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## Business Model Canvas Application in Start-up Stage Business Developments - Constraints and Challenges

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### **Abstract:**

**Purpose:** This paper examines the effectiveness of the Business Model Canvas (BMC) in addressing the unique challenges start-ups face during their development. By analysing both the benefits and limitations of the BMC, it aims to assess its suitability for early-stage companies.

**Design/Methodology/Approach:** The study utilized an exploratory qualitative methodology, focusing on the experiences of Polish entrepreneurs to examine the application, benefits, constraints, and challenges of the BMC. Data were collected through focus group interviews and analysed using thematic analysis to extract key themes and patterns. A purposeful sampling approach ensured participants were familiar with the BMC, allowing for a detailed exploration of its perceived value and challenges in early-stage startup business development.

**Findings:** The study reveals that while the BMC is valued for bringing clarity and visualization to business concepts, its integration varies among entrepreneurs, often influenced by their familiarity with strategic tools and business model complexity. Many entrepreneurs found it helpful for the startup stages, as it simplified strategic planning and fostered team alignment. However, the BMC's structured format was sometimes viewed as overly rigid, with limitations in capturing complex or rapidly evolving business environments, leading some to prefer more adaptable frameworks.

**Practical Implications:** The findings indicate that the BMC improves clarity for startup businesses that use it by providing a structured, visual framework. This enhances the ease with which entrepreneurs can conceptualize and communicate their business models, ultimately promoting more efficient decision-making processes within teams. For entrepreneurs, the BMC's demand for regular updates to remain effective highlights a resource-intensive requirement.

**Originality/Value:** By documenting the constraints and challenges of the BMC, this study sheds light on the reasons why some entrepreneurs resist its adoption. This helps in

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*identifying and addressing specific barriers, like lack of training and complexity concerns, which hinder the BMC's wider acceptance. These insights, while context-specific, offer a foundation for developing more universally applicable strategies to support start-ups in refining their business models.*

**Keywords:** *Business Model Canvas, start-up.*

**JEL Code:** *L26, M13, M21.*

**Paper type:** *Research article.*

## **1. Introduction**

A startup is a newly formed human institution lacking prior operations that evaluates an innovative business model in high-risk environments with often unnoticed demand typically proposed by a number of co-founders or team members (Reisdorfer-Leite *et al.*, 2020, p. 428). Its primary strength lies in the founders' collective knowledge, skills, experience, and social connections.

Some of the Starts are drawing economic benefits the economic benefits from the business formula with additional extended economic, social, and environmental benefits for their own organization and for the environment (Wit *et al.*, 2021). The concept of sustainable innovation is based on wider normative concepts such as environmental sustainability, sustainable development (Carrillo-Hermosilla *et al.*, 2009; Kupczyk, 2022), also in start-up ventures (Bocken, 2015; Henry *et al.* 2020).

This unique business model relies on a groundbreaking product or service, derived from applied knowledge and technology, which can disrupt the market when implemented successfully. Such disruption opens the door for rapid scaling of the business model, provided that demand obstacles are overcome. Once the startup successfully taps into demand, it undergoes rapid growth, first increasing its user base, then its paying customers, ultimately enhancing its valuation. This expansion requires significant external funding to navigate the swiftly growing technical, organizational, and business processes during scaling.

However, this does not necessarily mean a significant increase in the workforce, especially for operational tasks that the startup intends to automate. Furthermore, as the organization develops, it retains a flat and adaptable network structure, with strong leadership being essential to its organizational culture (Skala, 2019, p. 24). So, to successfully develop new business ideas in the start-up stage, several critical aspects should be addressed to ensure viability, relevance, and business competitiveness.

The business idea usually begins with identifying a specific problem the target market faces. Analysing stemming issues from customers' unmet needs or existing inadequate solutions (products/services) lays the foundation for developing a marketing-oriented approach. Understanding the target market and its size is pivotal.

Market trends, customer behaviours, and unmet demands provide essential context for validating the demand for the product or service. A thorough review of leading competitors and alternative solutions underscores the business's competitive advantages. Differentiation factors, such as unique features, cost advantages, or customer experience enhancements, help to position the start-up favourably.

Another element is the founding team of the business concept, which plays an instrumental role in business execution. The team members' experience, skills, and expertise provide confidence in their ability to achieve new business goals.

