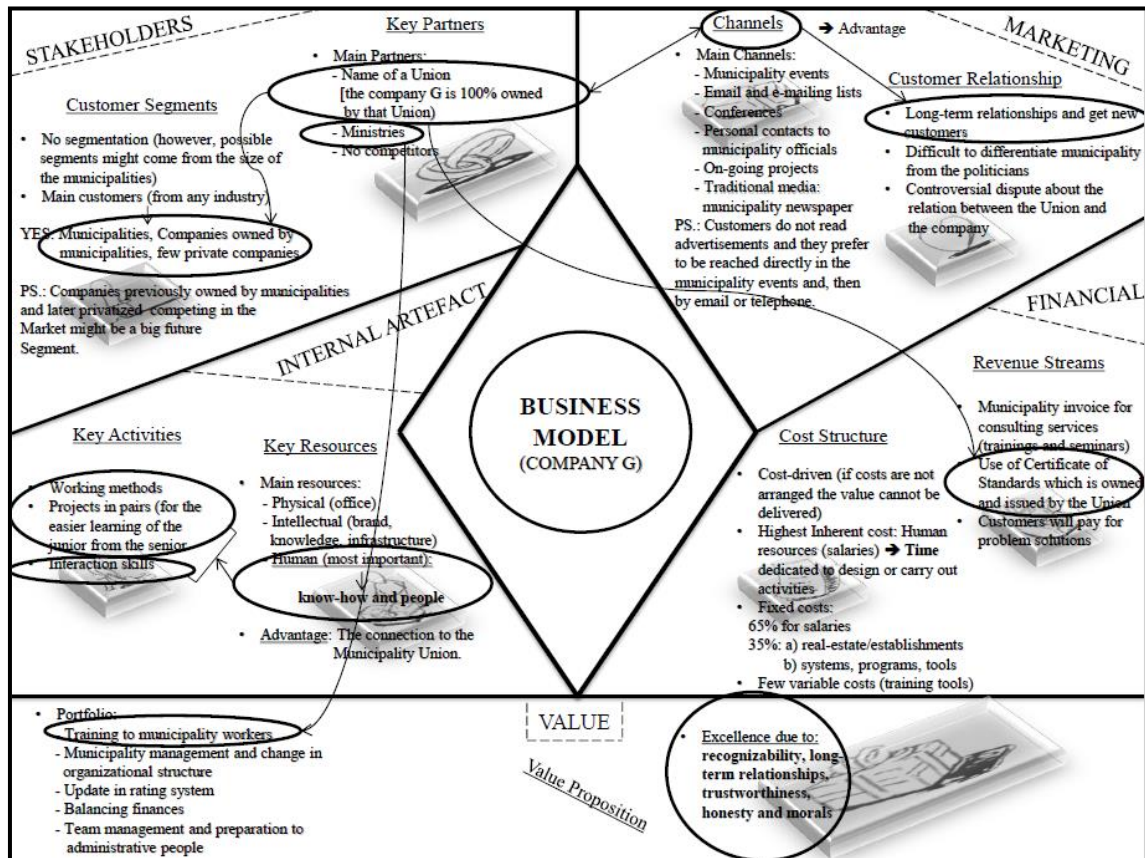


Figure 10. Company G's Business Model Configurational map.

Company G enjoys a special treatment as to this analysis, because of its idiosyncratic nature. In particular, the company focuses on a different sector and specifically on the public, rather than the rest of the six companies which focus on the private sector and, thus, there is not a direct competition between the former and the latter. In addition, the fact that company G's main key partner owns 100% the company G and on top of that, most of company G's customers come from the members of the same former key partner, meaning that Union, makes company G quite idiosyncratic as to the way it operates. For this reason, the configuration map might present slight or medium divergence from the rest of the configurations maps.

In fact, company G is acknowledged with two identified types of configurations. The first configuration is between the key resources and the key activities. This means that company G capitalizes its human resources, which are also acknowledged as the most important resources, and combines their know-how, the way of working, the group-

work spirit and the interaction skills that emerge from this group-work so to deliver value.

“Of course it is the people and the knowledge (the most important). And it is preeminently the first one. [...] Yes, of course. Precisely, that (the know-how) comes along with the work and the group. [...] and the big projects we do them in pairs. [...] It is the best way for the younger ones to learn. And of course the older ones learn something, when the younger ones are enthusiastic.” (Person G)

This suggests that company G promotes the learning of its human resources by applying a pair-working method between a junior and a senior consultant. Thus, this type of configuration could be named as learning development model.

The second configuration represents a configurational complex which is shifted to the stakeholders constitutional category and, particularly, to the key partners. In other words, the second configuration is a multiple configuration which has its axis around the key partners. This means that a main key partner is the cornerstone for the effective operation of the company and is of vital significance to the company itself. This is described as an idiosyncratic functionality of the Union which is the company's key partner. In particular, the “name of the Union” owns 100% company G and, then, the latter serves, individually or in co-operation with “name of the Union”, customers such as municipalities or even companies owned by municipalities. Although it is not stated directly, the served customers might be or not members of the “name of the Union”.

“So it is then absolutely clear, that they have an interest in the management of the corporation, like we had in this scheme together with the “name of the Union”, to serve only these municipalities that clearly have this type of needs.” (Person G)

In addition, company G uses ministries as key partners from which acquires resources mainly for the trainings.

“Well not anymore of course in the consulting, but in the trainings certainly (we use) lecturers and experts from the ministries.” (Person G)

Furthermore, the company configures its key partner with its revenue streams. This is because company G, apart from the typical revenues from service, achieves revenues by the use of Certificate of Standards, which is owned by the “name of the Union”.

“Then it is these social and health, especially there is this kind of, these classification systems (meaning certificate of standards), that “name of the Union” owns. [...] and then we have these, they are rented (the certificates of standards) and from these of course the “name of the Union” gains the benefit, because the company already tries that of course the “name of the Union”, again as owner takes the profit out in accordance to the business model philosophy.” (Person G)

To further extent, the company configures the key partners with the channels, since to the question about what types of channels does it use to communicate customers, company G answered that it cooperates with “name of the Union” and uses these events also to attract new customers.

“But then we have many of these kinds of events with the “name of the Union” (to communicate customers).” (Person G)

Finally, company G configures the two building blocks of the marketing constitutional category. In particular, the company uses all of its channels, which considers part of an important resource-infrastructure to the company itself, so to succeed and, consecutively, communicate customers.

“And then in a way, [...] are these selling channels.” (Person G)

The above observations suggest that company G acquires as key partner an entity, and in the particular case a Union, which owns 100% the same company. In addition, the company might acquire as customers members of that key partner, meaning the Union. Furthermore, the company optimizes the key partner’s events as channels of communication to customers and, thus, deepens existing customer relationships or acquires new customers. Moreover, the company generates revenues by the maintenance and the usage of some certificates of standards which are also issued by the main key partner, meaning the Union. Finally, the company uses also another key partner from whom acquires human resources so to use them upon the delivery of a particular service in the portfolio. The aforementioned facts suggest that the company’s operation revolve around a main key partner. Hence, the particular type of configuration could be named as partner-centric model.

To summarize, company G is identified with two configurations under the following claimed models: learning development model and partner-centric model.

Table 15. Company G's Business Model Configurations.

	Constituents	Business Model Types/Configurations	Description of Configurations
Company G	Key resources Key activities	Learning development model	Define working methods and apply work in pairs so that the learning process is capitalized between junior and senior consultants and, thus, the know-how is invigorated.
	Key partners Customer Segments Revenue streams Channels Customer relationships Value proposition	Partner-centric model	A company acquires as key partner an entity (in the particular case a Union) which owns 100% the same company. In addition, the company might acquire as customers members of that key partner, meaning the Union. Furthermore, the company optimizes the key partner's events as channels of communication to customers and, thus, deepens existing customer relationships or acquires new customers. Moreover, the company generates revenues by the maintainance and the usage of some certificates of standards which are also issued by the main key partner, meaning the Union. Finally, the company uses also another key partner from whom acquires human resources so to use them upon the delivery of a particular service in the portfolio.

4.2 Cross-case analysis

As argued earlier, each company has its own unique way of combining its business model elements so to excel in its business model construction. Nevertheless, there are some commonalities and some differences between how companies organize each business model element individually. Therefore, after having observed the individual behavior and configurations of each company, a general cross-case behavioral overview of the companies will be outlined. This means that companies will be observed and discussed as to their behavior in total so to mold a holistic overview of the market and, then, they will be observed individually so to conceive a clear picture of the actual configuration each company applies. In particular, the five generic constitutional categories as they are presented in **Table 5** will be analyzed and discussed as to Osterwalder and Pigneur's (2010) individual building blocks and in terms of the actual gathered data, while the strategy that each business follows will also be addressed so to reinforce the holistic picture of the consulting market. This means that each business model building block will be examined differently, while strategy will also be investigated but not as building block. Thereafter, the commonalities and the differences in allignment with the identified business model configurations will be

synthesized so to discover some generic patterns and establish business model configurations for the consulting industry.

4.2.1 Value proposition

The interviewed companies have been identified with a wide range of service portfolios, while few of them have been acknowledged as direct competitors as to the nature of services in their portfolios. In particular, three companies have been focusing on the IT services providing from program management to change program services, while two compete in a general and wide range from management group and development to change management and leadership services. In addition, one company has been found to focus mainly on services that are collocated under the general umbrella of leadership. Finally, the last company has been detected with a more specific portfolio that includes team management and preparation to administrative people, as well as updates in rating systems, in balancing finances and general trainings to municipality workers.

“[...] management group development or change management or directing or managing or leadership, or this kind of traditional things.” (Person A)

“well, we are focusing on the leadership [...] But we see that all of these (services we provide) are more or less under the leadership umbrella.” (Person B)

“We offer services for project- or program management in general.” (Person C)

“And, of course, then in a big organization it is not (only) important to find the right answer, but also to find the way to grow the organization’s ability to produce things and learn new things. [...] What we produce, this is the method.” (Person D)

“So we do two things, so we have modeled and structured how to implement changes. [...] so we either build a model, hand it over, maybe pilot it and give it to the customer, or then we go to a change and execute the change. [...] So in a sense IT is (on where we focus).” (Person E)

“We are targeting three main things: more throughput, less operating expenses and less inventories and investments. [...] And main things are ERP key-user or administration services on behalf of customers own personnel. Secondly daily based helpdesk and. [...] And maybe the third part is training and education.” (Person F)

“It is the training to communities [...] It is this municipality management and change in the organizational culture [...] It is also this social and health side (consulting services), especially there are these rating systems (certificates of standards) [...] and then it is these senior citizen services related to “name of a measure system”.” (Person G)

Here it should be pinpointed that although competition might be direct regarding their portfolios and the nature of services they provide, however, the companies might be serving different customer segments and, thus, competition may not be fierce or totally direct as it may resound. The particular data on which customer segments do companies focus is presented in the following subchapter.

