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Abstract. Companies implement and utilize business models in their activity. The starting companies and software companies have specific ones. The paper aims a theoretical review of the business models appropriate for starting software companies. The subject is a starting software company that develops software products or services to prove their expediency, feasibility and market potential. The products can be sold on the market with one or a combination of available theoretical business models. These models are an essential part of the entrepreneurial process to reach market success and growth.

Keywords. Software development, Business model, Entrepreneurship, Starting company

1. Introduction

Information technologies development and the effect on business they provide drive their implementation in various sectors and functions of the business. Their role moves from supporting one to a key factor in the business. IT allows implementing the digitalization of parts of the business, which changes the processes in companies and even the type of business or the way the business operates. Two key components are in this process – the software and the innovation process. It is well known following the boom in the software industry and entrepreneurship in software development, how many failures happen due to inappropriate management of the innovation process or the starting business. In order these initiatives to be successful and sustainable, they should be accepted by the market and the business should be vital and profitable. The starting software companies are established and managed by entrepreneurs. To achieve the goal for market acceptance and grow, they should answer the fundamental questions - “How we make money in this business? What is the underlying logic that explains how we can deliver value to the customer at an appropriate cost?” [15]. To answer these questions, the entrepreneurs should find and implement appropriate business models, so the new product or service they invent to be successful.

The purpose of this paper is to review the most common theoretical concepts for business models appropriate for starting software companies. To achieve this goal, we will focus on the following: definition of the subject – the starting software company, define the term "business model" and "software product", as well as review the theoretical concepts for business models appropriate for the subject.

2. Definition of Starting Software Company

By the means of the name, the term "starting software company" is related to the terms "starting technology company", "technology start-up", "starting enterprise", "software company" etc. The legal base in the European Union and Bulgaria uses the term "enterprise" and divides the enterprises in four categories – micro, small, medium and big. The distinction is based on the size of the company measured as the number of employed people and annual turnover or the value of assets. Using this classification, we will focus mostly on micro and

small enterprises - less than 50 employees and less than 10 million Euro turnover or assets [7]. Alternative approaches are to measure the annual revenues or the stage/amount of investments. One simple criterion is "before becoming a big company" [1]. All these criteria are equivalent to the definition for the size above.

To specify better the term "starting software company", we add the criterion for age. The definitions in the literature are different for the age – up to 3, up to 5 or 10 years, or "have little or no operating history" [1]. The shorter cycle of innovation and technological development lead us to select a period of fewer than 5 years.

The third criterion defining the company is based on the key goal in the business – to develop a new product, to apply a business model, to prove vitality and potential growth. The definition for a start-up from this point of view is "a company or project initiated by an entrepreneur to seek, effectively develop, and validate a scalable business model" [23]. Similar and related goals are to reach satisfactory product-market fit, to develop customer base where the focus is on searching clients, adapting the product and business model that fits the market (so-called Customer Development Model) [1]. Another formulation of the same goal is that such companies may target new markets. The new markets are characterized by low structure, high unpredictability, and limited understanding of customers, rivals and market segments [12, 24]. "It seems likely that moves that explore the market for opportunities - rather than moves that exploit existing positions – are particularly key" [11]. This leads us to the next statement, that an established company focus on exploiting existing positions, or in other words uses Product Development Model to optimize the processes and structures for established products and markets. This criterion is the most important one for the distinction between a starting and an established company.

Some authors, describing start-up companies give an accent to whether the company wants to become big or more precise "to develop and validate a scalable business model" [1]. In our study, we will skip the starting companies which plan or behave to stay small – for example freelancers, lifestyle, small family or service businesses. Therefore, we add the definition "search for growth or scalable model".

In the literature can be found descriptions of different forms of entrepreneurial activity. Many of them are described as activities that copy other company activity and products, reuse a ready product, business model, and brand at a high level like a franchise, business acquisition, etc. On the fifth criterion, we will focus on a model with own product and business model. Even when it uses third party components, a known business model, the company has at some level unique product, model, brand, etc.

