



# Development of a business model for after-school tutoring classroom

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**Development of a business model for after-  
school tutoring classroom**  
**Development of a  
business model for after-school tutoring  
classroom**

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The main purpose of this thesis is to develop a business model based on an after-school tutoring classroom business idea. This thesis is beneficial for the authors to make the business idea to be feasible.

The theoretical background of this thesis focuses on concepts of business model. Then, alternative types of business models are introduced. Based on the introduction of those business models, arguments will be presented why the Business Model Canvas is chosen.

The research is designed to find out useful information for developing the business plan and business model. In this thesis, the authors used a combination research method of quantitative research and qualitative research. Questionnaire, interview and benchmarking are used in the research.

Based on the concepts of Business Model Canvas and the research results, the authors developed a business model for after-school tutoring classroom business idea.

Keywords: After-school tutoring, business model and business model canvas.

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## 1 Introduction

The first chapter consists of four parts that providing brief information on which the thesis based. First of all, the background of the after-school tutoring classroom in China will be discussed, that widens the general understanding of the contradiction between school, parents and students in China, as well as the feasibility of the business model of after-school tutoring classroom. Secondly, we discuss about the objectives and goals of this thesis. Thirdly, we bring out the research questions that we will study in this thesis. At least, structure of the study will be mentioned in order to have a logical overview of the whole study.

### 1.1 Background

In China, the market of K12 education industries is booming. K12 education is a term that refers to the publicly supported school grades prior to college, from kindergarten to 12<sup>th</sup> grade. K12 education could also be seen as the general designation of basic education stage. Based on the study from Forward-the economist (market prospective and investment strategy planning on China K12 education industry, 2019), the market size of K12 education industry in China, 2018, reached 560 billion Yuan, or 72.3 billion Euros, which means that there was an increase of 16.8% compared to that in 2017. However, the market concentration is relatively low. There are only few leading enterprises taking less than 10% of the market share in K12 education industries, while the rest of the market are occupied by a plenty of medium and small companies. Thus, there is still growing space for the tutoring industries market.

In culture and family background, Chinese people attaches relatively great importance to basic education of their children as a tradition of thousands of years. Also, because of the one-child-policy in the past, it is reasonable that parents show bigger ambitions on their child's education. On the other hand, those parents have only few times accompanying their children, as a result of increased pressure from work.

In the aspect of education, according to the data collected by the Organization for Economic Cooperation and Development (OECD), in 2009, the 15 years old students in China spend the most time doing homework with 13.8 hours per week, while Finnish students had the least time in doing their homework with 2.8 hours per week. In 2018, the situation of heavy homework loads in China have not been changed, based on the 2018 primary and secondary school student's burden reduction survey report. The report pointed out that in the first grade,

28.65% of parents reported their children were burdened, and the proportion increased rapidly to 38.36% in the second grade.

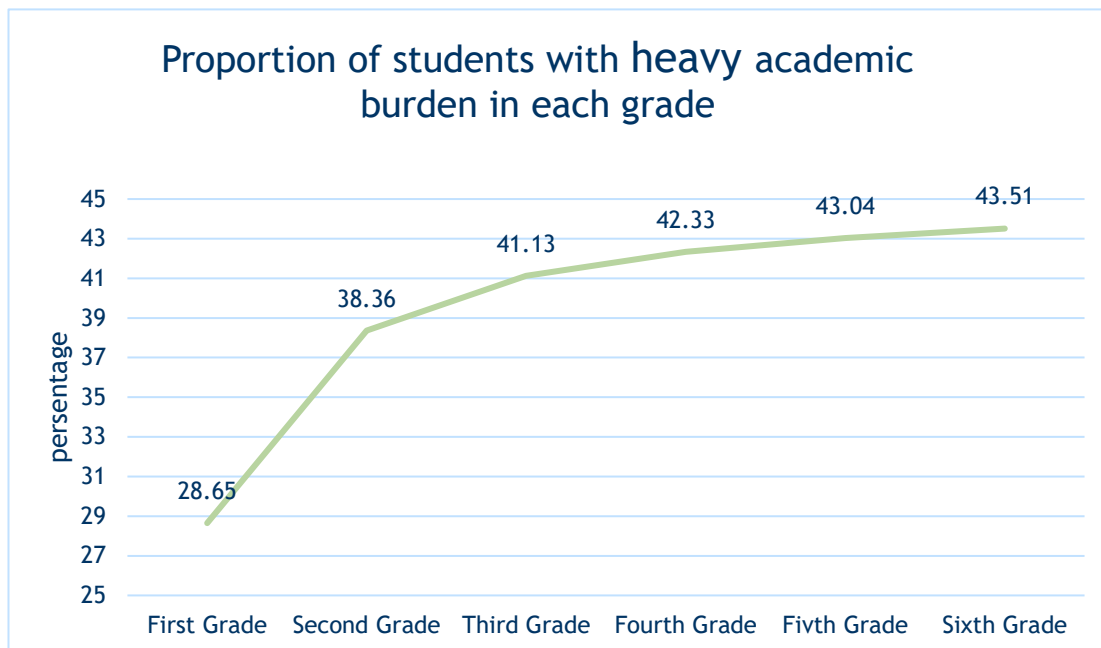


Figure 1 Proportion of students with heavy academic burden in each grade

The report also mentioned the two main reasons of the students' burden, the first one is the anxiety from the parents, while the other one is the school's pursuit of progression rate. Both of them are leading to the consequence of increased homework.

Combining those backgrounds, we came out the business idea of after-school tutoring classroom. According to the Pain Point Marketing theory, this business idea could take care of the pain points of parents and their children and having a considerable development prospect as well.

The after-school tutoring classroom is an institution, or company, providing homework tutoring service for primary school students. As mentioned in the name, the tutoring service will be carried out after school, ends in one to two hours. There could be also other services depending on the results of research.

## 1.2 Purpose of the thesis and research questions

The purpose of the thesis is to develop a business model for after-school tutoring classroom business idea. Moreover, the development is based on a feasible business model for the after-school tutoring classroom business idea. There is one main research question in this thesis. It is that what kind of business model could be developed for the business idea.

### 1.3 Structure of the thesis

In this thesis, there are five main parts:

- Introduction
- The knowledge backgrounds
- The research approaches
- Empirical study
- Summary

The knowledge backgrounds focus on business model. Specifically, what the business model is will be discussed. Then, what kinds of business models there are in general. After that, the differences between business plan and business model is an important topic. Then, three kinds of business models are chosen as the research targets. So, another significant part is to introduce these three business models in details. Besides, in this part, there is a comparison of these three business models to find out their advantages and disadvantages. Then, there are some argumentations of why the business model canvas is chosen in this thesis.

The research approaches part is the foundation of the whole thesis. In this part, firstly, there is an introduction of that two research methods, quantitative and qualitative research. After that, what methods are used in the research in this thesis and how they work in details are explained. Then, the contents of the research are explained, such as the contents of questionnaires, interviews and benchmarking. Besides, the reliability of the research and the validity of the research is an important part.

In the empirical study part, the first part is to do an analysis of the research results and collected data. It is followed by a detailed introduction of the after-school tutoring classroom business idea based on the decided business model.

## 2 Theoretical background

### 2.1 What is a business model and why is it important?

Business model has several different definitions which could be complicated or simple. It depends on how people use it as a tool in business. In other words, business model can be a frame to create business plan and a real company or an organization. Besides, business model can be also some implement methods in a business strategy. So, it is hard to have a clear definition of what business model is. Furthermore, business model is defined according to those different purposes. However, there are some definitions which are convictive in general and those definitions are from several books and articles. (Alexander & Yves 2010)



Business model can be a description in business society. Business model can describe and introduce how a company, or an organization implement in business plan by three steps. Firstly, an organization's business model can create business value by some way. It does not mean that business model can create value for the organization directly. However, business model is a frame and tool to support the business plan to create business value. Secondly, in a company or an organization, how to deliver value is a basic process. Business model plays an extremely important role in delivering value in business. Thirdly, business model can also help a company or an organization to gain value in business. In a word, business model is the ground rule in gaining, creating and delivering business values. (Alexander & Yves 2010)

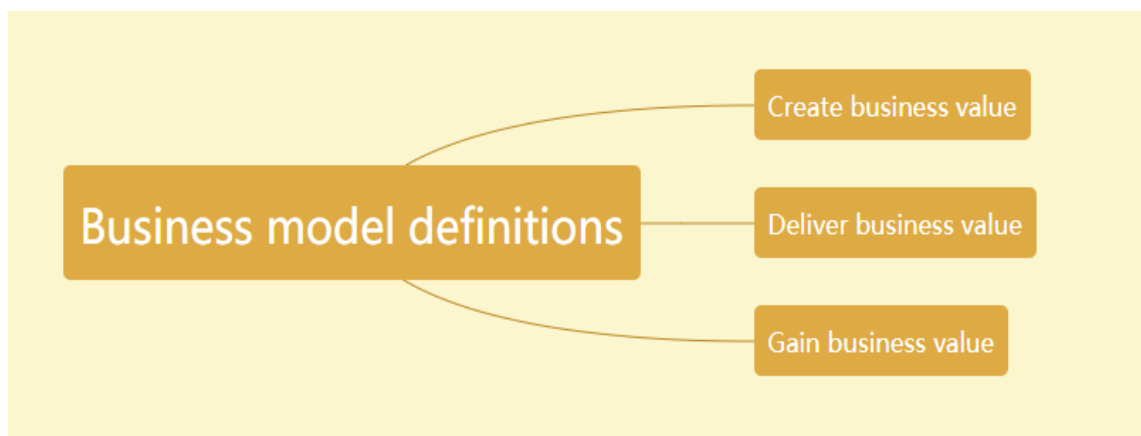


Figure 2 Business model definitions (Alexander & Yves 2010)

There is another definition of business model which is similar with the previous one. It is more like a summary of the previous definitions. The core is that a business model is to help a company or an organization to develop a plan about making money. That is the simplest way to understand what business model is. (Andrea 2015)

Business model is an extremely basic element for developing a business plan. So, what are the importance of business model? What important role does business model play in a business plan. There are three main reasons from three different angles according to some articles. (Andrea 2015)

- Business model will be the key of competitiveness in business.
- A successful company's blueprint is business model.
- Business model is unique under a special business situation.

