Evaluating an Entrepreneurial Business Opportunity for an IT-company in the Business Intelligence Industry

Master of Science Thesis
in the Management and Economics of Innovation Programme

ERIK THORSEN

Department of Technology Management and Economics
Division of Innovation Engineering and Management
CHALMERS UNIVERSITY OF TECHNOLOGY
Göteborg, Sweden, 2014
Report No. E 2014:003
Evaluating an Entrepreneurial Business Opportunity for an IT-company in the Business Intelligence Industry

ERIK THORSEN

Tutor, Chalmers: Anne Elerud-Tryde
Examiner, Chalmers: Joakim Björkdahl
Tutor, company: Michael Larsson
Evaluating an Entrepreneurial Business Opportunity for an IT-company in the Business Intelligence Industry
Erik Thorsen

© Erik Thorsen, 2014

Master’s Thesis E 2014:003

Department of Technology Management and Economics
Division of Innovation Engineering and Management
Chalmers University of Technology
SE-412 96 Göteborg, Sweden
Telephone: + 46 (0)31-772 1000

Chalmers Reproservice
Göteborg, Sweden 2014
ABSTRACT

The entrepreneurial business opportunity is a phenomenon that often pervades small firms. Vesper (1990) has argued that the underlying idea of a new venture is the most important key element of a new venture. Cooper et al. (1995) in turn expanded upon this notion and proposed that information is the most important element. There is however seemingly a lack of business research focusing on ways of interpreting information to evaluate entrepreneurial business opportunities. This research aims to contribute to the field of entrepreneurial business opportunity evaluation by investigating a potential entrepreneurial business opportunity stemming from a customer request for the startup BI Partner. The purpose of this research is to reduce market uncertainty for the startup BI Partner and to evaluate this request in terms of constituting as a business opportunity in regards to their current business model.

This study has been designed as a case-study and the analysis and methods of collecting customer data has been grounded in the customer discovery phase of the customer development methodology (Blank & Dorf, 2012). The data collection of this research was firstly comprised of three interviews with the pursuing company to establish an understanding of their current business model and their hypotheses regarding the new venture. Secondly, five interviews were conducted with customers to gain an understanding of their current work routine and in particular their problems related to this routine.

The findings of this research gave some indications that there were generalizable traits in regards to a work routine shared among customers where problems were identified. This work routine was a checkup-routine which could be generalized into two parts: (1) the routine's work process and its outcome. The biggest opportunity was deemed to be to automate the work process for several customers currently operating with a manual labor-intensive process. The study furthermore found that it is very likely that a single offering can be developed to solve customer problems to both generalized parts of the routine, and that this offering should be developed putting much emphasis on having it being compatible with their current work routine. Finally, findings indicated that pursuing this new venture is very likely to be compatible with their current business model and strengthen their revenue streams through more frequent consultancy work due to better and increased customer relations.
ACKNOWLEDGEMENTS

I would firstly like to thank the people at BI Partner and my supervisor at Chalmers for supporting me in this study. Secondly, I would like to express my gratitude to the people that took the time to participate in this study and contributed with their insight and knowledge.
# TABLE OF CONTENTS

1 Introduction ........................................................................................................................................ 1
    1.1 Problem formulation .................................................................................................................... 1
    1.2 Purpose & research questions ...................................................................................................... 2
    1.3 Scope ........................................................................................................................................... 2
    1.4 limitations ..................................................................................................................................... 2

2 Theory ............................................................................................................................................... 4
    2.1 Previous research .......................................................................................................................... 4
    2.2 Analytical framework .................................................................................................................... 4
    2.3 Customer problem ........................................................................................................................ 5
        2.3.1 Earlyvangelists ..................................................................................................................... 6
    2.4 value proposition (solution) ........................................................................................................ 7
        2.4.1 Product adoption in industrial markets .................................................................................. 8
        2.4.2 The minimum viable product ............................................................................................... 9
    2.5 The business model ..................................................................................................................... 9
        2.5.1 The business model canvas ................................................................................................. 10

3 Methodology ..................................................................................................................................... 13
    3.1 research process .......................................................................................................................... 13
    3.2 Research design ........................................................................................................................... 15
    3.3 Research methods ........................................................................................................................ 17
        3.3.1 Collection of customer data .................................................................................................. 18
        3.3.2 Collection of business model data ......................................................................................... 21
    3.4 Data Analysis ............................................................................................................................... 22
    3.5 Validity considerations .................................................................................................................. 22
        3.5.1 Construct validity .................................................................................................................... 22
        3.5.2 External validity ..................................................................................................................... 23
        3.5.3 Reliability ............................................................................................................................... 23
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Business hypotheses</td>
<td>24</td>
</tr>
<tr>
<td>4.1.1</td>
<td>Market size</td>
<td>24</td>
</tr>
<tr>
<td>4.1.2</td>
<td>Value proposition</td>
<td>24</td>
</tr>
<tr>
<td>4.1.3</td>
<td>Customers</td>
<td>25</td>
</tr>
<tr>
<td>4.1.4</td>
<td>Channels</td>
<td>26</td>
</tr>
<tr>
<td>4.1.5</td>
<td>Market type and competitive hypothesis</td>
<td>26</td>
</tr>
<tr>
<td>4.1.6</td>
<td>Key resources</td>
<td>26</td>
</tr>
<tr>
<td>4.1.7</td>
<td>Key partners</td>
<td>26</td>
</tr>
<tr>
<td>4.1.8</td>
<td>Revenue and pricing</td>
<td>26</td>
</tr>
<tr>
<td>4.2</td>
<td>Customer data</td>
<td>26</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Controller at Capio</td>
<td>27</td>
</tr>
<tr>
<td>4.2.2</td>
<td>manager at Capio</td>
<td>27</td>
</tr>
<tr>
<td>4.2.3</td>
<td>Controller at Attendo healthcare</td>
<td>29</td>
</tr>
<tr>
<td>4.2.4</td>
<td>Controller at Volvo real estate</td>
<td>30</td>
</tr>
<tr>
<td>4.2.5</td>
<td>Controller at the Municipality of Gothenburg</td>
<td>32</td>
</tr>
<tr>
<td>4.2.6</td>
<td>Controller at the Municipality of Stenungsund</td>
<td>33</td>
</tr>
<tr>
<td>4.3</td>
<td>The Business model</td>
<td>35</td>
</tr>
<tr>
<td>4.3.1</td>
<td>Customer segments</td>
<td>35</td>
</tr>
<tr>
<td>4.3.2</td>
<td>Value proposition</td>
<td>35</td>
</tr>
<tr>
<td>4.3.3</td>
<td>Customer channels</td>
<td>36</td>
</tr>
<tr>
<td>4.3.4</td>
<td>Customer relationships</td>
<td>36</td>
</tr>
<tr>
<td>4.3.5</td>
<td>Revenue structure</td>
<td>37</td>
</tr>
<tr>
<td>4.3.6</td>
<td>Cost structure</td>
<td>37</td>
</tr>
<tr>
<td>4.3.7</td>
<td>Key resources</td>
<td>37</td>
</tr>
<tr>
<td>4.3.8</td>
<td>Key activities</td>
<td>38</td>
</tr>
<tr>
<td>4.3.9</td>
<td>Key partners</td>
<td>38</td>
</tr>
</tbody>
</table>
5 Analysis.................................................................................................................................................. 39

5.1 Customer problem (RQ1).................................................................................................................................................. 39

5.1.1 Earlyvangelist.................................................................................................................................................. 43

5.2 Value proposition (RQ2).................................................................................................................................................. 43

5.3 The new business with BI Partner’s current business model (RQ3).................................................................................. 47

6 Discussion........................................................................................................................................................................ 51

6.1 the customer development methodology .............................................................................................................. 51

6.2 THE BUSINESS OPPORTUNITY ......................................................................................................................... 54

7 Conclusions ....................................................................................................................................................................... 55

7.1 Does there seem to be a demand among (current and potential) customers for pursuing this endeavor? (RQ1) .................................................................................................................................................. 55

7.2 What would an offering developed from this opportunity look like? (RQ2) ....................................................... 56

7.3 How can this opportunity be pursued using BI Partner’s current business model? (RQ3) ........................................ 56

7.4 The customer development methodology for entrepreneurial business opportunity evaluation........................................... 57

7.5 Final considerations...................................................................................................................................................... 57

8 References........................................................................................................................................................................ 58

9 Appendix 1 ........................................................................................................................................................................ 61

9.1 Marknadsstorlek (Market size) ........................................................................................................................................ 61

9.2 Erbjudande (Value Proposition Hypothesis) .............................................................................................................. 61

9.3 Kundsegment (Customer segments) ............................................................................................................................ 61

9.4 Nyckelresurser (Key resources) .................................................................................................................................. 61

9.5 Samarbetspartners (Key partners) .................................................................................................................................. 61

9.6 Inkomstkällor (Revenue and pricing) ............................................................................................................................ 62

10 Appendix 2 .................................................................................................................................................................... 63

11 Appendix 3 .................................................................................................................................................................... 65

12 Appendix 4 .................................................................................................................................................................... 67

13 Appendix 5 .................................................................................................................................................................... 68
1 INTRODUCTION

The entrepreneurial business opportunity is a phenomenon that often pervades small firms. Wiklund and Shepherd (2005) have found that there is a positive correlation between small firms adopting an entrepreneurial orientation and their performance. A business opportunity in the entrepreneurial context has been defined by Lumpkin and Dess (1996) as a new entry. Meaning that the business opportunity in this context may be distinguished from other types of business opportunity where the new entry has been omitted e.g. finding a better supplier, innovating an internal process through computerization. Shane and Venkataraman (2000) argue that the research field of entrepreneurship has been fragmented due to its lack of established concepts, and propose five different dimensions for further research, where the evaluation of entrepreneurial opportunities is one of these concepts.

Vesper (1990) argues that the underlying idea of a new venture is the most important key element of new ventures and that a good idea fosters the acquisition of other key elements. Cooper et al. (1995) expand upon the concept of the idea being the most important resource and propose that information is a key resource for new ventures. This raises the question of how does one evaluate what constitutes a good idea, and how does one discover and interpret information in regards to this idea? There is seemingly a gap in business research attending the evaluation of entrepreneurial business opportunities through the collection and interpretation of information. This research gap provides an opportunity to explore the domain of entrepreneurial opportunity evaluation to contribute groundwork for future theory-building studies.

Blank and Dorf (2012) have introduced the customer development methodology that aims to support entrepreneurial ventures through methods of collecting and processing information related to new ventures. This methodology has been frequently used in various startup circles but has hitherto seemingly not been academically recognized. The customer development methodology has been developed to reduce market uncertainty for new entrepreneurial business ventures through a sequential process comprised of iterative phases (Blank & Dorf, 2012, p. 23). Due to a lack of more academically established methodologies of exploring new ventures, the customer development methodology has been used to investigate an entrepreneurial business opportunity for the IT-company BI Partner operating within the field of business intelligence.

1.1 PROBLEM FORMULATION

BI Partner is a startup about to transition into a small to medium size enterprise (SME) that offers business intelligence solutions within financial reporting, monitoring and planning to large companies, often corporate groups. The company was quite recently founded and is based on providing benefits to the accounting process of large organizations. BI Partner’s offerings are comprised of software that is integrated towards each customer’s internal business data. Their main offering, a software platform which the other offerings are dependent on, is a data access layer which allows customers to easily gain access to fast, accumulated and quality ensured business data. The other offerings are software add-ons to this platform which adds and expands functionality to their main offering.
BI Partner is now considering pursuing an opportunity to integrate a monitoring dashboard with data visualization-functionality into one of their business intelligence solutions called, My Pages. BI Partner’s intent of adding such functionality is to help users monitor performance in a more efficient and accessible way. This opportunity firstly emerged as an industry trend but was later amplified due to a current customer expressing demand for such functionality. The customer, Capio, a large company operating within healthcare, has had previous success integrating such functionality into other functions of their operations and is now very keen on using it in additional ones. This has made BI Partner assess with the customer how this functionality could be implemented. The results of this assessment have led them to develop a basic prototype of how this could be implemented, and they are now very keen on further improving this prototype by gaining a thorough understanding of how it could be used by the customer, but also possibly with their other customers, and what benefits it could provide them.

This request could possibly constitute as a business opportunity depending on other external factors e.g. homogeneity among customers, underlying problem. The request thus provides the opportunity to investigate if this could constitute an entrepreneurial business opportunity for the company BI Partner, and in that case, to what extent. And since BI Partner already is a profitable company with a viable business model, they are not first-handedly looking to radically disrupt their current one, meaning that the opportunity must be able to be realized within the constraints of their current business model.

1.2 PURPOSE & RESEARCH QUESTIONS

The aim of this research is to contribute to the research field of evaluating entrepreneurial business opportunities for startups that already have a viable business model. The purpose of this paper is to reduce market uncertainty for the startup considering to pursue this venture through an investigation of the business opportunity and to evaluate whether this case could constitute a business opportunity in regard to their current business model. The following research questions will be answered:

1. Does there seem to be a demand among customers for pursuing this endeavor?
2. What would comprise an offering developed from this opportunity?
3. How can this opportunity be pursued using BI Partner’s current business model?

1.3 SCOPE

This study is delimited to the evaluation of an entrepreneurial business opportunity for the single case of the new venture pursuit of BI Partner. This evaluation is further limited to evaluating the business opportunity in terms of finding a match between the pursuing company and their customers within the pursuing company’s context. A context that included that the pursuing company already operates with a proven viable business model. This means that other factors affecting the evaluation of a business opportunity have been excluded e.g. the competitive environment, other context imposing factors.

1.4 LIMITATIONS
There were also other potential new customer segments that could have been pursued to collect data for this new venture. These were not pursued to the new venture being dependent on their current offerings meaning that a lot of time would have to be spent with interviewees educating them about their current offerings and how this new venture would integrate and expand upon these. Therefore, the study did not include new customer segments due to time constraints.

Furthermore, the business opportunity has not been investigated in terms of their current market situation. Analyzing this business opportunity in terms of the company’s current market position could be a favorable option, especially since the company BI Partner is a small niche actor. The limited time of this study did not allow to include this area in the study.
2 THEORY

This section has been divided into the two subsections: previous research and analytical framework. The previous research-section aims to describe the research that has been conducted prior to this study and the analytical framework-section depicts how this study was analyzed.

2.1 PREVIOUS RESEARCH

There is seemingly little research that focuses on evaluation of business opportunities for startups and small to medium enterprises (SMEs). Shane and Venkataraman (2000) have criticized the research field of entrepreneurship arguing that the concept of entrepreneurship has had too broad boundaries which has undermined the research fields legitimacy leading to less research conducted in the field. Shane and Venkataraman (2000) further propose that the field of entrepreneurship can be divided into the following parts: sources of opportunities, the process of discovery, evaluation and the exploitation of opportunities. They further argue that individuals’ stake in these parts are also of very much importance and should be put under investigation. Research has often dealt with the topic of individuals who pursues entrepreneurship (Baron, 2006; Cooper et al., 1995), and their process of this pursuit (Ardichvili et al., 2003; Cooper et al., 1995, Gartner, 1985). There is however not much research covering the evaluation of business opportunities or the execution of pursuing business opportunities.

There has been much research that have dealt with product development, but this research seem to be limited to large companies (Brown & Eisenhardt, 1995) where the research have commonly involved reoccurring topics e.g. success-factors of product development (Cooper, Kleinschmidt, 1987; Cooper, 1999), capabilities of the developing company (Leonard-Barton, 1992), opportunities and R&D (Jaffe, 1986). There seems to be little research focusing on product development for SMEs or startups and there is seemingly very little research that discourses methods of business opportunity evaluation.

In regards to research investigating the role of business models in pursuing new ventures, it has been found that business models are more important than technology in regards to commercial success (Chesbrough, 2010). There is also an agreement that there is a positive correlation between business model innovation and firm performance (Zott et al., 2011). There does however not seem to be much research attending evaluating methods of incremental business model innovations. There does also seem to be a lack of research covering evaluating measures for new endeavors that is evaluated in terms of suitability for a firm's current business model.

This study will discourse the entrepreneurial measures of evaluating a business opportunity for a startup where the pursuit of the opportunity must conform to their current business model. The study will also be pervaded by the context of the pursuing company in regards to e.g. its industry, its market. This study will thus aim to contribute to business research in regards to what seems to be an unattended area of new business evaluation.

2.2 ANALYTICAL FRAMEWORK
In this section a theoretical framework have been developed analyze the business opportunity of this study. The framework has been partly based on the proposed customer development methodology, but also further complemented by more established theory. Blank and Dorf (2012, p. 57) state that the customer discover phase is a process where an entrepreneur (business pursuer) searches for a fit between product and market, and where this fit is economically sound in terms of building a business around it. The concept of a fit between product and market is by Blank and Dorf (2012, p. 57) interpreted as finding a solution to a customer problem. This phase has been applied to the context of this new endeavor, where theory regarding customer problems & demand and problems as business opportunities are described in the first section. The second section draws on theory regarding matching solution with problems. And finally, the third section depicts theory regarding business models.

The customer development methodology is according to Blank and Dorf (2012, p. xii) not a strict step by step guide, but should according to the authors, instead be regarded as a source of inspiration. This stance will be followed and therefore some dimensions of the methodology is disregarded while others have been further expanded upon while complementary unattended in the customer development methodology have been added.

2.3 CUSTOMER PROBLEM

Blank and Dorf (2012, p.91) claim that business products are in general purchased because they solve problems. This view is shared with Kotler et al. (2005, p. 317) who propose that problem recognition is the first phase of buying decisions in business to business sales. They further argue that a seller may influence the buyer during the problem recognition by educating the customer about possibilities related to the problem. Kotler et al. (2005, p. 317) propose that after a buyer has recognized a problem, buyers define what their needs are in relation to this problem, where the seller may influence the buyer’s need definitions through emphasizing certain aspects of the problem.

