

## An Exploration on The use of Canvas's Business Model to Create Value in a Food Sector

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*"Business Is About Creating Value Together" R. Edward Freeman*

**Abstract:** The Business Model Canvas has been applied in different sector (industrial, services, newspaper industry), while little has been written about the application in the food sector.

This study outlines the increasing challenges of business model innovation in the food sector. It analyzes the impact on innovation in the food sector and the implications for the modeling business and the innovation process. The empirical research analyses twenty case studies in the food industry, in Emilia Romagna Italian Region.

The findings show that the Business Model Canvas in the food sector needs to be linked to the innovation process and especially with adding the human capital key. In this context, for customer, the product is perceived as unique and authentic; it's required to reduce the number of intermediaries; the technology reinforce the DNA of brand and finally, the management point out conflict and complexity of change.

**Keywords:** Business Model Innovation, Canvas Business Model, Customer value, Entrepreneurship, Food sector, Knowledge, Micro entrepreneurs, Process.

**JEL classification:** M130 – M150

### 1. Introduction

Value can also be created through revolutionary business models. According to Hamel (2000), "to thrive in the 'age of revolution', companies must develop new business models in which both value creation and value capture occur in a value network - which can include suppliers, partners, distribution channels, and coalitions that extend the company's resources" (Zott *et al.* 2011, pp. 11).

The business model Canvas analyses the firm's value proposition, infrastructure, customers, and finances in order to align the activities by illustrating potential trade-offs (Osterwalder 2004; Osterwalder and Pigneur 2010). The model is based on nine components (developed in section 2.3): key activities, partner network, key resources, value propositions, customer relationships, customer segments, distribution channels, cost structures and revenues. According to Osterwalder and Pigneur (2010, pp. 34-35), key resources can be physical, financial, intellectual or human, however the research purposes are focused on human capital, separately from the other components, because this is a fundamental item from the research point of view. "The investment of human capital, the individual's acquired knowledge and skills, can be easily transferred to certain goods and services" (e.g. Romer, 1990; cited in Kwon, 2009, pp. 2). As an intangible resource for the firms, human capital is a crucial element in the transformation process of information to valuable knowledge that will enhance firm

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performance. Human capital is mainly based on individual abilities, knowledge, know-how, talent, education skills and experience of employees in the firms (Bontis et al. 2000; cited in Muda *et al.* 2016, pp. 685) and directly influences SMEs performance, therefore the management are encouraged to put more effort in providing training to employees. “The retention of knowledgeable and skilled employees is important for SMEs in achieving superior performance” (Daou *et al.* 2014; cited in Muda *et al.* 2016, pp. 686).

Based on the reasoning above, the purpose of this paper is to gain a better understanding of how Canvas Business Model is used as a creational value tool. We have outlined two research questions, which by answering will help us gain the understanding of how Internet shapes business model for SMEs working in the food industry. The specific research questions are thus:

- *RQ1: Can Canvas’s Business model be used in a food sector to create value?*
- *RQ2: Is Canvas’s Business model appropriate for creating value in food sector?*

This paper has been structured as follows. The next section describes research approach introducing the Osterwalder and Pigneur (2004; 2010) business model Canvas and the context of the studied companies. Subsequently, the key findings of the study are discussed, and finally, this research concludes the results with the final remarks.

## 2. Literature review

### 2.1. What is Business Model?

The Business Model represents a rationale model for analyzing the main variables in the business context useful in the strategic management process to create value.

According to Margeretta, (2002) firm’s business model analyses the economic logic of how the organization strategy can create value for the customers at an acceptable price with reasonable profit. Some business model definitions proposed by authors are the following.

- “A business model describes how companies create, deliver and capture value” (Chesbrough, 2007; Osterwalder, Pigneur, 2010).

- “The business model analyses the potent value proposition in a profitable way using certain key resources and key processes” (Johnson *et al.*, 2008).

- “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 [...]. It thus reflects management’s hypothesis about what customers expect, how they require it, and how the enterprise can organize to best meet those needs, get paid for doing so, and make a profit” (Teece, 2010, pp. 173).

- “A business model is a representation for creating and capturing value within a value network” (Shafer *et al.*, 2005).

- “A statement of how a firm will make money and sustain its profit stream over time” Stewart and Zhao (2000).

- “The design of key interdependent systems that create and sustain a competitive business” Mayo and Brown (1999).

