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TITLE:

BUSINESS MODEL CONFIGURATION IN FINANCIAL ADVISOR SECTOR. THE CASE OF POLISH SME

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Master's Thesis Title: Business Model Configuration in Financial Advisor Sector. The case of polish SME.

ABSTRACT

This study examined a proper business model for financial advisor sector in polish SME. It analyzed the research question "How to build a proper business model for SME, operating in Polish Financial Advisor Sector?" and identified the importance of 10 business model elements for successful business management.

The theoretical business model configuration was explored by qualitative research method with supplementary of a shorter descriptive survey from ends users. Both methods showed the importance of mainly 6 components from theoretical business model.

Findings in this study supported the theory and brought more clearlity in business model configuration. Business model plays an important role for running a succesful business, but its framework is very unique not just within different business sectors, but also within the size of companies, its regualtions or politics even in the same sector.

1 INTRODUCTION

1.1 Background

I would like to start my Master thesis by transforming American economist Frank Knight's quote about risk and uncertainty to my thesis topic. The origin sounds:

"If you don't know for sure what will happen, but you know the odds, that is a risk. If you don't even know the odds that is uncertainty"

I applied and modified it according to relevance of business model: "Doing business with a proper business model is a risk. Doing business without designing a proper business model is uncertainty". It concludes that every enterprise with intention or not employs a particular business model which describes its business logic, how the value proposition is created and delivered, and money captured. Moreover, according analysis of 91 enterprises survey done by Westerlund, Rajala & Leminen (2008) business model has an effect to firm's profitability and thus, designing a proper business model is a key decision for an entrepreneur who creates a new enterprise.

Discussions about business models and their effect to business results started not so many years ago. It seems that the biggest attention to this topic came after Osterwalder's doctor thesis which has been followed by his and Pigneur book "Business Model Generation" in 2009. This book could be called as a revolution in the business models' discussions. In addition, authors represented business model canvas which became as status quo for designing every business model. This book spread very fast among business school, universities, start-ups and experienced companies and it looks like their business model canvas became the most usable business model's framework in the world. Even though Osterwlder's thesis was quite complicated and difficult to read and understand because of its scientific pattern, his book was totally opposite. It is very simple to read, understand and implement. Actually, Osterwalder and Pigneur write that it is "*a handbook for visionaries, game changers and challengers*" which states the easy usability of the concept. This book became as a very important and big innovation in business models' generation, because that scientific research became commercialized and implemented in various businesses.

On the other hand, even though Osterwalder's success with designing business model canvas has no doubts, I found out his definiton of business model too long and complicated. From my point of view, it should be explained in shorter and much easier way. My aim with this Master thesis is to help enterpreneurs and firms‘ managers, especially in financial advisor sector in Polish market, to understand better the importance of business model desing and to implement it. Thus, firstly, I see the essence to explain the meaning of business model in the short and simple way and to clarify its difference with strategy.

Secondly, I described the definition of Small- and Medium-sized Enterprises (SMEs) regarding Polish context and introduced to Polish financial advisor sector with some historical pattern. And finally, as many still have different opinions about positive effect of designing and impementing business models, I decided to prove its relevance and why it is a key task before starting any business.

1.2 Definition of business model and its distinction from strategy

The term “business model” has been defined in various ways by different authors. My theoretical review consists of 7 articles related to this concept. Table No 1 represents the summary of explanations by different authors.

Casadesus-Masanell R. & Ricart J.E. , 2010	“*<…> ‘a good business model’ as the one that provides answers to the following questions: ‘Who is the customer and what does the customer value’? and ‘What is the underlying economic logic that explains how we can deliver value to customers at an appropriate cost?’* ”
Chesbrough H., 2010	“*In previous work with my colleague Richard Rosenbloom we have suggested that a business model fulfils the following functions:* • *Articulates the value proposition* • *Identifies a market segment and specify the revenue generation mechanism* • *Defines the structure of the value chain required to create and distribute the offering <…>* • *Details the revenue mechanism by which the firm will be paid for the offering* • *Estimates the cost structure and profit potential* • *Describes the position of the firm within the value network linking suppliers and customers*

	• *Formulates the competitive strategy by which the innovating firm will gain and hold advantage over rivals*."
Itami H. & Nishino K., 2010	*"A 'business model' is commonly seen as composed of two elements: a business system and a profit model. While the latter gains the higher profile, the former is arguably the real 'meat' of a firm's business model. Not only does it act as the 'system of works' that actually produces and delivers the firm's products and services. It is also the locus where a firm can lean about its operations and the behaviors of its suppliers and customers."*
Osterwalder A., 2004	*"A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing a company's logic of earning money. It is a description of the value a company offers to one or several segments of customers and the architecture of the firm and its network of partners for creating, marketing and delivering this value and relationship capital, in order to generate profitable and sustainable revenue streams."*
Shafer S.M., Smith H.J. & Linder J.C., 2005	*"<...> we define a business model as a representation of a firm's underlying core logic and strategic choices for creating and capturing value within a value network."*
Teece D. J., 2010	"*The essence of a business model is in defining the manner by which the enterprise delivers value to customers, entices customers to pay for value, and converts those payments to profit*."
Zott C. & Amit R., 2010	"*Building on existing literature, we conceptualize a firm's business model as a system of interdependent activities that transcends the focal firm and spans its boundaries*."

Table No 1. Summary of various business model definitions

Although the definitions and suggested frameworks differ from author to author, the main meaning seems to be the same – it represents the logic of the firm. In addition, it also describes how enterprise will deliver its products or services to the target customers in the profitable way. So connecting these two sentences leads to the business model definition, which I found out the shortest, simplest and easiest to understand and explain:

Business model represents the logic of the firm and describes how it will deliver its products and services to the target customer in the profitable way.

From one point of view, general definition seems short and clear, but on the other hand, business model design differ from business to business as they have different set of activities, including the existing resources and capabilities to perform them. As general theoretical definition does not have a direct effect to business model design or framework and it is just an explanation of the term, it is better to define the latter in general, without keeping in mind particular business.

Thus, business model is a tool to define what kind of company should be built to commercialize the business idea (Zott & Amit, 2010). To explain it in more practical way, let's take Google as an example, represented by Itami & Nishino (2010). Google business idea or logic is to earn money by selling its site space to advertisers, who deliver messages to Google users. Latter pays nothing for service or service providers that makes Google platform very attractive. On the other hand, to increase its revenues Google needs to increase advertising sales that means increasing usage of Google search services. At the same time, Google seeks to minimize the costs of providing the free of charge search services. Its search platform functions very quickly and is able to handle volumes of information that makes it very adorable to both – their users and advertisers. Without this Google's business idea would never worked in profitable way (Itami & Nishino, 2010).

On the other hand, many authors, writing about business model, compare latter with strategy. Even though from the first perspective these terms seem to be similar or even the same (both concepts seek profit by differentiating value proposition to customers), they actually differ from each other and at the same time complement each other.

The best distinguish between business model and strategy is described by Itami & Nishino (2010). They stated that business model realizes the strategic intention, which usually is the same for every firm – "*to achieve various kind of differentiation from its competitors*" (Itami & Nishino, 2010). Putting it in more practical understanding and coming back to Google example, it could be explained that Google's strategic intent is to sell placement in search results (being profitable) and to provide the best user experience (delivering value proposition). Business model will design Google's activity system and cash flows' plan while strategy will take a place in decisions like setting pricing model, allocating activities for in-house or outsourcing, selecting distribution channels, etc. For the financial advisor company, the strategy intent could be to deliver financial advices in profitable way and their business model would describe the method how they will impact its target customers by earning money. Their business model would direct result their strategic choices and consequences.

In summary, strategy is a pattern of choices made over time while business model is a reflection of these choices and their operating implications. Thus, business model can be used to implement, analyze and communicate strategic choices (Shafer, Smith & Linder, 2005), but it is not a strategy itself.

1.3 Definition of Small- and Medium-sized Enterprises (SMEs) regarding Polish context

"User guide to the SME Definition", which has been published by European Union in 2015, states that "*SMEs are the engine of the European economy*". They represent 99% of all businesses in the EU. In addition, in 2013 small and medium companies provided almost 90 million jobs throughout the EU by driving economic growth and ensuring social stability. It also stimulates commercialization of new business ideas and innovation. Similar effect to its own countries GDP growth has SMEs in Poland.

