The Entrepreneurial Role, Value Creation, and Business Model Evolution

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Executive Summary

When entrepreneurs see potential in unmet demand and bring together resources and test models that customers are willing to invest in, value is added. In this assignment, Schumpeterian innovation, Kirznerian opportunity discovery and current business-model thinking are examined in the context of German tourism. Germany had 497.4 million accommodation overnight stays in 2025 (Statistisches Bundesamt, 2026), which illustrates the size of the market but not necessarily the profits given to a new market entrant. Flix is an example of asset light transport; Airbnb is an example of an intermediary platform and of network effects. While the analysis presents the case of a hypothetical Germany-based start-up called BahnBlick Trips, which offers urban short breaks via rail service, the findings are applicable to any firm that offers "staycations" in urban areas. A clear planning process projects a contribution of €70 per booking and break-even of 2,000 bookings per year, provided that this figure is validated in the market and is compliant with travel law. The suggested approach is to pilot a geographically limited experiment to learn about the phenomenon and then expand the program only when those conditions are achieved: customers have been acquired, customers have been converted, and the reliability and cash-risk criteria are satisfied. Data from the industry and assumptions are clearly separated.

1. Introduction

The entrepreneur is not just a person who starts a business, but also a person who reorganises economic resources in an uncertain environment to provide a better value to customers in terms of price, quality, convenience and/or experience. In tourism, it may be an integrated sale where various parts, such as transport, hotel and activities, are provided by different companies. This is particularly relevant with regard to the importance of coordination, trust and digital distribution. Entrepreneurship is a process of discovery, evaluation and exploitation of opportunities (Shane and Venkataraman, 2000) while commercial success also requires the process of value delivery and value capture (Teece, 2010). Both sides are required, as just a demand doesn't necessarily make an economically viable business.

This exercise examines opportunity discovery and value creation, analyses the architecture of viable business models, analyses disruptive tourism companies and creates a resource-conscious start-up plan for the German market. Theory, public 2025 tourism figures, company disclosures, a PESTLE analysis and a Five Forces analysis are complemented by a scenario based break-even model. Start-up projections are assumed values, not actual prices, investments, or an independently developed business forecast.

2. Environmental & Market Analysis

2.1 Economic demand, digitisation and sustainability

In 2025, the number of nights spent in accommodation establishments in Germany was 497.4 million, which was 1.4 million nights more than in the previous year (2024) when it was 496.0 million (Statistisches Bundesamt, 2026). The slight growth indicates a well-established and competitive market, not one that is in a state of rapid expansion. Travel industry association Germanata, in its own report, states that Germany's travel industry has spent €87.9 billion on pre-booked private trips during the tourism year 2024/25, of which €43.4 billion was spent on

organised trips (Germanata, n.d.). The figures of expenditure are not strictly comparable with the accommodation nights and do not cover the same period and so are not addable or comparable as a single market size. A niche entrant should differentiate, not take for granted that overall travel demand will bring the customers.