Including the word "software" in the term shows that the company is going to develop technological product software. We will use the term "technology company" in the means to produce a technological product. In the literature, there are many definitions of the term "software", it's content and development, and specific features we review below.

Finally, a starting company is initiated by one or more entrepreneurs. We will use the term "entrepreneur" for a single entrepreneur or a team of entrepreneurs who initiate and lead a starting software company. There are researches [4, 26] that describe and prove that the main factor for SME company success and growth is connected to the entrepreneur and his/her/their personal goals, motivation, orientation to market, capability for growth, and professional management. Therefore, the entrepreneur is a key factor. This leads us to the conclusion that the knowledge and successful implementation of an appropriate business model is a factor for company success.

After all these definitions we could summarize that a starting software company is a new micro, small or medium company up to 5 years, founded by one or team of entrepreneurs that develop a new software product and search business model that proves feasibility, vitality

and product-market fit with growth potential. We should note that there are differences between such companies. The criteria could be different - model, strategy, processes, product, team, entrepreneur, type of product (product, service, platform, component, solution), customer-driven or technology-driven, and others. But in this article, we focus on two common elements – a new software product and the business model.

The next term we need to specify is "product". In our study, we use a more general meaning of product as a result of company activity. In the literature very often instead of terms innovations, entrepreneurship, start-ups, business modeling are used different terms like product [23], solution [14], service, customer value [1, 20], etc. We use the term "product" as a result of the innovation process for a starting software company. A similar definition is: "Anything customers experience from their interaction with a company should be considered part of that company's product" [23 p.38]. The product is technological innovation based on innovation with IT technologies. The term "technology" is defined as "knowledge, skills, and artifacts, which could be used for the development of products and services, as well as their production and delivery systems" [2]. In our paper, we refer mostly to software technologies, but often this includes other information and communication technologies, organizational changes, etc. The term "innovation" we use in the meaning of "a result from the innovation process, which presents all activities, which lead to products, services or their production or delivery systems, which could be successfully realized on the markets" [10]. The important distinction here is that one or more technologies could be considered as discovery, knowledge, the market success in a form of product (or service, solution, value, etc.) done with this technology makes it a technology innovation. In the literature concerning innovations, there are classifications for the type of innovations, but we will mention one more important classification for the innovations [2]:

- Evolutionary – innovations that aim optimization of existing systems, products and structures.
- Radical – innovations that change the existing processes, products and structures.
- Architectural – innovations that change the components of existing processes, products and structures.

The starting software company is defined by the result – the software product. The software has specific features described in the literature as a product - both production and support, and we will mention some of them [8, 19, 20]:

- Fast development in IT and software technologies require short releases.
- Product complexity - various vendors of platforms, components, tools, etc.
- Quality is a complex term – features, security, scalability, performance, user experience, robustness, integration with 3rd-party software, and others.
- High-quality requirements - increasing quality requirements over time.
- Requirements - not clear initially, need discovery, may change over time.
- Serious investment before first working or marketable copy.
- Multi-disciplinary – requires the participation of various specialists.
- Product defects share in all copies of the product.
- The high price of software development specialists.
- There is extensive work with knowledge and a need for constant learning.
- Must work on various devices, platforms, browsers, servers, etc.
- Regular upgrades - because of component changes, technology changes, bugs, security threats, legal, etc., the product needs regular upgrades.
- Available support - the product requires available support service.
- Quality or time of delivery could be a critical problem

- Specific licensing rights to meet and keep.

Therefore, the process of software product development should reflect these changes. Two key concepts in successful software development are user involvement and requirements description and stability. For starting software company this is not the case – it works often under uncertainty. Initially, the user or customer may not be clear, requirements may change during the search of the market niche fit. The feedback is not always direct – asking questions about getting the answer. It might need an analysis of data, experiments to validate a supposed requirement. Also, business analysis is required for the financial and marketing effect of every requirement.

