AN ANALYSIS OF THE EFFECT OF BUSINESS MODEL ON BUSINESS PERFORMANCE. CASE OF CELLMED HEALTH INSURANCE.

BY

TARIRO MUSAKANDA

R169729N

Supervisor: Dr. S. GUMBE

A Dissertation Submitted In Partial Fulfilment of the Requirements for the Master Degree in Business Administration

2019

GSM MBA DISSERTATION

DISSERTATION TITLE					
AN ANALYSIS OF BUSINESS MODEL FOR CELLMED HEALTH INSURANCE 2016-2018					
DISSERTATION METHODOLOGY (please tick one)					
QUANTITATIVE		**QUALITATIVE**	**X**	**MIXED METHODS** ✓	

INTAKE (YEAR AND MONTH)	
2016, AUGUST	
Registration No.:	**STUDENT NAME:**
R169629N	TARIRO MUSAKANDA
DISSERTATION SUBMISSION DEADLINE	**SUBMISSION DATE**
28 FEBRUARY 2019	28 FEBRUARY 2019

This statement should be completed and signed by the student producing the dissertation.

Declaration and Statement of Authorship:

1. I hold a copy of this dissertation, which can be produced if the original is lost/damaged.
2. This work may be reproduced, communicated, compared and archived for the purpose of detecting plagiarism.
3. I give permission for a copy of my marked work to be retained by the Graduate School of Management for review and comparison, including review by external examiners.

I understand that:

4. Plagiarism is the presentation of the work, idea or creation of another person as though it is your own. It is considered cheating and is a very serious academic offence that may lead up to expulsion from the program. Plagiarised material can be drawn from, and presented in, written, graphic and visual form, including electronic data and oral presentations. Plagiarism occurs when the origin of the material used is not appropriately cited.
5. Enabling plagiarism is the act of assisting or allowing another person to plagiarise or to copy your work.

Last Name	First Name	Signature
MUSAKANDA	TARIRO	

DECLARATION

I, Tariro Musakanda, do hereby declare that this dissertation is a result of my own investigation and research, expect to the extent indicated in the Acknowledgements, References and by comments included in the body of the report, and that it has not been submitted in part of full for any other degree to any other university.

…… …/……/……/

(Signature of Student) Date

…… …/……/……/

(Signature of Supervisor) Date

DEDICATION

I dedicate this research to my family.

ACKNOWLEDGEMENTS

First and foremost, I would like to acknowledge the Almighty God for the guidance and protection during the period of researching and writing this research project. Completion and undertaking of this research were made possible by a number of people whom l will forever be indebted to. Special thanks go to my supervisor Dr S. Gumbe for his unwavering patience in working with me throughout the course of this research project. Sincere gratitude also goes to all the lecturers at The University of Zimbabwe for guiding and imparting me on how to carry out a good research. This gave me a necessary base required for completion of this research.

Special mention goes to my husband, family and friends for their unconditional and unwavering support and understanding during the time I dedicated to this research. Needless is to say that I am forever indebted to these people for their financial support, love, understanding, endless patience and encouragement they rendered to me when it was required.

Lastly, I would like to say thanks a countless time to everyone who contributed to the successful completion of this research. Had it not been for your invaluable support, I could have not reached this far.

May God bless you all in the name of the Almighty God!

ABSTRACT

The research evaluates the current business model employed by Cell Medical Insurance (CellMed) company in Harare. The plummeting revenues of CellMed and shrinking of the customer base over the past years prompted the researcher to carry out the study. The major objective of the study was to evaluate the current business model used by CellMed on company performance. A mixed method research design was adopted, with a pragmatism research philosophy. The target population in this study were CellMed insurance companies' Harare branchemployees which population size was 199. Both probabilistic and non-probabilistic sampling methods were employed. A sample of 132 was drawn. Questionnaires were used on 121 non-managerial employees. Interviews were carried out on eleven managers. The two instruments were used in order to improve data triangulation.

It was found that CellMed uses an unwritten down business model that approximate the canvas model, with elements of customer segments, key resources, revenue streams, cost structures, distribution channels, key activities, key processes, value propositions and key partners. Results showed that CellMed is doing poorly on most of its business model's components. It was recommended that CellMed sets itself in a position to exploit its resources. Also, CellMed was recommended to incur most of its costs on investment activities rather than expenditures. Also, CellMed was recommended to segment its market and identify niche markets in which it can concentrate and deliver value, among other recommendations. Future research recommended to employ different methodologies and to carry out studies in different industries and to develop new business models that health insurance companies can adopt.

Key words: Healthcare Business model, Business success, Market Share

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter starts with an overview of the company of study which is Cell Medical Health Insurance (CellMed). It goes on to trace the background to the problem, giving the statement of the problem and the research proposition. The same chapter shows the importance of the study, research objectives, research questions, and scope of the research which illustrates the framework within which the research was done. The chapter ends with an outlay of the chapters to follow and the chapter conclusion.

1.1 Background to the study

CellMed is a subsidiary of the Cell Insurance Company that was formed in 2003. By then, it was a unit of ZESA Holdings. Cell Insurance Company was the first and only licensed captive insurance company in Zimbabwe. The company today has expanded to provide a diverse range of risk financing solutions. Cell Insurance Company offers short-term insurance products for both corporate and individual customers, through alternative risk transfer solutions, conventional insurance solutions as well as enterprise wide risk management solutions. CellMed subsidiary provides access to healthcare funding. The company allows members to access healthcare services from anywhere in Zimbabwe, allowing access to treatment regionally and internationally.

Established in 2004, Cell Medical Insurance has been one of the fastest growing companies in Zimbabwe. CellMed has five branches in Zimbabwe. CellMed has various packages to suit many social classes such as dental, optical, prescription medication. The main products of CellMed are base plan, essential plan, vital plan, superior plan, supreme plan and universal plan. The CellMed Health Medical Fund conforms to the highest standard in quality service delivery. It was certified to ISO 9001:2008 Quality Management System standard in the year 2010 and recertified in 2011. The proceeding sections give the background events particular to CellMed business model that led the researcher into conducting the research.

In the world of business, any organisation has its own kind of business model that can be either articulated explicitly or not clearly articulated (Munyoro, 2017). Business models stipulate how the organisations generate their profits and how they create value for their key stakeholders. Teece (2010) highlighted that organisations use their business models as a tool to define themselves by looking at their key processes, resources, revenue streams, cost structures, relationships with customers, nature of their market, among other dimensions. Teece (2010) also stipulated that all businesses that seek to survive need to continually review their business models and imitate those models that help them achieve their strategic objectives.

CellMed had been maintaining a good and stable customer base of over 30 000 clients until 2016. In 2017, the situation in Zimbabwe became bad until today (2019). Shortage of foreign currency and depreciation of the local currency have hit the economy since 2017. The drugs and medicines are now bought in foreign currency and this has put the medical insurance services company on a disadvantage because the company can no longer cover the imbalance between the local currency subscriptions by clients against the much need foreign currency by pharmacies. CellMed felt the heat of lack of foreign currency since its subscribers pay their subscriptions in local currency and yet the pharmacies have since started charging their products in foreign currency particularly the United States dollar. In 2017, the number of CellMed subscribers fell from 29 325 to only 24 633 (Insurance and Pension Commission (IPEC) Report, 2017). Customers feel it is unworthy to continue with an insurance provider that offers help that does not suffice the expectations with pharmacies within their supply chain.

According to the Zimstats Report (2017), the unemployment rate in the economy has been hovering around 80% in 2017. However, the situation worsened in 2018 when companies such as Sable Chemicals, Victoria Foods, Blue Ribbon Industries, National Foods and Delta Beverages (Sparkling Beverages) scaled down their operations and others closed. According to the Confederation of Zimbabwean Industries (CZI) Report (2017) the level of unemployment has gone above 96%. These companies had a substantially high percentage of customers with CellMed constituting above 10%. The closure of these companies resulted in very few people able to subscribe for medical insurance. When less people are unemployed, less people also get work benefits including healthcare. This has affected CellMed that has experienced a fall in

number of customers. As it stands, the number of active subscribers has almost sharply declined because of the increasing level of unemployment. The liquidity crunch also affected members. Active members decreased by 16% from 2017, translating to a decrease of 9% in revenue. The number of resignations due to affordability is on an increase. Members are remitting their contributions. This inconveniences members when they want to access service. As it stands, according to the IPEC Report (2017) the claims ratio at 89% is 1% lower than in 2017.

Technology has also affected CellMed. There has been introduction of online doctors, e-health, technological advancements in hospitals and healthcare manufacturers (IPEC Report, 2017). The equipment used is continually changing, as is the development of new treatments. This has advanced beyond capacity of CellMed and as such the company is failing to keep abreast with technological advancement. In 2018 the adopted web based communication channel for addressing benefit concerns, medical aid claims. This however brought in inefficiencies when their staff got overwhelmed to meet customer needs. New technology also affects how CellMed communicates with its consumers. The transparency of social media offers opportunities for consumer feedback and opens new channels of communication between the company and its customers. CellMed has been bad imaged on social media platforms such as twitter in 2017. It has since been using social media to market its products. However, the same avenue has degraded the image of the company leading to decline in the number of active subscribers leaving for other providers such as First Mutual and CIMAS.

According to The Herald (14 June 2017) the social dynamics in the country have also directly affected the operations at CellMed. The society has since resorted to natural herbs that they get from herbalists instead of pharmacies. They now prefer natural remedies to artificial and hospital remedies. The natural herbalists have no link with the medical insurance companies. They sell their natural remedies on cash and carry basis. This has directly affected the number of people who subscribe with CellMed (The Herald, 14 June 2017). As well, the widespread of churches and religion has affected the number of subscribers. Other churches have since started prescribing remedies to their congregants. For example the PHD ministries among other churches have offered anointing oil and their so called spiritual drugs to sick people. The recent Aguma which the Prophetic Healing and Deliverance (PHD) Church Ministry founder and leader

claims that he treats HIV and Aids is a typical example. The social dynamics have seen people shunning from medical insurance on religious background. CellMed's decline in customer base is also attributed to social dynamics (CellMed Internal Report, 2017).

The fall in customer base has led CellMed to experience a fall in its revenues. The audited financial report of 2017 shows that the revenues have weakened by 6% to US$113.8 million due to affordability challenges which lowered the number of active subscribers (CellMed Internal Report, 2017). The solvency and liquidity ratios were reported at 41% and 156% compared to 33% and 145% respectively in prior the year (CellMed Internal Report, 2017). The claims week reserve has also fell to 15.1 weeks relative to the prudential limit. Since 2017 CellMed has faced a lot of problems in its operations manifesting through the fall in market share (CellMed Internal Report, 2017). A comparison with the company's major competitors such as First Mutual Health, and CIMAS is an indication of how CellMed is struggling to meet customer requirements. Its competitors have been able to maintain minimum of 10% of payments for every service; mainly hospitalization, dental, maternity costs and specialist attention.

According to National Insurance Commission (NIC) Report(2017), CellMed management adopted value based care reimbursements and alternative payment methods such as bundled payments in an attempt to reduce high medical spending and improve performance and customer satisfaction. Instead of a fee for service, bundled payments enable payers to reimburse providers based on an episode of care unlike paying of each procedure and tests as they happen. Unfortunately, these this did not last long as it was noticed that there was a gap created by the changes in exchange rates for local currency and the US dollar, inflation which made payments hard to make and caused CellMed not to have access in some pharmacies and hospitals that lost confidence in CellMed redeeming of bundled claims. The company is not showing improvements regardless of the management's efforts towards business success. It is against this background, that the researcher felt it necessary to undertake this research and evaluate CellMed's business model. The company's business model needs to be identified, and then critically evaluated to see if it is appropriate and consider where it is lacking.

1.2 Statement of the Problem

CellMed is continuously losing its clients to competitors. The background shows that clients are now leaving CellMed going for other medical insurances services providers in the country (CZI Report 2017). CellMed's business model is compromising the company customer base. This is because of the complaints that have stormed from the customer perspective and the level of ICT usage in the business which is crippling the business. The statistics from the financial perspective of the business has shown a downturn in the revenues of the business (which declined by 6%). There is a need to analyse the company's business model, otherwise the company might risk continually losing its customers and unendingly record decline in revenues and profits.

1.3 Research Objectives

- To identify the business model currently being used by CellMed and its defining components.
- To critically evaluate the current business model used by CellMed in addressing company challenges.
- To proffer solutions to CellMed in relation to business models in creating economic and stakeholder value.

1.4 Research Questions

- How is the business model being employed by CellMed characterised?
- To what extent is CellMed's business model able to address the company's current challenges?
- What can be done by CellMed to its business model to improve its ability to meet its business goals and stakeholder expectations?

1.5 Research Justification

According to Kong (2009:6) tracing back to its origin, the popularity of the phrase 'business model' is relatively new, the usage of the term 'business model' only increased as the growth of the internet hyped. Justification of this research rests on the theoretical importance, that is, the existing information on business model is limited. The researcher specifically sought to analyse

CellMed's business model in provision of health care services, thus also generating novel insights for researchers, managers and investors especially when vying to meet the expectations of customers'. The business model provides the framework that guides the efforts of the company and all stakeholders in restoring lost customer confidence and restoring the company's clientele base.

1.6 Significance of the Study

It is the hope of this study to aid the graduate school of management in providing a new direction for further studies to be explored related to this topic.

The findings of this study have the potential to improve the performance of CellMed medical insurance, as health administrators and chief executive officers (management and executives) can improve their existing business model (if necessary), by making adjustments, based on lessons learned from their business model.

Furthermore, potential stakeholders might be interested in transferring innovative business models, from other countries with similar contextual elements to Zimbabwe, to the Zimbabwean Medical insurance sector in order to improve the efficacy of existing Zimbabwean medical insurance businesses. The findings from the study would thus serve as market research that they would capitalize on.

Finally, business models, which can be leveraged to reap massive financial and social benefits, this study would highlight the Zimbabwean Medical health insurance as an investment opportunity for potential investors.

1.7 Dissertation Outline

Chapter 1 is the introductory chapter which consists of the background, problem statement, research methodology and structure of the study. Also included are the research objectives, research limitations and a conclusion to summarize the chapter.

The second chapter covers the literature reviewed and contains the empirical literature on Canvas business models. It discusses in detail definitions, conceptual framework empirical evidence of

the use of Canvas business model in healthcare insurance. This chapter also focuses on the theoretical schools of thought on the business model.

Chapter three addresses the research methodology, design, and philosophy and research approach. Sampling design which arrives at the representative sample of the target population of CellMed and further outlines the methods used to collect and analyze data.

Chapter four presents the findings and analysis of the study using a systematic approach ordered by the research questions. Chapter five concludes with a discussion of the main findings drawing a conclusion and offers solutions to the problem.

