ZESZYTY NAUKOWE POLITECHNIKI POZNAŃSKIEJ
Nr 68 Organizacja i Zarządzanie 2016

Paweł KŁOBUKOWSKI*, Jacek PASIECZNY*

BUSINESS MODELS OF STARTUPS IN COOPERATION WITH MATURE COMPANIES – OBTAINING ORDERS AND BUILDING A LEADING POSITION ON THE MARKET

The article is based on interviews with 15 entrepreneurs. The study was conducted from December 2014 to February 2015. The studied entities did not operate on the market for more than 5 years. The methodology of the study was based on in-depth and semi-structured interviews. The companies operate in Warsaw or in its vicinity. The article will also analyze the startups' business models. Selected case studies will be presented to help answer the following questions: What is the role of the business model in achieving success? Which models guarantee an increase in market share?

Keywords: startups, business models, case studies, entrepreneurship

1. INTRODUCTION

The main issue analyzed in this article is the company's ability to build its position on the market. A few business models of startups have been presented. They help in obtaining orders and building relations with other companies. The author has analyzed the way startups establish relationships with key clients and the profits and losses that may follow. In the next part of the article, startups in different phases of development, aiming at getting a large share of the market and going global, have been presented. The key scientific problem is to identify reasons of such an approach. The article focuses on actions undertaken in order to build a strong brand. The crucial question that needs to be answered is when this image is crucially important and which types of startups it mainly refers to.

* University of Warsaw, Faculty of Management.

The article is based on interviews with 15 entrepreneurs. The research was conducted between December 2014 until February 2015. The entities in question could not have functioned on the market for more than 5 years. The methodology of the research included detailed, semi-structured interviews. The presented companies operate in Warsaw or its vicinity. The article analyzes business models of startups based on theories of A. Osterwalder and Y. Pigneur [10]. Some case studies, divided into three groups, will be presented:

- Stable startups – startups which achieved a stable position but decided to limit their growth. Stable startups are the oldest companies among those subjected to examination, which generate incomes and make their owners proud of their level. These companies have a stable market position. The preferred strategy is offering low costs with high quality of service. They operate on the market with a strong competition. Using W.Ch. Kim's and R. Mauborgne's terminology, companies operate in the red ocean: „In the red oceans, industry boundaries are defined and accepted, and the competitive rules of the game are known. Here, companies try to outperform their rivals to grab a greater share of existing demand. As the market space gets crowded, prospects for profits and growth are reduced. Products become commodities, and cutthroat competition turns the red ocean bloody" [5. p. 4].
- Developing startups – companies that develop steadily and operate on the markets with structures that enable instant growth (initial size of the market is not large, however its value continues to grow). Emerging startups are young companies which generate profits and often operate in the SaaS model. Their current profits allow them to develop and search for new markets. The brand is very important to these startups. Some of them build it through their expert status in the industry, additionally they hire outside experts. Their goal for the future is to become one of the market leaders.
- Startups aimed at achieving a leading position – startups aimed at building a leading market position right from their emergence. Startups aimed at becoming leaders are the most diversified group. The article presents successful companies, emerging ones and those which ended up with failure. The companies of this kind intend to enter the markets characterized as a blue ocean: „Blue oceans, in contrast, are defined by untapped market space, demand creation, and the opportunity for highly profitable growth. Although some blue oceans are created well beyond existing industry boundaries, most are created from within red oceans by expanding existing industry boundaries, as Cirque du Soleil did. In blue oceans, competition is irrelevant because the rules of the game are waiting to be set" [5, pp. 4-5]. They want to be pioneers in Poland or in the world.

The article refers to the definition of S. Blank and B. Dorf which defines a startup as a „temporary organization established in order to find repetitious, and capable of being measured business model" [2, p. 648]. The primary benchmark for the selection of companies for this research was the time of the firm's existence and the owners' awareness that their entities are indeed startups. Whenever a name of the company is mentioned in the article, the authors did so with the permission from its representatives.

2. THE DEFINITION OF BUSINESS MODEL AND BRAND

The basic outlook on the concept of business models used in this analysis is the one presented by A. Osterwalder and Y. Pigneur in the book titled „Establishing of business models. The coursebook of a visionary." They define a business model in the following way: „In a sense, a business model is an outline of a strategy which is to be implemented within framework of structures, processes and organizational systems" [10, p. 18], and that a „Business model characterizes assumptions behind the way in which an organization creates value, provides and takes profits from created worth" [10, p. 18]. This is a definition which refers to startup functioning. A business model is composed of the following elements: segment of clients, channels, relations with clients, the proposal of a value, key actions, resources, key partners, costs and revenues.