Cooper and Kleinschmidt (1987) found that the number one reason that correlates to product success is an understanding of customer needs. Blank and Dorf (2012, p. 90) argue that in order to fully understand customer needs, product developers should adopt an understanding of how the product will affect the working life of customers. This notion is supported by von Hippel (1994) who argues that problems in complex contexts have what he refers to as sticky information. Sticky information is problem information that is hard to transfer, which in turn can according to von Hippel (1994) be turned into explicit information and knowledge through continuous search among sources of problem information. Problems are often comprised of sticky information, which an understanding of is essential in order to develop effective solutions. Von hippel (1994) further suggests that an understanding of sticky information may provide competitive advantage and prohibit competition since it is hard for other pursuers of targeting the problem to acquire the sticky information.

Blank and Dorf (2012, pp. 85-86) propose that problems expressed by customers can be divided into four different categorizes which affects the attractiveness of the opportunity, see table 1. The more eager and aware the customers are of a problem, the more favorable it is to pursue a venture in developing a solution to this problem (Blank & Dorf, 2012, p. 86).
Table 1 - Problem types (Blank & Dorf, 2012, pp. 85-86)

<table>
<thead>
<tr>
<th>Problem type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latent problem</td>
<td>A problem that the customers have, but are unaware of.</td>
</tr>
<tr>
<td>Passive problem</td>
<td>They are aware of the problem, but are not motivated to search for solutions.</td>
</tr>
<tr>
<td>Active (or urgent) problem</td>
<td>They have understood that they have a problem and are searching for solutions, but have not put any serious effort into solving it.</td>
</tr>
<tr>
<td>Vision</td>
<td>They have understood that they have a problem, have an idea of how to solve it and have also tried to make a solution to solve it on their own.</td>
</tr>
</tbody>
</table>

For customer that are categorized as having a vision about the problem, Blank and Dorf (2012, p. 86) argue that they have a mission-critical problem with an urgent need to adopt a solution and that this is the most favorable position for a product developer. Finding visionary customers can thus be seen as a strong indicator of having a problem that could constitute as a business opportunity.

Both Blank and Dorf (2012, p.86-89) and Furr and Ahlstrom (2011, p. 81) emphasize the importance of addressing different customer types of a purchase decision when developing products. Kotler et al. (2005, p.309) argue that customers in business to business markets have a buying centre which are comprised of one or several actors that have one or many different roles. Blank and Dorf (2012, pp. 86-88) propose five different customer types: (1) end-users, the users of a product; (2) influencers, those that affects a purchase of a product; (3) recommenders, influencers whose input can make or break a sale; (4) economic buyer, someone who approves a purchase and (5) Decision-makers, those who ultimately make the purchasing decision (may be the same person as the economic buyer). Kotler et al. (2005, p.309) propose a sixth type of role in the customer buying centre, (6) the gatekeeper. A gatekeeper is described as someone that one must pass in order to get access to persons within the buying centre.

Blank and Dorf (2012, p. 58) argue that if customers are willing to pay to solve the problem that they are currently experiencing is a critical indicator of whether they are experiencing a problem that is valuable and can be turned into a business. This is however dependent on having access to those that may answer such a question, usually the decision-makers. Kotler et al. (2005, p.309) state that gatekeepers often prevent outside persons with sales intent from communicating directly to decision-makers, which may prohibit getting acknowledgement from decision-makers regarding possibilities of new ventures.

In order to investigate the profitability of an opportunity Blank and Dorf (2012, pp. 180-188) propose putting the new ventures revenue capabilities under scrutiny in terms of finding a revenue model and create a prognosis regarding total revenue. Blank and Dorf (2012, p. 186) suggests considering customer lifetime value as one way of determining the profitability of a new offering. Ford (1980) argues that long-term relationships are commonly created in industrial markets with continuous purchases. These relationships are often developed over time and reduce costs related to uncertainty for both customers and suppliers over time which creates barriers to entry for other suppliers (Ford, 1980).

2.3.1 EARLYVANGELISTS
Blank and Dorf (2012 p. 58) strongly emphasizes that new business ventures should seek customers that share the vision of the product developers regarding the new product. These customers are referred to as Earlyvangelists and are characterized by (1) having a problem or need, (2) understanding that they have a problem, (3) actively searching for a solution and have devoted time for finding one, (3) they have tried to fix the problem/need themselves by developing their own solution, and (4) they are willing to pay for a solution to their problem / need.

Blank and Dorf (2012, p. 58) argue that in order for early customers to be characterized as Earlyvangelists they must be willing to pay for the new product. Other research (Shenhar et al., 2001) has suggested that it is common practice within IT-companies to seek new business on other goals beside immediate profit, especially in order to create relationships resulting in subsequent profitable business. The Earlyvangelist’s willingness to pay and the amount of payment for the product may be seen as indicators of the magnitude of the problem, but the amount of immediate payment could also be evaluated in terms of long-term benefits for the company.

Much of Blank and Dorf (2012, p. 58) suggested characteristics of an Earlyvangelist correspond to what von Hippel (1986) describes as lead users. Von Hippel (1986) argues that lead users differ from other users by having a very strong need that will be common among others in the marketplace in the future. The lead user is also someone that will benefit greatly from finding a solution to this need. Von Hippel (1986) proposes that studying these users will provide forecasts of what will be demanded in the marketplace in the future. He further argues that lead users often try to develop solutions to the need they are experiencing which he suggests can be used for prototyping. Urban and von Hippel (1988) found in subsequent research that lead users are often very effective as collaborators due to them urging for a solution are willing to invest heavily in finding a solution to the need.

2.4 VALUE PROPOSITION (SOLUTION)

Blank and Dorf (2012, p. 57) propose that offerings should be developed based on an understanding of customers. A consequence of von Hippel’s (1994) arguments about sticky information is that product developers when lacking direct access to essential problem information must verify the solution with the locus of this problem information to verify that the solution matches needs grounded in sticky information. Blank and Dorf (2012, p. 57) have suggested attending and understanding the physical work area where the customers experience their problems, which is very much in-line with the findings of von Hippel (1994), meaning that a solution to customer problems must often take into account sticky information provided by problem owners, which in this case are the customers.

Blank and Dorf (2012, p. 114) emphasizes the importance of addressing market type when pursuing new ventures. If a new product can be defined into a categorical type by customers, and they can also name competing products, the product is entering an existing market. However, if the customer cannot name other similar products it would indicate that the product is entering a new market (Blank & Dorf, 2012, p. 120). For ventures entering new markets, Blank and Dorf (2012, p. 121) argue that the primary risk involved in the new venture is product adoption and this is done through educating customers about their problem and the product.
2.4.1 PRODUCT ADOPTION IN INDUSTRIAL MARKETS

Webster (1969) concluded in his study about product adoption in industrial markets, that a product’s relative advantage comprised of its ability to increase profitability for customers is a major influencing factor for product adoption. He further argued that risks perceived related to adopting the product inhibits product adoption. Risks was according to Webster (1969) primarily comprised of the customers perception of the amount of investment required to adopt the product and the perceived maximum possible loss which the product adoption could result in.

Greve (1998) have found that organizational change involves risk and that decision-makers are often aware of this risk and are therefore reluctant to incorporate organizational changes. Organizational change is also commonly affected by political resistance within the organization i.e. stakeholders within the organization that are disfavored by the change actively campaign and work against it (Greve, 1998).

Rogers (1995, ch 6) have introduced five different innovation attributes that affect the pace and likelihood of product adoption. These five innovation attributes are related to customers’ perception of innovations and the way that innovations could possibly benefit them. Roger’s (1995, ch 6) proposed attributes for product adoption is compatible with different dimensions of Webster’s (1969) findings. A product’s relative advantage is according to Webster (1969) directly corresponding to its ability to increase profits for the adopting company, while compatibility, complexity, trialability and observability can be seen as attributes that reduces uncertainty for the adopter in regards to both perceptions of profitability and risks. Roger’s (1995, ch 6) five attributes that affect product adoption are described in Table 2.

Table 2 - Attributes that affect product adoption.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative advantage</td>
<td>The rate to which the innovation is perceived as more beneficial in comparison to the idea it supersedes. Rogers (1995, p. 212-216) argue that potential adopters seek to reduce uncertainty in regards to how the innovation is relatively more beneficial than current practice and that this can be expressed in terms of economic profitability, social prestige or other benefits. A high relative advantage does according to Rogers (1995) correlate to higher adoption.</td>
</tr>
<tr>
<td>Compatibility</td>
<td>The extent that the innovation will function in the context of current existing values, past experiences and needs of potential adopters. Rogers (1995, p.224) argue that innovations that are perceived to be compatible with current practices increases its familiarity and hence reduces uncertainty for adopters. Compatibility also includes how well a product satisfies a need among adopters.</td>
</tr>
<tr>
<td>Complexity</td>
<td>The degree of difficulty the potential adopter perceives to have of grasping an innovation. Rogers (1995, p. 242) propose that there is a correlation between innovation complexity and adoption i.e. the more complex the slower the adoption.</td>
</tr>
<tr>
<td>Trialability</td>
<td>The rate of which a customer is able to experiment with and try the innovation before adopting it. Rogers (1995, p.243) propose that</td>
</tr>
</tbody>
</table>
Having customers able to try the innovation in their own context increases its adoption rate, and further suggests that this effect is due to less uncertainty among customers.

**Observability**

The degree to which others are able to observe the results of an innovation. Rogers (1995, p. 244) argue that innovations that have a higher degree of observable results have a higher adoption rate.

Regarding strategies for adoption, Rogers (1995, p 227) have argued that an effective approach towards adoption in regards to compatibility is to introduce innovations that are compatible with current practices and then gradually introduce new innovative features. This decreases uncertainty for the adopter but the product developer will still be able to communicate the relative advantage over time. Rogers (1995, pp. 236-237) further emphasize the importance of naming innovations in order to promote compatibility. The name of an innovation does according to Rogers (1997, p. 236) shape the perception of it in the minds of customers and that this name can be used to position both the innovation's compatibility and its advantages in comparison to other competing ideas.

As previously mentioned for products targeting organizations there are usually several different customer types that are affected by product performance. This means that there can be many persons with different roles influencing and/or determining whether a new product will be adopted or not. Blank & Dorf (2012, p. 87) state that end-users often lack influence in new product adoptions for complex sales targeted towards corporations.

### 2.4.2 THE MINIMUM VIABLE PRODUCT

Both Blank & Dorf (2012, p. 60) and Furr and Ahslstrom (2011, pp. 95-102) propose building a minimum viable product to cater to customer problems. The minimum viable product is very similarly defined by the authors as the product that solves the customer problems with the least amount of features. This is in line with Christensen et al. (2007) who propose taking an approach towards products where products are defined by the job they can perform for their customers. Products are according to Christensen et al. (2007) purchased by customers to perform tasks and that it is vital for firms to understand what tasks customers actually purchases products for. Resolving to a minimum viable product thus provide the opportunity to better define the purpose of a product and hence possibly increase the likelihood of a customer purchasing the product.

Blank & Dorf (2012, p.80) suggests creating the minimum viable product from the smallest or least complicated problem that the customers are willing to pay for. Matching the product towards customer information of what they are willing to pay for would also be in line with Christensen et al. (2007) and further increase the probability that the product is developed to match the most prominent task that customers would want to perceive the product to be able to perform.

### 2.5 THE BUSINESS MODEL

There does not seem to be a widely established definition of what concepts comprises a business model (Zott et al, 2011; Osterwalder et al., 2005). Porter (2001) criticized the usage of the concept business model, arguing that the concept had up until his writing failed to properly capture the creation of economic value and profitability, and had frequently erroneously been used in substitution of strategy and competitive advantage. Much research post Porter's criticism, has tried
to establish a generic version of the business model concept that depicts value creation and capturing under different settings (Shafer et al., 2005; Osterwalder et al., 2005; Hedman & Kalling, 2002; Morris et al., 2002). Zott et al. (2011) have analyzed 103 papers where business model occurs, and they argue that much research do not attempt to define the meaning of the usage of the word business model, thus use the word to describe different phenomena and hence create ambiguity. Of those that do define the concept there is only partial overlap between the different definitions (Zott et al., 2011). Zott et al. (2011) have in their study been able to generalize some traits regarding the different concept definitions of the business model. They conclude that the business model is a concept that is among researchers roughly used to explain “how firm’s do business” (Zott et al, 2011, p.1020) and is in itself a unit of analysis that is grounded in a firm but spans into the environment surrounding the firm through activities.

In the strategic context of business models, Zott et al. (2011) argue that the usage of the concept business model in research share the commonalities of having value creation depending on a network of activities, that there is a connection between the business model and a firm’s performance, and that there is a difference between the business model concept and other strategic approaches. They further argue that business model research is commonly not limited to depicting a firm’s ability to create value but also its ability to capture value.

Zott et al. (2011) conclude that the business model concept is used as a complement to technology by having it act as an enabler of business, and that a common use of the concept is that firms commercialize technologies through the use of a business model. This is also in line with Chesbrough (2010) who have argued that business models plays a bigger role in commercial success than technology itself. In this context the business model provides a gateway to realize value from technology. In regards to innovation management, Zott et al. (2011) conclude that there seems to be a consensus in business model innovation research that business model innovation is related to high firm performance.

Chesbrough & Rosenbloom (2002) argue that the most important aspect of a business model is that the technological core delivers value to customers. They further argue that startups are often flexible in evaluating alternative business models and that they often through a process of sequential adaption change the business model. This means that firms can evaluate different approaches of appropriating value from a technology to investigate possible business opportunities.

**2.5.1 THE BUSINESS MODEL CANVAS**

Osterwalder and Pigneur (2010) have developed a business model canvas that aims to illustrate the business model concept through nine different areas corresponding to different dimensions of their definition of a business model. The business model canvas is a tool that have been developed for illustrating business models, and it has been popularized in entrepreneurship literature partly due to its low learning threshold and its ability to efficiently communicate a business model (Furr & Ahlstrom, 2010, p. 57; Blank & Dorf, 2012, pp. 36-37). The concepts used in the Business model canvas were prior to the book, partly determined through a broad literature study conducted by Osterwalder et al. (2005) that aimed to converge business model concepts from prior research. In this research Osterwalder et al. (2005) proposed a business model concept that integrated with other research depicting the business model into nine different areas. Osterwalder and Pigneur
(2010) further developed the Business model canvas through a mix of case-studies and crowdsourcing which aimed to verify its suitability to real practice.

The definition of the business model concept underlying the Business model canvas have been defined by Osterwalder and Pigneur (2010, p. 14) as “the rationale of how an organization creates, delivers and captures value”. This definition is comprised of nine different concepts, which shape nine areas of the business model canvas, which Osterwalder & Pigneur (2010, p. 15) suggests should be used to depict a business. Each concept is described in table 3.

**Table 3 – Nine concepts that comprise the Business model canvas**

<table>
<thead>
<tr>
<th>Concept</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer segments</td>
<td>The customer segment concept proclaims who the customer groups are that will be targeted by company offerings (Osterwalder &amp; Pigneur, 2010, p.20). Osterwalder and Pigneur (2010, p.20) state that different customer segments should be separated in regards to: (1) customer needs are not homogenous towards a certain offer, (2) they cannot be reached through the same customer channel, (3) the type of relationship that customers require differ, (3) customers profitability vary to a large extent and (4) their willingness to pay differs on offer aspects.</td>
</tr>
<tr>
<td>Value proposition</td>
<td>The value proposition concept depicts how offerings or a set of offerings creates value for specific customer segments. The value created is closely related to satisfying a customer need or solving a customer problem. The value proposition should further explain why customers favor the company over others. (Osterwalder &amp; Pigneur, 2010, p.22)</td>
</tr>
<tr>
<td>Channels</td>
<td>Channels describe how the company shares information to its customer segments about its offerings to deliver a value proposition (Osterwalder &amp; Pigneur, 2010, p.26). Osterwalder and Pigneur (2010, p. 26) suggest that sharing information to customers relate to: creating awareness of offerings, persuading during evaluation of offerings, make offerings available for purchase, communicating a customer-targeted value proposition and allow for support after the purchase.</td>
</tr>
<tr>
<td>Customer relationships</td>
<td>Customer relationships depict the characteristics of the relationship which a company creates for each customer segment (Osterwalder &amp; Pigneur, 2010, p.28). Osterwalder and Pigneur (2010, p.28) argue that customer relationships have a huge effect on the customers’ experience of the company. The customer relationships concept should e.g. include how customers are acquired and retained (Osterwalder &amp; Pigneur, 2010, p.28).</td>
</tr>
<tr>
<td>Revenue streams</td>
<td>The revenue streams concept discourses how money is generated from customer segments (Osterwalder &amp; Pigneur, 2010, p.30). Osterwalder and Pigneur (2010, p.30) suggests for this concept to look into what value customers are willing to pay for, and establishing a price model.</td>
</tr>
<tr>
<td>Key resources</td>
<td>Key resources list the most important assets of the business model (Osterwalder &amp; Pigneur, 2010, p.34). These resources are those that are essential in order for other parts of the business model to work e.g. physical, intellectual, financial or human.</td>
</tr>
<tr>
<td>Key activities</td>
<td>Key activities are here defined as “actions that a company must take to operate successfully” (Osterwalder &amp; Pigneur, 2010, p.36). This concept block should include the most important activities that are required for the business to work (Osterwalder &amp; Pigneur, 2010, p.36).</td>
</tr>
</tbody>
</table>
### Key partnerships

Key partnership discourses which partners and suppliers are essential in order for the business model to work (Osterwalder & Pigneur, 2010, p.38). Osterwalder and Pigneur (2010, p. 38) suggests several reasons for creating partnerships e.g. optimization, risk-reduction, resource acquisition.

### Cost structure

The cost structure includes all costs that are required to manage and maintain the business model (Osterwalder & Pigneur, 2010, p.40). However, in order to make the concept tangible, Osterwalder and Pigneur (2010, p.40) suggests only listing the most important costs that occurs while operating under the business model.
3 METHODOLOGY

This section describes the procedures that were taken in order to conduct this study.