Nowadays, company focuses on innovation in process, service and product. However, those innovations are the narrow elements. The most competitive power in business now is the in-

novation of business model. Because it can make more senses and make a company more innovated which the innovation in process, service and product cannot achieve that. So, in the future, the innovation of business model is an important element to evaluate a company in business. (Oliver, Karolin & Michaela 2014)

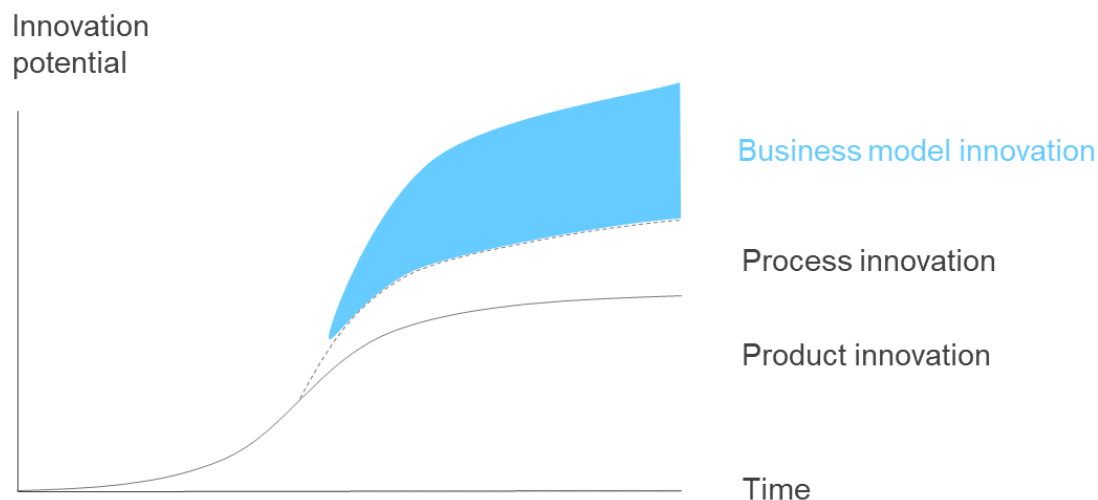


Figure 3 Innovation in business model (Oliver, Karolin & Michaela 2014)

Create a company just similar with building. So, before building, a suitable and designed blueprint is the key resource. In other words, a house cannot be built without blueprint and a company cannot be created without blueprint as well. Besides, from the blueprint, it is clear to get and understand the business potential and the details of the company's further development. (Samantha 2010)

In different business situations, the business model is different. So, each business has its unique business model. Specifically, a business model is designed by the facts of the environment and the business. Each business model has its advantages and disadvantages. So, business model is unique and important. (Joan 2002)

## 2.2 Differences between business plan and business model

Business plan is a written document, as was mentioned in this report, which attracts investment and partners for the company and give direction for the company's strategy in the future, while the business model is a system of processes through which a company makes itself profitable. (Finch 2013)

Besides, business model is ordinary an essential part in a business plan. It gives the guideline of the value proposition of the company, and the framework of how the company coordinate

with its suppliers, partners and customers. However, those guideline and framework will influence the strategy-making in the business plan. (Hatten 1997)

Moreover, business model is focus on internal audience, which are usually the decision maker and manager of the company, while the business plan, as Barringer and Ireland claimed, is not only focus on internal audience, but also the outsiders, in order to attract investment and partners. (Oliver, Karolin & Michaela 2014)

### 2.3 Magic triangle business model

As mentioned in the definitions of business model part, it is clear that the definition of business model is a blueprint to start a business (Samantha 2010). Besides, business model is a basic tool to create, deliver and gain values for a business in a company or an organization (Alexander & Yves 2010). Then, for a company or an organization, a suitable and simple business model is the key whatever to start a business or make business strategy. So, a business model called magic triangle can work as a form. Magic triangle business model is a basic framework and it is simple and efficient to clearly a company's business plan and business strategy.

Magic triangle business model is defined by four parts. Those four parts describe a company or an organization's most of business plan. Besides, people could clearly understand the information inside and outside a company. In other words, it can be understood from those four aspects.

- The target customers of a company or an organization.
- What values does a company provide to customers.
- In what channels does the company provide its values to customers.
- In those steps, how does the company get profits. (Oliver, Karolin & Michaela 2014)

In magic triangle business model, customer is always the key. An extremely important thing is to confirm that who the target customer is for a company and how the customer segment's performance in the market, which means that how the purchasing power is in the customer segment. A company cannot focus on all of the customer segments. It should pay attention to one or several clear segments (Oliver, Karolin & Michaela 2014). In other words, it is essential to confirm that which customer groups the company is not going to focus on.

Another important part of magic triangle business model is the value in business, which means that the products and services of a company or an organization. The products and services are the basic indicators to evaluate the value of that business (Oliver, Karolin &

Michaela 2014). Because it decides that if the offerings of that company could satisfy its customers. In other words, value of a company is a bond with customers.

After confirming the target customers and the value of a company or an organization, how to deliver those value to its target customers is another extremely important step. There are many channels to deliver value to target customers. Some channels are more benefit for customers, and some channels are more benefits for the company. The costs are different as well as the customer satisfaction is different (Oliver, Karolin & Michaela 2014). So, how to balance those two sides is the key for delivering value.

The final part in magic triangle business model is the profitability in a company or an organization. An enterprise must have ability to create enough profits for its boards. Shareholders mainly consider the company by the health in finance (Oliver, Karolin & Michaela 2014). In other words, how to create profits and how do they gain profits are the matters which they focus on. So, in magic triangle model, a company's or an organization's profitability should be clearly showed and explained, which make sure the feasibility for a business.

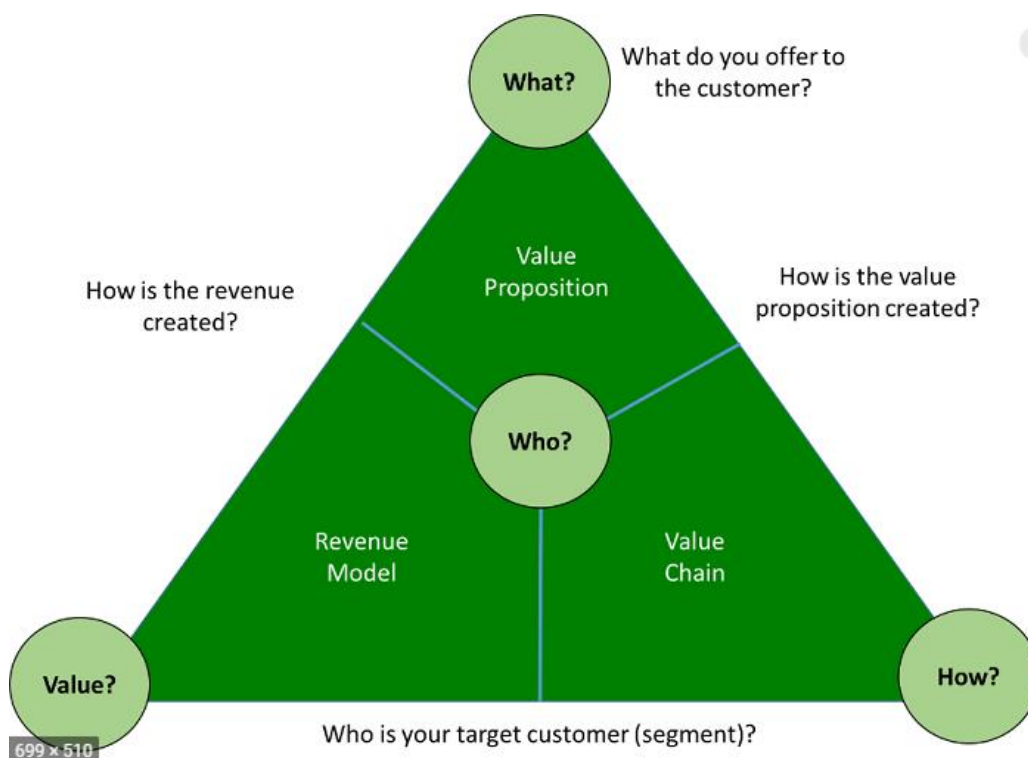


Figure 4 Magic triangle business model

All in all, the magic triangle business model clearly shows and explains who the target customer is, what products and services are offered and in what channels. More importantly, it makes sure the profitability and feasibility for a business.

Besides, magic triangle business model can become a frame for the innovation of business model. In the book the Business Model Navigator, Oliver, Karolin and Michaela (2014) mention 55 different business models based the magic triangle business model frame. Those business model leads the particular business strategy in an enterprise.

#### 2.4 Business model lean

Business model Lean is firstly introduced as a concept in 1988 (Krafcik, 1988), it is a business strategy used by Japanese automotive industry since 1980s, which leads to an overwhelming advantage for Japanese automotive companies over American automotive companies (Michael A, 1988). Michael points out that the Lean business model brings great benefit to Japanese auto industries by its high productivity and other aspects of process efficiency.

Business model Lean is traditionally defined as five key principles (Womack. J & Jones. D, 1996):

- Precisely specify value by specify product
- Identify the value stream for each product
- Make value flow without interruptions
- Let customer pull value from the producer
- Pursue perfection

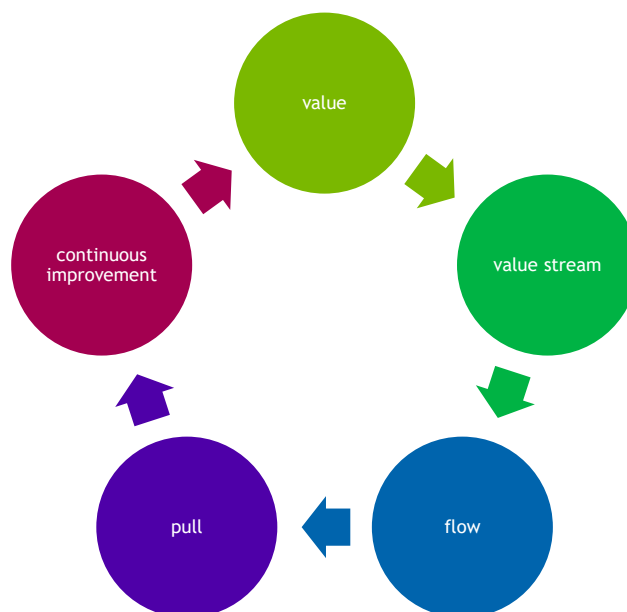


Figure 5 Unified Lean Manufacturing Model

Womack and Jones (2003) believe those five principles could explain the core spirit of Lean business model: Using less resources including employees, equipment, time and space, but providing more to the customers with the product or services that they exactly want.

The concentration of Lean business model has evolved over time. According to Hines, Lean focus on just-in-time production or Toyota Production System (TPS) and cost control in 1980s. In 1990s, the focus transferred to Total Quality Management (TQM) and quality costs. After that, since 2000s, Lean model became more strategic instead of a production method, it even evolved into a kind of cooperation culture and philosophy, thereby it could provide instruction not only in mass production field, but also service industries. (Hines, P., Holweg, M., & Rich, N. 2004)

## 2.5 Razor and blade business model

In the razor and blade business model, there is one product or service that sold with a cheap price (razor), while the customers still need to buy other linked products or services at a relatively high price (blade). The companies which apply razor and blade business model often use their pricing strategy to sell the durable product with low profit or even no profit, in order to promote the selling of their unique consumable product which has considerable profit. (Randal 2010)

According to a study, those companies that choosing razor and blade model usually has a dominant position in the market within their own field (Bonakdar, 2015). Therefore, they can have great protection on their profitable consumable products. For instance, Gillette Company put huge investment into its blade technology research and keep renew the patents no matter how small the improvement is. Besides, those companies make great effort to set up their brand image. Back to the example of Gillette, it has been building a brand image of bringing confidence to gentlemen. Those moves could also be seen as a protection of the products.

Nowadays, razor and blade business model is used by many famous companies all over the world. Not only the traditional manufacture companies, but also technology or entertainment companies, for example, PlayStation video games.