- “The totality of how a company selects its customers, defines and differentiates its offerings, defines the tasks it will perform itself and those it will outsource, configures its resources, goes to market, creates utility for customers and captures profits” (Slywotsky (1996).

These business model definitions point out the importance to represent the business context with a rationale model in a common direction toward the keywords: ‘value’; ‘resources’, ‘processes’, ‘activities’, ‘profits’.

According to Casadesus-Masanell and Ricart (2011, p.1), “the success or failure of a company’s business model depends on how it interacts with models of other players in the industry (almost any business model will perform brilliantly if a company is lucky enough to be the only one in a market). Because companies build them without thinking about the competition, they routinely deploy doomed business models”.

## ***2.2. The business model in the food sector***

The business model is used as a strategic tool to analyze how to combine the different value chain elements in order to create value and achieve goals.

In order to understand the application of the Business Model Canvas in the food industry, we must highlight the characteristics of the sector and analyze the importance of the innovation as strategic factor for growth and business success.

### ***2.2.1. Food sector and SME’s profitability in Emilia Romagna***

The food sector is one of the three pillars of the Emilia Romagna regional economy. It’s characterized by an important occupational relevance regionally, with a high capacity of export and a high propensity to internationalization. The food sector ranks in the second place by revenues in Italy, after the engineering industry and, at the regional level, the production of Emilia-Romagna represents the 21% of the global revenues of the country (Unioncamere, 2014).

In the food sector the Emilia Romagna is a national leader in various fruit and vegetable production and zootechnical requirements. The main products that present a market trend largely positive are those concerning to the production of meat products and to the production of milk derivatives. The region is depository of many traditional products registered Protected Designation of Origin (DOP), Protected Geographical Indication (PGI) and Traditional Speciality Guaranteed (TSG) and holds specialization indices particularly high in the dairy sector, meat processing and fish, fruit, vegetables and tomato sauces, pasta and baked products, tea and spices. The organized catering and supply of quality restaurant are also highly developed.

The regional companies of this sector are global leaders in food processing, food technologies, food packaging, cold chain, integrated logistics, in the areas of the quality products regulated - food and wine -, but also in the mechanical and agricultural mechanics and process systems (i.e. packaging).

Finally, the growing importance of the health and environment themes, related to the food sector, opens numerous research profiles and technological development in the areas of safety and traceability, sustainability of processes, the preservation of organoleptic qualities and healthy properties, naturalness and functionality of foods (RIS3ER, 2013).

### ***2.2.2. Competitive strategies and SME’s internationalization***

The food industry is an important form of the “Made in Italy” promotion around the world and, in the context of the international trade, agriculture plays a vital role, as pointed out even within the World Trade Organisation (Unioncamere Emilia Romagna, 2014).

The Emilia Romagna is considered as a regional symbol in Europe for its great propensity to export and innovation. However, in 2012 the economic crisis and the earthquake that struck the central areas of the region, have worsened the economic and employment situation. The competitive strategies adopted by companies in the sector are differentiation strategies that focus principally on food quality and safety.

The quality is one of the main characteristics of food products considering the strong sensitivity of consumers towards the nutritional and health of the food, including the hygiene

and health security. This increases the importance of control systems, assurance and communication, with the inevitable increase of the business costs.

The competitive strategies concerning the quality of a product of the food industry in Emilia Romagna are mainly due to the 1) competitive strategy based on prices, which aims to the leadership in the production costs and 2) the strategy of product differentiation, which aims to achieve a sales price greater than the competitors.

The products of the food industry must necessarily ensure the food safety, which refers to the absence of possible negative impacts on the health of consumers. Even the ethical aspects have significant importance in the food sector.

Finally, we should point out that, precisely on the food system (in addition to the building and construction system and to the mechatronics and engines system), the Emilia Romagna region will develop the Smart Specialisation Strategy (S3), according to EU provisions (RIS3ER, 2013).

### ***2.2.3. Innovation as strategic factor for growth and business success***

The research conducted on SMEs shows that they contribute greatly to the innovation system by introducing new products and adapting existing ones to the needs of customers. For SMEs, one of the important sources of competitiveness has been to act as driver for a new generation of ideas (Organisation for Economic Co-operation and Development 'OECD', 2000).

The Emilia Romagna is one of the most known regions worldwide for its culinary excellence, but also as leader on the subjects of production, packaging and services, through the food sector. It integrates deep tradition and practice, innovation and design. The region, universities, research institutions, business organizations and many local authorities cooperate continuously in order to implement the regional ecosystem of innovation.