Jan Brzóska presented an interesting outlook on the business models' evolution which refers to strategic management [3, pp. 18-21]:

1. Business models based on economic factors (a concept of model building based on generating profit. The aim is to achieve current and long-term profitability. The representatives are: A. Afuah, Ch. L. Tucci [2003]).
2. Business models presenting competitive advantage (a concept of model building to gain a competitive advantage through innovative actions. The aim is to create, develop and maintain constant competitive advantage. The representative is K. Obłój [2002]).
3. Business models with a unique combination of resources, creating value and competitiveness (a concept of business model building based on creation and development of resources, providing competitiveness. The aim is to increase the worth and competitiveness of the company. The representatives are: R. Boulton, B. Libert, S. Samek [2000]).
4. Business models taking advantage of innovations (a concept of building radically-working innovations to create a new value for the client and generate income for the company. A considerable change in the business model in existing organizations. The aims are: flexibility and development of the company through establishing untapped market space. The representatives are: W. Chan Kim and R. Mauborgne [2005]).

A summary of the definition of business models is also presented by Ch. Baden-Fuller and M. Morgan [1, pp. 156-171]:

1. How a firm delivers value to customers and converts payment into profits (Teece).
2. A system of interdependent activities that transcends the focal firm and spans its boundaries (Zott & Amit).
3. A business model is a mechanism for turning ideas into revenue at a reasonable cost (Gambardella & McGahan).
4. A cost innovation business model offers advantages in radically new ways meaning more for less (Williamson).

J. Kall presented such a definition of the brand: „combination of a physical product, its name, package, advertising plus actions in the area of distribution and prizes which distinguishes the offer of the particular company from actions taken by its competitors. It provides consumers with outstanding functional and/or symbolic assets, thanks to which it creates a loyal group of buyers and enables achieving a leading position on the market" [14, p. 30].

Basing on literature, Marzanna Witek-Hajduk demonstrates the four most important functions of the brand [14, pp. 33-34]:

- Distinctive – its main task is to distinguish a brand from a trademark.
- Warranty – it means that a brand guarantees a constant level of quality.
- Promotional – a brand may be used in the process of communication between the company and the market.
- Symbolic – a brand is a symbol of value of acquired products based on their ability to address certain messages to different groups.

3. LITERATURE ON BUSINESS MODELS AND STARTUPS' BRAND BUILDING

While in English-speaking literature business models are very often a subject of research, in Poland they are not so popular. With relation to startups, different business models are examined mainly at industry sites, for instance http://startupakademia.pl/. In Poland, business models related to the energy market have been analyzed by B. Matusiak [8].

A. Sorescu, R. Frambach, J. Singh, A. Rangaswamyd, C. Bridges referred in their analysis of business models to the retail market. They propose six major ways in which retailers could innovate their business models to enhance value creation and appropriation beyond the levels afforded by traditional approaches to retailing (for example Self-service model, "Name your own price" model) [12, pp. 3-16]. Case studies have been used in the article as a research method.

Ch. Zott and R. Amit presented an analysis of an adjustment of business model on the market: "To return to FriCSo, who had developed a world-class technology for friction reduction, and then had to decide on its future business model. As Loch et al. report, the founders and their venture capital investors jointly decided to reject the choice of a machine manufacturing business model, as it would have been too capital-intensive and would have pitted the small startup against powerful and entrenched competitors with similar activity systems and resource advantages that it would have found hard to beat. Instead, FriCSo adopted the business model of a machine tool manufacturer, positioning itself as a supplier to the powerful players, focusing on selling them products that had great value added through their intellectual property. (Another advantage was that automotive industry suppliers were used to buying tools, so this business model was familiar to them.) In fact, the choice of the business model was vitally important in this case: it did not simply determine future profit potential - rather, it was the key to the young firm's survival. If the founders had opted for a machine manufacturing model, they would probably not have received the equity capital they needed from their VC investors lacking funds to finance ongoing research and development efforts, the firm could well have gone out of business" [16, pp. 222-223].

A. Osterwalder described case studies of business models in "Business Model Generation: A Handbook For Visionaries, Game Changers, And Challengers" (with Y. Pigneur, 2012) and "The business model ontology: A proposition in a design science approach." In the second publication he focused on a case study of the Montreux Jazz Festival MJF [10].