Company	Sector	The “Razors”	The “Blades”
Nespresso coffee	Consumer product	Nespresso coffee machine	Coffee capsule
PlayStation Sony	Entertainment	PS4	Video games

<b>Amazon</b>	Technology	Kindle	E-books
<b>HP printers</b>	Industrial	Printers	Cartridges
<b>AT&amp;T</b>	Telecom	Contract mobile phones	Contract

Table 1 Companies use razor and blade business model

## 2.6 Business model Canvas

### 2.6.1 Introduction of business model canvas

Business model canvas is a typical business model nowadays. It is used in many companies and organizations. Because business model canvas can include nearly everything of a company. Because it is also useful for a company to create a new business plan and business strategy. In the part, the business model canvas is introduced by its nine parts based on the book Business Model Generation by Alexander and Yves (2010).

- Customer Segments
- Value Propositions
- Channels
- Customer Relationships
- Revenue Streams
- Key Resources
- Key Activities
- Key Partnerships
- Cost Structure

### 2.6.2 Customer segments

The block of customer segment is defined as the different groups of individual or organizations that be engaged and served by a specific enterprise.

Customers is the most essential part in a business model since they are the source of all profit (Alexander & Yves 2010). If companies want to serve their customers better, it is required to

cater to customer's needs, behaviours and characters. Customer segment is the process to group the customers by those differences, with which the enterprises can decide which groups of customers are important and which groups of customers cannot bring considerable profit.

Customer segments are usually divided by five factors:

- Acceptance of price
- Customer relationships
- Profitability
- Distribution channels
- Consumption intention

Following this classification, there are five common types of customer segments. (Alexander & Yves 2010)

**Mass market:** business models aim at the mass market have several customer groups with generally same needs, while their value propositions, distribution channels and customer relationships may be different from each other's. An appropriate example is Walmart.

**Niche market:** business models which focus on niche market has the detailed customer segments. Unlike the situation of that in the mass market, the value propositions, customer relationships and their consumption intention are similar and limited to a certain range. For example, Nvidia as a company designs graphics processing units, its main customer group is computer manufacturers.

**Segmented:** it is a type of customer segments when an enterprise has several segments with only small differences in customer needs, value propositions, customer relationships and etc. For instance, optics industries provide products to camera companies, mobile phone companies and CCTV security companies.

**Diversified:** this is the situation when an enterprise has two customer segments which have huge differences on the customer needs. For instance, Michelin Company, as a tire manufacturer, also publish guild books for gourmet enthusiast.

**Multi-sided markets:** when a company has two or more mutually beneficial customer segments, it called a multi-sided market. Some gaming companies are focusing on this kind of market, in which there is a large number of players who does not paying for the game while



the minority pays the majority of the incomes of the company. Those no-paying players form the basis of the game, attracting the players who are willing to pay.

### 2.6.3 Value propositions

Value proposition is the products and services that create value for certain customer segment, it is also the key for a company to attract its customers. Value proposition could be a problem solver for the customers, or it just meet the requirement of a customer segment.

Value proposition could be quantitative, price for an example, or qualitative such as performance. According to the material we study, there are 11 different types of value proposition. (Alexander & Yves 2010)

**Newness:** a totally new product or services could meet some customer's needs. This usually happens in technology industries, for example DJI drones.

**Performance:** when you cannot provide a brand-new product or service, improving their performance could be a considerable solution. For instance, cameras with more available pixels and more endurance.

**Customization:** customization is a growing value proposition in business models. It could meet the needs for a certain individual and bring profit. Apple, for instance, provides customization services such as lettering on your iPad.

**"Getting the job done":** in some occasions, helping the customers with getting a job done could be a significant value. Substitute driving service is an example for this value proposition.

**Design:** design is a subjective element; however, it is a significant part in value propositions, especially in certain areas such as fashion industries and auto manufacture.

**Brand:** sometimes customers choose a product or service just for its brand, because using this brand could set up a personal image. Rolls-Royce could be an example, since driving a Rolls-Royce car is a symbol of upper class and rich.

**Price:** customers can easily see value through a competitive price. That is what Ryanair providing to its customers.

**Cost reduction:** this value proposition meets the needs of price-sensitive customers just like the Price value proposition. A famous second-hand trading application Xianyu from Alibaba is creating value for customers by this way.

#### 2.6.4 Channels

The third part of business model canvas is the Channels. It is a part which affects the customer relationship. As we all know, customer relationship is an extremely important issue when evaluate a company or an organization. Especially, when it refers the products and services, the customer relationship can reflect the feasibility of a company's business plan or business strategy (Alexander & Yves 2010). In business model canvas, the Channels part can be divided into three main elements.

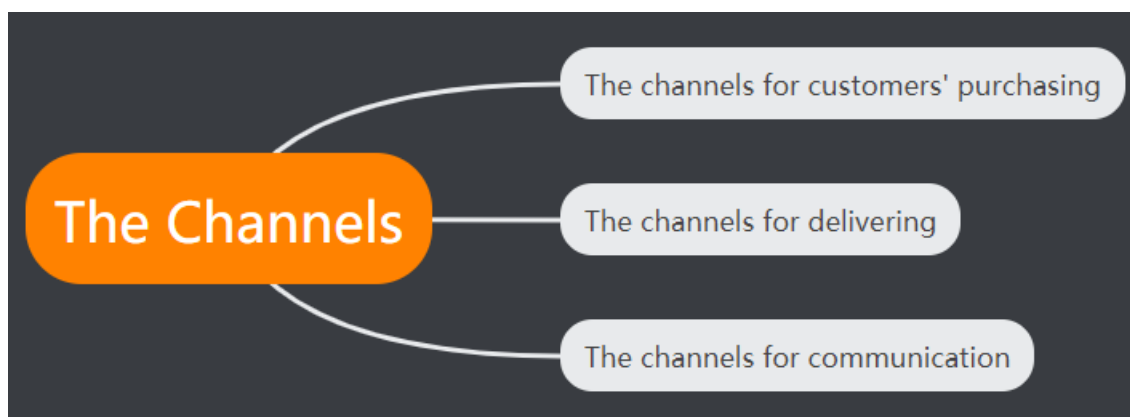


Figure 6 The channels

Firstly, Alexander and Yves (2010) think that customers should know two things, how to make the customers to know and realise a company's products and services and where they can purchase or enjoy the products and services. That is the first basic business plan for a company in marketing, which makes a company's strategies are feasible and the company is profitability.

Secondly, after the customers know and realise the company's products and services, they are going to purchase some products or services. So, now the issue is how to deliver the products and services to them (Alexander & Yves 2010). For example, the products are sold in a retail store or supermarket, which the customers can purchase by themselves. Besides, customers can do online purchasing and the company choose home delivering way or posting way.

Thirdly, although the company has excellent products and services as well as customers can get them easily. There is another important job need to do. That is the communication with customers (Alexander & Yves 2010). There are many benefits form all aspects in a company with excellent customer communication.

There are some benefits of the channels in business model canvas. In other words, what the functions are in business model canvas.

- Increasing the popularity of a company's products and services to create a popular brand.
- Excellent delivering services can increase customer experience.
- Customer communication can help a company to know itself well so that the company has plan to increase its products and services.
- The channels build a health after-sale service system for a company. (Alexander & Yves 2010)

#### 2.6.5 Customer relationships

After how to get the connection with customers and the channels, the next part of business model canvas is the relationships with customer. It is another essential part in the business model, and it works well in business plan as well as business strategy in a business or an organization.

Customer relationships have several different categories because of the difference of customer groups. Besides, when a company decides to do its strategy about customer relationships, the company also should consider what kinds of relationships the company wants to be. For achieve that purpose, the company must consider those three elements. (Alexander & Yves 2010)

- What products or services do the customers purchase?
- If the customers have potential to become the repeat customers.
- How to increase the sales by customer relationships.

Based on those three elements which affect that what kinds of relationships a company wants to keep with its customers, there are six different customer relationships according to the book *Business Model Generation* by Alexander and Yves (2010).

The first one is that the company has a regular person or a group for the customer services. Customers can get the services when they are purchasing its products (Alexander & Yves 2010). So, the customer services can be found in some business points and the customer services can also be the online way.

The second relationship is a special category of the first one. As we all know, a company always has some special customer segments. Besides, those customers often spend more on your products. In other words, they are the main customers. So, the company should provide

some individual customer services for them (Alexander & Yves 2010). In the company, there are some people who are working for those special customer groups to keep the relationships.

Then, that is the self-service which is easy to understand. Customer can get the customer services in some websites or phone calls for example, and all those services which the customers should apply by themselves. (Alexander & Yves 2010)

Besides, there is a more intelligent self-service. The principle of this category is to achieve the customization (Alexander & Yves 2010). Because the services can analyse different customers and make different special services for several groups.

After that, there is an important category to keep the customer relationships. Company can create some communities or forums for its customers. The customers can talk about some topics or ask some questions to other customers by themselves. The company only manage the rules of the communities and forums (Alexander & Yves 2010). For example, there are a lot of computer game companies have this kind of forums for its customers.

The final one is a special relationship with customers. Because the customers are invited by the company to take part in the development. Particularly, the customers can make contribution to the creation on the products and services. (Alexander & Yves 2010)

#### 2.6.6 Revenue streams

Revenue streams mean the profit that a company earns from its customer segments, which could be collected by two different way: Transaction revenues and Recurring revenues. Transaction revenues are the one-time incomes when customers pay for the products or services, while recurring revenues come from the unpaid ongoing payments or after-sales service.

According to the book *Business Model Generation* by Alexander and Yves(2010), there are seven different types of way to bring revenue streams to a company.

**Asset sale:** the basic way to generate revenue streams. It came from the sale of the ownership of a physical product. Asset sale is common in business. For example, S-Market sales foods, beverages and magazines.

**Usage fee:** generating revenue streams by charging customers from the usage of a certain service. Uber charges customers from the driving service usage, just like DNA charges customers by the minute they call and the data they used.

**Subscription fees:** differ from the usage fee, subscription fee is the revenue stream that involved with the continuous usage of a service. For instance, World of Warcraft, an online

computer game, takes subscription fees monthly, to provide the subscribers online gaming experience. Apple Music also provides online music service with a subscription fee.

**Lending:** lending generates revenue streams by charging the customers in exchange for the right to use a certain asset in a certain time limit. Customers can enjoy the products with reasonable costs in a period, instead of buy it at the full price. That could explain the popularity of apartment and car renting.

**Licensing:** the revenue stream created by selling customers the use permission of an intellectual property right called licensing.

**Brokerage fees:** this revenue stream result from the intermediary service between two or more parties.

**Advertising:** traditionally happens in media industry that charging for advertising a product or service, or just the brand. This revenue stream is becoming more common as the rise of self-media.

Besides of the seven types of revenue streams, there are two main types of pricing mechanisms, called fixed pricing and dynamic pricing. Each of them can be further divided into four types. Each revenue stream could have a unique pricing mechanism.

Fixed pricing		Dynamic pricing	
List price	Fixed prices	Negotiation	Negotiable price
Product feature dependent	Depends on product quality or other performance	Yield management	Depends on the time and the inventory situation
Customer segment dependent	Depends on different customer segment	Real-time-market	The price reflects the market in time
Volume dependent	Depends on the quantity that the product sold	Auctions	Price decided by bidding

Table 2 Types of pricing mechanisms

### 2.6.7 Key resources

Key resources are the essential assets to driving a business model. Different kinds of key resources are needed from one business model to another. Companies can reach the key resources from buying or renting. (Alexander & Yves 2010)

Key resources are divided into four types:

**Physical:** physical assets including machines, real estates, assembly lines and etc. Manufacturers and retailers are heavily depending on physical assets.