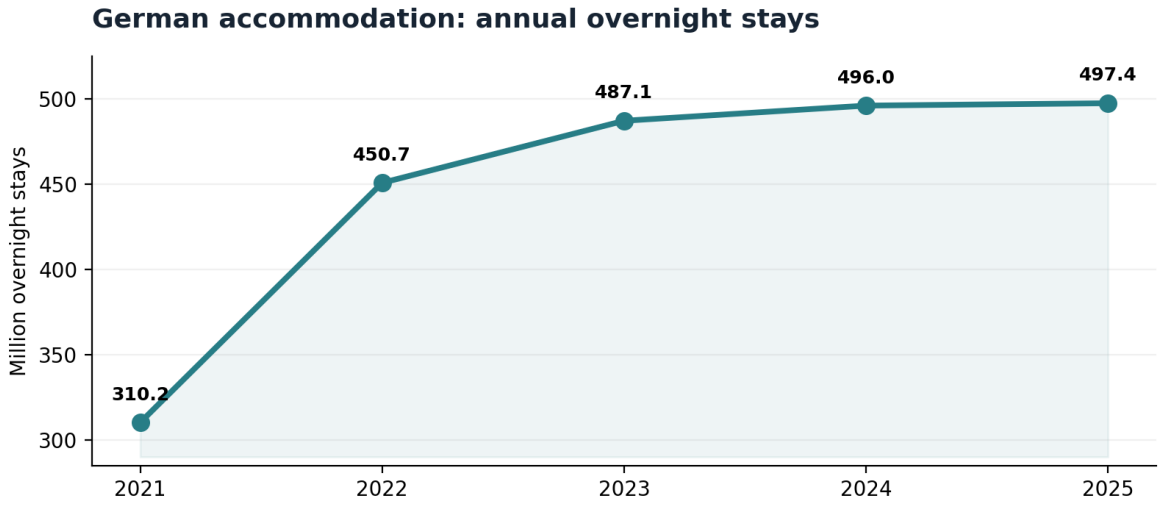


Figure 1. German tourist accommodation overnight stays, 2021–2025.

Source: Statistisches Bundesamt (2026), GENESIS-Online table 45412-0001; values rounded to one decimal million.

Distribution is becoming digital. According to Eurostat (2026), some 952 million guest nights are booked in EU short-stay accommodation via Airbnb, Booking and Expedia in 2025, which represents an increase of 11.4% compared to 2024. This indicator is not an all-German estimate, but rather only applies to platforms-based short-term rentals. It proves, however, that there's a new, important role for digital intermediaries. The entrepreneur might enjoy the Internet reach but has to deal with the platform's commissions and the need to rely on ranking and the increasing competition to acquire customers.

There is a possible position on sustainability – subject to accurate measurement. According to the average of the German Federal Environment Agency (UBA), 26 g of CO2-equivalent are generated per passenger-kilometer for long-distance rail transport, 30 g per passenger-

kilometer for long-distance coach transport, and 290 g per passenger-kilometer for domestic flights (Umweltbundesamt, 2025). These are averages for a mode and not emissions for any BahnBlick itinerary. While a “carbon neutral” label might be suitable for a rail-led package, it's unclear unless supported by journeypiece-specific evidence. Competitive and regulatory environment

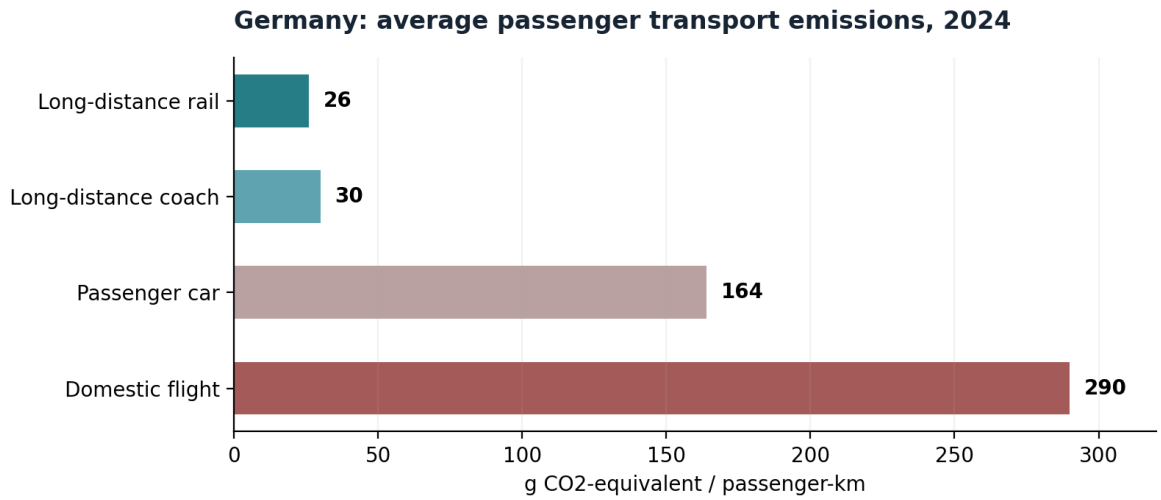


Figure 2. Average German passenger transport greenhouse-gas emissions by mode.