Research by K. Mason and S. Leek [7] was related to network supply. The basic method was the case study. A total of 49 interviews was carried out. The aim of their research was to go some way towards addressing this gap through the exploration of dynamic business models as an illustration of inter-firm knowledge transfer.

Similar methodology as in this article was used by B. Wirtz, O. Schilke and S. Ullrich [15, p. 287]: "Our interviews with 22 managers from Web 2.0-related Internet companies had two objectives: first, to further confirm the relevance of the four factor model; second, to gain more fine-grained insights into the most important implications of the Web 2.0 for established Internet businesses." The outcomes of the research are interesting: "This implies that the entire firm, and not just the top management, needs to be involved in constant environmental scanning. In fact, not only organization-internal resources can contribute to an improved understanding of technological changes, but the firm's customers are becoming an increasingly important source of information about these changes, as evidenced by the growing relevance of user-added value and interaction orientation identified in our study. Our findings thus lend further support to the concept of 'open innovation,' which emphasizes the benefits of openness as a means of expanding value creation for organizations" [15, p. 287].

4. RESULTS OF THE RESEARCH – CASE STUDIES

2.1. Stable startups

This category includes companies which have already established a stable market position and revenues. Although they often perceive themselves as local leaders, in fact they do not manage to spread their activity across the voivodeship, least of all across Warsaw. These enterprises are operational for more than three years while their primary recipients are small entities and those opening their own businesses. The category also involves companies with a stable position which decided themselves to either limit their growth and stopped searching for a new business model or to make minor adjustments in order to add new products for sale. These companies do not spend much on brand-building and advertising.

The first company in question operates in the area of services and provides a wide range of training. The respondent is one of the leaders at the local market and enjoys a very good reputation. As the key element of the company's competitive advantage he points out the high-level service plus well-developed personal training skills. The company's primary clients are representatives of small and medium-sized enterprises. Although the company has not managed to establish wider cooperation with major corporations and, therefore, develop its clients portfolio in this segment, another effect has been achieved, as the company began contract work with the big players through another large firm of its area. Due to the high-quality of services offered, it has been recognized by those participating in the training. However, its business model contained the wrong assumption that clients' satisfaction will lead to new contracts with the big firms. In fact, it turned out that the key element is establishing long-lasting relations with a particular corporation, often on the international stage. The respondent explains that the companies cooperate with each other all across Europe and they sign contracts for providing services in numerous countries. In this case, a primary element is international affiliations. According to the respondent's opinion, the quality of services does not play as important a role as does the functioning in a certain network of partner companies, as well as the ability to serve a large number of clients. An important element of the business model is also the size of the entity. The respondent believes that a small firm is more likely to start cooperating with corporations operating in the fields of new technology and IT. That conclusion is also proved by the startups which - right from their emergence - are aimed at considerable access to the market. The respondent says:

I used to have a few large clients but they were a minority. Fortunately, the Polish market of small and medium-sized enterprises is big enough for every startup to function. But if you want to make your way in the world and to have a big fish in your clients portfolio and CV, an affiliation with a large corporation is *a must. Of course, one may try, as there exist such startups that are very innovative and function smoothly, being able to offer out-of-the-box ideas. Eventually you may hear, for instance, about 3D print. There may be a few startups of this kind at the moment but actually this is exactly what small companies did in the past*.

The second company in question is offering IT services to other firms. As its representative says, *there are a number of companies of this sort* but the one they run has a very stable market position and its target are individual clients. The company was set up by a group of employees who collectively left their firm. At the beginning, the idea for the company's business model was based on the highest possible cost-cutting and outsourcing. A large part of the profits the startup allocated for investments. Nowadays, the firm has started hiring new staff. Thanks to the high quality of the products, it managed to attain a stable position on the market, in the initial phase mainly due to recommendations and good networking. Later on, the company began to position itself and used advertising. The idea of the business model was to develop a direct contact and create a dialogue between the company and the clients. Another key element was building competitive advantage through quality and offering outstanding services on the market. Having cooperated with a large foreign client, the company started considering going international. It succeeded thanks to the cooperation with the Polish branch of an international company. It was followed by a meeting with an executive director from the United States and eventually the contract has been signed. The company's main advantages proved to be the cost of the service and its quality. According to the respondent, *in Poland IT specialists are almost equally cheap as in India, but they are qualitatively better*. While the company's model is very evolutionary and depends on the circumstances, the decisions to globalize the company's activity and to cooperate with big firms were largely a coincidence.