According to Wikipedia web site, SMEs sector in Poland creates almost 50% of the GDP: 29,6% micro companies, 7,7% small companies and 10,4% medium companies (statistics from 2011). In the same year from total amount of 1,784,603 entities operating in Poland, just 3,189 were classified as "large" while the rest of 1,781,414 were micro, small or medium. In addition, SMEs sector employed 6,3 million people from the total of 9,0 million of labor in the private sector and definitely had a big impact to economic and social stability growth. The Economist journal in their article "Business risks and opportunities in Poland" writes that the strongest SMEs in Poland come from electronics, wholesale & retail trade, services, construction and manufacturing sectors.

Poland is a member of European Union from 2004 and as has defined SME according the official SME definition constructed by European Union (Bakiewicz, 2012). According to official EU web site the essential factors determining if an enterprise is an SME are: staff headcount and turnover or balanced sheet total. These factors divide SMEs into three size categories. Table No 2 represents SME definition in Poland:

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

Table No 2. European Union SME definition (*Source:* www.ec.europa.eu)

These numbers apply just for individual firms. If a company is a part of a bigger enterprise, the staff headcount or turnover or balance sheet total should be included too.

Bakiewicz (2012) writes in her article that majority of enterprises in Poland are micro ones, which employ less than 10 workers. The same states Mariola Misztak-Kowalska, the Director of PARP (Polish Agency for Enterprise Development) Department, in her presentation ”Polish experience in SMEs development”. Figure No 1 symbolizes the distribution of SMEs in Poland.

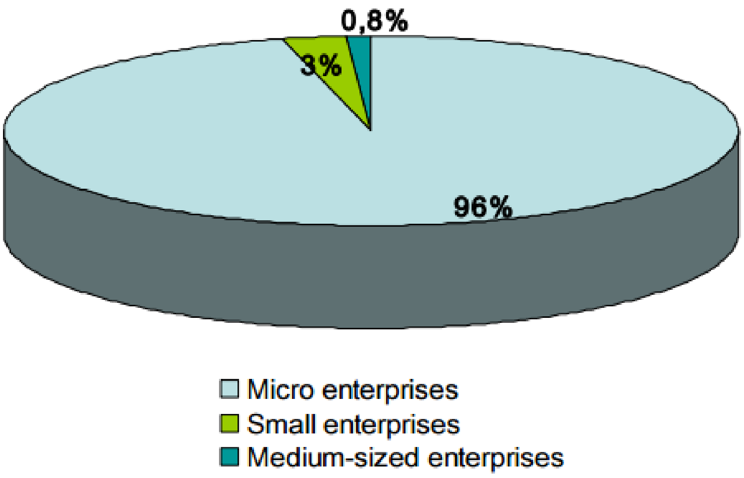

Figure No 1. SMEs distribution in Poland (*Source: Misztak-Kowalska*, *2012*)

Although the share of micro enterprises is especially large in Poland, the size of small companies are below Europe average: the size in EU is 3,2 compared to 2,9 in Poland (Bakiewicz, 2012). This means that Poland is more entrepreneurial than other European countries. On the other hand, Poland has smaller shares in production (47% compared to 58% in EU) which gives a result that Poland is not as efficient in SME sector as EU. Comparison of factors discussed above leads to conclusion about Poland SME: this country is less developed in this sector comparing with other European counterparts (Bakiewicz, 2012).

Summing up, from one point of view, the development and efficiency of SME sector in Poland is below EU average, but form another point of view, it is huge and dynamic. None can argue polish SMEs crucial rule in country's economic growth and employment as 70% of labor is employed in SME sector. In addition, they play a large part in exports (1/3 of SME operating in Poland were engaged in export according 2009 year's statistics).

1.4 Introduction to polish financial advisor sector with historical pattern

As it was discussed above, SME plays an important part in polish economy growth, especially employment sector. On the other hand, the leading financial advisors in Poland in 2014 by deal value are big international banks and financial companies. In addition, according to Financial Sector Assessment (2014) Poland's financial system remains dominated by banks. They account for about 70% of financial assets. Figure No 2 represents the leading financial advisors in Poland by deal value in 2014.

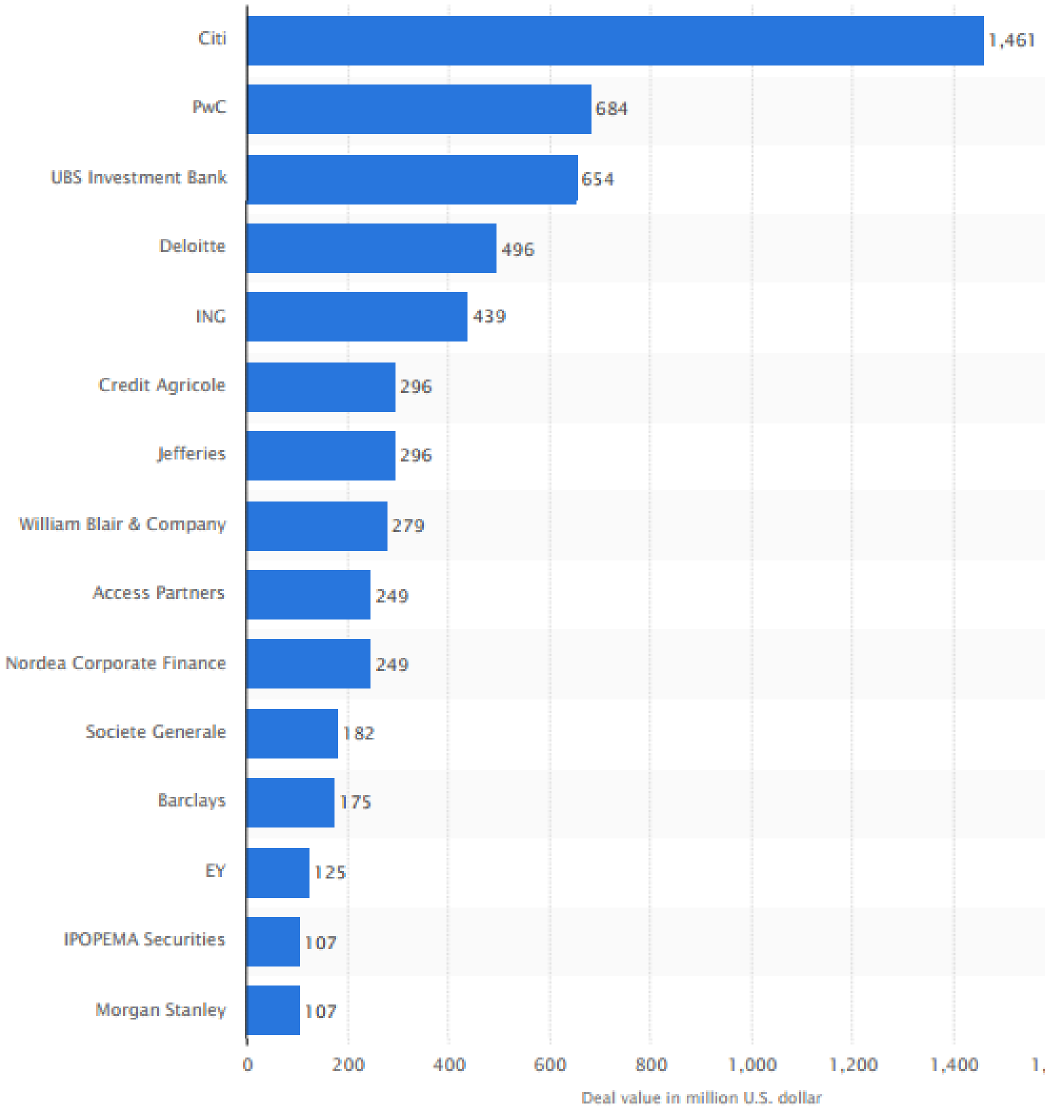

Figure No 2. Leading financial advisors in Poland in 2014 by deal value (*Source:* www.statista.com)

Numbers above points to conclusion that personal financial planning in Poland regarding SME is still on the early stage. Moreover, according to Waliszewski (2014), by EFPA certificate[1] holders' amount most financial advisors are not independent and they are employed by big banks such as Dom Inwestycyjny Xelion Sp. z o.o., Raiffeisen Bank Polska SA, Pekao SA, HSBC Bank Polska SA, Alior Bank SA, Nordea Bank SA, DZ Bank Polska SA, BRE Private Banking & Wealth Management, PKO Bank Polski, Deutsche Bank Polska SA. This does not allow for financial advisors in Poland to offer all financial products which are available on the market, but mostly the ones they have in their banks. This situation could be explained by historical pattern.