The SWOT's analysis (see table 1) of the regional innovation system can clarify what are the strengths of the food sector and the opportunities arising from the external environment compared with the weaknesses and the threats (RIS3ER, 2013).

Overall the food sector appears bright for the new ingredients innovation, especially regarding the fields of biotechnology, and information and communications technology (ICT). Several technological advances, especially in the field of life sciences and biotechnology, suggest new methods to achieve two important objectives: the standardization of the quality and stability within the shelf life stated by the manufacturer. In this field is particularly pronounced the commitment of the applied research from public and industrial sources. Simultaneously inevitably emerges the tension on reducing costs, safety and quality (Fondazione Faber, 2006).

Finally we have to point out that the sources of innovation for the Emilia Romagna firms in the food sector are mainly due to: training, recruitment, universities, research organizations, consultants, R&D, customers and competitors. The drivers of innovation can be divided in internal and external drivers. The internal drivers can be summarized as: 1) reduction of cost; 2) safety; 3) processes optimization; 4) time delivery; and the external drivers as: 1) extent of variety; 2) life of the product; 3) timing of the introduction of new products; 4) quality perceived by the consumer.

In conclusion the SMEs in the food sector in Emilia-Romagna are an important part of the industry, and some of them are prestigious for the regional economy. The industry is also competitive in standardized and craft production and this aspect reinforces its resilience and adaptability during the falls of demand (Mazzanti *et al*, 2006).

	<i>Strengths</i>	<i>Weakness</i>
<b>Internal</b>	<ul style="list-style-type: none"> <li>• Industrial system highly integrated around few areas of specialization, highly articulated horizontally and vertically within them;</li> <li>• One of the most specialized agricultural system, oriented to quality products;</li> <li>• High specialization and focus on product innovation and process innovation;</li> <li>• Increasing collaborative relationships between innovative companies and research facilities;</li> <li>• Research system diffused and quite integrated with the production system;</li> <li>• High propensity to export.</li> </ul>	<ul style="list-style-type: none"> <li>• Low level of management to deal with the international competition;</li> <li>• Institutional rigidity of the research organizations;</li> <li>• Limited presence of international centers of excellence in science;</li> <li>• Lack of attractiveness for the “talent”;</li> <li>• Difficulty of growth for innovative and creative start up;</li> <li>• Lack of competitiveness and weak role of services;</li> <li>• Poor ability of integration between agriculture producers;</li> <li>• Unstructured presence in the international markets.</li> </ul>
	<i>Opportunities</i>	<i>Threats</i>
<b>External</b>	<ul style="list-style-type: none"> <li>• Need to address new challenges of change;</li> <li>• Great opportunities and technological paradigm changes;</li> <li>• Expansion of international markets;</li> <li>• High demand for new needs.</li> </ul>	<ul style="list-style-type: none"> <li>• Macroeconomic and institutional overview at the national and European level;</li> <li>• Deflationary national policies and its social, welfare, finance local, domestic demand consequences;</li> <li>• Excessive competition at the international level;</li> <li>• International financial instability;</li> <li>• Rapid changes in climate.</li> </ul>