3.1 RESEARCH PROCESS

The phenomenon studied in this research is the entrepreneurial business opportunity which has been investigated in terms of finding a match between customers and an offering. The entrepreneurial business opportunity differs from other type of opportunities by creating something that did not exist before i.e. something new (Lumpkin & Dess, 1996). This means that for this context, the research have investigated if it is possible to create something that is desirable to customers and whether this creation can return profits for the pursing company.

Due to the complexity of studying this phenomenon for this case regarding customers, product dependencies and the current business model, the research approach was at several times redefined. The underlying problem involves behavior in processes between actors and management within large organizations, often corporate groups, meaning that there are difficulties in grasping all aspects of the problem. The envisioned product is furthermore dependent on a software platform already offered by the pursuing company, which in turn is tightly intertwined with the revenue model of their current business model. All these factors comprised a very complex research environment.

Iterating and forming the study during the research process has been found to increase the understanding of studied phenomenon (Dubois & Gadde, 2002). Bryman and Bell (2011, p. 390) also suggest iterating the findings of qualitative case to shape research questions in order to conduct more accurate studies. These principles were followed in this study which meant that the study was reshaped as it progressed.

The study was comprised of four different phases (see figure 1) where phase 1 and 3 were iterated. The first phase consisted of grasping the underlying phenomenon that was to be investigated and to determine a research design and proper methods of collecting data. This phase was executed in three acts that were iterated until an approach that was deemed suitable for investigating the underlying phenomenon was determined. Firstly a literature study was conducted to investigate research that was believed to be close to the phenomenon that was deemed suitable. Secondly, feedback was collected from BI Partner to evaluate the previous determined approach in order to better suit the research towards the problem. Third, feedback from the company was used to determine whether the determined approach would capture the problem and study the underlying phenomenon. This phase continued through iteration until a research approach had been developed that was seen as effective based on the company's feedback.

In the second phase, data was firstly collected from BI Partner through three interviews aiming to construct hypotheses which formed a basis for further investigation. Next, interviews were conducted with the interested customer to further steer the investigation towards the problem domain. Finally, interviews were conducted with other current customers of BI Partner and from potential customers (in regards to their current business model) to investigate the problem domain. The data was collected using the research design which was developed in the previous phase. This design also changed to better suit the interview subjects as more was learnt from them.
In the third phase the collected data was analyzed, starting with literature that was believed suitable from the first phase and then secondly through iteration. As the analysis progressed, more theory was needed in order to better interpret the results. This was done to better grasp the underlying phenomenon. Finally, in the fourth phase, the findings were concluded in regards to the research question. These findings were then later discussed where new areas of research were suggested.

Much of the redefinition of the research approach in the early stages involved the measures of data collection and sampling. Originally, the data collection and sampling method was planned to be based on the Nail it then scale it-methodology introduced by Furr and Ahlstrom (2011). The usage of this methodology was however early discontinued due to it forming its initial basis around a problem that customers are aware of having. This was deemed not to be the case for this study, and a method that allowed for more exploration was regarded as more suitable. The Nail it then scale it-methodology was therefore discarded in favor of the data collection method proposed by the customer development methodology.

The nail it then scale it methodology (Furr & Ahlstrom, 2010) does not discuss measures to be taken in order to explore a hypothesized problem and does instead start by having the business pursuer communicate their hypothesized problem towards potential customers and then benchmark their responses. This approach fails to include the work of finding a way of communicating the problem in regards to the target audience, and does instead purely focus on finding an audience for the defined problem. By following this approach there is a risk that an entrepreneur or other pursuer of business misses out on an opportunity by not being able to communicate the problem properly. This approach is also more limiting in terms of exploring the domain of the hypothesized problem which could result in other apparent opportunities.
The topic of this research is to evaluate an entrepreneurial business opportunity for a startup operating in the IT-industry and to contribute research within the field of evaluation of entrepreneurial business opportunities for startups. The phenomenon studied in this research is the evaluation of an entrepreneurial business opportunity which will be studied within the previously explained context of BI Partner’s potential endeavor. This section will depict how this research will be conducted in order to fulfill the purpose of the study and answer the research questions (Yin, 2003, p. 21).

The purpose of this research is primarily targeted towards reducing uncertainty for the startup considering pursuing this business endeavor through an investigation of the business opportunity. There is also seemingly little research close to the phenomenon under investigation of this study, therefore an exploratory study was deemed as most suitable for the research. The exploratory
approach has been selected due to the many unknowns in regards to the opportunity as well as the lack of research in the area. Selecting an exploratory research type would typically allow for a more broad investigation of the subject and could allow for more extensive findings - an approach which could pave the way for more specific research in the future.

The research design selected for this study is a qualitative case study with a single instance comprised of the evaluation of a business opportunity for the IT-company BI Partner. Yin (2003, p. 1) proposes that a case study design is generally suitable when there is a lack of control of events and the unit of analysis is a contemporary phenomenon within a real life context. Yin (2003, p. 13) also suggest that the case-study is very suitable for research where much emphasis has been put on the context of the unit of analysis. Furthermore, Yin (2003, p. 2) argue in line with Bryman and Bell (2011, pp. 59-60) that case studies are suited for exploring a single entity through detailed and intensive analysis and that case studies usually want to depict the meaningful features of the case. These proposed criteria very much suit the desired outcome of this study, and hence the study was grounded in a case study design.

Due to the many unknowns and large uncertainty involved with this study an abductive research approach introduced by Dubois and Gadde’s (2002) as systematic combing was used to increase the understanding of the phenomenon. Systematic combining is an approach towards research where theory and trajectory of the research is revised iteratively as the research progresses. This approach is used to steer the research into favorable initially unintended areas that is discovered during the research process.

For this case the unit of analysis is the entrepreneurial business opportunity of the pursuing company. Yin (2003, pp. 22-23) propose that the selection of a unit of analysis determines what is actually being studied. This case has followed the proposed method of Blank and Dorf (2012, p.25) where an entrepreneurial business opportunity for this context is comprised of finding a fit between a product and a market i.e. customers. This proposed method has further been expanded regarding the suitability pursuing this fit within the context of the pursuing company’s current business model. Consequently, this means that the unit of analysis can be further divided into the subunits: (1) the pursuing company of the new endeavor and (2) the customers targeted with this new endeavor, see figure 2. Yin (2003, p. 46) argue that dividing the unit of analysis into subunits often add more extensive analysis.

Entrepreneurial business opportunity

Unit of analysis

1. Customers

Sub-unit

2. Pursuing company

Sub-unit

figure 2
3.3 RESEARCH METHODS

The methods used to collect data were conducted through two different qualitative interview approaches. The first approach was grounded in the customer development methodology where an interview guide is composed based on hypotheses regarding the new business. The second approach was a semi-structured interview based on suggested areas of interest from the business model framework (Osterwalder & Pigneur, 2010).

Qualitative interviewing should according to Bryman and Bell (2011, pp. 466-467) be flexible and shaped by the interviewer to extract information from interview subjects. Qualitative interviews may furthermore steer away from the originally intended interview path to investigate interesting aspects more thoroughly. This can be used to encourage more rich and descriptive answers which increase the quality of a study (Bryman & Bell, 2011, p. 467; Yin, 2003).

All of the interviews in this study were conducted in face-to-face settings, where all interviews except for two were done with a voice recording device. These recording were later used to create transcriptions of each respective interview. There were two main reasons for recording the interviews: firstly, since each interview was conducted with a single interviewer, taking notes while performing the interview would cause too much interference with the interviewee trying to interpret information. Secondly, when returning to previously conducted interviews after all interviews had been conducted interview data was perceived differently. As the research progressed a better understanding of the domain emerged which shed a new light on previous interviews. By recording the interviews and attending the interviews at a subsequent stage much data that was not seen as important during the interview was later valued differently. Recording interviews could affect the responses of interview subjects, but since the interview topic was not deemed to be very sensitive this risk was regarded as worth taken due to the other previously mentioned positive effects.

The data collection process of this study is depicted in figure 3 below, and the following sections will describe each step’s procedure.
3.3.1 COLLECTION OF CUSTOMER DATA

The method for collecting data from customers was a form of semi-structured interviewing grounded in Blank & Dorf (2012, pp. 69-355) suggested approach. Firstly the hypotheses about the new venture regarding its specifics were collected from the pursuing company. Secondly these hypotheses formed the basis of an interview guide tested on customers.
3.3.1.1 BUSINESS HYPOTHESES

Blank and Dorf (2012, pp. 69-188) suggest creating business hypotheses regarding the new venture in terms of its commercial and economic properties, more specifically: market size, value proposition, customers, channels, market & competitive type, customer relationships, key resources, partners and revenue & pricing. The intent of stating hypotheses to all these areas is seemingly to create a comprehensive chart of the new business which can be used to validate critical assumptions later on. Blank and Dorf (2012, pp. 69-70) suggests keeping this list minimized and should cover the most critical assumptions made about the new venture.

Blank and Dorf (2012, pp. 71-188) propose looking into several areas of what to consider for the new business venture. An interview guide was constructed based on these areas which were later used in an interview with the CEO of BI Partner, see Appendix 1. Due to the new venture being a new software-based venture, much of the proposed areas were screened for relevancy and adjusted towards this venture e.g. physical distribution channels and partners were not deemed to be of very much importance.

Much emphasis was put on creating business hypotheses about customers and the value proposition of the new venture. This emphasis was not intended initially, but did instead follow naturally during the interview with the CEO of BI Partner, since much of the critical assumptions regarding the new venture lied within these areas.

3.3.1.2 SELECTION OF CUSTOMER SAMPLE FOR TESTING OF HYPOTHESES

Blank and Dorf (2012, p. 196) argue that the selection of interview subjects for experiments should be based upon the possibility of learning about the hypothesis from them. However, they furthermore argue in line with Yin (2003, p. 90) that the final set of interview subjects is dependent on their willingness to participate. The set will therefore be constructed on both the premises of their ability to communicate about the hypothesis and their availability. To increase the availability of experiment subjects, Blank and Dorf (2012, p. 195) propose using mutual connections e.g. friends, colleagues, to get introduced and subsequently hopefully have them participate in a formal or informal setting where experiments regarding business hypotheses can be conducted.

Gaining access to suitable interview subjects among current customers was heavily dependent on gatekeepers inside the customer organizations. This means that the CEO and Product manager of BI Partner had to make introductions to gatekeepers whom in turn selected suitable interview subjects. This selection process of interview subjects may have affected the results. Due to the target sample population’s scarce time their proneness to participate was low. Furthermore, due to the sensitive nature of the customer relationship between BI Partner and their different customers the current customer sample was limited. The interview sample was primarily comprised of controllers among current and potential customers of BI Partner.

Finally, to increase the customer sample size, other customers were pursued as interview subjects that were not influenced by any prior contact with BI Partner. Following the suggested method of Blank and Dorf (2012, pp. 195-197) the search for other interview subjects were conducted through mutual connections beside BI Partner which resulted in two more controllers from the municipality of Stenungsund and the municipality of Gothenburg participated. Additional interview subjects could
have strengthened this study but due to the limited amount of time and resources to pursue this study, six customer interviews was seen as sufficient, see table 4. Furthermore, it is likely that there are diminishing returns of new information for each new added interview i.e. each added interview will result in less and less new information, meaning that additional interviews might not have added much more value.

**Table 4 – customer sample**

<table>
<thead>
<tr>
<th>Defining new business hypotheses</th>
<th>Testing of hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Interview with the CEO of BI Partner</td>
<td>• Interview Controller Capio Healthcare (already interested)</td>
</tr>
<tr>
<td></td>
<td>• Interview Manager Capio Healthcare (already interested)</td>
</tr>
<tr>
<td></td>
<td>• Interview Controller Attendo</td>
</tr>
<tr>
<td></td>
<td>• Interview Controller Volvo Real estate</td>
</tr>
<tr>
<td></td>
<td>• Interview Controller Municipality of Gothenburg</td>
</tr>
<tr>
<td></td>
<td>• Interview Controller Municipality of Stenungsund</td>
</tr>
</tbody>
</table>

### 3.3.1.3 TESTING OF BUSINESS HYPOTHESES

Blank and Dorf (2012, pp. 203-219) have developed their own method to collect customer data and validate customer-related hypotheses. This method is a variant of a semi-structured interview where the interviewer presents the previously defined hypotheses about the customer regarding their problems. More specifically, Blank and Dorf (2012, p. 204) propose presenting a list of their current experienced problems, assumptions regarding how they solve the problems today, and a presentation of how they can solve the problems with a new envisioned product. This suggested method was followed for this study with a minor adjustment related to the envisioned product, instead of communicating the envisioned product purely in writing, a mockup was used to demonstrate the benefits and features of the new product. This adjustment was done due to the complexity of the new envisioned product which was believed to be hard to comprehend by customers purely relying on written and verbal communication. The points used for customer interviews can be seen in appendix 6.

During meetings with interview subjects Blank and Dorf (2012, p. 203) strongly emphasizes that the purpose of these meetings is to extract data related to understanding both the problem and the customer, and that this is done by getting the customer to talk. Blank and Dorf (2012, pp. 204-219) argues that it is of significant importance to gather data regarding the magnitude of the problem, how they solve the problem today and mapping the customer’s processes and activities in relation to the problem. Blank and Dorf (2012, p.198) argue that interviews will result in a puzzle of scattered information that the product developer will have to interpret and develop in order to understand the problem. Furthermore, meeting should not be about product specifics but instead about grasping the problem. This means that discussions regarding product features should be avoided and a focus should instead be put on the customer and their problems.

To understand both customers and their problems the approach suggested method developed by Blank and Dorf (2012) was used. Three different fields were investigated as depicted in **table 5**. The
first section, customer problems, aimed to gain a deeper understanding of whether the stated hypothesis really constitute as a problem among customers. The aim of the second section was to discourse part of the customer work day. The third section, the solution idea, intended to solicit feedback to the possible solution regarding the identified problem.

<table>
<thead>
<tr>
<th>Table 5 – dimensions in understanding the problem and possible solution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dimension</strong></td>
</tr>
<tr>
<td>Customer problem</td>
</tr>
<tr>
<td>Customer work day</td>
</tr>
<tr>
<td>Solution idea</td>
</tr>
</tbody>
</table>

Due to the scarcity of time with interview subjects, time had to be economized by steering the interview into these different dimensions for each interview. Each interview started with explaining the hypothesized problem area and encouraged the interviewee to discuss the topic, and then the interview progressed into the other areas. In addition to Blank and Dorf’s (2012, p. 204) proposed method of collecting customer data a complementary interview guide was used to encourage the interviewee to express his/her thoughts in regards to both the problem and the work process. This interview guide was revised after the first interview with the interested customer. The first version of this interview guide can be seen in appendix 2, and the revised one in appendix 3.

Following the abductive approach, two interviews were first conducted with the already interested customer, firstly with a controller and secondly with a manager. This was done to shape the initially stated business hypotheses and to steer the research trajectory. During the interview with the controller most of the time was spent having the controller express what underlying problems had led them to establish interest in the new proposed prototype developed by the pursuing company. Secondly, a lot of time was devoted in understanding how this problem related to their work routine. The interview with the manager also emphasized the underlying problem with the addition of further investigating the problem areas expressed during the first interview to triangulate the data (Yin, 2003, pp. 98-99).

The results from the first two interviews were used in subsequent interviews to shape follow-up questions complementing the interview guide. Much emphasis was put on investigating if the experienced problems at the interested customer were apparent among other customers as well. After problems had been elaborated the focus moved on to the current work routine of the customer to understand why problems were apparent or not apparent in their respective organizations.

### 3.3.2 COLLECTION OF BUSINESS MODEL DATA

In order to depict the main features of the business model, two interviews were conducted with people at BI Partner. One interview was conducted with the CEO and founder and another with the Sales manager. During both interview sessions the same questions were used in order to triangulate the results (Yin, 2003, pp. 98-99), with the intent of more descriptive and accurate findings. The interview questions were formulated from Osterwalder and Pigneur’s (2010) suggested questions regarding each business model canvas area. The questions can be seen in appendix 5.
The results from the interview sessions were put into the different areas of the business model canvas where the main aspects were illustrated graphically with the canvas. This canvas was then presented for both interview subjects to illicit feedback regarding its ability of capturing the business model of BI Partner. Out of the resulting feedback changes and adaptations was made to better suit the business model of the company.

### 3.4 DATA ANALYSIS

Yin (2003, p. 109) state that an analysis of high quality attends to all evidence, puts emphasis in presenting this evidence without interpretations and presents alternative interpretations of this evidence. The results of this study is a summary of all relevant data collected during interviews and emphasis was put on presenting the data objectively without own interpretation. Although in order to grasp the information correctly, some feedback was collected from the CEO of BI Partner in order to understand how to interpret some of the data. This may have arguably have consequently put some bias into the results, but was however deemed as a necessary trade-off due to the complexity of some of the findings.

The analysis of this study was grounded in the previously depicted analytical framework which was used to interpret the collected data. The interpretation of the data followed this principle and presented alternative interpretations where those were identified. Yin (2003, p. 111) suggests tabulating the occurrence of events and creating graphic displays e.g. flowcharts, to interpret the data. These suggested methods have been applied when searching for patterns among interviewed customers for RQ1 and RQ2.

### 3.5 VALIDITY CONSIDERATIONS

Bryman and Bell (2011, p. 395) argue that validity refers to the extent that a study is observing, identifying and measuring what the study claims to be studying. Yin (2003, p. 34) have proposed different validity dimensions for case studies which is described in the following sections. Due to the exploratory nature of this research internal validity has not been attended (Yin, 2003, p. 36).

