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MASTERS FINAL WORK

PROJECT

THE IMPACT OF DIGITALIZATION ON ANGEL INVESTING NETWORKS: ENHANCING COREANGELS PERFORMANCE THROUGH BUSINESS MODEL INNOVATION AND CUSTOMER SUCCESS

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To my parents, Annalisa and Raffaele, whose sacrifices, love and endless encouragement have been fundamental during my academic journey.

B2B2C – Business-to-business-to-consumer

BA – Business Angel

BM – Business Model

BMI – Business Model Innovation

CS – Customer Success

CSM – Customer Success Management

ICT – Information and Communication Technology

IoT – Internet of Things

IT – Information Technology

SME – Small and Medium-sized Enterprise

VC – Venture Capitalist

RESUMO

A constante evolução do mundo empreendedor e o surgimento de Business Angels como atores essenciais trouxeram a necessidade dos diversos actores dessas redes de aprimorar as suas operações para permanecerem competitivas. Para sustentar a sua competitividade, estas redes tentam melhorar as suas operações, integrando a digitalização e a inovação no modelo de negócios (BMI). No entanto, a literatura académica existente sobre este tópico é notavelmente escassa, deixando lacunas significativas para a comunidade científica. Este estudo visa abordar essa lacuna fornecendo novas perspectivas sobre o impacto da digitalização, Inovação no Modelo de Negócios (BMI) e Sucesso do Cliente (CS) no desempenho das redes de investimento anjo e quão importante sua correlação pode ser, usando o caso do COREangels, uma comunidade global de fundos de investimento anjo. Esta rede sempre buscou iniciativas para refinar e modernizar suas operações, portanto, este projeto tem como objetivo avaliar as implicações desses esforços contínuos nas experiências dos investidores anjo, portanto, os clientes. Ao explorar as percepções dos funcionários da rede COREangels e dos investidores anjo que dela fazem parte, o estudo visa destacar a importância da digitalização nas redes de investimento anjo, examinando as relações entre BMI, CS e desempenho da empresa, e como CS e Desempenho da Empresa podem ser ainda mais melhorados por meio do BMI. Para alcançar seus objetivos, foram realizadas entrevistas semi-estruturadas, juntamente com um questionário qualitativo e observações realizadas in-situ, com os funcionários e clientes da COREangels. As descobertas e principais conclusões deste estudo fornecem insights valiosos sobre os benefícios potenciais das estratégias de digitalização, BMI e CS para ampliar o desempenho das redes de investimento anjo em termos de atratividade da empresa, eficiência aprimorada e satisfação do cliente, juntamente com recomendações para melhorias futuras. Os resultados mostram algumas limitações em relação às medidas de desempenho da rede de investimento anjo e sucesso do cliente devido às lacunas na literatura. No entanto, este projeto mostra seu principal valor em suas recomendações para futuras estratégias para melhorar ainda mais CS e desempenho por meio de BMI e digitalização em redes de investimento de business angels

Palavras-Chave: Investimento Anjo, Digitalização, Inovação de Modelo de Negócios, Sucesso do Cliente, Desempenho.

ABSTRACT

The constant evolution of the entrepreneurial world and the rise of Business Angels' groups as pivotal players in such a market brought the need for these networks to improve their operations in order to remain competitive. To sustain their competitiveness, these networks are trying to enhance their operations, leveraging digitalization and business model innovation (BMI). However, the existing academic literature regarding this topic is notably sparse, leaving significant gaps for the researcher community. This study addresses this void by providing new insights on the impact of digitalization, Business Model Innovation (BMI), and Customer Success (CS) on the performance of angel investing networks and how important their correlation could be, using the case of COREangels, a global community of angel funds. This network has always pursued initiatives to refine and modernize its operations, therefore this project aims at assessing the implications of these ongoing efforts on the experiences and success of the angel investors, ergo its clients. By exploring the perceptions of the employees of COREangels network and the angel investors who belong to it, the study aims to highlight the importance of digitalization on angel investing networks, examining the relationships between BMI, CS and firm performance, and how CS and Firm Performance can be further improved through BMI. To achieve its objectives, semi-structured interviews, along with a qualitative questionnaire and observations conducted in-situ, were executed with the employees and clients (i.e. the angel investors) of COREangels. The findings and main conclusions of this study provide valuable insights into the potential benefits of digitalization, BMI, and CS strategies for enlarging the performance of angel investing networks in terms of firm attractiveness, improved efficiency, and customer satisfaction, along with recommendations for future improvements. The results display some limitations regarding the measures of an angel investing network performance and customer success due to the gaps in the literature. Nevertheless, this project shows its main value in its recommendations for future strategies to further improve CS and performance through BMI and digitalization in angel networks.

Keywords: Angel Investing, Digitalization, Business Model Innovation, Customer Success, Performance.

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1. INTRODUCTION

The competition in the entrepreneurial market is rapidly growing, and, at the same time, the integration of digitalization and innovation approaches into companies' operations is becoming an important opportunity not only for trying to survive in more competitive environments, but also for ensuring the overall successful performance of firms (Ramdani et al., 2022). The increasing importance of digitalization in recent years has propelled businesses to embrace digital platforms and innovative strategies to enhance their performance (Agostini et al., 2019), revolutionizing the way business is conducted (Parida et al., 2019a). In this context, the digital transformation required companies to rethink their business models, starting to allocate more time and resources for business model experimentation and participate in strategy implementation (Bouwman et al., 2019). Such peculiarities are even encountered in the example of angel investing networks as they are playing a more pivotal role in the startup ecosystem by providing early stage fundings to startups (Edelman et al., 2017). For many years, such networks of angel investors provided a huge contribution in terms of innovative approaches and up-to-date business model findings (Butticè et al., 2021), and their network dynamics are continuously evolving (Mason et al., 2019). Meanwhile, Customer Success (CS) has emerged as a crucial topic in the contemporary business world, which includes the ongoing creation of long-term value and active engagement with the customers (Ulaga et al., 2020). Recent researchers were able to highlight the important linkage between the outcomes of innovative approaches and CS (Gellweiler & Krishnamurthi, 2020; Ngo & O'Cass, 2013), and therefore many theories among the literature suggest that CS can been seen as an effective strategy to achieve firm performance through the use of digitalization (Eggert et al., 2020; The Customer Success Association, 2019).

The significance of this study lies in its exploration of the intersections between digitalization, BMI and CS and their impact on the performance of an angel investing network. While this project aims at filling notable gaps in the existing literature, it also offers practical insights for the COREangels stakeholders, and contributes to the broader understanding of digitalization in an angel network with the final aim to advance both academic knowledge and practical strategies for COREangels.

In addition, digitalization and innovation in angel investing networks have a significant impact on SDGs, and in particular, they promote SDG number 9. This focuses on inclusive and sustainable industrialization, innovation, and infrastructure, in order to generate more employment and income. Indeed, since digitalization could potentially increase their performance, they help to promote the advancement of technology and innovation within the entrepreneurial landscape, contributing to the development of the economy, sustainable industrialization, and job creation.

This project emerged from a practical experience within a nine-month internship at COREangels, a community of angel funds, where the main aim consisted of strengthening operational processes and data analysis with the help of innovative solutions. Since there is a limited amount of research investigating how impactful digitalization, BMI and CS are on angel networks, the main purpose of this study is seeking to obtain some understanding of it, using the case of COREangels. To this objective, this project aims to answer three questions: "Does digitalization have a positive impact on an angel investing network's performance?" (RQ1); "Do Business Model Innovation and Customer Success positively impact performance in an angel investing network?" (RQ2); and "How Customer Success and Firm Performance can be further improved through BMI?" (RQ3). Regarding the structure of the document, this is articulated in eight main chapters: Introduction, Literature Review, Conceptual Framework, Research Method, Company Overview, Analysis of Results, Discussion and Conclusions. The Literature Review gathers the literature of the topic with the purpose of providing a solid background to the present study, therefore it examines the angel investing industry and its main components. Moreover, to explore the intersection of angel investment and digitalization, the literature review delves more in detail into customer success and firm performance in today's businesses, along with business model innovation and digitalization practices. Based upon the literature examined, a conceptual framework is developed and proposed for this research. The fourth chapter intends to provide the research method used for this project and how data was collected. Furthermore, the main insights of COREangels and the description of its operations are provided to better understand the context of this thesis. Hence, the data are analyzed, interpreted, and discussed. Finally, the last chapter provides the findings of the research along with its limitations and suggestions for future research.