The origin of the financial advisor profession comes from USA, where in early 1970s an initiative was taken by 13 people. This initiative developed the creation of financial advisors with Certified Financial Planner (CFP) certificate, which involved education, certification, practical learning and acting according to the ethical code. United Kingdom adopted this American system in 1985 and created the Institute of Financial Planning becoming a first mover of financial advisor sector in Europe continent (Waliszewski, 2014).

The personal financial advisory market in Poland is actually just a decade old. The first steps were taken in 2014, when the idea to create an Independent Financial Advisory Services in Poland arose. In the same year the ethical code for financial advisors was introduced by EFFP[2] and in 2005 it awarded the first certificates in Poland (Waliszewski, 2014). As it was mentioned above, most certificates were issued to financial advisors working in big banks that does not allow to serve people in independent way by suggesting a wide range of products.

The reasons for Poland to be still in an early development stage regarding personal financial planning could be several. The main ones, which Waliszewski (2014) points out, are:

1. The lack of regulation for the profession.

[1] EFPA is a certification system, which is designed for financial advisors in continental Europe. It consists of 2 levels – European Financial Advisor (EFA) and European Financial Planner (EFP). Every financial advisor and financial planner which has been certified by EFPA has passed a three stage assessment process. It composes from special exam, signing the EFPA Code of Ethics and agreement to update competence within the EFPA Continuous Professional Development Program (Waliszewski, 2014).
[2] European Federation of Financial Professionals.

2. The lack of knowledge and experience requirements, institutional and legal frameworks for the profession as it is too open now and does not create the public trust which is crucial for future development.
3. The lack of mandatory certification for financial advisors.
4. Mistaking financial intermediaries selling financial products for financial advisors.

In addition, Waliszewski's empirical study which he did with 177 independent financial advisors shows that "*the main barrier in advice market development in Poland is the lack of consumer awareness in the need of personal financial planning*". People in Poland are not used to pay for financial advice and have a low savings rate or lack or regular savings habit. At the same time, Waliszewski's study showed a positive trend regarding future as 60% advisors see the growth of financial advisor's role in the future.

To sum up, short Poland's experience in personal financial planning does not allow financial advisors to do their job and to make people enjoy the benefits of their job. It includes the increase of wealth or prevention of lose, better quality of life and bigger satisfaction, reduced risks of debts and bankruptcy, the sense of freedom. For this reason, financial advisors in Poland play an important role in educational process as they are also teaching people about personal financial planning and increasing their knowledge about it. They educate people not just about investing money, but also about planning personal finance, balancing consumption and saving for future. Therefore, it is very important for financial advisors in SME sector to implement a proper business model to be more efficient in their work and to serve people in better way.

1.5 Relevance and research purpose of business model concept

Academic research, according Zott & Amit (2010), has dedicated little attention to this topic even thought lately it became popular to discuss about business models, what they are and how they can be used. In addition, designing a proper business model leads to an important consequence such as firm's ability to create and capture value (Zott & Amit, 2010) that is every successful business core. Moreover, Westerlund, Rajala & Leminen (2008) in their article, where they presented analysis based on survey from 91 companies, concluded that business model affects firms' profitability. So designing business model gives opportunity to enterprises not just to create value, but also do it in beneficial way. There are no doubts that most business ideas seek to be commercialized and converted to money.

On the other hand, recently more and more papers started to discuss business model term and represent several perspectives with various frameworks, but many firms still remain confused how to implement the concept. There is no one clear definition or one proper scheme which could be used for different types of businesses. So the results of an Accenture study, which consisted of 70 executives from 40 companies, are not surprising. It showed that 62% executives had it difficult to describe how their own company makes money – the basis of a business model (Shafer, Smith & Linder, 2005). So how these types of companies can innovate or be ready for changes, if they do not know where the money comes from.

In addition, Casadesus-Masanell & Ricart (2010) stated that companies which have taken the benefits of implementing business models turned out to be more innovative and more competitive. They represented IBM's Global CEO Studies for 2006 and 2008 which showed "*that top management in a broad range of industries are actively seeking guidance on how to innovate in their business models to improve their ability to both create and capture value*". If such big company as IBM understands the importance of implementing and innovating in business model, it is definitely needed to explain and to spread the knowledge of this concept to smaller or new enterprises to help them to be a part of successfully growing economy.

To sum up, I believe that a proper business model design is a key task for the starting entrepreneurs. It plays an important and powerful role in company management. Improved knowledge about architecture of business model and a proper framework with its key parameters will help firms to be more competitive, successful and flexible in this changing market. It will also promote common understanding between managers and researches and will encourage their cooperation. So, how to build a proper business model for SME, operating in Polish Financial Advisor Sector?

2 THEORETICAL BUSINESS MODEL CONFIGURATION

2.1 Literature review

Business environment is getting more and more competitive, rapidly changing and hardly predictable due to growing uncertainty. New technologies changed the way of communication and information exchange. Economic environment becomes more and more global, that makes competition even tougher. Firms are looking for new ways to gain a competitive advantage and seek to be innovative in their value proposition. Moreover, the unpredictable market changes require flexibility and sharp reaction to adopt with the new customer needs. Trying to meet those needs, getting paid for it and making a profit are really challenging in these days. Therefore, managers need a powerful tool for analyzing, measuring, understanding, implementing and communicating their strategic choices. Thus, business model could be an appropriate toolkit that enables entrepreneurs to design their business logic. In addition, it could help managers to analyze and improve their current situation to make it fit for the changing market in the future.

It is clear that most managers especially in Small- and Medium-sized Enterprises (SME's) do manage their companies by intuition and could describe their business logic, but in many cases they rarely able to communicate it in a clear and simple way (Osterwalder, 2004). In addition, even less could sketch it on a paper or divide it in let's say special sections or parts like customer segmentation, value proposition, distribution channels, revenue streams or cost structure. Accordingly, business logic or model design is "*a key decision for a new firm entrepreneur <…> and a crucial – perhaps more difficult – task for managers charged with rethinking an old model to make their firm fit for the future*" (Zott & Amit, 2010).

Literature review covers 7 different business model concepts which have been summarized and represented in this part. To begin with Itami & Nishino (2010), they represented business model as a composition of two main elements: business system and profit model. Figure No 3 illustrated the first part of their Basic Business Model.

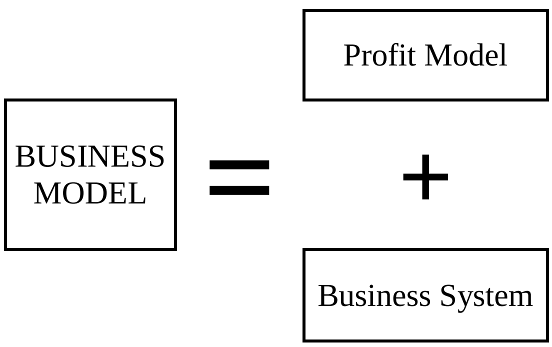

Figure No 3. Basic Business Model *(Source: Itami & Nishino, 2010)*

Itami & Nishino (2010) states that common different authors understanding of business model leads basically to two main elements which define the business model term. First one they called business system and the second one – profit model. Business system was represented as "system of works" which firm designs "*to deliver its products or services to its target customers*" (Itami & Nishino, 2010). Profit model, according them, is a method of company's objective how to make a profit in its business. However, they claim business system as more important element of business model and call it "a real meat" which does "a real work" in realizing the main company's strategic intent.

Zott & Amit (2010) represented business model design from an activity system perspective. They noted that activity system or "*the organizational activities and the links (transactions) that weave activities together into a system*" is crucial to the business model. In addition, they see business model as a wheel towards total value creation for all parties included into the business (suppliers, partners, customers). Besides, Zott & Amit came with two new terms regarding design of activity system: design elements and design themes. Table No 3 presents their concept of business model.

Design Elements	
Content	What activities should be performed?
Structure	How should they be linked and sequenced?
Governance	Who should perform them and Where?
Design Themes	
Novelty	Adopt innovative (new) content, structure or governance
Lock-In	Build in elements to retain business model stakeholders (customers)
Complementarities	Bundle activities to generate more value
Efficiency	Reorganize activities to reduce transaction costs

Table No 3. Business Model Design: An Activity System Perspective *(Source: Zott & Amit, 2010)*

On the other hand, revenue model was also marked as an important part of business model, but they concluded that "*business models and revenue models are conceptually distinct*" and did not discuss it in more details (Zott & Amit, 2010).