Moreover, detailing each team member's role and contributions to strategic direction is essential. An outline of the revenue streams, pricing strategy, cost structure, and customer acquisition approach establishes a clear financial framework. The assumptions behind the revenue projections and associated costs should also be discussed. Key milestones, such as market penetration rates, customer acquisition goals, and revenue targets, are specified to benchmark growth.

Finally, the business idea developers face the problem of gathering all collected data, concepts and assumptions and preparing to write a regular business plan. Unfortunately, predominantly new entrepreneurs in the startup-up stage, even experienced ones, lack the skills and competencies to prepare a traditional business plan. Other constraints are time pressure and financial barriers to outsourcing such services, such as hiring and paying a company to prepare a business plan.

Furthermore, start-up cofounders need a tool for testing and sharing concepts with stakeholders and having the potential to develop business concepts continuously (Doston, 2023, pp. 353-356; Kim *et al.*, 2018). So, like a start-up, a traditional business plan seems excessive in the initial stage of business development. Nevertheless, concept developers need a tool to clarify, communicate and make the business idea more tangible.

Several alternatives to a traditional business plan seem to be more agile and focused, making them well-suited for start-ups or business development that prioritise adaptability (Keane *et al.*, 2018, pp. 65-74; Jackson *et al.*, 2015, pp. 99-112):

- 1) Lean Start-up Business Plan - a streamlined format focusing on core elements such as value propositions, target customers, and financial basics. It omits extensive details and emphasises a rapid, iterative approach to business development.
- 2) Pitch Deck is often used for investor presentations; a pitch deck is a concise, visual summary of the business, highlighting its problem, solution, market, and

team, which is beneficial for quickly communicating the business idea without exhaustive detail.

3) One-Page Business Plan format condenses a traditional business plan into a single page, covering essential sections like mission, objectives, target market, and financials. It is suitable for start-ups needing a quick overview.

4) Business Model Canvas is a visual, one-page framework covering nine key business components, such as customer segments, revenue streams, and channels, ideal for concisely capturing and refining the business model.

This paper explores the constraints and challenges in applying the Business Model Canvas (BMC) to the development stages of start-ups as a popular business model used in practice and being the subject of scientific studies before (e.g., Sofiati *et al.*, 2024, pp. 1029-1042; Slávik *et al.*, 2021, pp.1-24; Kemell, *et al.* 2020, pp. 342-345; Murray, Scuotto, 2015, pp. 94-109; Pyo, Ha, 2015, pp. 561-569; Guechtouli *et al.*, 2021, p. 41-54). It investigates how BMC's simplified, structured approach aligns or diverges from the dynamic needs of emerging businesses.

By examining both its strengths and limitations, the study seeks to provide insights into the practicality of the BMC framework for early-stage companies and proposes enhancements or alternatives tailored to start-ups.

The paper critically assesses these limitations, focusing on critical areas where the BMC might over-simplify business complexities, under-represent external forces, and lack strategic depth in addressing start-ups' iterative and experimental nature. Through this analysis, the study aims to elucidate where the BMC supports business success and where it may hinder the adaptive needs of start-ups, providing insights into potential adaptations and complementary tools for start-up founders.

## **2. Literature Review**

The topic of business models has received increasing attention in recent years (Narasimhalu, 2015), and the BMC Model is now widely used around the world (Fritscher and Pigneur, 2014). It is used by large companies such as General Electric, Procter & Gamble and 3M (Piññur, 2014). The BMC model, proposed by Osterwalder and Pigneur (2010), has become a widely used tool for analyzing companies' business models and innovations in companies' business models (Narasimhalu, 2015).

Montenegro Marín *et al.* (2017) suggest using the BMC to propose a tool for generating an initial indicator of the profitability of a venture, product or business offering. This model seems to be very useful for testing hypotheses when implementing the Lean start-up method during the launch of an innovative project (Onken and Campeau, 2016), but it is also widely used in the initial design of start-ups (Piñeiro *et al.*, 2017). Despite numerous publications on the subject, the issue is still under-recognized in the literature (Bashir and Verma, 2016).