Source: Umweltbundesamt (2025), reference year 2024, TREMOD 6.71B; includes stated methodology and occupancy assumptions.

2.2 Competitive and regulatory environment

A PESTLE analysis explains that the demand is sensitive to household disposable income, that people have high expectations of booking and paying for their travel via the internet, that they are scrutinising the environmental impact of transport and that they have legal responsibilities for package travel. According to the German Civil Code (BGB) § 651a, some combinations of at least two travel services are considered to be packages. Additionally, those who are smaller operators may find a way to obtain specified alternative arrangements for insolvency protection under section 651r and this must be considered by the organizers. This means that a start-up company that combines rail and hotel services has to get specialist German legal and tax advice, protect itself, establish refund terms and GDPR compliant customer data processing

before taking deposits (BGB, n.d.-a, n.d.-b) This compliance obligation is a real cost of entry, rather than the marketing activity.

Intense rivalry from large travel platforms, significant buyer power due to ease of comparison, supplier power during peak travel periods, ease of independent bookings and coach travel, and moderate technology entry barriers, but higher trust and regulatory entry barriers are revealed by porter style industry analysis. These pressures are summarized in Table B1. What is meant is that they are not going to have a mass low price entry, a unique itinerary, customer service, and suppliers that create value that price-only competitors cannot provide. (Porter, 1980).

3. Organisational & Strategic Analysis

3.1 How entrepreneurs generate and capture value

Schumpeter (1934) sees the entrepreneur as an innovator, an innovator who is responsible for competitive change and creative destruction via the creation and implementation of new combinations. Kirzner (1973), however, puts the accent on being aware of opportunities in the market that had not been recognized before. The approaches are complementary: the recognition of tourists' problems in arranging their rail and local trip, plus the local experience, is Kirznerian discovery, while the reconfiguration of those services into a single package with the promise of minimal disruption is a Schumpeterian reconfiguration. Both models indicate that novelty can be associated with profit, but not necessarily, it must reduce real transaction costs or increase perceived benefits.

Value Proposition, Customer segment, Distribution, Revenue logic, Operating activities and Cost structure are aligned with a viable business model. Osterwalder and Pigneur (2010) structure them into nine interdependent business-model canvas elements and Zott et al. (2011) stress the broader activity system between the business and partners. Teece (2010) separates

the making of value from having sufficient value left over to meet costs. A high number of bookings can lead to value creation for tourists and the hotel, but also to the loss of value for the hotel's shareholders if the marketing costs and the number of cancellations are higher than the contribution of the bookings.

3.2 Evidence from disruptive business models

One of the German-originated examples of reconfiguration of intercity travel is Flix. It's corporate description gives away the essence of its business: centralized planning, pricing, marketing and ticketing of digital networks and transport services with partner operators, as well as a limit of owning an entire fleet (Flix SE, n.d.). This is an example of value creation and scalability by coordinating. But reliance on partners also demands consistency and control in services and contractual obligations. To assume that the presence of a vast network of roads is a good indicator of the profitability of each route is wrong.

One of the other models is Airbnb – a two-sided marketplace for accommodation that connects hosts and travelers. It reports $12.241 billion in revenue in its 2025 Form 10-K, which is based on the global scale and not on the German market share (Airbnb, Inc., 2026). It's a platform that increases choice, but doesn't own most of the accommodation assets, but network effects sit side by side with some risks of regulation, reputation and competition. Airbnb is more dependent on the host supply and marketplace trust than Flix. The two instances indicate that the new player should control the customer relationship and manage the processes involving data, and yet make selective alliances to handle the physical delivery, not copy the large footprint.

3.3 Proposed venture: BahnBlick Trips

BahnBlick Trips is an imaginary German start-up catering to travellers with limited time who look for a cultural break in their country or local area, but want to visit it by train for two or

three nights. The planned pilot is conducted across the three cities of Berlin, Leipzig and Dresden and – instead of real estate – makes use of pre-contracted hotel and experience partners, as well as railways and a dedicated booking platform. The value proposition is the ease of itinerary co-ordination, complete pricing transparency, traveler support and a preference for rail travel where possible. The business model canvas (BMC) presented in Appendix A defines customer segments, channels, resources, partnerships, revenue stream and costs. A functioning organization would have a founder/operations lead and a team of development, tax accounting, legal compliance and a hired customer-support team with supplier quality assurance that is still within the team.