Shafer, Smith & Linder (2005) found it difficult to identify business model term. Their review of relevant literature disclosed 12 definitions and 42 different business model components. However, according them, none of these concepts have been completely accepted and implemented by the business society. For better understanding, Shafer, Smith & Linder (2005) classified the business model components into four major groups: strategic choices, creating value, capturing value, and the value network. Figure No 4 demonstrates their perspective.

Strategic Choices	**Value Network**
Customer (Target Market, Scope) Value Proposition Capabilities/Competencies Revenue/Pricing Competitors Output (Offering) Strategy Branding Differentiation Mission	Suppliers Customer Information Customer Relationship Information Flows Product/Service Flows
Create Value	**Capture Value**
Resources/Assets Processes/Activities	Cost Financial Aspects Profit

Figure No 4. Components of a Business Model *(Source: Shafer, Smith & Linder, 2005)*

After categorizing business model components in the affinity diagram, authors came with their definition of a business model: "*a representation of a firm's underlying core logic and strategic choices for creating and capturing value within a value network*" (Shafer, Smith &

Linder, 2005). In other words, their meaning is that business model mirrors the strategic choices. In addition, they pointed out that "*successful firms create substantial value by doing things in ways"* that distinguish them from their competitors. Differentiation can be reached by developing unlike core competencies or capabilities from their competitors or carrying out work activities in a unique way.

Chesbrough states that "*Companies commercialize new ideas and technologies through their business models*" and in his article about business model innovation (2010) indicates special functions which are fulfilled by a business model:

- To articulate the value proposition;
- To identify a market segment and specify the revenue generation mechanism;
- To define the structure of the value chain required to create and distribute the offering and complementary assets needed to support position in the chain;
- To detail the revenue mechanism by which the firm will be paid for the offering;
- To estimate the cost structure and profit potential;
- To describe the position of the firm within the value network linking suppliers and customers;
- To formulate the competitive strategy by which the innovating firm will gain and hold advantage over rivals.

(Source: Chesbrough, 2010)

His main point is that business model is a tool through which companies sell their ideas and technologies. In addition, opposite to Zott & Amit (2010) he includes revenue and cost functions as a part of business model. Chesbrough was the only one who talked about different business models' consequences and concluded that the same idea or technology passed through different business models will lead to different economic outcomes (Chesbrough, 2010).

Casadesus-Masanell & Ricart quote Drucker by describing a business model. They stated that answers to these two questions "Who is the customer and what does the customer value?" and "What is the underlying economic logic that explains how can we deliver value to customers at an appropriate cost?" lead to definition of a good business model. Shortly, business model represents how company creates value for customers and how that value delivery captures profit for company. For better understanding they compare business models with car models. As different car models create and deliver different values for their owners (small and economical or big and fast) the business models do the same – they design specific firm’s logic to create and deliver value to its stakeholders. Moreover, authors compare the analogy of different parts which every car or business model is made from. They mean that different car or business models determine different parts they should be made from. According to them, business models are made from two „parts” or in other words – two sets of elements, which they call concrete choices and consequences of these choices

To conclude, Casadesus-Masanell & Ricart (2010) mean that every firm has a business model as every firm makes some choices which have some consequences. On the other hand, they did not state that every business model is good as it has to consider particular aspects. They discussed different authors’ approaches but did not come with more specific definition by themselves: “*according to our conceptualization, an organization’s business model is an objective (real) entity: choices are made in every organization, all of which will have consequences*” (Casadesus-Masanell & Ricart, 2010).

The last approach which has been noted regarding business model is Osterwalder’s building blocks or business canvas, widely discussed in his dissertation (2004) and followed by his and Yves Pigneur book afterwards (2009).

Firstly it is important to mark that Osterwalder was the only one who discussed about several steps of business model’s process which are needed to take into account for a proper business model configuration. Figure No 5 illustrates his approach.

Design Business Model → Finance Business Model → Implement Business Model

Figure No 5. Business Model’s steps *(Source: Osterwalder, 2004)*

Osterwalder points out that business model will not guarantee success without proper implementation and management. He means that first of all, company’s strategy must be translated into a business model blueprint. Afterwards, management should work towards business model financing; and lastly, business model should be implemented into actual business enterprise. Moreover, he criticizes approaches which are related to business models but actually speak just about parts of it. Thus, according Osterwalder, the working definition of business models is:

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

After defining the business model, Osterwalder emphasizes the importance of business models elements as they compose the main tool for further business planning. Hence, he came out with four major areas of every business and divided them into nine building blocks which are represented in the Table No 4.

PRODUCT	Value proposition
CUSTOMER INTERFACE	Target Customer
	Distribution Channel
	Relationship
INFRASTRUCTURE MANAGEMENT	Value Configuration
	Capability
	Partnership
FINANCIAL ASPECTS	Cost Structure
	Revenue Model

Table No 4. The nine business building blocks *(Source: Osterwalder, 2004).*

The first area which is called Product, according Osterwalder, describes the business the company is in, the products or services it offers and its suggested value propositions. As the main element of the product’s field Osterwalder points out Value proposition. The second area of Customer interface defines the company’s target customer, how the company delivers its products or services to its customers and how strong relationships are built with them. This area was divided into three elements: Target Customer, Distribution Channel and Relationship. The third area which is called Infrastructure management portrays how company performs its logistical issues and defines its main partners. This area has also three elements: Value Configuration, Capability and Partnership. The last area of Financial aspects represents how the cost structure and revenue model are built. It consists of two elements: Cost Structure and Revenue Model.

Later in his book, Osterwalder modified some elements of his previous business model configuration and represented his nine building blocks in this order:

1	**Customer Segments** An organization serves one or several Customer Segments
2	**Value Propositions** It seeks to solve customer problems and satisfy customer needs with value propositions
3	**Channels** Value propositions are delivered to customers through communication, distribution, and sales Channels.
4	**Customer Relationships** Customer relationships are established and maintained with each Customer Segments.
5	**Revenue Streams** Revenue streams result from value propositions successfully offered to customers.
6	**Key Resources** Key resources are the assets required to offer and deliver the previously described elements.
7	**Key Activities** By performing a number of Key Activities.
8	**Key Partnerships** Some activities are outsourced and some resources are acquired outside the enterprise.
9	**Cost Structure** The business model elements result in the cost structure.

(Source: Osterwalder, 2009)

In his book Osterwalder did not speak about four areas of the business he described in his dissertation and focused just about those 9 blocks represented above which also has been called as Business Model Canvas. By this concept, Osterwalder wants to implement business model in simple, understandable and usable way. Each block of his business model canvas is widely described in his book (Osterwalder, 2009):

- for *Customer segments* Osterwlader suggests to define the different groups of customers or organizations, the ones, that company wants to reach and serve. The main question should be answered in this section is “What are the most important enterprise’s customers?”
- for *Value Proposition’s* section Osterwalder emphasizes the importance of describing “*the bundle of products and services that create value for a specific Customer Segment*”. From his point of view, enterprise could suggest something totally new in the market; it could be performance improvement regarding existing product or service; it could be also created tailored products or services to special customer needs; or it could be different design, price, and other features.
- for *Channels’ block*, he points out the importance to describe how company is going to communicate and reach its clients. This section should cover and define several or all five Channel Phases: awareness, evaluation, purchase, delivery and after sales. The main idea is to find a right bundle of channels to bring Value Proposition in the way which satisfies customers’ needs to be reached.
- for *Customer Relationships*, Osterwalder suggests to specify the types of relationships with each Customer Segment. These relationships can be ranged from personal assistance to automated services.
- for *Revenue Streams*, it is important to answer the question “What value each Customer Segment is willing to pay for?”. Osterwalder describes different ways how Revenue Streams can be generated. For example, asset sale or usage fee, subscription fees, licensing, advertising.
- for *Key Resources*, the main issue is to define key assets required to make a particular business model work. As an example, it could be physical, intellectual, human or financial. Some or all of them can be owned or leased, or acquired from key partners.
- for *Key Activities*, enterprise should answer questions like “What key activities are needed to do Value Proposition? Or Customer Relationships? Or Revenue Streams?” Key activities should describe the main actions a firm must take to run business successfully.