Furthermore, companies were asked whether they provide qualitative, quantitative or even both values to their customers. Most of the companies were identified to support a qualitative value through the delivery of their services rather than quantitative value. In particular, four companies claimed that the delivered value mostly derives from the customized design their services have, as well as from the customer experience that they deliver to their clients. In the one company, however, it was implied that the value was more customer-focused in a way to help their customers perform better than their competitors. Two of the companies claimed that their services deliver a combination of qualitative and quantitative value to their customers, mainly due to the customized design of their services and the customer experience, as well as to the speed of service and the money value gained from the delivery time. Finally, the last company has stated that it focuses onto delivering the promised value, but has not specified whether this delivered value roots in a quantitative or in a qualitative logic.

“(More qualitative because) They are customized (our services) [...] So in a way there is really the need and do it quickly, because we want to do everything quickly. [...] Exactly (we combine both qualitative and quantitative).” (Person A)

“First of all I would say, well, qualitative part, because if I think about our work, we more or less kind of stop them, challenge them, give them some, with good questions give them some new ideas. [...] Speed is not that important, because we at some times, or many times, we could be quite fast, the problem is that they (the customers) cannot.” (Person B)

“Maybe on the latter, on the qualitative. [...] No, it is not the low cost price, it is more customers' service experience.” (Person C)

“But like this, per se, we see in a way the creation of our customer's value, that our customers in their industries cope better than their competitors [...].” (Person D)

“So it is kind of well-being value, so I get out from this change as soon as possible, but then it is also money value, because you get it done in time. [...] So it is both ways (quantitative and qualitative).” (Person E)

“[...] but in most (cases), I think we provide just the experienced person to replace or outsource, so to say, their own responsibilities to make sure that their processes can be run efficiently in their business.” (Person F)

“Everything of what is done and promised, it is then at least what one gets, (namely) what it was promised .” (Person G)

In addition, most of the companies seem to add significant value by focusing more onto minimizing customer's costs or growing their sales, and less onto reducing customer's risks. In particular, two companies claim that focus on both reducing the customer's costs and risks, while three other companies claim that they focus only onto minimizing customer's costs or increasing customer's sales, revenues or inputs. Another company claims that the delivered value comes from none of the two aforementioned parameters, but rather from focusing onto recreating the way its customers work. One of the two former companies that claim to focus both parameters acknowledges that it also focuses onto renewing the thinking and the way of doing work. Finally, the last company did not refer to the respective issue of cost or risk reduction and, therefore, it was considered non active regarding its services and the delivered value due to two respective parameters.

“It depends on the case, both I think (to reduce customer's costs and risks). [...] we renew also the thinking and that way also the doing.” (Person A)

“More or less we help them (the customers) to kind of recreate the way they work.”
(Person B)

“Mostly reduce their cost or increase their revenue.” (Person C)

“It can be either, of course, the increase in sales or the reduction in (their) costs.”

(Person D)

“So you reduce the cost (for the customers), you can keep your best people and then additionally you keep your customers happy.” (Person E)

“(Reduce) Costs. [...] And increase input.” (Person F)

Finally, when the companies were asked which is that value that contributes to exceling in their business model building, diverse answers and reasoning were given. However, the pattern behind this reasoning was not quite clear, but still it was attributed either to a particular combination of services and/or to the way of delivering this particular combination of services to the clients, or to the experience or the knowledge on a particular service, or to access to global network which other companies cannot have. In particular, two companies identified that practicality and going into the bone of the customer processes have been giving them a competitive advantage. Another company has been claiming that its particular combination of services in leadership culture development and its focus on the business director have been helping them in exceling in their business model building. Another company has been acknowledging that its professional knowledge of running large or transition programs and its digitalized generic templates have been a contributing factor in building a successful business model. Another company has identified that its global network has been adding significant value which cannot be generated by domestic companies and, thus, has been giving a step ahead than its competitors. Finally, the last company found that recognizability, long-term relationships, trustworthiness and morals have been adding significant value into exceling in the company’s business model building.

“Well, first of all, we don't have any generic program. All our work is tailor-made, [...] we do have many combinations, especially when we work with a company who want to develop their leadership culture. [...] we usually work more with the HR director, but at this moment we work more and more with the business director. [...]. And this is something, I would say, it's one of the key things, why we are that successful.” (Person B)

“Well, first of all, we do have only experienced consultants [...] so everybody who is taking a program has the real 15 or 20 years of experience of running large programs,

large change or transition programs. [...] we have now started to do some things differently [...] We've now built in together 23 or 25 different templates that we used hours and hours of consultants form different industries and put all the information together and made them (into) one generic set of templates which are very usable, and now freely downloadable from our website. [...] And we got lots of interest, thousands and thousands of downloads.” (Person C)

“And somewhere there probably, is this global network that we have, which is of course valuable to the companies which operate globally or at least multinationally. [...] we would produce this somehow extra value that a domestic company could not” (Person D)

“We are pretty unique in what we do because of the kind of practical way of delivering the service. [...] So maybe the special thing that we do is that we ensure that it happens with the practical way of doing it plus then strong interaction communications approach.” (Person E)

“Advantage is definitely that we, on the other hand we will tell them that with us they will achieve some very practical, very hands-on results and hopefully in most of the cases we can do that as well.” (Person F)

“Well, it is of course recognizability, and the customer, the long-term customer relationships.” (Person G)

4.2.2 Customer Segments

The collected data and the interviews revealed that companies might have some partial intended or unintended customer segmentation. The main reason for this intended or unintended segmentation seems to be the unclear picture of whether exists a pattern to classify customers or not. However, if a company identifies partially some segments, usually this segmentation is based upon the size of the customer’s company and less often based on the nature of activities. However, only one of the companies seemed to clearly segment its customer base and that upon the role of its customers, meaning the nature of activities. Finally, it should be pinpointed that each company conceives and measures the size of itself in different terms than another company might do so.

“Yes, we have segments. In our case it is, for us it is easier to go into the customers which are in a way growing. So there is the middle segment, if you think about the size. So these big companies, really big international companies, they are not for us.”
(Person A)

“Well, we do not segment, but the pricing level segments something. So usually we work with big companies like top 100 or top 500, and then some medium size. We do not have any small companies in our customer list at the moment. We are too expensive. [...]”
(Person B)

“Well, we pick the customers that they are only, there is a certain revenue limit, that we see as a target group, that's above half billion Euros as a revenue. But then it is the industries where I am from, ICT, telecom, the food industry to all. [...] We have been trying to group them and segment differently, but I do not see the pattern so far.”
(Person C)

“Of course, in this sense do we segment [...] And, of course, if one thinks of a small market like that of Finland, our first weakness is that we are expensive, and there the market naturally is segmented, that we do business with big firms or with big owners.”
(Person D)

“Well, we segment it per role, so not per industry for instance. [...] Top management, PMO, communications and HR” (Person E)

“We have not segmented them yet, because we do not know actually which kind of customers there are or what is the potential.” (Person F)

“Well, we do not have such a list of segments, but of course we do have a sense how small and big municipalities are, but neither there is it clear which the necessities are.”
(Person G)

To further extent companies seem to serve customers from all industries. Only one company seemed to focus particularly on one sector. In addition, one difference identified here is that the six companies which focus only on customers from the private sector exclude the public sector from their customer portfolio, while the company which focuses mainly on the public sector has really few activities to do with customers coming from the private sector. Nevertheless, one of the six aforementioned companies

acknowledges that the private sector is relatively big and it could be a potential customer in their customer portfolio in the future. However, it becomes quite clear that the private and the public sector are quite different and the way of conducting business in one of them might differ totally from the other.

“ [...] except the public sector. Because the public sector, it is like that, it is totally different world, and we are too. We are not calm enough to work there, because it is so slow, everything is so slow and reporting and reporting and writing and writing and nothing happens.” (Person A)

“(Customers come from) Different industry, any industry.” [...] (we do serve companies) but not the state.” (Person B)

“[...] well, at a global level we do business within all the industries. [...] we do not work with the public sector, which is not that much about the product, but about the industry. [...] well, of course, the public sector is one (potential future segment), it is a big consulting uplift.” (Person D)

“Yeah (customers come from all industries). [...] Few, so I think it is three to four public organizations that we’ve worked for. [...] So there is a law how the buying process works, and it is a little bit too heavy for us (to work with the state).” (Person E)

“No (we do not work with the state). [...] Actually there is no reason, it just happens to be that we do not have in our customer base. [...] (Customers come from) Manufacturing and mainly in, how you call it, machinery workshops.” (Person F)

“[...] well, it is these companies of the municipalities (that we serve) and somewhat three more sectors. [...].” (Person G)

4.2.3 Key Partners

On the other hand, when investigating the six companies, which focus on the private sector, it is observed a generic homogeneity in terms of the main reason(s) for creating a partnership and variations in which these main partners may be. In particular, the main key partners the companies attempt to make are usually companies with consulting tools or freelancers. Some of them might also involve with other consulting firms, meaning competitors, but usually if it is really necessary. This necessity might be a request of a

customer or because the competitor can provide resources that the company might not have. Otherwise, the main reasons for creating partnerships have mainly been the complementary value to the company's main value proposition, the acquirement of resources from a partner and, less often, to reduce the risks for the company. In addition, there has been an individual case where a company uses a partner as a channel to communicate new potential customers. Finally, another company cooperates with highly regarded business schools mainly for acquiring human resources and visibility.