4. Findings & Decision-Making Framework

4.1 Resource allocation and unit economics

The start-up will initially sell one standard package at a planning price of €429, comprising of €306 direct rail, hotel and activity costs, €18 variable transaction/service costs and €35 acquisition costs. The contribution is therefore €70 per package (€429 − €306 − €18 − €35), a 16.3% contribution margin. Using illustrative annual fixed operating costs of €140,000 the break-even volume is calculated as 2,000 packages (€140,000 / €70). The model generates an operating surplus of €28,000 at 2,400 packages and excluding unmodelled shocks and taxes. These planning amounts are no supplier quotes, but rather are to be supplemented by costs for VAT treatment, possible travel margin-tax rules, financing, cancelation and initial setup spending and insolvency-security costs. What you get is a diagnostic indicator, and not a business case for the venture to be financially viable.

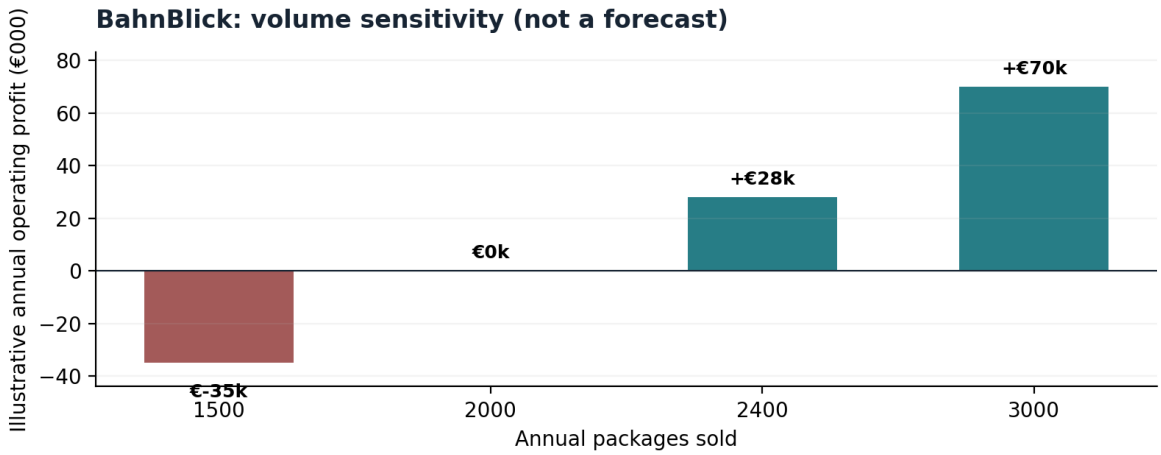


Figure 3. Illustrative annual operating result at different booking volumes.

Source: Author calculations. Assumes €70 contribution per booking and €140,000 annual fixed costs; excludes VAT, income tax and exceptional disruption costs.

4.2 Strategic options and stage-gated decisions

A focus pilot in Saxony–Berlin, a nationwide rollout and a low control affiliate resale were evaluated using a weighted and judgement-based matrix. Market access (30%), margin potential (25%), manageable execution risk (25%) and differentiation (20%) were the criteria. The focused pilot receives a score of 4.25/5, while both alternatives (Appendix D) receive a score of 3.10/5. Please note that these scores are not research observations, but rather management assumptions to be challenged by sensitivity testing and supplier interviews. The pilot makes it easier to keep cash on hand; it keeps the itinerary relatively simple and it gives them more learning opportunities before making significant advertising pledges.