Given the above, a model of “stable startups” is aimed at sustainable development and a risk averse approach. Specific features of this particular model include aiming at cost advantage with simultaneous high-quality service. These companies don't opt for acquiring considerable market share but for the assurance of safe and sustainable income. And this is what they manage to achieve. Therefore, an original and groundbreaking business model is not of the greatest importance in this sort of activity. This is because the predominant strategy of such companies is fulfilling orders acquired from a relatively stable group of employers.

The way of winning over customers is based on advertising and recommendations which are derivatives of high-quality services. These startups can develop (as in the second case) but when left alone they will not manage to search for new markets and niches. Naturally, those firms are influenced by markets with strong competition, where startups operate. It leads to the risk averse approach. Corporations tend to be clients of such companies only by chance because they do not seek to network with them or there might be barriers which hinder any cooperation. An interesting thing is the attitude of leaders of the mentioned cases whose key objective becomes permanent income, what eventually leads to the functioning of entire companies. The leadership style and personal characteristics of the manager translate into choosing a business model. These elements have remained out of A. Osetrwalder's and Y. Pigneur's analysis [11]. These findings will be confirmed in the further part of this article.

2.2. Developing startups

In this category one will find the companies which achieve the position of strong firms in a regional dimension and search for alternate markets to keep on developing. They often use innovative business models and develop their own activity step by step. These companies do have a definite source of income. Their owners build the company's image or make use of personal branding, in order to self-promote themselves as experts in particular areas.

The first company in question is a law firm. It was one of the first to start offering its products and services to startups. At the very beginning, the company built its image by networking at various industry events for startups. It managed to accumulate the first group of clients who were satisfied with the services offered and the relations they have developed with the firm's management. The problem that appeared was how to extend the scope of the activity and, consequently, how to generate higher income. The owners examined the situation and having consulted it with an expert on the company's development, they came to a conclusion that the problem lies not in the product itself, but in customer acquisition. When analyzing the business model, they focused on communication channels with the clients. In order to accomplish this task, they hired a PR expert who was in charge of the company's promotion. The company's owner gave a couple of interviews and based on them articles to industry magazines were prepared. The changes also touched upon a strategy of networking. Since they were made, the firm's representatives started attending conferences devoted only to certain groups of startups in the whole country. In the next phases, the company aimed at increasing the quantity of services it offers, and to add consultancy. To sum up, the basic changes in the business model mainly dealt with the conversion of communication channels with clients. Although the startup is currently in a growth phase, it is still unclear whether it will go nationwide with its activity. The company helps startups in their contacts with large companies; it also supervises investment processes, which increases its reliability in the eyes of new clients. At present, when the number of clients has increased, new elements have been added to the business model, namely adequate for startups relations with the clients and their handling, both based on quick reaction and flexibility.

The second company of the above mentioned category, Software Development Academy, recruits and trains programmers for further hiring by companies. This startup takes advantage of the current situation on the labour market, in which a huge demand for IT specialists is observed. In fact, a very innovative business model has been used here: at first they get familiar with requirements and expectations of their clients, including information about expected practical skills of the potential employee. The next phases are: selection process among the candidates, verification of their abilities and job interviews. The final stage, with the presence of the employee's representatives, is about choosing 15 participants of the programme who will start the training, during which companies may monitor chosen candidates. The company makes a profit on training and recruiting candidates, at the same time, however, the candidates themselves must also cover their share. Therefore, Software Development Academy actually has two sources of income. The candidates that have been trained by the company rarely leave the job within the first year of their employment. This argument is precious for both employers and employees.

Initially, the company started developing in Pomerania, but at present it has moved its activity to Warsaw. This startup, due to its innovative model and taking advantage of market developments, began providing services to large companies.

A very interesting conclusion was presented by one of the respondents whose company is providing IT services. The entrepreneur is driving his company to development thanks to continuously getting new orders. In the future he opts for basing his business model on license selling, so that it would enable using products that already exist: *I believe that my strategy is exactly what I am doing now – which is to say I am accumulating capital while providing services for my clients. I am aware that while processing the orders non-stop, I will be able to develop only to a certain level, right? The highest income you get when you dedicate your time to building one, two or three products, perhaps also on selling their copies. We make money on every license and its margin, we don't need to create a new product every time*.