Business Model Canvas simplify the most critical elements determining market success and business feasibility, encompassing only a general business concept - a business model. BMC as a business model (BM) could be defined as a rationale for the enterprise that is broader than the attempt to generate profits (Sparviero 2019, p. 234) or as the rationale and infrastructure of how an organisation creates, delivers and captures value (Osterwalder and Pigneur, 2010), and descriptions of the use of resources (Upward and Jones, 2016, pp. 97-123; Afuah and Tucci, 2001), capabilities (Seelos and Mair, 2007, pp. 49-63.) or the firm's value proposition (Seddon *et al.*, 2004, pp. 427- 442).

There are several benefits to a business model for start-up stage business development:

- simplifications of real systems that are used for explaining performance and competitive advantage (Zott *et al.*, 2011, pp. 1020-1021),
- rethinking and redesigning an organisation's concept to benefit from innovations and other opportunities (Massa *et al.*, 2017, p. 74),
- articulate, transfer, and recombine knowledge underlying implicit cognitive schemas and heuristics, so simplify cognition and help build narratives that facilitate communication,
- coordinating and facilitating business action within the organisation and with external stakeholders (Massa *et al.*, 2017, p. 75),
- framing, understanding, and communicating the features and the concept of a business (Sparviero, 2019, p. 235).

Apart from benefits, the most common criticism areas of the business model's concern:

- over-simplification of business complexities, especially in the case of start-ups with complex or multi-sided business models, a BM doesn't capture the intricate interactions between business components and external factors – entrepreneur subjectiveness, bias, and reflexivity (Clarke and Tobias, 1995, p. 19; Qiao *et al.*, 2022, pp. 79-83, Mäkelä, 2015, p. 45);
- under-representation of stakeholder perspectives – a BM overlooks the role of key external stakeholders like investors, partners, or regulatory bodies, which are crucial in the start-up phase (Joyce and Paquin, 2016, pp. 1476-1480; Ajwala, 2018, p. 22).
- lack of strategy – focusing more on organisational resources and marketing interdependencies than strategy. It misses deep strategic elements like competitive analysis, market trends, and long-term vision; the BM is a snapshot rather than a process approach (Ching and Fauvel, 2013, pp. 26-37, Coes, 2014, pp. 14-16).
- missing external forces - start-ups operate in highly volatile environments, and the model doesn't sufficiently address the impact of external factors like competition,

regulation, technology disruption, understanding customer feedback loops or market validation processes – focusing on internal business/company problems, so BM presents inside-out instead, then not outside-in business approach (Khodaei and Ortt, 2019, p. 4; Piñeiro *et al.*, 2017);

- missing product-market fit consideration - the BM assumes a pre-existing market fit, making it less suitable for start-ups experimenting with their core value proposition and market fit (Zott and Amit, 2008, pp. 4-5).
- rigid structure – limited BM elements and static design may inhibit flexibility, which is vital for start-ups that often need to pivot quickly based on feedback or market changes – weak responsiveness to business environmental changes (Foss and Saebi, 2018, pp. 16-18).
- no focus on iterative processes – BM lacks an emphasis on continuous iteration and experimentation, which are critical to start-up development. Start-ups need a more iterative approach to constantly refining their business models; the BM does not explicitly address risk management or contingency planning, critical aspects for start-ups that operate under significant uncertainty (Silva *et al.*, 2020, pp. 596-598).
- shallow financial insights - BM only covers usually costs and revenues in a fundamental manner, potentially ignoring deeper financial considerations, such as cash flow management, investment needs, and risk planning (Morris *et al.*, 2006, pp. 32-33).

Limited to profit-oriented models - BM is primarily designed for profit-driven businesses and lacks tools to effectively capture non-financial goals, which are essential for social enterprises or mission-driven start-ups; BM does not adequately address environmental or social sustainability, which is increasingly essential for modern start-ups seeking sustainable growth (Breuer *et al.*, 2018, pp. 258-259; Pepin *et al.*, 2024, pp. 514-538).

The Business Model Canvas (BMC) was developed by Alexander Osterwalder (2004) in his doctoral work on business model innovation. The definitive version of the BMC was published in 2010 following a collaborative effort by A. Osterwalder and Y. Pigneur, which involved feedback from 470 practitioners across 45 countries engaged through the Business Model Alchemist blog. The BMC's appeal is further attributed to its utility for entrepreneurs, as it facilitates individual and holistic examination of each business element, promoting continuous reflection, creativity, and innovation (Osterwalder and Pigneur, 2010).