#### 3.5.1 CONSTRUCT VALIDITY

Yin (2003, pp. 35-36) suggests three measures to ensure construct validity for case studies. The first method is to use multiple sources for collecting data. Yin (2003, p. 98) argue that data confirmed by multiple sources is more accurate than data provided from a single source. This principle was for this study followed to the most possible extent. Data collected from the already interested customer Capio was collected from two different employees to get a more nuanced view. Data from multiple sources was also used to collect evidence in regards to the pursuing company’s current business model. Regarding other customers, there were not sufficient interview subjects available to participate in the study to allow for multiple sources of data from each customer. Business hypotheses were however collected from the CEO of the pursuing company regarding the new venture which to some extent arguably provides some source of multiple sources of evidence. Where multiple sources of evidence were used, some emphasis has been put on depicting common and separate views of attended areas.
The second measure is to create a chain of evidence which is a depiction of how the study resulted in its findings (Yin, 2003, p. 105). This measure has been followed and an outline of the chain of evidence is provided in the methodology section of this study. This section aims to provide the reader an understanding of the pathway that was taken for this study and the decisions that were made which consequently resulted in this path.

The third measure is to present the results to key informants and collect their feedback regarding the accuracy of the findings (Yin, 2003, p 36). Yin (2003, p 159) suggests presenting the evidence to those that participated in the study to get an agreement regarding facts. This measure was attended to fullest possible extent. The evidence collected from customers was not confirmed with each customer, due to their lack of interest in participating to validate the data. All facts were however validated with key personnel of the pursuing company to collect feedback regarding the accuracy of found evidence.

3.5.2 EXTERNAL VALIDITY

Bryman and Bell (2011, p 43) have defined external validity as a study’s ability to be generalized beyond its specific context. Yin (2003, p. 37) suggest that conclusions can be generalized by conducting several studies of the same phenomenon under different settings. Due to the research being comprised of a single case covering a seemingly unique contemporary phenomenon there is arguably a limited ability to generalize among the findings from this research solely. This research does however provide the opportunity to generalize if it is a part of a greater more comprehensive future study which comprises several cases. This could especially hold true for a more comprehensive study aiming to theorize propositions from the customer development methodology.

3.5.3 RELIABILITY

Reliability will in this context refer to the probability of getting the same results by replicating the same study (Yin, 2003, p 37). Yin (2003, p. 37) argue that reliability should prohibit errors and biases in the study. To minimize the likelihood of errors and bias while maximize the probability of being able to get the same findings, all measures taken to conduct this study have been well documented in regards to data collection methods, sampling and the analytical framework that was used to interpret the data. Yin (2003, p. 105) argues that the chain of evidence principle also increases the reliability of a study, which was previously described.

Furthermore, the suggested approach of creating a database comprised of raw data has been followed (Yin, 2003, p. 102). There are raw data documents created for each interview (comprised of both interview notes and transcriptions) which allows for the study to be replicated using the same data. This means that other researchers wanting to replicate the study are able to do so with the original data.
4 EMPIRICAL RESULTS

Below are the empirical results in three sections. The first section is comprised of data collected from the CEO of BI Partner regarding the hypotheses about the new endeavor. The second section contains all data from customer interactions, starting with data from two stakeholders among the already interested customer. The third section depicts BI Partners business model using data collected from the CEO and sales manager of BI Partner.

4.1 BUSINESS HYPOTHESES

The business hypotheses have been organized in the same structure as proposed by Blank & Dorf (2012).

4.1.1 MARKET SIZE

This new undertaking would according to the CEO of BI Partner (2013) target all customers that BI Partner is currently targeting with their offerings and it would be applicable to almost all potential customers within their market segment (see customer segments in the business model). It also has the potential to provide value to new customers.

4.1.2 VALUE PROPOSITION

The CEO of BI Partner argues that the underlying problem that the new product venture aims to solve is not a technical problem, but an organizational one. The problem lies within managers ability to incorporate overall organizational targets into their decision-making, and this involve several actors among the customers. This means that the new product is not developed with the intent of solving an easy to grasp machine like operation that is similar in each organization. The underlying problem is much more complex and the product will only act as a tool that will likely only be a part of the solution (CEO of BI Partner).

The CEO of BI Partner argues that there is potentially great value to be created if managers were to increase their economical understanding in regards to their decision-making. A greater economical understanding could hopefully result in more autonomous organizational functions that do not to such a large extent have to rely on support from headquarters (CEO of BI Partner). In these organizational functions, managers who today make a lot of decisions would be able to back their decisions towards these economic figures. One way of doing this is to help them incorporate a view of how their actions relate to the economic performance using a tool consisting of a view comprised of their most important economic benchmarking figures. These economic figures would typically be set on an operational level meaning that the new product would help managers who set their local targets to stay cohesive with operational targets.

According to the CEO of BI Partner’s own experience, these operational targets are not followed and understood by managers in organizations. They are instead considered something that headquarters have decided but are rejected as something that is not applicable to the way we do things around here. By incorporating these figures could result in continuous efficiency gains, meaning that only a slight improvement in these areas could lead to a lot of economic benefits.
4.1.2.1 PRODUCT BENEFITS & FEATURES

The CEO of BI Partner believes that in order for this product to be effective, the usability must be high. This means that it must be very simple and easy to understand. The product is hypothesized to create the most value among managers whose computer skills are low, meaning that the new product must be intuitive and allow for these managers to easily grasp it. The purpose of this new product is to make managers easily access and understand the economic information it provides, and turn this information into knowledge. Organizations have a lot to gain if these managers would address these figures more than monthly. In order to promote this the figures must be presented in an attractive way.

Another benefit from this product would be the amount of time less spent on supporting these managers. Currently much time and effort is spent on educating managers in how to interpret benchmarking figures. Much of this work could possibly be handled by the new product instead.

4.1.2.2 MINIMUM VIABLE PRODUCT

A single page (screen) that contains the most important economic information customized towards the user. The page should also contain explanations which is relatable to the manager regarding the economic information that the user is viewing (CEO of BI Partner).

4.1.3 CUSTOMERS

The CEO of BI Partner believes that customers of this new product would be organizations whose economic results depend very much on how they can steer managers into operational target. The CEO argues that according to his own experience, personnel intensive organizations very well suit these criteria. He however further argues that the new product will merely act as a tool; there must be a willingness to work towards these issues within the organizations. Furthermore, he argue that it would mostly suit organizations that have many managers on the far edge of the organizational structure, meaning that they are not part of the day to day decision-making of headquarter. Customers that would not be interested in this new product would be companies comprised of managers who are very analytical and spend their days doing detailed reports.

Stakeholders involved among customers are according to the CEO of BI Partner: managers, controllers and operational managers. The operational managers have follow-ups with the controllers regarding determined operational goals. The controllers in turn have meetings with managers where they elaborate around the organization’s operational targets and the measures that managers can implement in order to better conform to these targets.

The CEO believes that customers currently solve this problem by having continuous monthly meetings where managers get to account for the economic performance around the same areas. During these meetings the managers get to describe their current situation and in case of them underperforming, they elaborate on how they aim to increase performance. The areas discussed are fixed in order to reduce complexity and have managers focus on the most important measures of increasing performance.
He furthermore, argues that many users within these organizations have poor computer skills which are reluctant to work with computer software. Barriers to adopting a better economic perspective do not merely lie in understanding the figures for these users, but also to handle software tools. This is related to the previously discussed usability features in the value proposition.

4.1.4 CHANNELS

This new product will depend on the underlying platform of current products and will hence use the same current established channels.

4.1.5 MARKET TYPE AND COMPETITIVE HYPOTHESIS

This new product will be an extension to their other business intelligence offerings meaning that the new product cannot be sold on its own but are dependent on the business intelligence platform already offered by the company. There are other offerings which have a similar solution to this new product, but the main difference is the focus on users that lack economical understanding and have poor computer skills. This new product aims to provide benefits to these types of users primarily better than other competing offers. This new product would not be considered to be a market on their own but would instead be regarded as part of business intelligence offerings.

4.1.6 KEY RESOURCES

This new venture will not need any other key resources than what is already available in the company. A lot of employee focus will however have to be put upon developing this product.

4.1.7 KEY PARTNERS

The CEO of BI Partner argues that a new supplier regarding the graphical layout of the new product will be needed. High performance regarding usability of the new product is deemed necessary and therefore, graphical design experts will have to be involved in the development.

4.1.8 REVENUE AND PRICING

The new product will result in some additional consulting hours, but the main purpose of this new undertaking is according to the CEO of BI Partner instead to tie customers closer to the company, prohibiting them from seeking other alternatives. The new product will hence provide benefits to other products in the company portfolio. Furthermore, the new product could also help in attracting new customers by illustrating that the company has an understanding of the problems they are facing inside their organization.

4.2 CUSTOMER DATA

This section contains data from all customer interactions.
4.2.1 CONTROLLER AT CAPIO

The controller at Capio did agree that this was a problem within the organization and that they had developed a similar solution to the solution suggested by BI Partner on their own, named the ID-card. The ID-card is widely used within the organization and serves the purpose of being a communication tool which allows for a mutual perception of key figures such as costs, revenues and key performance indicators. This in turn allows for discussions between managers and controllers regarding how to steer functions of the organization into desired goals. The ID-card is customized towards different regions and allows the manager to logon to a display-screen where he or she can see some key figures involving his or her operations. These key figures are displayed as budgeted and actual, meaning that the manager can see how much key figures differ in relation to what was budgeted for. The solution furthermore allows the managers to comment on the differences, and can thus describe why the operations did not perform as expected.

The ID-card was developed once and has since then remained static regarding its features and design. Capio might, according to the controller, adopt a new similar solution from BI Partner as long as it conforms to certain needs. What was perceived as problems by the controller was the ID-card’s lack of customization towards users in regards to data figures and its high usability threshold. Instead of having the solution adapted towards regions it should be adapted towards the manager’s current responsibilities, meaning that the solution should provide key figures regarding both the region and the organizational function. The controller expressed that adaptations of the solution would have to be made in mutual consent between both the controller and the manager, and furthermore speculated that it might have to be changed at most once every three months. Regarding usability, the controller expressed that the current solution’s layout frequently resulted in confusion involving key figures and functionality. This in turn meant that the controller had to spend a lot of time on the telephone explaining to managers where to find certain key figures and how they should interpret other figures. By incorporating better usability in the solution the controller argued that he could spend a lot less time acting as support for managers regarding questions that could easily be answered by the solution itself. According to the Controller, the large value that a new solution could provide would be to reduce the amount of labor related to running the ID-card efficiently.

When it comes to operational control, Capio relies mostly on budget and prognosis for their operating control for each organizational function. According to the controller, the introduction of the ID-card enabled new ways of reporting as figures can be pin-pointed and thereafter discussed between the Controller and the manager. This process is done during bookends which occur on a monthly basis in the organization. Prior to the ID-card reporting was done through a massive lump reporting structure, meaning that it was hard to find relevant data and that the search for relevant data was costly.

4.2.2 MANAGER AT CAPIO

The manager at Capio expressed that she did use the id-card to get an overview of her figures, but did not use the id-card to investigate the results of her function. Instead she used the more extensive operational reporting system, BIS info store, which provides more detailed information and allowed her to dig deeper into different cost items. In her role she is mostly concerned about the budget and some other key performance indicators. She specifically investigated the juxtaposition of personnel
costs, other service costs and special attention where put into fixed costs. By digging deeper into the reports she felt that she continuously learnt more and more about her business function, and enjoyed that she could compare today’s figures with last years to measure performance. Overall she stated that she was very satisfied with the current solution providing economic figures.

In her role as manager of her business function her responsibilities covered budget, personnel and daily operations. This means that a lot of her time was spent in meetings with personnel and with other managers. Much of her work primarily concerned as she expressed managing deviations, meaning that when things do not go as plan, she needs to respond accordingly. Deviations did not only concern economic activity but also various forms of customer satisfaction.

She did not investigate the economic performance of the operations more commonly than once a month, during the time when the new results concerning her operations are published. The major benefit of having a budget was that it defines what to strive for. She furthermore believed that a major benefit stemming from the budget was that it allowed her to see that small activity changes could lead to big economic results. An example of this was if she could convince doctors to see one more patient each day, it would have major economic implications on the results. Another given example was that she used the budget to see what economic implications hiring temporary staff would have on the budget, thus allowing her to make a decision of whether to hire someone or experience the hassle of reorganizing among existing staff.

She felt that key performance indicators were much harder to grasp than budget items, and that she did not keep them in mind at all times, and did instead check up on them from time to time. She did however feel that the key performance indicators did reflect the underlying business well, but that improving the performance of these at several times came at the expense of the budget. There was a balance between increasing the key performance indicators while keeping costs low. As an example she stated that several patients that were not sick came to the clinic, which increases key performance indicators related to the number of patients visiting the clinic but at the same time, meant higher personnel costs.

Regarding the manager’s contacts with the controller, a monthly meeting was held where she had to explain any differences between the budgeted targets and the actual outcome. If the targets were successfully upheld, no measures had to be done, otherwise she would have to comment why the results failed to meet targets, and the subsequently add an activity on what measures where to be taken in order to reach them.

The economic figures which she obtains from BIS Info store is used by her in monthly meetings with the staff where she continuously uses the same headlines used in BIS Info store to present the economic status of the business function among employees. According to her, this repetition resulted in the staff learning which areas they should focus on improving. She furthermore used the economic data provided by BIS Info store to present the economic status of the different repeated areas in staff meetings. This allowed her to illustrate to the staff how their measures had affected the performance of the business function. This presentation was done both to show where measures had to be made, and to show positive results in regards to implementation of measures.

The manager’s biggest concern about the budget figures were the consequences of not staying within limits. If the budget did not meet expectations, she had to make hard choices regarding
whether to keep all staff, or having doctors change priorities. A success story of her own was that she managed to decrease costs by changing the way the stock of medicine supplies was managed. She had noticed that new merchandise arrived fairly quickly and as a consequence of that felt that the need to store much supplies was redundant. This allowed her to save a lot of money.

4.2.3 CONTROLLER AT ATTENDO HEALTHCARE

At Attendo Healthcare they are continuously actively developing their organizational efficiency by developing and incorporating better procedures. Having managers take more economically sound decisions is a major part in this work and the factor they have chosen to address is optimizing the number of staff-employed in relation to the number of healthcare takers. Staff is the company’s biggest cost and they are therefore continuously looking to reduce the amount of money spent in this area. One of their biggest challenges lies in having staff fully utilized and not having overcapacity.

To monitor performance Attendo Healthcare closely observe and follow-up performance indicators regarding efficiency. The monitoring is done mostly through key performance indicators which they have developed to give a comprehensive view of the operations. Performance indicators are then used within different organizational units to steer their actions into desirable outcomes which are determined by headquarters. The areas being monitored are quality, personnel, clients and economy, which are then quantified in order to allow for measuring.

The organizational units of Attendo Healthcare operate under heavy fluctuations from both the external environment and clients, which means that managers must constantly adapt their business according to these changes. The revenues from their services as well as the requirements regulating them are determined by the public sector at the municipality of which they operate within. The controller expressed that the revenues generated from a client have at times been reduced drastically, resulting in large changes in the organization. This means that revenues and requirements can change drastically from one day to another. The needs of clients served may also change drastically in regards to the amount of work needed to serve them. Furthermore, clients may also suddenly expire causing a major impact of the amount of income-generating work in the unit.

To support managers in taking better staff-related decisions they have introduced contracts which enforce procedures of reducing overcapacity within the different units. These contracts monitor the amount of staff employed within the unit in regards to the amount of work hours needed and in case of underperformance, managers must lay off staff.

Managers at Attendo Healthcare have a broad responsibility area and are involved in mostly everything that involves their unit. This means that the work of managers covers a whole spectrum of duties, and they must have an understanding of everything that goes on in their unit. To simplify and incorporate financial responsibilities into their duty spectrum, Attendo Healthcare have created a summarizing document comprised of the essential and most important financial figures as well as performance indicators, which they have named the protocol. The protocol mostly contains data obtained from the BIS Info store software and they have customized the data in the protocol towards the managers’ responsibilities and targets. In the protocol the current state of the most important performance indicators, budget, prognosis and actual outcome is depicted to the manager. In the protocol the manager must also comment on these areas and then return the protocol to the controller.
The protocol is according to the controller working as the baseline of their operational control comprised of the most important financial figures and is in her experience working well. This document has been developed over time and is still under continuous development. The protocol is the summarizing document which they address each month in order to monitor their performance. When the controller was exposed to the new prototype of BI Partner, her immediate response was that she thought it was an improved version of the protocol.

In order to improve the economical understanding of managers, Attendo Healthcare has incorporated monthly routines where the managers present their current performance status and future actions in a small group comprised of the responsible controller for the unit and managers from other units. This presentation has according to the controller been very efficient in regards to their understanding of economic links between actions and outcome. Having to present monthly gives the managers incentive to take the time to research their financial figures and reflect on their meanings and their relation to performance. This has in her experience been a learning process for the managers, where they have improved their financial understanding over time. The figures researched are those that give an overall view of the current situation, mostly those that are part of the protocol. The controller argues that this has made managers more secure in their understanding of their unit, and it has also improved their awareness on determining where roots to their core problem lie.

In the controller’s experience, there are very few issues related to making managers understand what performance indicators or financial posts are comprised of. She does not spend very much time having to explain these figures, and when these issues occasionally appear, they are easily resolved. What is hard to communicate and making managers grasp are accounting techniques related to personnel costs as well as income and costs being placed in the right period. She also express that she must at times help managers with filling out the protocol.

During one of her most recent meetings with lean-consultants, one of their suggestions was to improve the efficiency of the protocol procedures by having much of that work automated. Currently, the data in the protocol originates from other sources which the managers manually insert into the protocol, which is both time-consuming and do at times lead to incorrect data. This forces the controllers to spend a lot of time verifying that the data in the protocol have been registered correctly by managers.

**4.2.4 CONTROLLER AT VOLVO REAL ESTATE**

At the time of the interview with the controller at Volvo Real Estate, she was already discussing the new solution together with BI Partner, meaning that the data in this section had a starting point where the interview subject already had created an idea about the solution and how it will be integrated into their organization. This means that the data in this section is much more focused on her thoughts on how the proposed solution could work within their organization.