**Intellectual:** intellectual resources could be copyrights, brands, design and etc. This kind of key resource is significant to technology companies and fashion industries.

**Human:** although every company needs human resources, they can be relatively more important to some companies. For instance, educational industries.

**Financial:** some businesses are capital-intensive. Their operations need financial resources to support. For example, Nordea Bank.

#### 2.6.8 Key activities

Key activities as an extremely essential part in business model canvas, it plays an important role in a company or an organization. Specifically, for a company, some key activities must be designed and implemented to make sure the normal process in the company. In other words, without the key activities, that company cannot achieve its business plan and business strategy. There are many types of key activities in business which depends on what the company is. In general, key activities can be divided into two categories based on the book *Business Model Generation* by Alexander and Yves (2010).

- **Products:** to develop some competitive products, a company must think out some relevant key activities. After that, there are also some other activities should be considered like how to increase profits by production activities.
- **Services:** a company may have some services as the main part in business plan. So, the key activities should be how to supply the services to customers.

Another important issue about key activities is that the key activities are affected by other several parts in business model canvas (Alexander & Yves 2010). For example, when a company decided its value supplied, channels and customer relationships, the key activities must be designed based on those parts to make sure everything is on the right way with the business plan.

#### 2.6.9 Key partnerships

After a company confirming the key activities and key resources, the next part of business model canvas is key partnerships, which can supply the activities and resources in a company or an organization. Key partnerships always include a company's supplies and business partners (Alexander & Yves 2010). Because they can supply the daily business in some ways.

The first thing for a company about the key partnerships is to confirm who the key partners and the key suppliers are. There are several ways to confirm the key partners and the key suppliers (Alexander & Yves 2010). Specifically, a company should know what a company wants to get from its partners and suppliers. Besides, the suppliers and partners can help the company to solve some kinds of problems. That is the best way to build partnerships with them for a company. In other words, the company and the partners can make more profits than before according to the cooperation.

So, what are the reasons that a company should have key partnerships? There are three main reasons from different angles based on the book *Business Model Generation* by Alexander and Yves (2010).

The cooperation with suppliers is helpful for the company to get better raw materials with lower prices. This kind of stable relationship can make sure the profitability of both sides.

Because that company made a stable relationship with its partners and suppliers, they will have a long-term cooperation in a time period. So, when there are some risks, they could help each other, and the long-term and stable cooperation can make sure their companies have enough energy to face the risks.

Nowadays, more and more companies choose outsourcing their products or important materials to others. Because that can increase the efficient of the production process. For example, many manufacturers do not produce everything of their products. They only do the final assembled jobs. So, for this kind of company, choosing outsourcing partners is an extremely important issue.

#### 2.6.10 Cost structure

The last business model building block involves all costs happens during the business operation, those costs might be the result of creating value proposition or maintaining customer and partner relationships. In a business model, the cost could be calculated by analysing the eight blocks introduced before.

Based on the book *Business Model Generation* by Alexander and Yves(2010), there are two extremes in cost structures: cost-driven and value driven. However, most business models apply a better-balanced cost structure. When a business applies the cost-driven structure, it focuses on cut down costs in all aspects, while those value-driven companies care less on the costs but value creation.

In addition to those two cost structures, there are four common cost structures called Fixed costs, Variable costs, Economies of scale and Economies of scope.

Fixed costs: costs will not be influenced by the amount changes of output of products or services.

Variable costs: costs that vary to the quantity of products or services in proportion.

Economies of scale: enterprises will reduce costs when expanding production.

Economies of scope: enterprises will reduce costs when expanding their business scope.

## 2.7 The arguments of why choosing Business model canvas

As introduced in the previous part, business model lean is a model which often was used for some massive production industry. Then, the razor and blade business model is mostly useful for an industry which produces some products and services with accessories. So, those two business models cannot match the after-school tutoring classroom idea.

Besides, the triangle business model and the business model canvas have some similarities based on the concepts. Both of them can be used for a fresh business idea. In other words, they can be a blueprint of a business plan. However, the difference is that the triangle business model only can describe a hazy frame of a business idea. By the contract, business model canvas can clearly create a business plan by its nine blocks. Moreover, the after-school tutoring classroom business idea is totally fresh. The most important thing is to create a business model by some kinds of frames. So, business model canvas is the more feasible one for the business idea.

## 2.8 Summary of the theoretical background

In this part, the thesis mainly introduces the theoretical background part by those two fields. Firstly, it is the brief introduction of business model and the importance of it. Besides, there is a comparison of business plan and business model. Secondly, four categories of business models are introduced by some books or articles. They are magic triangle business model, business model lean, razor and blade business model and business model canvas. Then, by analysing the after-school tutoring classroom business idea, the business model canvas is chosen as the frame to be developed.

## 3 Research approach

### 3.1 Quantitative and qualitative research approach

For research approach, there are two research approaches in general. The first one is quantitative research, and the second one is qualitative research. Both of them are extremely important for nearly all kinds of research, no matter what the research is and what the objective is. Sometimes, quantitative research is better. Sometimes, qualitative research is better. That depends on what information the research wants to get. In other words, there is not the



best one. There is only the most suitable one based on the facts of the research contents. (Raimo 2019)

Quantitative research is mainly used to get some exact numbers or data. It can be designed for a kind of test. Quantitative research is helpful when the research's purpose is to confirm some facts or theories. So, quantitative research always uses some statistical methods to do the further research. Besides, it is common to see many numbers and tables in quantitative research. Moreover, there are always lots of respondents in quantitative research. Because enough data could support the research and the research will be more reliable. That is the foundation of quantitative research. For example, survey or questionnaire is a most typical method for quantitative research. (Mark, Philip & Adrian 2016)

Qualitative research is mainly used to get some abstract information by some way. That abstract information is hard to gain just from data or numbers. So, when a research's purpose is to get some insights about some themes. So, in qualitative research, the most common way to show the information is the words. The researchers do the analysis by those words. Moreover, interview is the most useful method in qualitative research. Besides, there are not many respondents needed. (Mark, Philip & Adrian 2016)

### 3.2 Research methods in this thesis

Based on the book *Research Methods for Business Students*, (Mark, Philip & Adrian 2016) Sometimes, a research should use both of those two research approaches. There is a combination of them.

In this thesis, our research used both of the two research approaches. Because we want to get not only the basic facts and numbers but also the reasons. Besides, because of our research purpose, we should use both of them to get more information which is useful for our business ideas. So, we used questionnaire and interview to do the research which collected some data. Besides, benchmarking was used in order to get information of various educational organizations in the same field.

### 3.3 Questionnaire

We have chosen questionnaire as the quantitative research method. The target respondents of the questionnaire are parents of primary students from five different primary schools in Wuhan. The goal of this questionnaire is to gathering facts regard to the respondents' daily tutoring on their children and the opinions they have towards the after-class tutoring classroom.

From question one to question four, we focus on the information of the children, including their grades, the time they approximately spend on their homework every day, their performances on the homework and their performances in school.

From question five to question eight, the information of the parents will be collected. In this section, we concentrate on how much time the parents spend approximately on tutoring their child/children every day, the educational and income level of the parents, and the distance between their home and school.

From question nine to question fourteen, there is a brief survey of parents' opinion on after-school tutoring, such as their willing to pay for the tutoring service, how interested they would get their child/children into the after-school tutoring, the expected tutoring frequency, the reasonable size of classroom, the expected scale of teacher team and the add value service they would be interested to have.

We sent out the questionnaire through social media channel. There are more than 1600 members in the parent's groups from the five primary schools. It is hard to estimate the feedback rate of the questionnaire, but due to the large number of people and the highly active interaction in those online groups, we can have enough feedback to support our research.

### 3.4 Interview

After collecting some basic information by the questionnaires for parents, we did some interviews with several parents. In the interviews for parents, our purpose was to ask some questions in depth to have a better understanding of the situation about after-school tutoring. Specifically, the questions were divided into three parts. Firstly, about the situation of the after-school tutoring by parents. For example, some parents do tutor or do less tutor for their children. Then, our interview is to find out the real reasons of that. Secondly, if the after-school tutor takes much energy for them and if the parents can do a good tutor after hard working. Thirdly, during the tutoring, do they meet some difficulties and for what reasons. Besides, there are also some other questions based on our business ideas in the interview.

Besides the interviews for parents, we are have interviewed one teacher who is working is a public primary school. In this interview, we mainly focus on two topics. The first one is about the situation of primary students. For example, if the homework is hard to complete for the students and if the after-school tutoring is necessary. Another topic is trying to gain the teacher's opinions of our business ideas.

### 3.5 Benchmarking

In addition to interviews, we also used benchmarking. We found several successful local companies in education field and study their business operation, cooperate culture, key performance index and etc. This could be achieved by looking through their homepage online and visiting their company in person. However, since we are not in China at the moment, we consulted the employees from those companies by phone call as an alternative solution.

Specifically, two educational companies are researched as the benchmarking targets. The first one is New Oriental Education which is a famous educational company in China. The second one is Wuhan XiYa language school which is a local language training school. We reviewed their online webpages and made phone call to do the research. During the research, there are some basic targets. Firstly, the values of those two companies. Secondly, the services and pricing of them. Finally, some possible marketing plan. The research mostly based on what contents we can get in the websites and phone call. So, the results cannot achieve the targets totally.

Through the benchmarking, we aimed at having a general understanding of the business operation in educational industry, which could provide us some guidelines and inspiration. Also, we were able to study from their successful practices and apply them in our own business.

### 3.6 Validity and reliability

Validity and reliability are essential to a research. Therefore, we use two ways to ensure the validity and reliability in our research. Firstly, we will guarantee the randomness of the sample, for instance, the questionnaires will be distributed in five different primary schools to ensure the diversity of the respondents. Secondly, all researches will be conducted within six months of the publication to avoid expired information.

## 4 Empirical study

### 4.1 Research results

#### 4.1.1 How we analysed the data and information

After 255 valid feedbacks were collected, the answers of replied questionnaires are transferred into a table. We calculated the numbers of people in each question and option. After that we choose different types of charts in order to have a better understanding of every question, since it is hard to analyse the data in the form of numbers. Some questions are analysed as a group because they are connected, for example the parents' satisfaction of their children's performance in school and in homework.

When we did the interviews with parents and the teacher, we made some notes by recording some key sentences. After that, we found out some key ideas from those interviews' notes.

Besides, some similar opinions from the interviewers were focused on. Finally, we made a conclusion of those key ideas and similar opinions in order to get some findings which can support our business idea.

#### 4.1.2 Research results of questionnaires

Statistic	Number
The amount of questionnaire distributed	1673
The amount of feedbacks	289
The amount of reliable feedbacks	255
Recovery rate	17.3%
Effective returns ratio	88.2%

Table 3 Statistic results

The general statistics result of questionnaire research is shown in table 2 above. There are 1673 people in the social media groups through which we distributed the questionnaire, thus the amount of questionnaire distributed is defined as 1673. 289 feedbacks are collected among 1673 questionnaires, leading to a recovery rate of 17.3%. We further filter out 34 questionnaires that do not be filled appropriately. As a result, there are 255 valid feedbacks, and the effective returns ratio is 88.2%.