2. LITERATURE REVIEW

2.1. The Role of Angel Investors

In recent years, angel investors are emerging as important players in the world of entrepreneurship, helping entrepreneurs in turning innovative ideas into successful businesses (Mason et al., 2019). According to Roach (2010), the term "angel investor" rose in the theatres of New York City during the early twentieth century, when producers in Broadway would make high-risk investments when producing their shows, which would make them earn financial returns and acquire a certain status in their communities. Today, angel investors, also referred as "angels", are frequently defined as wealthy individuals with past entrepreneurial experience who invest in high-risk and early-stage firms, offering capital in return for convertible debt or ownership equity (Butticè et al., 2021). Differently from Venture Capitalists (VCs), who are more concerned regarding market risks, business angels (BAs) primarily focus on agency risks (Taylor, 2019). In fact, BAs are incredibly careful when judging entrepreneurs or new businesses they want to invest in (Guen Sohn, 2016). Frequently, these judgments are influenced not only by financial factors but also by the angels' passions, confidence in the entrepreneur's idea, altruism, fun, or by the desire to obtain personal recognition and to foster innovation (Falcão et al., 2023). Some BAs may also be motivated by a desire to give back to their community or to support social causes they care about (Falcão et al., 2023). They often embody the role of mentors, leveraging their sector expertise and network ties to provide guidance and direction to the startups' founders and their teams (Bonnet et al., 2022). BAs tend to invest in pre-seed or seed startups within their familiar industries and geographies, which do not have access to equities markets because they are too new (Hellmann et al., 2021). Moreover, as Falcão et al. (2023) explain in their research, during the funding process BAs could be collocated between crowdfunding and VCs in relation to the amount of money they invest: precisely, higher than crowdfunding but lower than VCs. Since there is not an officially accepted definition for BAs in the literature, nor for the main distinctions between BAs and VCs, it is still interesting to consider a further in-depth analysis of such differences, which is well investigated by Hellmann et al. (2021):

- As the authors explain, the first difference is related to the type of financing (e.g., direct versus intermediated). While both venture capitalists and angel investors invest money in businesses in exchange for equity, BAs invest through their own

wealth (or family's wealth), while VCs always invest on behalf of other institutional or individual providers (e.g., venture capital firms or institutional funds)(Hellmann et al., 2021).

- BAs and VCs tend to have diverse types of constraints when investing, as well as different motivations and incentives. These differences come from the nature of financing that characterizes the two groups, as explained above (Hellmann et al., 2021).

- BAs typically bring industry expertise and their experience to help a new company to grow. VCs may not necessarily possess experience in that specific sector, industry, or geographical region of the ventures they invest in, and they do not usually function as mentors (Hellmann et al., 2021).

Moreover, Hellmann et al. (2021)'s analysis revealed a fascinating outcome of a study determining whether VCs and BAs were complementary or substitutes. They found the following:

"That angel investors and VCs are dynamic substitutes and that this substitutes pattern is explained by a selection effect. Companies that obtain angel funding are less likely to obtain subsequent VC funding, and vice versa." (p. 476)

Hence, according to the authors, the distinct characteristics of the two types of investors do not limit their coexistence and success. This is because each operates in specific and distinct environments and relates with several types of companies.

It is important to notice that the entrepreneurial ecosystem is in a continuous evolution, and the main actors of this ecosystem are dynamically evolving as well (Mason et al., 2019). This is also why, across literature, it is quite challenging to find definitions that are generally and officially accepted. Therefore, the purpose of this literature review is to provide the reader with a general and as clear as possible overview of the angel investors' personas and their surroundings.

2.2. Angel Investing Networks

The BA's market is dynamically changing, and angel investors are not investing as individuals anymore, but alongside other angels as part of organized groups (Mason et al., 2019). Since the nineties, the angel investing market has experienced a constant

transformation from a market dominated by independent individuals to ad hoc groups of investors with similar profiles and investment thesis (Edelman et al., 2017). By gathering into groups, BAs have been able to reach financial commitments that hitherto, had been attained only by VCs, increasing their total amount invested into startups and the size of their investments (Bonini & Capizzi, 2019).

This network dimension brought several advantages to its members (Bonnet et al., 2022). A network of BAs enables to lower the information asymmetries, streamline screening processes for investment opportunities, to receive consultancy from experts and experienced angels, and to ensure more managed and organized operations (including due diligence, investment committees, investing opportunities, monitoring ventures and exits) (Butticè et al., 2021). Furthermore, over the last years, angel investing networks have gained increasing economic importance, which allowed the creation of several types of models, each with their unique structure and operations (Bonnet et al., 2022). Mason et al. (2019), individuated the following models of BAs groups:

- The "dinner-club" model where the various BAs members meet to hear the pitches of entrepreneurs who have already been pre-screened by the management team of the group.
- The "core-periphery" model in which fewer lead investors provide the main decision-making functions and lead the group's investments.
- Another model sees BAs gathering in groups around an experienced angel who assumes the role of leader in the investments.
- Many larger groups of BAs (e.g., Go beyond; Keiretsu; Alumini) follow the model of syndicates. The networks following this model operate in several locations around the world under the same brand, but each of those has its own standard procedures and structures. They usually run training sessions and other events to build a sense of community between members across groups and each group of BAs operates and invest under the same brand, always maintaining a certain autonomy and independence from the other groups.
- Hybrid models comprise two or more of the characteristics of the previously mentioned models.

In spite of the wide heterogeneity amongst models in BAs' groups, some common elements can be encountered. These typically include the presence of a group leader, a

unique investment thesis, and similarities among the angels within a specific group in terms of geography or expertise (Mason et al., 2019). Nowadays, a key challenge for angel groups, as Bonnet et al. (2022) affirmed, is trying to find and attract qualified and active individuals that guarantee their long-term commitment and involvement.

Furthermore, worth mentioning is that few studies have been conducted regarding customer success and business performance within an angel investing community, therefore a further analysis in the next paragraphs will be performed to better understand the ontology of customer success and how it can be characterized within angel networks, alongside business performance, within the same context.

2.3. Customer Success and Firm Performance

Customer Success (CS) is a concept that is increasingly gaining importance among business markets in the recent years (Ulaga et al., 2020). CS is related to the creation of the value perceived by the customer (i.e. Customer Value) on an ongoing basis, deeply linked with concepts such as customer experience, customer satisfaction and customer engagement (Hilton et al., 2020), and from which emerged the "*proactive action taken by the seller to educate, prepare, and engage customers for value co-creation*" (Hochstein et al., 2021, p. 601), i.e. Customer Success Management (CSM).

Different opinions within the literature suggest that CS, in the context of Angel Investing, can be related to different factors such as their return on investments, the overall performance of the groups, their satisfaction regarding the nature of their relationships with startups or other investors, the good feeling of being part of a community (Falcão et al., 2023), their general experiences with the investments and interactions, or the performance of their invested startups (Guen Sohn, 2016). Nonetheless, nowadays there still is insufficient evidence in the current academic literature that determines how to really define customer success within angel investment networks.