At the later stage of the research, one of the respondents presented a business model of a different company which to some degree may be perceived as an evolution of the above-mentioned strategy. The entrepreneur, operating in the SaaS model, accumulates the orders first, then his future clients provide him with money for the execution and eventually he sells them the license fee for using the product.

To sum up the category of developing startups, they are the firms which often interpret the market in a unique way. They try to build a comparatively large share of the market while encountering low risk. That is why they often test their own initial activities and only after that they start calibrating business. This activity is in line with the 'lean startup' philosophy of S. Blank and B. Dorf [2]. A considerable share is guaranteed by innovative business models which enable them to abstract a target group of clients which is determined and in need of a product or service. The clients are often ready to co-finance the solution to their problems. The key element is to approach the clients and to find among them those who are extremely determined (Blank and Dorf call them 'early evangelists'). Direct competition is often small because the majority of firms on the market offer products of a different kind. This is also why developing startups initially focus on small markets which grow. Large firms become clients of startups of this category because they do not have other providers. An interesting element of the model is building a strong brand. Developing startups choose to invest money in it and to position their own managers as market experts.

2.3. Startups aimed at achieving a leading position

This category consists of companies whose business model assumed a wide-scale activity from the very beginning. These enterprises operate on those markets where competition is mainly international. One interesting case worth to be examined is a company called Scanye, a startup in the financial technologies (FinTech) industry. This is how the website www.startupinsider.pl describes it: „Scanye is a tool which intelligently processes electronic invoices. An algorithm, capable of stimulating human's perception, reads the invoice and interprets the data based on their features and relations between them. It instantly takes out the right figures and inputs them to a bank transfer order or accounting system. With its help, accountants save time and avoid arduous paper work, whereas banks' clients may comfortably and quickly pay their bills" [19]. The company plans to start selling license fees for its main product in the SaaS model, depending on the number of invoices. At the initial phase of the model, banks were considered the key clients. The question arose: how such an undeveloped and little startup was able to achieve that? The founders have adopted their promotion strategy during startups' events. It is where they focused on networking and building relationships with companies from the financial sector. The entrepreneurs attended Citi Mobile Challenge EMEA, ingoShare startup contest, International Hackathon by BNP Paribas, Fintech Fusion (they got there thanks to applying at f6s.com portal and successfully going through a two-stage process – a skype interview). Now, they will be living in Geneva for a year to participate in a startup accelerator. The respondent admits that if they were to start everything again, the main focus would be on the product and acquiring new clients. Although the company managed to get first agreements with foreign banks, it turned out that the new market that previously has not been examined, is accounting offices. In conclusion, the two key elements of Scanye's model have proved to be the team (ready to work for a year and being unpaid) and relations established with the banks. Thanks to startups' events, Scanye's founders constantly kept enriching their business knowledge.

The company's problem was in fact the commercialization of their idea, as it could only start making profit once the final product was ready. However, thanks to market research and contacts with decision makers in the banks, the company managed to limit the risk of failure and assure future clients even before the product was ready for sale. Scanye primarily has foreign competition.

A similar strategy has been undertaken by Coinala with its application in the seed phase. One of the founders explained that it is based on an 'economy of gratitude.' Its main idea is to build a community in which - thanks to the system of recommendations - the client will be able to find a person to execute their orders. In this process, those from the client's circle recommend services and companies to their acquaintance. The assumption is that those individuals who recommend will eventually receive a small commission from the order's value. Coinala is similar to a multi-sided market type of the model (linking two groups of clients together) [4, p. 112]. The Coinala team consists of three people, namely: an originator, highly experienced in marketing; a programmer and a person highly experienced in business. In addition, the company consults two experts in startup-building. The initial business model was similar to Scanye's and was based on the widest possible networking. The main founder of the company participated in a number of startup events and met with a PR-beginner, who eventually took charge of project promotion. Thanks to that, they managed to test a tentative concept and begin work on a MVP. This activity attracted the attention of first investors. The next element of the business model was establishing relations with those who have wide contacts in startup incubators, experience in AiP. The aim was to explore the startup market and get to know all major programmes directed at emerging companies. Consequently, networking proved to be more strategically important and meaningful. Coinala focused on immediate internalization and making profits concurrently on the Polish and US markets. Participating in one of the accelerator programmes helped enable this process. This startup keeps working on the way it can generate profits. Among the recommended clients there would probably be smaller companies and freelancers. At the other end, among people searching for orders, there will mostly be residents of bigger cities. The company did not need to establish relations with large companies in order to make them their clients. However, as in the near future it will search for investors, the owners of large firms may come with a helping hand. In the owners' vision, it is crucially important to achieve a leading position beyond the national market as quickly as possible. They believe there is a risk that a similar idea may be implemented in the United States. This, in consequence, may give a potential competitor significant supremacy, namely better investors or a bigger market. That is why Coinala is developing very quickly. To sum up, in Coinala, similarly to Scanye, the two key elements of the business model are a well-built team plus good networking which is a tool that helps cutting costs and providing knowledge. The unique feature of this type of startup is that it rapidly develops, given the market it operates on.