"We have an insurance company, a marketing company, one consulting company and those two or three tools, at the moment three tools companies. [...] I think that the complement and the market-share in a way (is the reason for making partnerships), or the more customers. It is like selling channels more, and that's about it." (Person A)

"We have some freelancers, and then we have some of these companies, who have the tools, servi-tools. [...] I would say that they have that kind of knowledge that we do not have. [...] So it is also something to do with the risks of course. Yeah (they do complement our value) [...] We have (competitors as partners), when customer asks us to do so." (Person B)

"We have a technology partners (meaning management tools), software companies in Finland. [...] And then we have consultancy companies that we partner with, and then some of them are very small, so we buy their services and programs, and some of them are larger, we combine our resources. [...] I think it is complementing the key-assets. [...] Complementing (value), I do not see a reason to take a partner to reduce a risk." (Person C)

"so the big business schools like "name of a well-known business school" or "name of a well-known business school" or "name of a well-known business school" with whom we do work or we recruit, but partially also we do these articles in "name of a well-known academic Journal". With this "name of a global, well-known non-profit foundation" with whom also work with their program. [...] so usually we search for visibility or talents. Or visibility is the wrong word, but access, what it really is. [...] Not really (we do not cooperate with competitors)." (Person D)

"We have two partnerships, one is a company who is building project models for companies, to my understanding not doing too well at the moment. And then we have this company who has this "name of a company" agreement [...] Well, why would

anybody want to have a partner, together both get more. So it is about kind of growing the business.” (Person E)

“Cooperating with this ERP-provider, one of the most important of course. [...] Yes we have (competitors as partners), but they are not our direct competitors. [...] (reason for a partnernship is) To provide customers better service and more skillful people or solution or bigger projects, so create value for the customer.” (Person F)

The company which focuses, again, on the public sector seems to have totally different key partners but more or less similar reasons to the previous companies for acquiring the respective partners. In particular, the main partners seem to come from public sector or, at least, be highly involved into it. The main reasons, however, for acquiring these partners are not explicitly stated, but rather implied as complementary.

“Yes, yes (“name of a union” is our main partner). Of course, from the international point of view the ministries are (main partners), and the “name of a bank institution”. [...] no competitors are there as partners for sure. [...] Of course, in a way (we acquire) trainings especially from the ministries.” (Person G)

4.2.4 Key Resources

Companies have been examined thoroughly as to their key resources and have been found with similarities and differences. The similarities were not surprising from a logical and common sense point of view; however, the differences evince that by an individual configuration of key resources only, the success of the company is not ensured. This is because the differences might be totally opposing to each other, and yet the companies be performing quite well. Therefore, key resources are one part, however a critical one, of a successful configuration, but it cannot stand by itself as a configuration.

In particular, most of the companies are detected with physical, human and intellectual resources, while one of the seven companies is found without the physical and the intellectual resources. Nevertheless, there has been almost a unanimous opinion as to the fact that the human resources play the most important role. Only one company has strayed from the cliché, by supporting that human resources are important, however, time is the most important resource. Another company has not stated explicitly that human resources are the most important, but it has indirectly implied it. Intellectual

resources have been found somehow helpful, while physical resources are not seen as much important.

“The reason to that (not having physical resources) is of course the cost. And there is no reason to have that kind of office [...] No (we do not have intellectual resources). Because [...] it is in us in a way, [...] it is combination of certain skills and backgrounds and experience and personality and things like that, you cannot copy it.”
(Person A)

“Humans (are the most important), that is all. [...] And if I think about facilities, no (not needed), if I think about this intellectual, no (neither needed) [...] Probably our brand has some value, but still, it is more about the people.” (Person B)

“It is the key-people (the most important). [...] Brand is important, you need to have a strong brand, you need to be recognized by the customers and they need to trust you.”
(Person C)

“Of course, recruitment is an important function so to find the right people. [...] the most valuable resource from all (however) is the time.” (Person D)

“People (is the most important).” (Person E)

“I could say that I most willingly hire good people, I'm not so worried about that. It's my profit.” (Person F)

“Of course it is the people and the knowledge (the most important). And it is preeminently the first one. [...] and it is the whole infrastructure, it is the company's recognizability, the brand and that kind of style (that it is also important).” (Person G)

Logically speaking, indeed, such an observation is far within the expectations of common-sense thinking. However, the differences are detected in the way of how these resources are collected, combined and capitalized. In particular, the opinions differ in the technical, academic and vocational background of the human resources. This means that some companies consider important and necessary the academic qualification of a human resource and require partial or long-term experience on the particular sector, while others consider that the personality of a consultant is much more important than the academic and technical qualifications and, thus, the company focuses onto hiring

human beings who can convince the company itself that they fit into the team, rather than rejecting them due to their insufficient academic background. Finally, the company which considers time the most important resource acknowledges that the ability to learn is the most important and the rest is developed by friction with the work and time. In other words, the company believes that human resource can acquire the necessary skills and knowledge and experience through a continuous process of evaluation and coaching, as long as the first step of recruitment has been effective as to finding people that are willing to learn.

“They have very different background. [...] I would say that the background has nothing to do with this work, it is more about the person. [...] I am not interested about the background, not the education, not the age, not anything. It is about his or her ability to convince me.” (Person B)

“I do not have any juniors involved, so everybody who is taking a program has the real 15 or 20 years of experience of running large programs. [...] They are all highly educated, we have many doctors and all of them are master degrees.” (Person C)

“Of course, recruitment is an important function so to find the right people. [...] as long as there is a realistic perception in the beginning (of the recruitment phase) [...] and they (have) the skills to learn new things. [...] this systematic evaluation and feedback and coaching so they improve, is what keeps them in the company.” (Person D)

Furthermore, some companies take a step further and do not focus only on the academic background, but also on a particular mix and combination of different academic backgrounds. This means that these companies combine in such a way the educational backgrounds of their human resources so to achieve a satisfactory portfolio of academic and professional knowledge and experience and, thus, enhance the delivered value to their customers. Nevertheless, these particular combinations could possibly be considered sufficient for an individual key resource configuration, but the fact that some of the companies do not configure on intention academic backgrounds and yet perform equally well, does not allow concluding an individual key resource configuration.

“Exactly (we combine three different perspectives of the business life; business, accounting and marketing) [...] and yeah (these backgrounds complements each other).” (Person A)

“Well, the only kind of thing that I typically insist is academic degree, because it shows that you were able to get into some place and you were able to finalize it. [...] The personality maybe is more important than the skills. [...] Exactly (we combine three different perspectives of the business life; business, accounting and marketing) [...] and yeah (these backgrounds complements each other).” (Person E)

“Since I hired the first guy, since that I have tried to get very, first of all, very experienced in this particular field, but also our latest ones are little bit different than for example I am. [...] A little bit different (backgrounds). [...] Yeah (we combine backgrounds).” (Person F)

It is quite hard to measure, though, the effects of an academic background and the effects of an appropriate personality, or even the combination of both, so to conclude which actually weighs more on the scale and leads, thus, to a more successful configuration. When referring to human beings, there are many more components than the aforementioned that influence the results and the performance. Thus, these two contradictory opinions suggest that one way or the other, meaning with an educational background or with an appropriate personality, the companies will still score among the best financially performing companies. Such observation suggests that, apart from the key resources, there must be something else too that contributes to a successful performance. Therefore, it is suggested that the key resources cannot form a configuration by themselves and, thus, need to be configured with, at least, one more business model element so to achieve a successful business model configuration.

4.2.5 Key Activities

Nevertheless, the internal artefacts also encompass the key activities aside of the key resources. Therefore, the key activities may be a supporting business model element to the key resources in order to achieve a successful business model configuration. In the key activities section of the companies, mostly differences were detected rather than similarities. In addition, these differences could not be grouped or form a particular pattern due to the fact that presented high heterogeneity. Each company found different key activities that were contributing in the more successful business model configuration. Furthermore, in most of the cases, the key activities were linked to the human resources and how the optimization of operations was directly related to the organization of the activities the consultants were carrying out. Namely, the following activities can be identified: individual and group educational sessions, systematic ways

of acting routines, calibration of service design and of the projects, bundling of knowledge and information, as well as openness regarding the sharing of it, flexible and lean organization, digitalized services in fast pace and smart ways, staffing process, meaning the allocation of people into different teams and projects, the know-how of people and processes, projects in pairs and interaction within these pairs. The interviewees acknowledged the aforesaid activities as the most important ones that lead the company to excel in the building of their business model.

“The first thing is that as we teach, we try to live. It is like you have to have those doings which you have already learned, that doing these things every week, every day, you don't have any other chance than success. [...] And if you want to renew, then you have to take time for it. And we take time during the year when the customers don't buy that much.” (Person A)

“(We have no) competition inside the firm. [...] Another thing is openness. People know everything about the company. [...] We have every two months one day session when we share our learning, that's the only thing of that one day. [...] Then we make a trip together two times a year. [...] And then we have kind of a flexible model how to thank people, we give them different kind of gifts every year. [...] So we have made a few models which we follow quite nicely. Especially the model how we work together with customer.” (Person B)

“Digitalize our services, trying to do that very fast and in a smart way. [...] The organization is very lean, and that's of course bringing a lot advantage. [...] We can make decisions and we can make moves very fast and change the way. [...] Bundling of knowledge and then customizing the service, designing is so that it affects to the customer needs and brings them business benefit very fast.” (Person C)

“One of the most important functions is the staffing. And in the staffing we have a person who decides who is going to different projects. [...]” (Person D)

“So that key activities are clearly selling and delivering to the customers, but then the supporting activities are then kind of making sure that my people are happy, building the models, and then of course all the administrative stuff needs to be done.” (Person E)

“we also have those external remote desktop connections to the customer [...] Yes, that is one thing (that R&D is important) [...] And one thing more is, internally we always try to get at least two of us within the customer, somehow.” (Person F)

“And then it is the work in pairs, the individual work in pairs. [...] This young/old consultancy is always a standard. It is the best way so that the younger learns. [...] It is, of course, the interaction (between the two latter). [...] And we also have this kind of business solution process system, through which the projects are planned. It is also the know-how in project management.” (Person G)

Therefore, it is suggested that the diverse and unique way of running the key activities, both internally and externally, is a contributing business model element to the key resources constituent and, therefore, the two by themselves, meaning the internal artefacts, could stand as business model constituents for a successful business model configuration. Notwithstanding, it should be noted that a successful business model configuration does not necessarily mean excelling performance. An excelling performance still needs the support of other business model elements so to be achieved.

4.2.6 Customer Relationships

All companies more or less appear to found the pillars of their customer relationships upon the same principle; trust. In particular, most of the companies build and sustain their customer relationships upon trust, while at the same time they aim at deepening and making long-term relationships. Only one company did not refer to long-term relationships. Furthermore, morals related to the way of doing business is neither missing from the list of principles. Finally, only one company acknowledges that trust is a corollary of high customer satisfaction.