The controller at Volvo Real Estate claimed that integrating business operations with economic effects are one of her major tasks and that this is a continuous progress. She (the controller) further argued that to integrate these is not a matter of focusing on figures, but instead on the business of the operations, which actions in turn will be reflected in these figures. The division of which the controller is responsible for has transitioned into new service market segments and is in a growth-
phase where the future is characterized by a lot of uncertainty. This has according to the controller meant that traditional operating control where targets and forecasts are primarily based on previous outcomes is not effectively applicable for this context. Instead, she argues that she would like to have a new budget and forecast based on predictions of the future. Much of this work revolves around finding elements that drive costs.

The organization of Volvo Real Estate is divided into several different countries which mean that different functions of the organization are affected by local legislation and customs. Volvo Real Estate has previously aimed to consolidate the financial steering through a global system that was built with the intention of being used by all divisions of the organization. This system have however according to the Controller been flawed due to its limitations. The system works well for the Nordic divisions but does not have as much data as other local alternative systems have, and have also shown performance indicators in Swedish currency which has caused confusion and added unnecessary complexity. This have lead managers outside of the Nordic region to use their own local systems instead of the global consolidated one and controllers not being able to fully utilize the system due to currency flaws.

These local systems rely on different data classifications as well as routines, which have led to headquarter having different business data than local divisions. The controller argued that when different parts of the organization base their decisions and report data that is different from the data that the headquarter base theirs, then there is a risk that local divisions and headquarter have a different view of the current state of operations. In order for operational control to work efficiently the controller strongly emphasizes the importance that all divisions operate using the same data, and one way of incorporating this is to use the same system globally. The main reason that the current system have failed is as previously mentioned its lack of performance in comparison to local alternative systems. The first part in having the global system adopted comprehensively in the organization the system must deliver a larger volume of and more comprehensible data, and the second part is better performance indicators that will provide benefits to the local managers and controllers. This means that there are obstacles to overcome in order for Volvo Real Estate to be able to fully adopt the new solution from BI Partner. These obstacles currently prohibits the new solution from BI Partner to be adopted globally within the organization, but do not impose any problems in regard to the Nordic Region.

Today, they are currently working with monthly meetings where the operative progression of each respective business unit is discussed, included in these discussions are their respective key figures. The controller argues that by having a continuous checkup towards these key figures, managers at each respective business work proactively steer towards these figures. Much effort is today put into making managers grasp the different key figures, and how they can be affected through taking actions. She argues that many managers are reluctant to adopt economic aspects into their decision makings due to its complexity and want to leave it to the controller. The controller does however believe that when managers actively work towards these figures, they also adopt a deeper understanding of what these figures are comprised of.

The major overall effect that the controller wishes for the solution is that it will make managers be able to see the long-term economic outcome of their business actions. One obstacle for this today is the many performance indicators that they use within the organization. The controller argues that
they have too many figures to follow which results in too much complexity and managers losing interest. Therefore, in order for managers to benefit from such a solution, new performance indicators must be developed that is no more than a handful and that spans the most important factors of respective business functions' operations. These new performance indicators might also have to be dependent on the phase that each respective unit is in; a business unit in growth needs other measures than a mature one. And in order for the steering to work efficiently she would want these performance indicators to remain at least for a year or two. She is however concerned that it might be hard not to change them.

In regards to usage, the controller argue that she would ideally want managers in the Nordic region to use the system continuously and other managers outside of the Nordic region, at least once a month. She would want managers to incorporate a routine where they would observe their current standing in regards to prognosis and where the trend is currently heading. She would want to use the new solution from BI Partner as a common ground to base monthly performance meetings between controllers and managers. Both the manager and the controller could use the proposed solution to investigate the performance of a business unit and then comment on the performance.

For usability needs, she believes that managers overall have the same type of need, meaning that a user interface designed for these would not have to differ based on their background. She believes that a simple system would reduce complexity for managers in their economical understanding. In overall she believes that the solution must have enough information to be extensive, but that this information cannot be too much as it will decrease managers’ ability to interpret the data.

4.2.5 CONTROLLER AT THE MUNICIPALITY OF GOTHENBURG

The controller at the municipality of Gothenburg spent most of her time trying to make managers understand the relationship between actions and the financial results of the manager’s operative unit. She (the controller) argued that much of her work was to be the messenger between the upper-manager in charge of economics and the different managers in charge of operative units. In their business field, financial targets and public regulative laws override all other operative aspects and much of their time is spent on having managers understand how these areas affect them. There are according to the controller no sparse time to spend on educating managers on how to be economically proactive, all her time is spent on follow-up and evaluation. Much of her work is spent on identifying large costs and trying to identify measures to lower these. In order to find these measures larger costs are broken down into their respective accounts which are then put under scrutiny with the help of the manager. Managers at the municipality of Gothenburg use budget targets and long-term performance indicators to measure their performance. The budget goal for managers is according to the controller to try to spend the exact amount of money that is allocated to their unit. If they spend more they are not within budget, and if they spend less, they have not sufficiently made use of the resources that they have been allocated.

Today, the managers rely on several different software applications in order to get a comprehensive view of their operations. This is according to the controller not working particular well, as the managers have a limited amount of time at their disposal, and the different software applications are not easily understood and available. The only tool available is Excel, where she creates documents to
summarize the most important figures, and if the managers want to inspect these figures, they have to resolve to several different software applications depending on where the figures originated from. For instance if the manager want to double check what was budgeted for this month with personnel hours, he or she would have to create reports from two different software applications, and then manually cross-check the figures from the different reports.

The controller argues that by having managers using several systems, they are left confused and unwilling to independently investigate the figures on their own. She believe that this is partly due to inconsistencies in how the different applications are designed which imposes new different learning thresholds for each software application. With the managers scarce amount of time these learning thresholds could be a reason that the managers are less prone to actively use these tools themselves.

In order to help the managers get a better view of their current operations, the controller argue that managers need much better tools. The managers cannot rely on the same software applications that controllers do since they are too advanced and hence too hard to understand for managers. To further increase the economic understanding of managers, the controller argue that the managers ideally should have a few extensive key performance indicators to relate to. This would according to her help managers understand what the controller will measure and how the performance is measured.

The controller believed that there are overall no major difficulties in having managers adopting an economic understanding, but that this varies on managers’ different backgrounds and interests. The controller did however express difficulties in regards to having managers grasp all economic figures of their units during follow-up and evaluation meetings. These meetings tended to be exhausting for both the controller and the manager due to the many areas that needs to be attended.

In regard to managers’ economic understanding, the controller further argues that there are issues with the incentives for managers. For instance, if managers are able to create a surplus they are not able to save these funds, for a subsequent deficit period, they are instead at each economic period starting over without taking into account preceding periods. This means that when a unit which has had a steady history of surplus periods account a period with a deficit, they are still forced to introduce saving measures. Another example is that struggling units at times are given directions from upper-management to force measures which drives costs even further. And since they are already struggling to remain within the budget this creates a hopeless situation for them. The controller argues that this causes frustration among managers and that it probably demoralizes them.

When exposed to the proposed solution from BI Partner her immediate response was that it would have been nice not to have to use Excel to summarize the most important figures. She argued that the idea behind the proposed solution, to give managers a quick overview of the operations, was good. In her experience just giving managers numbers was ineffective and that she often had to educate the managers in what they were observing.

4.2.6 CONTROLLER AT THE MUNICIPALITY OF STENUNGSUND
The controller working within the public sector of the municipality confirmed that they were continuously striving to increase the economic understanding of managers within the organization. The reason for having the managers adopting a better understanding of economics does according to the controller stem in the organization's tight budget. There has been a decreasing trend in the amount of funds available for the organization’s financial budget, which has forced them to continuously work on tightening their budget. Some units in the organization furthermore operate under heavy budget fluctuations due to their financing being dependent on the number of citizens served. This means that it is very hard to foresee and maintain budgets and prognoses.

The controller argues that she does not have the authority to enforce managers to prioritize economy over other areas, and it is instead something that must be decided among upper-management. The managers working at the public-sector of the municipality of Stenungsund work towards political targets which are measured by performance indicators that have been constructed based on these targets. When striving to perform to these targets, the managers are restrained by a financial budget. According to the controller, much of her time is spent on supporting managers to remain within this budget and it is done through continuous follow-up and discussion. The controller states that a lot of managers want to separate the financial side with their operational one within their respective units, which forces the controller to put a lot of workload into making the manager understand how the two are intertwined.

The current financial software system supporting the organization has not been developed to target users with a non-economic background meaning that the system is very hard to use for managers lacking proper economic educational background. Having managers operate the financial software themselves to find information has not been very successful, and this is according to the controller the case for the entire organization. This has lead the controller to innovate new ways in communicating the figures from the system towards the managers, to make them more comprehensible. The controller states that she currently creates a summarizing document in Excel comprised of the most important financial figures, and in order to make the figures more understandable to managers, she has used visualization methods such as color schemes indicating trend and/or figure characteristics, and graphs to show financial data over time. To further improve the efficiency of using the financial figures, the controller has juxtaposed figures stemming from different systems to allow managers to grasp correlations e.g. budget and prognosis. The controller argues that both methods of enhancing figures with visualizing aid and juxtaposition has been very successful in regards to making the managers more economically aware.

The previously mentioned document has then been used as a basis of economic discussions during monthly meetings. In these meetings the economic performance is discussed in regards to both outcome and in regards to budget and prognosis. Managers have according to the controller a hard time to remain within budget due to the complexity of establishing a budget when operating in a very shifting environment, meaning that unforeseen external circumstances often causes high fluctuations.

Managers in charge of a unit, working within the municipality of Stenungsund have a shared economy with other units, meaning that when one unit performs poorly, the economic burden is shared between other units within the organization. This means that an efficient unit could still be rationalized depending on how well other units perform.
The organization is currently negotiating to purchase and integrate a new software system that will support the operational functions of both controllers and managers. The controller puts much hope in the new system which she believes will solve many issues regarding incomprehensible financial information towards managers. She believes that many problems related to poor financial understanding will be solved by presenting the financial figures in a more comprehensible way, which the new software hopefully will be able to deliver.

4.3 THE BUSINESS MODEL

This section depicts the business model using the proposed parts of the business model canvas (Osterwalder & Pigneur, 2010).

4.3.1 CUSTOMER SEGMENTS

The customer segments of BI Partner are according to the CEO of BI Partner comprised of a niche market comprised of personnel intensive large organizations that are often part of a corporate group. These customers share a need of continuous communication through follow-up and measuring done with the help of reporting. The sales manager argue that all larger organizations have these needs and routines but BI Partner are primarily able to target those customers where they have knowledge and insight about their trade. Many of BI Partner's customers are according to the CEO characterized by not having fully matured with their routines and are in need of streamlining their organization.

The organizations that BI Partner is targeting are according to the CEO of BI Partner located both within the business and public sector in Sweden. The customers within the business sector are primarily active within the market of health care and real estate, whereas the customers in the public sector are comprised of municipalities. The parts of the organization that BI Partner targets with their products are managers, controllers and especially upper-management with financial responsibilities.

4.3.2 VALUE PROPOSITION

BI Partner has according to the sales manager a deep knowledge of the organizational structure and procedures of target customers. They know how their customers work in regards to their business, organization and their IT-systems, and are therefore able to easily integrate their solutions into respective customer organizations. The sales manager further argue that by having a deeper knowledge of their customers' respective organizations allow them to put a lot more credibility into their claims about their offerings which leads to a trust among customers in regards to product performance. The CEO of BI Partner also emphasize deep knowledge of customers as a core characteristic of their value proposition but also propose that the company is very service-orientation and flexible towards customer requests, and further offers their solution at a competitive price. When a new customer relationship is established, much effort is put into communicating that BI Partner has knowledge about their operative routines and problems. This is according to the CEO of BI Partner done through exemplifying with measures that have been implemented with other customers that share similar traits with the new customer.
The sales manager argues that customers within the private sector are initially primarily interested in the budget and prognosis possibilities enabled by the offering from BI Partner. The budget and prognosis tool have allowed their customers to save a lot of man-hours and speed up the related procedures within these areas. Subsequently they learn about the other operating control and measuring possibilities enabled by their offerings. Municipalities in the public sector have primarily used their offerings to communicate information more effectively within the organization.

The software solutions are grounded in a data access layer where financial data stemming from different system sources within the organization is aggregated into a single location. This data is thereafter quality-ensured and standardized, meaning that data stemming from various sources are categorized in a matter that data from different sources is comparable and can be aggregated by post (Sales manager of BI Partner). This data can then be used throughout the organization which allows non-centralized managers to make much better decisions (CEO of BI Partner). The software platform also allows the data to be collected and processed much faster which allows customers to finish their report much earlier than before adopting the software platform from BI Partner (CEO of BI Partner). Furthermore, by having standardized data customers are able to get more comprehensive views of their respective organizations, and are further able to analyze the data more efficiently and extensively.

BI Partner primarily offers their software as a service where they are responsible for all technical measures in regards to its functions and operations. This means that BI Partner handles most activities around their software somewhat similar to a cloud platform service.

4.3.3 CUSTOMER CHANNELS

BI Partner uses direct sales to target its customers. The sales manager argues that the current customers of BI Partner have been established with the help of individual access to gatekeepers. This has allowed them to reach and convince key persons within different organizations to adopt customers. Mass marketing has hitherto been ineffective, since they have not been able to get in contact with the right people within their target customer segment. Instead the sales manager has tried to map key-persons within the organizations of potential customers and then try to get in contact with them. The CEO of BI Partner believes that they have very complex sales procedures which are dependent on personal relations with the right people - that each new customer will have to be thoroughly worked in order to reach a sale.

Another successful approach for customer adoption has been having customers recommend their offerings to other new customers. BI Partner has actively tried to make their current customers promote their offerings to others and it has been their current most effective way of finding new customers. Representatives from old customers have participated during the sales process to support BI Partner in educating new customers about their offerings.

4.3.4 CUSTOMER RELATIONSHIPS

The sales manager argues that the initial forming of customer relationships very much differ between the private and the public sector. In the private sector, individual stakeholders often can take charge and make important decisions in regard to product adoption, whereas in the public sector there are
several stakeholders that need to be addressed in a formalized requirements process. The sales manager argues that this requirements process have often been shaped to favor certain suppliers, which means that it at times can cause a barrier to entry for new suppliers.

BI Partner’s business model is dependent on forming tight relationships with each customer where customers often acquire more solutions and customizations of these from BI Partner over time (CEO of BI Partner). The relationship is often formed based on determining and satisfying the initial needs of the customer, grounded in both technical and organizational needs. The focus has thereafter gone towards meeting new and changing needs among customers. The CEO of BI Partner argues that product adoption among customers have often started with the basic offering, whereas additional products have been added over time, and he further speculates that this could be due to the customer getting more familiar with the software and thereafter seeks additional features to integrate into the organization.

The CEO of BI Partner state that BI Partners interacts with each customer at least once a week. Customers often reach out asking for advice regarding operative problems they are experiencing, this often leads to a meeting where problems are discussed which subsequently BI Partner return with possible solutions. Due to the complexity of the organizational problems they solve, continuous development and tweaking is frequently occurring. For instance, when one of their customers acquired a new company, they needed to integrate routines with the new company which consequently led to thousands of hours in developing and customizing BI Partner’s solution towards this customer.

4.3.5 REVENUE STRUCTURE

The revenue structure of BI Partner is according to the CEO of BI Partner comprised of licensing, consulting and maintenance & support deals. Most of the revenues come from consulting fees in regards to customizing and maintaining the software. The sales manager argues that charging by the hour for consulting work has been the most important source of income from most customers beside those in the public sector. Revenues from customers in the public sector have instead been based on licensing fees and other fixed prices.

4.3.6 COST STRUCTURE

In regards to expenses the cost structure of BI Partner primarily concerns personnel costs. There are other expenses such as office space, hardware, software and other variable costs. But these other expenses are very small in regards to expenses related to personnel (Larsson, 2013b). The personnel costs are primarily comprised of software development, the development of old customers, and marketing activities to acquire new customers.

4.3.7 KEY RESOURCES

The main key resource is the software platform of which the other offerings are dependent on. The CEO of BI Partner speculates that they have invested more than 15 000 hours invested in developing this platform, which is a core component of their value proposition. Furthermore, the CEO of BI Partner states that personnel with knowledge of both organizational and financial routines as well as
personnel with software development are essential for the business. In addition the CEO of BI Partner argues that a sales person with a wide spanning network of contacts is essential in order to acquire new customers.

4.3.8 KEY ACTIVITIES

One of BI Partners key activities is to manage and develop the relationships with their current customers. An essential part of this is to understand their needs in regards to operating control and measuring. This is done through a continuous management of the relationship with customers and adapting to their needs. The underlying software platform is also frequently attended to in regards to maintenance e.g. software updates, fixing software bugs.

Another key activity of BI Partner is to map potential customers' business and processes in order to customize and match an offering to their needs (CEO of BI Partner). Much of this work involves understanding the challenges that faces them and how BI Partner's solutions might provide benefits to these challenges. The CEO of BI Partner argues that if you can properly convince new customers that you have a deep understanding of their day-to-day activities, the company is put into a whole different perspective, meaning that they are much closer to acquiring them as customers.

4.3.9 KEY PARTNERS

In order for BI Partner to offer whole solutions to certain business segments, they have partnered with other companies that complement their solutions. To offer a whole solution towards municipalities in the public sector, BI Partner have created a joint venture with the company Stratsys, which complement the offering from BI Partner by providing other measurement tools beside financial ones. Offering a whole solution has been a requirement from the public sector in order for them to accept BI Partner as a supplier. BI Partner is also cooperating with the company Saville to offer whole solutions to their customer operating within real estate. (CEO of BI Partner)

Another essential key partner is Microsoft which provides the foundation for the software which BI Partner offerings are comprised of. Microsoft have a developer partner program where they offer third-party the opportunity to develop their own software on top of Microsoft's products, this provides the underlying structure to the software platform. (CEO of BI Partner)
5 ANALYSIS

The following three sections will answer the three research questions respectively.

5.1 CUSTOMER PROBLEM (RQ1)

This section of the analysis will firstly attend the hypotheses about the new venture and then analyze the needs of customers (Cooper & Kleinschmidt, 1987) by mapping their problems and how these affect their work life (Bank & Dorf, 2012, pp. 90-91; von Hippel, 1994).