3. Definition of Business Model

The market success of a product can be realized with a specific business model. The term "business" means a sustainable organizational structure whose purpose is the return on investment [25]. The term "model" is defined in the dictionary as "a standard or example of limitation or comparison" or "a representation, generally in miniature, to show the construction or appearance of something" [21]. Another definition is that models represent the real object in an abstract way or phenomenon to show its essence, characteristics, dependencies, interactions by using a language for model description [8 p.31-32]. The combination of both terms is our focus.

The term "business model" is first defined by Peter Drucker in his article "The Theory of the business" as the company's theory of the business. He states "what business will and won't do", as well as "The assumptions on which the organization has been built ... the assumptions that shape any organization's behavior, dictate its decisions ... the assumptions about markets, identifying customers and competitors, ... technology and its dynamics, about a company's strengths and weaknesses, ... about what a company gets paid for" [5]. In the literature of management and entrepreneurship can be found many definitions of the term "business model", where they look at the definition from different aspects of the business organization. There is no single definition for it. "At a general level, the business model has been referred to as a statement, description, a representation, an architecture, a conceptual tool or model, a structural template, a method, a framework, a pattern, and as a set..." [31]. In most cases, authors give a set of definitions. We will use definitions more appropriate for a business model related to starting software company as follows:

- "A concise representation of how an interrelated set of decision variables in the areas of venture strategy, architecture, and economics are addressed to create the sustainable competitive advantage in defined markets" [16].
- "Describes the rationale of how an organization creates, delivers, and captures value" [18].
- "Refers to the core architecture of a firm, specifically how it deploys all relevant resources (not just those within its corporate boundaries) to create differentiated value for customers" [27].
- "Describes how a company makes money" [6].
- "The business model depicts the content, structure, and governance of transaction designed so, as to create value through the exploitation of business opportunities" [31].

From these definitions, we understand that the business model is the integration of decisions and representation of the business logic to provide competitive advantage and market realization of the innovation based on relevant resources. At the same time, it must keep the company a sustainable structure and to assure return on investment (often expressed with terms like make money, generate revenue, make a profit, etc.). The business model is connected to

the business strategy, it is dedicated to a product and this determines the component competitive advantage. On the other hand, the strategy is usually for the company and does not determine the other components of the business model. The “business models describe, as a system, how different pieces of a business fit together. But they do not factor in one critical dimension of performance: competition”. The “strategy explains how you will do better than your rivals” [15].

The business model differs from the business processes and business plan. The business modeling is not a process modeling. “The central notion in any business model should be the concept of value, to explain the creation and addition of value in a multi-party stakeholder network, as well as the exchange of value between stakeholders”. The business process modeling determines how value-creating and value-exchange activities are carried out [9]. The value as a concept is in terms of benefits and revenues [30]. The development of a business model is part of the innovation process. As Croll and Yoskovitz write in their book “One thing we noticed about almost all successful founders we have met is their ability to work at very detailed, and a very abstracted level in their business ...they are not only trying to run a business ... they are also trying to discover the best business model” [3].

In the literature, there are different classifications of business models. Morris defines them as Economical, Operational and Strategic [16]. Others see the business models as a tool and define them as Architectural – a tool for strategic decision modeling, Representational – a diagram to present it, and Example - to illustrate a class of business model. We will skip them and focus on more important details like business models components and those for starting software companies.

4. Business Model Components

As every model, a business model could be described with various tools. It could be described with text mentioning the components of the business model. A standard methodology for business modeling could be used, and this is discussed later in this paper.

Every business model has own components. The components determine various sides of the business and the value it creates and delivers. Some of the cited business models below have a focus on specific aspects of the business and the components do not contain all components. Others try to cover more aspects. We will list the main list or key list of components that are good to address in a specific business model.

The main component of a business model is the Value Proposition [17,18]. It contains the product, services, solution as well as their attributes as quality, price, image, etc. In some models, it contains a competitive advantage and in others, the competitive advantage is a separate component [17]. In customer-driven models we can see separate sub-components about the problem that the company solves, the existing alternative solutions, the company’s solution and the reasons that it is better (competitive advantage) [1, 14].