Moreover, the BMC enhances organisational efficacy by fostering a shared language, supporting brainstorming sessions, team building, collaboration, and creating a structural foundation for implementing novel ideas and innovations (Sparviero, 2019, p. 237). The BMC serves as a structured framework for systematically analysing and designing business models, enabling start-ups to visualise and articulate their core components comprehensively (Pepin *et al.*, 2024, pp. 514-538). This tool concept encompasses nine building blocks that collectively

represent the essential elements of a business model, facilitating an integrated approach to value creation and operational efficiency (execution) (Figure 1).

**Figure 1. Business Model Canvas nine blocks**

<i>Efficiency/ Execution</i>			<i>Value creation</i>		
8) Key Partners	7) Key Activities	2) Value	Proposition	3) Customer Relationships	1) Customer Segments
	6) Key Resources			4) Channels	
9) Cost structure			5) Revenue Streams		

**Source:** Own elaboration from, Osterwalder, A., Pigneur Y. 2010. *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*. Hoboken, New Jersey: John Wiley & Sons, p. 44.

Initially, filling in all nine blocks starts with the Value Propositions, which identifies the unique value the start-up offers customers, addressing their needs to distinguish the company from competitors. In this part, start-up facilitators usually identify unsolved customer problems or empathise with customers' pains as a background for delivering solutions, which will finally materialise as a start-up's offer (products or services).

The next block concerns Customer Segments, where the start-up categorises its market into distinct segments based on shared characteristics (e.g. geographic, demographic, psychographic and behavioural), enabling tailored future marketing activities to meet the chosen segment (target) preferences and requirements.

Channels BMC's component defines the mediums through which the start-up delivers value propositions to its customers (target), encompassing communication (promotional tools), distribution (wholesalers, intermediaries, detailers), and sales channels (e.g. shops, supermarkets, online, etc.).

The Customer Relationships block outlines the types of relationships a start-up seeks with customers, ranging from customisation service to automated interactions, which contribute to customers' long-term, lasting loyalty and satisfaction. The fourth part, Revenue Streams, articulates the ways a business generates income from each customer target, covering pricing and revenue models such as one-time transactions, subscriptions, or leasing.

The five described so far BCM blocks usually are assigned to the value creation (right side of Figure 1) and generally belong to the marketing activities, allowing the start-up to find the appropriate and most lucrative place on the market offering unique product/ service value, which as well could distinguish the start-up offer in the particular marketplace.

The following four blocks constitute the internal aspect, determining the efficiency and execution of a start-up, where some critical assets, activities and partnerships are managed. Key Resources are the assets essential to creating, delivering, and capturing value, including physical, intellectual, human, and financial resources required to maintain operations.

The key Activities block includes the critical tasks the business must perform to operate effectively: production, problem-solving, and platform/network maintenance. The Key Partnerships section encompasses the external organisations and stakeholders contributing to achieving business objectives, including suppliers, alliances, and joint ventures, enabling risk reduction and resource optimisation.

The final block, Cost Structure examines the major cost drivers associated with the business, such as fixed and variable costs, allowing the organisation to optimise its spending and ensure long-term sustainability. Collectively, these nine components interact to form a cohesive system, allowing concept founders to assess and refine their business models comprehensively.

Additionally it is worth to mention, that nowadays all organizations are also facing the challenges of sustainability. All new businesses start-ups which further hopefully develop into self-employment, small, medium and large businesses also should be awareness of these challenges. Significant differences in sustainability implementation in self-employment organizations in international approach are observed.

For example according to the survey conducted in 2024 within project “Challenges and recommendations for the management of social inclusion in the context of the internationalization of metropolises – a comparative analysis of GZM with metropolitan areas in Poland and abroad” related to metropolitan areas in Poland it is more than 40% of self-employment who implement sustainability in their companies/start-ups.

It is almost 42% in GZM Metropolis (*Górnośląsko-Zagłębiowska Matropolia*) and more than 44% in Gdańsk-Gdynia-Sopot Metropolitan Area. In comparison more than 75% of self-employment / start-ups in the Ruhr Metropolitan Area in Germany declare to do so. (Budziński *et al.*, 2024).