**Table 1: The SWOT analysis of the Emilia Romagna food sector**

Source: Our own elaboration

### **2.3. Introduction to the Business Model Canvas**

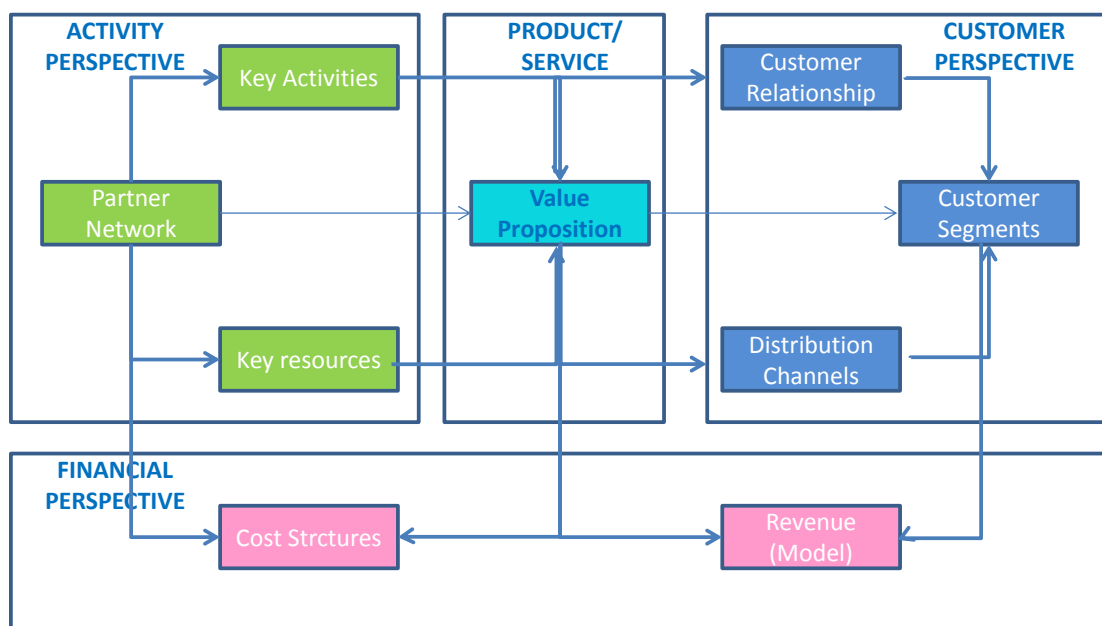
Developed by Osterwalder (2004, pp. 157) and Osterwalder and Pigneur (2010) the business model Canvas views the phenomenon from the perspective of a company. The model is divided into nine parts (Figure 1):

- Customer Segments: which customers a company wants to achieve.
- Value Propositions: collection of products and services that a company offers to meet the customer needs.
- Distribution Channels: the distribution partners are important actors of a company.
- Customer Relationships: relationship type that a company wants to create with their customer segments.
- Revenues: how a company makes income from each customer segment.
- Key Resources: the resources that are necessary to create value for the customer.
- Key Activities: the most important activities in executing a company's value proposition.
- Partner Network: relationship type the company wants to create with their customer segments.
- Cost Structures: describes the most important monetary variable as consequence of different business models.

These nine components cover the four main areas of a business:

- Customer Segments, Distribution Channels, Customer Relationships
- Value Propositions
- Key Activities, Network Partnerships, Key Resources
- Revenues, Cost Structures.

These components are put together in a table that demonstrates their connectivity with each other (Figure 1) and the efficiency of the business is allocated to the left side, while the value to the right side of the Canvas (Osterwalder and Pigneur, 2010).



**Figure 1: The Business Model Canvas**

Source: Adapted from Fritscher and Pigneur (2010)

### 3. An Empirical Test Application of the Canvas's business model for 20 SME

Emilia-Romagna is the second region in Italy in terms of gross saleable production and the first in terms of agri-food value: 25 billion euro in 2014. It's also first in terms of number of products with designation of origin labelling (41 products, 15% of the national total and 3% of the EU total) and fifth in Italy for the number of traditional agri-food products (7% of the national total).

#### 3.1. Methodology and Analysis

There are two research studies that will result in different outcomes depending on the data the researcher aims to collect (Saunders *et al.*, 2009). In a qualitative research, collected data is non-numerical, meaning that it cannot be measured in numbers and be quantified. While in a quantitative research the data collection is numerical and can be measured in quantitative measures (Saunders *et al.* 2009; Bryman & Bell, 2011). The research questions in this studies could be answered by both qualitative and quantitative research since the thesis aim to examine how SME's operate in food sector use Internet to create value. A qualitative approach will facilitate the understanding of how SME implement the Canvas Model in their business. Creswell (2014) argue that a qualitative research increases the understanding of the topic studied.

Taking into account the research objectives, the subsequent interviews were semi-structured (Pawson, 1996). Most of the interrogations were based on multiple-choice questions, with single or multiple answers allowed and open-ended questions (Foddy, 1993) were also developed. Twenty interviews was conducted through in-depth with managers of SME – where they showed their perspectives about the nine blocks as the centerpiece of Osterwalder and

Pigneur model (2010) updated by a tenth namely human capital have been realized. A total of 56 questions dealing for this research (see appendix, pp. 12-14). The interviews were conducted from May 12 to June 26 2015, nearly seven weeks. Each interview lasted on average three hours and three hours of reporting. To improve the quality and validity of the research, several procedures were followed (Tracy, 2010) and various triangulation procedures (Patton, 1990 and Tracy, 2010) were also undertaken.

