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STRATEGIC RENEWAL OF BUSINESS MODELS IN THE LANGUAGE SCHOOLS SEGMENT

STRATEGICZNA ODNOWA MODELI BIZNESU W SEGMENCIE SZKÓŁ JĘZYKOWYCH

Abstract: The paper presents the results of the third stage of the research on business models of enterprises in the language schools segment. It has an inferential-postulatory character. Results from the two previous stages were used: the first stage of the research on the assessment of the impact of the surrounding elements on selected components of a business model according to the canvas template, and the second stage of the research on the so-called activity packages. In the third stage, the packages, which have a great potential to reduce the gap were selected. Reducing the gap is referred to the renewal of the business model and its importance is connected to the relation between the business model and the strategy of an enterprise. Against this background, the postulates referred to using the concept of *lean canvas* and the theory of *tasks to be performed* for the clients. The attention was also paid to connecting the issue of the gap to the known and structured in management question of the strategic renewal of an enterprise. Two further research directions on business models of language schools segment of the *case study* type and referring to the assessment of the proposition by the same enterprises participating in the research (96 from Lower Silesian Voivodship) have been outlined.

Keywords: gap, offer of companies, enterprise, postulates, change of model

Streszczenie: Opracowanie prezentuje wyniki trzeciego etapu badań modeli biznesu przedsiębiorstw w segmencie szkół językowych. Ma ono charakter wnioskowo-postulatywny. Wykorzystuje wyniki obu wcześniejszych etapów: pierwszego etapu badań w zakresie oceny wpływu elementów otoczenia na wybrane składniki modelu biznesu według szablonu canvas, drugiego w zakresie tzw. pakietów aktywności. W etapie trzecim wyselekcjonowano te pakiety, które mają duży potencjał w zmniejszaniu luki informacyjnej. Zmniejszanie luki nazwano odnową modelu biznesu, a jej waga jest związana z relacją między modelem biznesu a strategią przedsiębiorstwa. Postulaty na tym tle dotyczyły wykorzystania koncepcji *lean canvas* oraz teorii zadań do wykonania klientów. Zwrócono uwagę na powiązanie problemu luki ze znaną i ustrukturyzowaną w zarządzaniu wobec kwestii odnowy strategicznej przedsiębiorstwa. Nakreślono dwa kierunki dalszych badań modeli biznesu segmentu szkół językowych: typu *case study* oraz dotyczące oceny propozycji przez te same przedsiębiorstwa uczestniczące w badaniach (96 z województwa dolnośląskiego).

Słowa kluczowe: luka, oferta firm, przedsiębiorstwo, postulaty, zmiana modelu

Introduction

The paper presents the results of the 3rd stage of the research on business models of language schools sector in Lower Silesia. It has a postulatory character in the light of the results obtained in two previous stages. These were conducted in 2018 on a sample of approximately 2/3 (96) of all schools in the region. In the first stage, assessment of the impact of the surrounding elements on the business model in the part referring to the components of the right side of the model according to the *canvas* template was performed¹. Directions were obtained (on the basis of information

¹ A. Osterwalder, Y. Pigneur, Tworzenie modeli biznesowych. Podręcznik wizjonera, Helion, Gliwice 2012, p. 20.

obtained from school managers), which included elements divided according to two criteria: significance and favourability, which should be taken into account in the strategy and operational actions of language schools. The research on the components of the business model initially allowed to define the field and directions of influence, which has a reactive character. The analysis conducted in the second stage identified the gap between the value offer of language schools and the expectations of the clients in the perspective of distinguished components of the business model, which then allowed specifying the directions of renewal of the business models in the sector. The statement about the meaning of the results for this renewal comes from the review of the literature and links between the strategy and the enterprise business model. The defined line of interpretation establishes that the business model is a key tool in the realisation of a cluster of long-term goals and the future position of the enterprise in a competitive environment, which makes strategic choices, expanding these choices with necessary solutions as part of the components of the model and the relations between them, and with ways (methods) of realisation of the cluster of strategic goals². In such an approach, the strategy is superior to the business model which constitutes its integral part and it is a key element of the strategic choice³. Results obtained in the 1st stage are presented in the work⁴ and their synthesis is described in this paper. The accepted designation of (strategic) renewal is known in the literature on strategic management and connected to the process of deep, strategic change and also referred to as revitalisation, reorganisation or restructuring of the enterprise⁵. Despite value propositions of language schools and their clients formally limited to assessing the gap (in the perspective of 4 components of the canvas template), the study in the second stage has a considerable impact due to the role of business models - resulting from the description mentioned above. The final synthesis of the diagnosed gap are activity packages (around 4 components of the business model) within 6 groups of clients, which are formulated in a standard way by the language schools - separately generated for the segment of schools and clients. In the further part of the paper, the established state of the value preference assessment for both sides was presented in two figures. The methods of measuring this gap (survey, statistical analysis) were also discussed. It should be emphasised that the undertaken research fits in the empirical studies that have been conducted for several years by Polish researchers. Their works, focusing on