CSM is a new practice that businesses are recently adopting and can be split in two main areas (Kleinaltenkamp et al., 2022). The first is related to activities that monitor and enhance customer value, the second refers to the implementation of organizational structures and processes that a firm adopts to enhance customer value and CSM activities (Kleinaltenkamp et al., 2022). As Otto et al. (2020) affirmed in their research on customer

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satisfaction and business performance: "*Emphasizing customer satisfaction as a strategic lever for enhancing business performance is a widespread business practice*" (p. 543). According to the same study, business performance refers to the set of those perspectives that can bring the company to its success, such as revenue growth (i.e., financial performance), network growth and firm attractiveness (Otto et al., 2020). As many authors anticipated across the literature, the achievement of Customer Success could impact in a positive way the overall performance of an organization.

According to Kleinaltenkamp et al. (2022), CS comprehends several characteristics that explain its nature, such as success-oriented, customer support, revenue-driven, predictive, and analytics-focused. After carefully examining the existing academic definitions of CS within the current literature, it is possible to design few conceptualizations of such a practice:

- CS is a company-wide matter and in order to achieve it the company should deliver software and expertise (Nick Mehta & Allison Pickens, 2020).
- CS is a philosophy that require a certain company commitment towards customers and fundamental organizational changes to achieve it (Eggert et al., 2020).
- CS is, among others, that approach consisting in building relationships with existing customers and helping them achieve their goals through day-to-day contact (Eggert et al., 2020).
- "*Customer Success is a long-term, scientifically engineered, and professionally directed strategy for maximizing customer and company sustainable proven value*" (The Customer Success Association, 2019).
- CS is the methodology of ensuring customers achieve their desired outcomes while using a company's services or products (Eggert et al., 2020).

Regarding the overall firm performance, according to the research findings of Bouwman et al. (2019), within the context of Small and Medium-sized Enterprises (SMEs), performance can be achieved though Business Model experimentation, in particular via Business Model Innovation driven by digitalization. Anyway, as anticipated by Ngo and O'Cass (2013), innovation capabilities and experimentation are necessary but not sufficient conditions for improved firm performance, and the potential value of innovation can be realized only through customer participation.

To further explore this aspect, in this research the author aims to investigate the main research gaps concerning this concept, which is to assess the impact that digitalization, along with innovative and digital practices, has and can have on customer success and BMI with the final purpose to achieve firm performance within a business angel network. In doing so, a general analysis of the impacts of these concepts on businesses is carried out with the intention of examining the key findings on the author's particular case, the angel networks.

2.4. Digitalization and Business Model Innovation in Business Networks

To this study, it is interesting to examine a comprehensive literature review which encompasses business networks in general, with a particular focus on SMEs, and explore how factors such as innovation and digitalization may contribute to enhancing customer success and firm performance.

When we talk about SMEs, we are referring to those firms that have at least less than 250 employees (Bouwman et al., 2019). In order to compete with their larger competitors, they need to take advantage of new opportunities, such as digital technologies, to reinforce their systems and grow faster. SMEs frequently have a fear of implementing these novel technologies, and occasionally they even fail to do so (Ramdani et al., 2022). However, as the same authors admit, implementing digital technologies can have a variety of positive effects on SMEs, including decreased costs, increased customer satisfaction, profitability, and improved firm performance.

According to Parida et al. (2019), digitalization refers to "*revolutionizing the way business is conducted within industrial value chains through the use of Internet of Things (IoT) technologies, intensive data exchange and predictive analytics*" (p. 1). Nevertheless, according to the academic literature, if an organization wants to benefit from digitalization it needs to make a transition towards innovative business models (BMs) (Bouwman et al., 2019; Parida et al., 2019a).

Bouwman et al. (2019) define BM as "*the way a single organization or a network of organizations collaborates at strategic and operational levels to offer and exploit products and/or services. To do so, a single organization or a network of firms can make use of platforms, IT architectures, and applications*" (p. 1). Moreover, based on the previous definition given by Foss & Saebi (2017), Bouwman et al. (2019) define

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Business Model Innovation (BMI) as "*a change in a company's BM architecture or its components that is new to the firm and results in observable changes in the company's practices towards customers and partners*" (p. 2). Therefore, the process of involving digital technologies to automate, streamline and improve existing processes as well as the efficiency, accuracy and speed of operations, could potentially improve the overall performance of the firm, and this is possible only if the company changes how it creates, delivers and captures value in a more innovative and efficient way, i.e. by adopting a new BM (Parida et al., 2019a).

According to Gellweiler & Krishnamurthi (2020), digital innovation can achieve customer success, and firms that can renovate their BMs and provide (digital) customer advantage will achieve a strong competitive advantage, which will benefit the firm as a whole. Hence, digital innovation is related with any new system, process or product that require change (Gellweiler & Krishnamurthi, 2020). It can also be referred to "*the organizational exploitation of digital technologies including Information and Communication Technologies (ICT), Information Systems (IS), and Information Technology (IT) among others*" (Ramdani et al., 2022, p. 56). When modifying business systems, connecting smart devices, implementing new applications and software, the outcome could be a significant increase of the customer advantages (Gellweiler & Krishnamurthi, 2020). Furthermore, digitalization can offer several benefits to the firm's services and process innovations, such as the improvement of business analytics tools and advancements of information and communication technologies (ICT), which can bring to the company insightful and predictive analytics that could benefit the overall business efficiency (Chatterjee et al., 2024). According to Parida et al. (2019), there are three main functionalities of digitalization that deliver value to the customer:

- The collection of operational data with low human intervention.
- Connectivity and wireless communication networks.
- Analytics and their ability to transform available information into valuable insights.

In Chatterjee et al. (2021) research, it has been found that advanced ICT, through the use of digitalized systems, can foster innovation and provide effective inputs to the firm. The authors believe in a data-driven culture which is deeply associated with the values and beliefs that guide a firm to its success. By adopting strong and digital analytics

capabilities, and effective data management, not only business success will be achieved, but will lead the same firm to accelerate value and further innovate (Sabharwal & Miah, 2021). Another study, conducted by Chege et al. (2020), concerning the impact of information technology innovation on firm performance in Kenya, demonstrated the importance for businesses and entrepreneurs to develop innovative strategies through technology innovation to actualize firm success.

3. CONCEPTUAL FRAMEWORK

This study has been developed with the aid of a conceptual framework illustrated in Figure 1. The framework is based on a review and analysis of the existing literature, previously explored in Chapter 2, and it is the result of three different models designed, respectively, by Parida et al. (2019), Gellweiler and Krishnamurthi (2020), and Bouwman et al. (2019).

The first model designed by Parida et al. (2019) demonstrates how digitalization, and the use of digital technologies, enables business model innovation. In their specific framework, the authors propose that digitalization is "*the use of digital technologies to innovate a business model and provide new revenue streams and value-producing opportunities in industrial ecosystems*" (Parida et al., 2019, p. 12). They believe that digitalization goes hand in hand with business model innovation, which furthermore requires new processes and products that can deliver, capture and create value to the customers and the firm. According to Parida et al. (2019), "value creation" refers to what is offered to the customer, they associate "value delivery" with the activities and processes that need to be carry out in order to deliver a certain promised value to the end-user, and "value capture" with what concerns the revenues, financial viability and cost structure. Parida et al. (2019) use this framework logic to demonstrate how, from digitalization and BMI, it is possible to enable sustainable benefits to the industries. For this study's framework, only the first part of their model will be applied, and therefore the generation of business model innovation as a result of digitalization practices (Parida et al., 2019a), while still taking into consideration the importance of sustainability for the angel network's future improvements (Startup Business, 2023).