- for *Key Partnerships*, a network of key suppliers and partners should be defined. It is very common now to create joint-ventures or alliances to optimize business or to reduce the risk, or to acquire resources, or to allocate activities.
- for *Cost Structure*, the last block in the Osterwalder's business canvas, it is important to describe all costs included for operating business. Some companies are cost-driven and are focused on minimizing costs whenever it is possible. Other companies are more value-driven and instead of costs, have more attention for value creation. Cost structure usually consists of two main parts: fixed costs and variable costs.

A framework of Osterwalder's Business Model Canvas, which has been described above and which spread widely in the world for simple and easy usage, can be found as an Appendix No 1 in the Appendix section of this thesis.

2.2 Theoretical business model configuration

After introducing different approaches and definitions of business models with real firms' examples, I came up with my framework to integrate and relate the best ones. Thus, Figure No 6 represents the main parts and its elements of my theoretical business model configuration.

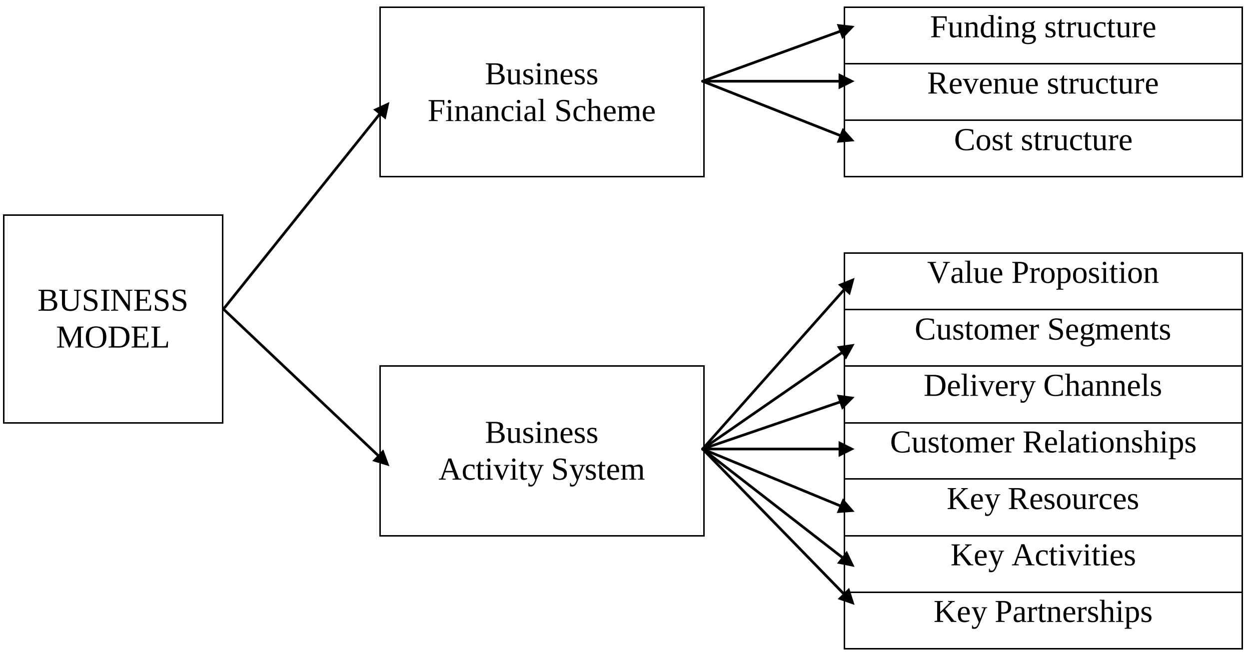

Figure No 6. Framework of a theoretical business model configuration (*Source: own drawing*)

From my point of view, a proper business model should consist of two main parts: Business Financial Scheme followed by such elements as Funding, Revenue and Cost structures; and Business Activity System, followed by seven elements such as Value Proposition, Customer Segments, Delivery Channels, Customer Relationships, Key Resources, Key Activities and Key Partnerships.

The first part – Business Financial Scheme, defines such elements as Funding, Revenue and Cost Structures. It means that it is crucial to plan money generation for a successful business operation. Money generation starts with funding structure as every business must be somehow financed. It can be private savings, bank loan, investors, etc. Every enterprise should describe its funding structure at least at the beginning of the activity and improve or change it during the operation stage. Revenue structure describes how money will be generated; or in other words, what customers are going to pay for. Moreover, revenue plan should consider the issue what could be done if company is not able to generate enough money to cover its costs. Maybe it is needed to add additional activities to get more money or maybe there is some ways how to reduce or change cost structure. Latter defines the fixed and possible variable costs; and gives opportunity to specify company's goals by being more cost-driven or value-driven enterprise. Moreover, it can show where and what changes can be done to minimize costs or be more efficient; as an example, to get some partners or to outsource some activities, etc.

The second part of theoretical business model configuration is Business Activity System. It consists of seven elements which are connected tightly with each other. These elements design what activities must be done to earn money. The first element was chosen Value Proposition. It is one of the most important parts to define as it summarizes why customers are going to buy a product or use a service. If there is no customer need, doing business is very risky. Another element – Customer Segments – targets customers in certain groups by specific attributes such as age, gender, income level, education level, lifestyle preferences, etc. The third element, which is called Delivery Channels, describes the ways how company will reach its customers. It is crucial to keep in mind that different segment of clients can expect different ways of communication or service. The fourth element of Business Activity System is Customer Relationships. It can be also called as CRM – Customer Relationship Management. It defines the principle how enterprise interacts with its customers. It helps to collect data about every customer and to analyze and forecast customer trends and behavior. Next element – Key Resources – defines the existing resources of the company and needed ones to reach the goal. In other words, it describes the assets company needs to make her business work. The sixth element is called Key Activities. This includes all main activities needed to run a profitable business. It could be advertising, operations, production or other activities which have a significant effect in the company. The last seventh element of Business Activity System is Key Partnerships. This should describe the main individuals or companies which are involved in enterprise activity system and with whom enterprise cooperates tightly.

To sum up, every enterprise is operating by doing specific activities and generating money. For a successful business operation, it is very important to describe in details the ways of generating money together with defining activities which should be done for money generation. It will give a proper overview of business idea in general and if enterprise can be run profitable.

3 METHODOLOGY

Study for this thesis was done by using interviews, which are, according DiCicco-Bloom & Crabtree (2006), "*the most familiar strategies for collecting qualitative data*". Strauss and Corbin in their book "Basics of Qualitative Research. Techniques and Procedures for Developing Grounded Theory" (1998) explains the term "qualitative research" as any type of research which produces findings not by statistical procedures or other source of data which could be classified as quantification. Qualitative research could apply to research about life experiences, emotions, behaviors, feelings including organizational functioning, cultural development, social movements or interactions between nations (Strauss & Corbin, 1998). In other words, qualitative data is a non mathematical process of interpretation where the major part of the analysis is interpretative. Supplementary to qualitative method a shorter descriptive survey of the end user was done.

The purpose of this study is to explore how SMEs are driven in financial advisor sector in Poland. As theoretical configuration has been done, the data research could either support or not that theory. The most important question which has been sought to answer by collecting data is *"How most SME in financial advisor sector in Poland are driven: by implementing particular business model or just by owner's intuition?"* This section describes how the qualitative research was done to analyze and produce the grounded findings regarding research question.

3.1 Sample selection

The analysis is made from qualitative research, based on interpretations which reflect individual experience. For this reason five co-founders and/or CEOs were asked to participate in interviews. This several cases usage yields to stronger, more testable theory than just a single-case research (Eisenhardt K.M. & Graebner M.E, 2007). Cases were selected by using Stake (1994) approach and by following Miles and Huberman six different attributes interpreteded and presented by Curtis S., Gesler W., Smith G. & Washburn S. (2000) whom call these attributes as a „check list". In addition, the recommendations of DiCicco.Bloom & Crabtree were kept in mind, that the sample of selected interviews should be fairly homogenous and share critical similarities related to the research question.

First of all, as Stake (1994) calls it, this study was a "*collective casework*", where several cases were chosen from possible alternatives for deeper and broader research theme's exploration and general investigation. Moreover, designing this kind of qualitative sample makes it possible to develop analytic generalizations[3]. As SME definition included all three types of companies (micro, small and medium), the aim was to select the companies and to collect interviews from at least one company of every type.

Second, the interpretation made by Curtis S., Gesler W., Smith G. & Washburn S. (2000) of six criteria, adapted from Miles and Huberman were followed:

1. Selected sample should be relevant to the theoretical framework and the research question.
2. The sample should be feasible to generate rich information on the type of phenomena which need to be studied.
3. The sample should complement the “generalizability” of the findings.
4. The sample should generate conceivable descriptions and explanations.
5. The sample strategy should be ethical.
6. The sampling plan should be achievable.