### ***3.2. Overview over the Business Models in the Examined food sector SMEs***

The model shown in Figure 1 has been applied to a major Emilia Romagna's private food producers, providing the following results:

20 businesses in the food sector were interviewed using the Canvas model, spread among the 5 provinces of eastern Emilia-Romagna as follows: 4 in the province of Bologna, 4 in Ferrara, 4 in Ravenna, 5 in Forlì-Cesena and 3 in Rimini.

All the companies in our sample work in at least one of the districts and one of the main regional supply chains (fruit and vegetable, wine, dairy, livestock, cereals and industrial tomatoes).

Most of those interviewed were owners and CEOs of the businesses (60%), others were service managers (25%) and still others were simply the founders (15%). The average age is 30-50.

12 companies surveyed are B2B and 12 do B2C (number totals more than 20 as some companies do both B2B and B2C). Of the businesses doing B2B, most work with restaurants and specialist shops (66%), with wholesalers and traders (58%) and with large-scale distributors (58%). 25% of companies surveyed work with Eatly. Of those who do B2C, most have a farm shop (66%), others take part in local farmers' markets (45%) and still others make use of e-commerce (25%).

70% of companies work only within the Italian market, the remaining 30% work in a foreign market.

The main value that all businesses interviewed (100%) seek to convey to their clients is the uniqueness and authenticity of products linked to the local area. The second value is the the product quality (90%) and the third is linked to upgrading their own business model (75%).

All companies surveyed (100%) have introduced important innovations in products and marketing (web, brands, events, etc.). 80% of companies have brought in process innovations. 15% have brought in innovations in staff training.

Customer relationships are handled by the CEO directly and by service managers in 50% of companies. 40% also maintain relationships using the internet. 20% maintain relationships with sales agents.

The total revenues of the qualitative sample is €233,820,000 with an average revenue of €11,961,000.

55% of business is located in a mid-price range, 25% in high-end and 20% at the low end.

The main key resources of companies interviewed are skills and passion for work (60%) and the role of owners and CEOs (55%). Other important resources are business organisation (40%), owning property (35%) and working methods (30%). 10% believe the area in which they work is an important resource.

Key activities are primarily linked to production: processing (95%), cultivation and farming (65%), raw material and process checks (40%). Others have to do with customer relationships: shop management (35%) and marketing activities and on-line marketing (35%). 15% of businesses surveyed believe Research & Development to be a key activity and only 10% think the same of partnerships.

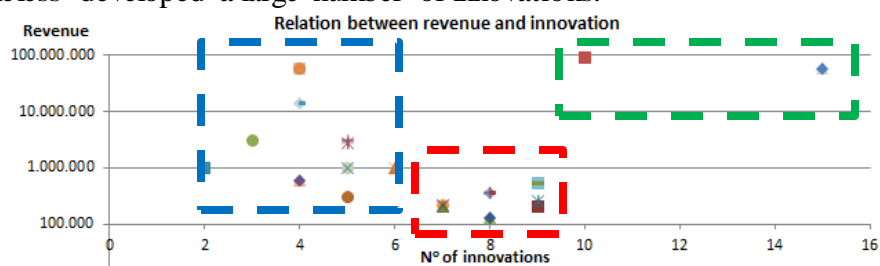
Key partners to businesses interviewed are suppliers of raw materials (85%) and goods and services suppliers (70%). Technical consultants are also important partners (30%). 15% have entered into partnerships with universities and research centres and believes this to be relevant to their business. It is interesting to note that one SME interviewed believes friends to be a main partner.

Main structural costs are cited as raw materials (85%) and payment to employees and operating partners (85%). Other costs which feature prominently on business balance sheets are bureaucracy (60%) and the energy needed to run the business (50%). 25% believe that marketing is the main cost.

55% of the companies surveyed believe that the most important human capital is made up of the family, which is often fully involved in managing the company. 45% believe that the most important skills are those related to product creation. 30% believe that it is important to organise training opportunities for their staff. Only two companies (10%) said they believed on-line and digital skills were indispensable. Two more companies think that consumers are the most important human capital.