The second model designed by Gellweiler & Krishnamurthi (2020), focuses on the advantages that customers perceive when combining features of digitization,

digitalization and innovation. The authors consider as center of digital innovations "*Intelligent and sensor-equipped objects connected via access and backbone networks*" (Gellweiler & Krishnamurthi, 2020, p. 1) and they consider as basic approaches the changing of the business systems (i.e., innovation of business models) and the evolving social trends. The combinations of these will create value for the customer. Again, Gellweiler & Krishnamurthi (2020) mainly focus on the impact of BMI, and especially on the ways it delivers and captures value to the customers, hence achieving customer success. Their model believes that the customer derives value from three types of benefits: operational excellence in terms of superior service functions (or product); product leadership in terms of lower costs, or benefits from customer experience. To this study, we will consider CS as the realization of these three items (Gellweiler & Krishnamurthi, 2020). CS is further considered as the strategy to maximizing clients' value in the long term, hence enabling business performance (The Customer Success Association, 2019). By combining the findings of the literature reviewed in the previous paragraphs, in particular those of Eggert et al. (2020); Ngo & O'Cass (2013); Otto et al. (2020) and The Customer Success Association (2019), we borrow the idea that achieving CS is a prerequisite for firm performance.

The third model designed by Bouwman et al. (2019) is based on a concept that "*spending time and resources on BM experimentation and strategy implementation has a positive effect on the firm performance*" (p. 4). Therefore, their study follows a conceptual framework based on the idea that firms that change their BMs through digitalization and that spend the right amount of time, resources and activities on those processes will surely benefit from that change. Their paper hence proposes that BM experimentation positively benefits the business overall performance. Additionally, a significant concept the authors focus on is innovativeness. This relates to two different dimensions: the first is related to the firm's orientation/tendency to innovate, in which innovativeness represents the "*openness to new ideas as an aspect of firm's culture*" (Bouwman et al., 2019, p. 4), and a dimension related to the *"capacity of a firm to innovate* and *to introduce some new process, product or idea in the organization*" (Bouwman et al., 2019, p. 4). While Bouwman et al. (2019) seek to demonstrate how these factors positively influence SMEs, the conceptual framework of this study will adapt this theory by focusing on an angel investor network.

These three models have been selected as main pillar sources of this conceptual framework and literature review, with the final purpose of investigating the impacts that BMI and CS have on angel investing network performance as a result of digital practices.
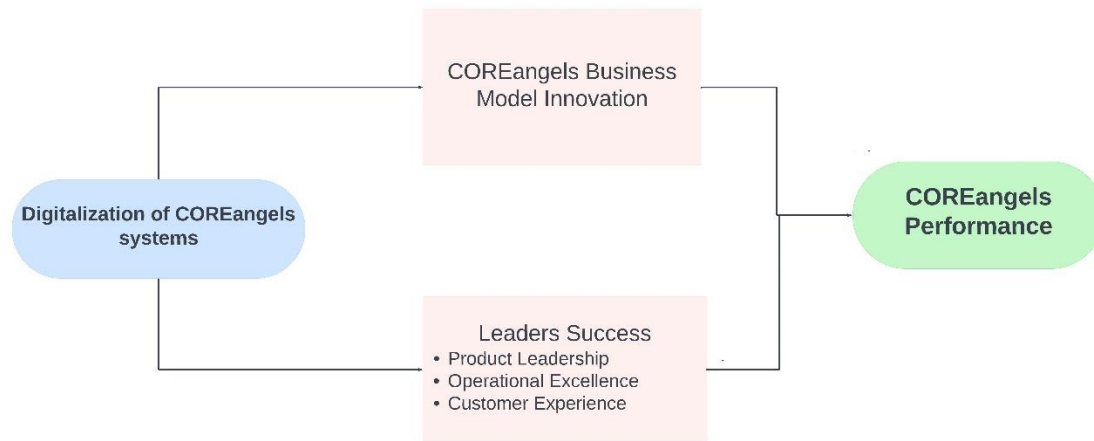
Figure 1 - Conceptual Framework

Source: Own Adaptation (Based on Bouwman et al., 2019; Gellweiler & Krishnamurthi, 2020; Parida et al., 2019)

3.1. Constructs and Interviews Guide

The review of the existing literature permitted the author to collect different measures that enabled us to design constructs in order to answer our research questions.

When we refer to BMI as a result of digitalization, we consider the conceptualization of Parida et al. (2019). The authors provide a comprehensive overview of the literature on this topic, drawing particularly from earlier conceptualizations by Porter & Heppelmann (2015). Here we borrow the idea that the application of different digital technologies, such as software and automated systems, leads to BMI. With BMI, we refer to the changes and introduction of novel components into the current business model of the firm in order to provide long-term value to customers, as affirmed by Parida et al. (2019). To measure the impact that BMI has on firm performance, we derive from Bouwman et al. (2019) the concepts of resources for BM experimentation and innovativeness. In particular, the authors use these two items to demonstrate that firms that are modifying their BMs due to digitalization, will benefit from the time and resources spent in experimenting BMI, and that the capacity to innovate benefits the overall business performance. For this reason, BM experimentation and innovativeness

were used during the qualitative data collection. In Bouwman et al. (2019) study, business performance is measured subjectively and is based on the conceptualization that it constitutes financial performance (revenue growth, market value) and operational performance (service quality, customer engagement). In this study, to adapt the model to an angel investing company, business performance will be associated to both revenues, network growth and firm attractiveness (Otto et al., 2020). This can be exemplified by the successful performances of each angel group, by their trust in the future, by the growth of the network, by the increase of the network's revenues, by the attractiveness of the network to other angels, or by the fundraising efficiency (Butticè et al., 2021).

To assess the impact that digitalization and digital innovations have on customer value and success, the measurements of Gellweiler & Krishnamurthi (2020) will be taken into consideration. In their study, they describe several cases where different companies adopt digital innovations, as a result of changes in their business systems (i.e., BMI), social trends and network connectivity. Hence, they demonstrated how these can achieve customer value and success. CS can be achieved in three different ways, according to Gellweiler & Krishnamurthi (2020): through operational excellence perceived by the customer (also in terms of lower costs), customer intimacy (benefits from customer experience), and product/service leadership (benefits from new functions), and it can be measured in terms of customer experience, engagement, satisfaction, customer retention and life time value (Hilton et al., 2020). As previously discussed, by achieving CS firm performance will be enhanced.

It is relevant to say, as Bouwman et al. (2019) anticipated, that within the existing literature there is an evident lack of validated or previously used scales that could easily be adapted. Nonetheless, the few examples that have been encountered, although in most of the cases are self-developed, they surely rely on definitions and concepts of other findings in the literature.

4. RESEARCH METHOD

The primary goal of this chapter is to clarify the methodology that has been used for this study in order to achieve its main objectives and attempt to answer the research questions. The research aim is to assess whether digitalization has a positive impact on customers success and BMI and whether these two will act to provide positive outcomes

on firm performance in angel investing networks. A further objective is to assess how such impact could be improved in the future. For this purpose, the specific case of COREangels will be considered.

The next paragraphs will present the design and research strategy, followed by the characterization of the units of analysis and the principal techniques of data collection (Saunders et al., 2019).

4.1. Research Strategy and Research Design

With regard to the research objectives, interpretivism will be the base philosophy of this study, since it allows the researcher to assess the research problem through the eyes of different participants (Saunders et al., 2019). In fact, interpretivism focuses on participants' interpretations and perceptions gathered through the use of qualitative research approaches (Saunders et al., 2019). Additionally, the study follows a Case Study strategy, based on data collected in-situ executed in multiple moments in time, using a longitudinal time-horizon approach. A Case Study Research is an iterative process of inquiry that uses participatory and collaborative approaches to create improvements to real organizations (Johnson, 2020). Such a strategy aims to produce practical outcomes while taking action in that specific organization and it allows the author to change the research procedure accordingly. The study will take into consideration the main events since the beginning of the internship complemented by previous occurrences that relate to the organization's innovations throughout the previous year.

