**Business models big and small: Review of conceptualisations and constructs**

**and future directions for SME business model research**

**Abstract**

Despite an expanding body of literature on business models there is little acknowledgment of the role of SME heterogeneity and context in business model development. In order to address this, within this special issue, we move away from a “one size fits all” approach by recognising the heterogeneity of SMEs and implications of heterogeneity for business model conceptualisations and constructs. In so doing, we explore the influence of the inherent characteristics of SMEs on business model development, design, processes and associated value drivers and the ability of SMEs to innovate and sustain their business models. We structure this special issue around three important questions: the applicability of business model conceptualizations to SMEs, the relevance of SME capabilities for business model innovation, and the influence of SME heterogeneity on the nature of their business models. We then present a research agenda, the aim of which is to guide further development and convergence of the SME and business model disciplines.

1. **Introduction**

Research on business models has grown exponentially and since the early 2000’s and has emerged as a well-recognized unit of analysis across the spectrum of business and management subject disciplines (Wirtz et al. 2016). Whilst conceptually business models’ theoretical roots have been firmly embedded within the fields of strategic management, economics and innovation (Lanzolla and Markides, 2020; Foss and Saebi, 2017; Spieth et al., 2014; Teece, 2010), scholars have also explored business models from multiple disciplines such as entrepreneurship (Doganova and Eyquem-Renault, 2009; George and Bock, 2011), organisational studies (Sund et al., 2016; Deken et al., 2016), financial accounting (Nielsen and Roslender, 2015) and to a lesser extent international business (Child et al., 2017). Furthermore, business models have been applied in a vast range of settings such as corporate sustainability (Brocken and Geradts, 2020; Geissdoerfer et al., 2018), healthcare (Villani et al., 2017; Brady and Saranga, 2013), not for profit business contexts such universities (McAdam et al., 2017; Gaus and Raith, 2016; Miller et al., 2014) and social enterprises (Best et al. 2020; Spieth et al. 2019; Weerawardena et al. 2019). Given the significant interest in the business model construct from both research and practice perspectives, the business model has become a well-regarded structured management tool which can aid an organisation in achieving and sustaining competitive advantage.

This diversity of perspectives has led to varying conceptualisations and characteristics of the concept (Gassman et al., 2016). Whilst this signals the breadth of the business model field, it has also resulted in research clustered into silos, which has presented challenges relating to definitional clarity (Prescott and Filatotchev, 2020; Fjeldstad and Snow, 2018; Massa et al., 2017; DaSilva and Trkman, 2014), led to disagreements in the construct boundaries (Ritter and Letti, 2018; Ricciardi et al., 2016; Foss and Saebi, 2015; George and Bock, 2011) and meant there is a lack of a common theoretical framework (Foss and Saebi, 2018; Spieth et al., 2014; Zott et al., 2011). Despite theoretical and practical challenges associated with business models, prior research intersects to suggest that business models represent value processes within an organisation, detailed as value propositions, value creation, value delivery and value capture (Teece, 2010). Saebi et al. (2017: 567) provide a succinct definition underscoring the relationship of these elements where they identify a business model as “*the firm’s value proposition and market segments, the structure of the value chain required for realizing the value proposition, the mechanisms of value capture that the firm deploys, and how these elements are linked*”.

Whilst there is a vast body of literature on business models, this has predominantly focused on large firms (Pati et al. 2018; George and Brock, 2011), with limited research exploring the key defining features of SME business models and approaches to business model innovation within SMEs. This is surprising given that context, and specifically organisational context and organisational configurations, is a key defining feature in understanding business models and their development over time (Balboni et al., 2019). It is widely acknowledged that “*A small business is not a* *little big business*” (Welsh and White,1981:18) but face unique challenges due to liabilities of smallness and constrained resources (Rosenbusch et al., 2011). We argue that these characteristics, inherent in SMEs, together with SME heterogeneity will impact their business model development, design, associated value drivers and processes (George and Bock, 2011; Pati et al., 2018) and also impact their ability to engage in business model innovation. In this special issue, we move away from a *‘one size fits all’* approach by questioning the implications of SME heterogeneity and context for the business model construct. In doing so, we strive for convergence and development in the SME and business model literatures in order to provide new perspectives and to advance knowledge of SME business models.

