5 Formulation of hypotheses

In this chapter the hypotheses for the empirical study are formulated based on experience and the literature analysis (see left part on theory in Figure 32). The hypotheses contain the totality of a business (micro layer) and its existence in the environment (macro layer). The distinction in these two layers is described in Section 3.2.3.2 on the research framework. Thus and at first, for each of my defined (sub-)components of a business model (Table 10 and Figure 26) a single micro hypothesis is formulated (Section 5.1). These micro hypotheses are used to examine particular aspects of a business model. Second, three macro hypotheses are formulated that concern the overall business model of LSPs and their customers (Section 5.2). The purpose of the macro hypotheses is to examine overall issues on Hidden Champions and their business model. Each micro hypothesis and each macro hypothesis is summarized in boxes at the end of each section.

5.1 Formulation of micro hypotheses on business model components

This section treats the micro hypotheses which are formulated for each component and subcomponent of a business model as defined in Table 10 and Figure 26. The hypotheses are based on prevailing knowledge in theory and reality. This is represented by exemplary statements by well-known scientists in literature and by statements from industry experts.

5.1.1 Micro hypotheses on Ambitions & Aims

I start with micro hypotheses for the following three business model components: Value Proposition, Target Group and Business Purpose. These components form the category Ambitions & Aims.

5.1.1.1 Single Source Hypothesis

The business model component Value Proposition deals with value creation of the LSP for its customers as well as with the benefits and advantages created for other stakeholders of the LSP, in particular for investors, partners, employees and society. With macro environmental trends favoring network economies (Section 2.2.2.2), customers have to deal with managing a much larger number of interfaces with suppliers, distributors and other partners in their supply chain. The integration of
partners has an increasing priority for LSPs who have identified new possibilities for value creation in these relationships. Value creation is expected from replacing single solutions by an optimized integrated concept. Theory claims that designing and optimizing existing logistics processes increases productivity due to synergy effects from integration (see, for example, Baumgarten and Darkow 2002, p. 1). The importance of integration and overall leadership has been emphasized with increasing frequency, qualifying the topic as a core issue at many conferences and business meetings as well as in publications. Researchers like Hau L. Lee from Stanford University or Helmut Baumgarten from the Technical University Berlin, as well as company representatives like Christian Schneider from Schenker or Detthold Aden from BLG Logistics Group, discussed integration. Table 19 presents their statements, amongst others; these statements illustrate views prevailing in theory (in particular from researchers at universities) and in practice (from practitioners operating in logistics). These views are representative of the importance of integration and value creation in the industry.