The next component is the market. It contains specific structures of the industry, distribution methods, sales channels, customer segments. Some authors separate the customer segments, distribution channels, and customer relationships in separate components to make the business model more practical [6]. Other authors mention this component directly using the term “customers” or any of its synonyms - clients, users, etc.

The third component or set of components is related to how the company will create and deliver the value. They are about the resources, the activities, the processes and structures, the partner networks (suppliers, distributors, etc.). They provide the answer to the question of how the company will be directly connected to the fourth component – about the costs. And here it relates to the fourth component, the costs of the company.

The fifth component is the revenue – how the company is getting paid for the value it delivers. Sometimes it is presented in a simplified manner as the business model, but it is one of the components. The goal – return on investment is formed from 4th and 5th component – the costs and the revenue which form the model of profit and model of liquidity [17].

The sixth component is the delivery (known also as logistical) component. It determines how the product (value) is delivered to the customer. This means the design of the supply chain for the business, delivery service, logistical network,

The seventh component is the organizational unit, the position of the company which creates the value. It is connected to the core competencies of the organization [6, 18]. Tapscott illustrates the idea of B-webs that utilize the Internet, where many organizations have own position in the B-web and concentrate on their core competencies. This way, the B-webs appears more supple, innovative, cost-efficient, and profitable than traditional vertically integrated competitors [27]. Therefore, each business model should have a component specifying the position of the organization in the B-web and is connected to the component specifying the partnerships with other organizations in the markets.

5. Business Models for Starting Software Company

In the literature, there are many described business models appropriate for software products (also, services, solutions, etc.). We will try to present them based on various criteria. Most of them could be found in the literature for software development, e-business, e-commerce, and others [3, 8, 13, 28]. The known business models could be characterized and classified by different criteria.

First, they could be classified by the type of actors – business, end customer, administration and other. Therefore, there are various combinations between the actors exchanging value – B2B, B2C, C2C, C2B, B2B2C, etc. Second, the organization which does the business model could be in a specific type of industry and network, where each participant has a specific role. For example, later in the paper, we describe Tapscott's business webs (B-web) as a network of business relations and each has a specific role [27]. Therefore, business models could be classified according to the organization's role in the business web or ecosystem.

The third criterion could be the level of aggregation used to classify a business model. A model could be more general or concrete and detailed. A more general model will describe the basic structural assumptions of the business model and could be detailed later in sub-types, each specifying more details about the model. For example, in e-commerce, we have a business model for selling products online. These could be detailed to a model where buyers select from a limited list of products proposed by sellers and fixed prices. In more detail, this could be the company's e-shop, third party e-shop or participate in third party business that integrates multiple sellers like e-mall, etc. Different authors use different criteria for segmentation, and we will list them and note some similarities. This leads to the fourth criteria – the model's author and the fifth is the criteria by which segmentation is done. We will list a few authors of business models that could apply for a software company and could be found in the literature for e-business. Those are listed in tables, sorted historically, each for one author. Each model will be named and described briefly, as well as examples from another author will be given if it is a more general one. It is possible, a model from one author to match exactly model from another author or to have great coverage or to be in an abstraction relationship – one is a group of models, the other is an element that fits in the group.

In Table 1 we list the earliest models from Timmers [29]. Those are the key e-business models that exist. Most are well-known electronic shops, marketplaces, and other e-commerce models.

Table 1. E-business models from Timmers [29, 31].