„OncoArendi Therapeutics Ltd. (OAT) is an innovative biotechnological company specialized in searching for and commercializing new medicines used in cancer therapy and inflammatory disorders. Established in March 2012, OAT is a private firm, the owners of which are founders as well as investors, both private and institutional” [17]. Its present scope of activity is totally different from the majority of those described in the article. Despite this fact, the respondent used the term 'startup' while referring to his company. It currently has a lot of features characterizing a mature enterprise. It serves as an example of a company that managed to become one of the leaders of the Polish market in a very short time. The key element of the business model was the company's team. On the one hand, a highly experienced CEO, dr Marcin Szumowski (one of the founders of Medicalgorithmics), on the other – a group of Polish scientists who worked for many years in the United States. This company did not need to develop its networking as much as the previous two did. The group of founders is composed of highly experienced individuals, known in the biotechnological industry. They performed a detailed analysis of the costs and that has become an important element of their model. Thanks to highly skilled staff, they were able to limit some of expenses on research by acquiring grants, for instance from the National Centre for Research and Development. Since the company's competitors were global players, an important feature of their model became the low labour costs in Poland. As a consequence, the process of medicine making is considerably cheaper here than in highly developed countries. In that respect, the investment risk in this startup has been limited. However, the company operates on a high risk market (drug discovery) which limits its spending having analyzed its costs. These arguments plus a good strategy of brand building made the company very attractive to investors. According to data available on its website, the company has already gained 16 million zloty from private donors and 30 million from public means (http://www.oncoarendi.com, 2015). The current amount may already be higher. The company has become a very interesting project on the Polish market. The respondent says that the decision of starting operations in Poland proved to be very good given the possibility of money acquisition. OncoArendi differs greatly from other companies and quickly gains new investors. As has already been mentioned, the company did not need to focus on networking in the biotechnological industry, but it developed relationships with investors and journalists. One of the investors, Michał Sołowow, is one of the richest Poles. The company also managed to convince one of the American universities to assign one of the research programmes to them. The company aims at selling or licensing rights to molecules, as the commercialization of medicines at one's own expense is still too costly for the company. That is why pharmaceutical corporations will serve as both initial clients of the company and as suppliers of capital for further development. If the strategy proves to be effective, OncoArendi will acquire adequate funds to be able to commercialize medicines on its own.

Another interesting model, though opposed to the ones presented in this typology, is a company which acquires money for other firms, including crowdfunding. It was one of the first companies which took advantage of this innovative form of financing in the world. A team of young and dynamic individuals with a charismatic leader was created. It was decided that the company will apply for money from the Innovative Industry Programme, which eventually turned out to be unsuccessful. This is how the respondent explains the situation:

„When it comes to support from the state, there are also many obstacles. For instance, we made attempts to start operating already three years ago. We declared our idea to the Innovative Industry Programme. At that time it was the first company ever to handle crowdfunding in Poland but still our request for financing was rejected. The argument was that it is not innovative at all. The reality has proven how much the administrative officials were wrong when two years later crowdfunding became a major part of financing on the Internet".

The company, although being one of the earliest out of all participating companies in the research, did not make any considerable progress in development. Its main strategy is promoting startups and expecting them to achieve real success. It did not manage to commercialize crowdfunding on a large scale, its present sales are based on the company's own contacts. What distinguishes this company from others in the same category? Unutterably important was failing to search for foreign capital at the early stage of the company's development plus the lack of access to international markets. Having compared this model with the one of Coinala, one could easily notice a lack of an analysis of options of strong international competition. And this is exactly what happened in this case. Polish companies and inventors started using the American crowdfunding platforms. The possibility of building relations with larger companies has not been a part of the business model, even though it could have been an interesting option for gaining new capital and orders. This startup has implemented a very defensive strategy of accumulating investors. Eventually, this approach turned out to be a mistake. The team itself reasonably quickly realized that they lack experience which eventually led to the leadership crisis. Despite the young age of the company, it continuously operates on the market, and even though there is much more space to act than there used to be in the past four years, it did not manage to build a strong brand. To sum up, it may be concluded that the company, despite a very good idea, which came at an appropriate time, has achieved the limits of its possible growth. One of the biggest mistakes in the business model is a lack of internationalization and searching for those funds which did not come from the state. Perhaps we deal with the situation of an erosion model unnoticed by the company's representatives and therefore the enterprise lost its time for success, quoting R. McGrath: „Successful incumbents may even entirely miss the erosion of their model's ability to generate value until it is too late" [9, p. 256].