This kind of “check list” was essential for purposive sampling strategy in this research. It helped the study to reflect all characteristics relevant to the research question. In addition, it provided broader knowledge and deeper experience which had a significant effect on building theory from data.

In literature review part a proper business model designing came to be a contributing factor to business success. Enterprises with implementing a proper business model were able to be more profitable and competitive. A homogenous sampling of successful businesses[4] could lead to greater improvement of the study, identifying common business models approaches and circumstances they are operating with.

Table No 5 represents the summary of selected cases with background information and their main activity.

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[3] Analytical generalisation involves making projections about the likely transferability of findings from an evaluation, based on a theoretical analysis of the factors producing outcomes and the effect of context. Realist evaluation can be particularly important for this.
Analytic generalisation is distinct from statistical generalisation, in that it does not draw inferences from data to a population. Instead, analytic generalisation compares the results of a case study to a previously developed theory. (*Source*: *http://betterevaluation.org/evaluation-options/analytical_generalisation*)

[4] Successful refers to the meaning that all cases are considered as successfully operating financial advisors' companies. This implication comes from cases' provided information about their market share and net profit during the last 3 years. All cases answered that both factors have increased during the last 3 years.

	Main activity	Establishment year	Current amount of employees	Last year turnover (2015)	Current amount of customers
Case No 1	Financial advisor services B2C, selling investment and insurance products from partners	2014	11	2 100 000 PLN	180
Case No 2	Financial advisor services B2C, selling both – own and from partners investment and insurance products	2007	25	4 900 000 PLN	4000
Case No 3	Financial advisor services B2C, selling investment and insurance products from partners	1998	1	800 000 PLN	1000
Case No 4	Financial advisor services B2C, selling investment and insurance products from partners	2014	2	490 000 PLN	25
Case No	Financial	2012	59	Not provided	700

5	advisor services B2C, selling just own investment and insurance products				

Table No 5. Summary of selected cases with background information and main activity

An interview guide was constructed based on business model's elements which came after theoretical business model configuration.

3.2 Interview guide

The 10 most important elements which seem to play the essential role for successful business became the themes for the study. These themes were transferred into questions and totally it came 16 constructed questions which have been asked all respondents in the same way. This helped to be more structured interview and to collect more relevant data. In addition, it made analysis easier and better to compare both within cases and across the case. Moreover, it gave possibility to make evaluations and generalizations between different cases but within same business sector.

The example of interview guide can be found as attachment in the Appendix section.

3.3 Data collection

Interviews, which were used in the study, were formed by the aim to get to know the interviewee and his experience better and deeper. They were designed by reflecting all necessary characteristics to the research question and structured by developing a structured interview guide. Using structured interviews let to compare answers better between cases as every respondent gets the same series of questions. On the other hand, it limits the set of responses categories and has little room for variation. To reduce the possible risk of this situation, just open-ended questions were used. In addition, the last questions *"Would you like to add something more about business model in polish financial sector?"* allowed respondents to add the important information which has not been asked before and which could have a significant impact to the study.

3.4 Complimentary survey of end users

On another hand, studying financial advisor sector by looking just from company's perspective would not be fairly enough for building a proper business model, because customer needs play also very important role and some of them are hard to be noticed. It is actually a key issue in every business as customers are the ones who pay or do not pay money for your business idea. It has a direct affect for companies' profit as every of them seeks to satisfy customer needs and get money for it. So for creating value proposition, which is one of this study's themes, it is very important to understand existing customer needs. In addition, asking and analyzing customer needs can give a big chance to find out totally another issues that company thought not to be important or was not aware about them and these could be a reason why it loses money or cannot reach a bigger market share.

To account for end user view additional descriptive survey was done. Case No 1 agreed to provide emails to their customer base. Total number of customers was 180, and total number of respondents was 18, which gives a 10% response rate.

All emails included a short description about research purpose and these 4 open questions:

1. Why did you choose financial advisor company? (for example, to buy investment or another financial product, to get a financial advice, to learn how to invest, etc.)
2. How did you choose financial advisor company? (for example, recommendations from friends, family members or colleagues, advertisement, website, etc)
3. What do you expect to get from your financial advisor?
4. What do you think the financial advisor company could improve to meet better your needs?

The aim was to find out why customers choose financial advisor company and what they expect from it. In addition, the answers to the question "How they chose it?" could provide the relevant information for possible delivery channels they are using. On the other hand, some customer needs can be hidden and companies are not aware about them even though they exist in the market. For this reason, a decision to ask about possible improvements to meet better customers' needs was made.

Program Flash Issue was used for sending emails with questions to client to get statistics about delivered, opened and answered questions. Unfortunately, just 50% opened the emails and just 10% answered. Low percentage of opening emails could be because of possibility that some emails went to spam folder. Very low percentage of answering could be because that people were not interesting in answering formed questions or because that questions were open and it usually take much more time to answer than close-ended questions with simple "yes" or "no".

The main focus in this study was on financial advisor companies. Categorization of reported data was made according to the theoretical components. The comparisons within and across the cases were done. Most often used words of phrases in the data collection were named as "headings", which became important factors to data analysis and generalizations.

Data analysis of this study was based on grounded theory approach. In addition, procedures such as open coding, axial coding and selective coding, which have been widely described by Strauss & Corbin in their book (1998), were implemented. Moreover, according recommendations of Strauss & Corbin (1998), two main questions "How would one interpret what the interviewee is saying?" & "What is in this material?" were answered by scanning data to make qualified analysis. Final concepts were transferred into the table, which has been represented in the next section.

4 RESULTS AND ANALYSIS

Table No 6 provides the major results of the open coding analysis of 5 cases describing what is important and less important in a business model for financial advisor sector in Poland. The table shows 5 major headings and 31 subheadings or associated categories emerging from the analysis of respondents' experience regarding important and less important business model aspects.

Major headings	Subheadings/associated categories
TRUST	Customers want to trust financial advisor; Trustful investment products; Trustful company; Customers need to feel trust; In trustful, ethical way.
CUSTOMER	Customer acquisition; Customer satisfaction; Customers want financial freedom; Help to customers; Teach and motivate customers; Invite customers to invest; Customer needs; Recommendations of customers; Good relationships with customers; Meetings with customers.
KNOWLEDGE	Competence; Expert in the field; Devotion; Knowing what to do; Being good at what doing.
PRODUCT	High quality products; Sale of products; Financial products; Investment products;

	Good products; Poor products; Own products.
ADVISOR	Experienced and non-experienced advisors; Relations with advisor; Advisors’ commission; Advisor’s reputation.

Table No 6. Major headings and subheadings of the business model situation

The major headings include the “trust”, “customer”, “knowledge”, “product” and “advisor”. Out of 5 cases applying to 1 of the 5 major headings, all 5 referred to trust and knowledge, 4 to customer and product and 3 to advisor. Subheadings indicate the associated contexts with major headings. Thus, for any financial advisor company, the typical case appears to hold a relatively homogenous conceptual model of this business. However, not all cases included all major headings or all subheadings when describing their business model. Cases typically provided an important role of business model, but did not referred to all 10 themes which were proven to be important from theory.

Major headings, describing the important aspects for business model frequently referred in cases as “trust” and “knowledge”. The subheadings or associated categories reflected descriptions, interpretations, assumptions about the trust and knowledge. The focus on the “trust” most emphasized: a) customers’ trustfulness of advisor, b) trustful investment products, c) trustful company, d) customers need to feel trust, e) in trustful, ethical way; and the focus on “knowledge” most emphasized: a) competence, b) expert in the field, c) devotion, d) knowing what to do, and e) being good at what doing. However, one of the most important major headings “trust” found by research does not directly reflect to any business model elements from theory. On another hand, another very important major heading “knowledge” very clearly refers to Key Resources element defining knowledge and competence as the most important of key resources in the company. This finding supports the theoretical view that key resources are an important part of a proper business model. Another two major headings from study were customer and product. The biggest focus by emphasizing “customer” was: a) customer acquisition, b) customer satisfaction, c) customers want financial freedom, d) help to customers, e) teach and motivate customers, f) invite customers to invest, g) customer needs, h) recommendations of customers, i) good relationships with customers, and j) meetings with customers; and the biggest focus by emphasizing "product" was: a) high quality products, b) sale of products, c) financial products, d) investment products, e) good products, f) poor products, and g) own products. This implies that almost all cases consider both "customer" and "product" as essential parts of business model in financial advisor sector. In addition, the findings about "customer" and "product" refer to even 5 elements from theory: customer relationships, value proposition, key activities, delivery channels and key partnerships. These interpretations from across the cases analysis reflect the major elements from theoretical business model and seem to be important for successful financial advisor business in Poland.