Model	Description
e-Shops	Web marketing and promotion that increases the possibility to order and pay.
e-Procurement	Electronic tendering and procurement.
e-Malls	Collection of e-shops enhanced by a common umbrella (well-known brand).
e-Auctions	Electronic implementation of the bidding mechanism from traditional auctions.
Virtual Communities	Brings together virtual communities that contribute value in a basic environment provided by a virtual community operator. Revenues come from membership and advertising. It could be used for customer loyalty and feedback to other marketing operations.
Collaboration Platforms	A set of tools and information environment provided for collaboration between enterprises.
Third-party Marketplaces	The company leaves web marketing to third-party that offers a user interface to the supplier's product catalog.
Value Chain Integrators	Represents companies that integrate multiple steps of the value chain and may exploit the information flow between steps for further added value.
Value Chain Service Providers	Stands for companies that specialize in a specific function for the value chain, such as electronic payments or logistics.
Information Brokerage	Embraces a whole range of new information services that are emerging to add value to the huge amount of data available on the open networks or coming from integrated business operations.
Trust and Other Third Parties	Stands for trust services, such as certification authorities and electronic notaries and other trusted third parties

The models from Timmers stated above are more detailed. A more abstract view of business models is given from the typology description of b-webs [28]. The classification is based on two criteria – economic control and value integration. Hierarchical b-webs have a leader who controls the value proposition, pricing, evaluation, customer satisfaction, and transactional flow. Other b-webs do not depend on many actors' decisions for the value proposition, pricing, etc. (open-source, stock exchange). Value Integration means how much value/options the company integrates into the product from other suppliers. The low level of Value Integration means to propose the product as is and high integration means to get multiple parts, options, add-ons and propose them as one product. In Table 2 are listed the types of b-webs, which could be assumed as a description of the type of network with specific role for a company. This determines the key type of business model components for company role, value proposition, control over pricing, etc.

Another list of classified at higher level business models is proposed by Applegate. It aggregates in categories many types of models and describes the sub-types in each category. The list of models is [31]:

- Focused Distributors – provide products from specific industry or market niche (retailers, marketplaces, aggregators, exchanges, infomediaries).
- Portals – horizontal, vertical and affinity portals differentiated based on gateway access, affinity group focus, revenue source, and cost structure.
- Infrastructure Distributors – Enable technology buyers and sellers to make transactions. Could be retailers, marketplaces or exchange of infrastructure.
- Infrastructure Portals – Enable consumers and businesses to access online services and information. Horizontal ones are Internet, network or hosting service providers, and vertical ones are producers and distributors of application service providers (ASP).
- Infrastructure Producers – Design, build, market and sell technology hardware, software, solutions and services - equipment manufacturers, software firms, customer software and integration, infrastructure software firms.

Table 2. E-business models from Tapscott [28].

Model	Description	Sample
Agora	Markets where buyers and sellers meet to freely negotiate and assign value to goods. Low integration.	Marketplace Auction Exchange
Aggregation	A leader takes responsibility for products, targeting, fulfillment, and prices. Limited value integration.	Amazon.com
Value Chain	The context provider structures and directs a b-web network to produce a highly integrated value proposition. The seller has the final decision for price.	Cisco systems
Alliance	High level of Value Integration and without control. Actors design products, create knowledge, create dynamic shared experiences. They depend on rules and standards that govern interaction.	Linux Wintel
Distributive Network	Keep the economy alive and mobile. Ensure the healthy balance of the systems they support. The support other b-webs by distributing and allocating goods and services.	Internet Postal Service

As listed in this classification, we could position software companies in the last group as software firms and customer software, integration, and infrastructure firms. But actually, the product of the software firm may fit and be operated in the other categories and the software company to develop a product as an infrastructure provider, but also the product is focused in a niche market or industry and it to operate it, so it fits into another category.

Another classification is from Rappa. It “classifies companies according to the nature of their value proposition and their mode of generating revenues” [31]. The list of models is described in Table 3.

Table 3. E-business models from Rappa [22].