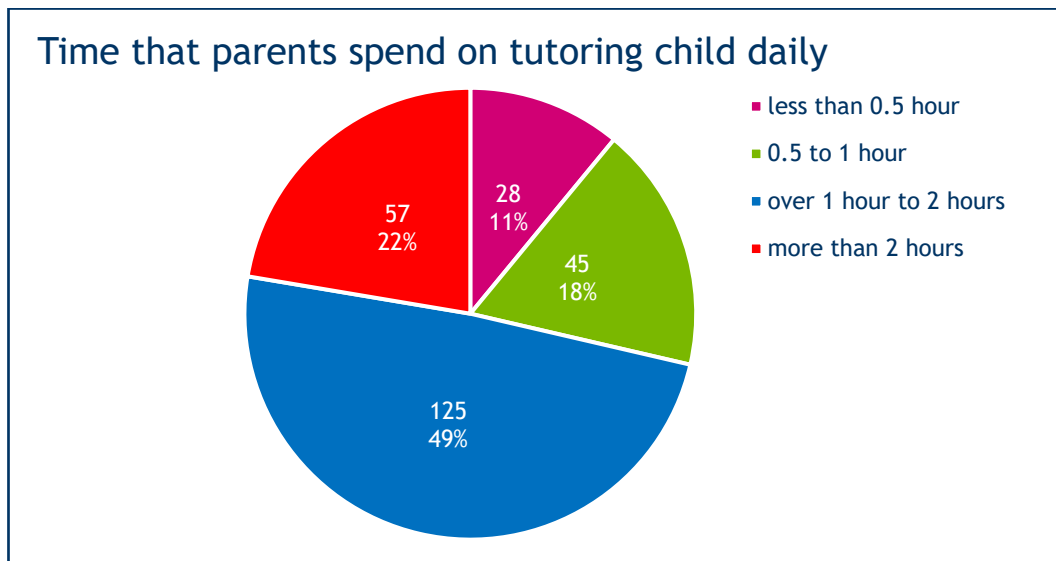


Table 4 Time that parents spend on tutoring child daily

The questionnaire reveals some information related to the respondents. First of all, as shown in table 3, there are 182 respondents spend more than one hour on tutoring their child every day, which constitutes the majority of them. On the contrary, there are only 11% of parents spend less than half an hour on tutoring child daily.

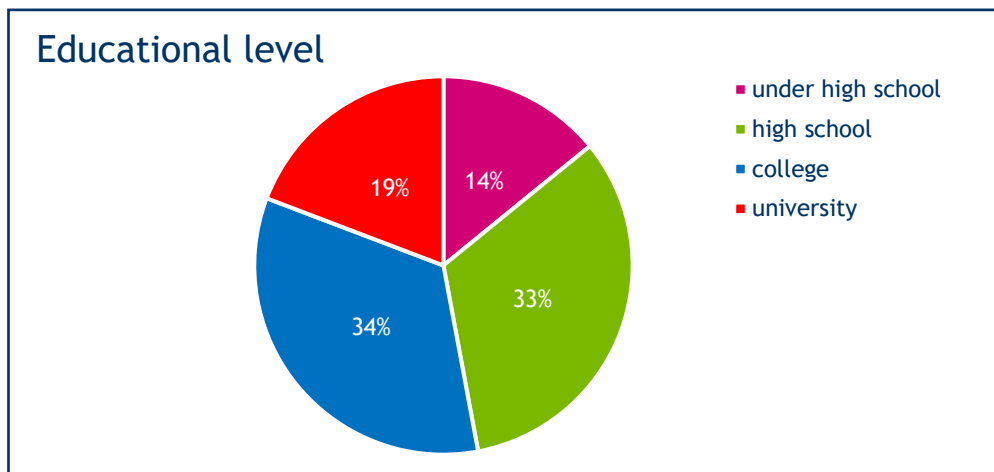


Table 5 Educational level

Table 4 clearly shows the educational level distribution of respondents, respondents with under high school education (14%) and those with university education (19%) have fewer people than those with high school education (34%) and college education (33%), which is also in line with reality.

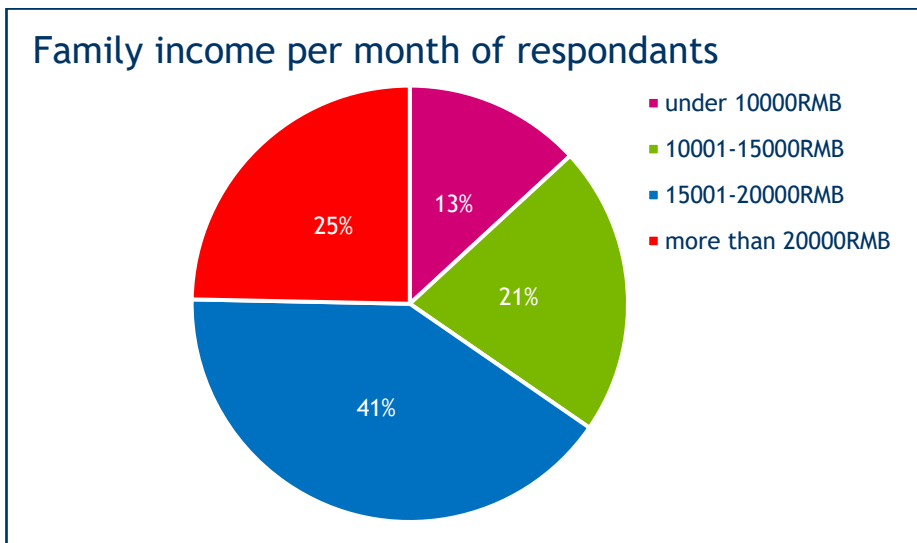


Table 6 Family income per month of respondents

Respondents are divided into four groups by their monthly family income: under 10000 RMB (13%), 10001-15000 RMB (21%), 15001-20000 RMB (41%) and more than 20000 RMB (25%). It is worth noting that there are 10 respondents refuse to provide their family income information to us.

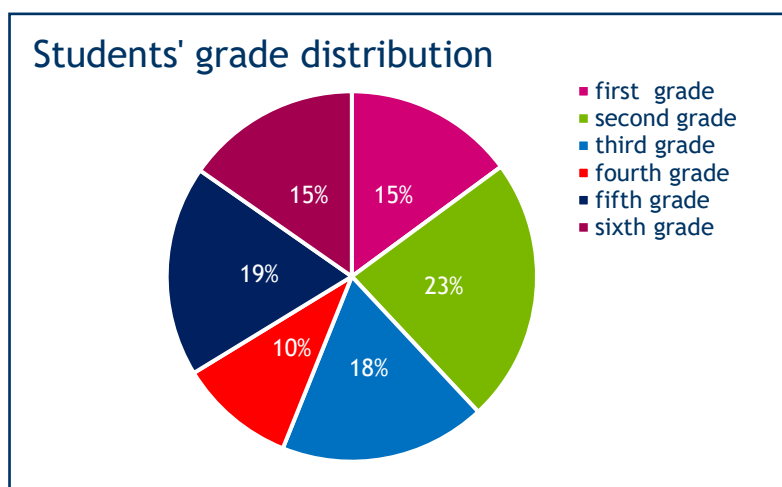


Table 7 Students' grade distribution

The children of respondents are randomly distributed in each grade. There is no obvious difference between the numbers of students in different grades. However, there are most children in second grade (59), while there are least fourth grade students (26).

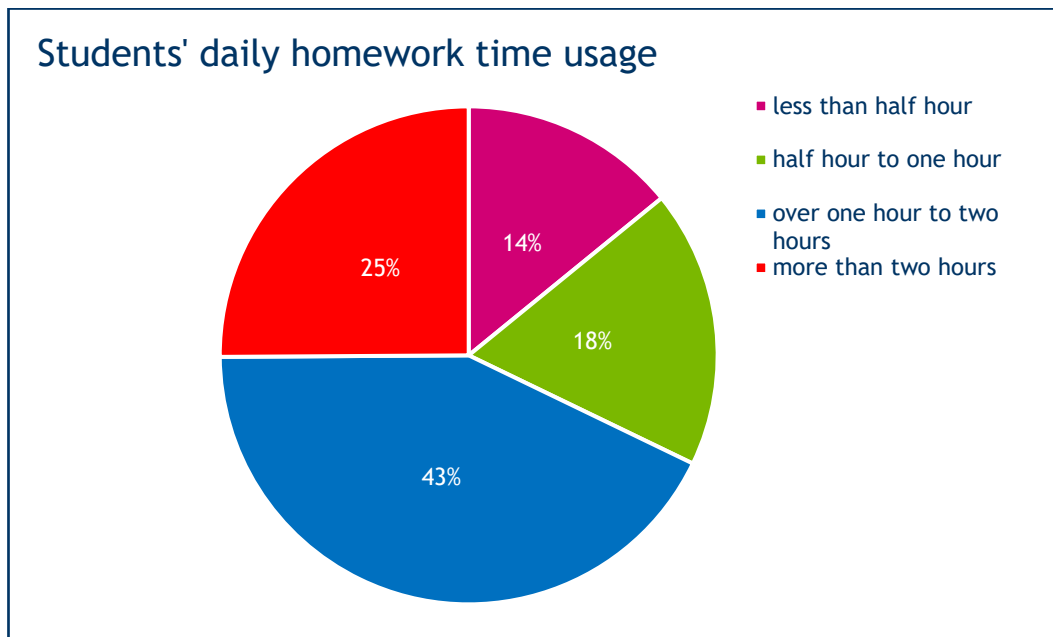


Table 8 Students' daily homework time usage

There are only 36 out of 255 children could finish their daily homework within half hour, while 46 children spend half hour to one hour every day on the homework. 43% of the respondents's children (109) have a daily workload of one to two hours. Besides, there are 64 children cannot finish their homework within two hours every day.