#### 4. Findings

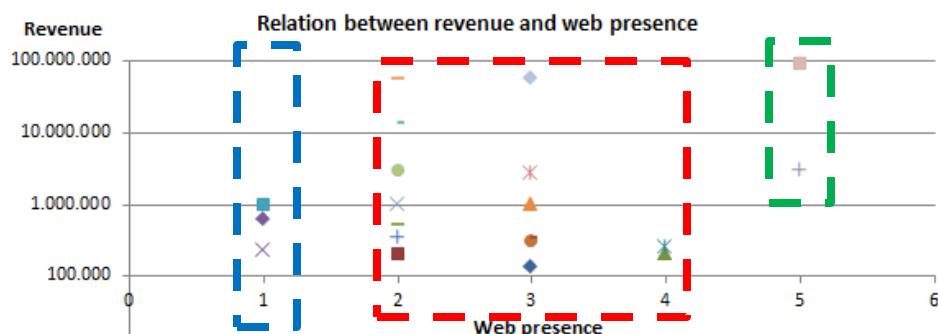
From the first combination of strategic analysis on the ratio of turnover to the number of innovations we can see the two companies with the highest turnover are also those that have introduced the highest number of innovations. SMEs with a turnover of less than € 1 million have nevertheless developed a large number of innovations.



**Table 2: The relation between revenue and innovation**

Source: Our own elaboration

The second combination is the ratio between turnover and on-line presence. 35% only have an info-commerce website, 30% have a 2.0 site with blog and links to social networks, while only 10% have a website with e-commerce. Both companies with e-commerce have a turnover of over 1 million euro (see table 3).

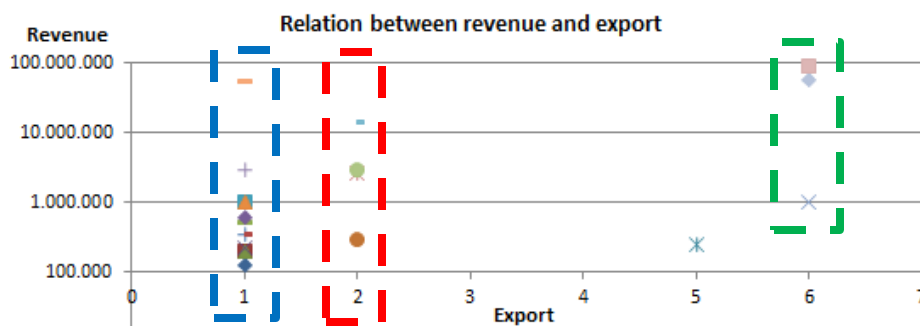


The X-axis values are as follows: 1 = no website, 2 = info-commerce website, 3 = web 2.0, 4 = e-commerce site, 5 = web 2.0 site with e-commerce.

**Table 3: The relation between revenue and web presence**

Source: Our own elaboration.





The X-axis values are as follows: 1 = export only in Italy, 2 = also exports to EU, 3 = also exports to Africa, 4 = also exports to America, 5 = also exports to Asia, 6 = all export

**Table 4: The relation between revenue and export**

Source: Our own elaboration

The second and third combination allowed us to note that companies less evolved on-line are also less likely to export and, vice versa, businesses with the most advanced on-line presence are also more likely to work on foreign markets (see table 4).

## 5. Conclusions and implications

This is the lesson learned from the research

- The authenticity and uniqueness of the product are common factor and reference point, but are contextualised in a new way;
- The direct management of customer relationships, with the aim of greater cash control and no longer having to depend on intermediaries, is the impetus to changes in processes and products;
- Innovation and marketing have entered the companies' DNA, replacing 20th century approaches focusing on production. Moreover, innovation and marketing are becoming integrated and are interpreted originally and in a way appropriate to the business and its organisation. Brand reputation, events to engage customers, appeal to the culture of the area, looking for new products and new ways to present them are becoming distinctive and impressive, thanks to the internet and social networks;
- In almost all the companies interviewed, there has already been or there is an ongoing generational shift or societal shift, indicating conflict and complexity of change at the same time. Traditions, the land and a passion for their work, alongside technology, are essential to human experiences which no-one wants to abandon because everyone understands they are carrying out a social function important both to their area and for the modern world.

The findings show how this adapted model fits well with the Food sector and identifies nine Osterwalder and Pigneur's block of business model which would lead to increased both SME and customer value. Despite the fact that this is an explorative study and needs to be applied to a larger number of customers, and testing via subsequent regression analysis, some early managerial implications from the SME operate in Food sector perspective are outlined.