Summing up the category of startups aimed at achieving a leading position, a visible feature here turned out to be the considerable tendency of their owners to take risks. In some cases the leading role is played by the chief of the company whose own ambitions and personal characteristics decide about the selection of a business model. Startups of this type aim for almost immediate internationalization. A business model established to operate on a big scale requires capital. It then becomes one of the most important factors that enables winning a large share of the market. Companies of this type have problems with accomplishing quick viability, that is why investors are so important here. In order to endear them the company must be reliable, what is made possible with a well-established team.

5. SUMMARY AND CONCLUSIONS

In this section we will present a summary of the types of startups. Our list includes the types of startups: stable, developing and aimed at achieving a leading position.

Table 1. A summary of the types of startups (author's own elaboration)

Type of company	Key elements of the model	Competitive advantage or another distinctive element	Strategy of brand building and positioning	Relations with large companies
Stable startups	costs	quality	advertising and positioning with relations to competitors	limited
Developing startups	value for the client	innovative way	building deliberate networking and hiring PR Agency	low costs
Startups aimed at achieving a leading position	staff	of market interpretation	internationalization and networking	based on innovative solutions

A predominant majority of companies in question operate on the business-to-business type of market. Only in case of the third category, there is partial consumer handling.

Stable startups mainly use advertising to distinguish themselves from competitors. It is often in the form of online adverts. The most important element of the business model is a relatively low cost combined with high-quality services.

In order to distinguish themselves from others, companies use advertising – most often online. If there is any form of relationship with large companies, it is likely to be outsourcing. Sometimes the companies are too small to provide services to corporations. While the business model of firms of such kind is almost finalized, any changes are due to emerging market opportunities. They are not planned, it is rather a matter of coincidence. This type of business model provides stable income but it does not lead to an increase in market share. The key element of such a situation, which motivates the owners, is the maximum limitation of risk.

At first developing startups do not acquire a considerable share in the market. It is caused by the market structure on which they operate. This hinders immediate actions on a large scale. These startups develop in stages and avoid extreme risk. They often operate in marketing strategy building and take advantage of the help of professionals who assist them in building the image of an expert in the business.

The clients receive a solution which is hardly accessible on the market. Moreover, it is often innovative and perfectly answers consumers' needs. The market vision itself also differs from the one the competitors have. They often specialize in one particular segment of the larger market. Large companies become the firm's clients, mainly because of the product's uniqueness and competitive advantage which G. Lumpkin and G. Dess defined as problem-solving, in relation to internet companies. "Problem-solving refers to the process of identifying problems or needs and generating ideas and action plans to address those needs" [6, p. 162]. The business model of those companies changes in a sustainable way, having achieved successive phases. Thanks to this they acquire a large share of the market without an extreme risk.

An enormously important element of startups aimed at achieving a leading position is a team which is aimed at building credibility on the market. Since startups aimed at becoming leaders need capital to develop, they attempt to gather it by means of internationalization. The competitive advantages they used were very diversified. The most advanced model was based on the cost advantage, namely much lower labour costs. Some of the companies believe that an innovative solution alone will prove to be their primary asset. However, given the example of one of the case studies, this approach may fail as the idea itself may be copied. Therefore, it is vital for these companies to build a strong brand and to present its unique features (for instance an outstanding team at OncoArendi). Startups aimed at becoming leaders spend their resources on advertising and try to be present in the media. They continuously change their business model. Large companies are crucially important to this type of startups as they can provide capital, both as an investor and client.

A key element for developing startups that operate on undervalued, yet rapidly developing markets which enables acquiring a large share in the market is an innovative model and a product which fulfils the needs of determined clients (who are also an important element of the model).