1.8 Chapter Conclusion

The chapter gave an overview of the CellMed and the environmental analysis with respect to the operations of CellMed. The environmental analysis is blended with the background to the problem to give a solid background that backs the statement of the problem. The chapter also gave research objectives, proposition, rationale and scope of the research and an outline of the proceeding chapters. The next chapter looks at Literature reviewed.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter focuses on the available literature on business models and business performance. The chapter looks at both the theoretical and empirical literature on the research area of business models. According to Saunders et al (2016) theoretical literature are the beliefs, claims, theories or models advanced or held by previous researchers or scholars in related studies. Saunders et al (2016) take the view that empirical literature entails conclusions drawn by past researchers after they carried out similar researches.

2.1 Defining a Business Model

Teece (2010) and Chesborough (2006) noted that every business has a model which is either explicitly stated in writing or not clearly expounded in black and white. So many authors define a business model as a system adopted by a business for making money. Afuah (2003) asserts that a business model is a framework that an enterprise incorporates for the sole aim of making money. Concurring with the above definition are Baden-Fuller and Morgan(2010) who take the view that a business model can be taken as a formula for profit, system of business and learning system. Additionally, Mullins and Komisar, (2009) define a business model as a pattern of economic activity which details the flowing in and out of cash in one's business for numerous reasons and the timing thereof. He further argues that a business model helps in determining whether one is running the risk of running out of cash and whether or not the business will be able to deliver attractive returns to its investors. Chesbrough (2006) defines a business model as aninstrument by which a business intends to generate revenue and profits. Summarily, according to the definitions of the above authors, a business model is seen as an economic underpinning of a business, in all of its facades.

However, some scholars define business models as not only as economic tools to make money but as tools for value creation. Below are the selected definitions of business models by the authors who view business model as a combination of economic and value view. Watson (2005)

views a business model as a description of a company's operations inclusive of all its components, processes and functions which ultimately result in costs for itself and value for the client. Teece (2010) defines a business model as how a company provides value to its customers at the same time transferring payments to profit. Magretta (2010) concurred with Teece and Watson as she chose to describe business models as "at heart stories that explain how enterprises work. As with a good story, a vigorous business model has clearly defined characters, reasonable motivations and a plot that turns on an insight about value. It seeks to answer questions like: How do we make money? Who is the customer? What fundamental economic sense clarifies how the business can deliver value to customers at an appropriate cost?" According to Osterwalder and Pigneur (2009), a business model is a description of the logic surrounding how a business generates, delivers and control value and how revenue is earned in a company. Summarily, one can draw from these definitions that business models are descriptions of how the company generates its revenues and at the same time creating value for its customers.

In light of all the above reviewed definitions, one can actually come up with the general idea that the business model is a system dominated by resources and activities which all play a part in creating value that is able to satisfy customers and whose sell brings revenue to the company.

2.2 Importance of business models

Osterwalder et al., (2010) argue that a firm's competitive advantage can be leveraged by scrutinizing a set of internal and external dimensions. A key attribute of a comprehensive business model is having a model that clarifies to stakeholders, fundamental aspects within the organization's structure and the relations that exist internally and externally. Various scholars underscored the significance of clearly defining these "building blocks" as well as making graphic presentations that are "reasonably simple, logical, measurable, comprehensive and operationally meaningful" (Morris et al., 2005: 729).

Basically, a commendable business model brings forth value propositions that are convincing to customers, realizes advantageous cost and risk structures, as well as enabling significant value capture by the business that will ultimately generate and provides good products and services (Barney and Hesterly, 2012). Factors such as an excellent work force, good governance and

leadership, and advanced technology and commendable products are unlikely to help a business attain sustainable profitability if business model outline is not properly modified to deal with the competitive environment (Oltra and Luisa Flor, 2010).

Over the years, there has been intensive scholarly research over the significance of the business model as a vehicle for leveraging competitive advantage confirming that it unquestionably contributes to the survival and performance of companies that are in existence in "turbulent industries" (George et al., 2011). Chesbrough (2007) even emphasizes that "a better business model often will beat a better idea or technology". Besides being a channel through which companies use to monetize their technologies, the business model has been commended for its ability to efficiently promote and increase innovation as it gives a global view of the problems that need to be addressed within an organization in as far as the organizational structure, process (supply chain, for example) and product are concerned (Zott et al., 2011). It can be argued that one's choice of the right business model may determine whether it will survive or not even in the presence of all valuable factors like ideas, opportunities gathered and talent (Zott et al., 2007). Ultimately, all companies have to deal with external competition, dynamic markets, and product restrictions due to demanding certifications.

To sum up the above advantages, business models allow innovation within the business, allows survival of the business, allows the business withstand or fight competition, works hand in hand with business strategy and gives the company a clear vision on who are the stakeholders and beneficiaries of business activities and outputs.

2.2.1 Limiting factors to coming up with or imitating business models

Teece (2010) believes that at a shallow level all business models appear easy to replicate - certainly the underlying idea and the business sense behind a new model is improbable itself to enjoy intellectual property protection. A new business model, because it is more general in comparison to a business method, is highly unlikely to qualify for a patent, even if certain business methods that underpin may appear to be patentable (Teece, 2010). While it is generally accepted that descriptions of a business model may enjoy copyright protection, it is unlikely to be an obstacle to copying its basic or core 'idea' (ibid).

Firstly, implementing a business model is not as easy as some might assume (Teece, 2010). It calls for the availability of proper systems, assets and processes that are at sometimes difficult to replicate (Teece, 2010).Various smaller companies have tried with little success to replicate business models of bigger companies in their industry (Zott et al. 2011). The failure could be attributed to factors like lower asset bases, poorer processes and systems (Thompson et al., 2012). CellMed may also likely face similar challenges in coming up with highly sound business models as it is smaller than well-established businesses offering the same services such as CIMAS.

Secondly, there might exist some form of opacity that makes it tough for anyone from outside to effectively grasp in sufficient detail how a business model is executed, or which of its components make up the source of customer suitability (Teece, 2010). A challenge exists to a business which is ignorant of its competitors' business models because it will find it difficult to imitate them (Zott, Amit and Massa, 2010). CellMed may also be faced with a similar challenge when trying to imitate or understand how its competitors use their business models in a bid to adjust its own business model.

Thirdly, even if it is easy to replicate a pioneer's business model, incumbents in the industry may be hesitant to go ahead if the process involves cannibalizing existing sales and profits or jeopardizing other important business relationships (Teece, 2010). When incumbents face such constraints, the developer of a new business model may enjoy a substantial period of limited competitive response. Notwithstanding these constraints, competition is most likely to be fierce because "other new entrants, similarly unconstrained by incumbency and cannibalization anxieties, will be equally free to enter" (Teece, 2010). CellMed may also be faced with similar challenges in adopting other business models in fear of that the new models may destroy the benefits that the company will be currently enjoying when using the current model.

In all the above three cases, changing, imitating, coming up with or implanting business models may be quite a challenge for some companies due to the above given reasons.

2.3 Theoretical framework

This subsection presents the available theories that relate to business models. The section provides an analysis, looking at applicability or relevance, of the available theories and beliefs held by past researchers on business models. This research is guided by the Industrial Organisation theory and the Resource Based View theory.

2.3.1 Industrial Organization theory (IO)

The Industrial Organization theory (IO) is relevant to this study, in that it covers environmental analysis, an analysis considered critical in any business strategy formulation. The IO theory originates from the works of Mason (1953) and Bain (1968) amongst others who argued that industry structure was the singular determinant of industry behavior and performance. The IO concepts were taken on board by Porter (1976, 1977) who sought to advance them at business level strategy in a bid to effectively assess the desirability or attractiveness of an industry. He contended that the conduct or behavior of firms is mainly determined by industry structure whose joint conduct is a determinant in the collective performance of companies present in the marketplace (Mason, 1953). The IO theory in analysis of industries and firms was backed by the Five Forces Framework of Porter (2008).

A critical analysis of the IO theory can lead one to establish a strong relationship between it and Amit and Zott (2001)'s business model definition wherein they described a business model as "the design of transaction content, structure and governance." Its main line of argument posits that the behaviour and conduct of firms in any given industry is determined by the structure of the industry which ultimately has a significant influence on firms' performances. One can therefore argue that there are some similarities in the business model approach to IO theoretical frameworks, that is, the 5 Forces Framework and the Value Chain Analysis (Porter, 1985).

All focus on breaking down the company's internal and external activities to be followed and most importantly the creation of value through to the end of the chain. Infrastructural interrelations like human resources management and firm infrastructure are covered by

organizational arrangements in the value chain analysis while technological interrelations such as technological developments are denoted by technical architecture in business model definition proffered by some scholars such as Bowman *et al.* (2008) in their STOF (Service, Technology, Organisation and Finance) model. Marketing, sales and services in the Value Chain Analysis are what Bowman et al (2008) describe as service offering. This line of approach to strategy formulation greatly acknowledged the power possessed by the firm's external environment but however deliberately turned a blind eye on any internal capabilities that can influence a company's performance.

2.3.2 Resource based view theory (RBV)

A critique of the above industry structure approach to strategy making is the Resource Based View (RBV) theory of competitive advantage Barney (1991). The RBV emerged in the 1980s and 1990s seeking to establish ways of attaining competitive advantage (Werner felt, 1984; Grant, 1991). It gives cognisance to a firm's internal resources and how they can be used to get competitive advantage. The RBV's underlying proposition is that for a firm to effectively realize and enjoy sustained competitive advantage it must obtain and control valuable, rare, inimitable, and non-substitutable (VRIN) resources and capabilities, as well as creating an environment where the organization is capable to efficiently absorb and implement them (Barney, 2001; Carter, Cleg and Korberger, 2009). Proponents of this opinion take the view that firms should also consider internal factors and try to establish how they can be used to gain competitive advantage as compared to solely focusing on the external competitive environment (Grant, 2010). Therefore, one can see that a business model is a modified resource based view tactic which attempts to create competitive advantage. The logic behind the business model approach is the organization of a firm's resources in a manner that competently creates capabilities in the organization that no one else has at their disposal or that are problematic to emulate since the central line of argument of the Resource-Based View is that firms' competition is mainly premised on which resources and capabilities each entity has (Peteraf and Bergen, 2003).

According to Grant (2010), Resource Based Value model makes use of two assumptions in establishing sources of competitive advantage. The primary assumption is that organisations in any given industry are different in as far as the bundle of resources under their control is

concerned. Secondly, it makes the assumption that resource heterogeneity is likely to continue over time due to the fact that resources used to put in place strategies by firms are not perfectly mobile across a firm, implying that some of the resources are unable to be traded in factor markets and are problematic to amass and imitate (Grant, 2010). Resource heterogeneity or uniqueness is considered a necessary condition for a resource bundle to contribute to the establishment of a competitive advantage.

However, today's business environment is highly dynamic as compared to the otherwise static nature of the RBV which dictated the need to make adjustments to the RBV model through the concept of dynamic capabilities (Grant, 2010).

2.3.3 Dynamic capabilities framework

Dynamic capabilities, by contrast to RBV and IO theories, refer to the capacity of an organization to decisively create, extend, or modify its resource base so as to deal with an environment that is rapidly changing (Helfat et al., 2007). The dynamic capabilities concept was expounded by Teece, Shuen and Pissano (1997) as the firm's ability to integrate, build, and reconfigure external and internal proficiencies so as to address rapidly changing environments. The fundamental assumption of the dynamic capabilities framework is that core aptitudes should be used to adjust short-term competitive positions that are likely to be put to use in the long term to build a long-term competitive advantage. It thus provides a bridge between the economics-based strategy literature such as the industrial organization theory and evolutionary approaches to organizations Douma (2013). An attempt to merge the static theory perspective that is part of the industrial organization theory and the inside out approach propounded by the resource based view can thus be credited with the formulation of the business model innovation approach to strategic management Helfat (2007).

This view stresses that strategic management should consider how the business environment is rapidly changing when crafting and implementing business strategies. It strongly considers both the firm's internal and external environments and how these environments can be used to come up with competencies to handle an ever changing environment that gives value to stakeholders (Teece, 2010). This model approach fully acknowledges the dynamic view of strategy by

ensuring that elements of the business model are capable of coping up with the ever-changing environment Douma (2013). The analysis of a business model in relation to the issue of dynamism implies that the service being offered by a firm would be constantly reviewed in line with the clients' needs and expectations at the same time being innovative and embracing latest technological developments to enhance service delivery. Business reengineering exercises are also mandatory in an attempt to continuously improve the organizational arrangement (Douma, 2013). The advent of modern financial arrangement like mobile money to compliment plastic money needs to be incorporated into a business model for it to remain viable and relevant to its stakeholders (Munyoro and Matinde, 2016).

Both the IO theory and the RBV theory have fundamental relationships with the first two models that were discussed later in this chapter section. The dynamic capabilities theory was also considered relevant in encouraging business to continuous review their business models to always be in tandem with the business environment developments can be dynamic as noted by Douma (2013).

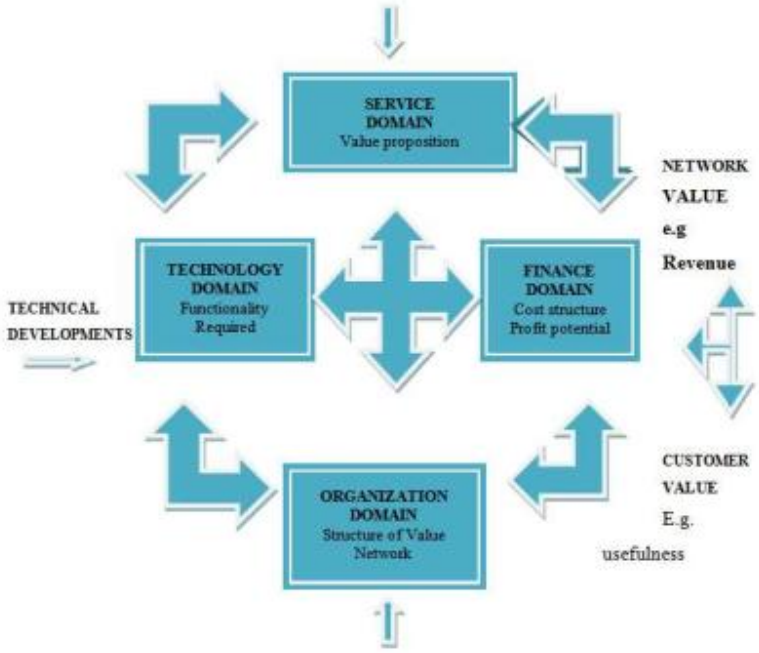
2.4 Typical business models

2.4.1 STOF Model by Bowman, De Vos, and Haaker (2008)

Bowman et al (2008)'s main focus were business models for service offerings, which need cross company or multi- actor cooperation. Bowman, De Vos, and Haaker (2008)are of the view that a business model is a combination of a networked enterprise, a combined effort by multiple businesses to offer a cooperative proposition to customers. From their perspective a business model can be seen as a blueprint of interrelated components; service offering, technical architecture, organizational and financial arrangements (STOF). STOF model seeks to proffer a description of how network value is created in a chain or network customer value. In this model, technology explains a technical functionality that is needed to realize the service and moves in conjunction with the devising of a competitive strategy through which the innovating firm will advance and hold an advantage over its rivals that the business model outlines.

