

SECTION A

CASE STUDY BASED BUSINESS MODELS

The case study analysis in Kenya was performed for 4 companies. The questionnaire collected data from enterprises with less than 10 and 50 employees. The four companies they represent are operating in the domain of software development and marketing, new technologies, and knitwear. The kind of business models that were chosen were very different in the four companies, mainly **direct sales with affiliated** and **contract**. One case also uses **add-on** and **premium models**. The questionnaires were collected from more advanced entrepreneurs, and as in most cases in Kenya, there is not much knowledge and information on business models. The four entrepreneurs cooperating in this questionnaire have also indicated key elements for the survival of the company, mainly: key partners, relations with clients, and communication channels. Other crucial elements were the following: the structure of costs and value proposition.

The next question in the questionnaire was related to the benefits of using business models. They seemed to be quite different; however, the increased control & consistency and improve operational efficiencies were the most common.

Another question concerned the skills and knowledge needed to “run” a business model in companies. The answers included different the following skills: management, communication and product innovation, practical experience, and the writing of a business plan.

The answers concerning knowledge were also different, but they mainly focused on the development of knowledge in terms of market analysis characteristics and the dynamics of their own business.

In all four questionnaires, relevant data about future planning in using business models were not collected, which included those applied at the moment or the planned use of different models.

Q.1.

a) Describe the following business models:

- i. Add-on model, (5 marks)
- ii. Affiliate model, and (5 marks)
- iii. Direct sales model. (5 marks)
- iv. Premium model (5 marks)

b) Provide an example of a company using each of these business models in (a) above in your country.

c) Examine any **five** key elements of business system models. (5 marks)