The research design is based on an exploratory study using a qualitative multi-method that combines six different sources of evidence and geared to an action-oriented solution (Goh, 2012). The sources of evidence are theories from the literature, direct observations and participants observations, archival documentation, interviews of human participants (participants initial reflections) and a qualitative questionnaire (participants final reflections). Qualitative research is the methodology that most appropriately fits the exploratory purpose of this study, and a content analysis technique will be applied to analyze the final results (Saunders et al., 2019). The final scope is to assess the findings emerging from the analysis of the datasets to obtain a broader and deeper overview of the topic, its outcomes and their evaluation.

4.2. Selection of Participants

A non-probability sample was chosen to determine the participants in the research.

Three team members of COREangels International were asked to take part in semi-structured interviews: the Community Manager, the Financial Manager, and the CEO of COREangels. The participants are originally from Iran and Brazil and are aged from 26 and 50 years old. The choice of interviewing the team members of COREangels International is believed to be appropriate following the theories behind our Conceptual Framework, where the employees are essential players within BMI and firm performance. In fact, the team changed the firm's BM because of digitalization, which is a relevant factor according to Bouwman et al. (2019). The outcomes of the interviews were then triangulated with multiple sources, such as observations and the consultation of documentation and archival records.

Finally, the point of view of the customers is assessed, and the leaders of the eleven angel funds within COREangels Community were asked to participate to a qualitative questionnaire regarding the recent improvements that have been made in COREangels BM and what personal impact they have experienced. The leaders are angel investors that come from different parts of the world, and they all perform different professions in multiple industries. Table 1 depicts the participants of the study in more detail.

These types of data collection allowed the author to gather important opinions about the employees and customers (i.e., the funds in our network). According to Saunders et al. (2019), a qualitative study with interpretive stance and a participatory approach is fundamental for a Case Study strategy choice, since the involvement of the researcher through interactions with participants is crucial. This, in fact, ensures that the process will be smoother and will build stronger relationships with the participants.

Table 1 – Participants Selection

Role	Function in the Company	Type	Duration	Transcript Pages
Employee	Financial Manager	*Interview*	*21:35 min*	5
Employee	Community Manager	*Interview*	*45 min*	6
Employer	CEO	*Interview*	*25:20 min*	4
Clients	8 Fund Leaders of COREangels	*Qualitative Questionnaire*	*n/a*	8

4.3. Data Collection Methods
4.3.1 Semi-structured Interviews

The first data collection takes the form of semi-structured interviews. This technique permits the author to collect responses to open questions that will give a broader overview of the characteristics of the company and some comparisons between its past and present operations. Since the questions have been previously defined but adapted following an iterative process during the interviews, other questions beyond the defined structure have been asked (Saunders et al., 2019), utilizing the constructs previously presented in Chapter 3. Three semi-structured interviews were conducted, at different points in time, with three different COREangels employees. The interviews were in person and made on a one-to-one basis following the structure of the questions presented in Table 3. The purpose of the interviews was to evaluate our research's thematic concerns and priorities. The participants were asked about their perceptions regarding any impact that BMI and other digitalization practices have had on their customers and the firm, particularly focusing on past and present innovations. Furthermore, they were questioned about whether they have observed any variations in the factors influencing CS, and if both BMI and CS contributed to firm performance. Lastly, questions regarding suggested future implementations and improvements were asked.

The interviews have been audio recorded with the official consent of the participants and have the purpose to investigate some of the challenges that the company is facing in this period related to the new digitalized processes recently implemented and how they are perceiving the impacts on the customers. The choice of this method results from the belief that it is the most straightforward and effective way to obtain personal points of

view from the company's employees, following the interpretivist philosophy of this study (Saunders et al., 2019).

4.3.2 Observations and Archival Documents

A further primary data collection refers to the observations made accessible while performing a nine-month internship at COREangels. The observations have been made through collection of documents and archival data of the company, participants observations gathered during meetings and direct observations collected during the daily tasks of the internship. During this time, the various operations and processes of the company have been analyzed and then improved. More precisely, relevant attention was given to the various functions and interactions of the CRM system and Customer Support procedures, along with the Data Analysis and Reporting processes.

One of the main projects of the internship was to automate and streamline many of these operations, such as the implementation of an automated ticketing system, streamlined data collection, and software integration, which could fortify the customer success framework within COREangels.

4.3.3 Questionnaire

Another form of primary data was collected through an anonymous qualitative questionnaire. This technique allows to collect specific responses from a larger number of participants, who in this case will be the angel investors of COREangels network (i.e., the end customers), and in particular the leaders of the eleven angel funds. The method gives simplicity in the management and administration of the data, making the collection of the information faster and easier (Saunders et al., 2019). The questionnaire takes the form of a qualitative survey with ten open questions and follows the same guide of the interviews, described in Chapter 3. Generated with Google Form and shared in the Slack channel (the main communication channel of the community) with the investors through a link, the questionnaire had the scope to assess the satisfaction, experience and perceived value of the customers regarding the recent improvements and the future ones within COREangels operations. The questionnaire was conducted along with meetings observations and documents collection, hence enabling a triangulation of multiple sources to better understand the breath, complexity and depth of the study (Saunders et al., 2019),

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and it allows the author to reach the final steps of the action plan: evaluation and analysis of the results along with future improvements.

4.4. Criteria for Assessment: Reliability and Validity

As mentioned in the previous paragraphs, the data was collected in the form of interviews, questionnaire and observations, and there were no difficulties in accessing the data; however, conducting the process was simple and smooth, and the participants were willing to participate. Regarding the collection of older documents, the process was made possible by the CEO's and the internship supervisor's access to the team's shared Google Drive and digital archives of the firm.

Reliability and validity are two important criteria when assessing the quality of data, while validity refers to how appropriately the data represents the studied phenomenon, reliability is linked to the consistency of the data (Saunders et al., 2019). For this last aspect, during the interviews is important to ensure the consistency of the data, which shall not to be biased from personal judgements or expectations from the interviewer. This is why specific structures to follow the interviews have been designed and then conducted in distraction-free environments. To further ensure reliability, triangulation with other sources (including the observations) was performed. Moreover, to ensure the validity of the data, the process of the interview will go through different stages of checking techniques such as transcript check, data cleaning, participants checking and review, minimization of observed bias. The following Chapter is going to give more context and background to the gathered data through a deep description of the company, its operations, the team and clients.

5. COMPANY OVERVIEW

An analysis of the Angel Investing Networks' industry was already conducted and presented in Chapter 2 of our Literature Review, investigating the main characteristics of the market for angel investment networks.

As Mason et al. (2019) affirmed, the market is continuously evolving, and there is still very little knowledge regarding its market size, scope, and types of networks. However, as previously assessed, many different organizational models of angel investing networks developed over time, going from a typical dinner-club model to classical

syndicates. Since this market doesn't follow specific rules and it keeps challenging the traditional definitions of BAs, many hybrid and innovative models have been establishing and thriving in recent times. COREangels Network, LDA can be considered one of them. It is important to note that most of the information and descriptions of the company are based on personal research through the company's website and direct observations made possible due to the internship at the company.

COREangels is a Firm that operates in the Investment Management Industry, specifically in the angel investing sector, with the goal of creating a community of hands-on angels, investing in early-stage startups through local portfolio funds (COREangels, n.d.). Founded in 2019 and headquartered in Lisbon, Portugal, it is present nowadays in different parts of the world through its eleven angel funds based in Europe, Middle East & Africa, LATAM and USA (COREangels, n.d.). The founders of COREangels are currently running and managing the business and are part of the COREangels International Team (COREangels, n.d.). This Team is made of experienced angels and professionals that manage the main internal and external operations of the network, giving support and guidance to the leaders of the COREangels funds (COREangels, n.d.). Originally, the team went through a constant modification of its members along with the appointment of a new CEO, and it now consists of six professionals and two new interns.