In regard to the hypotheses about this new venture: the expected market, market type, channels, key resources & suppliers, and much about customers are seemingly as expected. In regards to the value proposition the hypothesized value delivered to the customers was not supported by interview data. All interviewed customers except one did not believe the solution developed by BI Partner would to a significant extent increase the economic understanding of managers. Deviations from the hypotheses have been listed in table 6. Most interviewed controllers did believe that the managers currently were able to grasp economic concepts and steer their units into organizational goals proposed by the controller. There was however other areas where value could be created for customers with this new venture.

Table 6 – Deviations of new venture hypotheses

<table>
<thead>
<tr>
<th>Area</th>
<th>Hypotheses</th>
<th>Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market size</td>
<td>- Target all current customers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Applicable to customers within current segment</td>
<td></td>
</tr>
<tr>
<td>Value proposition</td>
<td>- Incorporate organizational targets for managers.</td>
<td>Managers do according to customers already have a good economic understanding and do follow organizational targets.</td>
</tr>
<tr>
<td></td>
<td>- Managers should adopt a better economic understanding</td>
<td></td>
</tr>
<tr>
<td>Product benefits &amp; features</td>
<td>- High usability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Must educate managers how to interpret figures</td>
<td></td>
</tr>
<tr>
<td>Minimum viable product</td>
<td>- Single page comprised of the most important information</td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>- Organizations whose economic result depends very much on how they can steer managers towards org. targets.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Organizations where managers are far out in the organization.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Involves managers, controllers and operational managers.</td>
<td></td>
</tr>
<tr>
<td>Channels</td>
<td>- Same as current channels</td>
<td></td>
</tr>
<tr>
<td>Market type</td>
<td>- Extending current offering</td>
<td></td>
</tr>
<tr>
<td>Key resources</td>
<td>- Current ones</td>
<td></td>
</tr>
<tr>
<td>Key suppliers</td>
<td>- User interface supplier</td>
<td></td>
</tr>
</tbody>
</table>
Revenues & pricing
- Some immediate additional consulting hours
- Tie customers closer

All interviewed customers (current and potential) had a similar checkup routine where the controller in various ways created a summarized sheet of the most important operative figures for each manager’s respective business unit (which was also hypothesized). The work process differed between those who shared this routine by either having an automatic system that gathered this information, or having the controller manually collect and process it. Capio and Volvo Real Estate had both developed their own internal system that automated this process and presented the figures in a standardized way towards managers. Attendo Healthcare, the municipality of Gothenburg and the municipality of Stenungsund had to collect their figures manually from various sources and then summarize the figures using an Excel-document. All interviewed controllers beside one expressed that they summarized the most important figures that was to various extent used as an overview for managers as well as a means of communication between the controller and the manager. The areas of which the figures stemmed from differed between the organizations but did all have the common denominator that they were quantifiable targets for the manager, almost exclusively related to either costs or performance.

The outcome of this shared checkup routine, the summarized sheet, is in its essence very similar to the product that BI Partner has hypothesized. There are however indications that their current practices may lack in efficiency which could be a business opportunity. Based on the customer data this checkup routine, it seems that the routine can be generalized into two parts (see figure 4), firstly the work process in developing the summarized sheet and secondly the outcome of this routine, the final summarized sheet. This distinction allows for a better understanding of problems emergent among the interviewed customers.

**Figure 4** - a generalization of the checkup routine in the controllers’ work of creating a summarized sheet targeted towards managers.

Since the main value proposition hypothesis aimed to create something very similar to the summarized sheet, this part will firstly be attended. Two customers expressed active (urgent) problems (Blank & Dorf, 2012, p. 85) with the summarized sheet (the outcome of this checkup routine), these were: Capio and Volvo Real Estate. For Capio the problem seemed to be related to both the displayed information and its usability. The controller argued that the summarized sheet
could not display all necessary data for managers, and that it failed to properly communicate how the data should be interpreted, which resulted in the controller having to put much effort in educating managers. The manager at Capio did however not confirm the opinions of the controller in regards to having problems in grasping the content. She expressed that she were quite confident with the figures and did instead want to have access to more detailed data. This could perhaps be due to her being a more advanced user than managers in general but there are no data to confirm this. The controller was however convinced that much less working time would have to be spent if the suggested measures were implemented.

In the case of Volvo Real Estate, even though the summarized sheet was automated it failed to present useful information for the managers, which consequently made it very inefficient as a tool for the routine. Even though the expressed problem concerned the content of this summarized sheet, the problem for Volvo Real Estate seemed to originate in not having a proper foundation for collecting data, as well as inefficient routines for processing the data. The data that the summarized sheet was comprised of was perceived as less useful than data stemming from other sources, which the controller at Volvo Real Estate argued were situated within their local systems. This means that developing a new summarized sheet might not be possible due to limitations in data collection and processing abilities.

The other customers who did not express an active (urgent) problem to the summarized sheet could have a latent problem (Blank & Dorf, 2012, p. 85), but no data have been found to either confirm or reject this. The controller at the municipality of Gothenburg indicated some concerns with the summarized sheet and vaguely argued that a better summarized sheet might increase manager's financial understanding. A possible reason for why these customers did not express any active (urgent) problems might be that they all create their summarized sheets using the software Excel. By using Excel they are able to fully customize both design and content in regards to the outcome, which means that they are able to react and take measures on their own to any experienced difficulties in regards to the shape or content of the summarized sheet. This was the case for the controller at the municipality of Stenungsund, who had adapted her sheet using graphs and color codes to improve usability. However, even if controllers do not express experiencing problems to this area does not mean that they are using the optimal content nor design, but they seem to have been able to solve apparent problems.

All interviewed controllers agreed that the most important part of their work was to have managers adopt a better economic understanding, but among interviewed controllers, only the controller at Volvo Real Estate strongly believed that the proposed solution from BI Partner would to a large extent increase this. The reason for this could be that Volvo Real Estate differed from the other customers by giving some indications that their current checkup routine is ineffective as many of the managers even resolved to not using it due to its flaws. Whereas the others seemed to express that their current routine was effective but could perhaps be more efficient.

In regards to the work process of this routine, there does seem to be an active (urgent) problem (Blank & Dorf, 2012, p. 85) for the customer Attendo Healthcare, while there seems to be a latent problem (Blank & Dorf, 2012, p. 85) for the customers the municipality of Gothenburg and the municipality of Stenungsund. All these customers manually collect and process the data to create the summarized sheet. The Controller at Attendo Healthcare expressed that they currently were
experiencing problems related to this procedure and that consultants had advised them to automate the process using software. In this case the demand did not purely stem from wanting to reduce man-hours, but also from the occurrence of human-made errors that manually collecting and processing the data frequently resulted in. Also even though the Controller at the municipality of Stenungsund did not agree that it was a problem, she argued that she could save a lot of time by not having to collect and process data from different sources. There is thus seemingly an opportunity to propose possibilities to this problem which may affect their perceived needs (Kotler et al., 2006, p 317).

The customer problems related to each area of the checkup routine have been summarized in Table 7.

Table 7 - Identified problem to this routine among customers. (-) has been used to indicate that no problem has been identified.

<table>
<thead>
<tr>
<th>Customer</th>
<th>Work process</th>
<th>Summarized sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capio</td>
<td>-</td>
<td>Active (urgent) problem</td>
</tr>
<tr>
<td>Attendo Healthcare</td>
<td>Active (urgent) problem</td>
<td>-</td>
</tr>
<tr>
<td>Volvo Real Estate</td>
<td>Active (urgent) problem</td>
<td>Active (urgent) problem</td>
</tr>
<tr>
<td>Municipality of Stenungsund</td>
<td>Latent problem</td>
<td>-</td>
</tr>
<tr>
<td>Municipality of Gothenburg</td>
<td>Latent problem</td>
<td>Passive problem</td>
</tr>
</tbody>
</table>

In the context of this customer problem constitute as a business opportunity it is important to address the issue that customer data have been collected primarily from controllers who are important stakeholders in the occurrence of this problem, but may not constitute the economic buyer or the final decision maker (Blank & Dorf, 2012; Kotler et al., 2006, p.309). Those that would constitute final decision makers were unavailable to participate in this study and are hence not included in the data. According to the experience of the CEO of BI Partner, this is common among their target customer base. It has therefore not been possible to ask break-through questions which are critical in order to strongly evaluate adoption possibilities (Blank & Dorf, 2012, p 58; Furr & Ahlstrom, 2011, p). This means that it is therefore only possibly to speculate about adoption probabilities and incentives of economic buyers and final decision-makers.

Under the assumption that it is possible to produce the same outcome essence of this routine substituting all or much of the manual labor in regards to collecting and processing data, there could be efficiency gains to be made in regards to manual administrative work. This is furthermore under the assumption that there are no other significant unattended dimensions of this work that will be lost through automatization e.g. learning process of investigating performance figures. The target customer segments that have been investigated for this new venture is comprised of large organizations that each employ several controllers, if the interviewed controllers that were part of this data sample is representative to a larger population, the accumulated man-hours to be saved could very much be attractive to pursue for these customers. Finding a way to articulate this opportunity towards gatekeepers might get the attention of decision-makers (Kotler, 2006, p 309).

Much of the conclusions that have been derived from the customer data must be validated among economic buyers and the final decision maker to reduce uncertainty from previous made assumptions. Since access to these has not been possible during this investigation, much of this work could form the basis to possibly gain access to decision-makers.
There are also technical dimensions that must be attended in regards to collecting and processing data from various sources to evaluate the potential of pursuing this opportunity. The underlying software platform that aggregates the operational data of customers must include or be able to include all data that they are currently including in these summarized sheets. If this data is not currently included in this aggregation it must be technically possible to include the new data. And if new data is to be added there will be costs related to bridging this data into the software platform. This might especially be the case for those customers that belong to the public sector, where their operational targets seem to stem from quantified research and not hard-financial figures.

5.1.1 EARLYVANGELIST

Blank & Dorf (2012, p.58) emphasize adopting measures of finding Earlyvangelists for new ventures that are characterized by four criteria. Capio would arguably suit these criteria: understanding that they had a problem (Criteria 1 & 2), actively sought a solution and in which they decided to pay to develop on their own (Criteria 3 & 4). This solution seems to have automated the work process in this routine and have created a summarized sheet, which at the time it was created had content that suited their needs. It seems plausible that Capio have discovered a way to streamline this process and may be pioneering for others to follow.

There is no data indicating that Capio have any major differences in regards to their routine than the other customers. This could indicate that a similar solution that suited Capio’s needs may also suit the needs of other customers of BI Partner. There is however not sufficient data to fully make this claim, and further investigation is therefore deemed necessary. However, if this is the case there might be much more benefits of having Capio as a customer beside immediate profitability of the product which means that there might be in BI Partners interest to subsidize their involvement in this new product to have them as collaborators.

5.2 VALUE PROPOSITION (RQ2)

This section will analyze what comprises a solution to the previously found customer problems.

The hypothesized new product, My pages, is in its essence very similar and almost identical to the various forms of summarized sheets that is today created in a checkup routine within the different customer organizations. My pages was envisioned to allow managers to have a monitoring dashboard comprised of their most important operative data. In the previous section there were problems identified (see table 7) to each customer’s own implementation of this routine (see figure 4).

The market type is here considered a new market due to the following two reasons: (1) Blank and Dorf (2012, p.120) argued that a product faces a new market when customers cannot put the new product into a known market category and cannot name any competing products. This was the case with the existing customers of BI Partner. For non-current customers of BI Partner within the public sector, they were able to name a competing product that worked somewhat similar. The named product was however only a small part of a whole-solution marketed towards this segment. (2) As has been previously mentioned in order to adopt this product there is a need of having underlying software that contains access to aggregated business data i.e. a data access layer. Therefore, this
product can if introduced to new customers only be a part of a whole-solution, where the underlying software infrastructure platform is required. This means that current customers would have to either replace the whole system or hire consultants to develop a solution to this on their own using BI Partners underlying infrastructure.

When targeting new markets, Blank and Dorf (2012, p 121) argued that the major risk facing the new endeavor is failure of product adoption, and that the biggest obstacle is to educate customers that the product solves a real problem. Webster (1969) in turn argued that product adoption in industrial markets depends on convincing the customer about the profit potential from adopting the product, while reducing uncertainty for risks. Facing these conditions the underlying essence of the new product will be analyzed using Webster’s (1969) conclusions about adoption in industrial markets integrated with Roger’s (1995) proposed attributes for product adoption.

The interpretation of relative advantage will in this case regard the ability to solve a problem for a customer (Blank & Dorf, 2012, p. 91) and that this problem will increase profitability for the customer (Webster, 1969). These problems were the focal point of the previous section and the solutions to these problems fell into three categories: (1) automating the work process, (2) complementing the current summarizing sheet, and (3) create a new summarizing sheet and thereafter automate the work process in collecting and processing data for this sheet. These three areas were identified to increase the profitability of the customers through a reduction of costs in regards to manual labor as well as better groundwork for decision-making. A value proposition that provides a solution to all these areas is a product where the work process is automated, all demanded data is included in the work process and where the summarized sheet is customized based on the demanded data. It is seemingly possible to develop a product that complies with all these three identified areas. One identified possible issue will involve the work process where much of the data will have to be collected from several sources. If the data access layer do not already collect and process this data there might have to be investments made in improving technical functionality which will allow access to collect this data.

Webster (1968) concluded that perceived risks prohibit product adoption and Greve (1998) argued that organizational change involves risk and that decision-makers are hesitant to incorporate changes that are perceived as risky. The CEO of BI Partner argued that the main benefit that the new product would bring was to have managers adopt a better economical understanding in regards to their actions and that the solution from BI Partner would only constitute a part of this measure. This was very much true for the customer Volvo Real Estate and to some extent the municipality of Gothenburg, but for other interviewed customers that perceived their current routine to be effective, they did not agree that this was a major concern and that they were quite content with their current practice. This does as previously mentioned not mean that they do not have a problem, but it does mean that the problem is not apparent. The new hypothesized product, My pages, will in its essence perform the same job as they are currently doing within their organization with their current summarizing sheet and would then arguably not complement this practice but instead substitute it. This means that BI Partners new product will for many of their current customers compete with an already effective solution. The perceived risks of substituting the already effective practice could therefore inhibit the adoption of BI Partner’s new product (Greve, 1998). If BI Partner would introduce entirely new organizational routines of which their new product plays a role in, they might be met with a lot of skepticism due to being an outsider and perhaps not aware of all affecting
factors i.e. sticky information (von Hippel, 1994). This issue can be solved by introducing features of the new product in different phases.

Rogers (1995, p. 227) have found that an often successful strategy for product adoption is to first introduce products that maximizes compatibility with current practices and then subsequently add benefitting features over time. The compatibility attribute (Rogers, 1995) of the new innovation would for the customers that already having an effective routine be a critical factor to reduce the perceived risks of organizational change related to the new solution. This means that the product can initially be launched with the intention of maximizing compatibility with their current routines while still providing relative advantage. For the customers where the relative advantage of the new product has been deemed to be automating the current work process, keeping the content of the summarizing sheet could ensure compatibility with their current practice, as the outcome of the routine would remain the same, but the process of creating this outcome would be much more efficient. This means that the new product will provide benefits while still be compatible with their current routine - thus minimizing perceived risks while still solving the problem.

The same principle can be followed with Capio where the new product can be designed compatible with their current routine by implementing the required features of Capio’s current solution to this problem, but still adding the requested changes i.e. targeted data towards managers. This would reduce the perceived risks by adopting the solution and thus increase the likelihood that it will be adopted.

In subsequent phases the product may be developed with more benefitting features that would increase managers’ economical understanding, which was the main benefit hypothesized for the new product. Since BI Partner is already maintaining their current products with continuous maintenance and updates, the new product would not have any technical limitations for further development over time. If BI Partner is able to provide better operative solutions than their current practices of which their new product plays a major role, these could be introduced in subsequent phases after the product has already been adopted. The product will then be in continuous development and evolve over time. Due to the uniqueness of organizational requirements the evolvement of this product will most likely differ between each customer and also very much between divisions for each customer. This means that the product will have to be customized not only customer-wise but for different subsets of users within each customer.

The initial product launch also suits the proposed strategy of the minimum viable product (Blank & Dorf, 2012, p 80). Blank and Dorf (2012) have proposed that a product should be built with the least amount of features that solve a customer problem. By remaining focused on having the initial products compatible with their current practice but still providing the relative advantage i.e. solving the identified problem among customers, the product could minimize distortion around communicating its benefits. The desired outcome of the product launch would be to have customers perceive the new product as a smooth transition into a more efficient work-routine by gaining all the benefits without having to change. New features will thus only be added in subsequent steps to prohibit uncertainty regarding its suitability, see figure 5.
The previously suggested launch of the product may not be applicable for the customer Volvo Real Estate and arguably neither the municipality of Gothenburg where their current routines are seemingly ineffective. For these customers new elements of this routine will have to be developed in understanding with the affected personnel at each company. Due to the complexity of their respective organizations and the issue of sticky information (von Hippel, 1994) user-involvement would seem to be a critical factor of this development. For Volvo Real Estate a suggested approach would be to grasp data from managers that is disregarding the current solution due to its flaws. In regards to the municipality of Gothenburg, there seems to be a lack of incentive for managers which mean that there are other prohibits beyond the reach of BI Partner to solve their problem.

Another way of to further increase the likelihood of product adoption is to have an Earlyvangelist demonstrate the product within the Earlyvangelist’s environment. This has according to the CEO of BI Partner been previously effective for customer adoption. For new customers to see the product live in a real setting where similarities can be made towards their own organization would increase the product’s performance in regards to observability and complexity (Rogers, 1995) and put more credibility towards claims of compatibility i.e. reducing perceived risks (Webster, 1969) and relative advantage i.e. profit potential (Webster, 1969) through problem-solving (Blank & Dorf, 2012, p.91).