² M. Wierzbiński, *Zarządzanie kosztami i dokonaniami*, "Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu" 2015, No. 398, p. 496-497.

³ It should be emphasised that there are views on another relation of the business model and the strategy which is better at exposing the meaning of the function of the business model as a conceptual object [Falencikowski, 2013, p. 50].

⁴ Z. Malara, J. Kroik, P. Ziembicki, *Otoczenie i jego wpływ na model biznesu szkół językowych: ustale-nia z badań*, "Raporty Wydziału Informatyki i Zarządzania Politechniki Wrocławskiej" 2019, ser. PRE, No. 3, p. 3-16.

⁵ B. Hajdasz, *Wybory strategiczne podczas odnowy przedsiębiorstwa*, "Studia Oeconomica Posnaniensia" 2014, Vol. 2, s. 74.

specific assumptions and original business model templates, have their own cognitive message. And so, e.g. T. Falencikowski presented the concept of measurement of cohesion of business models understood as compliance of the components determining creation of values (for the clients) with components responsible for intercepting values (for the enterprise). In the empirical dimension, the proposition of measurement for several enterprises was examined (through interviews - management perception)⁶. M. Jabłoński on the other hand, in analysing business models of enterprises from New Connect market, assessed their innovativeness in terms of the product/service and the business model as a source of value of these companies. From among more than 200 enterprises, he presented a detailed description of 14 companies - those having favourable economic indicators from several years⁷. A more sophisticated analysis was conducted by A. Jabłoński, who dealt with hybrids of business models and compared the empirical part with selected enterprises where he searched for answers due to the context of hybridity8. Stage 3, as indicated, has a postulatory character and from the substantive premises is contained within the framework defined by the research (model template and its 4 components, activity packages preferred by both sides). The name strategic renewal of business models is supposed to reflect two aspects of the postulates. Firstly, the word renewal in the title suggests that there are significant differences in the value offer between the segment of language schools and their clients, which is due to the fact, that the value proposition is the central component of the model and gives the possible changes a strategic character. The aim of this paper is indicating the direction of changes in business models and strategies of the enterprises from the language schools segment formulated by them through the effects achieved in two previous stages of the research. The results of these two stages of previous researches have been described in further part of this paper. The key environment factors, which have impact on business models have been determined (stage 1) and the assessment of the key business model components - offer from enterprise perspective and expected value proposition from client perspective - have been evaluated, as a packages, which are the key components of the business models. The differences in two models (differences in packages construction) have been described and called strategic gap (stage 2). In stage 3, taking into account previous results described further in this paper, authors attempt to describe and assess strategic renewal of business models. Three directions of changes were indicated: defining client segments with the use of the theory of experiences of the clients9 changing business models according to

⁶ T. Falencikowski, Spójność modelu biznesu. Koncepcja i pomiar, Wydawnictwo CeDeWu, Warszawa 2013, p. 56.

⁷ M. Jabłoński, *Modele biznesu a kreacja wartości na rynku kapitałowym*, "Zeszyty Naukowe Uniwersytetu Szczecińskiego: Finanse, Rynki Finansowe, Ubezpieczenia" 2013, No. 60, p. 77-79.

A. Jabłoński, Spójność hybrydy strategicznej w środowisku sieciowym, Difin, Warszawa 2015, p. 106-109.
S. Kavadis, K. Lados, Ch. Loch, Transformacyjny model biznesu, "Harvard Business Review", Febru-

ary 2017, No. 168, p. 74.

the so-called *lean canvas*¹⁰ and translating the results in the light of scientific achievements of the Polish school of strategic management in terms of the strategic renewal¹¹. The description of the effects from two previous stages of the research, as was mentioned, has a synthesising character¹². An additional inspiration to focus the attention on the above - mentioned directions, is a positive interest of several managers in the research results from the second stage, as well as packages considered as fields, which are particularly susceptible to the strategic renewal of the business model selected by the authors of the paper. Their suggestions indicate a potential competence type of the strategic renewal¹³.

