

Strategic Management: Business Model Canvas for Start-Up Company

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<p>Title of report Strategic Management: Business Model Canvas for Start-Up Company</p>	<p>Number of pages and appendices 39 + 2</p>
<p>Thesis is written about development of Kakunpala as a Start-Up Company, because development processes and ideas are the key factors for future success of the company.</p> <p>The aim of this thesis is to understand Strategic Management of the Company and Development processes, by using the SWOT analysis before and after development and by applying Business Model Canvas template to the Start-Up Company, and by describing Customer Journey: what relations Kakunpala has with clients and its processes. In addition, benchmarking research and analysis are helping to understand additional tools of leading the company and possible ways of keeping the connection between Company, its Product or Service and Customer needs.</p> <p>By applying the above mentioned factors, Kakunpala made a development plan, which consists of actual steps to do. The goal of the thesis – to make a development plan, by applying the successful ideas from Dergousova Agency and Rafanelli Events to Kakunpala.</p>	
<p>Keywords Canvas Template, Business Models, Strategic Management, Service Design, Customer Journey, Start—Up Company, Benchmarking, Development.</p>	

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1 Introduction

The main idea of thesis is to look at the company from different angle, in order to understand actual factors, which Kakunpala has as a Start-Up Company.

The goal is to see the situation of the company realistically, and to research ways of developing company by using aspects as Strategic Management, Business Model Canvas and analysis of benchmarking research of two companies. One company is the most known in my hometown – Dergousova Agency, which is in charge of organizing weddings and the other company is from USA – Rafanelli Events, which arranges events of all themes.

Business Model Canvas is a strategic management template model, which helps to create or improve business strategy. In this thesis, it is used as the main tool, in order to develop Kakunpala and to see all issues, which company has and which need to be changed. Kakunpala wanted to see and compare changes before and after development. Eventually, Kakunpala made two SWOT analysis', which are presented before and after development plan.

Strategic Management is a part of Business Model Canvas, and in Chapter 3, Kakunpala plans to contribute with it, and get knowledge of leading management process.

Benchmarking is written as a part of a process of development, because by making research of other companies, and analysing those, Kakunpala has a chance to see, what kind of strategic management they use and what are the advantages it can bring to the Start-Up Company in the future.

This thesis represents the specific type of business model – Canvas. Because, it describes from the scratch what Canvas template is, what it consists of, what fields of management it takes and what its real purpose and usage of it. Kakunpala as a company needs to find out the development needs by using the mentioned template.

The company by yours truly organizes and decorates different types of events, for example: weddings, birthday parties, anniversaries and so on so forth. Hence, Canvas template is modified for Kakunpala Start-Up Company Business Model, where it clearly shows, and explains the managing sales and strategic management for the company.

Overall, the goal of this thesis is to find out effective ways of developing and marketing the start-up company. In order to reach its aim, Kakunpala searched for specific companies, benchmarked, analysed and compared them, to figure out the most effective ways of making strategic management and its future development strategy.

2 What is Canvas?

Canvas is a strategic management and lean start-up business model template. It is presented as visual shorthand, which consists of nine blocks and which helps to simplify complex organizations. It is a template for developing new or updating existing business models.

It is used and described in this thesis, in order to understand what company actually has and how to use it. It would be useful to understand the whole concept of business model and help to see what Start-Up Company has and what it is capable of doing.

It is also represented as connection between values of the company and customers, which includes such characteristics as: customers, provided valuation, resources, customer relations, revenues, key resources, activities, partners and costs, which are represented in Figure 1 below.

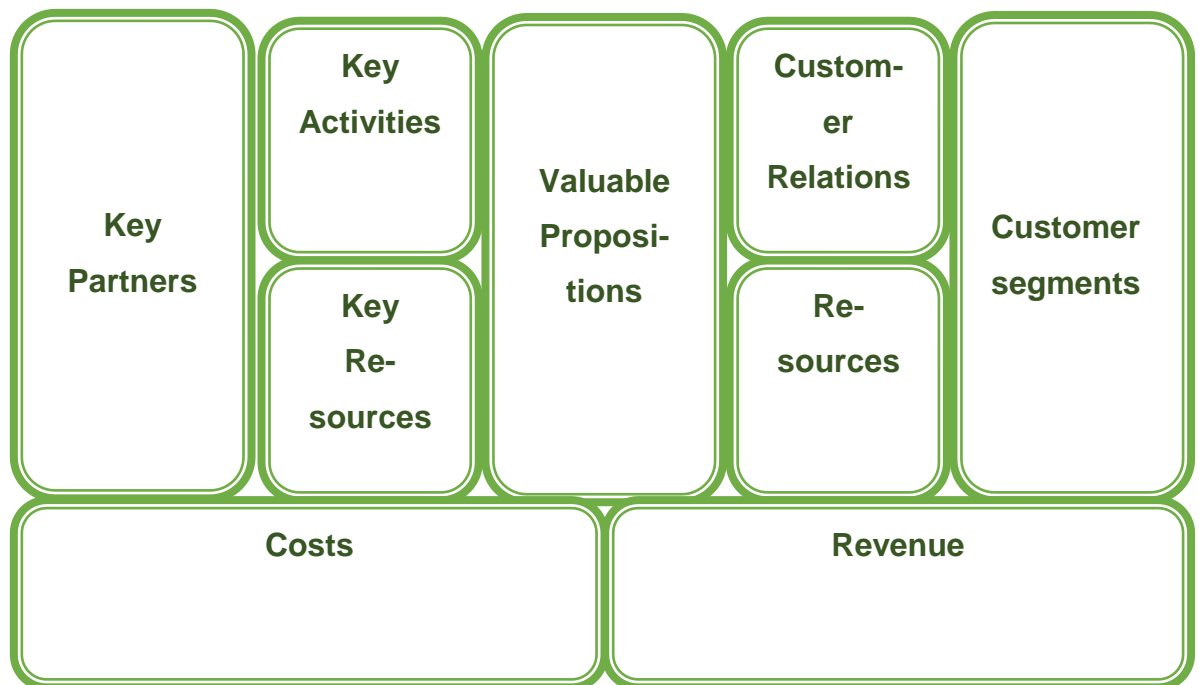


Figure 1: Business Model Canvas Template

1. “Key Partners” in this Canvas business model– are the most important partners, because they are helping company to keep their business and sales up.
2. Hence, “Key Activities” are responsible for the most effective and unique ideas, which also can raise their business up, especially, if the idea will be expected by customers. Their three main strategies are: make the idea and manufacture it; sell and promote their new product or service; and support and keep running organization smoothly.
3. “Key Resources” is about number of active resources, which are always available to use. Just like “Key Activities”, “Key Resources” has four main resources of implementing their resources: human resources; physical resources; intellectual; and financial resources.
4. “Valuable propositions” is about the connection between company and community members, by using aspects as: provided convenience, prices and design. By providing these values – it will make connection more effective, possible low-cost advertisements and for employers and for landlords.
5. “Customer Relations” are really effective nowadays, especially through social medias, where companies can promote and market themselves and at the same time, customer can make market and find new customers for the company by being interested in a product, which company sells.
6. “Resources” for example resources, which are available through Internet resources. Resources have list of functions: create awareness and help to evaluate for the potential customers their services or products; purchase and deliver value for the customers and most important is to ensure the post-buying satisfaction by trying to receive a feedback. Resources can also work through telephone/internet/traditional media (TV, newspapers, radio etc.), connections, on-site or in-store, or by physical delivery.
7. “Customer segments” – what is important to remember, while working by company with customers is that customers might require different needs and have different values.
8. “Costs” are including salaries, server, telecommunication fees and office rent. Moreover, funding is needed to create and deliver value, maintain relations with customers and also generate revenues.

9. "Revenue" is a last block of Canvas building and it has two categories of revenue: one-time buyer and recurring payments for the products and/or services. In addition it divides into six types: outright sale, renting, service fee, subscription fee, licensing and matching (brokerage) fees. (Clark, Osterwalder, Pigneur. 2012. pp. 34-51)

2.1 Strategic Management

As Strategic Management is about making plans and actions to prevent possible performance accidents and losses, knowledge is needed to understand all Strategic Management process. This chapter describes, what Strategic Management is, what it does and how does that works for Kakunpala as a Start-Up Company, by putting Strategic Management to the company. In addition, there is an explanation of Golden Circle, which helps to understand for the company what ways of raising sales level are.

Strategic management is a management process, which tasks are to define the goals, value of creation and distribution of organization process and creating the plan of the invention of organization, its design, structure and way of reaching the goals and aims. Business strategy actions is about evolving already existing assets and also getting new assets.