Founders should get a response on the willingness to pay in months 1–3 with a landing page, 30 to 50 structured interviews and partner quotations. Secured Travel Compliance, an operational Booking Workflow and Limited Pilot are needed in Months 4-6. Maximized customer acquisition and validated customer fulfilment and measured repeat purchase are covered in Months 7-12. Expansion is only allowed when contribution is still positive after refunds, customer-acquisition cost is managed and failure rates are acceptable and cash reserve

is ring-fenced, and commitments are covered. appendix D provides a set of decision thresholds and owners as proposed governance controls.

5. Discussion & Business Implications

The primary economic/returns trade-off is between growth and value capture. An asset-light outsourcing approach reduces capital upfront, but shifts risk to the suppliers for quality, availability and contractual enforcement. A rail-based solution could set BahnBlick apart, but just as rail disruption can fracture the promise of convenience that draws customers to a business, it can also do the exact opposite. When there are fixed costs the €70 contribution can be easily killed by acquiring inflation or by discounting the prices, but it is the sale volumes that can kill it when fixed costs are present. Gross bookings is now replaced by contribution reporting by routes and customers to help management know its worth.

Adaptation by entrepreneurs ought to be based on evidence. Four examples of metrics tracked by a digital dashboard include the following: Conversion rate, Customer-acquisition cost, Contribution after refunds, booking lead time, Complainant rate, Cash committed to suppliers. The company needs to consider direct sales or deals with local establishments or employers, but not relying on one intermediary. Other operational needs are consent, data minimization, a documented incident response and more. The strategic value of consumer protection: punishment with excellent handling of refunds and answer to the conditions in the package towards the consumer's requests can be built impatience for trust, but at the same time it will add cash management undertaken.

Some restrictions are placed on the analysis. Official accommodation nights reflect demand on industry level, and are not indicative of the addressable market potential for premium rail packages. Flix and Airbnb are examples of other platforms that are comparable, but not direct

financial measures for a small organizer. Financial scenarios do not take into account the variation of seasonal demand, the price elasticity and actual quotations from suppliers (need to replace with test data before the investment). Hence, it is not a conclusion that the business will be a success, it is a conditional feasibility.

6. Conclusion & Recommendations

Entrepreneurship fosters economic efficiency in realizing it can detect the unmet need and bring about the more efficient coordination of resources. The opportunity is described by Schumpeterian innovation and Kirznerian discovery, while design of the business models is what can make the opportunity a recurring revenue. The market has grown to a significant size in Germany, but the market is still ripe for meaningful growth, limited in scope and with a clearly differentiated message, but also presents a dilemma: Undifferentiated growth is not recommended by the players who already dominate the market. These examples, of Flix and Airbnb, expose how technology and network partnerships can transform the nature of the service, but also how much they rely on quality of the network and trust.

BahnBlick must start with a pilot project which is smaller on the regional level; which has accepted standards of suppliers – but also agreed, enforced and funded standards; and which has a clear performance table. A break even has been worked out that will help to arrive at a reasonable hypothesis of 2000 bookings. If such services are provided with satisfactory liquidity and reliable service delivery after the measurement of demand (selepas measurement demand) and there is a positive contribution net of reflex, then management should expand the roll-out. It's one that takes the most serious view of enhancing investment's value-creating potential by pursuing its most efficient deployment and application of good corporate control and sustainable industry segmentation.

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Appendices

Conceptual tools, computational detail and planning assumptions presented are provided in appendices. These do not constitute verified company information for the company.

Appendix A. Business Model Canvas

Table A1. BahnBlick Trips business model canvas (hypothetical)

Canvas element	Proposed configuration
Customer segments	Rail-preferring, time-constrained leisure travellers; young professionals; small groups
Value proposition	Bundled rail, hotel and culture itinerary; clear terms; assisted disruptions
Channels	Direct website, organic search, partner referrals and limited digital campaigns
Customer relationships	Pre-trip guidance, clear refunds, post-trip feedback and opt-in rebooking
Revenue streams	Customer package price; any add-on charges disclosed transparently
Key resources	Founder expertise, trusted supplier contracts, booking workflow, brand and cash buffer
Key activities	Itinerary design, contracting, compliant sales, support, fulfilment and quality control
Key partnerships	Rail ticket suppliers, hotels, activities, payment service and compliance advisers
Cost structure	Supplier purchases, processing/support, customer acquisition, staff, systems and compliance

The concept adapted to a framework in an intuitive manner from Osterwalder and Pigneur (2010). These are suggestions, NOT actual firm disclosures.