In order to achieve this, we first provide an overview of the inherent characteristics of SMEs which we deem paramount for business model conceptualisations and constructs. Next, we use three important questions of major academic interest which introduce the six articles of this special issue. We conclude with a future research agenda and some final reflections.

1. **SME heterogeneity and implications for business models**

Globally, SMEs comprise the largest form of businesses and are considered to play a critical role in job creation, stimulation of innovation and promotion of entrepreneurial skills (Thrassou et al., 2020). The importance of SMEs in economic development is evident in government policy in almost every country (Pletnev and Nikolaeva, 2019). SME is a “catch-all” category for micro businesses, small growing businesses, and medium-sized enterprises. However, SMEs are a dynamic and evolving population, with its own unique features and salient characteristics. In a general sense, it is widely acknowledged that SMEs differ from their large firm counterparts due to their liabilities of smallness (Aldrich and Auster, 1986; Lohrke and Landstrom, 2016), where their size and resource constraints (both human and financial) influence their core competencies and capabilities (Zahra et al., 2006; Helfat and Peteraf, 2003). Compared to larger firms, SMEs face challenges due to limited internal and external knowledge capabilities (Liu and Yang, 2019), small product ranges and market size, limited opportunities for economies of scale, informal and flat organisational structures and limited management, leadership and strategic capabilities (Radas and Bozic, 2009; Pati et al., 2018). However, research also acknowledges that small size can result in competitive advantages through flexibility, strategic agility and increased opportunities for innovation (Arbussa et al., 2017; Vossen, 1998; Noteboom, 1994).

It is widely recognised that the inherent characteristics of an organisation will impact their corresponding business model design and abilities to innovate and evolve (Foss and Saebi, 2015; 2017). Despite this, we argue that research to date has failed to holistically take into account the heterogeneity of SMEs within current conceptualisations and operationalisation of the business model construct. Furthermore, difficulties arise in the conceptualisation of a business model for *all* SMEs. For example, young firms that experience rapid growth can have a considerable impact on employment creation and productivity within local entrepreneurial ecosystems (Broersma and Gautier, 1997; Drnovsek, 2004), whereas small but mature businesses may provide sustainable employment within a region. Furthermore, established medium-sized enterprises that innovate and scale up are the driving force behind growth in many OECD economies (Coltorti and Venanzi, 2017). Even beyond inherent attributes relating to size, SMEs are diverse in terms of age and performance, and across sectors, regions and countries (Mangematin et al., 2003). Furthermore, SMEs encapsulate small and medium sized family run businesses where many of the former are embedded in competitive local production systems, which generate incremental innovation and contribute to employment, with many of the latter going on to become global entrepreneurial enterprises (Clinton et al., 2018). The nascent nature of research on SME business models across the spectrum of their diversity makes this topic timely for further exploration.

**3. Articles within this special issue**

For this special issue, we sought contributions which explored the usefulness, relevance and appropriateness of business model tools and concepts for the SME population. Our call attracted over 80 submissions, which spanned a range of subject areas and geographical contexts, signalling the theoretical and managerial importance of the special issue topic. Following a desk-review of all submissions by the editorial team approximately thirty per cent of the submissions were sent for double-blind peer review. With the assistance of expert reviewers (to all of whom we extend our thanks) and after three rigorous revision periods, six articles were selected for inclusion within this special issue. These six articles have been categorised under the following three core questions which we have used to structure our special issue and stimulate a thought-provoking future research agenda.