### **3. Research Methodology**

This study aimed to explore the benefits, limitations and challenges associated with the application of the Business Model Canvas (BMC) during the early development stages of start-ups. Through this investigation, the study sought to address the following research questions:



**RQ1.** *To what degree do entrepreneurs integrate the Business Model Canvas into the conceptualization and development of their business models?*

**RQ2.** *To what extent is the BMC perceived by entrepreneurs as instrumental to their market success?*

**RQ3.** *What potential benefits, limitations and challenges hinder entrepreneurs from employing the BMC tool?*

The research was of an exploratory nature, designed not to yield definitive evidence but to deepen understanding of the problem (Henson, Roberts, 2006, pp. 395-398). Data were gathered using qualitative methods, specifically focus groups, which formed part of a wider entrepreneurship research initiative involving Polish entrepreneurs who launched their businesses within the past three years (since 2021). This paper, however, presents only a subset of the research findings. The research was conducted in October 2024, which indicates the time scope of the research.

Qualitative research can draw strong diligence, the competency to encircle both non-verbal and verbal behaviour, reveal denotations, penetrate fonts, and find the difficulties and delicacy (Hlady-Rispal *et al.*, 2024, p. 133). Focus group interviews were conducted based on a structured scenario encompassing three main sections: an introduction and assessment of business experience, an evaluation of BMC application in strategic planning, and an exploration of perceived benefits and challenges, with particular emphasis on encountered limitations. To mitigate potential biases inherent to qualitative research, a thematic network analysis of textual data was employed (Attride-Stirling, 2001, p. 389).

The interviews were recorded and transcribed, with detailed documentation of participants' pauses and reflective statements, ensuring high fidelity as recommended by Mezmir (Mezmir, 2020, pp. 17-19).

The transcriptions were systematically divided into meaningful text segments and coded according to a pre-established coding framework. From the coded segments, themes were derived, organized into coherent groups, and incorporated into a thematic network to identify fundamental themes and discern notable patterns (Bingham, 2023, pp. 4-7).

Two focus group sessions were conducted. The first group consisted of 11 participants who reported using the BMC tool during the business development phase, while the second comprised 8 participants familiar with the BMC but who had not implemented it in practice. The participants primarily operated micro or small enterprises, as shown in Table 1, which provides a summary of the sample characteristics.

The sampling strategy applied in this study is purposeful (or purposive) sampling, a widely recognized qualitative research approach used to select participants based on specific criteria relevant to the research goals. Purposeful sampling is particularly

valuable for capturing diverse variations within the phenomenon being studied, allowing researchers to select individuals who provide insight into the key variables and contextual factors of interest.

**Table 1.** Focus groups' sample characteristics (N=18).

Specification	Sample (in %)
Size of the business*	
Micro (up to 10 workers)	47%
Small (11-50 workers)	32%
Medium (51-250 workers)	21%
Large (251 workers and more)	-
Predominant market sector**	
Services	52%
Trade (Retail and Wholesale)	32%
Manufacturing	15%
Years of operations	
Up to 1 year	26%
1-2 years	52%
3 years	22%
Market scope of operations	
Local	42%
Regional	26%
National	22%
International	-

**Note:** \*According to the European Union classification of business sizes, \*\* According to the Polish Classification of Economic Activities (PKD)

**Source:** Own study.

This approach aligns with Sandelowski's concept of "phenomenal variation," a method designed to ensure representative coverage by intentionally selecting participants whose characteristics reflect the complexity of the study topic (Sandelowski, 1995, pp. 179-183).

Purposeful sampling is a nonprobabilistic method, meaning that it does not rely on random selection, but rather on the researcher's judgment in selecting cases that best represent the research problem. According to Guest *et al.* (2006, pp. 61-69), it is one of the most commonly employed techniques in qualitative research, where the concept of saturation guides the sample size—the point at which additional data collection no longer yields novel insights or themes relevant to the study.

This criterion of saturation indicates that further interviews would likely repeat observed patterns, contributing little to understanding new aspects of the research problem (Khoa *et al.*, 2023, pp. 192-199).

In this study, purposeful sampling meant all researched entrepreneurs were familiar with the Business Model Canvas strategic planning tool. It facilitated an in-depth exploration of entrepreneurs' attitudes and perspectives on the application and

challenges associated with the model focusing on relevant participants, this method enabled the collection of rich qualitative data on the perceived advantages and limitations of the BMC within entrepreneurial contexts.