1. Environmental impact on the business models of language schools - stage 1 of the studies

The assessment of influence of the surrounding elements of the schools was conducted by preparing a questionnaire and obtaining information through interviews and on-line (Google Survey platform). The selected enterprises participated in the research on strategic gap of the segment. It should be emphasised that over the years, after Poland's accession to the EU, changes in the education services sector had an impact on the change of language competences of the society, including contribution to the fact of jobless growth. According to the Register of Training Institutions (Rejestr Instytucji Szkoleniowych, RIS), at the end of 2018 the number of entities classified as companies operating as language schools amounted to 1,596, and in Lower Silesian Voivodeship to 146. 96 language schools participated in the research, which constitutes 2/3 of all schools in the region. More than half of the enterprises (approx. 56%) are persons performing one-person economic activity¹⁴. On the basis of divisions and classifications present in the literature, a set of surrounding elements was selected¹⁵. Finally, 31 factors (elements, j=1, 2...31) representing further surroundings (21) and close, sectoral-competitive surroundings (10) were selected. Two dimensions of the environment assessment: significance (S) and favourability (F) were indicated separately in the questionnaire. Meaning of these dimensions providing an appropriate interpretation was specified. Using the Likert scale (1-5 scale), the respondents spoke simultaneously about both contexts by selecting one of 5 states: from insignificant to very significant and from very unfavourable to very

 $^{^{10}}$ A. Maury, Running lean. Iterate from plan A to a plan that work, O'Reilly 2012, p. 68-69.

P. Banaszyk, S. Cyfert, Strategiczna odnowa przedsiębiorstwa, Difin, Warszawa 2007, p. 96-97.

E. Urbanowska-Sojkin, Wybory strategiczne w przedsiębiorstwach, PWN, Warszawa 2011, p. 62-65.
B. Hajdasz, Wybory strategiczne..., p. 61.

http://psz.praca.gov.pl/documents/10240/1012429/RIS%20raport%202013%20PDF.pdf/b839706c-03ee-46fe-a6fc-229a560512b3?t=1417694996000 [access: 24.12.2018].

¹⁵ R. Miśko, *Determinanty wzrostu i rozwoju małych i średnich przedsiębiorstw branży usług edukacyjnych*, PhD thesis, Politechnika Wrocławska, Wrocław 2017, p. 71-72.

favourable. The dimension F was used secondarily in the preselection of 31 factors in the situation of low valuation of the dimension of **significance**. Finally, 22 elements (se_i, i=1, 2...22) of further and immediate surroundings (13 further and 9 immediate) were selected for the analysis. The remaining 9 were omitted in the detailed analysis. The selection of language schools from Lower Silesia was random from the RIS database and the CSO database. They represented the category of micro (44), small (39) and medium-sized enterprises (13). A vast majority had many years of experience on the market. Analysis of reliability of the data with the use of Cronbach's Alpha statistic in reference to S and F (62 items were studies, 31 for each of the two dimensions) was performed. The achieved result was positive (0.902 with the threshold value 0.7).

In selecting elements having a significant impact on the business model with the perspective of four components of the rights side of the *canvas* template (SE - segments, RE - relations with clients, CHA - communication and distribution channels, RS - revenue structure), analytical thresholds were introduced. For **S** it was the threshold of 3.0. For **F** two thresholds were introduced. The first one is 2.5 and the range (1-2.5) was interpreted as a *threat*. The second one is 3.5 and the range (3.5-5) was interpreted as *opportunities*. Elements (se_i) with the managerial assessment average (S_{avg} , F_{avg}) within these three ranges constituted the target set of elements, which were linked with the above-mentioned components of the business model. Results of this selection (**averages in bold**) with assessment distribution according to the scale are included in Table 1. In the column of the last table the impact of given elements on the components the business model *canvas* was indicated. All 22 cases were described in previous studies.