“It is a question of trust. [...] There are old (not in age but in the time of working with them) customers, there is a big group of old customers” (Person A)

“I would say, it is naïve, but it is all about trust. [...] We focus on the warm ones (relationships) and on the hot ones (relationships), the ones we know already.” (Person B)

“Well it is trust. [...] Well, both, absolutely both (deepen our existing relationships and create new ones).” (Person C)

“Because, after all, they (the customers) buy from the person they trust [...] the only reason that somebody buys from you it is because he believes that you as person and as company, where you operate, you can really help him. [...] It is the long-term relationship (that we benefit of the most).” (Person D)

“High customer satisfaction (is one principle) [...] And of course that builds trust [...] That is the only way in our line of business (to focus on long-term relationships).” (Person E)

“Trust and loyalty, definitely.” (Person F)

“It is the strong moral in the leadership and then it is probably transmitted to the employees [...] It is the long-term relationships (that also make the company to excel).” (Person G)

Nevertheless, the reasoning for achieving these long-term business relationships seems to be different in every case, according to the opinions of the interviewees. In brief, the main reasons that the interviewees state why they manage to maintain long-term relationships, or at least, how their results lead to achieve dedicated customers are summarized as: powerful contacts and attitude, long-term experience in the consulting sector and good recruitment process so to maintain the high standards, involvement also with different levels of the organization at which needs are more concrete, and strong job-related morals.

“We know very powerful persons and if we are able to make their business better [...], then they trust those persons (who made their business better). [...] And one thing we have noticed, we are more ambitious than usually the people in the company.” (Person A)

“[...] but at this moment we work more and more with the business director. [...] I would say, it is one of the key things, why we are that successful, because even though the projects are usually bigger, when the HR director is having them, but they are more specific, when the business director is having (the projects).” (Person B)

“[...] so everybody who is taking a program has the real 15 or 20 years of experience of running large programs, large change or transition programs. That is so customers

can trust that they get a good guy, so that is maybe the number one. [...] We are very picky with recruiting, so that is maybe the key asset, you cannot make any miss on your recruitment process.” (Person C)

“And if the customer relationships and in a way then the capability, which is learnt, if these two are the most important assets, so they can help in the easy close collaboration and in the long-term relationships.” (Person D)

“So we cannot fail (with long-term relationships). Finland is so small that if we fail with one customer, then there is a big risk that everybody else knows about it.” (Person E)

“Work should should be done and upon strong work-morals (so to achieve the wanted results and relationships).” (Person G)

4.2.7 Channels

From the point of view of how firms communicate their customers, meaning the different communication and distribution channels, companies seem to stick to personal contacts, the phone and in some cases the website and different events. Furthermore, it is observed that “the word of mouth” is still quite a force that moves the business in the consulting industry. It is of great surprise that social media do not prevail in the particular industry, except from some particular cases where the companies do use social media at a wide range. Traditional media is even less used, if not even missing from the potential list of channels. Notwithstanding, personal contacts do score as the most frequent way of communication.

“I’ve been talking in their (a key partner’s), how to say, this kind of customer events. [...] And that is one way we can get customers. [...] It is more like that (word of mouth that spreads through). [...] We are now renewing our website. [...] We have them (social media), but we are not active.” (Person A)

“We have website [...] but I would not say our website is one of our sales channels. The business comes when a customer contacts us or when we are already working with them. [...] If it is a company where we have not been working before, then it is probably some of our customer who has told something. [...] It is word of mouth. [...] LinkedIn, yes, we are all [...] and that is (all) about it.” (Person B)

“(We communicate customers) Mostly directly from the company. [...] Yeah, (we use) social media a lot; LinkedIn. [...] and blogs, we will write a lot. [...] But most of the sales are done directly by our sales people and by the consultants talking directly to customers. [...] most of the links (however) come from social media in general.”
(Person C)

“The biggest part mostly comes from the personal meetings if we say so. [...] Somebody has done a research about something, and then it is this breakfast event, to which people are invited, and they come there to listen, and a lecture is held about something. [...] Then there are the so-called posts, which go to the existing customers that are in demand. [...] It is sort of this “name of a well-known academic journal” (also) an easy channel. [...] We do alot of phone-interviews with the customers.” (Person D)

“And that (to communicate customers) is done either by somebody knowing somebody, meeting that person and then that person pointing us to somebody else. [...] we are arranging these breakfast seminars so the people come there. [...] We are in Twitter, we are in LinkedIn, we have a website [...] So it is basically our own channels.”
(Person E)

“The best way to get sales is direct contact [...]. We have tried advertising in small scale in special magazines. Now we are increasing our activity in social media, and we are publishing monthly newsletter through email [...] And nowadays we also have those external remote desktop connections to the customer, or at least some of them. [...] We even have with one particular customer, we have a link federation, so I can see they personal in our link, and they can see us, and we can chat online.” (Person F)

“We have these technical, e-mail and this kind of (channels) [...]. We have a lot of these kind of events with the “name of a Union”. [...] these e-mailing lists, and through them it works [...] But yes, of course, through the municipalities’ nespapers and other newspapers too [...] but mostly through the personal ones (contacts).” (Person G)

Finally, considering the fact that personal contacts are the prevailing channels of communicating customers, one would assume that it is because personal contacts are also the most cost-efficient way. However, the answer to the respective question of which is the most cost-efficient channel scaled between the different events through which customers are approached and through the articles that are published in different blogs.

It should be pinpointed, however, that personal contacts might be coming from previous collaborations that were successful, or might be coming as a corollary from the different events and the interaction that takes place in there.

“[...] from the events. [...] So that is the cheapest one (channel) for us.” (Person A)

“Sure (the word of mouth channels is the most efficient for us).” (Person B)

“It is these blogs, writing a blog is the most (cost) efficient way.” (Person C)

““Name of a well-known academic journal” is easy (as a channel) in this sense [...] because it is honored [...] so many see (read) it.” (Person D)

“[...] but the only thing that works is to meet people and explain.” (Person E)

“It (newsletter) is most cost-effective, but still the most effective way is the personal meeting.” (Person F)

“It is, in this way, this channel quite easy [...] apart from the newsletter that is sent there (to the big organization),, and a letter then comes, that Hello, how are you, what (new) do you have now?” (Person G)

4.2.8 Cost structure

Regarding the companies that focus only on the private sector, it is observed that the degree of a value-driven cost structure is disproportionate to the degree of fixed and/or variable costs. This means that a company focuses more on creating value and is less concerned with minimizing the costs, as long as the fixed and/or variable costs are kept quite low. Interviews revealed that the companies with low or standard fixed costs and not high variable costs will focus on creating more value regardless of probable inherent costs of the respective generated value. Only one company strayed from this observation and, despite its variable costs, it focuses on creating value. Another company has not provided sufficient information as to this parameter.

“It is value(-driven). [...] As I told you we have no office[...] and the reason of course to that is the cost. [...]. Because in the consulting firms, if you do not have the office, then it is question of costs like hotels, cars, phone, computer, some medicine if needed

[...] (but) because the customer is paying for everything, even for the (variable) costs in a way, [...] cost is the same (fixed).” (Person A)

“We are not interested of costs [...] we do not focus on costs at all. Because it makes them (our people) worry, and when they are worried they do not work as well. [...] I want them to focus on the customer work and on thinking how should we do it (give customers more value). [...] In a general level, we have more or less fixed costs. There are some differences (however, in costs) especially with the tools. [...] There is not that much anyway they (our people) can influence the costs, because the biggest part is salaries.” (Person B)

“Creating value, yeah. [...] Well, we have needed to be pretty careful with salary rises past years. [...] to my mind any organization, if they start staring at the cost, they should just shut the business, because it is, I do not see the point. You should be delivering more value and make people happy, and make sure that they pay you rather than kind of try to lower your cost to death. [...] No (we do not have fixed costs), because if I sell more, I need more people, so the cost goes up.” (Person E)

“Cost is always in mind, when you check the monthly balance-sheet, and so that is of course important. But I prefer saying, I would say that we are not so cost-driven. We are able to make ridiculous decisions like ok, take two guys, pay one for example, as promotion. So we see that in longer term value creating actions. [...] It is more or less fixed cost. [...] Not so much (variable costs)” (Person F)

On the other hand, companies with higher variable costs tend to balance between a value-driven and a cost-driven structure or even lean onto a more cost-driven cost structure.

“I think you cannot ignore the costs. Of course, you try to create the value for your customers, you need to find the ways to do that better, but you need to pay attention to the costs everyday. [...] No (I would not prefer to give more value no matter what would be the cost). [...] Yeah (I am trying to achieve a balance between these two- a valued-driven and a cost-driven structure) [...] We have a variable (cost structure).” (Person C)

In the case of the company that focuses only on the public sector, however, the above observation about the relation between the degree of value-driven and cost-driven structure is not applicable.

“Of course, in a way the cost-driven (structure) is the starting point.[...] All the rest can be comfortably done, when under the line there is a plus.” (Person G)

This might be deriving from the fact that the company itself is 100% owned by a Union whose members happen to be the company’s actual customers. In this sense, there is already a controversial dispute about the real relationship between the Union and the company.

““Name of the Union” owns at the present moment 100 percent the company G. [...] “Name of the Union” paces excessively with the government. And it can influence then again, it has influenced us, that it was asked, that what are up to now? When some customers see “name of the Union” and company G however really close to each other.” (Person G)

Despite the dissimilarities regarding the degree of a value-driven and a cost-driven structure, there was a unanimous agreement on that the real and highest inherent cost of consulting firms are the human resources. Only company did not provide sufficient information as to the particular parameter.

“Personel is the main cost, the brains cost the most.” (Person A)

“There is not that much anyway they (our people) can influence the costs, because the biggest part is salaries. [...] Personnel costs (are the most important cost, the biggest cost).” (Person B)

“Salaries (are the most important cost)” (Person C)

“People (are the most important cost)” (Person E)

“Salaries (are the most important cost) [...] The human.” (Person F)

“Of course, the human cost is the vast majority of that (the costs).” (Person G)

Of course, any kind of key activities such as designing or training etc. are also important and probably as high, but again the highest cost is transferred to the personnel salaries. And this is because people run these activities and spend time on them. And since most of the companies charge per hour or per day, and not per results, thus, the famous saying that time is money is consolidated.