Model	Description	Samples
Brokerage Model	Bring buyers and sellers and facilitates transactions. Revenues: fee or commission per transaction.	Marketplace, Auction, Trading Community, Distributor, Demand or Transaction Broker, Buy/Sell fulfillment, Virtual Mall
Advertising Model	The broadcaster provides content and services mixed with advertising messages in the form of banner ads. Content can be own or else created.	Portal, Personalized or Niche Portal, Classifieds, Registered users, Query-based Paid Placement, Contextual Advertising.
Merchant Model	(Information) intermediaries by collecting consumer data or producer products and sell the data to firms to find meaningful patterns and other useful information for better service. Wholesalers and retailers selling over the Internet.	Advertising Networks, Audience measurement Services, Incentive Marketing, Metamediary. Virtual merchant, Catalog merchant, Click and Mortar, Bit Vendor.
Manufacturer Model	A manufacturer reaches buyers directly through the Internet and compresses the distribution channel.	
Affiliate Model	When people surfing to provide purchase opportunities by offering financial incentives (a percentage of revenue) to affiliated partner sites.	The site contains points for purchase through click-to-the-merchant's site or sale option.
Community Model	Based on user loyalty. Users invest time and emotion in the site. They may contribute content or money.	Voluntary Contributor Model, Knowledge Network
Subscription Model	Users are charged a periodic fee to subscribe to a service.	Content Providers, Person-to-Person Networking Services, Trust Services, Internet Service Providers.
Utility Model	Based on metering actual usage of a service or pay-as-you-go approach.	

A very concise classification is given by Croll and Yoskovitz when they review different kinds of business models from the business aspects connected to marketing. Their focus on the business model description is to components as an acquisition channel, selling tactic, revenue, product type, delivery model. The list of models is described in Table 4 [3]. Interestingly, they list the options for each component appropriate for starting software company.

Table 4. Business models from Croll and Yoskovitz [3].

Model	Description	Revenues
E-commerce	A visitor buys something from the website of a retailer.	Sales
Software as Service	The software is used/delivered on an on-demand basis. It could be done usually through a website. Well-known formats are PaaS, SaaS, API.	Fees for period or charges based on consumption (operations, requests, time spent, etc.)
Free (Mobile) Application	An application can be used free of charges on a smartphone from an online store.	Advertising, purchases of features or in-app purchases.
Media site	Provide content on a web site and mix with advertising messages. The content could be own, from a third-party.	Advertising (views, click-throughs, affiliates, sales), sponsorships, etc.
User-generated content	Support an engaged community that creates content and shares it between users. Social networks are one example of the model.	Advertising, sales
Two-sided Marketplace	The company brings buyers and sellers to complete transactions. Auctions, Exchanges, Supporting sites.	Subscription fees and/or transaction fees.

In the literature could be found other similar classifications and lists of models (for example, Weill and Vitale) that seem common or contain similar models like the above one listed classified according to other approaches. What is common is that they are based on some criteria and each of them contains assumptions and rules, which could be used to construct the specific product or company business model. Of course, the business model has its structure of components and the mentioned models cover theoretically just a few of the components without parameters. The entrepreneurs in starting software companies may select any of the models or combine them to construct their business model and through an appropriate entrepreneurial process to calibrate the business model with more detailed assumptions, definitions, and parameters. Often, in entrepreneurial society, a given business model has a name that comes from the brand name of a very popular company applying it. For example, Table 4 with models could have these samples – Amazon for E-commerce, Azure for SaaS, Game for free mobile app, Medium or Yahoo or newspaper for a media site, Facebook or Twitter for user-generated content, eBay or Airbnb for a two-sided marketplace. In this case, very often the starting software companies could get advantages using such “ready well known” business models when they develop their business and business model:

- In a concise sentence to explain the key idea of the business with similarities – like “This model for this industry and these customers”.
- To be understood quickly by partners (customers, investors, employees) for the essence of the business.
- To get a ready model that works in the same or other industry
- Quickly focus on testing and experimenting whether this will work.
- Get fast key metrics and tactics to evaluate and grow the business.

6. Business Models Description

Together with business model selection, creation and validation an entrepreneur could use tools to describe it as a model. Describing a model will help to clarify its components, to see the business model from different views. There are many techniques to present a business model. Among the standard business practices (describe it with structured text or structured presentation), we should note a few other specific ones for the goal. They present diagrams of the whole business model and could be detailed with diagrams of each component or sub-component. Very well-known is Alexander Osterwalder's Business Model Canvas [18]. It is suited to describe any business model, both new and established companies. The business model is described in a diagram on a sheet as a rectangle with different sections as shown in Figure 1.