Table 1. Numerical distribution (S_i, F_i) of the assessment of these surrounding elements (se - 8 cases) complying with the requirement of the threshold for S and F (according to the average from the sample - S_{avg} , F_{avg})

Tabela 1. Rozkład liczbowy (Li, Ki) oceny tych elementów otoczenia (eoi - 8 przypadków) spełniające wymóg progu dla I oraz K (wg średniej z próby - Iśr, Kśr)

| 1 / 1 | 01 | | | | . , | | |
|---|-----------------------------------|--------------|--------------|-----------------------------------|--------------|---|--|
| Likert scale | 1 | 2 | 3 | 4 | 5 | | |
| i-th ele- ment (i=1,222) | (S _i ,F _i) | (S_i, F_i) | (S_i, F_i) | (S _i ,F _i) | (S_i, F_i) | (S _{avg} ; F _{avg}) | Influence on the components of the business model <i>Canvas</i> |
| Further surroundings - political-legal elements (0 cases out of 3 elements) | | | | | | | |
| Further surroundings - economic elements (4 cases out of 5 elements) | | | | | | | |
| Foreign investments level (se ₄) | (0.0) | (0.1) | (35.35) | (25.23) | (36.37) | (4.01; 4.00) | RE |

| Economic growth (se ₆) | (0.8) | (0.7) | (29.7) | (22.25) | (45.49) | (4.17; 4.04) | SE,VP |
|--|--|--------|---------|---------|---------|-----------------|-----------|
| Internationalisation of the Polish economy (se ₇) | (0.8) | (0.6) | (19.8) | (34.21) | (43.53) | (4.25; 4.09) | SE,VP |
| Seasonality of demand (se ₈) | (0.53) | (0.34) | (14.9) | (36.0) | (46.0) | (4.33; 1.54) | RS |
| F | Further surroundings - demographic and socio-cultural elements (0 cases out of 3 elements) | | | | | | |
| Furt | Further surroundings - technological elements (preliminary elimination) | | | | | | |
| Furth | Further surroundings - international elements (1 case out of two elements) | | | | | | |
| Integration with the European Union (se ₁₂) | (0.0) | (0.5) | (33.20) | (19.39) | (44.32) | (4.11; 4.02) | SE, VP |
| Immediate surroundings - competitive-sectoral elements (3 cases out of 8 elements) | | | | | | | |
| Bargaining power of the recipients (se ₁₅₎ | (0.35) | (2.36) | (29.18) | (23.6) | (42.1) | (4.09; 1.98) | RE, VP |
| Risks posed by the substitutes (se ₁₆₎ | (0.36) | (1.34) | (14.24) | (36.3) | (4.0) | (4.30; 1.95) | SE, VP |
| Intensification of competition in the sector (se ₁₇) | (0.27) | (1.45) | (21.19) | (29.4) | (45.1) | (4.23; 2.03) | RS, VP |

Source: own elaboration on the basis of research on the influence of the surroundings.

The reached estimations played a supportive role in the interpretation of the results of the research on the strategic gap of the value offer of the companies and the value expectations of the clients.

2. Assessment of the strategic gap of the offers and value expectations - stage 2 of the studies

The objective of the research in the second stage was to demonstrate, that the value offer (proposition) of language schools differs substantially from the expectations of the clients. The source in obtaining information was a survey, in which the questions referred to the same components of the business models. Respondents were the same companies (96) as in the first stage and a group of clients (337 people) of language schools as the second assessing party. It contained, apart from the profile, a description of 18 activities, which may be classified into two components of the model canvas: relations with the clients, communication and distribution channels. The component of revenue structure was represented by the type of foreign languages (11) and the evaluation of services referring to those courses (11) in five price ranges. The fourth component of the business model - client segments - was included in the questionnaire in six categories of courses for the clients (a course for individual clients, a course for preschool groups, a course for school groups, a course for university students, a course for groups of adults, a course for enterprises). A multicontextual analytical field was defined for these categories: for the companies the so-called scales - 1.1-1.6, and for the customer scales - 2.1-2.6. In a standard way, the profile of value propositions was formulated by introducing a mosaic of languages, levels of education and 6 course forms (vacation, one semester, two semesters, certificated, intensive and private). The answers were encoded with the use of number in the following way: 1. ineffective, with no impact, insignificant or very unfavourable, 2. not very effective, with little impact, not very significant or unfavourable, 3. moderately effective, with moderate impact, moderately significant or moderately favourable, 4. effective, having an impact, significant or favourable, 5. very effective, with great impact, very significant or very favourable.