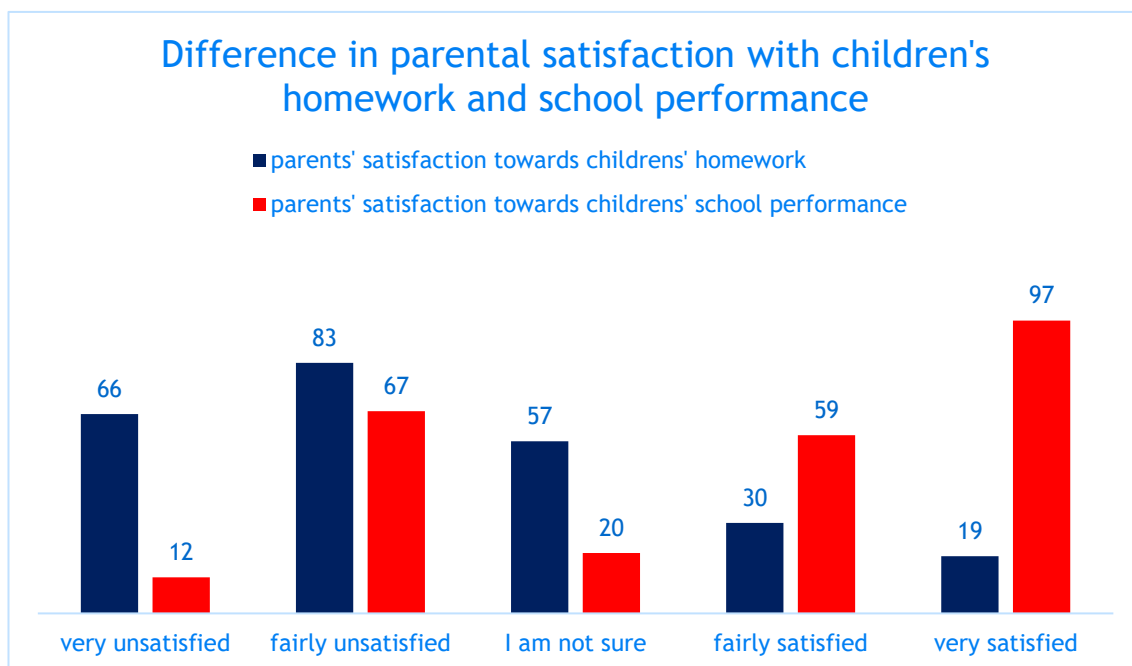


Table 9 Difference in parental satisfaction with children's homework and school performance

Table 8 shows the parental satisfaction towards their children's performances on homework and school study. From very unsatisfied to very satisfied, the numbers are 66, 83, 57, 30, 19 (homework satisfaction) and 12, 67, 20, 59, 97.

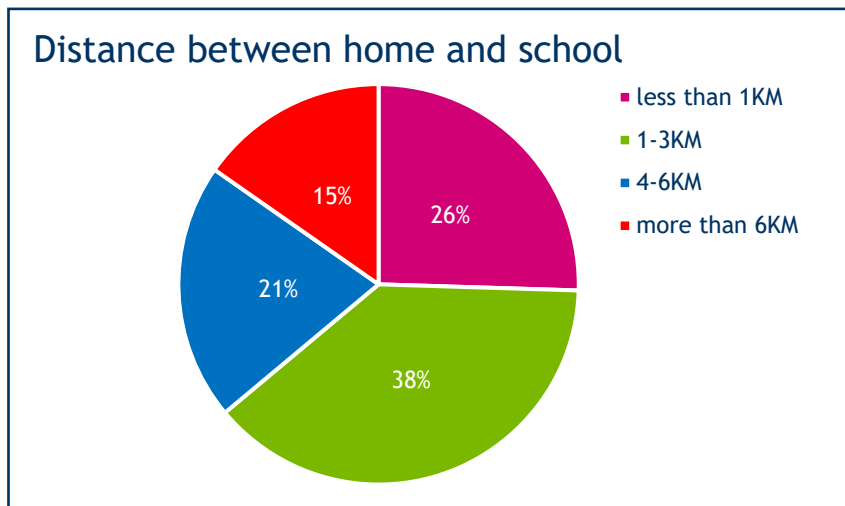


Table 10 Distance between home and school

The majority of respondents (163 out of 255) live within three kilometers of the school, among them there are 65 families (26%) live with in one kilometer of the school. 53 people choose the option of 4-6KM, and 39 people claim that there is more than six kilometers between their home and school.

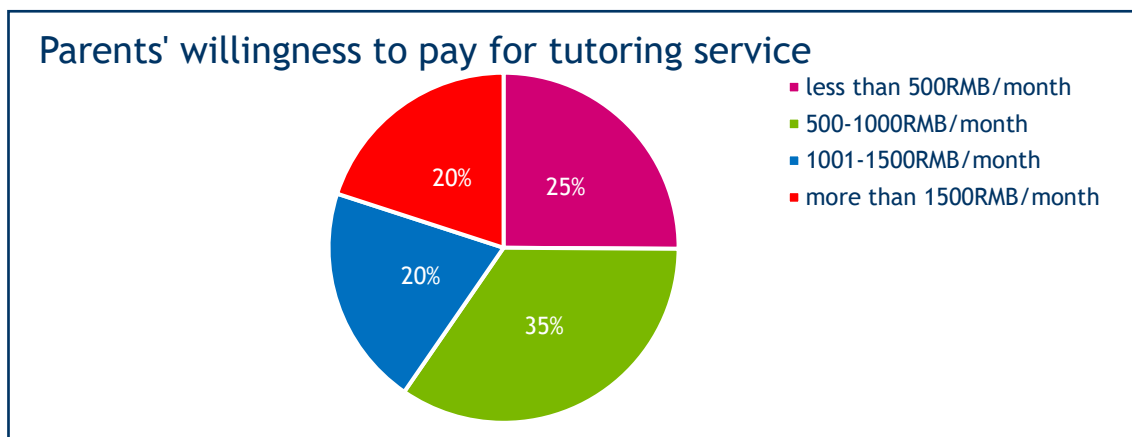


Table 11 Parents' willingness to pay for tutoring service

The questionnaire reveals that the respondents hold different opinions towards how much they are willing to pay for the tutoring service. 64 out of 255 people do not want to pay more than 500 RMB per month. 35% of the respondents are willing to pay 500 to 1000 RMB per month for tutoring. The amount of people who consider 1001-1500 RMB per month and more than 1500 RMB per month are acceptable are similar, 51 and 52 respectively.



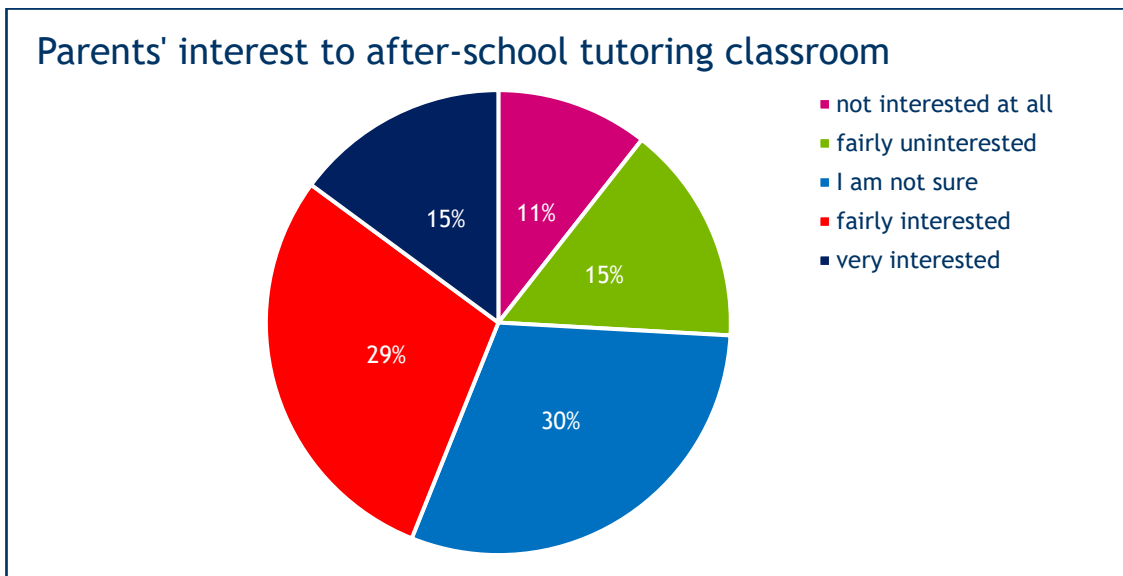


Table 12 Parents' interest to after-school tutoring classroom

Table 11 shows how parents are interested to the after-school classroom idea. 27 out of 255 parents show no interest at all to our business idea, while 39 respondents are fairly uninterested. Correspondingly there are 74 people are fairly interested and 38 people are very interested. However, there are still 77 person who are not sure about this question.

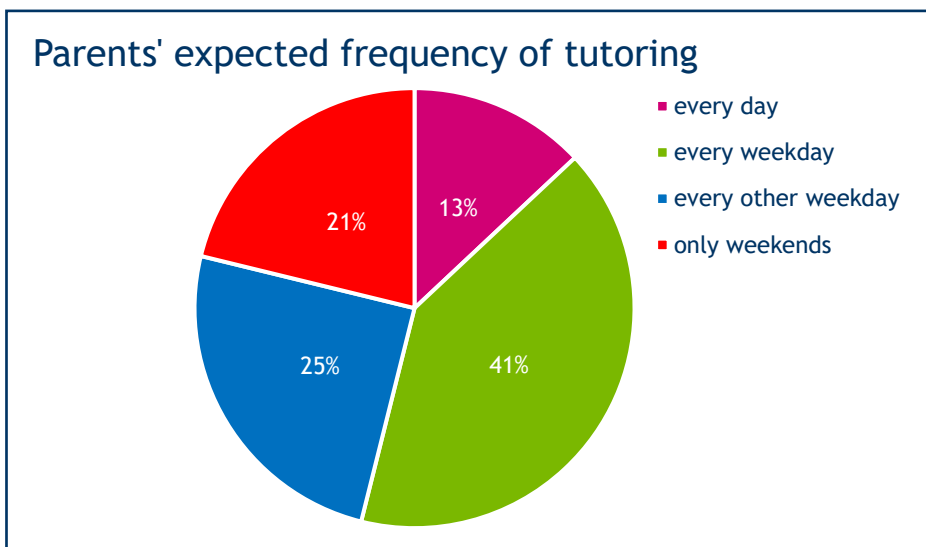


Table 13 Parents' expected frequency of tutoring

In the aspect of expected frequency of tutoring, there is only 13% of the respondents believe the tutoring should be hold every day. 41% of the parents think the totoring class should open in every weekday. Also there are other parents want their children to be tutored every other weekday or only on weekends, by respectively 25% and 21%.

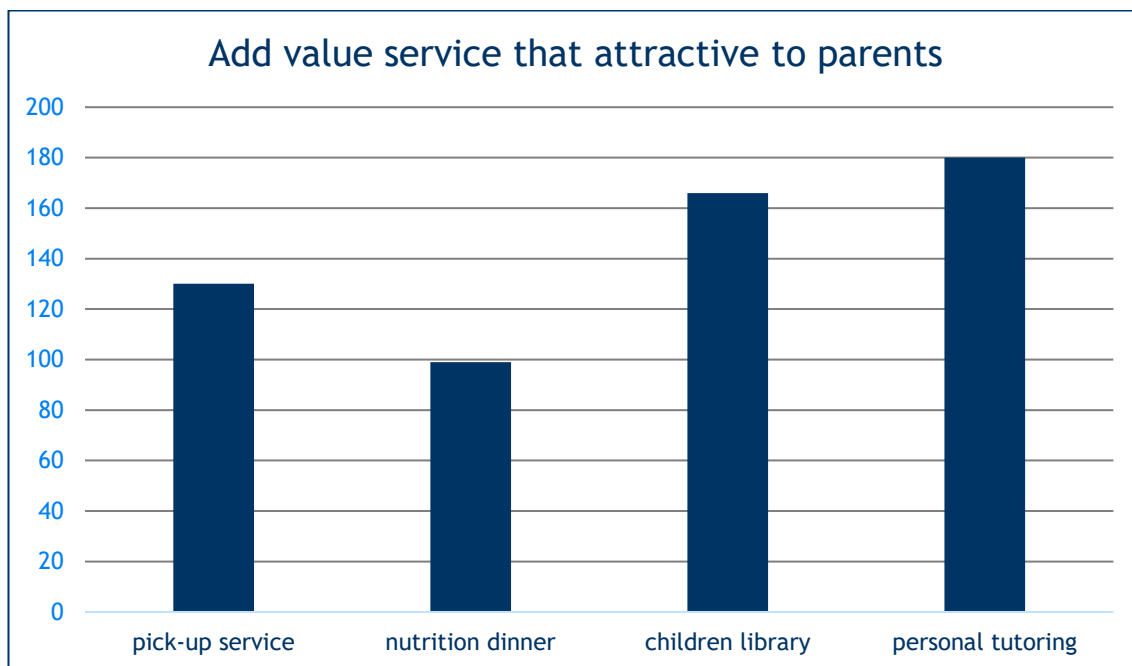


Table 14 Add value service that attractive to parents

In question 12, what value-added service that parents would like to have, there are most respondent choose personal tutoring, achieve 180 people. 166 people believe children library is a significant facility. Pick-up service has 130 supporters and 99 people are interested in nutrition dinner.