4.2.9 Revenue Streams

The majority of companies still choose the traditional way of charge and payment. This means that companies charge per time and, particularly, per hour. In fact, four of the seven companies charge per hour while only two of the companies charge per project, meaning the deliverables, and not per hour. Nevertheless, it should be pinpointed that projects are also estimated and calculated in hours, which suggests that again companies indirectly charge per time. Notwithstanding, all of the six aforementioned companies choose to be paid mostly every month, while one company seemed to have some per-results chargements and most of the others believed that a result-based charging method is difficult because results are difficult to measure. The seventh company did not provide relevant information.

“We have for hour and for day, and for result-based some but only few. [...] But we also mark there that how much is it per month.” (Person A)

“We are charging per time. [...] They (the customers) ask us to give the price especially for a day or for an hour. [...] But customers are not ready for that (the result-based method). [...] And I think the problem is the measuring once again. [...] Usually we charge, yeah, afterwards once a month,” (Person B)

“[...] (services) are charged on the hourly rate. [...] No, not (charged) in those (result-based methods). [...] (it is paid) Every month.” (Person C)

“[...] we do not sell hours but we sell projects [...] the project, then, is billed on a monthly basis.” (Person D)

“This is what we do for you, these are the deliverables and this is the price for it. Or then it is monthly service charge. So monthly we will provide you this and this is how much it costs. [...] well of course our calculations then are based on how much time and how senior people we need.” (Person E)

“[...] we charge per hour mostly. [...] We have thought that (charge per result) a lot, but the point is and the challenge is and difficulty is that it's very hard to charge whether the increase of turnover or profit is because we were there, and what's our portion of that.” (Person F)

Regarding the pricing list, three companies acknowledged that prices are more or less the same with some variations depending on the nature of the tasks and the amount of people in the group. Another company claimed that the prices depend also on the maturity of the relationship with the customer. The fifth company supported a volume-reduction method which means that the bigger the volume, the less is the cost. The sixth company did not specify more that that the pricing list depends on the project and probably on the tough defined goals. The seventh company did not provide any information as to this part.

“[...] we know what is the price on the market at the moment, like this kind of sector from this to this, and then we think about the segment, the company, the situation the company, the size of the company, and then we set the price, the first price.” (Person A)

“We have a kind of a day-price, differs a bit of the work and then of the group, if there are 15 people or if there are 100 people. But we have the same prices for every customer.” (Person B)

“There is a little variation, but not much. And it is not depending on customer size, it is depending on customer and the service they buy from us [...] that is the usual way (the higher the volume, the lower the price).” (Person C)

“Then, depending a bit on the nature of the project, a part of the billing can be associated to the (defined) tough goals.” (Person D)

“Typically no kind of volume reductions. [...] It is like more difficult things you need, more expensive it is. And simpler the service goes, then it is cheaper. [...] But still now we haven't been able to figure out what kind of measures we could use, where it is really measuring our effort.” (Person E)

“We try to keep the list price. But of course depending on the customer relationship maturity there are discounts and specific quotations. But we try to keep the list price. [...] Normally not (volume reductions).” (Person F)

However, only two companies specified the percentages of their revenues from which services they come. In particular, one company supported that 85% derives from the transactions management and the 15 % from the results. On the other hand, the second company claimed that 80% derives from the IT services. Nevertheless, another company did not specify the percentage, but it actually revealed that part of their revenues come from speeches the company holds at a key partner’s customer events.

“Because in those events we get paid for the speech in a way.” (Person A)

“Well, the 85 percent of the revenues come from the services. [...] And then the 15 is per result.” (Person C)

“Well, I would say that over the years 80 percent of our income has been from IT.”
(Person E)

Finally, when the companies were asked for which value would customers be willing to pay, the answers varied significantly. In particular, the range of the answers included the following values/reasons: if participants are happy, customers will pay for digital strategies, for problem solutions, depending on the pain they might have, and so that the organization learns.

“If they (the customers) are able to change their way of leading so that they get the results.” (Person A)

“Some of them are happy to pay when the participants are happy. And this is the way they shouldn't think, but still they do.” (Person B)

“Well, I think of, that if we have people who would be very good at defining digital strategies for our big clients, guys that have been living in the future for the past five years, and technically capable and still very experienced.” (Person C)

“Of course, the customer if we think about the creation of growth, in this context what the customer wants truly to pay it is that there is no single effort (from his behalf, but to

help him in a way that the organization learns and be able to do, to transfer to the organization the capability.” (Person D)

“It depends on the urgency and the pain that the customer is in. So bigger the pain, more they are willing to pay.” (Person E)

“Well, of course, it is usually the clarity about things, the matter of alternatives or clearly the point of the decision-making.” (Person G)

4.2.10 Strategy

When the companies were asked about their strategies and their business models, it became clear which companies were using an actual business model and which were not. In particular, two of the seven companies did not have a particular business model or strategic plan on how to operate. They just focused onto selling and doing business. The rest of the five companies were identified with more than one business model. It appears that the companies would be having from one until many different business models based upon the nature of their activities or services they would be carrying or upon where the anticipated demand would be in the longer run.

“And how we can do is that if you think about the strategies, that we do not want to grow.” (Person A)

“Yeah, I would say we have many because it differs a bit about the work we are doing, especially if we think about organizational culture, it is a different business than the others. The business model is different [...] I would say three.” (Person B)

“We have different models all the time, so we run the problem management services with one model, and we run the process and data excellence with one model, and then we run the industrial Internet services with a different model. So actually currently we have three different business models in practice.” (Person C)

“The main business model is that we have consultants in the company whom we sell out in teams. And, of course, there are business models, where we sell individuals. There are business models where as a matter of fact is sold, well some more-ready products [...] There are hybrid there of course [...] There are many available.” (Person D)

“Kind of we have two business models, so we have the kind of models and the execution, so in a sense we have two types of services. But it is more about the product. The business model itself is pretty much the same.” (Person E)

“[...] during a project we tried to define our strategy, which kind of business models to use. [...] But frankly speaking, we do not have such a strategic plan or guidelines at the moment.” (Person F)

“Well in a way, si if you think this community-directed consultancy, if you think it this way as total, then it it one model, to which are related at some point other offers, that it is in this way that kind of model to do work. [...] Then these rating systems are models by themselves in a way. [...] And then, of course, also this business model, we have this erection of the network source.” (Person G)

Additionally, when investigating the reason why a company would renew or reinvent their business model, the answers varied. In particular, potential reasons are the future growth, customer’s needs, failure in growth, viability or in turnover numbers or they would not see the reason why to change it so far. Finally, the companies

“It depends on what we think the customer needs. [...] It mainly the customer need.” (Person B)

“If you want to grow, you look for new business, then you need to invent something new.” (Person C)

“Sure, therefore, the need for such (change) most of the times comes from the external field. And then if either the growth or profitability disappoint, or competitors cope better, then it is that (a reason to reinvent)” (Person D)

“I don't see a point, because we are needed like what we are now in Finland, and the next step would be then to copy this somewhere else.” (Person E)

“If it seems that our turnover or future view will be somehow, I do not know what would be the reason, but will be negative or business will decrease, potential will decrease.” (Person F)

“When we see these changes and the big differences of changes in structures and much more, then of course I can say, that the entire template (business model) is renewed.”

(Person G)

Finally, in the question whether the companies have or not a particular strategy for business development, some answers were affirmative and others negative. Some other companies have not answered to that. The main reason to the negative answers for the existence of a business development strategy was that the companies did not want to grow but just to develop along with their customers.

“No (we do not have strategy for business development). [...] Business development in that sense that we do not want to grow but we want to, of course we want to develop with the customers.” (Person A)

“I think the strategy is just the way we do it, I mean the projects and the follow-up and the process. This is the way.” (Person B)

“We are trying that on different fronts, and as said, we are trying to digitalize that (our strategy) as well.” (Person C)

“Well, the strategy is to kind of win more in Finland with the current offering. To be able to hire the best people to deliver the services so that we don't fail, so always successful delivery to the customer. And then in a little bit longer term to copy this to somewhere else.” (Person E)

“Actually no (we do not have).” (Person F)

4.3 Synthesis

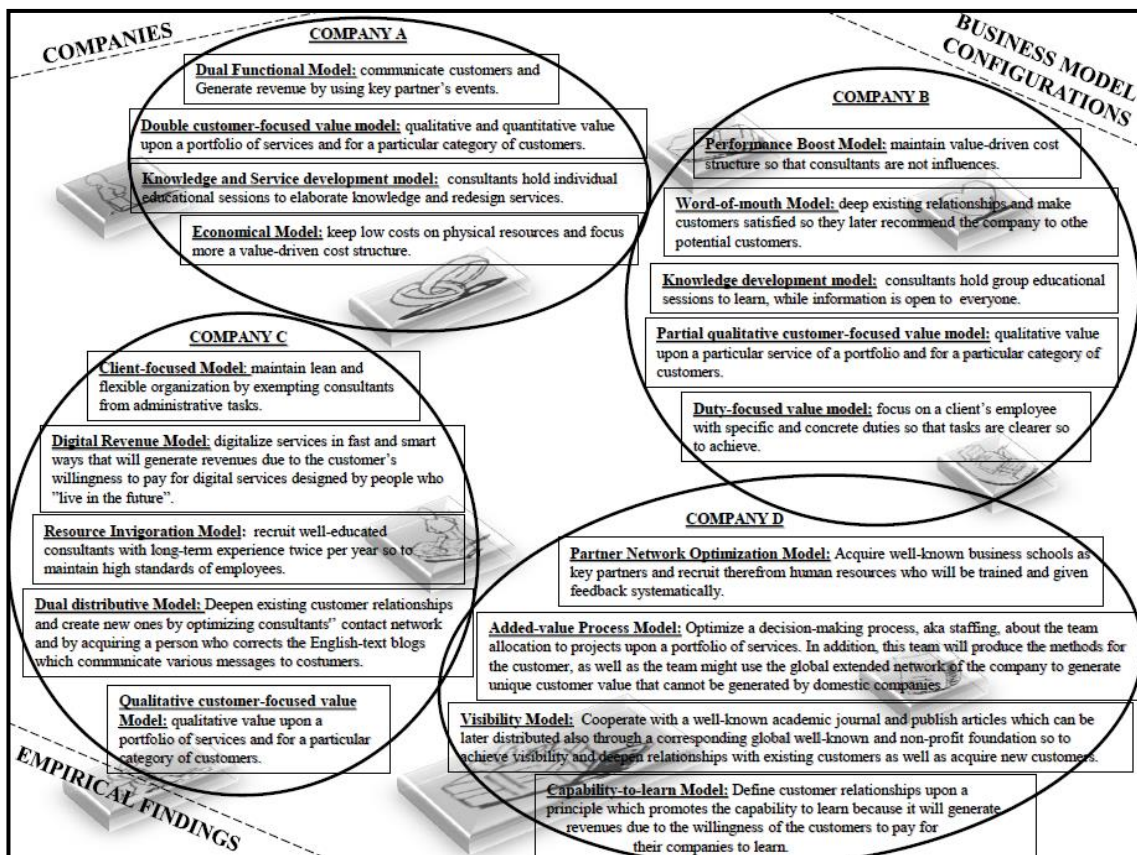


Figure 11a. Business Model Configurations in the aggregate.