Big part of strategic management is also reach goals effectively. The idea is to develop and implement planned strategy, which will give more access for the managers to control over the company and enhance the performances of the company by using the strategic management. Hence, to have effective result, strategic managers should self-estimate to figure out the detailed plan and get answers with using tips as: list of resources to use for creating the value; the way of fetching out the value evaluation among other individuals and groups; possible activities internal and external to the organization; gathering the information and its further distribution. (Sanchez, Heene. 2004 pp. 4-8), (Saloner, Shepard, Podolny. 2001. p. 2)

There are two main factors, which are visible on the Figure 2, which are representing company's acts: internal and external context. Internal context represents the assets and its organization which company has already. When external context represents two additional industry characteristics such as:

1. Market factors – which includes the actual and potential competitors, customers and suppliers.
2. Non-Market factors – which includes political, social environment of operations within the company.

The context words with action which as a result gives performance. The acquisition affects company's ability to change its scale. Moreover, the development of the product behaviour can effect on the further performance of the company that decided to delay the production of the new line. It is true to say, that connection between context and action is not simple. The thing is that action can have big impact on the context and if something goes wrong, it can bring big loses to the company.

In order to try to prevent such results, managers need to manage the context and if needed change the strategy, in order to have different end-result during the performance. (Saloner, Shepard, Podolny. 2001. pp. 2; 272)

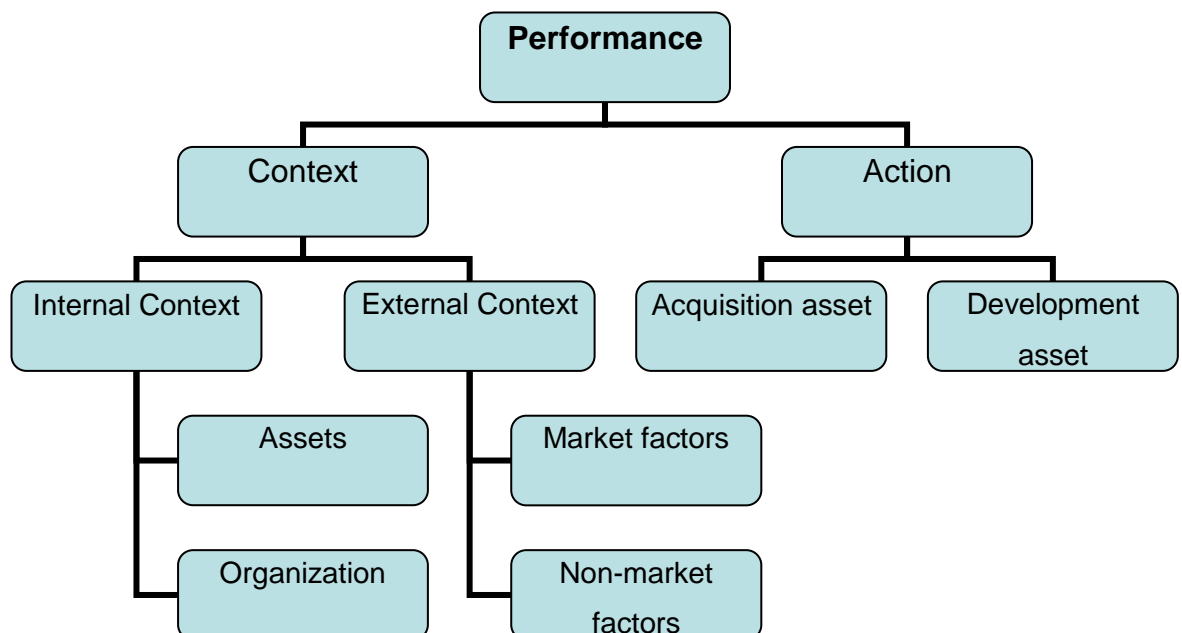


Figure 2: Strategic management performance

There are five tips for the successful acquisition:

1. It is important for the company to realize what contribution (beyond money) it can make to the acquired company.
2. As for production process, markets and technology it is good to find out the similarities of the company with another company.
3. The company, which is taking over needs valuation of the products, services and customers.
4. Some key managers might decide to leave after the acquisition, hence, top management cover should be always available.
5. Managers should be promoted across company boundaries within a year.

(Thompson, Martin. 2005. p. 567)

Strategic managers should be able to formulate goals for the organization, which they are working with and when it is achieved, they should be able to spread its value to all stakeholders and keep up the resources in order to keep organization active and sustainable. It is necessary to use organizational competence in order to maintain the current development of resources that way, that organizations will be able to achieve their goals.

Organizations cannot use only their own resources, but they need to use resources controlled by other organizations or people.

In the concept of organizational competence, there are three main conditions connected with each other:

1. Coordination - the activities of the organization should be coordinated effectively in the process of management in order to reach the goals.
2. Intention – the development of the resources of the company should have clear intention of reaching organizational aims by creating and distributing the values in specific ways.

3. Rationale – the process of the organization should be based on the rationale as to how to make out the coordinated development of resources, which will help at the same time to reach the goals.

It is true to say that organizations are creating the value of competence-based strategic management and this structure is similar to "modern" way of valuing the firms through financial theory structure.

The "modern" way of contemporary finance theory has its own value of the firm, which is valued by its cash flows from current operations and/or possibility of creating new beneficial ways of bringing additional cash flows in the future.

The views of organizations concerning competence-based admin that the process of value creation including the activities of competence leveraging that generates the cash flows and new building competencies activities, which helps to create new strategic concepts to generate future cash flows.

Strategic managers are responsible for leading the organization in strategic logic, which helps to rationale for the possible ways of reaching the goals through coordinated development of the resources. Moreover, strategic managers are closely connected with activities of economic organizing, which creates the strategic logic from the bases. The base of strategic logic is the organizational design as a goal-seeking system, which is connected with sustainable value creation process and distribution. (Sanchez, Heene. 2004 pp. 4-8)

2.1.1 Strategic Management for Kakunpala

Kakunpala is a start-up company founded by your truly. The company's purpose is organizing and decorating events like birthday parties, weddings, anniversaries, corporative etc. For the small businesses as Kakunpala it is important strategies as competitive and functional, nevertheless, these strategies might be irrelevant until Kakunpala Company will become larger as a company. Hence, the potential customers might be only on one geographical area, because of its sizes and business.

The big challenge for small business as Kakunpala is to create proper and strong strategies and resources during the development and growing process. Because if the strategy of Kakunpala is not strong enough and without goal - there are big chances of failure during the performance, which accordingly will lead to the losing of competitiveness.

Obviously, the success or the failure depends a lot on the leader and his strategy making possibilities, style, communication and at some point even culture. Basically, the future of the company depends on the needed organizational skills and ability to gain new resources and in addition good usage of gained once. In addition, financial resources are needed, because low capital possibilities are usually on the way of future growth and development. (Thompson, Martin. 2005. p. 45)

2.1.2 Golden Circle or Why, How, What?

The “Why, How, What” pattern is basically a mathematical relationship, which is also called as golden circle. The purpose of this pattern is to figure out the strategy of selling the product or service. Most of the companies use this strategy other way around, which possibly lessening the brand name and its final outcomes. The pattern “Why, How, What”, which is visible on Figure 3, is created in order to manipulate and motivate people of purchasing the product or service from the company, which is using golden circle strategy.

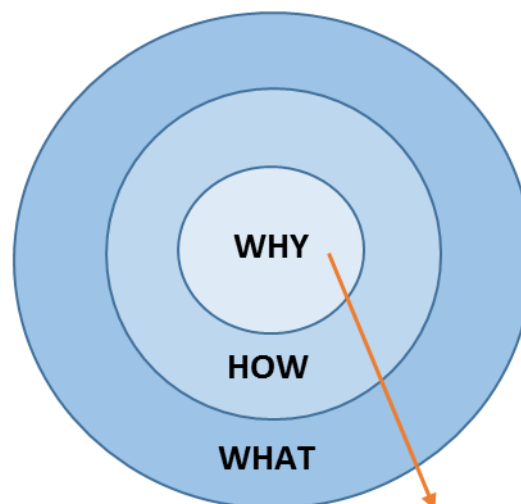


Figure 3: Golden Circle

What? – By this question, every organization knows what they do.

How? – Some organizations know how they do it.

Why? – Not many organizations know why they do what they do.

If to introduce golden circle pattern other way around, then meaning is going to be completely different, because they found other way of communication with customers and using other way of selling their product or service. The main question in golden circle is: “Why this organizations exists?”, “Why they do, what they do?”.