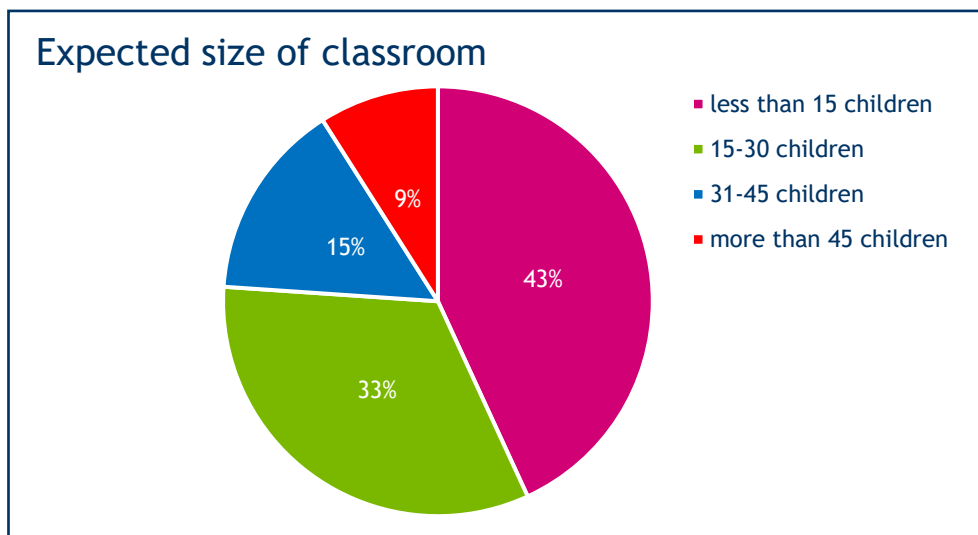


Table 15 Expected size of classroom

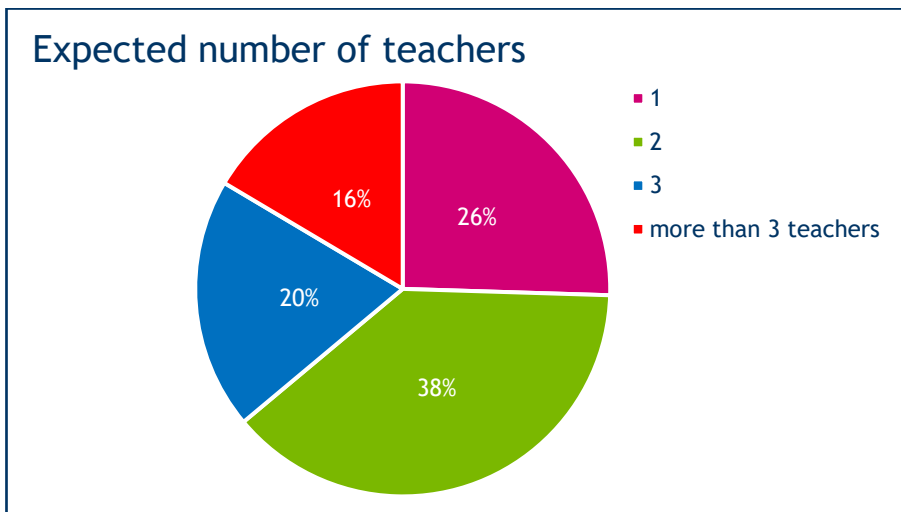


Table 16 Expected number of teachers

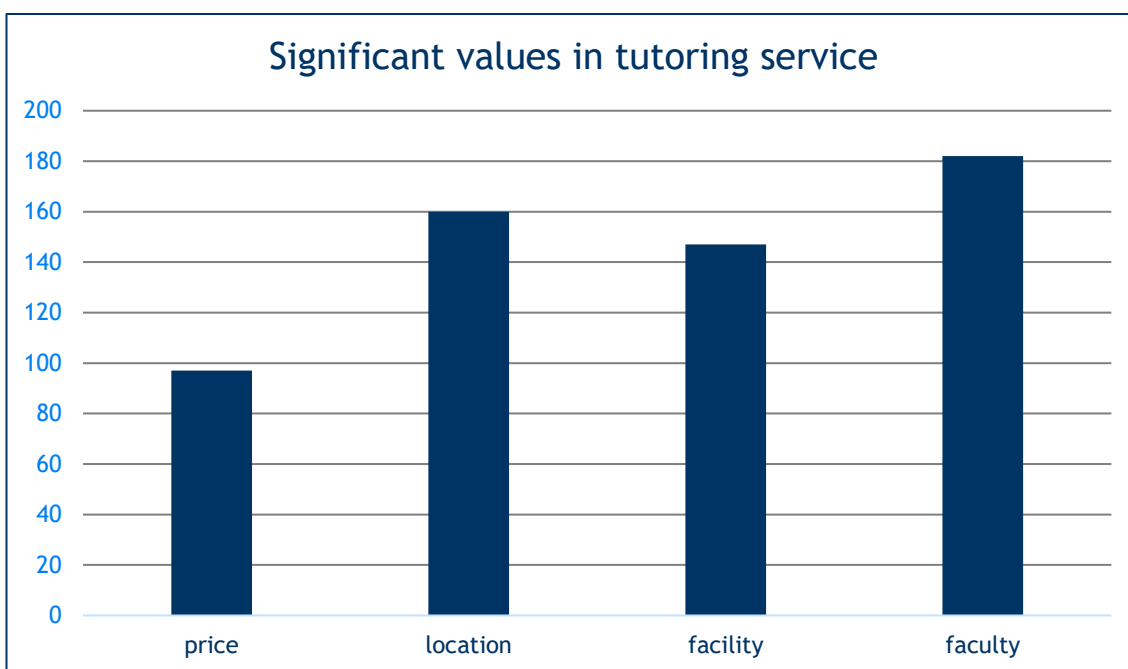


Table 17 Significant values in tutoring service

182 out of 255 respondents consider the faculty of tutoring company as the most important value. Followed by the location of classrooms, which has 160 supporters. 147 people give top priority to the facility in the classroom, while 97 people believe price is the first thing to be considered.

The primary data we collected from questionnaire, interview and benchmarking are relatively subjective and abstract. Thus, we cannot use statistical method, for example, SPSS, to ana-

lyse those data, which will not bring objective results. On the contrary, the data reveals information such as customer preferences and market environment. That information could be used to support the business model development.

From the data that collected from questionnaire, we could get the following inferences:

- 49% of the respondents spend more than two hours on tutoring children every day, while 61% of the children spend over one hour on their homework. That confirms our previous research in business background. However, among the 112 out of 255 people that show interests to after-school tutoring, there are 20 people, accounted for 55% of the total number of respondents, who spend less than half hour on tutoring their children every day. That reflects two different customer needs, on the one hand, parents who spend a lot of time on tutoring their children want to save their time or energy, on the other hand, parents who do not have time for the family want their children to be tutored.
- Among the 112 respondents show interests to after-school tutoring, there are 87 people have the educational level at high school or under high school. Correspondingly, there are only 25 out of 135 people who hold the diploma from college or university shows interests to the business idea. This data could lead us to a conclusion that the educational level influences parents' interests to after-school tutoring classroom. Highly educated parents might have less interest to our business idea.
- By combining the data of family income and parents' willingness to pay for tutoring services, we could divide the customers into several customer segments. Because there are differences on profitability and price sensitivity between different customers.
- Compared with others, there is a higher percentage of respondents who live relatively far away from school (more than 4KM) consider pick-up service and the location of tutoring classroom important. Therefore, it is feasible to provide pick-up service to customers. Besides, the location choosing should be considered in further business plan.
- Other information such as add value that attractive to parents, expected frequency of tutoring and expected size of classroom could give us guideline to the development of business model.

#### 4.1.3 Research results of interviews

We did 5 interviews with the parents who did the questionnaires at the same time. So, we asked some questions based on their answers in the questionnaires. We did the interviews by

WeChat. According to the five interviews, we recorded some valuable answers and suggestions and make a conclusion. So, the results of interviews can be concluded into those several points:

- All the interviewers do less tutoring work for their children.
- The main reason is that the parents must work the whole day, or they still need to do some housework after working every day.
- Besides, most of them are willing to have rest after working rather than spend much time on tutoring their children.
- The parents reflected that tutoring homework for their children often takes lots of energy and time.
- Nearly all of them support our after-school tutoring business idea. They think this kind of education organization is necessary under their family's current situation, and they are willing to pay for that.
- At the same time, they also mentioned that we must keep the tutoring quality by some ways.
- One important comment from the parents is about the tutor teachers in our after-school tutoring classroom. They all mentioned that the abilities of our tutor teachers are the key points which will affect their decision of choosing our after-school tutoring classroom.
- Some parents think that if we could support the pick-up service after school, dinner service and other services for students are necessary. But not all the parents will choose those services.

According to those answers from the interviews by parents, we made a figure to explain our research results.

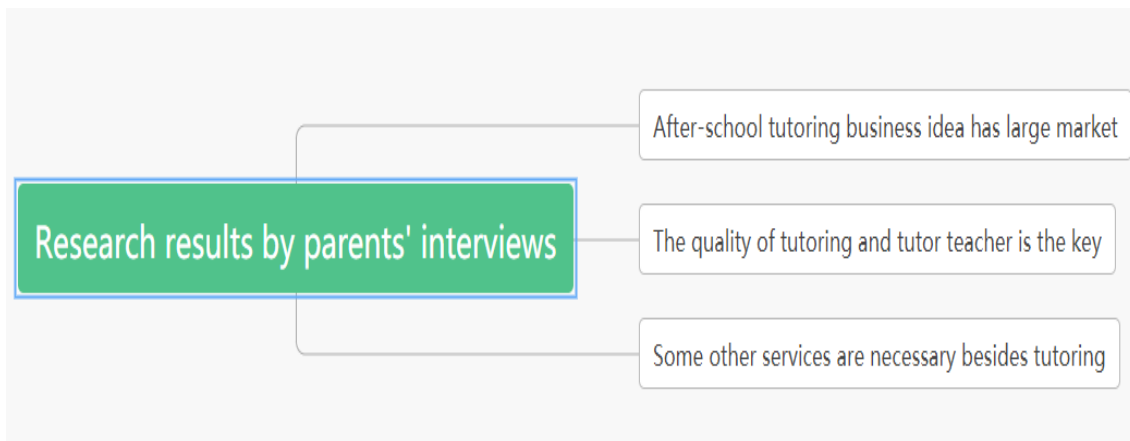


Figure 7 Research results by parents' interviews

Firstly, from the interviews by parents, we get that most of parents do less tutoring for their children with their homework. Because the parents are busy with daily working and they want to have rest at that time. Besides, the parents are willing to choose our after-school tutoring library and pay for that. So, our business idea has a large market and the potential is huge in the future.