For within cases analysis and better understanding the importance of business model for selected cases, the table of how data within every case supports the theory was made. The principle how this table was made is according to the respondents' answers to the questions which reflected the 10 most important elements of theoretical business model. If the element seemed to be significant to the respondent and he or she mentioned at least one critical word to that element, it was marked as "support". If the answer did not include any particular words or did not include any information which could reflect the importance of the element, it was marked as "not support". Table No 7 represents the within cases analysis by summarizing research data.

Case/Themes	CASE 1	CASE 2	CASE 3	CASE 4	CASE 5
BUSINESS FINANCIAL SCHEME					
Funding structure	support	support	support	support	support
Revenue structure	not support	support	not support	not support	support
Cost structure	support	support	not support	support	not support
BUSINESS ACTIVITY SYSTEM					
Value proposition	support	support	support	support	support
Customer segments	not support	support	not support	not support	support
Delivery channels	support	support	support	support	not support

Customer relationships	support	support	support	not support	support
Key resources	support	support	not support	support	support
Key activities	support	support	support	support	not support
Key Partnerships	support	support	support	not support	not support

Table No 7. Within cases analysis from research data

These within case findings show that just one of the cases (Case 2) supports all elements configured by theoretical model. Case 1 supports 8 elements from theoretical model and the rest three cases support just 6 elements. Most supported elements are Funding structure and Value proposition as all cases defined it in one or another way. This implies that all companies consider Funding structure and Value proposition as key elements of their business model. In addition, elements such as Delivery channels, Customer relationships, Key resources and Key activities also play an important role in business model of financial advisor companies as 4 cases reflected to them. However, Revenue structure and Customer segments were least indicated as just two cases referred to them. This means that revenue plan is not a significant important for running financial advisor business and customer segmentation is not needed for a successful business operation. Overall, the analysis of results showed that most of the theoretical model's elements are important and implemented in financial advisor sector in Poland.

Results from supplementary research of the end users are represented in the Table No 8.

QUESTION	**MOST COMMON ANSWERS**
1. Why did you choose financial advisor company?	To get a financial advice To invest money To take care of my finance To learn or to get more knowledge about investments
2. How did you choose financial advisor	Recommendation of a family member

company?	Recommendation of a friend Internet advertisement
3. What do you expect to get from your financial advisor?	Listening to clients' needs Meeting customer's expectations Safe investment Best solution Wide knowledge Honest, trust Customer service Good listener
4. What do you think the financial advisor company could improve to meet better your needs?	Good customer service Communication Offering financial education

Table No 8. Summary of descriptive survey results

Findings from descriptive survey of end customers revealed the reflection to the 5 business model elements: Value Proposition, Delivery Channels, Customer Relationships, Key Recourses and Key Activities.

First question "Why customers choose financial advisor company" gave important information that clients want not just a financial advice or to invest money, but they also want to learn and to get knowledge about investments. These answers clearly reflect Value Proposition, Key Resources and Key Activities components.

The second question "How they chose the company" provided mainly two answers: recommendations or internet. It implies the connection to Delivery Channels element.

The third question "What customers expect to get from financial advisor" had most various answers. It shows that different customers have different expectations. These results could reflect mainly to all 5 components of business model.

The last question about "What financial advisor company could improve" lead to mostly common 3 answers: good customer service, communication, offering financial education. The last answer shows that end users are really keen to learn about finance and investment products. In addition, a good communication and customer service are also important components. These answers mostly reflect to Value Proposition, Delivery Channels and Customer Relationships elements.

The aim of this study was to find commonalities and variations among the experiences of the financial advisor companies to develop some generalizations about business model of financial advisor sector. To reach this goal, a qualitative research with both within-case and across-case analytical data strategies were implemented. Moreover, a supplementary shorter descriptive survey of the end users was done.

The within-case analysis let to recontextualize the ways the key elements varied in individual circumstances, while across-case analysis allowed to compare the experience of all participants and define categories of significant statements that were common among them (Ayres L., Kavanaugh K. & Knafl K.A, 2003). The findings from supplementary survey gave possibility to identify the reflections to business model elements from the end users perspective.

5 DISCUSSION AND CONCLUSIONS

The primary purpose of this study was to build a proper business model for SME, operating in polish financial advisor sector. Earlier research suggests that a proper business model design eliminates uncertainty and increase the probability of success: "*the probability of long-term success increases with the rigor and formality with which an organization tests its strategic options through business models*" (Shafer, Smith & Linder, 2005). On the other hand, Shafer, Smith & Linder (2005) argues that their "*review of relevant literature uncovered 12 definitions*" regarding "business model" and none of them seems to have been fully accepted by the business community. Moreover, these 12 definitions cover 42 different business model components: from elements to unique building blocks. Some of these components come in only one definition, but others are repeated again and again (Shafer, Smith & Linder, 2005). It seems to be confusing to find the best definition and framework for a proper business model without support from the research.

The results revealed no significant difference in meaning between theoretical business model configured in this thesis and the one used by real companies. These results clearly support the notion that designing a proper business model leads to an important consequence such as firm's ability to create and capture value and that it is a key decision for an entrepreneur who creates a new firm (Zott & Amit, 2010). Still, there is no one common business model which has been used by all respondents. Most of them, accept importance and relevance of mainly 6 components: Funding Structure, Value Proposition, Delivery Channels, Customer Relationships, Key Resources and Key Activities. Other components such as Revenue Structure, Cost Structure, Customer Segments and Key Partnerships play less valuable role in operating business in financial advisor sector in Poland. These findings are based just on research in financial business sector. Other businesses could have a different outcome because of their specific products and services.

After results analysis it seems that Teece (2010) is right by stating that business model is more a conceptual than a financial model. His opinion was supported by this study as just two respondents mentioned revenue structure or cost structure as relevant components in operating their businesses. Different results from theory could be a part of specific business model as mostly financial advisors' earnings are connected with commissions and directly depends on the amount of signed contracts. At the same time, there are not so many fixed costs regarding this business as no any investments are needed for selling financial products, just their time. On the other hand, a tendency when revenue and cost structures seem to play a more important role comes in the bigger companies, where more financial advisors are employed and some fixed costs as their basic salaries or office rent become a part of operations.

The last element "Funding structure" of financial business model part which was generated by theory, seems to be essential as all interviewees clearly agreed with the relevance of funding structure. This component is a key element to start a financial advisor company and the major part provided the "private savings" answers. This implies that starting a financial advisor company in Poland requires some investments (the main one is authorized capital) and possibilities to get finance help from other sources like funds or banks are little, especially for start-ups. Overall, only one element in financial part of business model turned to be important – funding structure. Designing the way how company captures and earns profit (elements such as revenue structure and cost structure) are less important even though it appears relevant in the theoretical model.

Another part of business model which is called Business Activity System and which consists of 7 elements (Value Proposition, Customer Segments, Delivery Channels, Customer Relationships, Key Resources, Key Activities, Key Partnerships) appears to have a significant effect on business model in polish financial advisor sector. It seems that creating value and delivering it to target customers are crucial for financial advisors' companies.

Responses from interviews support the Zott & Amit (2010) approach that business model should imply a different set of activities by allocating existing resources and capabilities. The study showed that the most crucial activity is value delivery to customers. All respondents clearly agreed its significant effect and customers' aspect became the main heading of the study. In addition, Customer Relationships seem to play an important role too. Findings show that mostly relationships are created personally and in very trustful and ethical way. Most respondents mentioned that "customers want to trust financial advisor" or "customers need to feel trust". It implies that financial advisor's personality is very important in successful communication with customers. This statement is also supported by another aspect from the study regarding Key resources element. It came out that knowledge, competence and expertise are the main resources needed for successful value delivery to customers.

However, another two business model activities such as Customer segments and Key partnerships were less significant in running profitable business. This finding could be connected with specific regarding financial advisors' business. Some companies replied by acting independently and selling all possible products in the market, while others seemed to be more depended on their own products (according company regulations) and could not access the products from other companies. Overall, study supports the theory and Zott & Amit

(2010) approach that company needs to define the potential suppliers, partners and customers and to allocate adequate performed activities between them.