The within-cases analysis has generated two figures, **Figure 11a** and **Figure 11b**, which both visualize the different business model configurations each of the seven companies applies. Therefore, this subchapter will focus onto observing, commenting and linking the identified configurations of the within-case analysis to the observations of the cross-case analysis. In particular, the similarities and the dissimilarities discussed in the cross-case analysis can contribute to the identification of some common patterns between the different identified configurations in the within-case analysis.

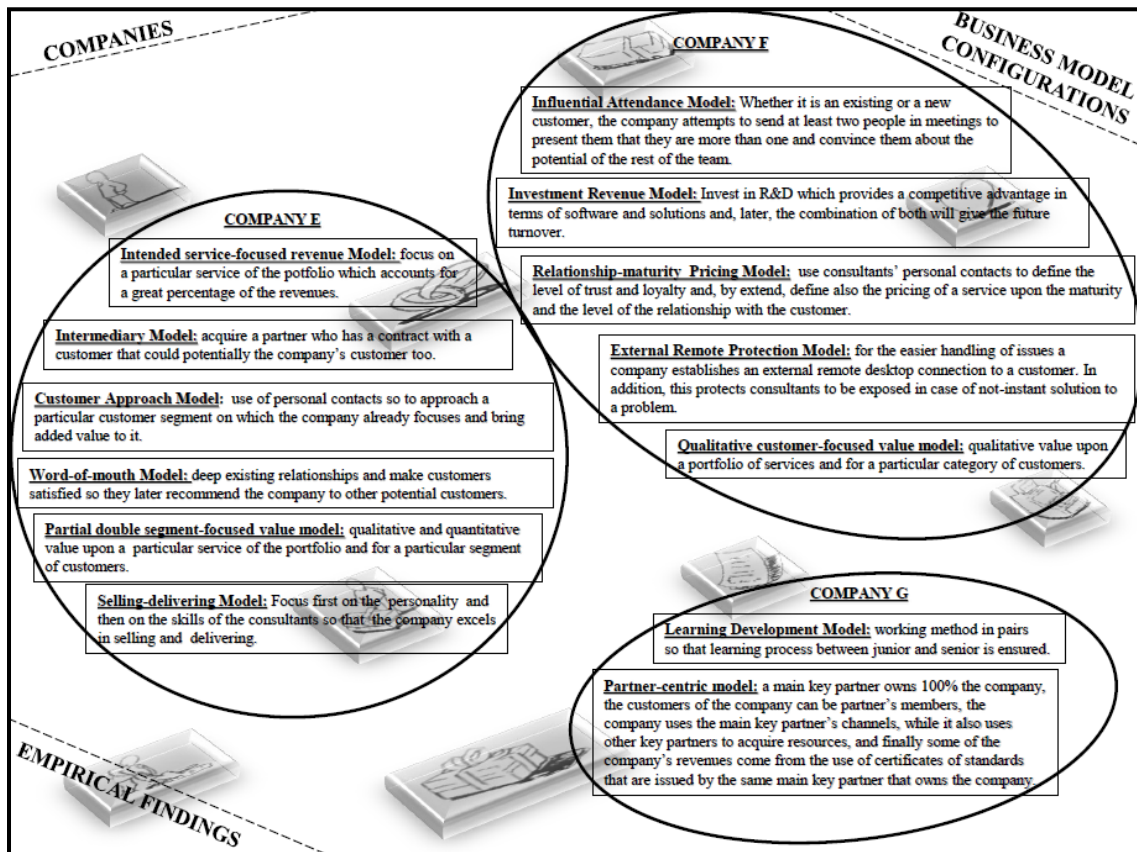


Figure 11b. Business Model Configurations in the aggregate.

In fact, if one observes **Figure 11a** and **Figure 11b** that are the results of the within-case analysis aggregated into two illustrations, one will realize that all companies apart from D and G share a similar configuration at different variations. In particular, each of companies A, B, C, E, and F seems to apply one of the following configurations: the qualitative or quantitative customer-focused value model, the double customer-focused value model, the partial double customer-focused value model, or the partial qualitative or the partial quantitative customer-focused value model. It becomes clear that the variations scale between the type of the value, meaning the qualitative and/or quantitative, as well as between the focus on a particular service of a portfolio or on the entire portfolio of services, meaning the title of partial or without it. Such variations indicate that the core of the configuration is executed between the value proposition and the customer segments building blocks. In addition, the only almost stable part of that model is the customer-focused one. And it is claimed as almost stable because in one case that a company segments its customer-base, the indication of customer-focused is changed to segment-focused. Hence, the first indication of a pattern is that each company chooses a specific category or segments of customers to deliver its value.

Such a predication can be also justified by the cross-case analysis which indicated that each company focuses on a particular category of customers and none of the companies focuses on the exactly same category. This is because the companies simply set different measures and restrictions upon these measures so to collocate or at least group unofficially their customers. In addition, the cross-case analysis presented that some companies, indeed, choose either a qualitative or a quantitative, or even both types of values to deliver to their particular customer segments. Nevertheless, the only flaw of the value-type observation is that a quantitative, and especially a qualitative value, can be achieved by different actions of distinct nature. This means that one company might generate a qualitative value by providing a customized design and another company by providing a unique customer experience, or even by providing something totally dissimilar to what the other companies provide. Nevertheless, if the research lens is set to capture a more holistic picture and deduce a general pattern, the different actions of distinct nature can be overseen by sticking to the already descriptive qualitative or quantitative categories. Finally, the variation of partial or not can be also justified by the cross-case analysis. In particular, the cross-case analysis indicated that some of the companies stick or focus onto one of the services they have in their portfolios due to various reasons, such as the percentage of revenues that the particular service might represent, or even because nowadays customers are in more need of the respective service.

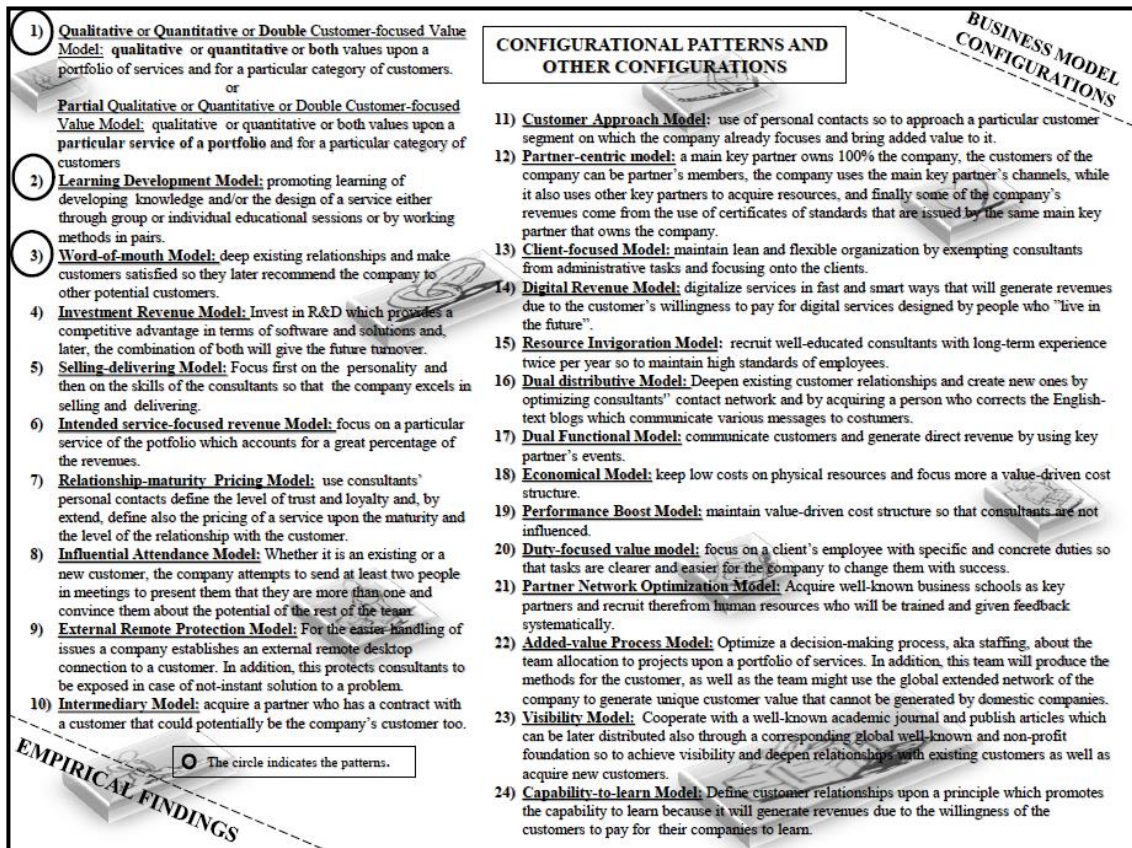


Figure 12. Business Model Configurational Patterns and other Business Model Configurations.

Hence, the above synthesis of the within-case and the cross-case analyses on the aforementioned configuration leads to the observation of the first configurational pattern. In particular, there is a customer/segment-focused configuration which is found at two levels of variations. The first level is the type of the value provided to a particular segment, being this qualitative, quantitative, or both values. And the second level is upon which extent of the portfolio is this value given to a particular category of customers; is it this qualitative and/or quantitative value(s) upon a particular service of the portfolio, meaning partial value, or upon generally the portfolio of services, meaning not partial value. Hence, the first configurational pattern can be named presented at the two levels: the first level is named as qualitative or quantitative or double customer-focused value model, and the second level can be named as partial qualitative, or partial quantitative or partial double customer-focused value model. Finally, in all five companies the configuration is between the same building blocks and the philosophy of the configuration seems to be the same. The respective configuration is visualized as two distinct level of configurations in **Figure 12** and the indication of being a pattern is given by the circled numbers one (1) and two (2).