Figure 2.1 shows the STOF model and its main components. Its main constituents, as illustrated are as follows;

Service domain: The underlying factor in scheming a service is 'value': a provider seeks to deliver to its clients, a certain distinct value proposition and at the same time customers expect a positive customer value. Four inter-related concepts intend to address this: planned or proposed and delivered value on the part of the provider, and expected and perceived value on the part of the customer or end-user.



Source: Bouwman, Haakerand De Vos, (2008)

Figure 2. 1: STOF Model

Technology domain: For mobile services, technological issues to consider pertain to technological architecture, technological functionality, backbone infrastructure, access networks, service platforms, devices, applications and data.

Organization domain: Organizational issues normally center on issues around resources available and capabilities, mainly linked to technology, marketing and finance that have to be

availed to enable proper service delivery. For mobile services, organizations are mainly required to cooperate in a business network.

Finance domain: Financial resources form a vital cog of resources to be required. Finance further explains most of the services to be designed. As far as financial arrangements are concerned, there are two main issues to take note of namely investment decisions and revenue models.

All constituents of the STOF model seek to communicate the value proposition that is, the value created for end users by the service or product on offer, which is an essential term in the analysis of business models. One can also see that this model can be relevant for the health sector business since all the four domains are applicable in the healthcare business.

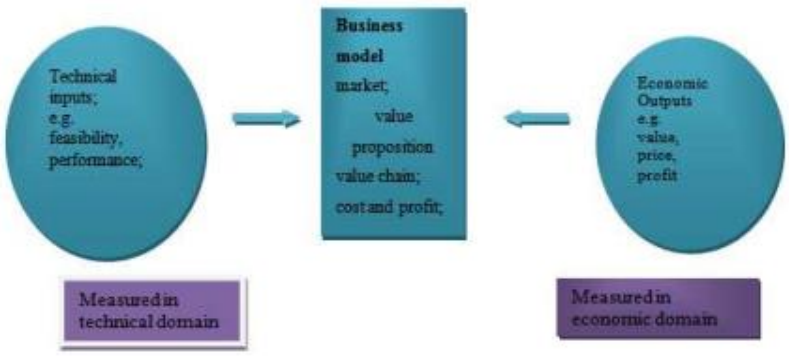
2.4.2 The Functions Model by Chesbrough and Rosenbloom (2002)

There are no major differences between the STOF model and the Functions model, but only in terms of how clearly the models show the relationship between the elements or components. The STOF model shows a more complex relationship between the components. One of the differences between the two models is that the Function model emphasis the need for the business to clearly define its market, unlike the STOF model which only emphasises the need to consider creating customer value, but paying no attention to defining the market segments. Both the Functions Model and the STOF model emphasise the need to focus on not only the generation of profits for the business, but also to focus on value creation and to reflect technological changes into the business models.

The Functions Model by Chesbrough and Rosenbloom model (2002) puts forward six functions which detail a coherent framework that considers technological characteristics and potentials as inputs, and converts them through customers and markets into economic outputs. This business model is seen as a focusing device that mediates between technological expansion and economic value generation. A business model is said to integrate a variety of academic and functional disciplines. The six functions illustrated in the Chesbrough and Rosenbloom business model are as follows:

The six functions involve "identifying a market segment, articulating the value proposition, defining the structure of the value chain, estimating the cost structure and profit potential of producing the offering, describing the position of the firm within the value network linking suppliers and customers and formulating the competitive strategy by which the innovating firm will gain and hold advantage over rivals" (Chesbrough and Rosenbloom 2002).

Figure 2.2 diagrammatically gives the presentation of the linkages between components of the Functions business model.



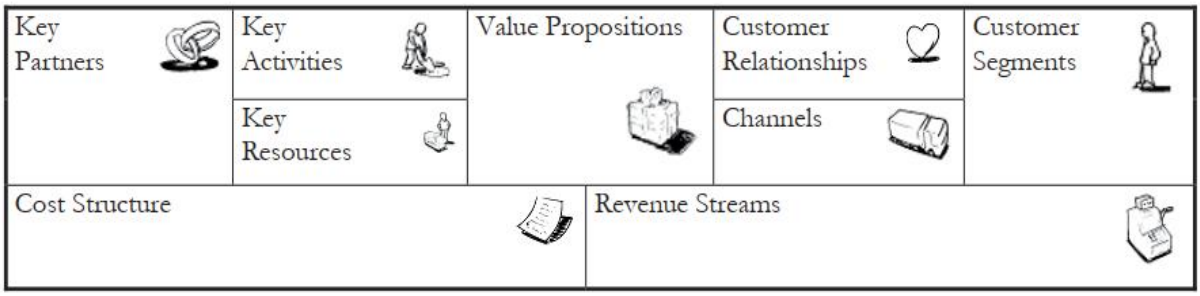
Source: Chesbrough and Rosenbloom (2002)

Figure 2. 2: Functions Model

2.4.3 Canvas Business model

This model was put forward by scholars Alexander Osterwalder and Yves Pigneur (2009). This model differs from the STOF model and the Function model mainly in terms of explicitness of the components. Although the three models view the importance of the customer, aspects of technology and revenue generating processes in the business, the Canvas model has more areas that it emphasises the business needs to include in its model. Key areas that are unique to the Canvas model are the aspects of checking business relationships with identified key partners, effectiveness of distribution channels, and putting emphasis in customer relationships, which all are not taken as areas that need attention in the STOF and Functions models. The Canvas model is described below.

In the Canvas model, Osterwalder and Pigneur define a business model with the use of nine key elements which include: customer segments, customer relationships, distribution channels, value proposition, key resources, key activities, partners, cost structure and revenue streams. Canvas has been described as an influential visualization tool which clearly outlines all the components and their interconnections.



Source: Osterwalder and Pigneur (2009)

Figure 2. 3: The Canvas Model

Key partners: Of particular importance to an organization are component key partnerswhich are a company's most prized organisations, authorities or people it mainly cooperates with in its daily operations. Optimization and economies of scale normally go a long way in creating partnerships that act as effective cost cutting measures. The sharing of business information through networking has been seen as one ingredient needed for a business' growth. The need for up to date information pertaining to finance and technology among other important factors inspires companies to form partnerships in specific activities. For instance, one can site the establishment of Blue-ray technology, which was developed by a group of leading global manufacturers of electronic products. After a successful research and development exercise, they started selling their Blue-ray products individually. Following the acquisition of certain activates and resources, companies may be motivated to look for partners mainly because not all organisations own adequate resources essential for the execution of all business activities. For example, insurance companies have brokers who sale products on their behalf while the insurance companies deal with their core business.

Key activities: Key activities entail the essential activities that are involved in value creation. These can include product delivery, marketing, designing, selling and production.

Key resources: Key resources include tangible resources like buildings, production facilities, vehicles and equipment) and intellectual resources namely patents, brand, copyrights, customer databases, knowledge, partnerships, and human resources - staff and managers.

Value propositions: The core of the business is the creation or generation of a unique primary value, which is clearly defined and outlined in the organization's mission statement which goes on to describe the core product or service that the firm sells to the customer. The addition of extra value (or group of extra values) to primary value also known as value added enhances a sense of the product or service for the intended customer or end user.

Customer relationships: Standard relationship with customers entails personal help purely based on human interaction. In this instance, the customer enjoys direct communication with the salesman during the selling process. However, dedicated personal assistance is a modified version of this type where a customer only has a single agent who takes care of all his or her needs. A shift from the above two is called self-service wherein there exists no contact between the company and the customer. The company simply provides the service or product. in this day and age of technology, automated services play a crucial part in electronically connecting sophisticated customer service with automated processes (internet) and use CRM system that identifies clients and able to recommend appropriate products or services for the customer. Of late, companies have been penetrating communities to enhance their connections with customers. This endeavor provides free quality database of observations directly from the customer. A relationship which some scholars have termed the modern type is called co-creation. This type ensures there is a relationship beyond the standard and the customer plays an essential role of being a co-creator of product a product or service. This works to the company's advantage as delivery will be based on clients' expectations.

Channels: Companies, which are contemplating distribution channels, can decide between selling through their own sales networks (direct sales: store, salesman, website, application in smartphones, telephone) or outsource the sale (indirect: intermediator).

Customer segments: Customer segments are defined using five types of market namely mass, segmented, niche, diversified and multi-sided. Mass market entails a large group of clients with almost homogenous needs and problems while segmented type seeks to group customers or place them into different segments based on similarity of interests. There are specific products and services tailor made to suit specific customers in niche markets while diversified markets are not confined to one industry but located in two or more industries with dissimilar needs and problems. Multi-sided type on the other hand employs segments that are interdependent and ensure that they are connected. For instance, a provider of credit cards VISA creates a relationship between three groups - banks, cardholders and merchants).

Revenue streams: A component revenue stream describes cash flows into the organization. Scholars normally point to the sale of goods and services as the main source of revenue for companies. organisations specialising in rental and leasing generate revenue through the provision of exclusive rights to use certain assets while licensing firm create revenue via giving customers the authority to use protected intellectual property which will however be exchanged for licensing fees. Brokers earn from each deal. Advertising generates revenue from providing medial areas.

Costs: Costs represent a monetary award of production. The organisation looks at its cost structure, which is a list of its activities and resources that represent costs to the business.

2.5 Empirical evidence

Morgon, (2014) carried out a study titled "The model H involving using a visual language for health care system thinking, problem solving and solution design". He made use of the mixed methodology research design while drawing a population from private medical hospitals, using a case study. The researcher found out that each of the business model concepts that were applied either independently or in a joint manner, were found played a role of increasing both the access and quality of healthcare in the developed countries. It was also observed that each of these models was tailor-made to specifically suit the unique conditions of each of the industrialized economies, an imperative characteristic for the success of this plan.

In the United States, Sarrel Dental has employed a unique business model aimed at "providing quality dental and eye care to children in underserved communities, while minimizing the cost to the United States' main public health insurance program, a study by Townsend (2014) revealed. The program has been so successful that the organization has seen thirty consecutive quarters of revenue growth, and one clinic has expanded to fourteen—five of which now also offer optical services (Townsend, 2013)." Similarly, India has over the past decade seen four innovative business health models. These have been developed and distributed across its numerous health care institutions, specifically in the southern states (IFC, 2014). These models have been a success especially in increasing both revenues and health care impact in the country.

Interestingly, innovative business models are fast growing and becoming an acceptable trend in African countries, specifically Kenya, where two new models are being used to transform rural health care provision in the country (Townsend, 2013 and Menke, 2012). In Access Afya's efforts to increase health care access in Kenya, the organization has successfully created a commendable network of high-tech paperless health centers in Kenya's slums. These mini clinics are responsible for the creation of electronic medical records for every patient and make use SMS (short message service) to send appointment reminders, medication instructions and follow-up on referrals to larger health facilities and specialists. More than500 patients were enrolled in Afya's first six months of operation and notably all patients reported a significance change in their health condition within a period of only five days from their date of appointment Menke (2012). Kenya's health sector is likely to be positively revamped considering how the this model is growing in popularity and the success of its results

The empirical evidence studied above in the health sectors have shown that if a business model is successfully developed and its components are well managed, the results will be improvement in the business revenues and their relationships with (key) stakeholders especially customers.

2.6 Research gap

From the theoretical and the empirical literature reviewed in this chapter in the preceding sections, it has emerged clear that very few if not any reserves have been carried out in Zimbabwe so far on the applicability of using business models to improve performance in the

medical health insurance sector. Most of the studies have been carried out outside Zimbabwe, especially in the developed (first and second world countries) countries like India, America and Spain. Internet and technology is inevitably ever-changing phenomena, and from the reviewed literature it emerged that internet has serious implications on most companies business models, hence a more recent research needs to be carried out which is in tandem with the level of technology. The level of adoption of ICT in Zimbabwe is low; the infrastructure of technology is compromised. This makes the state of Zimbabwe different from other states with respect to the use of ICT in the health sector. To sum up, there has been a gap in that very few and a bit outdated researches have been done in Zimbabwe, hence this research will go a long way in filling the identified gap and add to the body of knowledge.

2.7 Chapter Summary

The chapter looked at the typical business models, the theoretical framework and the empirical literature available on the aspect of business models. This review of literature led to the identification of the research gap and the conceptualization of the research, whereby the researcher was guided by the reviewed literature to shape her own study. The next chapter looked at the methodology used to carry out the study.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the description of the research design, the methodology and the data gathering instruments to be used in the study. The topics covered in the chapter include research design, data collection instruments, population of the study, sample and sampling procedures, validity and reliability of instruments used to collect data and the summary.

3.1 Research Philosophy

According to Saunders, Lewis and Thornhill (2016), a research philosophy is a set of assumptions that underpin a research strategy and the method chosen as part of that strategy, that is, the way the researcher views the world. Saunders *et al.* (2016) highlighted that positivism philosophy is ideal when purely quantitative methods are being employed in the research, whilst interpretivism philosophy is adopted when purely qualitative methods are adopted. This research adopted a pragmatism philosophy, which mixed both qualitative and quantitative methods. However, qualitative methods were more dominant than quantitative methods because the researcher considered the nature of the research problem to be demanding an in-depth analysis and understanding of concepts and how CellMed operates.

Qualitative methods were necessary considering the nature of the research problem and objectives, of which mostly qualitative data was needed in achieving the research objectives. Quantitative data was also necessary, although to a lesser extent, to complement qualitative data in answering the research questions. Tashakkori and Teddlie (1998) as quoted in Saunders *et al.* (2016) also support that pragmatism philosophy enables the researcher to study anything that is of value to him/her, studying in different ways deemed appropriate, and then using the results in the ways that can bring about positive results within the researcher's value system. Also, as supported by Guba and Lincolin (1994) as quoted in Saunders *et al.* (2016), adopting just one position may become unrealistic; therefore the researcher had to adopt a pragmatism philosophy.

3.2 Research approach

Saunders *et al.* (2009) refer a research approach to the extent to which the researcher is clear about the theory at the beginning of their research. Saunders *et al*. (2012) refer to inductive research approaches as the case when the researcher collects and analyses data and then develop a theory based on the collected data. Saunders *et al*. (2012) refer to a deductive approach as the case when one collects data for the purposes of testing a theory or hypotheses. The abductive method is whereby the researcher adopts mixed method approaches, that is, both inductive and deductive approaches (Saunders *et al.*, 2009). The researcher adopted an abductive research approach which was in line with the chosen research philosophy. However, more of inductive approach was adopted than the deductive approach.

3.3 Research Design

According to Rajasekat, Philominathan and Chinathi (2013) a researcher prepares a research design when carrying out a scientific research. A research design represents different types of approaches that are used in solving a research problem that is at hand. A research design includes both qualitative and quantitative analysis as well as a systematic plan outlining the study, the data gathering methods by the researcher and the compilation as well as the drawing of conclusions. Experimental design, explanatory design, exploratory design, descriptive design and mixed methods research design are various types of research design.