Statistical verification of the results encompassed many specific analytical situations. Reliability and accuracy of measurement scales was examined separately for entrepreneurs and target recipients (Cronbach's Alpha statistic with the threshold value of 0.7, and expert accuracy). An analysis of factor distribution was also performed: histograms and quartile-quartile diagrams were prepared, conclusions from visual assessment were drawn, and then assessment of symmetric measures (obliquity, kurtosis and their standard errors) was made with reference to a normal distribution. The Kolmogorov–Smirnov test with the Lilliefors modification (K-S-L) and the Shapiro-Wilk test (S-W) were used for the majority of the scales (the S-W test for samples smaller than 50 and the K-S-L test for samples bigger than 50 and smaller than 100). The analysis of interrelations and structures of the factors was performed with the use of factor analysis in order to deter-

S. Bedyńska, M. Cypryańska, Zaawansowane metody tworzenia wskaźników – eksploracyjna analiza czynnikowa i testowanie rzetelności skali, [in:] S. Bedyńska, M. Cypryańska (ed.), Statystyczny Drogowskaz 1. Praktyczne wprowadzenie do wnioskowania statystycznego, Wydawnictwo Naukowe Sedno, Warszawa 2013, p. 271-274.

mine the key components of currently used SMEs business models in the language services sector and the value proposition expected by their current and/or potential clients. The probability of standard deviations and variance for individual variables, shaping of the coefficient of the Kaiser-Meyer-Olkin (K-M-O) measure of sampling adequacy with the threshold of 0.5 were checked and the hypothesis on whether the empirical matrix includes zero correlation coefficients was examined with the use of the Bartlett's test. After establishing the number of factors, the questions creating individual factors were identified. The Direct Oblimin oblique rotation method with the Kaiser normalisation was used for this purpose. After finding the questions, which create factors, individual factors were given conventional names. The convention adopted in the description was the word package, symbolising the possibility (non-excludability) of mixing very detailed and specific marketing efforts within scales 1.1-1.6 and 2.1-2.6. The isolated packages constituted the essence of the research conduct. The information gap assessed from two perspectives: value offers of the companies and expectations of the clients resulted from the distinctness of the activity packages (their number resulted from the number of factors for each scale). As a result, a comparison illustrating expectations of both sides was obtained. Both situations defining the above-mentioned gap are presented on Figures 1 and 2. The analysis and comparison of the packages clearly emphasises the differences in the perception of values by the companies and value expectations of the clients.

The fact of isolating the components of the rights side of the canvas template (together with its central part - value proposition) resulted from the fact, that they represent the so-called soft side of the model, which is directly *perceived* by the clients of language schools, who can express opinions and expectations towards them. The left side of the template is the domain of the enterprise itself, its resources, processes (activities), costs (structure), partners, which are at best only in an intuitive way or not at all known to the clients. It is therefore worth presenting the concept of measurement of cohesion of business models of T. Falencikowski understood as compliance of the components determining creation of values (for the clients) with components responsible for intercepting values (for the enterprise). Such a division of the components (related activities) does not correspond to the convention of the right and the left side of the canvas template. It runs sectionally, e.g. the revenue structure may include both elements of intercepting and generating values for the clients. It is determined by specific situations and research questions¹⁷.

¹⁷ T. Falencikowski, Spójność modelu biznesu..., p. 242-250.

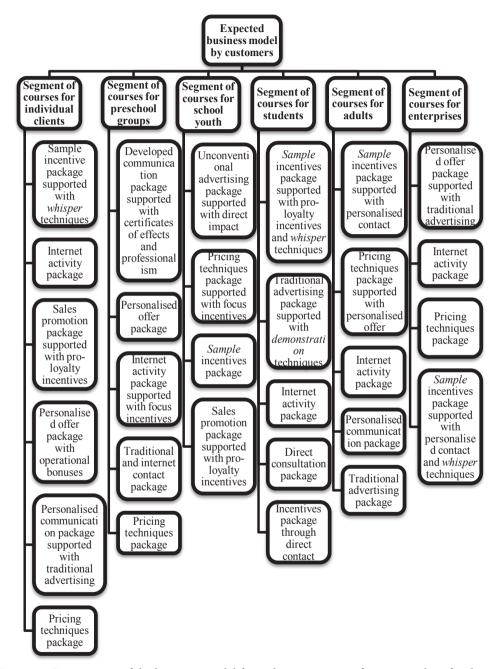


Figure 1. Components of the business model from the perspective of creating values for the recipients of language services

Rysunek 2. Składniki modelu biznesu z perspektywy tworzenia wartości dla odbiorców usług językowych.

Source: own elaboration.