**3.1 How do existing business model conceptualisations apply to SMEs?**

In our introduction, we acknowledged that several conceptualisations and tools associated with business models exist. We now discuss four prominent conceptualisations. The business model can act as an abstract representation of an organisation’s architecture and this interpretation of the organization can assist it in realizing its strategic goals (Teece et al., 2016). Other researchers conceptualise business models through their defining components which are representations and descriptions of how an organisation operates (Massa et al., 2017); this has resulted in the creation of tools such as the widely used business model canvas (Osterwalder and Pigneur 2010). Business models have also been viewed as cognitive schema, structures and heuristics (Cosenz and Noto, 2018; Massa et al. 2017; Chesbrough, 2010). Furthermore, business models have been conceptualised as activity systems, whose interactions and interdependencies can be used to create, capture and deliver value (Zott et al. 2011). Viewing the firm as a set of interdependencies among value creating and value capturing activities provides an alternative strategic approach to the position and resource-based view of the firm (Sjodin et al. 2020; Chesbrough et al. 2018). Lanzolla and Markides (2020) consider this approach to be particularly suited to firms where heterogeneity of resources is low and barriers to imitation are weak. Regardless of the conceptualisation used, a system view underpins most business model conceptualisations, where it is acknowledged that different components of a business model interconnect in a holistic fashion to achieve a competitive advantage. Velu (2017) suggests that general systems theory helps to understand the dynamism and complexity of business models through the interdependency of components and interactions between organisations and their environment.

Within an SME context, it could be argued that practical component-based business model tools can help SME managers to visualise and develop structure and design within their business model. However, since SMEs often face a larger degree of uncertainty than their larger firm counterparts and often have more limited resources, this can constrain their ability to use these types of tools. In the first article of this special issue, Cosenz and Bivona (2020) argue that very structured business model design tools may not be suitable for SMEs. They suggest that not only do size based limitations impact business model design but point out that characteristics of SMEs relating to strategy design, organisational settings, and performance management (Halme and Korpela, 2014; Berends et al., 2014) demand a tailored methodology to explore the business model concept. Concurring with Balboni et al. (2019), they suggest that any such methodology should take into account both organisational features and inherent attributes that impact upon SMEs value processes. They argue that SMEs, who often have limited strategic capabilities and resources, need to innovate their business models under less certain environments. Cosenz and Bivona (2020) draw upon a system dynamics methodology and revised business model canvas structure to present a dynamic business modelling approach. Using a case study organisation to discuss the empirical application of their tailored approach, they argue that their dynamic business modelling approach leverages the inherent strengths of SMEs, whose flexibility, agility and responsiveness favour a lean business model design. Their research therefore adds to the growing body of research on lean business models (Balocco et al., 2019; Ghezzi et al., 2018) and extends our understanding of the benefits of dynamic business modelling which permits experimental innovation-orientated interventions through scenario analysis. They also contribute to our understanding of how the inherent organisational characteristics of SMEs demands a differentiated and tailored approach to business model design, which differs to the approach taken by larger firms.

**3.2 What internal and external capabilities aid SMEs to innovate their business models?**

To remain competitive, an organisation’s business model needs to develop and evolve over time. The second question explores the capabilities that are needed for an SME to innovate its business model. Within the literature, business model innovation has been conceptualized as a process with associated temporal dimensions (Berglund and Sandstrom, 2013; Demil and Lecocoq, 2010) and as an outcome of innovation (Abdelkafi et al., 2013; Sanchez and Ricart, 2010). Furthermore, business model innovation can take varying forms, with differing levels of complexity depending on the extent of its scope - modular or architectural - and the degree of novelty within an industry or firm (Foss and Saebi, 2017). This has resulted in differing terminologies such as business model evolution (Velu et al., 2017; Bohnsack et al., 2014; Demil and Locoq, 2010), business model adaptation (Saebi et al., 2016; Landau et al., 2016), complex business model innovation (Foss and Saebi, 2017) and, more recently, business model pivoting (Manilova et al., 2020) which is associated with response to crisis events. The term business model innovation represents both minor or major changes made to the value creation, value capture and value proposition of a business model which ideally are aligned with external market demands and environment.