According to our questionnaire submitted to our sample, results show how SMEs implemented management measures to increase competitiveness through strategies to develop the latent potential of both the company and the territory. These actions come from the optimal management of generational change (Woodfield, 2012), which saw the interviewed managers

to support the company without changing crafts and traditional features of the company and the territory it is located in. These features were also enhanced by the use of web 2.0 and new technologies. As Nielsen and Lund (2012, pp. 15) already stated, the coherence of the strategic choices of the company, which enable relationships to create value at its operational, tactical and strategic levels. The business model is therefore the platform which connects resources, processes and the supply of a service which results in the fact that the company is profitable in the long term.

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### Appendix: Questionnaire for the marketing manager of the 20 Emilia Romagna SME

Topic	Questions																											
1. Customer Segments	<i>Describe the different groups of people and/or organizations to which the company is targeting</i>																											
	1. Who are the people/organizations for which the company creates value?																											
	2. Who are the main customers of the company? (On what kind of markets the company is positioned:																											
	○ mass																											
	○ niche																											
	○ segmented																											
	○ diversified																											
	○ multi-sided																											
	3. What kind of product /service they absolutely need?																											
	4. In which market-areas the company operates and what percentage of the total business?																											
		<table border="1"> <thead> <tr> <th>MARKET</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Local</td> <td></td> </tr> <tr> <td>National</td> <td></td> </tr> <tr> <td>Europe Union</td> <td></td> </tr> <tr> <td>Russia and confederates countries</td> <td></td> </tr> <tr> <td>North Africa</td> <td></td> </tr> <tr> <td>Middle East</td> <td></td> </tr> <tr> <td>Central and South Africa</td> <td></td> </tr> <tr> <td>US and North America</td> <td></td> </tr> <tr> <td>Central and South America</td> <td></td> </tr> <tr> <td>Asia (China, India, Japan, etc.)</td> <td></td> </tr> <tr> <td>Oceania (Australia, New Zealand)</td> <td></td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	MARKET	%	Local		National		Europe Union		Russia and confederates countries		North Africa		Middle East		Central and South Africa		US and North America		Central and South America		Asia (China, India, Japan, etc.)		Oceania (Australia, New Zealand)		Total	100%
	MARKET	%																										
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Total	100%																											

2. Value Propositions	<p><i>Indicate the mix of products/services that creates value by customer segment</i></p> <ol style="list-style-type: none"> <li>1. What are the products/services on which is built the value proposition of the company?</li> <li>2. What are products/services that help the client to get a functional result, social, emotional, or to meet basic needs?</li> <li>3. How will the products/services provide the company to create advantages for customers: <ul style="list-style-type: none"> <li>o functional utility</li> <li>o social benefits</li> <li>o positive emotions</li> <li>o cost savings</li> </ul> </li> <li>4. How the products/services offered by the company relieve the customer sufferings/fatigues?</li> <li>5. How do they eliminate or reduce the negative emotions, the costs and the undesired situations together with the risks that the customer experiences or might experience before and after the usage of the product or service?</li> <li>6. In relation to the experiences so made, which are the most important innovation decisions choices of over the last 3-4 years? At the level of: <ul style="list-style-type: none"> <li>o products</li> <li>o services</li> <li>o organizational processes</li> <li>o responsibility of company employees</li> <li>o training internal expertise</li> <li>o partnership</li> <li>o sharing of key suppliers</li> <li>o distribution choices</li> <li>o tools and web policy</li> <li>o digital marketing and online communications</li> <li>o brand reputation</li> <li>o e-commerce</li> <li>o corporate social responsibility</li> </ul> </li> </ol>
3. Channels	<p><i>Describe how the company achieves its customers segments to present and provide the value proposition</i></p> <ol style="list-style-type: none"> <li>1. Through which channels the company distributes value to their customers?</li> <li>2. How the different customer segments desire to be reached ?</li> <li>3. Which are the direct channels (owned by the company) and indirect channels (partner properties) that the company uses to contact its customers?</li> <li>4. How direct and indirect channels of the company are integrated?</li> <li>5. Which channels work better?</li> </ol>
4. Customer Relationships	<p><i>Describe how the company develops and structures relationships with the customers' different segments</i></p> <ol style="list-style-type: none"> <li>1. What kind of relationship is expected to instaurate for every customer segment?</li> <li>2. What types of relationships have already been established and how? (e.g. promotion on/offline, sales on/offline, customer caring on/offline, community, co-creation, etc.)</li> <li>3. On which contents did you structure your relations in the different segment of customers,? (e.g. reputation, experience with other customers, personal knowledge, sharing same places and events, innovation and related results, performance of products or services, specific technical interests and or personal , assistance, etc.)</li> <li>4. What is the more functional relationship for every customer segments? Why?</li> <li>5. What are the most efficient contents for every customer segments? Why?</li> <li>6. Which difficulties have been encountered in the relationships? How they have been overcoming?</li> </ol>
5. Revenue Streams	<p><i>Describe the business choices that determine the flows of revenues that the company gains from selling the products/services to customers segments</i></p> <ol style="list-style-type: none"> <li>1. How your price list is organized?</li> <li>2. Which are the price driver for each of the different levels of the list, that is the price-guide of best selling products that develop higher sales results and therefore more adherent to the customer segments demand and the company's business objectives?</li> <li>3. What timing and payments methods you got for every customer segment?</li> <li>4. With respect to these experiences, what are the strengths and weaknesses of the corporate mix and the price drivers?</li> <li>5. What should be revised in these choices and dynamics, how and why?</li> </ol>