Explanatory research design enables researchers to understand the causes of the given effects (Creswell, 2013). Exploratory research designs however are more suitable when the researcher is seeking for new insights, studying what is happening or taking place, when asking questions and when assessing a phenomenon in a new light (Robson, 2012). Descriptive research design according to Bryan (2014) deals at testing theories or performing statistical analysis using quantitative data techniques and also when portraying accurate profiles of people of special interest, events or situations. Mixed methods design is the design used by researchers who combine two or more research designs and end up using both quantitative and qualitative data collection and analysis techniques (Saunders *et al.*, 2009). The researcher therefore adopted a

mixed method research design, which was in tandem with the adopted research philosophy and the research approach adopted.

3.3.1 Mixed methods research design

A mixed method research design is a design whereby a researcher adopts a combination of at least two pure research designs (Creswell, 2013). Kothari (2014) supports this when he highlighted that a mixed method research design enables a deeper understanding and analysis of occurrences than more pure research designs. The researcher adopted a mixed method research whereby she could use any data analysis technique, qualitative and/or quantitative, which would allow a critical evaluation of CellMed's business model to be done, as supported by Saunders *et al*., (2009). They highlighted that mixed method design allows the researcher to study anything of interest using any data collection and analysis techniques to clearly articulate the research problem and come up with more reliable conclusions. Tashakkori and Teddie (2011) also highlighted that best researches are neither purely quantitative nor purely qualitative, but somewhere between the two continuums. The researcher thus opted for a mixed method design so that she could both qualitative and qualitative data analysis techniques that she believed would make it possible to critically evaluate the business model of CellMed in terms of company performance (market share and revenue growth).

3.3.1.1 Advantages of mixed methods research design

Mixed method research design that the researcher adopted enabled the researcher to use fewer instruments as some of the instruments could collect both qualitative data and quantitative data that would be analysed differently. This saved the researcher's financial and time resources, and italso enabled her to have a deeper understanding of how CellMed implements the elements of its business model, for a thorough evaluation. The major advantages that mixed method research design had, as supported by Saunders *et al.* (2016) were that quantitative and qualitative data would complement each other because purely qualitative data would not suffice to validate the findings just like purely quantitative data was not sufficient to validate the research findings and to make data analysis clearer.

3.3.1.2 Disadvantages of mixed methods research design

Mixed method research design proved to be more cumbersome than would be the case if purely qualitative methods been adopted. However, with the knowledge that this design was more appropriate in coming up with better conclusions to objectives, the researcher was very meticulous throughout, in order to have conclusions that would reflect the true state of affairs at CellMed.

3.4Target population

According to Daas and Ossen (2010) target population is the entire set of a group from which the survey data to be used to draw conclusions is taken. The term population describes a set of distinct elements under consideration that is of interest in a particular study. Rajasekat and Philominthan (2013) claimed that results of the study are generalised for this group (whole population). The target population in this study were CellMed insurance companies' Harare branchemployees which population size was 199. Table 3.1 below presents the breakdown of the population elements.

Table 3. 1: Research Population

Population category	Category total size
Management	13
General staff	186
TOTAL	**199**

***Source*:** CellMed branch HR Manager (2019)

3.5 Sample and sample size

A sample can be defined as a subset of a population that is used to represent the whole group (Van Nederlpert, 2009a). The research used the Krejcie and Morgan (1970) formula to calculate the appropriate sample size for the research. The formula is stated as follows:

$s = X^2NP(1-P) \div d^2(N-1) + X^2P(1-P)$.

s = required sample size.

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size (135 in this case).

P = the population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (.05)

Table 3.2 shows some of the calculated sample sizes for given population sizes, by Krejcie and Morgan (1970).

Table 3. 2: Sample sizes by Krejcie and Morgan

Table 3.1

Table for Determining Sample Size of a Known Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size *Source: Krejcie & Morgan, 1970*

Krejcie and Morgan (1970)

Using the above formula, the sample size for this research was 132. This was then broken down according to population categories as shown in Table 3.3 below. The corresponding research instruments used for each population category are also highlighted.

Table 3. 3: Sample Size

Population Category	Population size	Sample size	Instrument used
Management	16	11	Interviews
Workers	183	121	Questionnaires
TOTAL	**199**	**132**	**Questionnaires and interviews**

3.6 Sampling procedures

Sampling is drawing elements from the population for study, and then using the results to generalise for the whole population (Elliott, 2002). Sampling is done because sometimes the population will be too large, unknown or infinite to be studied and the researchers may lack the necessary resources to study the whole population (Elliott, 2002).

Two sampling methods exist, which are probabilistic sampling methods whereby all the population elements have equal chances of being included into the sample (Saunders *et al.*, 2016). Examples of probabilistic sampling techniques are (simple) random sampling, systematic random sampling, cluster sampling and stratified sampling (Crawshaw and Chambers, 2004). The other sampling method is the non-probabilistic method whereby the population elements have no equal chances of being included into the sample (Zikmund *et al.*, 2012). Examples of non-probabilistic sampling techniques include quota sampling, convenience sampling, snowballing sampling and expert (judgemental) sampling.

This study adopted both probabilistic and non-probabilistic sampling methods. Firstly, quota sampling was used on all population categories. The two population categories had to contribute weights to the sample that were equal to their weights on the population. This was done in order to ensure that the two population categories were representedinto the sample, so as to try and have balanced views from all population categories.

This study also used the purposive sampling technique in selecting the management respondents for interview purposes. The management were purposively selected because the researcher believed that they had better knowledge of the business model being used by the company, and they were in a better position than anyone else in the organisation to evaluate the extent to which the business model is enhancing company performance.

Worker respondents were selected using simple random sampling, which is a probabilistic sampling technique. This was made possible given that the researcher had a sampling frame, as highlighted by Elliott (2002) that simple random sampling requires a sampling frame.The random number systems were used to select worker respondents for completing questionnaires.

This method was selected because, as confirmed by Saunders *et al.* (2012), it eliminated bias associated with choosing preferred population elements for sampling.

3.7Types of Data

There are two types of data which are primary data and secondary data and, in this research, both primary and secondary data types were used.

3.7.1 Primary Data

Primary data is defined by Bryan (2014) as data that is collected for a specified purpose by a researcher from a targeted population of respondents whereas secondary data refers to data collected from sources that are published or data which is in existence as a result of past events or other investigations that would have taken place. Van Nederpelt (2009a) stated that primary sources of data consist of original sources of data that is collected straight from the field work. Primary data collection is accomplished through various methods which includes carrying out interviews and giving out questionnaires inmarketing and business research, or direct observations and experiments in physical sciences. In this research, primary data was sourced from CellMed Harare branch managerial and non-managerial employees using interviews and questionnaires.

Primary data was used because the information that was gathered was up to date and also the data gathered was for the problem at hand. Another reason was that it gave a reliable picture since it was original and direct from the parties involved. In this research it was an advantage that data was sourced straight from the stakeholders who gave their views without bias.

3.7.2 Secondary Data

According to Daas and Ossen (2010) secondary data can be defined as an analysis of data that is already in existence and has been collected by other people. This data is examined to provide answers for the study in question. Different types of sources are available for the purposes of gathering data for secondary information. The purpose of secondary data is to help the researcher gain an initial overview of the research problem. Rajasekat and Philominathan (2013) stated that

secondary data can be classified according to the terms of the source from where it is derived from that is either being internal or external. Internal secondary data which can also be called in-house data is secondary information that is gathered and acquired from within the organization where the research is carried out, whereas data collected from outside sources is called external secondary data and is obtained from outside sources.

Secondary data used in this study was collected from journals, newspapers and the internet. This was done so as to compare the business models by other companies in and outside Zimbabwe.The secondary data collected was of higher quality such that conclusions could be easily drawn as the journals displayed a clear understanding of what business models were. Secondary data proved to be cheaper in accessing and were less time consuming as compared to sources of primary data. The internet provided the bulk of literature including journals, electronic books and other publications by different authors on evaluation of business models providing a sense of direction to the research.

3.8 Research Instruments

Daas and Arends-Tóth (2012) stated that research instruments are measurement tools that are used for gathering data for example questionnaires designed to obtain data on a topic of interest from research subjects. The research adopted questionnaires and interview guide as the research instruments.

3.8.1 Questionnaires

The term questionnaire stems out from collection of questions and statements designed to provide answers to the area of study under review (Kothari, 2004). Questionnaires can be used to gather data and information from a large sample. Mcdonald and Headlam (2012) stated that the same questions are given to different respondents arranged in the same order so that there is no bias of information that is collected from all the members of the sample that are subjected to questionnaires. Questionnaires have got an advantage that the information can be collected from a sample that is large and a wide range of regions, confidentiality is guaranteed, and since they are presented in the form of paper format the opportunity of having interviewer bias is limited

(Daas and Ossen, 2010). The answers that are given to questionnaires can easily be expressed in terms of the quantity and data can be analysed efficiently and quickly with the use of computers (ibid).

In this research, questionnaires were used for CellMed non-managerial employees. Questionnaires were used because the information that was used could be collected from a sample that was large (121) and confidentiality in respect of the information collected was to be upheld and the paper format used for presentation ensured that there was no opportunity for bias. Since the questionnaire provided information that is written, the danger of misrepresenting facts or information is minimized. The researcher made an effort to ensure that all questionnaires were completed and collected within a short period of time. The researcher also made an effort to ensure that questions were concise, easy to understand and clear to avoid any misinterpretations. In addition, although the questionnaire is highly regarded as a quantitative data collection instrument (especially with the ability to use closed ended question and Likert scales), in this research the questionnaire was also applicable given that the researcher adopted a mixed method research design, therefore, with the inclusion of both open ended and closed questions, the researcher managed to collect both qualitative and quantitative data at once using one research instrument.

3.8.2 Interviews

Interviews are data collection instruments that are used to collect data and they may be either structured or unstructured (Daas and Ossen, 2010). The interview is of use where the information that is required is detailed and the respondents to be interviewed are few (ibid). The interview guide was used in the study as an instrument that provided backing for the questionnaire. Eleven face to face interviews were scheduled to be conducted with CellMed managerial employees.

Interviews carried out were advantageous as they gave the respondents a chance to seek clarity on questions that were not clear and as such they enabled the respondents to have a clear meaning and understanding of the questions they were asked. The interviewer had a chance to repeat and rephrase questions not properly captured by respondent so as to help the interviewees to have a clear understanding and meaning of the questions. The interview facilitated in the

judgment of the validity and appraisal of the responses that were given verbally by the respondents. The facial expressions and other non-verbal cues during the interview were important aspects that were worth noting as they provided answers to questions that were deep within the interview held. The interview also helped to allow further probing into topics and important aspects that were raised by the respondents, and that were emotionally charged whose questions and answers would be complicated. The disposition given by the respondents could also help the researcher conclude the validity of the information given by the respondents.

3.8.3 Justification for using both questionnaires and interviews

The two research instruments were considered to complement each other as the questionnaire is more of quantitative than qualitative, hence to get more detailed qualitative data the researcher then resorted to interviews. Also, the two instruments would collect data in tandem with the chosen research design. More specifically, questionnaire and interviews allowed for data triangulation, whereby the instruments would overcome the weaknesses of each other, all which the researcher believed would improve the quality of data to be collected.

3.9 Types of questions

A question is a sentence that is structured in an interrogative form directed to someone who is intended to give information in reply (Mukumba, 2013). Two types of questions exist and these are the closed ended and open-ended questions (ibid).

3.9.1 Closed ended

Closed-ended or “closed question” is a question whereby a researcher provides a list of responses that is suitable e.g. Yes or No (Measor, 2007). These types of questions mainly produce quantitative data (ibid). Closed-ended questions were analysed more easily because the responses could be coded quantitatively. Each response would be given a code (value or number) so that an assessment of statistical interpretation could be made. Closed-ended questions are suitable for computer analysis, they can also be more specific therefore it is more likely to communicate and denote similar meanings and in studies that include large-scale surveys save time to convey the

interview by the respondent and the researcher, and so it can be considered as a less expensive survey method (Kumar, 2011).

3.9.2 Open ended

Open-ended or "open question" is a type of question where the researcher does not have to provide a set of answers from which the respondent will choose from(Sousa *et al*., 2011). Rather, the respondent will have to answer the questions in their own words (ibid).The data that is mainly produced by this type of questions is qualitative data(Sousa *et al*., 2011).

Questions that were open-ended were useful as they made a provision of allowing respondents to provide more information which included suggestions, feelings and the respondents' understanding of the study in question. This allowed the researcher to have a better understanding of the respondents' true meaning and feelings on an issue.

Open-ended questions had the ability of scaling down on the types of response errors, that is, the respondents would not be in a position to likely select the answers they would have to choose from when they had the chance to respond to the closed questions. What it means is, open-ended questions gave the respondents the chance to read the questions thoroughly and understand them first before answering rather than simply disregarding the true meaning of the question by browsing the questions then chooses just one or a set of answers from the given answers.

3.9.3 Likert scale

The Likert scale is the mostly common used approach to scaling down responses in a survey. It is named after its developer, Rensis Likert. The end-points of a Likert scale are typically "strongly disagree" and "strongly agree". The respondents are required to indicate their degree of agreement by having a comparison between any one of the five response categories which are agree, strongly agree, disagree, strongly disagree and undecided, which responses would be scaled as ordinal/rank data.

The questionnaire used included closed ended questions. The Likert scale had several advantages which included the fact that the questions could easily be constructed. The respondents were free

to indicate their extents of agreement or disagreement with a proposition. The Likert scale also made data analysis easier since deep statistical techniques could be applied using the codes.

3.10 Data validity and reliability

Ejvegård (2003) emphasized the need to produce reasonable quality studies and this quality is largely determined by the validity and reliability of the study.

3.10.1 Validity

According to Teixeria *et al.*, (2012), validity entails whether the research really measures that which it was intended to measure. It estimates how accurately the data obtained in the study represents a given variable or construct in the study. The questionnaire was given to other experts in theacademic research field to seek their opinions about the adequacy and representativeness of the instrument to ensure it covers all the variables being measured as a way of eliminating content validity. The project supervisor also played a role in validating the questions on the instruments to determine their validity.

The study has ensured reduction of construct validity by developing the research variables from existing theoretical frameworks. The study has adequately reviewed related literature and showed the study on sound theoretical models.

In order to pre-test the research instrument, a pilot study was conducted. Seykora (2009) agrees that it is important as is the issue of reliability and validity to ensure that the instrument is pre-tested before the actual administration. The pilot study enabled the investigator to measure the clearness of the questionnaire so that items which are ambiguous will either be rejected or altered in order to improve the quality of the research instrument, and also increasing its validity.

3.10.2 Reliability

Kawaja and Nadeem (2013), affirm that reliability relates to the consistency of a measure over a period of time. A participant completing an instrument meant to measure motivation should have approximately the same responses each time the test is completed. Although it is not possible to

give an exact calculation of reliability, an estimate of reliability can be achieved through different measures.