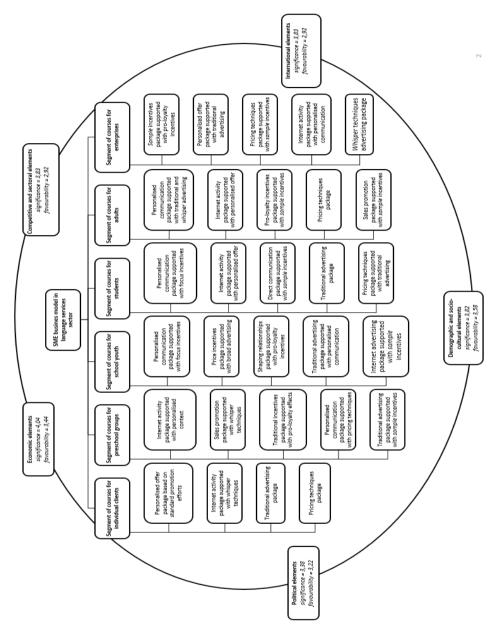


Figure 2. Components of the business model according to the enterprises of the language services sector

Rysunek 2. Składniki modelu biznesu wg przedsiębiorstw sektora usług językowych Source: own elaboration.

The assessment of specificity of the gap in the perspective of companies and clients required to look more carefully into the packages linking several marketing activities. Based on this, it was possible to compare both sides, and then to indicate these packages in the value proposition of the companies, which have the potential to come nearer to the expectations of the clients.

3. Strategic renewal of business models of language schools

Words strategic renewal of business models interpreted in the introduction require determining substantive premises for the renewal and, in the case of a substantial gap (with respect to the desired situation), entering the renewal stage. The renewal process itself is considered as very complex and full of decision dilemmas and characteristic paradoxes¹⁸. The strategic renewal in the publications refers to competing, competences and company resources, organisational structure, learning process, as well as organisational routine and process of making and implementing decisions¹⁹. Recorded differences in the second stage of the research are a specific introduction to the strategic renewal examined in the literature. It seems that it is a necessary step in the entire cycle of processes resulting from the strategic renewal. It is considered, that the source of the renewal are gaps between the expected and the achieved results of the enterprise, and the strategic dilemma created around the question: persevere and continue or change the way of acting or look for a compromise in both approaches²⁰. In a comprehensive approach, the process of strategic renewal includes the process, the contents and the results of revival or replacement of attributes of the organisation, which has the potential to significantly influence its long-term perspectives²¹. The interest in strategic renewal is a permanent field of scientific research, whereby the lack of existence of general standards of behaviour for the enterprises in the strategic renewal and situational specificity for particular entities were indicated. The proposition of the Strategic renewal of an enterprise of G. Bełz and Sz. Cyfert indicates is, that it is possible to develop a comprehensive procedure of strategic renewal²². One of the factors of the pressure placed on the renewal is time, especially the role of early diagnosis of the need for strategic renewal and speed of implementation of corrective actions. It is emphasised particularly by management practitioners²³. The resulting situation after the second stage of the research may, according

¹⁸ B. Hajdasz, Wybory strategiczne podczas..., p. 57.

¹⁹ R. Agrawal, C. Helfat, *Strategic Renewal of Organizations*, "Organization Science" 2009, Vol. 20, No. 2, p. 290.

²⁰ B. Hajdasz, *Wybory strategiczne podczas...*, p. 62.

P. Banaszyk, S. Cyfert, Strategiczna odnowa..., p. 282.

²² G. Bełz, Ś. Cyfert, *Strategiczna i organizacyjna odnowa przedsiębiorstw*, "Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu", Wrocław 2017, p. 72.

²³ N. Harvey, *Turnaround Management & Corporate Renewal*, Wits University Press, Johannesburg, South Africa 2011, p. 29.

to the authors, define the mentioned *introduction* and be the source of the renewal of a business model (strategy) for a particular language school, if it considers the assessment of the segment situation as important in noticing distinctness of the components of business models by schools and clients. The authors, closely analysing packages of both sides of the perception of values, indicate those, which can be more important for changes in the business models of schools in the direction of adapting to expectations of the clients (it is assumed that they become, as indicated above, expectations of the enterprise). Table 3 shows this set of packages. Isolating this package was preceded by the analysis of Kruskal–Wallis test by ranks statistic, among others, due to the period of activity of an enterprise, which did not prove the significance of differences between4 categories of market "seniority" of schools.