Business model research has progressed from understanding the drivers and antecedents of business model innovation, to understanding *how* business model innovation happens within organisations. This has led to a body of research which acknowledges that engaging in business model innovation requires both the reconfiguring of existing resources and capabilities but also accessing, internalising and utilising external resources and capabilities (Foss and Saebi, 2015; Teece, 2018; Chesbrough et al., 2018; Sjodin et al., 2020). In an SME context, resource constraints, inherent characteristics and organisational inertia can have implications for both capacity building and the ability to acquire external resources and reconfigure internal resources. The next three articles in our special issue provide further understanding of the influence that organisational capabilities can have for SME business model innovation.

The qualitative longitudinal case study by Randhawa, Wilden and Gudergan (2020) provides insight into how the dynamic capability building processes of sensing, seizing and reconfiguring of an SME leads to differentiated business models over time. They explore how different market orientations (e.g. market driving, market driven and ambidextrous) trigger different exploration and exploitation activities, which in turn characterize how an SME’s dynamic capabilities are deployed. They also find support for the ability of SMEs to develop ambidextrous business models which can proactively initiate changes and simultaneously lead to exogenous changes in markets. Their research provides new insights into the evolutionary nature of business model innovation, where an SME can reposition its market orientation through changing its mental model. They also provide important insights into the fit and strategic alignment of dynamic capabilities within an SME context.

Hock-Doepgen, Clauss, Kraus and Cheng (2020) take a differentiated perspective on organisational capabilities, specifically focusing on how internal and external knowledge management capabilities impact upon business model innovation. Their article explores how these effects are moderated by an SME’s risk-taking tolerance. Their quantitative analysis draws upon 197 SMEs in the technology sector and finds that external knowledge management capabilities are essential to aid SMEs in innovating their business models. In contrast, reliance on internal knowledge management capabilities did not lead to a significant impact on business model innovation. However, they do find that risk tolerance plays a mediating role, with internal knowledge management capabilities playing a role when an SME has a low tolerance for risk-taking. They advance understanding by identifying four pathways by which internal and external knowledge management capabilities can be combined and reconfigured within different contexts to enhance levels of business model innovation within SMEs.

Miroshnychenko, Strobl, Matzler and DeMassis (2020) explore the nexus between absorptive capacity and strategic flexibility, and the influence that these two factors have on SME business model innovation. Their research provides novel insights into the role of absorptive capacity for SME business model innovation. In particular, they differentiate between the impact that potential and realised absorptive capacity have with respect to business model innovation and find potential absorptive capacity (knowledge acquisition and assimilation) to be a prerequisite. In contrast, they find that realised absorptive capacity led to new products or services through knowledge transformation and exploration but was not found to have a significant relationship with business model innovation. However, they also identify that this relationship differed when applying the moderating variable, environmental uncertainty. Their article extends knowledge on SME capability building through identifying the need for SMEs to develop their capabilities to constantly renew their knowledge stocks in order to drive business model innovation and aid strategic flexibility.

**3.3What influence does SME heterogeneity have on business models?**

Our last question is core to the special issue topic and is a theme which spans all the articles selected for inclusion. Our final two articles present insights into family firm SME business models and demonstrate that size can be a moderator to approaches to business model innovation. Family firms are organisations characterised by individuals who are related by family ties and who can exert substantial influence on the organisation as a result of ownership stakes or holding significant management positions (König et al., 2013). Similar to SMEs in a general sense, family businesses are not homogenous (Chua et al., 2012; Memili and Debrell, 2019), with their heterogeneity originating from their governance structure, vision, goals, and the owning of family’s identity and values (Wright et al., 2014). Prior research acknowledges ‘family influence’ where an overlap between the family system and business system can impact a firm’s decision making, actions, interest, values and cultures (Calabro et al., 2018). Correspondingly, family involvement impacts upon innovation inputs, activities and outputs (De Massis et al., 2012). However, research has provided mixed findings on the influence of family (Lattuch, 2019; Calabro et al. 2018). Some scholars have identified that family firms are more risk averse than non-family firms (Hiebl, 2013). In contrast, other studies illustrate how family firm characteristics such as tighter levels of controls, wealth concentration and importance of non-financial goals can lead to higher innovation outputs than non-family firms (Duran et al., 2016). Only a few limited studies have explored how family influence may impact the operationalisation of business model constructs and tools (Calabro et al., 2018; Bogers et al., 2015; Clinton et al., 2018). Our next two articles support the advancement of the field of family business models.