Results of supplementary shorter descriptive survey clearly support the qualitative research and theory. Answers from survey reflected to 5 business model components (Value Proposition, Delivery Channels, Customer Relationships, Key Resources and Key Activities) which were identified as the most important for successful business. In addition, several similarities were noticed between qualitative research and supplementary descriptive survey:

1. The importance of customer needs. This clearly reflects to Value Proposition element.
2. Teaching customers about finance and financial products. This follows Value Proposition, Delivery Channels, Key Resources and Key Activities components.
3. Recommendations. It reflects mostly to Customer Relationships element.
4. Honest and trust. It mirrors mainly Customer Relationships component.

To sum up, the descriptive survey results revealed the Value Proposition and Customer Relationships as the most important components as they were reflected most often.

Thus, findings in this study support the theory and at the same time brings more clearlity in this topic. Selecting a proper business model from the beginning is a crucial choice for an entrepreneur who creates a new firm as it includes different activities by allocating existing recourses. On the other hand, it is hard to argue that there is the one single right or proper business model, but it is a powerful tool for designing, implementing, analyzing and communicating strategic choices.

5.1 Limitations of the study

Although the study has reached its aims and the research questions, there were some inevitable limitations. First of all, the resaerch was conducted in english language, not in respondents‘ native language. Some meanings were hard to translate in correct way and for some respondents it was hard to express themselves in another language. Moreover, due to time limits, just an english-polish speaking person was used for hepling with translation not a proffesional translator. Therefore, for proper generalization of results, the study should be done in native language using a proffesional and certified translator in future.

Second, it turned out that company size and its internal regulations, to some extend, might affect the results of building a proper business model. Thus, a study should consist of a bigger size of different sized companies or just one sized compnies should be studied. It could give more accurate results and more fair generalizations.

Finally, trust problems restricted some answers even though the respondents's names or their companies names were hold strictly confidentailly. Interviewees found out it difficult to speak in more details about their business and how it is managed.

5.2 Recommendations for futher research

The results of this study suggest that the concept of builidng a proper business model for financial advisor sector is Poland is essential. This research is therefore a pioneering effor to adapt the theoretical concept and implement it in the real world. Opportunitites for futher study are broad. Thus, this study suggests the following future reccomendations.

First of all, unstructured intwerviews could be used to give more diversity in the respondents' answers. This could bring some other essential aspects regarding business models components than it was found by theory.

Second, this study concentrated on SME operating in polish financial advisor sector. The findings indicate that firms emphasized different elements of business model. One reason to this diveristy could be different type of SME interviewed. Therefore, I encourage others to carry out futher research by expanding the study in one type of SME. Moreover, other countries should be explored.

5.3 Practical implications

Advice from other practicians and findings from the study showed that some elements of business model are really important and it would be reccomended to implement them. Thus, before starting a business every enterpreneur should put his or her attention to these elements and answer the following questions:

1. Funding Structure – How the business is going to be financed at the beginning and in future?
2. Value Proposition – What kind of products and services should be suggested to create the value for particular customers?
3. Delivery Channels – How created products and services should be delivered to particular customers?
4. Customer Relationships – How a particular customer group should be reached?
5. Key Recources – What are the main recources company needs to deliver their services or products and to reach the target customers?
6. Key Activitites – What kind of main activities should be done to deliver the services or products?

Morevoer, an additional attention should be made by creating Value proposition and Customer Relationships as these two elements seem to be very important from end users perspective.

Good luck!

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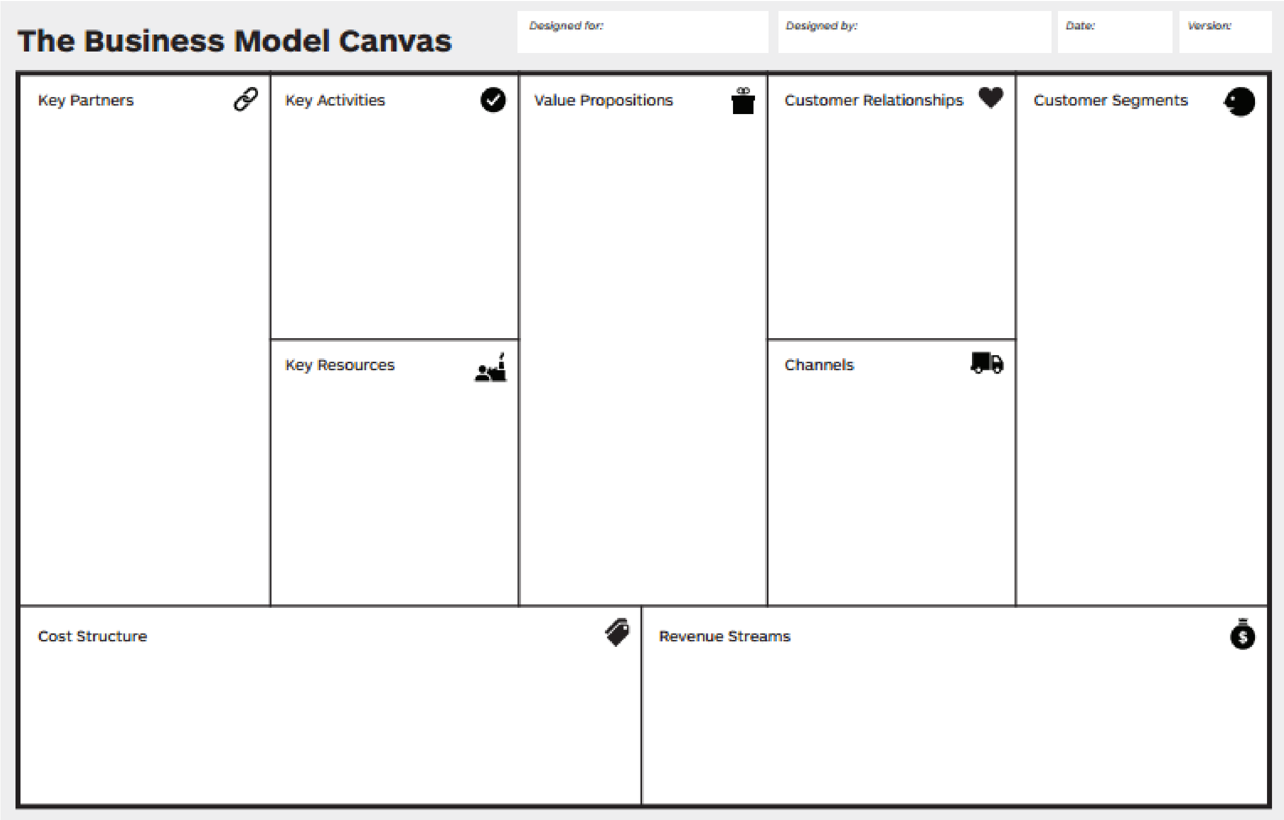
7 APPENDIXES

Appendix No1 – Framework of Business Model Canvas by Osterwalder



(*Source: www.strategyzer.com*)

Appendix No 2 – Interview guide for qualitative research

INTERVIEW GUIDE

Date of the Interview:

Interviewee Information/ Company description	
Establisment year	
Current amount of employees	
Last year turnover (2015)	
Current amount of customers	

During the last 3 years			
Market share of the company	○ Have increased	○ Stayed the same	○ Have decreased
Net profit of the company	○ Have increased	○ Stayed the same	○ Have decreased
Number of employees	○ Have increased	○ Stayed the same	○ Have decreased
Number of customers	○ Have increased	○ Stayed the same	○ Have decreased

Purpose of the Study

The main purpose of the research is to design a proper business model for financial advisor sector in Poland.

Questionnaire
1) Could you tell me how you started your company?
2) How did you finance your company at the beginning? Private savings, mutual found, etc.?
3) How do you finance your company now? If it is still needed.
4) What about your revenue plan? How is it organized?

5) What about cost structure? How is it organized?
6) What do you want to achieve? What is your goal?
7) What do you think customers are looking for when coming to you? What they want from your company?
8) How do you think, why customers choose your company?
9) Have you ever asked your customers why they chose your company? If yes, what was the most common answer?
10) Could you describe who your most important customers are? Maybe you have even several groups?
11) How do you reach your customers?
12) How do you serve your customers?
13) How do you think, what are the key recourses to run a company as yours?
14) What are the key activities to run a company as yours?
15) Could you describe the key partners of your company?
16) Would you like to add something more about business model in polish financial sector?