Table 2. Selected packages with the greatest potential impact on the value proposition Tabela 2. Postulowane pakiety o największym potencjalnym wpływie na propozycję wartości

| Segment of target recipients | Package | Comment |
|---|---|--|
| Segment of courses for individual clients | Internet activity package supported with whisper techniques | An untapped potential is observed in the Internet activity of the enterprises which, with the appropriate use of available Internet marketing tools, may allow enterprise to satisfy expectations of a larger group of individual recipients and reach new clients in a simple way. Supporting this package with the <i>whisper</i> technique allowed for a relatively inexpensive advertising of the enterprise through appropriately created, professional image with the use Internet activity. |
| Segment of courses for individual clients | Personalised offer package | The key feature of the courses for individual clients is personalisation of the services in order to fulfil their needs as much as possible. The enterprise should (must) gain a thorough insight into the requirements of the clients in order to create an appropriate value offer. In this aspect, it is worth using the theory of tasks to be performed and the concept of Lean Canvas. |
| Segment of courses for preschool groups | Sales promotion package supported with whisper techniques | In the segment of courses for preschools groups, the key element is to build appropriate, permanent relations with clients and mutual trust. Sales promotion through numerous incentives (sample and loyalty) may allow the enterprise to build an appropriate relation with the clients. Supporting this package with the <i>whisper</i> technique is considerable significance due to the specificity of this segment and speed of dissemination of information among the parents (largely informed consumers) of course participants. |

| Segment of courses for preschool groups | Personalised communica- tion package | Personalisation of communication channel in this segment has a considerable effect on the perception of an enterprise. The ability to track progress of the participants in several different ways depending on the needs and also the direct contact with teachers and personal tutors of the client may have an impact on the positive perception of the enterprise and helps building relations and trust of the client. |
|--|--|---|
| Segment of courses for school youth | Shaping relationships package supported with pro-loyalty incentives | Using pro-loyalty incentives allows the enterprise to not only obtain relevant information about clients, but also, due to the specificity of this type of course, allows enterprise to build a permanent relation with the client. There is a good chance that a satisfied client will continue to use the services for many years to come due to the low age of this group of recipients and the growing awareness of mature consumers in the field of developing language skills. |
| Segment of courses for school youth | Internet advertising package supported with sample incentives | As was mentioned before, an untapped potential of Internet marketing is observed, which together with sample incentives may have a positive impact on the value proposition of an enterprise and will be a key factor in the decision process. |
| Segment of courses for students | Internet activity package sup- ported with personalised offer | This group, in author's opinion, has some of the highest expectations in terms of value proposition. These are aware consumers, which are proficient in new technologies and have clearly defined expectations with regards to value propositions. To meet these expectations, the available technological solutions and the Internet network should be used skilfully, and the offer should be tailored to the requirements of the clients in order to persuade them to use the offer of the enterprise. |
| Segment of courses for adults | Pro-loyalty incentives package supported with sample incentives | Another important aspect in this group is creating an appropriate relation by offering many sample and pro-loyalty incentives. According to the author, building a permanent relation in this group may pose a difficulty due to the fact that many clients of this segment are the so-called one-time clients, however, instilling a positive image of the enterprise in their awareness allows to achieve tangible benefits in the form of recommendations of the services offered by the enterprise to others (<i>whisper</i> technique). |
| Segment of courses for adults | Internet activity package supported with personalised offer | As in other segments, there is a significant untapped potential of Internet marketing, which in combination with personalisation of the offer may allow the enterprise to improve the value offer. It has key importance in this segment, as building permanent relations and an appropriate image may result in broadening the customer base with new clients recommended by the current ones (also in other segments, e.g. course segment for school youth or preschools groups). |

| Segment of courses for enterprises | Personalised offer package supported with tradi- tional adver- tising | This segment, similarly to the segment of individual clients, is strongly oriented towards a specific value proposition. An enterprise that wishes to satisfy those expectations should (must) appropriately and profoundly diagnose its clients. According to the authors, despite significant digitalisation of many enterprises, traditional advertising may result in tangible benefits related to the <i>look and feel</i> ²⁴ <i>phenomenon</i> . |
|------------------------------------|--|--|
| Segment of courses for enterprises | Pricing techniques package supported with sample incentives | This segments mat be characterised as premium, and so the price of services is higher due to various factors. Using appropriate pricing techniques (simultaneously taking into account the economy of the scale) distinguishing the enterprise from the competitors seems justified. Additionally, pricing techniques should be supported <i>sample</i> incentives, e.g. in the form of presentation classes, in order to ultimately persuade the client to choose the services of the enterprise and its professionalism. Building permanent relations in this segment may lead to a long-term collaboration. |

Source: own elaboration.