A second observation upon **Figure 11a** and **Figure 11b** is that three companies use again a similar configuration. In particular, companies A, B and G apply the following configurations accordingly: knowledge and service development model, knowledge development model, and learning development model. The first assumption that one can make by observing this three configurations is that all three companies try to promote the learning feature within the organization. And such observation can be justified by the cross-case analysis which indicates that these three companies, indeed, attempt to focus promote the mentality of learning by applying somehow similar actions. In particular, company A motivates its employees to hold individual educational sessions, while company B supports group educational meetings. Company A also uses these educational sessions so to redesign services, while company B does extend to that level. Company G chooses particular working methods, such work in pairs, with one junior and one senior consultant in each pair so that one learns from the other. To further extent, the configuration in all three companies is executed between the key resources and the key activities. Hence, this learning philosophy that these companies reflect into their configurations can be considered a pattern and can be named as learning development model.

A third observation upon **Figure 11a** and **Figure 11b** is that two more companies apply a similar configuration. In particular companies B and E apply almost the same configuration. This is that companies focus onto deepening their existing customer relationships and by satisfying their current customers the word-of-mouth effect is activated. This means that satisfied customers recommend the company to other potential customers. This way the word-of-mouth acts as a domino effect. The cross-case analysis can also justify that due to that only these two companies use explicitly such a technique. The only debility in this observation is that company B does not focus onto acquiring new customers but rather prefers to stick to the ones it has. On the other hand, company E wants also to maintain the existing customers and acquire new ones. Hence, there is another pattern that could be also applied by other consulting firms since the word-of-mouth effect, as the cross-case analysis supports, still functions in the consulting industry. Finally, the configuration was executed by both companies between the channels and the customer relationships building blocks. Thus, this configurational pattern could be named as the word-of-mouth model and is visualized in **Figure 12** on number four (4).

By observing the rest of the configurations in **Figure 11a** and **Figure 11b**, no other patterns can be exported. This is because the similarities between the configurations

become quite scarce and the research lens cannot generalize special cases. This means that, although the cross-case analysis presented quite significant similarities between the building blocks, the reality of how the companies combine in the end the building blocks and their individual components differs. And this is why the within-case analysis presented individual configurations that in the synthesis lens could only be associated and justified by few of the similarities in the cross-case analysis. Hence, the above mentioned configurational patterns account for eight because the first configuration has two levels of variation which each level generates three types of business model configurations. Therefore, the first configurational pattern accounts for six in total different types of configurations. Then, there are two more configurational patterns that each accounts for one type of business model configuration. Thus, the rest of the identified configurations in the within-case analysis are considered individual and challenging to be patterned. Therefore, the rest of the 21 configurations are presented in **Figure 12** as individual configurations. Consecutively, the total number of the various configurations identified upon seven companies in the consulting industry in Finland is 29. Finally, it should be clarified that the constitutional patterns, as well as the rest of the configurations, are identified to be applicable to the consulting industry only. This means that the circled constitutional patterns in **Figure 12** are not generic but industry specific. Regarding the rest of the 21 configurations no pattern was identified due to debility of diagnosing and justifying commonalities. This suggests that the empirical data must be expanded and examined further so to decode possible underlying forces that lead to commonalities or dissimilarities.

5 CONCLUSIONS AND DISCUSSIONS

The current global financial crisis has been pledging deeply economies and their business sectors around the world. Nevertheless, industries such as the knowledge-intensive business services (KIBS), and particularly the consulting one, have proved to be debility-resistant in comparison to other industries. The attention, however, towards the particular sector is reinforced due to the European financial indexes which claim that the respective industry enjoys of high employment share in Nordic countries like Finland and Sweden. (Izsak et. al 2013) And despite the fact of a highly competitive environment and of the crisis, yet, some companies compete for their survival, if not even for their overall development, by focusing on the value creation process through the ultimate capitalization of their resources and their capabilities. In an attempt to capture this capitalization of various business elements and to photograph the different perspectives and the ways of the created value, this master thesis examines the business model concept and the possible configurations of its various components within the Finnish consulting sector. Hence, the focus of the study is upon two key theoretical areas. The first theoretical area is the business model concept and the second theoretical area is the knowledge-intensive business services (KIBS) concept.

The business model concept enjoys of special investigation, since the concept itself has not managed yet to establish a concrete position within the scientific community (Amit et al. 2001, Markides 2008; Baden-Fuller et al. 2010; Teece 2010; Zott et al. 2011). This is because authors define a given term in various possible ways (Short et al. 2008) and, thus, a plethora of uses for every distinct situation exists (Baden-Fuller et al. 2010). Therefore, this master thesis attempts to execute a systematic literature review about the respective concept upon the original effort of Klang et al. (2014), who have been suggesting the simultaneity of separation and attachment of the publications on the business model concept. On the other hand, the KIBS concept also enjoys of careful treatment, since a parallel equally profound, but not systematic, literature review is executed in order to better comprehend the nature of the industry and the behavioral tendencies it has.

In particular to the first key theoretical area, the thesis examines the general nature of the business model concept, and later, three parameters of its concrete nature. The first parameter is the definition of the concept, the second parameter is the constitutional dimensions it has, and the third parameter is the various possible configurations that it

might generate. The general nature of the concept refers to its evolution and a description of its functionality. In fact, the business model concept has been given rise mainly due to the ICT progress, meaning the rapid and intensive advances in the information and communication technologies, and the Internet generally (Zott et al. 2008; Demil et al. 2010; Wirtz et al. 2010; Zott et al. 2011). But technically speaking, the business model serves as a map which visualizes a dynamic system upon which is reflected the core logic of a company (Linder et al. 2000; Björkdahl 2009; Casadesus-Masanell et al. 2010).

The concrete nature of the concept, again, refers to the three aforementioned technical parameters. In particular, the definition of the concept is examined and expanded as to the dimensions through which is conceived. Zott et al. (2011) acknowledge that the business model has been mentioned as a statement, a description, a representation, an architecture, a conceptual tool or model, a structural template, a method, a framework, a pattern and a set. The scrutinized literature review, however, reveals that the business model has also been conceived as a construct (Andries et al. 2006), a contingency factor (Zott et al. 2008), a generator (Dahan et al. 2010), a system (Zott et al. 2010) and a configuration, meaning activity systems (Chatterjee 2013).

As to the constitutional dimension of the concept, a retrospect is executed as to the different identified business model elements. However, the drawn conclusion upon this retrospect has been that Osterwalder et al.'s (2010) nine building blocks are the actual holistic overview of the business model constituents and capture most of the conceived dimensions of business model elements as visualized by different authors. Even authors afterwards Osterwalder et al. (2010), such as Casadesus-Masanell et al. (2011), Eyring et al. (2011), Storbacka et al. (2013), and Girotra et al. (2014), did not really differentiate their suggested constituents, but rather changed the perspective from which the authors approached them. Hence, the respective nine building blocks were observed as to their nature and classified into five generic constitutional categories. The first is the value category which encompasses the value proposition. The second is the stakeholders category which encounters the customer segments and the key partners. The third is the internal artefacts category which encloses the key activities and the key resources. The fourth is the marketing category which environs the customer relationships and the channels. Finally, the fifth is the financial category which envelops the cost structure and the revenue streams. Finally, although some authors suggest strategy as part of the business model, this master thesis weans strategy from the business model constituents and addresses it as a distinct concept, while does not

consider it absent from the canvas but rather omnipotent. This position is also reinforced by the statement of Casadesus-Masanell et al. (2011) who acknowledge strategy as the contingent plan about which business model to use.

As to the configurational dimension of the concept, a retrospect study upon the suggested configurations has been executed. Identified configurations have also been examined as to the sector in which they were studied. Consecutively, all configurations are assembled into a table and classified upon the sectors in which they were examined. Hence, two particular sectors are identified; the e-business and the biotechnology. The rest of the configurations bear a more generic character and do not necessarily address a particular industry. For this reason, the thesis takes a step ahead and examines potentially each identified configuration as to its applicability to the consulting industry. This means that after the second key theoretical area, namely KIBS, is examined, the thesis encompasses a subchapter where it presents the potential flaws or applicability of each configuration to the consulting industry, regardless of the sector in which the configuration was studied and identified. This is because a configuration from a different industry than the consulting could potentially be applicable to the consulting industry too.

Finally, the second key theoretical area, meaning the KIBS, was studied also equally profoundly but not systematically as the business model concept. In particular, KIBS industry was also examined as to three technical parameters; the definition of KIBS, the classification of KIBS, and the behavioral tendencies of KIBS companies. As to the definition parameter, there is still lack of a common unified definition despite the already existing literature and the efforts to define KIBS (den Hertog 2000). The hurdle associated with defining and characterizing KIBS stems from the fact that it is difficult to define and measure the knowledge-intensity of these services, let alone the innovation in the respective services. However, the following observations were retrieved from the various definitions: knowledge is the input and, at the same time, the output of KIBS (Strambach 2008). KIBS require an intensive and in-depth supplier-user interaction (Miles et al. 1995; Strambach 2008), while they can also be intermediary firms (Consoli et al. 2010). Finally, the activity of consulting, meaning the problem solving process, is adapted to the clients' needs and, therefore, the content of the interaction process between KIBS and their clients can range to different degrees (Strambach 2008).

As to the classification parameter, a worthwhile attempt has been made to comprehend the logic behind the KIBS classification. This is because KIBS present high heterogeneity and, therefore, it is difficult to classify them upon generalized criteria. So far, many attempts by various authors, including Baláž (2004), Miles et al. (1995), Toivonen (2004), Rajala (2005) and Koch et al. (2008), have been made so to classify KIBS based on the type of the service they provide. All attempts, however, have been verifying the heterogeneous nature of KIBS. For this reason, a detailed description of company activities is suggested so that one can actually classify KIBS.

Last but not least, the third parameter encompasses the behavioral tendencies of the KIBS companies might have. These are: KIBS firms rely heavily on their employees' professional competences, as well as on their customers' competences which are required so to produce successful services (Tuominen et al. 2011). Another feature of KIBS is that innovation activities are highly iterative. The firms may deliberately launch incomplete concepts to markets early, and conduct the development iteratively with the actual service delivery (Toivonen et al. 2009; Tuominen et al. 2011). This means that KIBS firms might engage in some kind of experimentation as to the innovation they want to achieve. Another characteristic that KIBS have is the unintended ad hoc innovations due to the birth of many novelties in the customer interface as the result of a tailor-made solution (Tuominen et al. 2011). The above characteristics generate the following suggestions: The interaction between the building blocks of customers and the firm's resources should be taken into consideration. In addition, the documentation of the interactions and the key activities in relation to the customer relationships and segments should be also documented and studied.