The main goal is not to do business with someone, who needs what company has, but the main goal is to make business with whom believes in what the company itself believes (Sinek. 2009. pp. 37-41; 137).

The Law Diffusion Innovation presents figure of how innovations spread through society. Figure 4 describes, how to increase sales by manipulating and motivation customers.

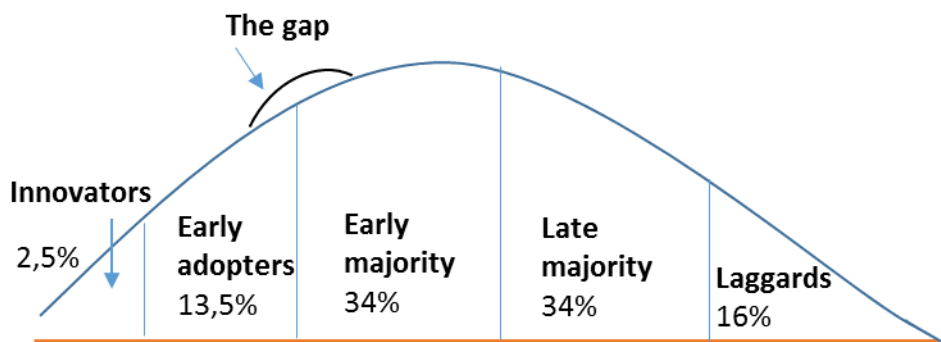


Figure 4: The Law Diffusion Innovation

It is true to say that mostly companies are reaching approximately 10% of sales, when this figure shows, who it is possible to reach higher percentage (the gap between early adopters and early majority), if companies will use the strategy by

thinking that early majority will not start to use the new product until early adopters did not. (Sinek. 2009. pp. 116-118).

2.1.3 Kakunpala SWOT analysis

- **Strength**

The strength of Kakunpala is ability to communicate and listen to the customers, so total picture of wishes will be understandable for the client and company. Working with small team helps to establish faster communication and understanding level about planned event, deal with all questions with client straight away and to construct strategic planning and schedules.

As other big strength - Kakunpala is a multi-cultural and it has an ability to work not just in Finland, but also part of Russia and Ukraine.

- **Weakness**

Working with small team in the company has its own advantages and disadvantages. The weakness of working alone is lack of time for preparation of the proper performance, nevertheless, proper and strong creation of the strategic planning and schedules gives possibilities of doing performance right and on time.

As Kakunpala Company is a small business company type, it has quite poor branding and marketing nowadays, because, it is new opened company, and it requires a lot of work, additional connections and resources.

Last but not least, is that as it is mentioned before, that company is quite new, it means that Kakunpala does not have big list of potential customers yet, but Kakunpala will start to work better, when we will be able to find and use new resources for marketing and branding industries.

- Opportunities

Kakunpala is honestly passionate about her working industry. Event Management field is not wide in Finland yet, and Kakunpala has a chance to develop more this field in Finland and be relatively strong from competitive side.

This company has already partners, with whom they are cooperating; moreover, these partners are also international, which give a unique to our company and our industry.

As other unique factor, that even competitors do not have much, is that Kakunpala has international experience with more than 10 countries (including Finland). Kakunpala had a chance to create and realize strategic organization of a traditional and cultural wedding for spouse from Ruanda.

- Threats

As first threat are competitors for Kakunpala, especially those, who work in this business field many years, branded and marketed themselves, and they have more client lists and experiences, better performance and stronger strategic planning skills; therefore Kakunpala has lack of contacts and lack of marketing.

Kakunpala has small surroundings, which has an influence on the company and this is one of the reasons, why this company is less known. In addition, this company is counted as a start-up company, and it has lack of finances, because of that Kakunpala does not have a chance to market themselves much.

<p><u>Strengths:</u></p> <ul style="list-style-type: none"> •Unique field •Passionate organizers •Available services •Creative atmosphere •Useful services •Fast-growing company 	<p><u>Weaknesses:</u></p> <ul style="list-style-type: none"> •Small entrepreneur •Lack of customers •Poor promotion •Lack of contacts and partners •Lack of experience •Poor performance
<p><u>Opportunities:</u></p> <ul style="list-style-type: none"> •New contacts and partners 	<p><u>Threats:</u></p> <ul style="list-style-type: none"> •Possible, existing competitors

<ul style="list-style-type: none"> •Motivated to work •Space to grow •Develop new strategies •Increasing the trust of the potential customers and new customers as well 	<ul style="list-style-type: none"> •Budget availability •Surrounding location
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*Table 1: SWOT bullet points**

*Table 1 represents SWOT analysis bullet points, which were taken and modified from Strategic Branding: Kakunpala report, which was created during the Haaga-Helia Branding course provided by Eva Holmberg and Evariste Habiyakare.

2.1.4 Service Design

Service Design is more service – oriented. The point of service design and journeys are co-created between providers and users; also point is to solve problems through total approaching by combining fields and practices. Hence, service design appreciates variations and its aim is to find potential customers through potential innovations and sources.

Nevertheless, service design has a clear vision and understanding points of how people live, work and relate to others in that way as well by ability to get designers ability intuitively value insights. In conclusion, service design cannot create or deliver the value of product, service or organization, because it can only propose its value, which is already created in customer’s/people’s minds. (Pinhero. 2014. p. 94)

As Service Design makes a design for different products and services, and tries to connect customers and company - it improves work and discipline in service design, because it is about satisfaction and understanding of people. The idea is to understand how and what company needs to do in order to improve their relations. (Banerjee M. 2006. pp. 23-26)

There are list of tasks, which Service Design is in charge of and it describes of how the connection between clients and organization and it has four branches of it: Marketing, Research, Design, and Management.

Marketing branch is responsible for communications, public relations, branding, price and promotion, when Research branch is responsible for psychology, ethnography, market research, and observation and testing.

Design's tasks are responsible for interaction design, interface design, experience design, interior design, sensualisation, product design and participatory design, when last branch – Management is responsible for product development, human resources, management process, quality management and strategy. (Moritz S. 2005 p.49).

2.2 Business Models

Business Model represents here structured activeness of services and/or products. Kakunpala needs it in order to know how to present services, understand what value and all factors, which company has, what it needs to change so customers will be willing to buy products and/or services provided by Kakunpala.

The purpose of business model is to create a model, which represents company and their products or services. It defines business itself and which will help companies to develop and increase their resources, brand name, incomes and potential customers. Business model can be created and for the present purposes and for future business plans.

As a complete picture, which is presented on Figure 5 below, present companies purposes are including three main issues:

1. Reasons for people to buy their products or services (by having clear reason and vision "Why?" would people buy it),
2. Products and services various itself (contains what company produces or offers),
3. Potential types of customers who makes market for the company (ranges of people (gender, age etc.) are mostly willing to purchase these products or services) (Thompson, Martin. 2005. pp. 58-59), (Foss, Saebi. 2015. p. 86).

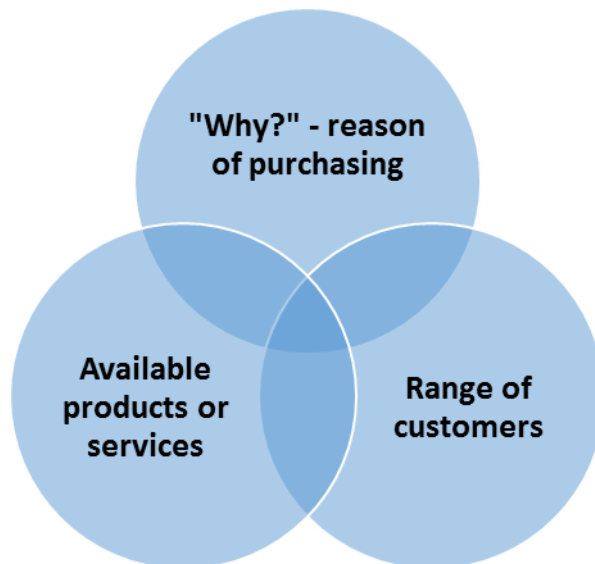


Figure 5: Business Model's present picture

Nevertheless, the creation of business plan for future plans are also containing three most important issues, which should be analysed and presented. These three things are illustrated in Figure 6 and they are about delivery, change-ability and innovative ideas for the future. (Thompson, Martin. 2005. pp. 58-59), (Foss, Saebi. 2015. p. 284)

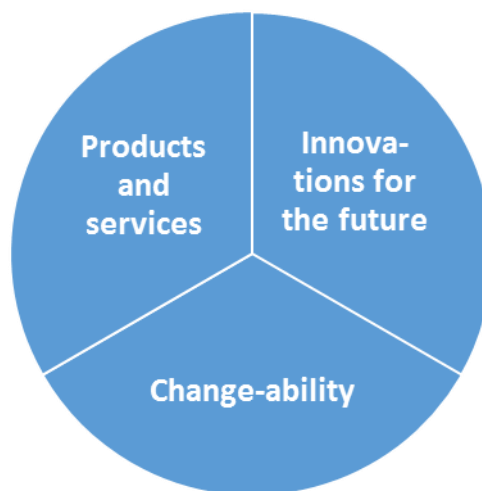


Figure 6: Business Model's future simplified picture

In addition, business models nowadays are alternative workplaces, which are everywhere like in profit and non-profit companies. The nowadays purpose is to change their business models in that way that it will prosperity actively.