Heider, Gerken, Van Dinther and Hulsbeck (2020) provide new insights into the unique context of SMEs in the German Mittelstand. Their research advances understanding on how distinct dynamic capabilities - reflecting, sensing, seizing and transforming - promote distinct facets of business model innovation (e.g. value propositions, value creation and value capture). They identify that reflecting existing resources will not lead to business model innovation. However, the existence of sensing and seizing capabilities within the SME will lead to more value creation and more innovative value propositions, whereas transformation capabilities were found to enhance value capture. They also advance understanding on how different characteristics of German Mittelstand firms (i.e., size, age, and family ownership) moderate the relationship between dynamic capabilities and business model innovation. In particular, they provide new empirical knowledge identifying differences between small firms and medium firms. Indeed, they find that small firms, with very limited resources, benefit from the reflection of existing resources. However, they caution that this capability diminishes for medium firms. Overall their research furthers knowledge on the differentiated impact of dynamic capabilities within SMEs of different sizes and the impact of this on business model innovation components.

Gamble, Clinton and Diaz-Moriana (2020) approach the underexplored topic of value co-creation through external stakeholder integration and provide unique insights into the business model development of family-owned SMEs. Their multiple case-study research takes a service dominant logic approach to explore the value creation processes and the role of external stakeholders within four family firms. Their findings provide rich insights into how family factors can determine a differentiated approach to value creation. They identify how external stakeholder engagement can aid family-owned SMEs in developing their business models and in particular their value creation activities with consumers. They also provide evidence on how small-size advantages of SMEs can lead to value creation through flexibility and personalised services. These findings contribute to new knowledge on family firm business models in particular but also on how SMEs in general can engage in collaboration with external stakeholders to co-create value for their end consumers, leading to competitive advantages in both their individual and networked business models.

**4. Future Research Avenues**

All the articles included in this special issue help to advance understanding of business models within the SME context, by illustrating how SME heterogeneity influences business model development, design and innovation. Naturally, in any developing discourse there are complementary and contrasting strands and in addition, gaps which demand further exploration. To further converge and advance the fields of SMEs and business models, we now present a number of themes which have emerged from our reflection on the articles and on the three core questions posed within this special issue. Figure 1 provides a summary of SME business model future research avenues.

**4.1 Conceptualisation and applied tools for SME business models**

Resource constrained SME managers need tools and concepts which are easily accessible and can be readily implemented. The component-based business model conceptualization has proved popular with practitioners and entrepreneurs, in particular the business model canvas (Bigelow and Barney, 2020; Osterwalder et al., 2005). The conceptualization of the business model as an interdependent set of activities is argued to be more strongly theoretical and abstract than the component conceptualization (Spieth et al., 2019) and for this reason may be less attractive to entrepreneurs and practitioners. This may be particularly relevant in the SME context, where managers are often balancing multiple roles, are time limited, and often working within the business rather than on their business. Therefore, we ask what value do existing business model conceptualisations provide for an SME? Future research should provide empirical evidence of differentiated SME business models in order to demonstrate to SMEs that existing theoretical models are applicable within their context. For example, future research could explore *how* SMEs use business model tools to aid their competitive advantage based on their resources, their position or on interdependent activities with stakeholders in a wider value chain.