Secondly, we found that the parents really take care of the quality of the tutoring if they choose our after-school tutoring classroom. Specifically, in our business model, we must hire first-class tutor teachers to make sure the tutoring for students can make the parents to have high satisfaction.

Thirdly, although not all the parents will choose some other services like dinner and pick-up for their children. There are still many are willing to have those services. So, those kinds of services are necessary in our business model.

Then, we also did an interview with a teacher who is working in a public primary school. He gave us some suggestions of our after-school tutoring classroom business idea.

- He told us that the students defiantly have lots of homework nowadays, some suitable tutoring is very necessary.
- Our after-school tutoring classroom must keep a balance between tutoring students' homework and doing homework independently. In other words, the tutoring should be moderate.

#### 4.1.4 Research results of benchmarking

By the benchmarking research method, we got some valuable guidelines for our business idea. They can be used in our business model. Those guidelines can be divided into those five main parts.

- Education organizations must keep the professional level in this field, which is the first important element.
- An education organization should locate in a suitable environment. The environment should be a suitable place for learning and teaching.
- Individualism is an important method for business plan to make more profits in an education organization.
- For an education organization, building up the brand reputation is the key to make the organization keep running.
- Several pricing methods are found out by doing benchmarking for some education organizations.

#### 4.2 The developed business models

After the analyse of those data and information which are collected from research, a business model can be developed based on the research results and the concepts of business model Canvas. In this part, the business model of after-school tutoring classroom will be developed by customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships and cost structure.

##### 4.2.1 Customer segments

Customers of the tutoring classroom could be divided by their consumption intention, distribution channels and profitability. Based on the results of questionnaire and interview, there are different kinds of customer consumption intention. Some customers have no time to keep their children accompany every day, some customers want to save their time and energy spent on tutoring children, while some customers want to enhance the performance of their children whether in school or on homework. In the aspect of profitability, according to our questionnaire research, some parents want to have value-added services such as personal tutoring or nutrition dinner, which could bring extra profit to our business. Besides, there are two different kinds of customer in distribution channel area, the ones who live near to school and ones who live far away from school. We need to provide pick-up service to the families

who live far away from school to ensure the safety of the children. As a conclusion, our business idea applies the segmented type of customer segments, since we deal with several segments of customer, but they have similar customer needs and value propositions.

#### 4.2.2 Value propositions

The value propositions that we create are qualitative. First of all, the basic value proposition we provide to the customers is “getting the job done”. Our customers have a basic need that can be simply satisfied by helping their children finish their homework efficiently while ensure the quality. Secondly, we also deliver the value proposition of customization to our customers. We can provide specific services to those customers who have unique needs such as personal tutoring.

#### 4.2.3 Channels

After school tutoring classroom attracts customers by some marketing methods. Specifically, the classroom’s location is close to some primary schools, so, parents can easily find out the plaque of after school tutoring classroom. Then, there is also some advertisings by social media. For example, the chatting group by WeChat is a good channel to do the marketing. After that, great brand reputation can attract more customers.

After the customers know after-school tutoring classroom, they can consult by visiting the classroom, phone call and online. If they decide to let their children to accept the homework tutoring in the classroom. The customers can pay by cash, WeChat or Alipay, and classroom’s staff will record the information of their children.

Then, the children can come the classroom in the right by themselves. Besides, for some children who are living in some far places or often completing homework late, the classroom has the pick-up services for those group of children.

At the same time, after-school tutoring classroom makes interviews for the parents to gain their suggestions or to reflect children’s situation currently. By this way, the services’ quality can be developed, and some new services can be created.

#### 4.2.4 Customer relationships

Based on the research, the after-school tutoring classroom should have good customer relationships, which makes the classroom keep profitability in a long time. So, there are four methods to keep customer relationships in after-school tutoring classroom.

- Customers can visit or make phone call to the classroom to reflect their needs and suggestions.



- There is a WeChat group for customers where customers can share and talk with each other. The classroom's staff is also available to answer their questions in the group.
- After-school tutoring classroom will hold some public lectures and the parents can take part in the lectures.
- If possible, after-school tutoring classroom will invite the parents and their children to have some activities to keep the relationship.

#### 4.2.5 Revenue streams

Our company make profit from transaction revenues instead of recurring revenue because of the nature of our business, in which all revenues are one-time payment.

There is only a single type of way to bring revenue streams to our company: subscription fee. The reason we choose subscription fee as the only charging strategy is that our services are continuous, which usually be calculated by months or semesters. That is also because our customers are relatively fixed, compared to other companies. Parents pay monthly to buy our tutoring service, and we will provide them corresponding services as long as they keep subscrip our services

We apply fixed pricing as our pricing mechanism. From the benchmarking we find out that it is common to choose fixed pricing in educational industries. Combined with our own business idea, we finally apply two pricing mechanisms from fixed pricing, customer segment dependent and volume dependent. On the one hand, we charge differently to those customer segments which have different needs. For instance, to those customers who simply need their children get tutored, we only charge the basic fee. Customers who want value-added services such as pick-up and personal tutoring need to pay extra fee for those services. On the other hand, our pricing mechanism could also be volume dependent as a marketing method. As an example, we give discount to customers who subscrip our services one semester in a time.

#### 4.2.6 Key resources

Our key resources could be divided into two types, physical resources and human resources. Our physical resources include real estates that provide places for tutoring, facilities like tables and chairs, books and vehicles to provide pick-up services. Human resources are also significant to our business. We need several teachers as our key employees; besides we also need managers, consultants, drivers and even chiefs.

#### 4.2.7 Key activities

After-school tutoring classroom supports the services based on a principle. The tutor teacher is aimed to help the students to complete their homework on time and in good quality by supervision and tutoring. Moreover, based the interview, the supervision is the main method, and the tutoring does the assistant job.

Besides, in after-school tutoring classroom, there are also some other services supplied. Firstly, for some parents who want to increase their children's grades at school, the classroom has some special services for them. For example, there is one-for-one tutoring service for the children. Besides, some services like pick-up and dinner are also supplied in after-school tutoring classroom.

#### 4.2.8 Key partnerships

There are two main key partnerships for after-school tutoring classroom. Firstly, the teachers who are working in that primary schools are partners. Because the classroom should understand the teaching process at school frequently. That can make the tutoring always in a right way. Secondly, the classroom must have some partners who supply plenty of stationery and books.

#### 4.2.9 Cost structure

Like most of the business models, we have the cost structure between cost-driven and value-driven. We need to consider cost saving during the business operation but ensure the value we provide to customers.

Our cost structure is fixed costs, consist of rents, salaries, marketing costs, and electricity and water fees. Those costs will not be influenced by the amount changes of our service output.

### 5 Summary

The objective of this thesis is to develop an appropriate business model, then based on which to write a business plan for our business idea of after-school tutoring classroom. At the beginning we conducted a lot of research on both business background and theoretical background. The business background includes social, educational and culture background. In the aspect of theoretical background, we studied a considerable amount of literatures and resources refer to business plan and business model. Several kinds of business model were compared in our research. As a result, we consider business model canvas the most suitable business model for our business idea. In the part of research approach, we studied and compared quantitative and qualitative research approach. Correspondingly we applied both research approaches in our thesis, including questionnaire, interview and benchmarking. In empirical

study stage, we summarized the information collected from questionnaire, interview and benchmarking, afterward we applied them in business model canvas therefore we could develop our own business plan for the idea of after-school tutoring classroom. The business plan will provide a guideline for our future entrepreneurial practice.

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## Appendix 1: Questionnaire

## After-school tutoring classroom

1. How much time do you spend approximately on tutoring your child daily?

- less than half hour
- half hour to one hour
- over half hour to two hours
- more than two hours

2. What is your educational level?

- under high school
- high school
- college
- university

3. What is your family income per month?

- under 5000RMB
- 5001-7500RMB
- 7501-10000RMB
- more than 10000RMB

4. What grade is your child in?

- first grade
- second grade
- third grade
- fourth grade
- fifth grade
- sixth grade

5. How much time approximately does your child spend on his/her homework daily?

- less than half hour
- half hour to one hour
- over one hour to two hours
- more than two hours

6. How satisfactory do you find that your child does his/her homework daily?

- very unsatisfactory
- fairly unsatisfactory
- I'm not sure
- Fairly satisfactory
- Very satisfactory

7. How satisfied are you with your child's performance in the school?

- very unsatisfied
- fairly unsatisfied
- I'm not sure
- Fairly satisfied
- Very satisfied

8. How far is your home from school?

- less than 1KM
- 1-3KM
- 4-6KM
- more than 6KM

9. How much are you willing to spend on after-school tutoring every month?

- less than 500 RMB
- 500-1000 RMB
- 1001-2000 RMB
- more than 2000 RMB

10. How interested would you be to get your child into the after-school tutoring?

- Not interested at all
- Fairly uninterested
- I am not sure
- Fairly interested
- Very interested

11. How often would like to have your child tutored weekly, in case of using a tutoring service provider?

- every day
- every weekday
- every other weekday
- only weekends
- Other alternative, what?

12. Besides tutoring what else service would be interested to get?

[Multiple-choice]

- Pick-up service
- Nutrition dinner

- Children library
- Personal tutoring
- Other, what?

13. What do you find to be best class room size in tutoring?

- less than 15 children
- 15-30 children
- 31-45 children
- more than 45 children

14. How many teachers would you prefer to have in one classroom?

- 1
- 2
- 3
- more than 3 teachers

15. what values do you find most important in choosing tutoring service?  
[Multiple-choice]

- location
- price
- faculty
- facility
- other, what?

## Appendix 2 Questions in the interviews

For parents:

1. How do you do the tutoring work for your child?
2. What reasons make you do less tutoring work for your child?
3. Do you think it is necessary for your child to have the homework tutoring?
4. What do you think of the after-school tutoring classroom business idea?
5. What is the most important thing for you in the after-school tutoring classroom?
6. Are you interested in some other services such as pick up and dinner?

For the teacher who is working in a public primary school:

1. What is the situation of doing homework for the students currently?
2. What kinds of homework tutoring is necessary in your opinion?
3. What do you think of the after-school tutoring classroom business idea? Some suggestions?

## Appendix 3 Interviewed people and benchmarking targets

Parents interviewed: Li Haifeng, Peng Yulin, Huang Guoqiang, Wang Maojun, Xie Zhihuan.

The teacher: Wang Minghan (A Math teacher)

Benchmarking targets: Xu Xing (A tutor teacher in New Oriental Education), He Ping (The manager in Xiya language school)