Mostly the idea and structure about business model which brings profit for the company, government etc., is understandable. However, those companies, which are non-profit, their structure is slightly different, but they are need in some amount of funding too.

In non-profit organizations, they still need to pay for the customer's help of getting job done. Big part of these non-profit companies are customers, who want to support in order to maintain or improve something. There are annual members who pays in order to participate or people who are not annual, but they will get some results in the end (Clark, Osterwalder, Pigneur. 2012. pp. 26-28).

2.3 Customer Journey

Customer Journey is about relations between company and clients, which cooperating together. This connection includes attraction of a client, realization, awareness, getting service or product and usage of it, by using human aspects as rational, emotional, sensory, physical, and spiritual aspects.

The results of Customer Journey can be taken during or after relations between client and company by asking what client felt, during that process. The overall journey established by experience of a client and value proposition of a company, which was given to the customer.

As useful idea would be to create a Customer Journey map, because it will help to keep the bullet points of companies aspects and perspectives by customer's experience.

Customer Journey is about what customer and company goes through in order to reach in the end of process as best results as possible, from client, and from company. Below, there is a Figure 7, which shows, what an event company and client go together and what processes are happening. It was made in order to understand, the purpose of each stage and its usage, the process, what processes are happening during making an event organization for the customer.

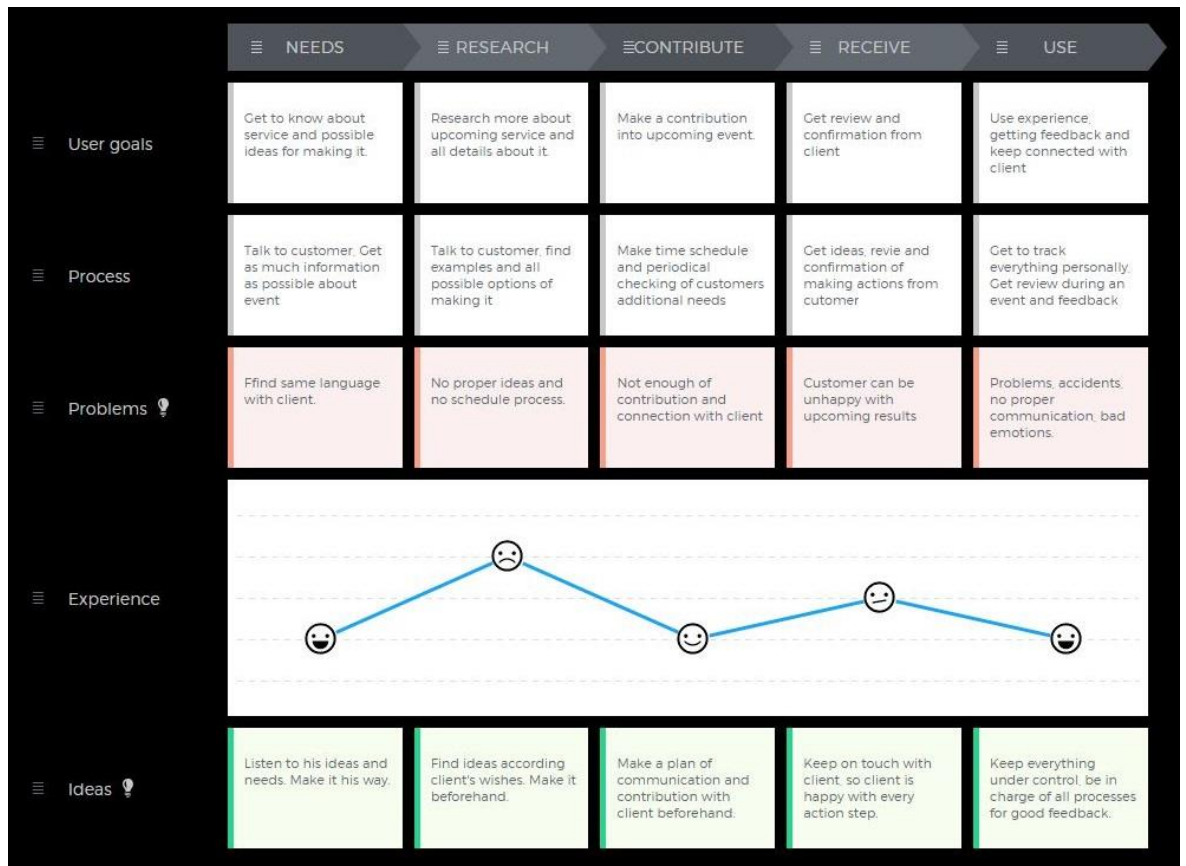


Figure 7: Customer Journey

To be more in a detail, Figure shows, what stages Kakunpala is using during a customer journey process, and below every stage it shows what is a goal to reach for that stage. When company goes through every process, it should consider all pluses and minuses (in our case problems and ideas), in order to keep client at the end of every process and stage satisfied. In Kakunpala's case, at the moment, the satisfaction level is showed in a graph of experience.

3 Canvas for Kakunpala

The idea of this chapter describes the processes and structures putted into template Canvas for Kakunpala Start-up Company. Kakunpala needs to see their own strategy management in an easy accessible way in order to see situation of Kakunpala in a rationale way.

As it was mentioned before, Canvas template helps to develop or create business model for the company. It composes from nine characteristic blocks and each one is described and related to Kakunpala Start-up Company.

Kakunpala is the Event Design Service Company, established during autumn 2014. The Kakunpala idea of development is to make parties more unique, effective, easier and more beautiful. Making thematic parties requires not just special decorations and unconventional approach, but detailed planning and schedules. Kakunpala Company uses a creative approach to the realization of design for parties. This company is engaged in interior design parties based on the taste of the client or according to their own choice.

That is why in order to make company work more efficient, Canvas business model is used to help to get deeper into structures of the company, and by updating and analysing those issues, the further development cycle should be significantly improved.

3.1 Key Partners

This first block represents the key partners of business model Canvas, and it is important to know with whom company is connected, from whom getting supplies, with whom company works and cooperates.

As Kakunpala a start-up company, which is about organization and decoration, it has some list of partners and supplies, which are helping company to develop and produce their work properly. Lower it is described what partners Kakunpala has and explains why partnership exists between partners and company:

- Photographers – surely are important as partners for Start-up Company, because clients usually are in need of memorizing an event, which is organized by Kakunpala. Photographers are going to produce photos and videos of an event, and make, for example, a photo album for clients.
- Florists – are getting to the key partners block for organization and decoration company as well, because they are producing flowers, bouquets and so on, and certainly they are taking big part as well in decoration issues.
- Restaurants – obviously needed, and certain list of them and different location issue. The parties, which are going to be held need a place to be celebrated in, and that is why organization company need restaurants as partners for clients In addition it is a plus to have different restaurants, which have different types of food for different tastes of customers.
- Hotels – not less needed as restaurants, because accommodation is important for clients and their guests, which especially are coming from different locations for the upcoming party.
- Shop with costumes and decorations – taking big part of key partners block in Kakunpala's case, because each party needs to have different theme, decoration and costumes.
- Confectioners – are important to have as partners, especially if chosen restaurant does not have needed or wanted sweets, which customer desires as cakes, cupcakes, deserts etc. Nevertheless, confectioners can take orders with wishes of customers if someone has allergies, or special wishes about ingredients of sweets.
- Travel agencies – might be less needed than other partner lists, but might be needed if customers desire to have a trip to other destination place, and should include other partners effort for organization, if party is going to be held in a different destination.

3.2 Key Activities

Key Activity block in Canvas business model block is about a list of activities, which company needs to have and do in order to perform well and also better in the future.

In order Kakunpala perform in higher quality, Kakunpala should think about modifying issues as new product or service line and come up with ideas, which are new and fresh, and which will be suitable for many types of customers.