Cronbach's Alpha was used as a measure of reliability and internal consistency. This is a reliability coefficient which shows how items in a set are positively correlated. It measures the inter-correlations among test items, with a measure of 1 being higher in terms of internal consistency and reliability and 0.7 to 0.9 being acceptable (Johnston, 2009). The following mathematical formula for Cronbach's alpha was used to measure the reliability as well as internal consistency.

$$\propto = \frac{K\acute{c}}{(\tilde{v} + (K-1)\acute{c})}$$

Where:

K is the number of test items

$\tilde{v}$ is the average variance

$\acute{c}$ is the average of all covariance between the components across the current sample.

3.11 Data analysis and presentation

The researcher made use of the IBM's SPSS package to analyse quantitativedata of this research. Quantitative data analysis was done in form of frequencies, percentages, mean and standard deviation. Mean would show the general idea given by the respondents, whilst standard deviation would give the idea about the divergence of the respondents' views. Quantitative data was presented using SPSS and Microsoft Office Excel and Word 2013 packages in form of tables, graphs and charts. The researcher made use of graphic presentation because these facilitated summarisation and communication of the meaning of data. After each table or graph an explanation followed to interpret and discuss the percentages and statistics presented in the tables and graphs.

Qualitative data (open ended questions responses and interview responses) were presented in form of text and quotations. This would allow an illustration of the feelings and opinions of the respondents towards questions posed to them. Content analysis was used to analyse qualitative data. It would help identify the major themes that were discussed by the respondents as well as helping to capture areas of agreement and disagreement among the respondents.

3.12 Ethical Issues

The researcher made sure that all necessary measures were put in place to ensure high ethical standards were upheld throughout this research. A clear explanation and the essence of the research to the respondents was done with the assurance that the data would be handled professionally and that their identities are not going to be revealed. The researcher emphasised the need for voluntary participation in the study and that respondents shouldnot feel obliged to divulge information which they felt was private and confidential and their right to withdraw participation if need be. This enhanced sincerity and authenticity of responses and helped to reduce scepticism.

Fisher (2010) emphasised the need to respect respondents' rights to privacy and confidentiality, and in line with this, the researcher in an effort to guarantee all participants, discretion and anonymity used a coding system to replace participants' names and any form of personal identification. The researcher also ensured that the final data presentation and analysis would not allow the readers of the final report to connect information in the presentation to any employee who had taken part in the research. Consistent and accurate referencing of ideas and work accessed from other authors was done to ensure that there is integrity in the conduct of the research.

3.13 Summary

This chapter outlined the methodology and research instruments undertaken in the study. It covered critical areas such as research design, population and sampling, data gathering instruments validity and reliability and also data presentation and analysis. The next chapter focused on data analysis and presentation and discussion of findings.

CHAPTER 4

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter presents the presentation of data, analysis of data and discussion of findings. As noted by Saunders et al (2016), data are mere raw facts and figures which do not have any meaning unless processed into information. Likewise, data was processed into findings. Discussion of data was done paying special reference to the reviewed literature in chapter two. Quantitative data presentation was done in form of figures, charts and tables using Microsoft office packages, whilst analysis was done in form of simple percentages and frequencies using the SPSS package. Qualitative data was presented in text and quotations. The chapter looks at the response rate first, followed by the background of the respondents, then look at data analysis relating to the research objectives and conceptual framework, after which the findings are discussed before a conclusion is given.

4.1 Response rate

The response rates for the research instruments used in this study are presented in Table 4.1 below. The formula used for calculating the response rate was that proposed by Saunders *et al.* (2016) which says;

$$\text{Response rate} = \frac{Total\ successfully\ completed\ and\ returned}{Total\ administered}$$

Table 4. 1: Response rate for the instruments

Instrument	Distributed	Successful	Response rate
Questionnaire	121	108	**89.3%**
Interview guide	11	8	**72.7%**
ALL	**132**	**116**	**87.9%**

Table 4.1 above shows that the response rate on the non-managerial workers' questionnaire was 89.3%, whereby the other 10.7% could not complete the questionnaires due to reasons including unwillingness, being too busy and undisclosed reasons. The response rate on the interview guide

for managers was 72.7%%. Overall, the response rate on all the 132 instruments was 87.9%. Bryan (2014) highlighted that a response rate of at least 70% is high enough to ensure good representation of the population. As a result, the response rates on all the two instruments were considered high. This was made possible especially due to hand-delivering of the questionnaires and observation of ethics when conducting the study.

4.2 Background information of respondents

This section presents the background of the questionnaire respondents which helped in evaluating whether the respondents were in a position to likely give more valid responses or not.

4.2.1 Gender

In a bid to determine the gender mix of CellMed employees, the respondents were asked to indicate their gender. Table 4.2 below presents the results on gender.

Table 4. 2: Gender mix of respondents

	Male	**Female**	**Total**
Frequency	60	48	**108**
Percentage	55.6%	44.4%	**100%**

Source: Primary data, 2019

Table 4.2 shows that 55.6% of the respondents were males and the majority 44.4% were females. The researcher regarded the gender mix to be virtually balanced as there was a small deviation of just 5.6% from being exactly gender equal. This allowed the researcher to have virtually balanced views from both man and woman respondents who might view business model issues differently, with reasons that may be naturally caused by gender.

4.2.2 Educational qualifications of respondents

Table 4.3 below shows the education level of the customer and worker respondents.

Table 4. 3: Respondents' educational qualifications

	Primary/ Secondary	Diploma/ Certificate	Undergraduate	Master degree	Other	Total
Frequency	6	24	54	24	0	**108**
Percentage	5.6%	22.2%	50.0%	22.2%	0.0%	**100%**

Source: Primary data, 2019

Results presented in Table 4.3 above shows that the majority of the workers (102/108 = 94.4%) definitely had at least certificates. These higher level qualifications imply that workers might have the necessary knowledge to understand and evaluate concepts, activities and importance of resources, inter alia.

4.2.3 Working experience with CellMed

The working levels of experience of non-managerial employee respondents with CMED are presented in Table 4.4 below.

Table 4. 4: Working experience with CellMed

	< 5 years	5-<10 years	≥10 years	Total
Frequency	24	42	42	**108**
Percentage	22.2%	38.9%	38.9%	**100%**

Source: Primary data, 2019

Table 4.4 above shows that the majority of workers (84/108 = 77.78%) have worked for CellMed for at least 5 years. The implication is that, the workers who participated in the research are so experienced that they have had higher chances of giving valid responses because their longer term experience implies that chances are high that they are well-versed with the company, its operations and its products.

4.3 Business model being employed by CellMed

In a bid to find out the kind of a business model(s) currently being employed by CellMed in line with the first objective, the management respondents were asked two relevant questions in that regard. The questions read as follows;

1. *Does CellMed have any written down business model?*
2. *What are the typical elements in that model?*

In relation to these questions, the interviewees responded differently, but the responses pointed out the company has no written down business model, but has systems resembling some form of business model. Some of the responses were;

"CellMed has no business model in a diagrammatic presentation, but the business values critical aspects relating to customers, value chains, financial aspects of cash inflows and outflows and entrepreneurship", answered the first respondent. The fourth interviewee said that, *"CellMed has no specified business model in print, but it does put emphasis on its relationships with stakeholders, its resources, processes and opportunities in the market*". The seventh respondent highlighted that *"CellMed has no written down business model per se, but we do, as a business, equally value our relationships with our customers, key stakeholders like competitors and regulators, value chains, financial positions, processes, strengths, weaknesses, threats and opportunities. We consider these aspects to equally determine the fate of our business"*. The remaining five interviewees said more or less the same statements, all pointing out to the non-existence of a written down business model, but with a business model being encompassed in the company's values and policies.

The results showed that CellMed is using the Canvas business model because the key elements covered by the unwritten business model as the responses from the interviews showed approximate more of the Canvas business model which has customer segments, key resources, revenue streams, cost structures, distribution channels, key activities, key processes, value propositions and key partners as elements.

4.4 Evaluation of CellMed's business model

The second objective of this study was to critically evaluate CellMed's business model in relation to its components. This section presents the evaluation of the components using data collected from questionnaire respondents.

4.4.1 Customer segments

The non-managerial employees were asked to evaluate the customer segment component of CellMed's business model. Table 4.5 below presents the results.

Table 4. 5: Customer segments evaluation

Possible Customer segments	Yes	No	Not Sure	Total
Niche markets	11.1%	61.1%	27.8%	**100%**
Segmented	5.6%	50.0%	44.4%	**100%**
Mass markets	66.7%	0.0%	33.3%	**100%**
Diversified	5.6%	77.8%	16.7%	**100%**

Source: Primary data, 2019

Table 4.5 above points out that the majority (66/108 = 61.1%) of the respondents disagreed that CellMed has any identified and served niche markets, whilst 11.1% were in agreement and the remaining 27.8% were not sure whether CellMed has niche markets or not. When it comes to market segmentation, only 5.6% of the respondents agreed to the proposition that CellMed has segmented its markets, whilst 50.0% were in denial and the remaining 44.4% were not sure.

The data also shows that the majority of the respondents (66.7%) agreed that CellMed is serving mass markets, whilst the remaining 33.3% of the respondents were not sure about whether CellMed mass marketed its products or not. 5.6% of the respondents agreed that the CellMed's market was diversified, whilst 77.8% of the respondents were in denial and the remaining 16.7% of the respondents were not sure, pointing out that CellMed's market is not diversified.

The results from the questionnaire shows that CellMed practises mass marketing more than any form of market segmentation.

4.4.2 Customer relationships

In a bid to evaluate the business model adopted by CellMed in terms of its ability to build and maintain customer relationships, the non-managerial respondents were asked relevant questions regarding the component. Table 4.6 below presents the findings.

Table 4. 6: Customer relationship component evaluation

Key: 1 = Very Poor, **2** = Poor, **3** = Average/Undecided, **4** = Good and **5** = Very Good

	VP	P	A/U	G	VG	Total
Dimension	**1**	**2**	**3**	**4**	**5**	
Dedicated personal assistance	5.6%	27.8%	33.3%	22.2%	11.1%	**100%**
Automated services	11.1%	44.4%	27.8%	16.7%	0.0%	**100%**
Self-services	38.9%	33.3%	11.1%	11.1%	5.6%	**100%**
Social responsibilities in communities	22.2%	27.8%	22.2%	16.7%	11.1%	**100%**

Source: Primary data, 2019

According to Table 4.6 above, 5.6% of the respondents rated CellMed's offering of dedicated personal assistance to clients as very poor, whilst 27.8% rated it as poor, 33.3% were neutral, 22.2% rated it as good and the remaining 11.1% rated it as very good. A total of 33.3% rated it as poor, whilst a total of 33.3% rated it as good, showing that in general, CellMed's offering of dedicated assistance is rated as of an average nature.

When it comes to automation of services, 11.1% of the respondents rated the current efforts by the company to be very poor, 44.4% rated it as poor, 27.8% rated it as of an average nature, and 16.7% rated it to be good. Overall, 55.6% rated provision of automated services as poor, whilst only 16.7% rated it as good, showing that in general the respondents rated service automation as below average, hence they are regarded as poor.

When it comes to provision of self-services, 38.9% of the respondents rated it as very poor, whilst 33.3% rated it as poor, whereas 11.1% rated it as of an average nature, with 11.1% rating it as good and the remaining 5.6% rating it as very good. Overall, 72.2% rated self-service

provision as poor and only 16.7% rated it as good, leading to the finding that CellMed's provision of self-services to customers is generally poor.

In terms of social responsibilities in the society, a total of 50.0% of the respondents rated CellMed as poor, whilst a total of 27.8% of the respondents rated it as good, leading to the finding that CellMed is currently poor in terms of corporate social responsibilities in the society.

All in all, the questionnaire respondents have rated customer relationships to be poor.

4.4.3 Distribution channels

Respondents were asked to evaluate the current distribution channels employed by CellMed, and the results are presented in Table 4.7 below.

Table 4. 7: Evaluation of distribution channels

Key: 1 = Very Poor, **2** = Poor, **3** = Average/Undecided, **4** = Good and **5** = Very Good

	VP	**P**	**A/U**	**G**	**VG**	**Total**
Dimension	**1**	**2**	**3**	**4**	**5**	
Direct channels	5.6%	11.1%	22.2%	38.9%	22.2%	**100%**
Outsourcing (if it contracts others to distribute its products)	44.4%	33.3%	22.2%	0.0%	0.0%	**100%**
Combination of direct and outsourced channels	38.9%	27.8%	16.7%	11.1%	5.6%	**100%**

Source: Primary data, 2019

Table 4.7 above shows that the 5.6% of the respondents rated direct channels as very poor, 11.1% rated them as poor, 22.2% rated them as average, 38.9% rated them as good and the remaining 22.2% rated them as very good. The majority of the respondents (61.1%) rated CellMed's direct distribution channels as good, hence the finding was that CellMed has good direct channels of distribution. When it comes to outsourcing distribution of products, 44.4% of the respondents rated the company's current efforts as very poor, whilst 33.3% rated it as poor and the remaining 22.2% were neutral (rated it as average). The results indicated that outsourcing is generally viewed as very poor as none of the respondents rated it as good whatsoever. When it

comes to combining the use of direct mails and outsourcing as a combination, 38.9% of the respondents rated CellMed very poor, whilst 27.8% rated it as poor, 16.7% rated it as average, 11.1% rated it as good and the remaining 5.6% rated it as very good. A total of 66.7% rated combination of direct and outsourced channels as poor, and only 16.7% rated it as good, leading to the finding that in general, the combination of direct and outsourced channels of CellMed is rated poor. The results, all in all, showed that the distribution channels of CellMed are generally poor.

4.4.4 Revenue streams

In evaluating CellMed business model using revenue stream aspects, the researcher asked the respondents to evaluate the businesses' most common revenue generating activities. The results are presented in Table 4.8 below.

Table 4. 8: Evaluation of CellMed Revenue streams

Key: 1 = Very Poor, **2** = Poor, **3** = Average/Undecided, **4** = Good and **5** = Very Good

	VP	**P**	**A/U**	**G**	**VG**	**Total**
Dimension	**1**	**2**	**3**	**4**	**5**	
Selling of services	0.0%	11.1%	16.7%	27.8%	44.4%	**100%**
Leasing properties	22.2%	33.3%	16.7%	22.2%	5.6%	**100%**
Advertisements	27.8%	38.9%	16.7%	11.1%	5.6%	**100%**

Source: Primary data, 2019

Table 4.8 above shows that 11.1% of the respondents rated the selling of services by CellMed as very poor, whilst 16.7% rated it as average, with 27.8% rating it as good and the remaining 44.4% rated it as very good in generating revenue for the business. The results show that in general, selling of services is considered good at generating revenues for the company.

In terms of generating revenues from the leasing of properties, 22.2% of the respondents rated the element as very poor, whilst 33.3% rated it as poor, with 16.7% rating it as average, whereas 22.2% rated it as good and the remaining 5.6% rated it as very good in generating revenues for

the companies. 55.6% of the respondents rated leasing of properties as poor, whilst only 27.8% rated leasing of properties as good in generating revenues, leading to the finding that property leasing is poor at generating revenues for the company at CellMed as those who rated it poor surpassed those who rated it good. However, this result is in tandem with the earlier finding that CellMed is not diversified; it only offers core services offered by a medical aid insurance company, which are insurance policies. In line with that, respondents rank advertisement as poor in generating revenues for the company (as 66.7% rated advertisement as poor and 16.7% rated it as good), and this is mainly because the company is not diversified. The results show that CellMed generates most of its revenues through selling of services as opposed to property leasing and advertising.