Although this approach lacks the randomization and statistical verification inherent to probabilistic sampling, it is well-suited to qualitative studies, where the aim is to uncover complex social phenomena rather than to generalize findings to a broader population. Through focus group interviews, this approach allowed for an extensive and nuanced understanding of entrepreneurs' experiences, which provided meaningful insights without the need for statistical validation.

## 5. Research Findings

The findings from the focus group interview conducted with entrepreneurs who have implemented the (BMC) provide a detailed understanding of their experiences, revealing a nuanced perspective on the tool's strengths and limitations. An elaboration on the degree to which entrepreneurs integrate the Business Model Canvas (BMC) into the conceptualization and development of their business models reveals a diverse range of practices and levels of engagement.

Entrepreneurs who actively utilize the BMC often emphasize its effectiveness in providing strategic clarity and structuring business ideas in a visual format. They use it to map out critical elements such as value propositions, customer segments, and revenue streams, which facilitates a comprehensive view of their business operations.

The BMC is particularly valuable during the initial stages of business development, where a clear understanding of the business model's components is essential. Entrepreneurs appreciate its ability to streamline complex concepts into manageable sections, making strategic planning more approachable and collaborative. One entrepreneur in a previous study stated: *"The BMC makes the planning process more cohesive and helps the team understand the interconnectedness of our business activities"*.

However, integration varies significantly. Some entrepreneurs use the BMC as a continuous strategic tool, revisiting and updating it as their businesses evolve, while others apply it only during the initial planning phases. The level of integration is often influenced by factors such as the entrepreneur's familiarity with strategic tools, the complexity of the business model, and the dynamic nature of the market environment. Entrepreneurs dealing with rapidly changing markets sometimes find the BMC's structured approach insufficiently flexible, preferring more adaptive and iterative frameworks.

Despite its widespread use, the tool is not without its limitations. Some entrepreneurs adopt the BMC only partially or as a supplementary aid, rather than as

a comprehensive strategic model, due to concerns about oversimplification and the challenge of capturing complex business interdependencies within its format. This reveals that while the BMC is a popular and useful tool, its degree of integration depends on the specific needs, knowledge, and strategic priorities of the entrepreneur.

Overall, participants reported an elevated level of satisfaction with the BMC, particularly emphasizing its utility in strategic planning and visualization. The entrepreneurs valued the tool's structured approach to mapping out core business components. One participant described it as *“an efficient framework for ensuring that every aspect of our business model is aligned and clearly articulated”*. This reflects the BMC's contribution to enhancing organizational clarity.

The extent to which entrepreneurs perceive the BMC as instrumental to their market success varies but is generally positive among those who have integrated it into their business strategies. Entrepreneurs often value the BMC for its ability to enhance strategic focus and streamline planning processes, which are crucial for navigating competitive markets. By visually organizing key components of the business, the BMC helps clarify value propositions, identify target customer segments, and optimize resource allocation, contributing to more informed and effective market strategies.

One entrepreneur highlighted this benefit, stating: *“The BMC gave me a clearer understanding of our strengths and market opportunities, which allowed us to adapt more quickly and effectively”*. This demonstrates the perception that the BMC contributes to strategic agility, a vital factor in achieving market success. The visual framework also aids in fostering better team collaboration, ensuring that all members are aligned on business objectives and strategies.

However, the tool's impact on market success is not uniformly acknowledged. Some entrepreneurs argue that the BMC's structural limitations prevent it from capturing the full complexity of their business environments. In rapidly changing markets, the need for frequent updates and adaptations of the canvas can be perceived as cumbersome, and some users feel that it lacks the flexibility to fully address emerging challenges.

However, the research also uncovered significant constraints and challenges associated with the use of the BMC. One prominent issue raised was the potential for oversimplification. The structured format, while beneficial for visualization, does not always capture the complexity and dynamism of certain business models, particularly those operating in highly volatile or multifaceted markets. As one entrepreneur articulated: *“The canvas gives us a clear snapshot, but it doesn't account for the intricate interdependencies within our operations”*. This indicates that while the BMC is effective for initial planning, it may require supplementary tools or adaptations to accommodate more complex business dynamics.

Participants also mentioned that, at times, the BMC framework requires assumptions about customer behaviours, market conditions, and partnerships, which may not always hold true in practice. This speculative nature introduces potential gaps between the business model and real-world outcomes, emphasizing the need for ongoing validation and refinement.