COREangels model is described as "*a global brand of angel funds*" (COREangels, n.d.) and it deeply lies on the concept of "Community" where startups and fund leaders can constantly interact and share opportunities, while merging potential financial outcomes with angel experience (COREangels, n.d.). By entering the COREangels community, angel investors can have access to a network of like-minded angels, and they can participate to leaders' meetings where they can learn and share practices, be part of specialized training sessions and webinars led by industry experts and seasoned angel investors (COREangels, n.d.). Moreover, COREangels promotes the Angel Fund Launchpad, a program designed to train Fund Managers, VCs, Angel Investors, Portfolio Managers and Family Offices to open their angel fund and start their journey with COREangels (COREangels, n.d.).

Its foundation is the concept of a fund of angel funds, each with a distinct investment thesis, target size, and the possibility to invest in different size and types of startup portfolios, which can be structured geographically (based on a single geographic area) or

vertically (based on a specific industry sectors). The funds are independent from COREangels International and serve as investment vehicles in which the investors participate and invest in a portfolio selected by the angels from a pool of startups curated by the leaders (COREangels, n.d.). The relationship between COREangels International and each fund is governed by a Licensing Agreement, which describes the rights and duties of both parties (COREangels, n.d.). As mentioned before, there are currently eleven angel funds within COREangels Network: COREangels Atlantic, COREangels Barcelona, COREangels Big Data & AI, COREangels Climate, COREangels Edutech, COREangels EnterpriseTech, COREangels Health Equity & Mental Wellbeing, COREangels Lisbon, COREangels Madrid, COREangels Middle East & Africa and COREangels Pacific. The network is growing at a fast pace and five additional COREangels funds will shortly join the community. Each of those is represented and managed by two or more leaders, usually a Startup Leader (who is highly connected with the ecosystem and deal-flow responsibilities) and an Angel Leader (in charge to find potential angels to join the fund and responsible for interacting with the investors)(COREangels, n.d.). Besides being angel investors of a specific fund, their role relies on having the main interactions with COREangels International and they serve as spokesperson for all the other angel investors in their funds. While the angels do not receive support from COREangels International, the leaders are the only ones receiving guidance, advocacy, and support from the Team.

Considering the nature of COREangels' clients, the company can be considered as a B2B2C, where the customers are companies (independent angel funds), creating a business-to-business relationship, but managed by individuals (the leaders), business-to-customer relationship. For this research, it is interesting to understand the organization and structure of the company. As previously mentioned, COREangels International is a small team composed of only eight people, each with different roles and responsibilities. The company can be categorized as a digital-only business, given that it does not have physical offices and most of the team's meetings and clients' interactions occur online. However, the team of COREangels International gathers in a co-working space in Lisbon once or twice a week.

The organization supports values such as diversity, honesty and trust, teamwork, and professionalism (COREangels, n.d.). Furthermore, values such as "fun at work" and

creativity are highly valued and acknowledged, so that team members can encourage, recognize, contribute and learning from one another (COREangels, n.d.). Even though each team member has its specific roles and tasks, the organization gives each employee the chance to actively shape current roles, develop new ones, and offers flexibility and adaptability in the different internal activities, allowing to integrate personal tasks with others 'ones. Recurring internal meetings and team training sessions provide the opportunity for this, as well as constant communication among team members.

Regarding to COREangels' structure, starting from the top, the team consists of:

1. The President & Co-Founder of COREangels;
2. The Board Member & Co-Founder;
3. The VP Investor & Co-Founder;
4. The CEO;
5. The Financial Manager;
6. The Marketing Team composed by the Community Manager and the Marketing Intern;
7. The Management Team composed by the Financial Manager and the Management Analyst Intern.

Since its foundation in 2019, the company went through a continuous digitalization path that involved all its operations with the goal of improving existing processes and introducing new ones, and its business model has been constantly shaped and adapted to new contexts. This process is still ongoing and COREangels is challenging itself to find the best solutions to remain competitive in such an evolving and unpredictive market. Every year, COREangels International Team gathers to establish the goals of the year, the targets of the goals and the responsibilities. The main drivers of such goals are related to key performance factors such as growth of the network, the angel funds' success, marketing achievements and team growth and organization. As we previously assessed in the literature review, those are common elements that characterize the firm's performance in the context of angel investing networks (Butticè et al., 2021).

It is now essential to understand the current projects and challenges that COREangels International is going through so far to digitalize processes and enhance the success of the customers and the network. These have been the main objectives of the author's internship, and the observations made during the performance of daily activities have contributed to the development of this thesis. The projects in question are the QUVA Software project and the Customer Success Framework project.

5.1. Customer Success Framework

The first project relates to the creation of a new framework concerning Customer Success. Before the beginning of the nine-month internship, the company was lacking a specific CS area that could measure, track and analyze all the interactions, types of support, and results obtained from the customers. Since COREangels BM is deeply linked with the relationships with its clients, hence the angel funds, the team decided to build a customer success framework that could focus on those factors.

The Customer Success Framework encompasses: Onboarding Activities, COREangels International Support, Reporting, Quality Assurance (an internal process which guarantee that all groups in the COREangels Network operate according to the standards defined in the model), and Customers Feedback. While all these processes have been recently improved, for the purpose of this thesis only specific aspects of some of the processes' improvements will be examined deeper. Such a framework has been designed as a hub to assist and engage with the funds since the first day, serving therefore as a primary point of contact with the funds. It constitutes a management area that enhances the overall experience of COREangels community, including the single angel investors, the startups, and funds.

Starting from the beginning and related to the COREangels International Support, the first change was related to the creation of a new ticketing system. Such a system contains all the tickets that the team shares on a weekly basis and that includes all the important interactions with the Leaders' activities, tasks and team's achievements. The system allows each member to currently monitor and stay informed about the activities taking place within COREangels operations, improving communication, and ensuring transparency between the team members. The system was created due to the integration of new applications (such as Zapier, Slack and Google Analytics) and has been fully automated allowing the collection of operational data with low human intervention. It is important to clarify that the support of COREangels International to the funds is possible especially for the use of new tools and software (such as a Digital Library, Google Analytics, the ticketing system and QUVA). One of the main and most significant improvements of the ticketing system is that it is possible to transform available information into valuable insights. In fact, at the beginning of every quarter, the support given to the Leaders of COREangels is measured and assessed, with the purpose of

highlighting useful insights and metrics for COREangels International and to evaluate the performance-related advantages that the funds are obtaining from the provided support. Regarding Reporting, this has undergone a process of constant improvement since the beginning of the internship, starting from automated data collection to data analysis enhancement. Every quarter, COREangels International shares a network report to all the Leaders of the community. The most recently issued reports were created through automatic data collection, due to the integration of applications, and new insights to present within the report (regarding new metrics, new KPIs and forecasted data). These improvements are believed to be very valuable for the clients, since they give a better overview of their performance and a better understanding of the network's trends and insights.

5.2 QUVA Project

A further COREangels' project concerning digitalization, and one of the main projects of the nine-month internship at the firm, is related to the implementation of a new software for alternative investment solutions named QUVA. This is a white-label software, customizable and configurable, designed for fund managers to improve their investment experiences and to better manage and track their investment opportunities (*QUVA*, n.d.). All with the specific purpose of centralizing the information available to the investors, speeding up the different analysis of new opportunities and old. The idea of the project started in August 2023 and the onboarding of the early adopters' funds is almost complete. Afterwards, all the other COREangels funds will be onboarded on the platform and will start to manage their operations on QUVA, this will help COREangels to achieve efficiency and to successfully deliver effectiveness in their services.