Appendix B. PESTLE and Five Forces

Table B1. German tourism operating environment and strategic implications

Lens	Market condition / risk	Response
Political / legal	German package travel duties and protection requirements	Confirm organiser status, insolvency protection and traveller disclosures
Economic	Demand exists but consumers remain price-sensitive	Run price tests and contribution-based route approval
Social	Short breaks, service quality and convenience matter	Target specific traveller personas; pilot customer support
Technological	Platform distribution and payment systems shape demand	Start with off-the-shelf software and secure customer data
Environmental	Travel-emission concern; disclosure scrutiny	Use rail where practical and avoid unsupported climate claims
Rivalry / buyers	High comparison transparency and strong incumbents	Differentiated itinerary design; measure conversion and refunds

Lens	Market condition / risk	Response
Suppliers / substitutes	Hotel capacity, rail disruption, DIY booking alternatives	Multiple supplier options; clear disruption workflow

Self-created classification by author, based on the works of Porter (1980), Destitos, Eurostat and German travel legislation.

Appendix C. Unit Economics & Scenarios

Table C1. One-package planning unit economics (illustrative euro amounts)

Component	EUR / booking	Status
Package sales price	429	Hypothetical planning price
Rail / hotel / activities	(306)	Assumed direct cost; no supplier quotation
Payment and variable customer service	(18)	Assumed variable cost
Customer acquisition	(35)	Assumed blended CAC
Contribution per booking	70	429 − 306 − 18 − 35
Contribution margin	16.3%	70 / 429 × 100
Annual fixed operating expenses	140,000	Assumed annual total
Break-even bookings	2,000	140,000 / 70

Table C2. Hypothetical operating scenario sensitivity

Annual bookings	Gross package sales, EUR	Contribution, EUR	Operating result, EUR
1,500	643,500	105,000	−35,000
2,000	858,000	140,000	0
2,400	1,029,600	168,000	28,000
3,000	1,287,000	210,000	70,000

Assumptions: No VAT, tax, financing, cancellation costs, or startup investment costs and €70 per contribution, €140,000 fixed expenses. The accounting revenue policy conclusion is gross package sales.

Table C3. Illustrative fixed-cost envelope

Category	Annual EUR
Staff / founder operating compensation	84,000
Digital tools, booking system and security	24,000
Professional advice, compliance and protection allowance	12,000
Administration, premises and fixed marketing	20,000
Total	140,000

The allocation is a null construction and not a quote, therefore package travel insolvency-security premiums and real terms need to be obtained and substantiated.

Appendix D. Strategic Decision Matrix & Roadmap

Table D1. Weighted strategic option selection (ratings 1 = weak; 5 = strong)

Criteria	Weight	Regional pilot	Nationwide rollout	Affiliate reseller
Market access	30%	4	5	4
Margin potential	25%	4	3	2
Manageable execution risk	25%	5	1	4
Differentiation	20%	4	3	2
Weighted total	100%	4.25	3.10	3.10

Author-based scaling (not survey). Weighted total – total the rating multiplied by the weight, re-think after supplier quotations and validation interviews.

Table D2. Practical implementation plan and decisions

When	Deliverable / owner	Decision gate (illustrative)
Months 1–3	Founder: interviews, quotations, landing-page test	>=30 interviews and evidence of demand at target prices
Months 4–6	Operations: contracts, protection, legal review, pilot	No launch before confirmed organiser obligations and supplier fulfilment
Months 7–9	Marketing: route-by-route attribution and refunds	Positive contribution after refunds; CAC <= €35 target
Months 10–12	Founder / finance: stress test and expansion memo	Conservative cash buffer and acceptable service failure rates

All times and thresholds are for the purpose of offering suggested management practices for the hypothetical start-up and are recommendations only, not regulatory requirements.