4.4.5 Key resources

In an effort to evaluate CellMed's business model when it comes to the extent to which it considers the organisation's key resources, a question was asked for the respondents to rate the resources by identifying the importance of the resources using the VRIO technique.

Table 4. 9: Evaluating key resources

Key: (VRIO scale): **V** - Value, **R** - Rarity, **I** – Imitability, **O** –Organization

0 = Not needed, **1** = Very poor, **2** = Poor, **3** = Average/Undecided, **4** = Good and **5** = Very Good

Dimension	V	R	I	O
Knowledge and expertise of workers	4.5	2.0	2.4	2.3
IT resources	4.8	3.2	2.5	2.6
Brand reputation	3.6	2.3	3.4	3.2
Business strategic locations	3.4	2.2	2.4	3.5
Management quality	4.2	3.1	2.3	2.5
Infrastructure and fixed assets	4.6	2.4	2.4	3.0

Source: Primary data, 2019

Table 4.9 above shows that all the key resources possessed by CellMed have value as noted by the average responses on value (V) for each resource, exceeding 2.5, the neutral value of the

coded responses. When it comes to rarity of the resources, it emerged from the data presented above that only IT resources and management quality cannot easily be had or possessed by competitors of CellMed, otherwise all other resources are also easily possessed by competitors. When it comes to imitability, only the brand reputation cannot be imitated by CellMed competitors. When it comes to organisation's readiness to exploit the resources, it can be seen from Table 4.9 that CellMed is ready to exploit all other resources except the workers' knowledge and management quality. Therefore, although CellMed has a set of strategic resources which are all valuable, it is not in a position to exploit some of the resources especially employee expertise for its benefit.

4.4.6 Key capabilities

As one of the key elements of the business model adopted by CellMed, the respondents were asked to indicate the extent to which their capabilities were useful and the readiness of their company to exploit these capabilities for its benefits. The responses are summarised in Table 4.10 below.

Table 4. 10: Business capabilities evaluation

Key: (VRIO scale): **V** - Value, **R** - Rarity, **I** – Imitability, **O** – Organization

0 = Not needed, **1** = Very Poor, **2** = Poor, **3** = Average/Undecided, **4** = Good and **5** = Very Good

Resource	V	R	I	O
Innovation	4.3	4.5	3.1	2.4
Company culture	4.1	2.1	2.6	2.7
Cooperation between departments	4.6	2.4	2.1	3.4
Management system	4.7	2.5	2.3	3.1
Learning	3.8	2.4	2.2	2.4

Source: Primary data, 2019

Table 4.10 above shows that all the named company resources are considered valuable as indicated by the average responses for V on all the key resources, whereby V exceeds 2.5 the neutral value. However, when it comes to rarity, only innovation is a resource possessed by

CellMed that cannot readily be had by competitors. However, other resources like corporate cultures, management system, learning and cooperation between departments can be had by competitors as well. When it comes to imitability, the results in Table 4.10 show that only company culture and innovation are not easy for competitors to imitate, but other resources like learning and having cooperation between departments can easily be copied by competitors. In terms of the ability or readiness of CellMed to grab or exploit its key resources, the results show that the company is not ready to exploit its innovation resources and learning resource. This result is in tandem with the findings earlier in this study that CellMed incurs costs on its human resources mainly in labour costs rather than investing in training programs.

4.4.7 Cost structures

The following cost dimensions were evaluated by the worker questionnaire respondents, and the results are presented in Table 4.11 below

Table 4. 11: Cost structures at CellMed

Rank	1	2	3	4	5	6	Total	Mean	Av. rank
Sales and marketing	47.2%	36.1%	16.7%	0.0%	0.0%	0.0%	100%	1.69	**2**
Logistics	58.3%	41.7%	0.0%	0.0%	0.0%	0.0%	100%	1.42	**1**
Education	11.1%	27.8%	41.7%	5.6%	13.9%	0.0%	100%	2.83	**4**
Research and development	5.6%	13.9%	19.4%	22.2%	33.3%	5.6%	100%	3.81	**5**
Production/operation	22.2%	25.0%	36.1%	16.7%	0.0%	0.0%	100%	2.47	**3**
Other …….	0.0%	0.0%	0.0%	0.0%	2.8%	97.2%	100%	5.97	**6**

Source: Primary data, 2019

Table 4.11 above shows that the respondents have generally ranked logistics to be the activity that is more costly than all other business activities (mean rank = 1.42), followed by sales and marketing (mean rank = 1.69). The company incurs less costs in research and development as this activity has been ranked fifth (mean rank = 3.81). The 'other' category was ranked 6th, but none of the respondents highlighted any specific aspect in that category. A closer look at the rankings given shows that the most costly activities of CellMed have nothing to do with

investing for future benefits, but with generating revenues for the company in the short term. Thus the results show that CellMed incurs more costs in trying to generate and push sales volumes and less in investments for future benefits.

The researcher went on to solicit responses from the respondents on the kind of the resources that CellMed regards as most expensive ones. The results are summarised in Table 4.12 below.

Table 4. 12: Most costly resources

Key: 1 = Most expensive, 2 = Moderate expensive etc. until the least expensive (Descending order)

Rank	1	2	3	4	Total	Mean	Av. rank
Machines and technologies	58.3%	33.3%	8.3%	0.0%	100%	1.50	**2**
Workers	75.0%	22.2%	2.8%	0.0%	100%	1.28	**1**
Sale networks	16.7%	30.6%	41.7%	11.1%	100%	2.47	**3**
Other – specify ……..	0.0%	0.0%	0.0%	100.0%	100%	4.00	**4**

Source: Primary data, 2019

Table 4.12 above shows that respondents regard workers as the most expensive resource (mean rank = 1.28), followed by machines and technologies (mean = 1.50), then sale networks (mean rank = 2.47) and then 'other' facilities with a mean rank of 4.00. However, from Table 4.11, it was found out that the business does not prioritise worker education. As a result, from Table 4.12, the workers being the most expensive resource implies that most of the costs are incurred not as investment in education but in form of wages and salaries. It follows that CellMed expends more in costs than in investments, as witnessed from Table 4.11 that investment in technologies is ranked poorer than worker salaries.

4.5 Effect of business model on market share and revenues

In order to determine the overall effect of the current business model of CellMed on company performance (in terms of market share and revenue generation), relevant questions were asked in both instruments in that regard. Table 4.13 shows results from the questionnaires.

Table 4. 13: Effect of business model on market share and revenues

Key: 1 = Strongly Disagree (SD), **2** = Disagree (D), **3** = Undecided (U), **4** = Agree (A) **5** = Strongly Agree (SA)

Dimension	SD	D	U	A	SA	Total
	1	**2**	**3**	**4**	**5**	
Statement 1	17.6%	25.0%	28.7%	15.7%	13.0%	**100%**
Statement 2	21.3%	23.1%	14.8%	21.3%	19.4%	**100%**

Statement 1: The current level of overall management of business' key elements such as costs, revenues, key resources, customer segments, customer relationships, distribution channels and key capabilities is improving the company's competitiveness (market share) for CellMed

Statement 2: The current level of overall management of business' key elements such as costs, revenues, key resources, customer segments, customer relationships, distribution channels and key capabilities is improving the company's revenues for CellMed

Source: Primary data, 2019

The results show that when the respondents were asked about the effect of the current effect of CellMed efforts in managing business model elements on market share (Statement 1), 17.6% of the respondents strongly disagreed, 25.0% disagreed, 28.7% were neutral, 15.7% agreed and the remaining 13.0% strongly agreed that the current level of overall management of business' key elements such as costs, revenues, key resources, customer segments, customer relationships, distribution channels and key capabilities is improving the company's competitiveness (market share) for CellMed. Overall, 42.6% of the respondents were in disagreement and 28.7% of the respondents strongly agreed with the accession. The results showed that in general, the respondents disagreed that the current business model of CellMed is increasing the market share of the company.

Table 4.13 also shows that 21.3% of the respondents strongly disagreed, 23.1% disagreed, 14.8% were neutral, 21.3% agreed and the remaining 19.4% of the respondents strongly agreed that the current level of overall management of business' key elements such as costs, revenues, key

resources, customer segments, customer relationships, distribution channels and key capabilities is improving the company's revenues for CellMed. These results showed that the respondents generally indicated that currently CellMed's business model is poor in generating revenues for the company.

The results from the interviews confirmed the results from the questionnaires. The following questions were asked in relation to the effect of the business model of CellMed.

1. *How would you relate the current business model being used by CellMed to the company's competitiveness in terms of market share growth?*
2. *What has been the effect of the current business model used by CellMed on the revenue generation ability of CellMed?*

Some of the responses to the above questions are quoted in this paragraph. The first respondent said that "*the current business model encompasses significant aspects of the business, such as the revenues and costs. However, the model is not in black and white, hence it is difficult for the company to fully realise significant changes in market share and revenue growth*". The second respondent echoed the same sentiments when they highlighted that *"the current business model seems to somewhat betray the company's goals of realising revenue growth and market share growth. The major reason I suggest is that the model is not written down, hence it is difficult for us to fully manipulate all the valued aspects of our business model collectively"*. In a similar manner, the fourth, sixth and eighth respondent also echoed statements showing that although the company had a model, the model was not effective enough to improve the company's market share. The seventh respondent also said that "… *our business model is seldom communicated to the lower levels, making it difficult for everyone to work towards attainment of the company's objectives*".

All in all, the results from the questionnaire and the interviews shows that currently, CellMed's business model is somewhat poor in the achievement of market share growth and revenue growth.

4.6 Discussion of findings

In this section the researcher looks at the findings and discusses the findings in particular relation to the reviewed literature to find concurrences or conflicts between the findings.

4.6.1 Business model being used by CellMed

Results showed that currently CellMed is using a business model approximating that of Canvas business model, which is not written down though. Exploration of the business model using interview guide has showed that the company values customer relationships, value chains, costs and revenues, business processes and opportunities and threats. This result agrees with the claims by Slávik and Bednár (2015) who argued that the Canvas system is more ideal in the modern world set up, although it has its own limitations. The results also showed that CellMed adopted the Canvas model with its major components of customer segments, key resources, revenue streams, cost structures, distribution channels, key activities, key processes, value propositions and key partners as proposed by Osterwalder and Pigneur (2009).

4.6.2 Evaluation of CellMed Business model

The results showed that currently, CellMed practices mass marketing of its products, implying that the company has not segmented its market, and neither has it identified and target niche markets. It has also been established form the research that CellMed is slightly being able to offer dedicated personal assistance to its customers, but has failed to offer automation of services, provision of self-services for customers and to undertake of social responsibilities in the community, leading to customer relationship building efforts being rated by stakeholders as poor. It was also found out that CellMed has poor distribution channels as it uses only direct channels using its shops and its agents. This does not concur with the finding by Zott et al. (2011) who found out that with the wider use of internet and globalisation, firms should use combined methods of distribution.

It was also found that CellMed has only one revenue stream that is functional – sale of insurance services, the company is not diversified. This has resulted in the poor rating by stakeholders when it comes to the revenue stream component of the CellMed business model. The results also

showed that most of the high ranked cost elements of CellMed's business model are mere expenses which are not investments.

Moreover, results have shown that while CellMed has a lot of resources that are valuable, most of them are however imitable and are not rare to competitors, and CellMed itself is currently not in a position to exploit such resources as human expertise. Lastly, the results showed that CellMed has capabilities, but it is not in a position to exploit those capabilities now, citing reasons to do with smaller business size and harsh external business environment. However, the cited limitations to CellMed coming up with a sound business model are in line with the findings of Teece (2010), Thompson et al., (2012) and Zott and Amit and Massa (2010) who all found out that most business are limited from adjusting or fully implanting their business models because of issues like incompatible systems and inappropriate business sizes for a proposed system. This culminated to a result that CellMed is currently failing to implement the components of the business model it adopted. Most of the components have been found to be rated poor by the stakeholders.

4.6.3 Effect of CellMed business model on market share and revenue growth

The results from both interviews and questionnaires have shown that CellMed's business model currently is somewhat poor in improving the company's market share, and consequently, the company has not been able to generate expected revenues. The major reason suggested by interviewees was that the company has no written down business model, which model is rarely communicated to the people in the organisation. The evaluation of the business model through questionnaires has shown that currently, the company is performing poorly in the manipulation of the business model elements/components. Consequently, this has resulted in somewhat poor market share and revenue levels for CellMed. Such a relationship is in tandem with the findings of Morgon, (2014) and Townsend (2014) who found that company performance is directly related with its ability to positively manipulate the components of its proposed business model.

4.7 Chapter summary

The chapter looked at the presentation, analysis and discussion of data. Data analysis was done in tandem with the research objective and the research instruments used. The following chapter presents the summary of the research, the conclusions to the research objectives and the recommendations to various stakeholders basing on the results of this research.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter highlights the research findings from the evaluation of the business models of private health care providers in Zimbabwe using CellMed Insurance as a case study. A summary of the previous chapters is given to explain the research briefly. The researcher also gave recommendations based on research findings on the best business models that private health care providers can adopt as well as recommendations to other stakeholders.

5.1 Summary of Findings

The research study was underpinned by a number of objectives. Firstly, to identify the business model currently being used by CellMed and its defining components. The second objective was

to critically evaluate the current business model being used by CellMed in meeting company expectations. The last objective was to proffer solutions to CellMed in relation to business models in creating economic and stakeholder value. From such objectives, the major findings of the study were as follows:

5.1.1 Objective 1- To identify the business model currently being used by CellMed and its defining components.

The first objective meant to identify the business model currently being used by CellMed and its defining components. The model was explored using an interview guide from the managerial respondents of CellMed, who highlighted that CellMed has no written down business model, but the company places importance on balancing customer relationships, company processes, resources, key stakeholders, value chains, entrepreneurship, businesses threats and financial aspects as they believe that the fate of the business is equally determined by all these aspects. This objective was regarded as to have been successfully achieved as the gathered data managed the researcher to understand the current business model components of CellMed.

5.1.2 Objective 2 - To critically evaluate the current business model being used by CellMed in meeting company and customer expectations.

The second objective sought to critically evaluate the current business model being used by CellMed in meeting company and customer expectations. The study used a number of components in the evaluation. On the customer segments component, the study found out that CellMed practices mass marketing, and is not diversified. Secondly, on customer relationships component, the study found out that in general terms, CellMed has poor relationships with customers. The study also found out that on distribution channels, the company currently the company used mainly salesmen and its offices to distribute the product. Evaluation of the revenue streams shows that CellMed does not really generate revenues from the leasing of properties. The study found out that the company does not use advertisement in generating revenues since the company is not diversified. The finding on the cost structures indicate that CellMed incurs more costs in trying to generate and push sale volumes and less in investments

for future benefits as these were ranked higher than investment activities. CellMed expends more in costs than in investments.