Another critical challenge identified was the need for frequent and resource-intensive updates. Given the rapidly evolving nature of many business environments, the BMC must be continuously revisited and modified to remain relevant. Participants emphasized the considerable time and effort required for these updates.

One informant noted: *“We have to regularly revisit the canvas to reflect market shifts, and this process can be demanding, diverting our focus from other strategic priorities”*. Despite this challenge, many entrepreneurs also recognized the BMC’s adaptability for business re-modelling, appreciating its capacity to facilitate strategic pivots when necessary.

The focus group discussions further highlighted the collaborative benefits of using the BMC, particularly in promoting team cohesion and shared understanding. The structured framework helped streamline communication and foster collective strategic thinking. Nevertheless, challenges emerged in engaging external stakeholders, especially when partners were not accustomed to the BMC’s systematic approach.

One entrepreneur explained: *“Securing buy-in from partners who are unfamiliar with the canvas was a hurdle, often requiring us to invest additional time in education and persuasion”*. This suggests that while the BMC is an effective internal tool, its successful implementation may depend on the level of stakeholder engagement and collaboration.

The focus group interview with entrepreneurs who have not implemented the Business Model Canvas (BMC) provided rich insights into their concerns and reasoning. The participants articulated several key arguments that collectively reveal a multifaceted hesitation toward adopting this strategic management tool.

A primary reason for their reluctance is a lack of knowledge and understanding of how to use the BMC effectively. The interviewed entrepreneurs expressed feeling overwhelmed at the thought of learning a new tool, especially given their current workloads and resource constraints.

This unfamiliarity created a significant barrier to adoption, as the BMC appeared complex and intimidating without proper guidance or training. One participant emphasized: *“I simply don’t know where to start or how to use the BMC in a way that adds value to our business, and the learning curve seems steep”*. This statement

encapsulates the widespread apprehension among those who feel underprepared to integrate the BMC into their planning processes.

Another critical factor is the strong reliance on traditional business plans, which were described as a more secure and familiar approach to strategic planning. Entrepreneurs highlighted the comfort and assurance provided by conventional methods that they had used successfully in the past. These traditional plans, often comprehensive and highly detailed, allow business owners to systematically outline every aspect of their operations.

In contrast, the BMC was viewed as a simplified and abstract framework that might not fully capture the complexities of their business models. *“I trust our detailed business plan because it covers every base; using the canvas feels like I’d be missing crucial details”*, remarked one entrepreneur, illustrating the psychological and operational security they associate with traditional planning methods.

Interestingly, the discussion revealed that a segment of the participants had never employed any strategic business planning tools. These entrepreneurs, often from smaller or more flexible operations, relied on instinct and real-time decision-making rather than formalized frameworks. For them, the idea of adopting a structured tool like the BMC seemed unnecessary and even restrictive. One informant shared: *“I run my business on flexibility and intuition; implementing a formal tool feels counterproductive and cumbersome for how I operate”*. This perspective underscores a broader aversion to strategic planning tools among some entrepreneurs who value adaptability and organic growth.

Despite their current reservations, several entrepreneurs expressed an openness to considering the use of the Business Model Canvas (BMC) for future business planning, especially as they become more familiar with its potential advantages. One key advantage they recognized is the enhanced strategic clarity that the BMC can provide. The tool’s visual layout allows for a comprehensive yet concise depiction of business operations, which could simplify complex concepts and facilitate more informed strategic decisions. One participant noted: *“I can see how the canvas could help us get a clearer view of our business model as a whole, which might improve our planning processes”*.

Another potential benefit acknowledged was the BMC’s ability to foster team alignment and collaboration. The BMC could enable different departments or team members to better understand and contribute to the company’s strategic objectives by providing a shared framework. As one informant mentioned: *“If I used the canvas, it could serve as a unifying tool, making it easier for my team to collaborate and stay aligned with our goals”*. This illustrates the tool’s promise in promoting cohesive and cooperative business planning. These insights suggest that, with proper training and support, the BMC might be seen as a valuable asset in its strategic toolkit.

## **6. Discussion and Conclusions**

The comparative analysis of focus group interviews with entrepreneurs who have and have not implemented the BMC reveals distinct perspectives on the tool's utility and challenges, emphasizing a complex interplay of perceived benefits and barriers.