It is nice to come up with ideas of webpage working processes, for example as activities, news, new ways of presenting and selling products and services. Furthermore, human resources and connected at some point with webpage as well, because these issues include sales, advertisings, social, paper and TV media, which will attract customers, and will help to perform better as well now and in the future.

3.3 Key Resources

The purpose of Key Resources is to figure out the infrastructure of the delivery, creation and capturing the value of the service or product. In other words, Key Resources help to create the value proposition, In that case value proposition is connected directly with customer segments and then connects to the channels – how you are going to create product or service and deliver to the customer.

The physical resources of key resources block includes for Kakunpala the issues are like: the way of manufacturing the product and services and the way it is presented.

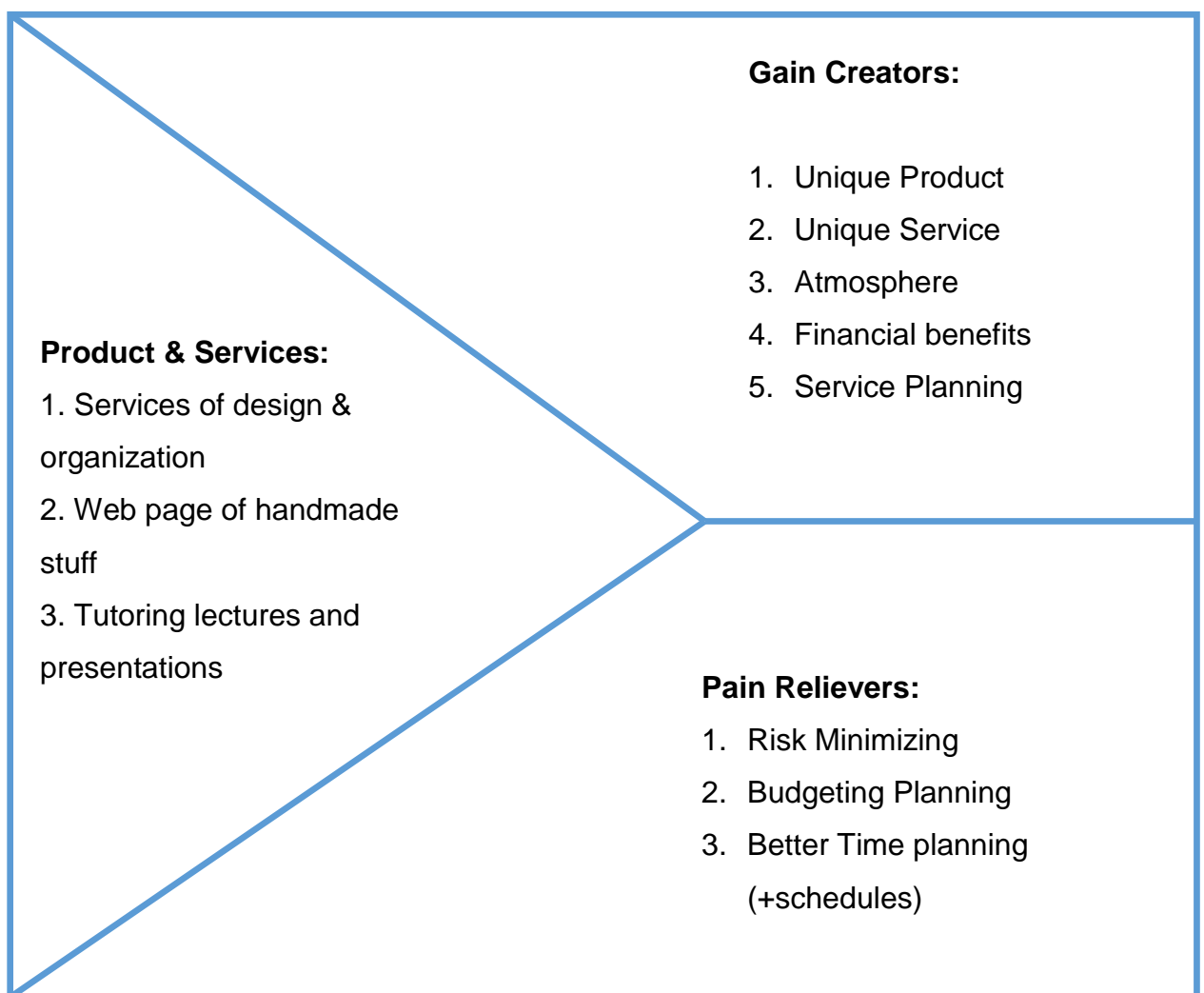
In this case, intellectual resources are good for Kakunpala as paper, TV and social media plays big role, because it has the biggest influence on mankind nowadays. Webpages and apps are popular among young people, which are familiar with modern technology, so these ways of connection between Kakunpala Company and customer are the most effective among other ways of distribution companies' services and/or products.

In order to create proper key resources, it is good idea to make and use human resources and financial resources, from time to time, sales presented from the company. Because if Kakunpala will create some ideas, where customer can get either bonuses or points (ability to collect points for future purposes), it will increase the interest of customer segments. Especially from customer jobs and gains.

3.4 Value Proposition

As it was mentioned before, Value Proposition is connected closely with customer segments and afterwards basing on the channels.

Kakunpala should think and make Value Proposition in order to figure out what will attract customers. As an example – Kakunpala can create handmade stuff, think about different concepts of decorations and organization packages. Moreover, concepts of flexibility of orders will be a plus for attracting the customers, which is visible below on Graph 1.



Graph 1: Kakunpala's Value Proposition

3.4.1 Gain Creators

Companies of ability of creating different and unique decorations will bring positive outcomes and benefits and for the customers and for the company. Nevertheless, the atmosphere of the celebration is taking a big part as well, so technical decorations or planning will not be enough to gain complete happiness of a client.

Properly prepared and detailed service planning and financial benefits (sales o points) will also create customers gains. It is important to create and make the design that will give your customers with only needed jobs, pains and gains.

3.4.2 Product & Services

It important to know what services Kakunpala provides and offers for the customers, and it is important to get functional, social and emotional jobs done. As an option Kakunpala can create a web page, or social pages on Facebook or Instagram, where they can post the products and service works publically.

Hence, to develop services and products, Kakunpala can create and give from time to time tutorial classes of how to plan an event or how to create handmade stuff. It helps not just to get additional financial incomes but also to get closer with future partners, clients and/or friends.

3.4.3 Pain Relievers

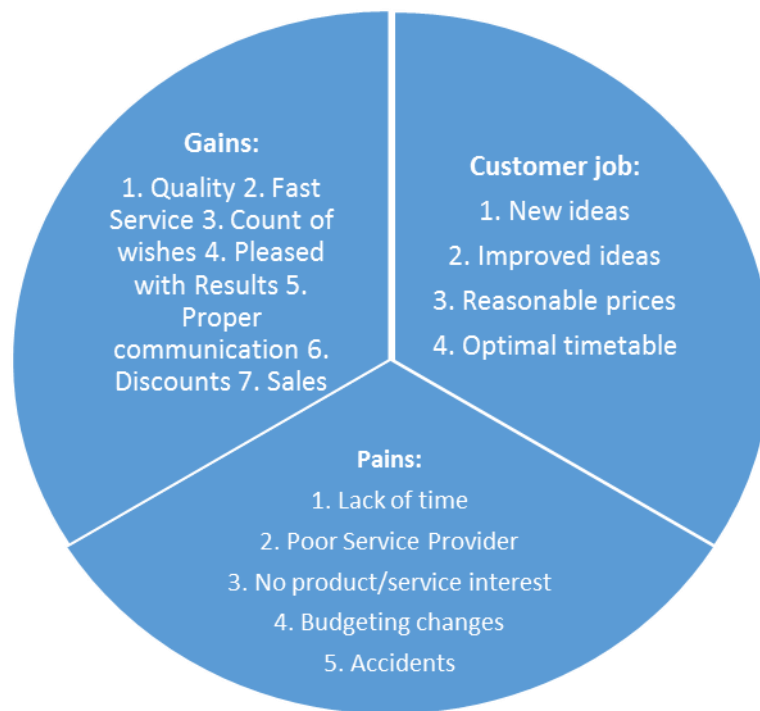
Pain Relievers are helping to deal with customer's pains. So, Kakunpala should always modify and try new planning ways, new directions of developing, predictions of minimizing the risks, careful budgeting planning and predictions of possible changes concerning financial issues.

The customers' opinion should be always counted: before, during and after process of working. If during work process pains happened, the pain relieving solution should be prepared.