On the key resources, the study found out that CellMed is ready to exploit all other resources except the workers' knowledge and management quality, as these resources had mean values below 2.5 when the VRIO evaluation technique was employed. With respect to key capabilities with reference to rarity, innovation is a resource possessed by CellMed that cannot readily be held by competitors, and on imitability, company culture and innovation are not easy for competitors to imitate. In terms of the ability or readiness of CellMed to grab or exploit its key resources, the study found out that the company is not ready to exploit its innovation resources and learning resource. This objective was regarded as to have been successfully achieved as the model components were successfully evaluated.

5.1.3 Effect of the business model on market share and revenue

The analysis of data from non-managerial employees showed that currently CellMed's business model is poor in enhancing the company's market share (as overall, 42.6% of the respondents were in disagreement and 28.7% of the respondents were in agreement). CellMed's business model is also somewhat poor in generating growing revenues for the company (as 43.4% were in disagreement and only 40.7% were in agreement). The results from interviewed managers also showed that the current business model is somewhat poor in generating revenues and market share for the company, with major reasons that the model is not written down and is not communicated to everyone.

5.2 Conclusions

The summarised findings led the researcher to the following conclusions against the aforementioned research's objectives.

5.2.1 To identify the business model currently being used by CellMed and its defining components

It was concluded under this objective that CellMed Insurance uses a business model that approximates or resembles the Canvas business model, with the key elements of customer segments, customer relationships key resources, revenue streams, cost structures, distribution channels, key activities, key processes, value propositions and key stakeholders. Its business model is not written down.

5.2.2 To critically evaluate the current business model being used by CellMed in meeting company and customer expectations

The study concluded that CellMed practices mass marketing. On customer relationships component CellMed has poor relationships with customers. With respect to distribution channels, the company currently the company used mainly salesmen and its offices. CellMed does not generate revenues from the leasing of properties and does not use advertisement in generating. The conclusion about cost structures is that CellMed expends more in costs than in investments. CellMed is also concluded to be ready to exploit all other resources except the workers' knowledge and management quality. The study also concluded that innovation is a resource possessed and company culture and innovation are not easy for competitors to imitate. The study also concluded that company is not ready to exploit its innovation resources and learning resource.

Also, currently the company's business model is poor in generating revenues and market share growth for CellMed.

5.3 Recommendations

Basing on the research findings and conclusions and the reviewed literature, the following recommendations were made to CellMed and other stakeholders like other insurance services companies, the Insurance and Pension Commission of Zimbabwe (IPEC) and policymakers such as the government and the regulatory authorities.

5.3.1 Recommendations to Managers

The research recommends management to capitalise on its innovation as a key resource, the management should involve employees in decision making so innovative thinking is continuously upheld and given priority. This will help the CellMed to generate newer and fresh perspectives. This should not be underestimated because the involvement of employees in decision making encourages worker participation and innovative thinking which can lead to effectiveness of CellMed Insurance.

The management is also recommended that they diversify. When there is no diversification, it is like putting all eggs in one basket. Diversification is a process where a company ventures into some other business that differs from the current businesses it undertakes. CellMed should employ both related and unrelated diversification through product diversification as well as product and market diversification. It can introduce new products to its existing market or it can explore new markets through provision of new products. For example, on top of its medical insurance, CellMed can consider venturing into building pharmacies to ease access to medical facilities to its customers.

In addition, the managers are also recommended to consider corporate rebranding to spruce its image with respect to customers' satisfaction. Rebranding is a process of adding or subtracting some features on a company's brand. Rebranding sends new messages about the company and its products to the clients. CellMed can rebrand by changing its name so that it rejuvenates the negative perceptions that most people have. The management is recommended to consider soliciting consumer's views towards new brand before and after the rebranding exercise to ensure the new elements afford the image the company wants to project. The recognition of customers' perceptions towards corporate rebranding exercise is critically important for companies to survive and remain desirable in the long run.

CellMed management has to select meaningful, likeable and memorable brand elements. New visual identity creates new image associations by projecting the company's distinctiveness through the marketing communication mix. A name change has great impact on customer perception of the corporate brand image. A name that customers perceive to be unfavourable destroys brand equity. Elements of the brand such as the symbols and colours need to be given

priority in a corporate rebranding. The organizations should clearly communicate rebranded elements and what they represent in their marketing communication activities and the company should consider engaging all stakeholders when they are rebranding. This improves transparency since concerned stakeholders understand why an evolutionary or revolutionary change of name could have been made.

The management at CellMed is also recommended to consider flexing organisational design. Designing an organisation is a deliberate configuration of structures, processes, reward systems, and people practices to create an effective organisation capable of achieving the business strategy. This encompasses the structural dimensions of an organisation which include level of formalisation, the extent to which the organisation is centralised and the complexity of an organisation. Formalisation measures the amount of rules and procedures an organisation has. Highly formalised organisations are characterised by inefficiencies. To further strengthen the innovative strength of CellMed, low formalisation helps to encourage innovative thinking, decentralised decision making motivates employees and low vertical complexities with few reporting structure to encourage effective strategy implementation.

CellMed has the potential to grow beyond its present market share by reaching beyond existing customers to prospective customers through de-segmentation, discovering and understanding potential customers' key commonalities of not using CellMed's products and services. The management at CellMed must deliver the advantages of all the alternative insurance policies that customers seek when they make choices about medical insurance products or services. The management should seek to be unique in creating and capturing new demand and new uncontested market space.

CellMed is also recommended to write down its business model and communicate it to all the company's workers so that these aspects are integrated into the corporate culture for the achievement of the common good.

The study also recommends CellMed to segment is market and design insurance products that suit the needs of the identified groups in the market/society. Segments can be geographically based, or may be come up with basing on the income levels of the groups in the market.

CellMed is also urged to make investments for future benefits as well. Investment in new technologies and worker education will help it harness worker expertise and knowledge and ultimately may result in higher market share and revenue growth for the company.

5.3.2 Recommendation policy and practice

The researcher also recommends that the insurance services sector regulators and government policy makers review the policies that are related to operations of insurance companies and the government should encourage adoption of fair business models that improve the level of customer satisfaction and service to balance the expectations of the insurance services provider and the customer to which the services are provided. The policy makers should note that insurance companies are critical as far as societal welfare is concerned. The government through its regulatory authorities should therefore give priority to insurance business as it counts critical business of the economy.

5.4 Research limitations

The study had its own limitations. Firstly, a case study of one medical insurance service company was taken, of which a survey may have resulted in more representative conclusions that would be more applicable to the whole industry. Secondly, costs constraints sometimes led the researcher to opt for cheaper alternatives which sometimes would compromise quality of results. Thirdly, the study used no rigorous statistical analysis of regression and hypothesis testing, which might have helped to quantitatively evaluate the effect of the business model of company performance.

5.5 Recommendations for future research

This research focused on an evaluation of the business models of private health care providers in Zimbabwe using CellMed Insurance as a case study. Theoretically, the study contributed in bridging the gap in literature. There were very few or no studies carried out socially in

Zimbabwe in the evaluation of business models specifically in the medical insurance sector. This research has worked towards bridging the gap.

The researcher recommends that further studies should be done on a similar topic but however using different methodology, focusing on other insurance companies in Zimbabwe or other companies in other sectors of the economy than the one used in this study. Important to note is that the findings that will be attained from other research studies will be helpful to other companies who want to improve their business models to boost their performance.

5.6 Summary

This chapter summarised the information in previous chapters. The conclusions from the analysis of the data collected were also given in this chapter to highlight the major findings of this research. Finally, the researcher also expressed opinions on what can be done to improve adopted business models in CellMed Insurance Company and beyond.

REFERENCES

Achampong, E. K. (2012) Electronic Health Record System: A Survey in Ghanaian Hospitals: Open Access Scientific Reports

Afuah, A. (2003) Business Models: A Strategic Management Approach. New York: McGraw-Hill/Irwin.

Afuah, A. (2008) Business Models: A Strategic Management Approach, McGraw Hill/Irwin, New York

Afuah, A. and Tucci, C, L. (2000) Internet Business Models and Strategies: Text and Cases, 4, Irwin/McGrawHill: New York

Amit, R. and Zott, C. (2001) Value creation in E-business: Strategic Management Journal

Amit, R. and Zott, C. (2010) Business Model Innovation: Creating Value in times of change: IESE Business School-University of Navarra: Madrid, Spain

Arbnor, Ingeman and Bjerke, Björn (1997) "Methodology for creating business knowledge", 2nd edition, SAGE Publications.

Baden-Fuller, CH. and Morgan, M. S. (2010). Business Models as Models. Long Range Planning, 43(2), 156-171. http://dx.doi.org/10.1016/j.lrp.2010.02.005

Bain, J. S. (1968) Industrial Organisation: Wiley

Banerjea S, R., Kahn, R and Petit, C. (2006) Dare To Be Different. Why Banking Innovation Matters Now, IBM Global Services, Somers, NY

Barney, J. B. (1991) Firm Resources and Sustained Competitive Advantage. Journal of Management, Vol. 17, pp.99–120. 3.

Barros, P. P. (1998) The black box of health care expenditure growth determinants: Health Economics

Biel, M. and Czwitkowicz, T. (2012). Z webu do kameňa a naopak. Trend, No. 4.

Bougie, A. (2013) Research methods. Quantitative and Qualitative Approaches: Nairobi: Africa Centre for Technology Studies

Bowman, H., De Vos, H. and Haaker, T. (2008) Mobile Service Innovation and Business Models: Springer

Bryan, C. (2016) Methodologies in research project works. UK: McGraw Hill.

Carter, C., Cleg, S. R. and Kornberger, M. (2009) A very short, fairly interesting and reasonably cheap book about studying strategy: London: Sage Publications.

Chesbrough, H. (2006) Business model innovation: It's not just about technology anymore,

Chesbrough, H. (2006) From a firm-based to a community-based model of knowledge creation: The case of the Linux kernel development, Organization Science 14, 633e649 (2003)

Chesbrough, H. (2006). Open Business Models: How to Thrive in the New Innovation Landscape. Boston: Harvard Business School Press.

Chesbrough, H. and Rosenbloom, R S. (2002) The role of the business model in capturing value from innovation: evidence from Xerox Corporation's technology spinoff companies, Industrial and Corporate Change 11, 533e534

Cohen, L., Manion, K. and Morrison, K. (2013) Research Methods in Education: Routledge: Taylor and Francis Group, London

Cooper, H. M. (1988) "The structure of knowledge synthesis": Studies in Higher Education

Cooper, R. C. and Schindler, P. C. (2001) Business Research Methods: Irwin/McGraw-Hill

Cordes-Berszinn, P. (November 2013) Dynamic Capabilities: How Organisational Structures Affect Knowledge Processes. Palgrave Macmillan. Retrieved 16 February 2019.

Creswell (2013): Quantitative and qualitative research designs. Prentice Hall.

Daas, P. and Arends-Tóth, J (2012) Secondary data collection, The Hague/Heerlen.

Daas, P. J. H., Ossen, S. J. L. (2013) Quality Evaluation of Administrative Metadata. Journal of Quality, submitted for publication.

Davenport, T. (2005) The coming commoditization of processes, Harvard Business Review 83(6), 100e108

Debelak, D. (2006). Business model made easy. Wisconsin: CWL Publishing Enterprises.

Douma, S. and Schreuder, H. (2013) Economic Approaches to Organizations: Pearson.

Eisenhardt, K. M and Martin, J. A. (2000) "Dynamic capabilities: What are they?" Strategic Management Journal (Wiley-Blackwell) 21 (10/11): 1105–1122. doi:10.1002/1097-0266(200010.

Eisenmann T. R. (2002) Internet Business Models, McGraw-Hill Irwin, New York: NY

Fern, E. F. (2001) Advanced Focus Group Research: Sage Publications Inc

Fontana, A. and Frey, J. H. (1994) “Interviewing-The Art of Science” Pp. 361-376 in The Handbook of Qualitative Research (ed) by N. Denzin and Y. Lincoln. Thousand Oaks: Sage Publications.

Franks, J. R. and Harris, C. (1992) Hostile takeovers in the UK and the correction of marginal failure, IFA working paper (London Business School, London) 156-192.

Galvan, J. L. (2005) Writing Literature Re-views, 3rd ed. Glendale, CA: Pyrczak Publishing.

George, G. and Bock, A. J. 2010, ‘The Business Model in Practice and its Implications for Entrepreneur Research’, Entrepreneurship - Theory and Practice, Vol. 35, Issue 1, pp. 83-111.

Gibbs, G. (2002) Qualitative Data Analysis: Explorations with NVivo: Understanding Social Research: McGraw Hill Education

Grant, R. M. (2010) The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation Grant: California Management

Grossman, S. C. (2007) Mentoring in Nursing: A Dynamic and Collaborative Process: A Dynamic Process: Springer Publishing Company

Guba, E.G. and Lincoln, Y.S. (1994) 'Competing paradigms in Qualitative Research', in Lincoln, N.K.D.and. Y.S. (ed.) Handbook of Qualitative Research (pp105-117), Thousand Oaks, CA: Sage

Hasbrouck, M. (2010) VP of Payer Relations and Contracting, Allina Health System. Presentation to September 8, 2010, Health Care Access Commission Payment Reform Work Group "Evolving to Value Payment."

Hax, A. C. and Majluf, N. S. (1996). The Strategy Concept and Process, a Pragmatic Approach. Upper Saddle River, NJ: Prentice Hall.

Health Professions Act 28/2004 (s29) Government Printers

HNonline.sk. (2012). Nové trendy v internetovom nakupovaní. Retrieved February 12, 2012, from http://hnonline.sk/c1-55287930-nove-trendy-v-internetovom-nakupovani/.

Horváthová, J. (2010). Firmy na cestách šetrili. Trend, No. 18.

Hunger, D. L. and Wheelen, T. L. (2008). Concepts: Strategic Management and Business Policy. New Jersey: Prentice Hall.

Johnson, M. W,, Christensen C. C. and Kagermann, H. (2008) Reinventing your business model, Harvard Business Review 86(12)

Johnson, W. M., Christensen, C. M. and Kagerman, H. (2008). Reinventing Your Business Model. Harvard business review, 86(12), 57-68.

Kageyama, Y. 2008, 'Toshiba Quits HD DVD Business', abc News, 19 February. Retrieved November 2008, from http://abcnews.go.com/Technology/ Gadget Guide/wireStory?id=4309219.

Kiker, B. F. and Zeh, M. (1998) Relative income expectations, expected malpractice premium costs, and other determinants of physician specialist choice: PubMed

Koen, P. E., Bertels, H. M. and Elsum, I. R. (2011) The three faces of Business model innovation: Challenges for established firms: Research Technology Management 54(3):52-59 May 2011

Korošová, V. and Synek, V. (2011). Grécky oikos a nevalný val. Trend, No. 29

Kothari, C. (2014) Research Methodology. 2nd Ed. New Delhi: New Age International (P) Ltd., Publisher.