Several meetings to onboard the leaders on the platform with COREangels Lisbon and COREangels Barcelona Leaders, the early adopters of this new software, have been conducted. Most of the observations regarding their impressions, satisfactions, and thoughts have been collected during those. QUVA is bringing many changes to the current structure of COREangels Business Model, centralizing all the main interactions, deal-flow processes, and funds operations in one single system. It is crucial to remember that this project is still underway and not yet finished during the writing of this project. Now, to better understand COREangels current position, future plan, main challenges and

how to achieve its goals effectively, the SWOT and TOWS analysis were conducted and presented in the next Chapter.

5.3 TOWS Analysis

The TOWS matrix can be considered as an action tool which identifies the relationships of the factors analyzed through a SWOT matrix to select specific strategies for a firm (Visual Paradigm Online, n.d.). This tool will help to understand the main strengths, weaknesses, opportunities, and threats of the angel community and how to tackle each issue (Weihrich, 1982) . It is interesting to notice how from this same analysis many of the actions have already been implemented so far, and they could serve as a starting point to implement future ones. Based on the SWOT matrix developed and presented in Figure 3 illustrated in Appendix, it was possible to develop a TOWS matrix that identifies strategies for each factors' combination. Four main types of strategies have been developed (see Figure 2): S-O strategies, which are aimed at capitalizing each internal strength with every external opportunity; the S-T strategies, which combine each strength in the SWOT matrix with the threats in order to determine actions on how to avoid the external threats; the W-O strategies which establish strategies to eliminate existent weaknesses through new opportunities; and finally the W-T strategies, aimed at avoiding both present weaknesses and external threats (Visual Paradigm Online, n.d.). From the results of the TOWS analysis and the development of the matrix, the author was able to address several strategic actions to tackle solutions for threats and weaknesses through the identification of opportunities and strengths. Starting from S-O strategies, by leveraging its global presence, COREangels can expand its angel network into new regions, benefiting from new opportunities of growing. Moreover, the focus that COREangels gives to the experience of the angel investors and the leaders could be further enhanced through constant innovation and be able to attract new investors. By combining the innovative characteristics of COREangels BM and the opportunity to further innovate it and adapt it to different and more complex contexts, COREangels could explore new revenue streams, such as online courses and workshops, to diversify its revenue structure. At the same time, fostering strategic partnerships could allow COREangels to promote syndication, co-investments and training sessions, strengthening the community, and improving the experience for angels. As for the S-T strategies, by

improving its digital business model, implementing new management tools, such as QUVA, reviewing its governance model and scaling the operations with new digital tools, not only the organization would improve the efficiency of creating and supporting angel funds, reducing as much as possible manual efforts and human intervention, but it could also optimize the current cost structure and operational efficiency, enhancing at the same time the competitiveness in the industry.

Strengths (S)	Weakness (W)
S-O strategies (Opportunities (O)) • Leveraging global community to expand network growth. • Benefit of the COREangel innovative model to constantly improve it and adapt it to new contexts • Enhance Experience through continuous innovation • Explore new revenue streams leveraging the innovative model and the new strategic partnerships. • Take advantage of the global presence to foster partnerships to promote syndication and co-investments.	**W-O strategies** • Reinforce the revenue structure through new revenue streams, continuous innovation and new partnerships • Overcome the weakness of adaptation to the investors' different contexts by tailoring their needs with new strategies such as new initiatives and partnerships • Innovative current processes to eliminate the presence of manual effort and lack of automation
S-T strategies (Threats (T)) • Mitigate the volatility of the market by following the portfolio model of COREangels • Optimize the cost structure through digital business model. • Enhance competitiveness as a result of continuos business model innovation and the focus on the experience.	**W-T strategies** • Strengthen the community involvement and adhesion to the COREangels guidelines to counter the threat of competition • Reinforce the revenue streams to leverage the risks from the cost structure • Adapt to different contexts to increase the level of involvement, engagement and experience

Figure 2 -TOWS Matrix

Source: Own adaptation (Based on Visual Paradigm Online, n.d.)

When assessing the W-O and W-T strategies, among the main weakness of COREangels there are the challenge to adapt to the different investors' profiles in the network and the difficulty to assess the respective angel funds' markets volatilities linked to higher interests' rates and internal economics issues. Despite the internal issues that COREangels needed to deal with related to a reduced team and reduced resources, a strategy could be to keep diversifying the network portfolio and further expand into new geographical areas. For this, it is extremely important to innovate current processes to

balance the reduced resources of the organization. The geographic expansion however should be carefully addressed in terms of brand recognition in other counties and attractiveness. In this regard, it is important to reinforce the adherence to branding guidelines that can enhance loyalty and recognition in the industry. At the same time, this will reinforce the involvement and engagement of current angels in the network. Lastly, it is important to design new initiatives to increase the participation of angels, allowing them to mentor other angels, producing content for COREangels or let them speak in different innovation and startups events. This will not only improve the experience of the angels and leaders but will positively impact the image of COREangels.

6. Analysis of Results

Content analysis is the most renown data analysis method for qualitative empirical material and perfectly in line with the interpretivist philosophy adopted for this study (Saunders et al., 2019). The empirical material, in the form of text from interviews, triangulated with observations of meetings notes and documents, will be audio-recorded with the participants consensus and then transcribed, along with the transcription of the questionnaire's responses. Afterwards, all the transcripts will be corrected from any errors, going through the data cleaning process (Saunders et al., 2019). Finally, to understand the data collected on a deeper level, a color-coding system will be used with the aid of the software MAXQDA. Five main categories used to code the interviews have been developed for this scope. Hence, the categories will be further divided into smaller sub-categories or concepts (see Table 5). As a result, 5 categories and 41 subcategories have been identified, with a total of 265 codes (see Table 2). The undertaken analysis addresses the main concepts outlined in the literature review, and highlights the dimensions explored in the model seen in Chapter 3. The triangulation of the sources of evidence allowed to confirm the findings of the different collection methods used to gather data (Saunders et al., 2019).

Table 2 - Frequency of Codes

Category	Number of Codes
1. Impact of Digitalization	61
2. Business Model Evolution	85
3. Impact on Performance	20
4. Customer Success	82
5. Challenges and Future Innovations	17
Total Frequency	**265**

6.1 Summary of Categories

6.1.1 Observations

During the nine-month internship, the confrontation with the other team's members and the clients has resulted in the analysis of significant insights and information. This allowed the triangulation of the data to ascertain our findings whether they mutually collaborated with each other's (Saunders et al., 2019). Since the beginning, one of the main purposes of the internship's tasks was the automation of current processes, to streamline data analysis and reporting. The need for automation was particularly related to the processes of Quality Assurance, Reporting, Customer Support and Portfolio Management. The internship's supervisor gave many suggestions on how to improve and automate such processes, this also implied the integration of new applications and new automations to the current operations. Working on these improvements led to several changes related to how the team was currently communicating, reporting, and analyzing information. As mentioned by the Financial Manager of COREangels:

"*By improving data collection methods, by implementing new improvements such as new KPIs, streamlining processes and achieving data forecasting, we will build our foundations for Customer Success*" – Financial Manager (Company's Supervisor).

The team collaborated in enhancing the Launchpad program, the CRM system, the Quarterly Report, new Software integration (such as QUVA), the Newsletter and other key processes.