3.5 Customer Segments

The point is to figure out what value Kakunpala is bringing to the customers; in addition simple sales structure will be suitable for different needs and different customers.

As a good option for Kakunpala, it would be to create different service packages and possibility of ordering some separate parts of services. In addition, start up company should have wide lists of restaurants, event caterers, travel agents, training presentations and meetings and other things. The Graph 2 below, shows a bullet points of customer job, gains and pains.



Graph 2: Kakunpala's Customer Segments

3.5.1 Gains

Gains are visible and observable on the market. It is about positive things, which customers are getting from the work procedure. For example fast service, good quality, appreciating customer's wishes, proper communication, pleased with re-

sults, discounts and sales are increasing gains, because those issues are bringing cost savings and positive emotions for a client.

3.5.2 Pains

Pains are opposite of gains, because it comes from negative aspects, hates and so on. In case of Kakunpala it can be related to lack of time, poor service providing, budgeting changes, happening of accidents and no product interest, which will bring pains for customers and financial falling.

As in gains, this segments can be light or severe and should be checked before, during and after getting work done.

3.5.3 Customer Jobs

Customer jobs can be: functional, social and emotional – and these segments can include tasks, which are trying to perform, solve the problem or satisfaction of needs.

New ideas or improved ideas can effect feelings of customer – it can go well or not properly satisfied. The aspect of new, well prepared services or good quality products can bring good feelings, just like reasonable price ranges and possibilities. Kakunpala Start-Up company is to find the golden middle of the proper quality and acceptable prices.

3.6 Customer Relationships

Kakunpala can make closer relations between company and customers by creating loyalty programs, which can include sales, deals, discounts and so on. If customer sees that company of decoration and organization can be loyal to customers – it attract more customers in the future and regular buyers will be even more loyal to the company as well.

Of course, as one of the aims, which company can have is to search all the time for new relations; and not just relations between company and customers, but

company with other companies or partners, because the company's working range can get more further and connections can get possible strongly as well.

Nevertheless, loyalty programs should not be harmful for the company itself. Programs should have detailed plan, so it will bring all the benefits for the company as well. For example, if the company gets the price range of 15-20%, then it's pretty possible to make a loyalty program for a month of getting discount of 10% for the services or product. By that company will not get as much revenue as before, but it will keep company to flow and be still loyal to customers.

So, basically, loyalty program cannot be too charitable, because it will bring the company financial issues and possible lead to the bankruptcy.

3.7 Channels

Channels are in a tight connection between Value Proposition and Customer Service, because customer gets services or products from Value Proposition and uses channels (the ways of delivery) and delivers the service to the customer – to the Customer Segments.

There are many ways of reaching the customer; for example- through social media, internet, web pages (through computer, phone and/or applications), B2B, B2C types of the communications and with partners.

It is not right to choose one type of reaching the customer. There should be multiple options of using the channels. Nevertheless, Kakunpala is currently testing the most active and profitable ways of channels with customers. Kakunpala has a web site and a mobile version for the more efficient way of checking services through the phone. Possible Kakunpala might make an app for the phones so the connection between the company and clients even closer and easier.

3.8 Cost Structure

This segment is really important, because on expenses, the prices for the services or products are going to depend and final incomes as well. It is true to say that for now Kakunpala does not have its own office, so expenses for renting, electricity etc., are not needed for now.

Nevertheless, items are like web page, materials for creating handmade stuff, salaries for services, which are provided by partners. Kakunpala is a start-up company, so it is hard for us to have exact budgeting and expenses.

3.9 Revenue Streams

Revenue Streams segments are one of the hardest segments to figure out, plan and calculate, because Kakunpala needs to find perfect variations of figuring out prices, capturing value, and realize of what customer are for real willing to pay.

Customers are willing to pay for the proper services, with reasonable prices and fast ability of competing the work. In addition, customers will gain gains for getting service or products on time and without other unexpected expenses.

Kakunpala wants to make this service, that if customer is visiting webpage he can get the points, which he can use later on, to get in the future discounts for services or production. By this, customers will have an interest of visiting Kakunpala's webpage more often, in order to get those bonuses. In addition, Kakunpala wants to create an Instagram page and advertise themselves and make interesting offers, so customers will see and participate in the offers and competitions.

4 Benchmarking

As a benchmarking idea was to find the information from the webpages and find all given information available in order to figure out how websites bring value proposition and customer segments and its looks. What customers reaching and what value company want to bring to the customers through website.

As benchmarking, for Kakunpala, was chosen to compare two agencies: one of the most known from my hometown - Dergousova Agency, and other one is known all around the world – Rafanelli Events, which has headquarters in New York, Palm Beach and Boston.

4.1 Dergousova Agency

Dergousova Agency headquarter office is located in Kiev and operating by making weddings all around Ukraine for 10 years. The main operator is Dergousova Alexandra, who established the company, and now she formed “Dergousova team”.

Dergousova Agency during its career was mentioned in magazines as Cosmpolitan, Lady and Ivona and some television channels as M1, Business Channel, O-TV, STB, Inter and K1 Channels.

4.1.1 Value Propositions & Customer Segments

By making a research and analysis through available sources and taking close look at social media, is possible to make a short conclusion of a company, by mentioning couple of issues, which company has.

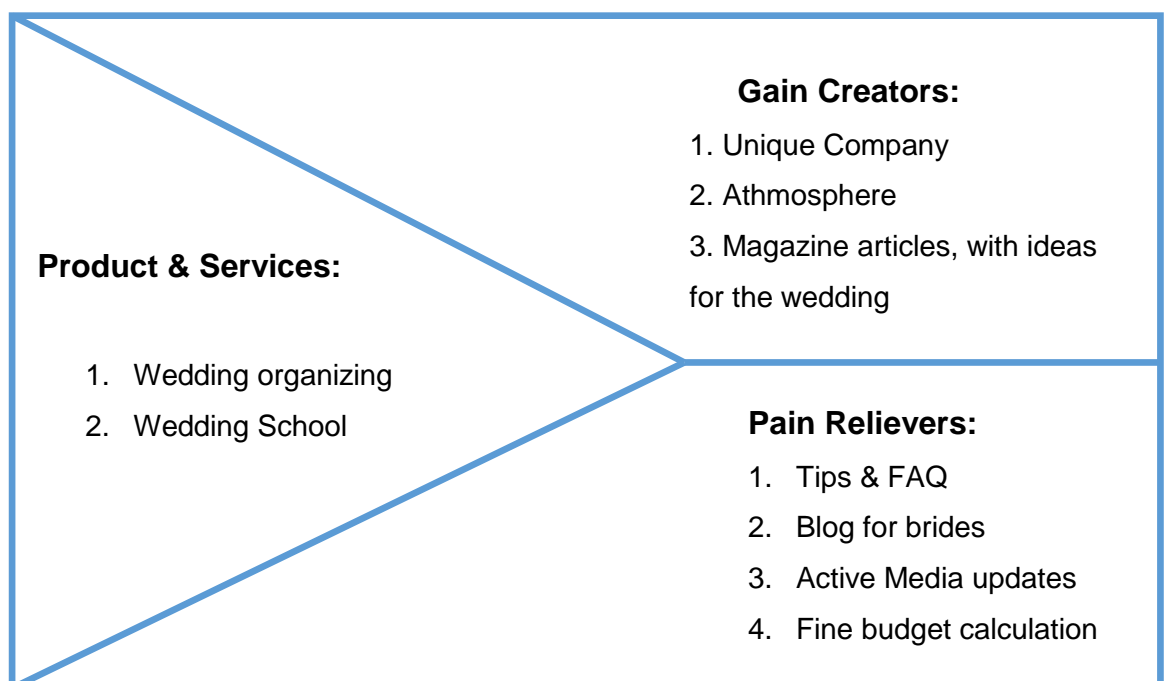
First of all Dergousova Agency some years of experience in this field. In order to attract customers, they are using social media and updating it with new feed to Facebook, Instagram and web pages, by posing and promoting their unique services of wedding organization. As other issue, which company provides on their website in order to attract customers – tips, FAQ and blog for brides, which are available free in the Internet.

As and marketing strategy Dergousova Agency decided to open wedding school, which takes people for training of how to organize wedding for yourself or other people. Afterwards, student s getting a certificate of qualified professional of wedding organization. The whole course goes only for 25 hours and price is about 500 euros.

In addition, as weaknesses, according to the research, Dergousova Agency provides only weddings as an organizational event, they are not able to provide wedding on other languages or foreign people, and they have specific locations in Ukraine, where they are able to organize a wedding.