**4.2 Capabilities of the entrepreneurial SME manager and their influence on business model innovation**

The articles in this special issue provide advance knowledge on the capabilities that influence or moderate business model innovation. However, within an SME, and particularly within smaller SMEs, the decision to engage in business model innovation and the implementation of business model innovation is often within the realm of the entrepreneurial manager. Teece et al. (2016) identify that the entrepreneurial manager is an “orchestrator” who redeploys resources (financial and human) whilst providing strategic direction and coordination. We suggest that there is a need to explore the micro level processes and capabilities which influence and shape business model innovation and outcomes. In particular, consideration needs to be paid to the individual level factors that influence decision making with regards to the configuration of resources, building the entrepreneurial team, business models design, appetite for risk and the utilisation of networks. For example: What skills and capabilities influence SME managers’ decisions and their approaches to business model innovation?

Recent research has recognised the importance of human cognition and cognitive frames

in determining the business model innovation actions undertaken by management (Schneckenberg et al., 2019; Martins et al., 2015). Velu (2017) stresses that business model innovation requires a change in the cognitive mindset of a manager, which can be more complex to achieve than internal and external resource configuration. We suggest that an SME with high levels of organisational inertia or long-term orientation (in the case of family firm SMEs) may encounter even more difficulties in changing their cognitive framing and analogical reasoning which consequently will impact on their ability to engage in business model innovation. Future research could adopt new theoretical lenses such as cognition, dynamic managerial capabilities, upper echelon theory or theory of planned behaviour to explore the core antecedents and moderators of SME business model innovation at a micro level. For example: How do inherent SME managerial and top management team characteristics influence business model designs and innovations over time?

**4.3 Family firm SME business models**

We illustrate with this special issue that firm ownership is a key determinant of SME heterogeneity (Schulze and Gedajlovic, 2010). Family firms present a unique context whereby familial ties (Eddleston et al., 2010), family goals and values (Kotlar and De Massis, 2013), differing family business governance approaches (Schulze et al., 2001), family dynamics influencing succession (Helin and Jabri, 2016), and different generations (Jaskiewicz and Dyer, 2017) intersect which has implications for business model design and innovation. Carlock and Ward (2001) designate the modern family firm configuration as incorporating what they describe as an expanded business model of collective ownership and power. This aspect of presenting a ‘21st century business model’ for family firms may be counter-intuitive to the more generally accepted perception of the business model as a representation of the developmental structure of the firm from past, present and future projections (Doganova and Eyquem-Renault, 2009; Gamble et al., 2017), as opposed to a mere snapshot in time. Scholars should delve deeper into better understanding the paradoxical tensions associated with the family business landscape and use this understanding to unpack business model variance within family businesses. For example, how do the economic and non-economic goals of the family affect the business family structure and the profit formula component of the business model over time? How do stakeholders in the family business shape the content, structure and governance of organisational business models? In what ways do the social and transactional dimensions of business model participants affect business model design?

**4.4 Stakeholder influence on SME business models**

Many SMEs rely upon collaboration in order to aid innovation efforts, where being an actor in a wider value network (Albats et al., 2019) and a network-based business model can lead to superior value creation and help overcome size-based limitations to growth and competitive advantage. Furthermore, SMEs and in particular, family SMEs are often firmly embedded as core actors within local and regional business ecosystems. However, size and resource-based constraints can mean that external stakeholders such as larger firms (during collaborative innovation) and government, customers and wider society (in relation to regional development), can have a strong influence on an SME’s business model. Indeed, the business model construct can function as a flexible mix of narrative and calculative devices that, in circulating across heterogeneous actors, actuates a performative role of network building and resource accumulation. The business model field still remains under-developed in relation to the role that stakeholders have on value creation and value capture processes within business models (Sjodin et al. 2020) and how organisations can design business models which interact within value networks or indeed operate networked business models. We argue that SMEs have much to gain from collaborating with external stakeholders and therefore future research is required that explores stakeholder dynamics within SME business models. For example: How do SMEs engage, leverage and manage diverse external stakeholders within their business models? What role do external stakeholders have on SME business model design and innovation? How are stakeholder power and resource relationships managed? How do SMEs engage in and manage networked and collaborative business models? How do SMEs engage in value co-creation with a diversity of actors, for example: universities, government and large firms?