The empirical examination of the above key theoretical areas has been executed upon seven successful Finnish consulting companies. The final sample of the candidate companies has been generated upon a systematic search and by the appliance of various criteria. The success of a company has been measured in financial terms. The final sample of the candidate companies consists of three levels: the top ten financially performing companies, the middle thirteen financially performing companies, and the marginally two performing companies. Four of the actual seven interviewed companies come from the top ten performing level, one comes from the middle thirteen performing level, and the other two from the marginally two performing level. Companies have been interviewed based on the explained theoretical framework and have yielded the following results.

The primary research question of this study was to investigate:

- What types of business model configurations do Finnish business and management consulting companies apply?

Based on the findings discussed earlier in this thesis, 29 different types of business model configurations were identified. The eight of them were classified into three different patterns of business model configuration types. This means that these eight configurations shared among them a common axis around which their configurational logic revolved and, thus, the eight types of configurations were collocated under three configurational patterns. In particular, the first configurational pattern has two levels of configurations and each level can generate three different types of configurations. The other two configurational patterns represent one type of configuration each. All types of configurations are conceptualized into models and such an indication is attributed at the end of each name. Hence, the three described patterns can be summarized as:

1. **Qualitative** or **Quantitative** or **Double** Customer-focused Value Model: which can generate three types of configurations; the qualitative, the quantitative and the double, meaning both qualitative and quantitative. These types of configurations are applied when the company does not focus on a particular service of its portfolio but rather on the entire portfolio of services.

or

Partial Qualitative or Quantitative or Double Customer-focused Value Model: which can generate three types of configurations; the partial qualitative, the partial quantitative, and the partial double, meaning both qualitative and quantitative. These types of configurations are applied when the company focuses on a particular service of its portfolio and not on the entire portfolio of services. This is indicated by the word partial.

2. Learning Development Model.

3. Word-of-mouth model.

The rest of the 21 configurations were considered individually as types without any pattern because could not be associated to each other upon commonalities. Following, the rest of the 21 types of configurations can be summarized as: 1. the Investment revenue model, 2. the Selling-delivering model, 3. the Intended service-focused revenue model, 4. the Relationship-maturity pricing model, 5. the Influential attendance model, 6. the External remote protection model, 7. the Intermediary model, 8. the Customer approach model, 9. the Partner-centric model, 10. the Client-focused model, 11. the

Digital revenue model, 12. the Resource invigoration model, 13. the Dual distributive model, 14. the Dual functional model, 15. the Economical model, 16. the Performance boost model, 17. the Duty-focused value model, 18. the Partner network optimization model, 19. the Added-value process model, 20. the Visibility model, and 21. the Capability-to-learn model.

5.1 Theoretical contribution

This master thesis attempts to give a theoretical contribution by capturing the value of the two concepts, meaning the Business Model concept and the KIBS concept, in the course of time. In fact, the theoretical contribution of the thesis encompasses the following four cornerstones: Firstly, it expands the business model definition theory by identifying some extra characterizations and conceptions of the business model, other than the currently identified ones. Secondly, it suggests a new classification map of the Business model canvas (BMC) constituents (Osterwalder et al. 2010) upon five generic constitutional categories. Thirdly, it assembles in one table all the suggested business model configurations and classifies them upon the industry in which they were identified, while it also presents the utilized constituents for each configuration. And, fourthly, it generates 29 new types of business model configurations applicable to the management and business consulting industry. From the 29 types of business model configurations, the six types are assigned to a configuration pattern of two levels, and two more types are deduced each distinctly to a pattern.

5.2 Managerial implications

The author believes that the findings presented in this paper have direct managerial implications. In particular, the findings, the observations and the conclusions presented above in the section 5 can facilitate entrepreneurs, managers and even scholars to the better design of a business model, as well as to the easier recognition and identification of a configuration based upon the theoretical configurational frameworks acknowledged in this master thesis. In addition, the limitations following in the chapter 5.3 will also prevent the abovementioned stakeholders from generalizing or misusing the empirical findings. Finally, the developed framework of Osterwalder et al. (2010) with the constitutional categories will add significant value to a better overview of the business core logic, since it captures the dynamic dimension of reality, especially when KIBS firms present a high heterogeneity in a highly dynamic environment. Thus, the

empirical contribution will add significant value for stakeholders as to the actual comprehension of the consulting industry, while it will clarify and justify some trends and observations about the respective sector.

5.3 Limitations and suggestions for further research

Even though, the author believes that this thesis has managed to provide a rather holistic insight into chronologically available academic literature and truthful empirical evidence regarding the different business model configurations that Finnish consulting firms apply, there are some limitations that one must consider when applying the findings of this study. Firstly, even though the literature review was conducted in a systematic manner, the selection and analysis of these articles in this paper are based on the subjective evaluation of the author. Hence, it is possible that some highly relevant articles may not be represented in this paper. Furthermore and in respect to the executed systematic literature review about the business model concept, it is quite possible that many particular types of business model configurations are not yet established in the academic literature. This restricts the thesis as to the empirical identification of any particular business model configuration and its connection to the theoretical framework.

To further extent, one must also take into consideration the contextual limitations concerning the empirical data. In fact, the empirical evidence has been assembled from the Finnish business and management consulting industry and may not be directly applicable to other national contexts or even to other industries than the consulting in Finland. This also suggests that the empirical findings might not be fully applicable to the entire consulting industry since the focus has been particularly on the business and management consulting companies. Therefore, the author suggests the examination of business model configurations also in the whole spectrum of the consulting industry, as well as in other different industries in Finland and in different national contexts to verify their applicability and their potentiality for generic configurational patterns. Moreover, the final specimen of the candidate companies to be interviewed was reaching the 25 companies. However, only seven companies agreed onto participating into the research. Thus, the seven companies represent less than the half percentage of the specimen and, thus, the results could be different if more companies had agreed onto participating. Finally, the respective topic of the business model configurations handles significant information that the companies would never want to be leaked outside the company. This is because knowledge and any kind of information leakage prevent any

company from sharing its actual internal data, as well as its position regarding its strategy. Therefore, some of the collected data might reflect part or even one side of the actual reality of the industry and not the actual reality itself.

Regarding the KIBS literature review, although it is executed with great care and in depth, gives very limited information about the consulting sector specifically. This is because there is very scarce literature review upon the consulting industry and, thus, the actual comprehension of the particular industry is still at the surface. This means that there is a research gap at the particular point of the theory. Nevertheless, most of the assumptions about the consulting industry were based upon the fact that the respective industry is a subcategory of KIBS and, thus, they both share common behavioral characteristics. The assumptions about the consulting industry were also reinforced upon logical thinking which, however, is subjected at some extent to subjectivity. This also influences the results of this thesis in a sense that the literate behavioral tendency of the consulting firms could possibly have slightly different explanation and/or justification for a more prolific and concrete identification of the selected business model configurations of the companies. Thus, the author encourages scholars to develop further the contextual literature of the consulting firms as subcategory of the KIBS. One way of strengthening the theoretical foundations of the consulting industry could be examining the behavioural and structural tendency of the industry.

Finally, based on the discussion in this paper, one highly interesting area for further investigation could be examining the different underlying patterns of the identified business model configurations. The author believes that there is a possibility to identify some more configurational patterns within the consulting industry upon the particular data, if one of course investigates even more profound the underlying forces of the business model configurations. Hence, the area of configurational patterns could be an attractive topic for a future study.

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APPENDIX Interview Structure

Date	
Company	
Interviewee	
Position	
Experience in the consulting industry	
Experience in the current company	

1. Value Proposition

- Describe your service products.
- What kind of customer value does your firm provide: Quantitative (price, speed of service) or Qualitative (design, customer experience)?
- Which customer needs do you satisfy?

2. Customer Segments

- Do you segment your customer base?
- What different Customer Segments do you identify so to deliver the value?
- What are the different needs and pains of each Customer Segment?
- Is there any particular Customer Segment on which the firm focuses more or prioritizes it and why?
- Which Customer Segment(s) is (are) more easy to serve and which is(are not)? Why?
- Which are the main customers (individuals, small and medium sized companies, large companies, all of them) and do they come from a particular industry (e.g. Biomedical or from different kind of industries)?

3. Customer Relationships

- What type of relationship does each of your Customer Segments expect to establish?
- What tools do you use as way of reaching or communicating customers?

- Which Customer (Segment) Relationship(s) is (are) the most challenging to maintain?

4. Customer Channels

- Through which Channels do your Customer Segments want to be reached?
- How are you Channels integrated?
- Which Channels are most cost-efficient?

5. Revenue Streams

- What different Revenue Streams does the company have?
- For which value are customers willing to pay?
- For what do they currently pay?
- How are they currently paying?
- How would they prefer to pay?
- Do you have transaction revenues or recurring revenues?

6. Key Activities

- Which are the Key Activities required so that you excel in your business model building (production, problem solving etc.)?

7. Key Resources

- What Key Resources are required (physical, human, intellectual, and financial) so that you excel in the building of your business model?

8. Key Partners

- Which are the firm's main Key Partners?
- How does each Key Partner contribute to the delivered value?
- What is the main reason for creating a partnership?
- What Key Resources do you acquire from your Key Partners?
- What Key Activities do your Key Partners perform?
- Are your Key Partners only non-competitors or you also cooperate with competitors?

9. Cost Structure

- Regarding the Cost Structure of your business model, would you say it is cost-driven (focuses on minimizing costs) or value driven (focuses on creating value and is less concerned with the cost reduction)?
- What are the most important costs inherent in your business model?
- Which Key Resources are most expensive?
- Which Key Activities are most expensive?
- How do you consider the relationship between fixed and variable costs?
- Do you benefit from economies of scale or scope?

10. Strategy

- What is the company's strategy (if one thinks that strategy is a contingent plan of which business model to use)? Do you have more than one business model and when do you use each?
- How often do you reinvent a business model?
- What urges you to modify a current or generate a new business model?

11. What kind of strategy for business development do you use?

12. What tools does the company use to achieve its goals?

13. How is the consulting company managed?

14. How is the salary structure? How much of the salary (percentage) is based on performance?