The last, but not least issue, if to compare to other Organizational company – Rafanelli Events, Dergousova Agency does not provide internships for people.

Graph 3 consists of all major issues, which Dergousova Agency composed and divided into Gain Creators, Product & Services and Pain Relievers blocks.



Graph 3: Dergousova Agency's Value Proposition

Graph 4: shows as well three blocks, which are describing Customer Segments of Dergousova Agency policy. The analysis of these were taken from Social Medias, and informational official webpages of specific Agency.



Graph 4: Dergousova Agency's Customer Segments

4.2 Rafanelli Events

Bryan Rafanelli is a former of Rafanelli Events in USA in 1996. The main headquarters are in New York and Boston and Palm Beach. Rafanelli Events provides five types of services: Corporate Services, Non-Profit, Private Services, Wedding organizations and Consulting & Branding Services.

During Rafanelli Events carrier, Vogue Magazine mentioned them as best wedding planners, in New York Times in Chapter of Weddings / Celebrations, Washington Post and in New York Weddings.

4.2.1 Value Propositions & Customer Segments

Research and analysis from those researches were made from accessible information, webpages and Social Medias.

The social side of Rafanelli Events is not as strong as in Dergousova Agency. Rafanelli Events are in charge of personal webpage, blog connected with webpage, Facebook page (which was not updated since 8th of April, 2013), and Instagram page, which does have new posts coming.

Nevertheless, Rafanelli Events has five service types which company provides:

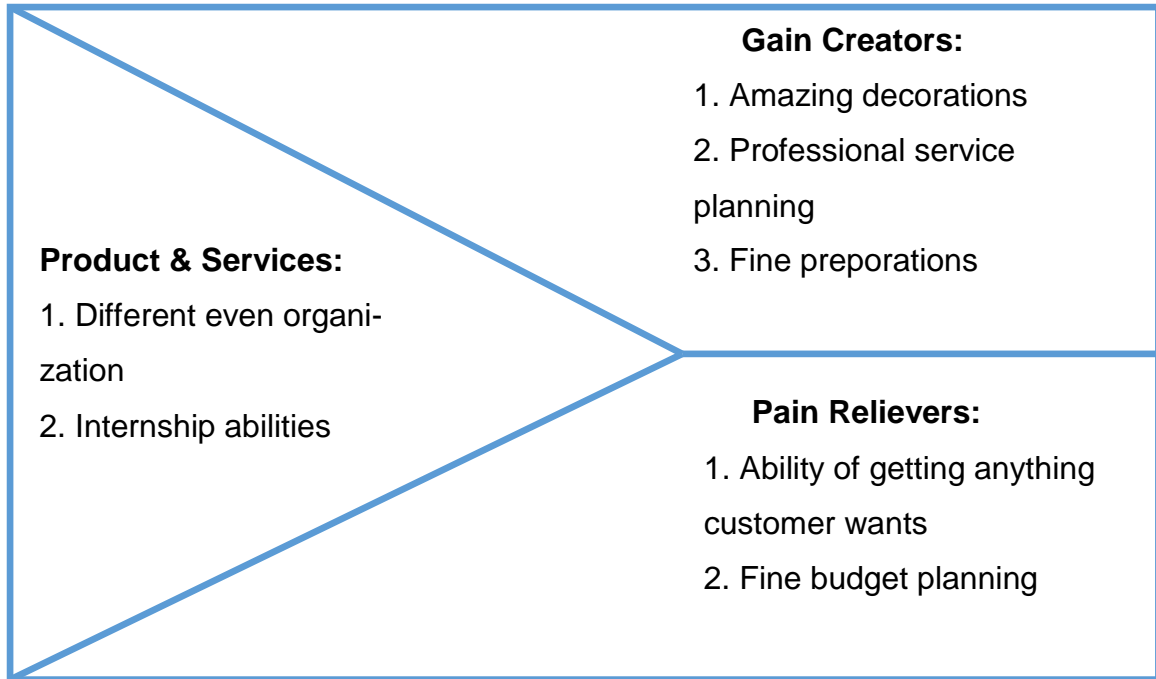
1. Corporate Services,
2. Non-Profit,
3. Private Services,
4. Wedding Organization
5. Consulting & Branding services.

Clearly, Rafanelli Events have advantage in the language, because most of the world knows English language, and it has an advantage in location, because company has more abilities to work all around the country, organization service is more popular and demanded than in Ukraine or Finland. In addition, there are a possibility to orders beyond it as well.

Rafanelli Events has a policy to take college students for unpaid internships for a duration as one semester (winter – summer; summer – winter; fall semester). It can be wither part time or full time internships.

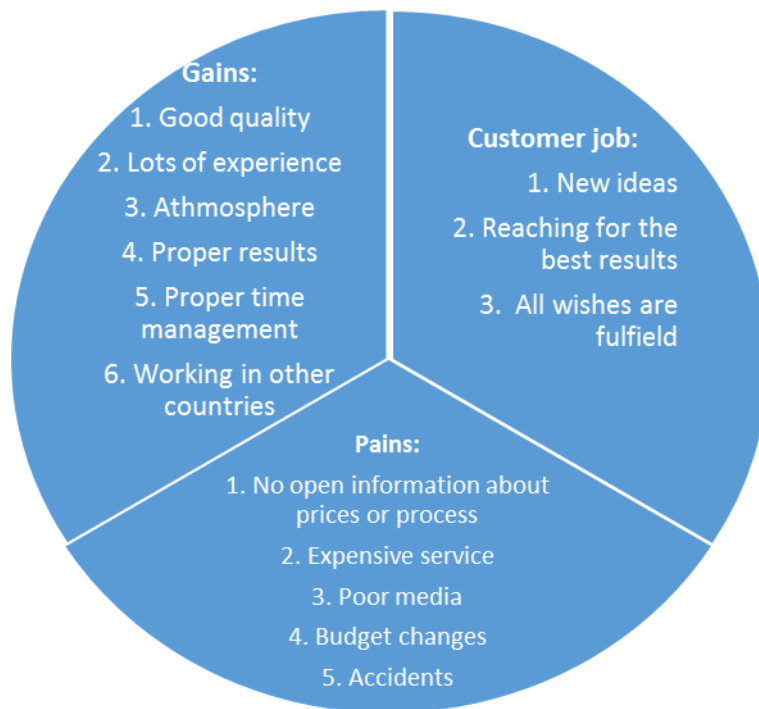
Currently they have internships for positions as: Production & Set up Interns (Boston Warehouse), Production & Set up Interns (Boston Office), Creative Interns (Boston Office), Production & Set up Interns (New York Office).

Graph 5 shows Value Proposition blocks, which company has and those factors are divided into gain creators, product & services and pain relievers blocks.



Graph 5: Value Proposition of Rafanelli Events

Graph 6, shows customer job, gains and pains basing on the analysis of the re-search of Rafanelli Events Company.



Graph 6: Customer Segments of Rafanelli Events

5 Future development

This chapter describes the possible development options and actions of Kakunpala as Start-Up Company. All information is divided into sub-headings, which are helping to create proper plans with approximate schedule for active future development. It is needed, to keep clearly all ideas and actions, which will help to promote and develop Kakunpala as Start-up Company.

Firstly, at the beginning of 2017, Kakunpala needs to organize types of services and products, which will be presented on webpage. Organizations and decorations will be divided separately, and product presentation – separately. Kakunpala should be able to present a model of one-help service. By that, it means that customers will be able to order not just all event organization or decoration, but request specific task for decorations or organizations.

Moreover, prices and preparation times should be established in approximate way, so customers will be able to make possible budgets by counting their needs of Kakunpala's services.

After that, Kakunpala as Start-up Company needs to establish budgets for future development and media advertisings through the Internet and massive informational spaces for example: brochures, newspapers, TV etc. Promotion on media is important and counted as most effective way of promotion nowadays. Advertisings will include promotion of a page in Google searching bar, and on Facebook.

In order to be able to promote company on Instagram, Kakunpala needs to fine promotion accounts, which are helping to promote page.

Not a bad idea for company – is to find upcoming events and ask to volunteer free of charge, in order to get more practice and ask to be mentioned as part of organizers or decorators, because by that company will get and more experience and free promotion through some party and among their friends.

When all possible ways of marketing in media and newspapers will be done, and promotion activities will start to bring customers, all updates should be immediately upgraded to all social medias.

Kakunpala plans to start to make in the end of the year, interesting short-term videos of mini tutorials of creating some product and / or present in interesting way on media, to attract people and make them check some new presented ideas on social media templates. In order to keep people's interest – videos or pictures with ideas will be presented once or twice a week.