Packages included in the table, despite the presented argumentation (comment), have a discretionary character and may constitute a basis for creating new solutions of packages or hybrid packages (connecting elements of packages into one package). The resulting set of packages with a great potential to impact the value proposition of an approach character should be also contextually referred to the results of the first stage of the research identifying the impact of surrounding elements on the business model of language schools. The last column of Table 2 contains approximate impact of these elements with high influence in the dimensions S and F which supports the results for business model renewal. It should be emphasised, that influence on the segments (SE) and value proposition (VP) prevail there. These two voices of changes in the approach to shaping business models are indicated by the proposition indicated in the introduction: lean canvas²⁵. Its idea known to start-up companies in essence concentrates on analysing SE and VP relations. The theory of tasks to perform, on the other hand, is more in the proposition of developing packages from Table 326. It results from the assumption that modern enterprises should focus more on what their clients want to achieve, what progress they aim at, which was called by the researchers as a task to perform²⁷. Connection of this theory may be observed in the rec-

²⁴ Look and feel is a term used mainly to refer to graphical forms of presentation focusing on the colour, pattern or fonts. Due to this, it seems that preparing an appropriate service prospectus by the enterprise may not only make it stand out from other offers using only Internet communication channels, but also allows to reach the imagination of potential clients.

²⁵ A. Maury, *Running lean...*, p. 26-28.

²⁶ S. Kavadis, K. Lados, Ch. Loch, *Transformacyjny model...*, p. 73.

²⁷ D. Duncan. K. Dillon, T. Hall, C. Christensen, *Ustal, jakie zadania muszą wykonać klienci*, "Harvard Business Review", February 2017, No. 168, p. 64.

ommendations of the McKinsey consulting company on a three stage implementation of new channels. The process starts from assessing the needs of the clients and determining the role of each of the distribution channels. It should be checked if the currently used main communication channel allows enterprise to achieve the defined objectives and if there is way to realise these objectives in a safer and cheaper way. An assessment of the performance of the main communication channel should be performed and it should be determined whether implementing another one (or introducing changes in the existing one) will not influence its functioning in a negative way. Such a modification (optimisation) of the main channel may be performed by introducing e.g. a new format of communication in an old channel, improvement of customer service (current and potential clients), getting positive shopping experiences or introducing a new offer. In the next step, an analysis of opportunities and threats related to implementing a new form of communication should be performed, focusing on the possible level of favourability achieved by its implementation and assessing the level of the competition with regard to the basic form. New channels are observed due to the pressure from the clients resulting from the formulated value proposition expectations²⁸.

Summary

Three stages of the research on business models of language schools from Lower Silesia allowed authors to obtain an integrated picture of their functioning and the emerging information gap in the perception of the value offer between managers and clients. The authors suppose, that the regional character of the research may characterise the segment throughout Poland. The issue of strategic renewal in an enterprise is a broader problem and in the light of the indicated value gap in business models may be a source of inspiration to start the procedure of strategic renewal segment in a given entity. From the examples provided by G. Bełz and S. Cyfertat, it may be supposed, that to some extent they refer to the business model of enterprises. Opinions of the managers of enterprises in this regard indicated malfunctions, barriers, gaps (competence, logistic, organisational, etc.)²⁹. It caused the authors to recognise it as justified to adopt the expression *strategic renewal of a business model*. The preliminary views expressed by two school managers in comparison to results obtained in the three previous stages indicate an interest in renewal with the competence option³⁰.

Further studies deepening the cognitive aspect of business models of this segment may follow two directions. The first one, having a *case study* character, would be particularly interesting in the situation of recognising the gap as strategic and entering the path of strategic renewal. The second one is connected to obtaining

²⁸ S. Kavadis, K. Lados, Ch. Loch, *Transformacyjny model...*, p. 79.

²⁹ G. Bełz, S. Cyfert, Strategiczna i organizacyjna..., p. 93.

³⁰ B. Hajdasz, Wybory strategiczne podczas..., p. 66.

information from language service companies participating in the research. They would refer to the opinion (assessment) about the obtained results and recommendations of these packages (or their combinations), which have significance for the company in terms of strategic management.

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