On the other hand, for startups aimed at achieving a leading position (operating on markets of high value), the key element to acquiring new markets is getting funding. This is because actions on such a scale are too costly or it is required to finance some parts of the work on the product. This leads to the necessity of building a strong and efficient team. In this particular case, the essential thing is cooperation with big firms in order to acquire funding or to cooperate in order to create a product.

LITERATURE

[1] Baden-Fuller C., Morgan M.S., Business Models as Models. Long Range Planning, No. 43, 2010.

[2] Blank S., Dorf B., Podręcznik Startupu. Budowa wielkiej firmy krok po kroku, Wydawnictwo Helion, Gliwice 2013.

[3] Brzóska J., Model biznesowy – współczesna forma modelu organizacyjnego zarządzania przedsiębiorstwem, Organizacja i zarządzanie, Vol. 6, No 2, 2009.
[4] Glinka B., Pasieczny J., Tworzenie przedsiębiorstwa. Szanse, realizacja, rozwój, Wydawnictwa Uniwersytetu Warszawskiego, Warszawa 2015.
[5] Kim W. Chan, Mauborgne R., Blue Ocean Strategy, Harvard Business School Press, Boston, Massachusetts 2005.
[6] Lumpkin G.T., Dess G.G., E-Business Strategies and Internet. Business Models: How the Internet Adds Value. Organizational Dynamics, Vol. 33, No. 2, 2004.
[7] Mason K.J., Leek S., Learning to Build a Supply Network: An Exploration of Dynamic Business Models. Journal of Management Studies, Vol. 45, No. 4, 2008.
[8] Matusiak B.E., Modele biznesowe na nowym, zintegrowanym rynku energii. Wydawnictwo Uniwersytetu Łódzkiego, Łódź 2013.
[9] McGrath R.G., Business Models: A Discovery Driven Approach, Long Range Planning, No. 43, 2010.
[10] Osterwalder A., The business model ontology a proposition in a design science approach. (thèse) 2004.
[11] Osterwalder A., Pigneur Y., Tworzenie modeli biznesowych. Podręcznik wizjonera, Wydawnictwo Helion 2012.
[12] Sorescu A., Frambach R.T., Singh J., Rangaswamy A, Bridges C., Innovations in Retail Business Models. Journal of Retailing, Vol. 87S, No. 1, 2011.
[13] Teece D.J., Business Models. Business Strategy and Innovation. Long Range Planning, No. 43, 2010.
[14] Witek-Hajduk M.K., Pojęcie i atrybuty silnej marki, [w:] M.K. Witek-Hajduk (red.), Zarządzanie silną marką, Wolters Kluwer Polska Sp. z o.o., Warszawa 2011.
[15] Wirtz B.W., Schilke O., Ullrich S., Strategic Development of Business Models Implications of the Web 2.0 for Creating Value on the Internet. Long Range Planning, No. 43, 2010.
[16] Zott C., Amit R., Business Model Design: An Activity System Perspective. Long Range Planning, No. 43, 2010.
[17] https://www.oncoarendi.com/about (15.01.2016).
[18] http://startupakademia.pl/ (15.01.2016).
[19] http://www.startupinsider.pl/blog/2015/09/14/scanye-inteligentne-narzedzie-ktore-przetwarza-elektroniczne-faktury/ (15.01.2016).

MODELE BIZNESOWE STARTUPÓW WE WSPÓŁPRACY Z DOJRZAŁYMI FIRMAMI – POZYSKIWANIE ZLECEŃ I BUDOWANIE POZYCJI LIDERA RYNKU

Streszczenie

Artykuł opiera się na wywiadach z 15 przedsiębiorcami. Zostały w nim zaprezentowane case study, które mają odpowiedzieć na pytanie: Jaka jest rola modelu biznesowego w zdobyciu dużych udziałów w rynku? Badanie było realizowane od grudnia 2014 roku do lutego roku 2015. Badane podmioty nie mogły funkcjonować na rynku dłużej niż 5 lat.

Metodą badań były wywiady pogłębione, częściowo ustrukturalizowane. Przedstawione firmy działają na terenie Warszawy lub w jej okolicach. Wyniki badania prezentują elementy modeli biznesowych, które miały szczególe znacznie dla rozwoju startupów. Dla firm nastawionych na zdobycie dużego udziału w rynku kluczowy był zespół, zaś dla startupów „rozwijających się" ważna okazała się szczególna wartość dla klienta.

Słowa kluczowe: startups, modele biznesowe