

# Key resources in small and medium enterprises for business model innovation

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## Abstract

In establishing industries today, it's almost a norm that many business models exist simultaneously in each industry. It was observed that in a rapidly changing environment companies have to be able to fundamentally scrutinise their business model on a regular basis and redefine it if necessary. In other words, if a company is to generate sustainable impact, it needs to adopt business innovations at its core. Due to a comprehensive qualitative literature review we developed a solid theoretical framework. That's how we identified three fields of the innovation in business models sources. One is business model innovation as such and the other is design and design thinking. The third field that connects both is business design.

The purpose of this research is mainly exploratory. In addition, the findings are adequate to show relationships between the events, in the explained case stories of small and medium sized enterprises (SMEs) and their business model innovation efforts and the meaning of these relationships. The research is deeply embedded in the context of the connection of business model innovation with the design thinking methodology, so this paper has some interdisciplinary characteristics. Observed SMEs have capabilities to change their business models, although not radically. In general, they tend to stick with their business-to-business model. In a way we could confirm that the biggest opportunity to develop their business model or business models sustainable, SMEs see in new customer segments. We did observe and could confirm more cooperation instead of competition on the market. Especially, when there is a match between providers of an innovation in a value chain development.

SMEs struggle not so much with testing, demonstration and verification of product innovations or new technologies but with prototyping and testing of new business models. Nevertheless we realized that the time is right and good opportunities exist for SMEs to start design thinking and applying the business model innovation to generate new business and sustainable impact at the same time.

**Key words:** business model innovation, design thinking, sustainability, resources, small and medium enterprises, business transformation