Kotler, P. J. and Shalowitz, R. J. S. (2008) Strategic Marketing for Healthcare Organisations, Building A Customer-Driven Health System, J Wileyand Sons, Inc

Lohr, S. L. (2013) Sampling: Design and analysis (2nd Ed.). Boston, MA: Brooks/Cole.

Ludwig, G. and Pemberton, J. (2011). "A managerial perspective of dynamic capabilities in emerging markets: the case of the Russian steel industry", Journal of East European Management Studies, 16(3), pp.215-236. ISSN 0949-618

Mabaya, V. (2013). Towards e-health in Zimbabwe, Challenges and Hopes. International Journal for Health Sciences, Vol. 2.

Mack, N., Woodsong, C., MacQueen, K. M., Guest, G. and Namey, E. (2005) Qualitative Research Methods. A data collector's field guide. Family Health International.

Madzorera, T. B. (2010) Zimbabwe sets eyes on achieving target on universal coverage before December: World Health Organisation (WHO)

Magretta, J. (2002) Why business models matter, Harvard Business Review 80(5), 86e92

Magretta, J. (2010). Why Business Models Matter. Harward Business Review on Business Model Innovation. USA: HBR Publishing Corporation.

Marshal, A. N., Montealegre, M. C., Jimenez-Lopez, C., Lorenz, M. C. and van Hoof, A. (2013) Alternative splicing and sub-functionalisation generates functional diversity in fungal proteomes: N.I.H., Extramural Research Support, U.S. Gov't, Non-P.H.S.

Mason, J. (1953) A Critical Examination of Theories of Charge Generation in Thunderstorms: Tellus: Volume 5, Issue 4: Pages 423–534

Measor, L. (1985). Critical incidents in the classroom: Identities, choices and careers. In Ball, S. J., and Goodson,An Evaluation of Business Models in the Private Healthcare Services Sector in

133 Zimbabwe: A Case Study of Three Healthcare Companies in Harare. Impact Factor (JCC): 2.9867 - This article can be downloaded from www.impactjournals.us

Miller, H. (2010) How to Create Accountable Care Organizations. Presentation at ISCI Colloquium.

Ministry of Health and Child Welfare (2010) National Child Survival Strategy for Zimbabwe: 2010-2015: Zimbabwe

Mintzberg, H. (1994) The Rise and fall of Strategic Planning. New York, NY: The Free Press.

MoHCC (2016) World Malaria Day 2016 Press Conference Talk Points By The Honourable Minister of Health and Child Care: Zimbabwe

Moustakas, C. (1994) Phenomenological Research Methods: Sage Publications, Thousand Oaks California

Mullins, J. and Komisar, R. (2009). Getting to Plan B: Breaking Through to a Better Business Model. USA: Harvard Business Press.

Munyoro, G. (2014) An Evaluation of the Effectiveness of Handouts in Enhancing Teaching and Learning in Higher Education in Scotland, United Kingdom: Africa Development and Resources Research Institute Journal: Vol. 6, No. 6(2), pp. 95-107.

Munyoro, G. (2014) The Effectiveness of E-Learning in Higher Education: A Case Study of University of Dundee: Scotland, United Kingdom: Africa Development and Resources Research Institute Journal: VOL.1,No. 1(1), pp. 1-11

Nagayama, K. and Weill, P. (2004) 7-Eleven Japan Co. Ltd.: Reinventing the Retail Business Model, Sloan School of Management: Cambridge, MA

Nederpelt, V. P.W.M. (2011a) Object Oriented Quality Management, a management model for quality. Report 29 April 2011, Statistics Nederland, The Hague/Heerlen

Nonaka, I and Takeuchi, H. (1995) The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation. Oxford.

Osika, J. Altman, D. and Ekbladh, L, (2011) Zimbabwe Health System Assessment 2010, Health Systems 20/20 Project, Abt Associates Inc, Bethesda, Md, USA: https://www.hfgproject.org/wpcontent/uploads/2015/02/Zimbabwe_Health_System_Assessment20101.pdf.Osterwalder and Pineur

Osterwalder, A. and Pigneur, Y. (2009). Business Model Generation. Self-Published.

Osterwalder, A. and Pigneur, Y. (2010) Business Model Generation: Strategic Usability Research Group

Parasuraman, A.,Zeithaml, V. A. and Berry, L. L. (1996). The behavioural consequences of service quality. The Journal of Marketing. 1996; 60(2):31-46.

Parma, V., Castiello, U,. Koster, E, P. and Mojet, J. (2014) Selecting food. The contribution of memory, liking, and action: www.elsevier.com/locate/appet

Porter, M. E. (1976) Interbrnnd Choice Strategy, and bilateral market power: Harvard Economic Studies: Harvard University Press

Porter, M. E. (1977) Please note location of nearest exit: Exit barriers and Exit: California Management Review:

Prahalad, C. K. and Hamel, G. (1990) "The Core Competences of the Corporation". Harvard.

Pressburg, A. P. (2010). Čína prestáva byť ultralacnou dielňou sveta. Trend, No. 30

Rajasekat, S, P Philominathan, V Chinathi (2013) Research Methodology, India: AKGS Art.

Rappa, M. (2010). Business Models on the Web. Retrieved May 17, 2010, from http://digitalenterprise.org/models/models.html

Remlex, D. (2007). Information and communication in chronic disease care. Medical care Research and Review, 64(2), 123-147

Reynolds, P. D. (2005) Understanding business creation: Serendipity and scope in two decades of business creation studies. Small Business Economics, 24, 359-364.

Rothaermel, F. T. (2012) Strategic Management: Concepts and Cases. McGraw-Hill/Irwin

Santos, F. M. (2006) toward an entrepreneurial theory of boundaries: the scalability of firms in nascent markets: working paper, INSEAD: Fontainebleau Strategy and Leadership 35, 12e17 (2007).

Saunders, M., Lewis, P. and Thornhill, A. (2009) Research Methods for Business Students (4th ed.) Essex: Pearson Education Limited.

Saunders, M., Lewis, P. and Thornhill, A. (2016) Research Methods for Business Students, 7th edition, FT Prentice Hall-Pearson Education.

Seidel, J. and Kelle, U. (1995): Different functions of coding in the analysis of textual data. In: Kelle (ed): Computer-aided qualitative data analysis: Theory, Methods and Practice: London: Sage.

Seidel, J. V. (1998) Qualitative Data Analysis: www.qualisresearch.com

Shih, A., Davis, K., Stephen C. Schoenbaum, S. C., Gauthier, A. Nuzum, R and McCarthy, D. (2001) Organizing the US Health Care Delivery System for High Performance. Commission on a High Performance Health System, the Commonwealth Fund; August 2008; and, Institute of Medicine. Crossing the Quality Chasm: A New Health System for the 21st Century; 2001.

Shuen, A. (2008) Web 2.0: A Strategy Guide. O'Reilly Media

Shuen, A. and Sieber, S. (2010) "Orchestrating the New Dynamic Capabilities", IESE Insight

Siggelkow, N. (2001) Change in the presence of fit: the rise, fall, and the renaissance of Liz Clairborne, Academy of Management Journal 44, 838e857

Siggelkow, N. (2002) Evolution toward fit, Administration Science Quarterly 47, 125e159.An Evaluation of Business Models in the Private Healthcare Services Sector in 135 Zimbabwe: A Case Study of Three Healthcare Companies in Harare

Slávik, Š. (2011) Komparatívna analýza podnikateľských modelov. Ekonomika a manažment, 11(3), 23-43.

Stiehl, J. B., Haaker, R., Haaker, D. A. M. and Werner, K. (2004) Computer and Template Assisted Orthopedic Surgery: Springer

Teece, D. J. (2000) Strategies for managing knowledge assets: the role of firm structure and industrial context, Long Range Planning 33, 35e54.

Teece, D. J. (2007), "Explicating Dynamic Capabilities: The Nature and Micro foundations of (Sustainable) Enterprise

Teece, J, D,. Shuen, G. and Pissano, A. (1997) Dynamic capabilities and Strategic Management: Strategic Management Journal

Teece, J. D. (2010) Business Models, Business Strategy and Innovation. Long Range Planning, 43(2), 172-194. http://dx.doi.org/10.1016/j.lrp.2009.07.003

Trend.sk. (2012, March 21) Stock stratil trpezlivosť s drahými vajíčkami. eTrend.sk. Retrieved March, 2019, from http://firmy.etrend.sk/firmy-nefinancny-sektor/stock stratiltrpezlivost-s-drahymi-vajickami.html

Watson, D. (2005) Business Models. Petersfield: Harriman House Ltd.

Wegner, E. (1999) Communities of Practice: Learning, Meaning, and Identity: Cambridge University Press

Wernerfelt, B. (1984) A Resource Based View of the Firm. Strategic Management Journal 5(2) pp 171-180.

Williamson, O. (2009 "Transaction Cost Economics: The Natural Progression" Nobel Prize Lecture. University of California at Berkeley.

Williamson, O. E. (1983) Organizational innovation: the transaction cost approach, in J. Ronen (ed.), Entrepreneurship, Lexington Books, Lexington, MA, 101e134

APPENDIX 1: INTERVIEW GUIDE FOR CELLMED MANAGERIAL EMPLOYEES

1. Does CellMed have any written down business model?

2. What are the typical elements in the business model?
3. How would you relate the current business model being used by CellMed to the company's competitiveness in terms of market share growth?
4. What has been the effect of the current business model used by CellMed on the revenue generation ability of CellMed?
5. How do you suggest responsible decision makers can do to improve the current business model?
6. What any other issues related to our subject do you feel you want to share with me?

Thank you for your time

THE END

APPENDIX 2: QUESTIONNAIRE FOR CELLMED NON-MANAGERIAL EMPLOYEES

UNIVERSITY OF ZIMBABWE

GRADUATE SCHOOL OF MANAGEMENT

Thank you for completing the informed consent form. Kindly note that data obtained will be purely used for the purposes of this study. Please kindly provide sincere and honest responses to the best of your knowledge. Your cooperation is greatly appreciated. There are no right or wrong responses. Would you need any clarification feel free to get in touch on my email: tariromusakanda@gmail.com.

Date _____/_____/_____

Questionnaire Number_____

Instructions

- ✓ Do not write your name or contact details on any part of this questionnaire
- ✓ Completing by ticking appropriate responses where needed, or by writing phrases where indicated.

SECTION A: BACKGROUND OF RESPONDENTS

1. How long have you been CellMed's worker?

☐ < 5 years ☐ 5 - < 10 years ☐ > 10 years

2. Specify your gender.

☐ Male ☐ Female

3. Show your highest level of education.

☐ Primary/Secondary ☐ Diploma/Certificate ☐ Undergraduate ☐ Masters ☐ Other……

SECTION B: EVALUATION OF BUSINESS MODEL EMPLOYED BY CELLMED

4. Below are typical elements covered in most business models. Kindly answer the questions that follow on each segment.

(a) Customer segments

What sort of market segments does CellMed have?

Possible Customer segments	Yes	No	Not Sure
Niche markets			
Segmented			
Mass markets			
Diversified			

Dou you have any comment with regards to customer segments of CellMed?

……
……
……

(b) Customer relationships

May you rate the relationship of CellMed with its customers in terms of each of the following customer relationship segments?

Key: 1 = Very poor, **2** = Poor, **3** = Average/Undecided, **4** = Good and **5** = Very Good

Dimension	1	2	3	4	5
Personal assistance					
Dedicated personal assistance					
Automated services					
Self-services					
Social responsibilities in communities					

(**c**) **Distribution channels**

Key: 1 = Very poor, **2** = Poor, **3** = Average/Undecided, **4** = Good and **5** = Very Good

Dimension	1	2	3	4	5
Direct channels (if CellMed owns a channel)					
Outsourcing (if it contracts others to distribute its products)					
Combination of direct and outsourced channels					

What sorts of facilities are involved in the selected distribution channel (s) above? Examples could be salesmen, stores, websites, exhibitions/conferences or hotlines. List the facilities here.
……
……
……

(d) Revenue streams

Evaluate the revenue streams available at CellMed by way of evaluating each of the applicable aspects of revenue generating process at possible at CellMed. Use the given key.

Key: 1 = Very poor, **2** = Poor, **3** = Average/Undecided, **4** = Good and **5** = Very Good

Dimension	1	2	3	4	5
Selling of services					
Leasing properties					
Advertisements					
Others (specify) ……					

May you list all the payment forms applicable at CellMed? Examples include cash, debit cards, transfer, cheques or mobile money.

……..……
…..……
……..

(e) Key resources

Rate each of the supposedly key company resources of CellMed under the each of the V, R, I and O aspects? Use the given key.

KEY: (VRIO scale): V - Value, R - Rarity, I – Imitability, O –Organization

Value: Does it provide customer value and competitive advantage?

Rarity: Do no other competitors possess it?

Imitability: Is it costly for others to imitate?

Organization: Is the firm organized to exploit the resource?

0 = Not needed, **1** = Very poor, **2** = Poor, **3** = Average/Undecided, **4** = Good and **5** = Very Good

Dimension	V	R	I	O
Knowledge and expertise of workers				

IT resources				
Brand reputation				
Business strategic locations				
Management quality				
Infrastructure and fixed assets				

(f) Key capabilities

How would you rate each of the following CellMed capabilities under each aspect of VRIO? Use the following key.

Key: (VRIO scale): V - Value, R - Rarity, I – Imitability, O –Organization

0 = Not needed, **1** = Local level, **2** = Industrial, **3** = National, **4** = Regional, **5** = Global

Dimension	V	R	I	O
Innovation				
Company culture				
Cooperation between departments				
Management system				
Learning				

(g) Cost structure

Which of the following business activities are considered more costly? Rank them.

Key: 1 = Most expensive, 2 = Moderate expensive etc. until the least expensive

Activity	Rank
Sale and marketing	
Logistics	

Education	
Research and development	
Production/operation	
Other – specify ……	

What are the most expensive business resources at CellMed? Indicate that by ranking the resources suggested below, where 1 is the most expensive followed by 2, the second-most expensive, and so on**.**

Resource	Rank
Machines and technologies	
Workers	
Sale networks	
Other – specify ……	

SECTION C: EFFECT OF BUSINESS MODEL

5. Show your extent of agreement or disagreement with each of the following statements. Use the given key to tick in the most appropriate box.

Key: 1 = Strongly Disagree (SD), **2** = Disagree (D), **3** = Undecided (U), **4** = Agree (A) **5** = Strongly Agree (SA)

Dimension	SD	D	U	A	SA
	1	2	3	4	5
The current level of overall management of business' key elements such as costs, revenues, key resources, customer segments, customer relationships, distribution channels and key capabilities is improving the company's competitiveness (market share) for CellMed					
The current level of overall management of business' key elements such as costs, revenues, key resources, customer					

segments, customer relationships, distribution channels and key capabilities is improving the company's revenues for CellMed					

Do you have any comment or explanation relating to the answers you indicated in the above table?

……

……

…….

RESPONDENT SUGGESTIONS

6. How do you suggest CellMed improves its business model for betterment in revenue and market share growth?

……

……

…….

_____THE END_____

Thank You for Participating