<b>6. Key Resources</b>	<p><i>Describe the strategic assets that the company has to support its business model and continue to generate future</i></p> <ol style="list-style-type: none"> <li>1. With respect to each customer segment, which is the truly strategic resource to support the value proposition?</li> <li>2. What other key resources the business model needs to continue to develop value?</li> <li>3. What resources should be changed and/or replaced?</li> <li>4. What new resources have to be included?</li> <li>5. What obstacles in the management and development of these strategic assets? how can they be addressed?</li> </ol>
<b>7. Key Activities</b>	<p><i>Describe the strategic activities carried out to create the value propositions, achieve the customers, maintain relations with them and generate revenues</i></p> <ol style="list-style-type: none"> <li>1. What key activities the company really needs to improve its business model?</li> <li>2. Which of these activities is really crucial?</li> <li>3. Which support with outsourcing to improve management and development at the level of: <ul style="list-style-type: none"> <li>○ industry (business model, R&amp;D, design, marketing, communication, web, organization, management, pursuant systems, etc.)</li> <li>○ finance (cash flows, strategic asset restructuring, new investments tangible and/or intangible, start-up, upgrading business model, etc.)</li> <li>○ tax &amp; legal (corporate structure, intellectual property, business contracts, accounting and fiscal management, etc.)</li> </ul> </li> </ol>
<b>8. Key Partners</b>	<p><i>Decline the network of suppliers and partners needed to the operation of the corporate business model</i></p> <ol style="list-style-type: none"> <li>1. Who are the key partners of the company?</li> <li>2. Who are the key suppliers of the company?</li> <li>3. What key resources acquired by the partners?</li> <li>4. What key resources acquired by the suppliers?</li> <li>5. What are the main difficulties with partners? How can they be addressed?</li> <li>6. What are the main difficulties with suppliers? How can they be addressed?</li> </ol>
<b>9. Cost Structure</b>	<p><i>Describe the costs which the company claims to make operating their own business model</i></p> <ol style="list-style-type: none"> <li>1. Which are the characteristic costs behind the key resources and key activities of the company?</li> <li>2. Which is the structural cost?</li> <li>3. What are the guiding motivations of the company's costs?</li> <li>4. Can you describe the trend of the last 3-4 years of: <ul style="list-style-type: none"> <li>○ revenues (or the value of production)</li> <li>○ value added (revenues less costs for raw materials and outside services)</li> <li>○ gross profit</li> <li>○ collaborators number</li> </ul> </li> <li>5. In the economic and financial terms, what are the strengths and weaknesses of the business model?</li> </ol>
<b>10. Human Capital</b>	<p><i>Describe the most important figures of the organization</i></p> <ol style="list-style-type: none"> <li>1. What are the most important roles of the company?</li> <li>2. What functional characteristics skills to the business model?</li> <li>3. Among those which are stable within the company? Which are outsourced?</li> <li>4. What is done and how much invested to feed and grow the skills?</li> <li>5. Which problems are there in organizational relationships? <ol style="list-style-type: none"> <li>i. between owners and employees</li> <li>ii. between company employees and suppliers</li> <li>iii. among employees of the company and partners</li> <li>iv. among employees of the company and customers</li> </ol> </li> <li>6. How are these problems addressed?</li> </ol>

Source: Own elaboration.