In the beginning of 2018, company plans to establish budget for creating a proper, new and catchier webpage. Kakunpala plans to have all those points active, and develop future ideas, services and products for the company. In addition, if company will develop quite a lot, there is a chance of opening an office in capital of Finland - Helsinki.

5.1 Development of Kakunpala according benchmarking analysis

Earlier in this thesis, there was a benchmarking of two companies – Dergousova Agency and Rafanelli events and its value proposition and customer segments. Basing on researches and its analysis, it will be useful for Kakunpala to make its own conclusions and possible ideas of development, by considering their philosophy of making business.

After benchmarking and its analysis, Kakunpala thought of getting some tips for themselves as: open an office. Later on, it will be possible to making tutorial and inspiring videos, and by that, Kakunpala can create meetings and school for people, who wants to learn some tricks of creating hand-made stuff and decoration tips.

Not a bad idea, would be to create internships for Finnish and foreign people. Students, or people, who really wants to have experience of organization and decoration – will have an ability to have non-salary internship and get feedback for themselves afterwards.

Of course, media updates are important, so Kakunpala should consider of regular schedule updates on all active social platforms. Nevertheless, it would be great idea to create a blog, which would include:

- Bride and groom tips for the wedding: blog would have a specific ideas including schedule before wedding. For example, schedule, when hall launch should be ready; bachelor parties and ideas of themes of parties; what to do day before wedding; etc.
- Beauty tips: mostly probably, for brides, which would include hairstyles, make-up tutorials, body carrying, fashion tips and other issues.
- FAQ chapter, for those, who wants to get answers for specific question.
- Handmade tutorials for party decorations.

5.2 Canvas analysis after development

The paragraph is about Canvas template and possible modifying changes after development in order to see clearly the business model working process in the future. Template is basing from upper Canvas business model and written in a short way, including development planning with benchmarking analysis.

5.2.1 Key Partners

Key partners for business template is to modify lists of collaborating companies, such as: photographers, venue options, florists, hotels, dressing shops, décor shops, other issues. Kakunpala Company would like to get feedback from clients, which would help to find best partners for Kakunpala for best service providers.

5.2.2 Key Activities

Activities should include modified webpage, innovative ideas, products and services. In addition, organizational school and presentations will bring to our company more activities, it will engage clients and company policy and value.

Nevertheless, as other activity can be making an Internship, because it will help to interact with customers and new minds, which will bring as well value to the company.

5.2.3 Key Resources

Key resources should include relations between customers and clients. The development would include regular media updates, magazine articles and services would be divided into blocks in order to have ability to use services and understand it in an easy way.

5.2.4 Value Propositions

In Product & Services section, Kakunpala would include to already existing hand-made stuff, tutoring videos and service design also internships, different presented services, products, and organizational school and live presentations.

Gain sector includes the uniqueness of the product and services, good atmosphere, and financial benefits, because it is only new-opened company. Hence, development would bring such stuff as: more decoration ideas, magazine articles, which might include ideas and tips for some event in organization and decoration field.

It is hard to predict changes of Pain Relievers, because situations can change all the time, and company always needs to find a way to keep their loyalty to the company by solving it for the benefit of the customer. Nevertheless, risk minimizing and time and budget planning need to be always actively counted. In addition, in order to lesser stress level during development, company can already present pre-helping tips for customers, find better ways of calculation budgets, make media updates, for customers ideas and so on.

5.2.5 Customer Segments

Kakunpala's Gains of Customer Segments already includes such bullet points as quality, service time, good feedback, proper communication, discounts and sales. After development, company can get more gains like organizational school, good atmosphere, ability to work in many locations and more accurate time management.

Kakunpala has new and unique ideas, optimal timetables and with reasonable prices as customer jobs. The process of development would bring advantages as motivation for reaching best results, improve work planning and budget calculations and learn ways of communicating in emotionally suitable behaviour.

It is true to say, that Kakunpala has pains such as lack of time, poor service providing because of lack of experience, no interest in services or product and possible accidents. Not much of country language is known or company has for now limit access in locations and possible budget changes are bringing other pains to the customers and company.

5.2.6 Customer Relationships

Customer Relations should include issues for Kakunpala Start-Up Company such as loyalty programs, sales and discounts. Relations between company and customers would get more connected if Kakunpala would make for example connection with customers by presenting some tips and answers for FAQ and presentation meetings.

5.2.7 Channels

Channels are connected with Value Proposition and Customer Segments, because without Channels, there is no connection between company and its product and customer. Kakunpala uses channels as social media, webpage and B2B with partners. During development, Kakunpala could get more Channels such as magazine articles, blog presentation with advices and video tutorials.

5.2.8 Cost Structure

Costs, which Kakunpala has for now – webpage keeping, material spending budgets and promotion. After development, costs are going to raise up, because restrictions and incomes are going to get higher as well. Kakunpala would need to increase costs for promotion in social media, newspapers etc., and there will be costs for mounting tutorial video program for blogs According to the plan, Kakun-

pala is going to open an office, which would require costs to keep that office rent and pay salaries to its future workers.

5.2.9 Revenue Streams

The price category of Revenue Streams are unstable and not high because of lack of experience of a company, nevertheless, price range is going to grow up, because of future practice and value of a company. With certain amount of time, Kakunpala will use different sources and quality of product materials and quality overall of organization and decoration in order to keep the plank of value of the company and their clients.

5.3 SWOT analysis after development

SWOT analysis after development are going to change, and the reason its written is to understand, what exactly is changed and what improvement it needs in the future. The table below shows, what Kakunpala as a company will have after development process.

<p><u>Strengths:</u></p> <ul style="list-style-type: none"> •Unique field •Passionate organizers •Available services •Creative atmosphere •Cooperative with clients •Internship abilities •Fast-growing company 	<p><u>Weaknesses:</u></p> <ul style="list-style-type: none"> •Not big event corporation •Poor with location •Poor Key Partner Lists • Language limits •Poor time management •Poor performance
<p><u>Opportunities:</u></p> <ul style="list-style-type: none"> •More contacts and partners •Proper feedbacks •Motivated to work •Space to grow •Develop new strategies •Increasing the trust of the potential customers and new customers as well 	<p><u>Threats:</u></p> <ul style="list-style-type: none"> •Possible, existing competitors •Spending availability •Surrounding location •Lack of customers •Poor feedbacks

As Strength, Kakunpala has advantages after development as: that organizing and decorating field is still quite small and new on a market, and in our case, Kakunpala will have an ability to grow fast and develop that field of Finnish markets. Moreover, Kakunpala will have internship students, which brings passionate to work and organize as a team, and which, would make customers happy, because of reasonable process for services.

Kakunpala also learns how to cooperate with clients by using Service Design tools and Customer Journey, in order to reach best results and creative atmosphere.

Even though, Kakunpala is trying to reduce Weaknesses, there are still few on a list such as the fact that Kakunpala will grow as a company, but it is not going to be able to compete with other older event companies.

As a minus, Kakunpala has no ability to travel much all around country to make an event, and it still has not proper language limits in order to communicate with Finnish people fluently.

There is never going to be enough of Key Partners, so Kakunpala counts it as a minus, because in order to develop faster, it needs also proper Key Partner lists.

Opportunities would be after development, that Kakunpala will have more contacts and partners as before development, it will have more clients and more feedbacks and better communication with customers, which is so important for our company. Kakunpala is even more motivated to work, create, grow and make new strategies

Threats for a company even after development will be still existing competitors, which are bigger and longer on a Finnish market than Kakunpala. As company grows, it includes bigger spending budgets for materials, workers etc.

In addition, if Kakunpala makes not proper customer connection and journey, it can take loyalty of customers away and bring us poor feedbacks in the future.

6 Conclusion

The main goal of this thesis was to develop a strategic management plan and understanding of service providing and collaboration with clients. As a result, list of changes and modifications established in order to develop Kakunpala as Start-Up Company.

Even though all processes such as Customer Journey and Business Model Canvas, might seem to be difficult to understand and especially apply to the Start-Up Company, the results are illustrating that the company includes all Strategic Management existing factors. Nevertheless, additional researches as SWOT Analysis and Benchmarking are helping to understand the process.

In addition, if to use time management for development in a real timing, it is hard to say how long the process of development of the Kakunpala Start-Up Company might take. However, as a good development push would be proper attitude, clear planning and good promotion, as Kakunpala has definitely reached its goal and got answers, explanations, open strategy factors and approximate plan of development.

The thesis reached its goals due to fact that development activities are possible to incarnate with future benefits for the company.

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