**4.5 Environmental context and SME business models**

The time lapse between the call for articles for this special issue and final publication has given rise to numerous environmental shocks including political turbulence, social movements and the Covid-19 pandemic. This has resulted in unprecedented levels of economic uncertainty and turbulence across the globe which has had an enormous impact on firms of all sizes. Indeed, in times of uncertainty, strategic flexibility (Zhou and Wu, 2010) and the adaptation and renewal of business models in line with changing environmental conditions is essential (Teece, 2010; Battistella et al., 2017), to ensure both short term survival and medium to long term resilience and sustainability. Zott and Amit (2007: 181) identify the benefits that can be achieved from innovative business models “*even under varying environmental regimes*”.

Business models can be both enabling and limiting during environmental change; however, much remains unknown as to how crises and shocks impact an organisation’s business model. The distinctive organisational features and attributes of SMEs place them more at risk during times of crisis and uncertainty (Cucculelli and Peruzzi, 2020; Kraus et al., 2020). To deal with such crises new insights are needed, for example: How do different environmental conditions impact upon SMEs business models? How do SMEs pivot or adapt their business models during times of environmental uncertainty and change? Are SME business models more or less flexible during times of environmental turbulence? We also identify the need for research in diverse geographical contexts, in particular in the context of emerging markets where institutional voids and weak government support may pose particular challenges (and possibly opportunities) to the business model design and innovation capabilities of SMEs.

**5. Final Reflections**

Our starting point for this special issue was the lack of acknowledgment of the role of SME heterogeneity and context in business model development. This special issue contributes to this research gap by improving our understanding of the inherent characteristics and heterogeneity of SMEs and the implications of this for conceptualising and exploring SME business models. Furthermore, the emergence of a focused and explicit discussion about context is relatively new within business model design. The articles in this special issue are arranged around three important questions of major academic interest which characterise the contributions of the articles within this special issue. We further supplement these rich contributions to the SME business model field through our identifications of future research directions and associated research questions which help carve out a research agenda to converge the SME and business model fields. It is clear from this special issue that much remains to be known about SMEs business models from both a theoretical and practical perspective. However, we do hope that this special issue makes an important first step in this direction.

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**Figure 1: Future Research Agenda**

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| **Topic** | **Illustrative research questions** |
| Conceptualisation and applied tools for SME business models | * What value do existing business model conceptualisations provide for an SME? * How are small, medium and large firm’s business models differentiated? * How do SME business models differ across their lifecycle from start-up to maturity? * How can SMEs use business model tools to aid their competitive advantage? * How can SMEs use business modelling to further their competitive advantage? |
| Capabilities of the entrepreneurial SME manager and their influence on business model innovation | * What skills and capabilities influence SME managers’ decisions and their approaches to business model innovation? * How do inherent SME managerial and top management team characteristics influence business model designs and innovations over time? * How can new theoretical lenses help further understand the role, antecedents and capabilities that an SME manager needs for business model innovation? |
| Family firm SME business models | * How do the economic and non-economic goals of the family affect the business family structure and the profit formula component of the business model over time? * How do stakeholders in the family business shape the content, structure and governance of organisational business models? * In what ways do the social and transactional dimensions of business model participants affect business model design? |
| Stakeholder influence on SME business models | * How do SMEs engage, leverage and manage diverse external stakeholders within their business models? * What role do external stakeholders have on SME business model design and innovation? * How are stakeholder power and resource relationships managed? * How do SMEs engage in and manage networked and collaborative business models? * How do SMEs engage in value co-creation with a diversity of actors, for example: universities, government and large firms? |
| Environmental context and SME business models | * How do different environmental conditions impact upon SMEs business models? * How do SMEs pivot or adapt their business models during times of environmental uncertainty and change? * Are SME business models more or less flexible than large firms during times of environmental turbulence? * Do emerging market contexts pose further restraints on SMEs abilities to innovate their business models? * How can SMEs embed digitalisation into their business models? |