Finally, it is important to further address the issue that the conclusions from this analysis have not been verified with decision-makers among customers. This means that they are derived hypotheses based on the customer data, but not yet verified. The initial prototype that was used in customer interactions was not developed with these findings in mind. There are thus still measures to be taken to verify the probability of adoption. The analysis in this section may though provide groundwork in further discussion with decision-makers.
5.3 THE NEW BUSINESS WITH BI PARTNER’S CURRENT BUSINESS MODEL (RQ3)

This section will use the concept of the business model proposed by Zott et al. (2011) composed into the parts suggested by Osterwalder and Pigneur (2010) in analyzing how the previously discussed problem and product can be pursued by BI Partner. Zott et al. (2011) concluded that the business model concept is commonly used to describe how firms do business and how to capture value from technologies, and Osterwalder and Pigneur (2010) proposed that this concept can be divided into nine distinct parts.

The new endeavor is very much in-line with their current business model and pursuing this venture will arguably mostly affect the value proposition through an expansion of their offering. This expansion of the value proposition was discussed in the previous two sections where the one of the take-away was that a segmentation of customers can be done through their experienced problems. The customer segments targeted with the new offering were thus customers having a common checkup-routine where they experienced problem in regards to the work process and/or the summarizing sheet. This resulted in three customer segments for this new offering: (1) those experiencing a problem with the work routine, (2) those having problems with the summarizing sheet and (3) those having an ineffective checkup-routine.

Chesbrough (2010) argued that the business model is more important than the technology itself for the commercial success of commercializing new technologies. A consequence for customers adopting the new product will most likely be that BI Partner will have to be involved in configuring the content of the summarizing sheet thus affecting their customer relationships. There is the alternative of having controllers themselves configuring the summarizing sheet, but the complexity in generalizing and configuring these types of data source bridges is deemed to be too high to be a plausible option. This means that customers will have to contact BI Partner to make changes to the sheet and thereafter have consultancy work done by BI Partner to make changes in regard to data posts displayed for managers. The CEO of BI Partner argued that they currently hold frequently occurring discussions with customers in regards to decisions regarding operative procedures. The new product may increase BI Partner’s involvement in operative issues and challenges among customers in regards to the branch that this new product aims to target. This means that the new offering would arguably increase their revenue streams.

Much of BI Partners current revenue streams are according to both the Sales manager and CEO of BI Partner based on consultancy fees. A continuously evolving product based on changing customer needs would then consequently lead to more consultancy work for BI Partner. There is not sufficient data to conclusively argue that customers willingness to pay for this new type of consultancy work will be the same as for the current, but there are however no indications that this would not be the case. Assuming that continuous evolve of this new product will increase its value among customers, there are reasons to believe that BI Partner may enforce their current revenue sources grounded in consultancy fees for this new product. By taking the perspective of customer life-time-value there might be reasons to subsidize this new product initially to establish customer relationships and then generate revenue from continuous consultancy work.
The CEO of BI Partner expressed that they commonly transfer knowledge between their customers regarding successful implementation of operative measures which will also be the case for this product. The evolvement of the product will for BI Partner have learning effects, meaning that they can learn from one customer in regards to their challenges and solutions and then apply this understanding towards other customers if they are faced with similar challenges. This means that they could increase their capacity in regards to operative steering over time and hence increase the value they are able to provide to new and existing customers i.e. an increase of the value proposition over time. They could furthermore also suggest changes towards existing customers by being able to apply the knowledge gathered from other customers.

The relationships between the value proposition, customer segments, revenue streams and customer relationships have been depicted in figure 6.
Figure 6 - the relationship between the value proposition, customer segments, customer relationships and revenue streams.

A consequence of this product will be that it will increase the value of the underlying platform, since customers will have more options available to them after acquiring the underlying platform this new product could provide make the offer more beneficial. This new product could add to their current value proposition by allowing their customers to streamline the previously discussed checkup-routine (see figure 4). In time, BI Partner could also due to the learning effects from other customers offer advice in regards to operative measures in regards to this checkup-routine towards new customers which would further add to the value proposition. The value proposition would however differ in terms of targeting the private or the public sector.
The new offering may thus incrementally expand their current business model grounded in an expansion of the value proposition. The customer segmentation conducted here could allow for more targeted offerings within their current customer base and hence increase the effectiveness in communicating offerings e.g. for customers having a manual checkup routine process a value proposition emphasizing the automation of the work process could increase the perceived benefits of the offering.

Based on the perceived customer needs originating in the customer data, BI Partner’s capabilities is deemed sufficient for the new endeavor and the new offering would very much expand what they are able to offer current customer segments. There has been no identification of new required customer channels to target the investigated customers. In regards to key activities and key resources, the new offering is predicted to involve additional consultancy work, but this work is seemingly very much within their current domain. Over time, continuous acquired knowledge to this new domain may allow for a distinction between other consultancy work and this domain, but initially, this is seemingly not the case.

In regards to cost structure, this new venture Customer data did confirm the hypothesis regarding the importance of usability for the new product, therefore a supplier that is capable of delivering high usability for the new venture is deemed as necessary. Obtaining access to a supplier is not deemed as critical to pursue this venture, therefore a supplier providing usability performance is not deemed as being a key partnership. There has been no other identification of necessary key partners to pursue this venture.

If the amount of consultancy work increases it would also mean that BI Partner would have to increase the number of consultants. This is however not deemed to be a critical factor due to the flexibility in keeping these costs variable. No radical imposing changes are thus deemed to affect their cost structure.

BI Partner has previously had difficulties to become suppliers to the public sector by themselves due to not meeting the requirements in regards to their procurement procedures. The opportunity from this endeavor will thus therefore very much differ when targeting their different customers in either the private or the public sector. The private sector has according to both the sales manager and CEO of BI Partner been much more responsive in regards to cost-saving measures that their products is able to provide. The public sector on the other hand, has not been as responsive to the cost-saving measures that BI Partners products provide, and has instead based their procurement decisions on other aspects beyond the capabilities of BI Partner. The sales manager of BI Partner argued that the procurement procedure was very much based on outside influence during the requirements setting-phase for the procurement process which has been beyond the reach of BI Partner.
6 DISCUSSION

This section will first discuss the customer development methodology which much of this study was based on. Secondly, this section will discuss unattended areas of interest for the business opportunity investigation.

6.1 THE CUSTOMER DEVELOPMENT METHODOLOGY

Blank and Dorf (2012) have introduced the customer development methodology that aims to support startups where market uncertainty is the major risk factor facing the new venture. To reduce the risk of market failure, Blank and Dorf (2012) propose that startups should be launched in steps where entrepreneurs (business pursuers) should test hypotheses, in particular seek information comprised of strong indications of customer demand and profitability before investing time and money in the new venture. This has practically been implemented using a framework comprised of iterative steps where the entrepreneur must first conduct a search to find customers before attending to other company building measures. The search consists of conducting tests to investigate demand of the new venture through an open dialog with potential customers. The search must then generate favorable results in order for the business pursuer to continue with the venture.

The proposed method of testing customer demand is comprised of having an open dialogue with potential customers regarding a problem that is hypothesized that they are experiencing, their current solution to this problem and finally a proposed solution to the problem by the entrepreneur. The required outcome of this test is to find customers, a product that these customers will purchase and a business model that is deemed as scalable and profitable. This test must (as previously mentioned) be passed in order to proceed with executing company building measures.

The main points about the customer development methodology i.e. minimize risks of new ventures by collecting and analyzing essential information prior to investing money and effort seems to be a sound approach for new ventures independent of context. Even though Blank and Dorf (2012) suggests collecting this type of information related to all areas of the business model, most of their emphasis regarding methods of pursuing this is put upon gathering information from customers in a very straight-forward context where the business pursuer should be able to model a hypothesized offering with customers, and be able to communicate this offering properly towards them. The suggested means to profit from customers are also very limited for these tests and focus on a direct money for product relationship with customers and does not take into account alternative approaches where resource accumulation may later be turned into profits e.g. mass-market with add-on sales, user-base matched with customers in a two-sided market.

The customer development methodology is seemingly most applicable to new ventures where the complexity of the new venture is low i.e. where there is an easy to grasp path of pursuit for the new business. This stems from the customer development methodology is divided into several phases where the first phase should according to Blank and Dorf (2012, pp. 270-271) only be passed if the business pursuer has much of the business model (including measures of profitability) figured out. If these notions would to be strictly imposed it would arguably discard hard to test business models
where parts of the business model might initially be hard to test and verify, this could especially relate to profitability (but not exclusively).

The customer development methodology fails to attend the shaping of business models as the company progresses. Blank and Dorf (2012) state that a condition for executing company building measures of the new venture is having indicators that the new venture will be profitable. This condition fails to regard the phenomenon that many companies discover new ways of profiting from their resources as the company evolves. There might be reasons to pursue a venture without having a detailed scheme of how the company will be profitable if the company can accumulate valuable resources which may not immediately be turned into profits but may put the company in a favorable position to profit later on. There are examples of very profitable companies that have ventured through this type of scenario e.g. Google.

The suggested measures proposed in the customer development methodology seem to be limited to customers experiencing a problem and disregards other type of products where the product does not provide a solution to a problem. Blank and Dorf (2012, p. 86) themselves state that not all products solve problems, but still have a product and solution match as one of their preconditions for pursuing an execution of the new venture. Having such focus on customer problems would further narrow the suitability of the customer development methodology to target new venture business models where the value proposition aims to solve a customer problem. The emphasis on product and solution match also pervades much of the advice given in regard to other areas.

Blank and Dorf’s (2012) suggested measures of pursuing information search and the interpretation of this information was for this case study to a very high degree effective. This is likely to stem from the customers experiencing a problem which the interview subjects were very aware of. The interview subjects seemed to also have reflected much upon this problem prior to having the interview which resulted in them being able to elaborate extensively around the problem. The interview subjects did for this case have the problem domain as part of their working description, which puts these interview subjects as very suitable for this approach. It is very plausible that the interviews would not have generated as rich results as they did if the interview subjects had not prior to the interview recognized and reflected on the problem area. Having a problem as starting point may still be a good idea for certain ventures since customers being unaware of the problem, or not being able to recognize the problem, may very much affect the magnitude of the business opportunity.

Having customers talking freely about the problem domain was for this case very effective as it revealed information that was had not prior to the interview been hypothesized. Blank and Dorf’s (2012) suggestion of mapping the work routines among customers was for this case also proven to be very effective as investigating this area resulted in other unanticipated discoveries where there might be opportunities. Mapping the work routine is mentioned in the customer development methodology but is not part of the suggested approach of interacting with customers. For this case, questions regarding the work routine emerged during discussions about their current solution to the problem, in which it was apparent that there were opportunities to seek within this area.

Some parts of the customer development methodology should be put under scrutiny in regards to its usefulness and beneficial use when pursuing new business. Blank and Dorf’s (2012) characteristics of what comprises a business opportunity is arguably a bit narrow, and could restrict a business pursuer from venturing into what could be fruitful opportunities. This is especially true for when the
customers are not aware of having a problem i.e. the customers are not able to visualize a hypothesized new product. For this particular case there were issues with some customers not able to visualize the benefits from the new product which likely stemmed from them being locked into their old ways of doing things. The main hypothesized customer benefit originating from this product, managers adopting a better economic understanding, is seemingly only perceptive after it has been validated in practice i.e. a customer must have adopted the product and then seen results related to efficiency (due to the product). This means that in order to demonstrate the benefits of the product to customers in general, a customer must firstly have adopted the product. Using Blank and Dorf’s (2012) measures of validating this business opportunity based on this merit alone would have discarded the opportunity due to a lack of customer willingness to pay.

Much of the customer development methodology revolves around sales, which likely is a consequence from the main author's background. Although being able to sell the product is arguably essential to any business model, after a customer has been found, the process of selling the product is not the main obstacle for all business models. For this case the company relied on establishing very tight relationships with few customers and then having recurring sales with these. The hypothesized product from this venture was part of a more comprehensive offering meaning that this case did not involve mapping sales channels for this particular offering, but did instead focus on finding ways of delivering value and profiting from this value. This means that much of the suggested measures regarding finding sales channels were not applicable for this case and had to be disregarded.

For this case the company pursuing the new venture already had a viable business model which meant that some adaptations were made for the customer development methodology. The adaptations made primarily related to two areas: (1) having a current business model meant that there were limitations of what possible paths to take with the new venture. It would for instance be hard to introduce new price models inconsistent with their current. (2) Having a current viable business model did also have positive effects since the new venture did not have to stand on its own. The new venture was deemed as having positive effects on the current business model, meaning that options to profit from the venture increased when taking the current business model into consideration.

The main points about the customer development methodology i.e. minimize risks of new ventures by collecting and analyzing essential information prior to investing money and effort is seemingly a sound approach independent of new venture contexts and is in my opinion the main take-away from the customer development methodology. These tests are also not restricted to be conducted prior to making the first investment, but could instead be made continuously as the new venture progresses and it might not have to be restricted to new ventures, but could perhaps instead be used to try new business model ideas. The customer development methodology in its current form with its iterative phases and each phase conditions for proceeding is seemingly most suitable to test certain types of business models, where tested business model at least share the property that it is easy to test customer demand and profitability prior to making investments.

There should be some considerations made in regards to delimiting the suggested methods of collecting data in the customer development to ventures that possess certain characteristics e.g. solving a customer problem in its value proposition. The proposed method did work very well for the case of this study but may not be as effective for other situations. A two-sided market where one of
the market’s customers is subsidized and other customers provide revenue may need a different approach. For this type of venture a method is needed to balance between value creation of both sides while still maximizing profitability. New ventures where the startup aims to provide entertainment e.g. games, web portals, magazines for customers would also need a different approach.

The essence of the customer development methodology i.e. generating tests to verify hypotheses could be used as basis for more specialized methodologies that target certain type of business models. Instead of having a customer development methodology that aims to target all type of startups it could be divided into several frameworks based on the emerging business model or industry. This would not be delimited purely to data collection methods but also to the phases and passing conditions of pursuing with the execution of company building measures. This could be an area where there is an opportunity to conduct further research.

6.2 THE BUSINESS OPPORTUNITY

It is very hard to determine whether it is possible to establish with certainty that there lies a business opportunity within this domain for BI Partner before a business deal actually has been made. This is mostly due to the customers of BI Partner being large organizations involving several stakeholders and possibly organizational routines and procedures which may hinder product adoption which might not have been exposed during this study. It is only possible to claim that this study has reduced uncertainty through more information, but it is not possible to actually make any certain claims that this is a business opportunity.

There does also seem to be positive strategic implications for pursuing this venture for BI Partner. This report did not focus on strategic implications but there seems to be positive strategic affects that may be derived from the implication of the new venture on the business model. Firstly a closer collaboration with customers allows for a better understanding of sticky information (von Hippel, 1994) among customers which in turn would lower future transaction costs. This knowledge also provides competitive advantage (von Hippel, 1994) by imposing switching costs for the customers by changing suppliers, which in turn creates barriers to entry. Secondly, by tailoring their offering towards their current customer segment BI Partner is able to potentially create superior value over generic offerings targeted towards a larger market. These strategic implications were not discussed in the analysis but are worth mention due to its importance in understanding all benefits in pursuing the venture.

BI Partner does also seem to have a problem in communicating the value proposition towards their customer segments. The sales manager and CEO at BI Partner expressed that their current customers have been acquired through the CEO’s personal connections with key-stakeholders among the customer organizations and that future sales are dependent on having access to key-persons among new customers. This approach has hitherto been effective for the company but there seems to a problem in ways of communicating the value BI Partner may offer customers to increase the likelihood of gaining access to key stakeholders. Further research in regards to their value proposition may investigate if there are ways to communicate customer problems which could increase the likelihood of gaining access to key persons.
CONCLUSIONS

The purpose of this research was to determine whether this customer request would constitute as an entrepreneurial business opportunity for the company BI Partner and contribute to the field of entrepreneurial business opportunity evaluation. The following three sections will answer each research question that was stated to fulfill the purpose of this research, and the fourth section will summarize the discussion regarding the customer development methodology in terms of entrepreneurial business opportunity evaluation.

7.1 DOES THERE SEEM TO BE A DEMAND AMONG (CURRENT AND POTENTIAL) CUSTOMERS FOR PURSUING THIS ENDEAVOR? (RQ1)

There does seem to be a demand for pursuing this venture related to different identified problems among customers. All customers had a similar checkup-routine where the controllers in either a manual or automatic way created a summarized sheet comprised of the most important operative figures for each manager’s respective business unit. This routine can be abstracted and generalized into two parts, (1) the work process and (2) the summarized sheet. Problems were identified for different parts of this routine dependent on the characteristics of different customers' routines. Some customers expressed an urgent problem with the summarized sheet which involved both a lack of presenting desired figures and its method for presenting these figures. This problem stemmed from the customers using an automatic process of creating these summarized sheets which did not allow the controllers to manually configure the content and layout of the summarized sheet. Other customers that relied on a manual process of creating the summarized sheet did not experience this problem since they used software where they were able to manually edit the desired aspects of the summarized sheet.

Other customers experienced an active or latent problem with the work process of this checkup-routine. A majority of the interviewed customers had to manually address the collection and processing of key figures for the summarized sheet. This work process was both time exhausting and frequently involved human-made errors which caused disturbances. There is seemingly a lot of time to be saved among customers by automating this work process which could be an attractive opportunity. Even though automating the work routine was seen as a latent problem among most of these customers, this problem is arguably the biggest opportunity to pursue for the company due to its large potential of saving costs related to work-hours and miscommunication among customers.