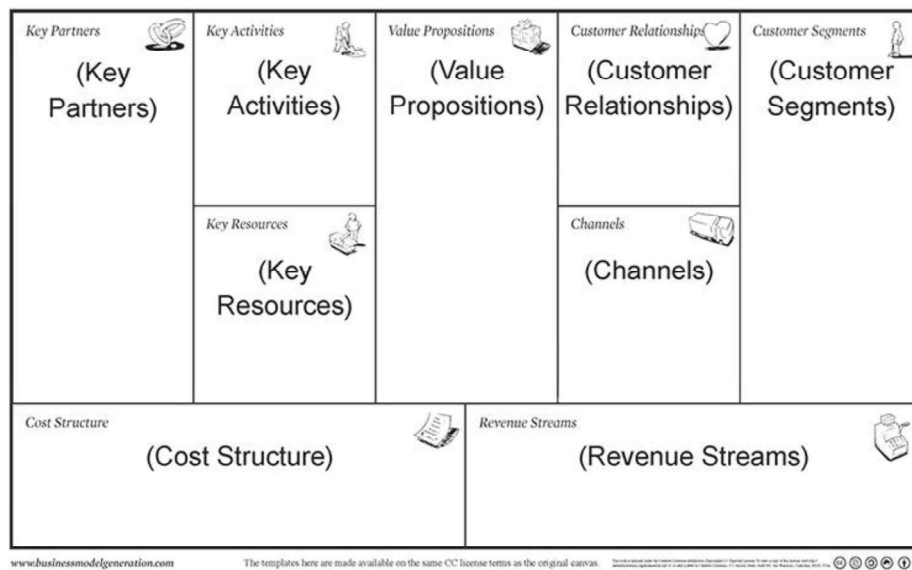


Fig. 1. Business Model Canvas
(source <http://alexandercowan.com/business-model-canvas-templates>).

A more appropriate form to describe a business model for starting companies is given from Ash Maurya named Lean Canvas [14]. It is a similar diagram in a sheet with a rectangle of business model components but is modified especially for the Lean Development process and optimized for Lean Startups (see Figure 2). It copies half of the components from the general model, but differs in the top-left components and focuses more on the Value Proposition and the related vital question for a startup - "What problem will solve our product and how it does it better for customers than competitors?". Therefore, the different components are the Problem (and existing alternatives), the Solution, and the Unfair Advantage. The Lean Canvas has a new component "Key Metrics" because metrics are vital in business management and the key goal of starting software companies is to prove vitality and growth potential of the solution. The other key sub-component is early adopters into Customer Segments because these will be the first customers to try and test the product. It is a base for the Customer Development process that is vital for the starting company.



Fig. 2. Lean Canvas (source <http://leanstack.com/leancanvas>).

7. Conclusion

The current paper defined the starting software company and distinguish it clearly from other kinds of businesses and entrepreneurship. Each starting software company has the main goal to develop a product and prove market vitality and growth potential for it. The definition and classification of the term "business model" are given, as well as the components in a business model. Different theoretical classifications and definitions of business models appropriate for e-business and software companies are presented from Timmers, Tapscott, Ticoll and Lowy, Applegate, Rappa, Croll, and Yoskovitz. A starting software company has different options for a business model based on different options for each component of the business it needs to make decisions for and implement. Moreover, two approaches for describing business models are presented, where, the second one Lean Canvas is more suitable for starting software companies. The stated models show that the aim of the paper is met to make a theoretical review of the business models appropriate for software companies. The details for business models are a promising area for future research on the topic. It could be extended with future research in two directions – optional alternatives for each component in the business model that are appropriate for starting software companies and metrics to evaluate the business model and the business progress in different stages of development.

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