Participants who have integrated the BMC into their strategic processes reported a generally positive experience, highlighting the tool's effectiveness in streamlining business planning. They emphasized strategic clarity, noting that the visual format of the BMC allowed them to conceptualize and communicate their business model efficiently.

Additionally, the tool was praised for fostering collaborative engagement, as it serves as a shared framework that enhances team cohesion and encourages input from various stakeholders. While the BMC is broadly seen as a valuable tool for structuring and executing market strategies, its effectiveness is context dependent. Entrepreneurs recognize its role in facilitating clear strategic planning and enhancing market responsiveness, but its perceived contribution to market success can be constrained by the tool's inherent limitations in handling complex and dynamic market conditions.

Nevertheless, these entrepreneurs also pointed out notable challenges. The need for regular updates to keep the BMC relevant in a dynamic market environment was seen as time-consuming and resource intensive. Moreover, some expressed concerns about the BMC's oversimplification of complex business models, suggesting that it does not always capture the full scope of intricate operational interdependencies.

In contrast, entrepreneurs who have not utilized the BMC were more apprehensive about adopting the tool. Their reluctance stemmed primarily from a lack of knowledge and training, with many feelings intimidated by the learning curve associated with the BMC. A common sentiment was the fear that investing time in mastering the tool would detract from core business activities. This group demonstrated either no need for a strategic planning tool implementation or a strong preference for traditional business plans, viewing them as more secure and comprehensive, particularly for capturing detailed operational aspects.

Some entrepreneurs in this group even indicated that they do not use any formal strategic planning tools, instead relying on instinct and flexible, real-time decision-making. However, there was a shared acknowledgement among a few that the BMC's visual approach might be valuable in the future, especially for simplifying strategic discussions and fostering team alignment.

The comparison reveals a significant gap in familiarity and comfort with the BMC between the two groups. Those who have implemented the BMC recognize its advantages in enhancing strategic clarity and collaboration, but also acknowledge its

limitations, such as oversimplification and the resource demands of continuous updates. On the other hand, those who have not adopted the BMC cite lack of expertise and concerns about the tool's appropriateness for their unique business contexts as major barriers. Nevertheless, there is a convergence in recognizing the BMC's potential benefits, suggesting that targeted training and support could encourage broader adoption and effective use.

These findings underscore the need for educational initiatives to bridge the knowledge gap and highlight the practical advantages of the BMC while also addressing entrepreneurs' concerns. Tailoring support to show how the BMC can complement, rather than replace, traditional methods may facilitate a smoother transition and more widespread acceptance among sceptical business owners.

When employing a qualitative research method such as focus groups, particularly one involving a sample of 19 entrepreneurs, it is important to acknowledge several inherent limitations that could affect the reliability and applicability of the findings. These limitations should be carefully considered when interpreting the results and drawing broader conclusions from the study.

First, there is the issue of limited generalizability. Qualitative research inherently focuses on generating in-depth insights from a specific sample, and as such, the results may not be representative of the entire population of entrepreneurs. The perspectives captured during focus group discussions are context-specific and reflect the unique experiences of the participants.

Consequently, it may be inappropriate to extrapolate these findings to a larger population without further validation. The diversity of entrepreneurial experiences across different industries, regions, and scales of business operations means that broader conclusions drawn from this relatively small and localized sample may lack the robustness required for general applicability.

Another significant limitation relates to potential biases inherent in the focus group setting. Group dynamics can have a considerable impact on the data collected, which can result in a convergence of opinions that may not accurately reflect the diversity of experiences and perspectives within the group.

Additionally, the social desirability effect may cause participants to modify their responses to align with what is perceived as acceptable or favourable to the group, further skewing the data collected. Moreover, there is the issue of data depth versus breadth. While focus groups provide rich, detailed insights into participants' attitudes, motivations, and experiences, the scope of the discussions is inherently limited by time constraints.

The depth of understanding gained from these interactions comes at the expense of exploring a wider range of views or issues. Thus, the findings may provide a



comprehensive understanding of a few key themes but could overlook other significant areas of entrepreneurial experiences that were not addressed in the sessions. These constraints highlight the need for complementary research methods to enhance the validity and comprehensiveness of the findings. Combining qualitative insights with quantitative approaches, for instance, could provide a more balanced understanding and offer a more robust basis for drawing conclusions in the field of entrepreneurial research.

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