The requesting customer Capio might be perceived as what Blank & Dorf (2012, p.58) refer to as an Earlyvangelist having realized that they could save a lot of time and effort automating this work process. This means that there are reasons to believe that they have gotten a lot further in the process of adopting a solution similar to the one hypothesized by BI Partner by realizing its benefits. Investigating Capio might thus provide the opportunity to relate their situation to other customers.
7.2 WHAT WOULD AN OFFERING DEVELOPED FROM THIS OPPORTUNITY LOOK LIKE? (RQ2)

There is seemingly an opportunity to create a single software solution that solves both two identified customer problems for most customers. An offering developed to match demand would due to its software capabilities be developed through different phases to promote effective product adoption (Rogers, 1995, p. 227). The biggest obstacle identified in regards to the new offerings is an effective product adoption (Blank & Dorf, 2012, p. 121). Greve (1998) have found that organizational change is often perceived as risky and hence inhibits product adoption. The first phase would therefore have to strive to maximize compatibility with their current work routines while still providing relative advantage through solving experienced problems. For the customers experiencing a problem related to the summarized sheet the new solution would incorporate desired changes to the layout of the summarized sheet while still automating the work process. For customers that experienced latent problems with the work process the new solution could automate the work process and still provide the same outcome as their current checkup-routine, and hence, provide relative advantage to their current routine while still being compatible with their current practices.

In subsequent product launches there is the possibility of introducing incremental improvements of this software solution in terms of both content and layout. These incremental improvements may originate from the initiative from both the customer and BI Partner. The customer may experience the demand to change the summarized sheet (as in the current case of the customer requesting the solution from BI Partner). There is also the possibility that BI Partner may suggest changes to this solution towards customers based on experience from other customers and their knowledge of the domain.

7.3 HOW CAN THIS OPPORTUNITY BE PURSUED USING BI PARTNER’S CURRENT BUSINESS MODEL? (RQ3)

This new business venture can be integrated and expand BI Partners current business model, especially related to the value proposition, customer relationships and revenue streams. The current customer segment of BI Partner can in terms of value created by this offering be segmented in regards to the problems they are experiencing with their current checkup-routine i.e. (1) customers having a manual work process, (2) customers lacking data in the summarized sheet and (3) customers where the checkup-routine is ineffective. There are some indications that the value created will differ between each of these segments and that most value will be created for customers having a manual work process (1).

The previously suggested approach of launching this product in sequential phases is deemed to likely strengthen the relationships that BI Partner has with their customers. BI Partner currently relies on a working very tight with their customers and the new solution is likely to further tighten these relationships. By adopting the previously proposed offering, BI Partner will have to be involved in
making modifications of the summarized sheet for each customer. The current customers of BI Partner have hitherto frequently incorporated organizational change leading to a demand of services from BI Partner. This means that if this trend continues, the summarized sheet will have to be continuously developed to match customer demand from organizational changes.

Most of BI Partner’s current revenue streams stems from consultancy fees that BI Partner charge their customers for continuous development and improvement of their offerings. The new proposed offering will arguably add to this type of work which consequently will increase the revenue streams. Due to the likelihood that this new product will add to reoccurring consultancy work for BI Partner there might be reasons to take a customer life-time-value perspective and subsidize the initial adoption of this product for customers. Much more research is however needed in order to determine the attractiveness of this strategy.

7.4 THE CUSTOMER DEVELOPMENT METHODOLOGY FOR ENTREPRENEURIAL BUSINESS OPPORTUNITY EVALUATION

The essence of the customer development methodology i.e. the practice of conducting tests prior to investing time and effort in new ventures is seemingly a sound approach for new ventures regardless of context. There are reasons to believe that the customer development methodology in its current form should be more narrowly delimited towards ventures under more specific conditions e.g. ventures where the possibility of validating essential information prior to execution is possible. The suggested approach of collecting and validating customer information is arguably also most suitable for specific venture conditions and further research could contribute to this area.

For this case the customer development methodology was very much effective in regards to the suggested customer data collection and validating method. The reason that the customer data and validation method was effective is deemed to be due to the interview subjects having recognized and reflected on the problem area prior to the interview. The proposed conditions of evaluating the opportunity in terms of proceeding into executing measures was also seemingly to much extent valid for this case. This was due to the possibility of being able to simulate the essential bits of the new venture prior to investing time and effort executing the idea.

7.5 FINAL CONSIDERATIONS

The purpose of this research was to investigate whether this request would constitute an entrepreneurial business opportunity for the IT-company BI Partner. The findings of this research do give some indication that this request might constitute a business opportunity, the findings are however not able to state this as deterministically true, but should instead be considered as having improved the likelihood that this is an area where there might be an opportunity to pursue. In order to progress in to a more determinant state, further research needs to be conducted among customers, especially in terms of investigating feedback from decision-makers related to this domain.
8 REFERENCES


Vesper K. H. (1990) "New Venture Strategies". University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship


9 APPENDIX 1
New product business model hypotheses

9.1 MARKNADSSTORLEK (MARKET SIZE)
Hur stor skulle du uppskatta att den totala marknaden för Mina sidor är?
Hur stor skulle du uppskatta att den marknaden som idag går att nå med nuvarande säljkanaler är för Mina sidor?

9.2 ERBJUDANDE (VALUE PROPOSITION HYPOTHESIS)
Vad är den långsiktiga visionen med Mina sidor? (Måla upp ett scenario för hur produkten används och löser ett problem för kunden)
Vilken funktionalitet måste Mina sidor innehålla?
Hur kommer kunder kunna dra nytta av Mina sidor? (Vilket eller vilka problem löser Mina sidor för kunden och dess intressenter)
Vad är det minsta eller minst komplicerade problem som en kund hade varit beredd att betala för som Mina sidor löser?

9.3 KUNDSEGMENT (CUSTOMER SEGMENTS)
Är kunden medveten om problemet / de problem som Mina sidor löser?
Hur löser kunderna själva detta problem idag?
- Finns det konkurrerande alternativ från andra företag för att lösa detta problem?
Vilka aktörer (intressenter) är inblandade i problemet?
Hur ser en arbetsdag ut för dessa aktörer (intressenter) i samband med problemet?
Om de känner till problemet:
Vilka termer använder kunder sig av i samband med problemet?

9.4 NYCKELRESURSER (KEY RESOURCES)
Kommer det behövas några nya typer av resurser för Mina sidor som BI Partner inte har idag? (t.ex. fysiska, finansiella, immateriella eller humankapital)

9.5 SAMARBETSPARTNERS (KEY PARTNERS)
Kommer det behövas några nya typer av samarbeten för Mina sidor som BI Partner inte har idag?
9.6 INKOMSTKÄLLOR (REVENUE AND PRICING)

Hur ser intäktsmodellen ut för *Mina sidor* dvs. hur är tanken att BI Partner kommer att tjäna pengar på *Mina sidor*?

Hur många kunder tror du kommer att välja att köpa/använda sig av *Mina sidor*?

Hur mycket uppskattar du att *Mina sidor* kommer att kosta kunder?

Hur stor investering kostnadsmässigt och tidsmässigt skulle du uppskatta att kunden måste investera för att använda sig av *Mina sidor* (om man bortser inköpspriset)? Utbildning, förändrade processer etc.
10 APPENDIX 2
INTERVIEW GUIDE - MANAGER AT CAPIO

En stor del av mitt examensarbete går ut på att undersöka om enheter i större organisationer kan bli mer självständiga från de centrala delarna genom mer effektiva stöd. Därför så vill jag veta hur detta praktiskt går till och vilka utmaningar som finns inom området.

Vad gör en verksamhetschef på Capio?

Hur ser en typisk arbetsdag ut för dig?

Vilka huvudområden består beslutsfattandet av i ditt arbete?

Hur mycket av ditt beslutsfattande rör personalfrågor?

Hur påverkas ditt beslutsfattande av andra beslutsfattare från centralt håll i organisationen (t.ex. från huvudkontoret)?

Skulle du kunna ge ett exempel?

Hur använder du dig av budget i ditt arbete?

Hur använder du dig av prognoser i ditt arbete?

Hur använder du dig av nyckeltal i ditt arbete?

Finns det nyckeltal som är viktigare än andra?

Skulle du säga att det finns utmaningar med att bedriva ditt arbete när du påverkas från centralt håll i organisationen (t.ex. från huvudkontoret eller någon annan beslutsfattare som påverkar)?

På vilket sätt är det en utmaning?

Vilka är utmaningarna med att använda sig av nyckeltal?

Kan du ge ett exempel?

Är det svårt att förstå nyckeltal?

Tycker du att nyckeltal på ett bra sätt speglar den underliggande verksamheten?

Vilka är utmaningarna med att använda sig av budget?

Kan du ge ett exempel?

Vilka är utmaningarna med att använda sig prognosvärden?

Kan du ge ett exempel?
Hur sker kommunication mellan dig och controllers på Capio?

Vad brukar denna kommunication innehålla?

Vad är den vanligaste ämnesraden i mail mellan dig och controllers?

På vilket sätt spelar ekonomiska aspekter in i ditt beslutsfattande?

Tycker du att det är svårt att förstå ekonomiska effekter av ditt beslutsfattande?

Hur använder du dig av id-kortet i ditt arbete?

Vad är de positiva effekterna av att använda id-kortet?

Finns det några brister i användningen av Id-kortet?

Finns det något som id-kortet saknar?

Finns det något som du hade velat ändra med Id-kortet?

Finns det någon fråga rörande ämnesområdet som jag inte har ställt dig i dag och som jag borde ha frågat dig? Är det något viktigt som jag har missat?
11 APPENDIX 3
INTERVIEW GUIDE FOR CONTROLLERS
FIRST EDITION

Syftet med studien är att undersöka eventuella utmaningar kring kommunikation av verksamhetsmål och direktiv från centralt håll till andra delar av verksamheten.

I synnerhet så undersöks utmaningar kring att få verksamhetschefer att prioritera rätt saker och få ekonomisk förståelse i sitt beslutsfattande.

Problemområdet

Kör presentationen av det som anses vara ett utmaningsområde och exemplifiera det.

Arbetsprocesser

Hur använder ni er av verksamhetsmål för beslutsfattande i er organisation?

Hur kommuniceras detta inom organisationen?

Använd ni er av olika nyckeltal så som KPI:er och resultaträkning för denna typ av kommunikation?

Om ja, hur använder ni er av dessa?

Vilka är det som använder sig av denna typ av data?

Vilka är det som producerar den?

Vilka är det som mottager den?

Hur följs verksamhetsmål upp?

Hur går ni till handling för att åtgärda ej uppfyllda mål?

Används budget- och prognosdata för att kommunicera mål inom organisationen?

När används denna data för att kommunicera mål?

Vilka inom organisationen är det som framställer denna data för att kommunicera direktiv?

Vilka är mottagarna av denna data?

Har ni inom organisationen upplevt att beslut från övre ledning inte har följts upp av chefer eller andra beslutsfattare på lägre organisationsnivå?

Har detta lett till problem inom organisationen?

Om ja: Varför tror du att detta problem uppstod?
**Om ja:** Skulle du säga att detta är ett problem som ni i er organisation skulle vara intresserade av att lösa?

Anser du att det är svårt för beslutsfattare att kommunicera verksamhetsmål till andra inom organisationen?

Varför / varför inte?

Anser du att chefer och beslutsfattare på lägre organisationsnivå har svårt att ta till sig direktiv rörande verksamhetsmål från högre ledning?

Anser du att det händer att verksamhetsmål inte följs upp pga. att det är svår förståelig? 

Varför / varför inte?

**Om ja:** Skulle du säga att det utgör ett problem i er organisation?

Har ni aktivt letat efter lösningar t.ex. (verktyg/hjälpmedel) för att bättre kunna kommunicera mål inom er organisation?

Använder ni er av några verktyg/hjälpmedel för att kommunicera data inom organisationen idag?

Vilket / vilka?

Om ja:

Varför har ni valt att använda er av detta?

Är ni nöjda med den hjälp som hjälpmedlet/verktyget tillhandahåller?

**Om Ja på 4,5 eller 6:**

Tror du att bättre verktyg skulle kunna effektivisera kommunikationsflödet av verksamhetsmål i er verksamhet?

Hur?

Om det idag fanns en bra lösning till att enkelt och lättförståelig kommunicera verksamhetsmål, hur intresserade skulle ni i så fall vara av att börja använda er av en sådan lösning?

**Lösning**

Visa den av Michael konstruerade lösningen
12 APPENDIX 4

INTERVIEW GUIDE FOR CONTROLLERS SECOND EDITION

Hur gör ni i er organisation för att era verksamhetschefer ska få bättre ekonomisk förståelse?

Vilket tillvägagångssätt tycker du fungerar bäst för att verksamhetschefer ska få bättre ekonomisk förståelse?

Vad tror du gör att vissa verksamhetschefer har svårt med ekonomisk förståelse?

Har vissa verksamhetschefer svårare med ekonomisk förståelse än andra?

Anser du att det finns bra verktyg som hjälper verksamhetschefer till att få bättre ekonomisk förståelse?

Använder ni er av något sådant verktyg?

Finns det några brister i det verktyget?

Fungerar detta/dessa verktyg lika bra för alla verksamhetschefer?

Hur interagerar du med verksamhetschefer?

Hur använder ni er av verksamhetsmål i er organisation?

Hur använder ni er av budget i er organisation?

Hur använder ni er av prognoser i er organisation?

Hur använder ni er av nyckeltal i er organisation?

Vad tycker du är svårigheterna med att använda sig av budget?

Vad tycker du är svårigheterna med att använda sig av prognoser?

Vad tycker du är svårigheterna med att använda sig av nyckeltal?

Vad är svårast med ditt arbete i kommunikationen med verksamhetschefer?

Hur ser en typisk arbetsdag ut för dig?

Är det någon fråga rörande mitt forskningsområde: att få verksamhetschefer till att få bättre ekonomisk förståelse som jag inte ställt dig men som jag borde ha ställt till dig?

Sist, om du kunde vifta med ett trollspö för att få bort ett valfritt problem i din vardag, vilket problem skulle du då vilja trolla bort?
APPENDIX 5
INTERVIEW GUIDE BUSINESS MODEL

Kundsegment (Customer segments)

1. Vilka olika kundsegment har BI Partner?
   a. Utifrån vilka kriterier har kundsegmenteringen uppdelats?
   b. Behov?
   c. Andra attribut hos kunderna?
2. Finns det några kundsegment som skulle kunna nås men som BI Partner har valt att inte gå efter?
3. Finns det andra kundsegment som inte ingår i BI Partners kundkrets idag som ligger nära i framtiden?

Erbjudanden (produkter och tjänster) (Value propositions)

1. Vad för sorts erbjudanden (produkter och tjänster) erbjuder ni era kunder idag?
2. Vilka behov uppfyller (vilka problem löser) era erbjudanden hos olika kundsegment?
3. Skulle du säga att det går att göra en kartläggning mellan era erbjudandens utmärkande drag och/eller funktionalitet och de krav (behov) som finns hos era kunder?
4. Varför väljer era kundsegment ert erbjudande över konkurrenters erbjudanden?

Försäljningskanaler (Channels)

1. Hur uppmärksammar ni era olika kundsegment om era erbjudanden?
2. Hur påverkar ni kunder när de utvärderar era erbjudanden?
3. Hur genomförs ett köp av era erbjudanden?
4. Hur genomförs leverans efter köpet?
5. Hur ges kundsupport efter ett köp?

Kundrelationer (Customer relationships)

1. Hur bygger BI Partner en kundrelation?
2. Hur inleds relationen?
3. Hur underhåller BI Partner sina kundrelationer?
4. Sker någon efterförsäljning till kunder?

Inkomstkällor (Revenue streams)

1. För vilket värde är de olika kundsegmenten beredda att betala för?
2. Hur prissätts de olika erbjudandena?

Nyckelresurser (Key Resources)
1. Vad för typ av resurser krävs för att producera de olika erbjudandena till kunder? (t.ex. fysiska tillgångar, finansiella tillgångar, immateriella tillgångar, humankapital?)
2. Vad för typ av resurser krävs för att nå ut till de olika kundsegmenten?
3. Vad för typ av resurser krävs för att leverera de olika erbjudandena till kunder?
4. Vad för typ av resurser krävs för att bygga relationer med kunder?
5. Vad för typ av resurser krävs för att underhålla relationer med kunder?

Nyckelaktiviteter (Key activities)

1. Vad för typ av aktiviteter krävs för att producera erbjudanden? (t.ex. designa, skapa, kvalitetsgranska utifrån kundbehov o.s.v.)
2. Vad för typ av aktiviteter krävs för att nå ut till de olika kundsegmenten?
3. Vad för typ av aktiviteter krävs för att leverera de olika erbjudandena till kunder?
4. Vad för typ av aktiviteter krävs för att bygga relationer med kunder?
5. Vad för typ av aktiviteter krävs för att underhålla relationer med kunder?
6. Vilka är de viktigaste processern i verksamheten?

Samarbetspartners (Key partners)

1. Vilka samarbetspartners har BI Partner idag?
2. Vilka är era leverantörer?
3. Vilka resurser tillhandahålls från samarbetspartners?
4. Vilka nyckelaktiviteter utförs av samarbetspartners?
5. Vilka samarbetspartners är essentiella för verksamheten?

Kostnadsstruktur (Cost structure)

1. Vilka är de viktigaste kostnaderna att hålla koll på för verksamheten?
2. Vilka är de största kostnaderna?
3. Finns det någon kostnad eller kostnader som är bortom företagets kontroll och som är oundvikliga för verksamheten?
## APPENDIX 6

Table used for basis of discussion in customer interviews.

<table>
<thead>
<tr>
<th>Utmaning</th>
<th>Dagens lösning</th>
<th>Ny lösning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vissa verksamhetschefer skulle behöva en bättre ekonomisk förståelse.</td>
<td>Återkommande möten för att vidta åtgärder</td>
<td>Förbättrat IT-stöd i form av ett sätt att presentera data mer lättförståeligt för verksamhetscheferna:</td>
</tr>
<tr>
<td>• Svårt att se sambandet mellan egna beslut och ekonomiska effekter.</td>
<td>Leder i vissa fall till toppstyrning istället för självstyrande verksamheter (enheter).</td>
<td>• Anpassade värden till användaren</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Förklaring av målvärden</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Förklaring för hur värden är beräknade och vad de består utav.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Förklarande grafer istället för siffror</td>
</tr>
<tr>
<td></td>
<td></td>
<td>= Den viktigaste informationen för verksamhetschefen samlad på ett lättförståeligt sätt.</td>
</tr>
</tbody>
</table>