"*In the future we want an entirely digitalized Report and a completely automated Quality Assurance process*" – Financial Manager (Company's Supervisor)

Among the team's meetings, there were the ones dedicated to establishing future firm goals. It was evident how the company wanted to adopt significant digital changes in its business model, to achieve funds success (i.e. customer success). As pointed by the CEO of COREangels:

"The QUVA implementation is a nowadays priority and we need to be able to deeply link it with our business model. We need to review all our current processes and improve, as with the case of Quality Assurance" – COREangels' CEO

Furthermore, constant meetings with the angel funds' leaders have been conducted during the internship. This further improved the quality of the findings of this study (Saunders et al., 2019). COREangels organizes weekly meetings with the fund leaders to freely discuss concerns, motivations, issues or suggestions. These meetings have contributed to a better understanding of the clients' wants and needs, along with their main worries. As a result, the Leaders have openly demonstrated their excitement regarding new digitalization processes.

"The forecast of portfolio's data is important to better realize what is the future of our funds. We need action on this. I believe that spending money on new tools is really important." – A COREangels Fund Leader

Other important observations that contributed to the findings of this thesis have been collected during kick-off meetings and follow-ups meetings with the early adopters of QUVA. The Leaders showed a strong commitment, excited to improve their fund's operations in a more digital way. Even though the software will disrupt the current processes, and although in the beginning the clients were unsure and fearful, the more the project progressed, the more excited and satisfied they were getting.

"I am excited to learn and use different tools, hoping that the capabilities required will compensate for the final outcomes. We want QUVA because we want to go for a more digital path." – A COREangels Fund Leader

6.1.2 Impact of Digitalization

During the interviews and the questionnaire, most of the respondents admitted that digitalization constitutes an important factor to improve current operations and an organization's business model. Overall, 61 segments have been coded within the category "Impact of Digitalization". When interviewing the team members of COREangels

International, it was clear that since the beginning there was a significant need to digitalize and automate processes, leading to important changes to their core processes and activities. For the three employees' interviews, the highest number of codes has been assigned to the subcategory "Need of Digitalization", the 33% of the total codes for the category "Impact of Digitalization". The need to automate and improve existing processes was their main concern, a key factor in achieving more efficiency and improving the overall performance of the firm. The questionnaire further demonstrated this aspect, especially compared with previous surveys conducted in the past regarding CS. Most of the Leaders believe, hence, that digitalizing current processes is an important step to further professionalize the angel network. As referred by the CEO of COREangels:

> "*The digitalization and automation of our operations helped us a lot, not only with the purpose of digitalizing tools, but also because we could assess data from it and be more efficient.*" – COREangels' CEO

The transition of tools in digital tools, such as new software, CRM systems and data knowledge centers, was the main characteristic of the COREangels' innovative transformation, which led to several automation benefits, improved leads generation, improved quality of support and more transparency. As referred by the Financial Manager:

> "*Onboarding new clients is now much easier, and COREangels International is more ready to prepare potential new clients to do the launchpad program. We created the launchpad in a digital way and we prepared a harder process so that just the good candidates could move forward.*" – COREangels' Financial Manager

6.1.3 Business Model Evolution

Based on the definitions that Bouwman et al. (2019) gave to BMI, previously discussed, it was evident from the data gathered to affirm that the company went through a significant transformation in the business model and its operations, leading to many positive outcomes for both the firm and customers. The evolution of COREangels Business Model relates to many aspects of the business, starting from the formation of the team to its business strategy. When COVID 19 arrived, the company completely shifted to online tools and the digitalization process started. The strategy of the network, which was mainly centered on startup founders, became more investor-centric and this

led to several improvements such as more efficiency, cost savings and improved customer experience. Overall, 85 codes have been assigned to this category and distributed among 9 subcategories. All the interviews and questionnaire responses focused on the "COREangels weaknesses in the past" subcategory (20 codes) and on how COREangels managed to improve existing processes.

From the interviews, triangulated with archival documentation, such as the observation presented before and past surveys, was clear that the organization had great abilities to adapt and implement changes, which resulted in more streamlined and efficient operations. Not only the strategy, but its core services and activities deeply changed over time. For instance, the Launchpad program which once had only a manual process, became almost completely automated resulting in improved pre-qualification methods and more quality candidates. As mentioned by the Community Manager:

"*Before the program took a lot of time from us, and the majority of these people were not even qualified to continue the program. So, we decided to change this and make sure to pay more attention to qualified investors' profiles. We integrated new tools and eliminated all the manual processes. This improved a lot the quality of candidates*" – COREangels' Community Manager.

The participants confirmed that the firm evolved a consistent amount of time and resources to adopt the latest improvements, 10 segments have been coded in the sub-category "Resources and Time". This is the result of the team's openness to new ideas and their capacity to introduce innovation in their operations. As referred by the Community Manager in the context of lead generation tools and marketing purposes, the time the team dedicated to improving the CRM system and integrating it with other tools allowed the team to better track new leads and increasing transparency. From the participants' responses it was pointed out that the digital innovations strongly impacted the business model, leading to many befits such as the way of reporting, of managing the website and the digital library, of collecting improved KPIs, improving communication and transparency.

6.1.4 Customer Success

To the category "Customer Success", 82 codes have been assigned and distributed among 12 subcategories. The subcategory with the highest frequency of codes is "Global

Community and Intimacy" with 12 coded segments. The concept relates to the benefits from customer experience and feeling part of a community. From the analysis of the data, it was clear that most of the fund leaders derive the best value from the experience of being part of a global community and building strong relationships with each other, as referred by one of the Fund Leaders of COREangels:

"*We prioritize fostering a collaborative community where knowledge and resources are shared openly, ensuring transparent communication to build trust among stakeholders. Being part of this international community motivates, supports, brings credibility for startups and angels.*"- A COREangels Fund Leader

Furthermore, the participants pointed out the importance of the benefits they derived from the innovations of the firm's business model and three factors were indicated as crucial: "Operational Excellence" (10 codes); "Customer Intimacy" (9 codes); "Benefits from Improved Customer Support" (9 codes). According to the participants the first is linked to the importance of the benefits that innovations of the business model bring regarding improved functions, the second notes the importance of customer experience, and the last one relates to the progress of customer support activities due to more digitalized processes. Moreover, many of the participants outlined the concept of "Satisfaction" (9 codes) when asked about their opinions regarding the most recent improvements at COREangels.

"*COREangels community has changed a lot. And all the new initiatives have helped us a lot in our daily operations while giving a better experience for our angels.*"- A COREangels' Fund Leader.

When asked about what values the clients prioritize when assessing their long-term value and bring their funds to success, the measures that stood out in the number of codes were: engagement and trust (6 codes), professionalism (5 codes), better communication (5 codes). However, it has been consistently said that the financial performance of the funds is inevitably a goal for all the participants, and that COREangels should enhance support regarding this aspect.

"*I really like the effort of COREangels International and the great exchange between leaders. I also fully stand behind the model and approach. The experience is good and has improved, we are going in the right direction. It's becoming more and more professional.*" – A COREangels Fund Leader

6.1.5 Impact on Performance

In order to understand what were the main impacts that brought the network to its improved performance, respondents were asked first what values they think BMI created and delivered to both the company and the customers, and in what extent they believe that BMI and CS impacted the performance of the network. The category "Impact on Performance" counts overall 20 codes. Since, as we previously mentioned in Chapter 3, the measurement scales for firm performance have been mostly self-developed, the segments related to this dimension have been applied to multiple categories and sub-categories. The participants highlighted two main measures for firm performance that they derived from CS and BMI: "Operational Excellence" and "Team Efficiency". The first relates to the improved capability to manage the operations and the stakeholders, the second to the efficiency of each employee in terms of zero lack of time and more efficiency in completing tasks. This led the network to experience a significant increase related to the number of angel investors, of invested startups and of asset under management. As citied from the CEO of COREangels:

"The innovations of our business model allowed us to reduce the time of the team by more than 50%. I would estimate more than 60% for sure. This allowed us to focus on other important processes that are leading our network to its success." – COREangels' CEO.

Moreover, the shift to digital tools, automation, and a more investor-centric focus has led to improved efficiency, cost savings, and a better overall customer experience. As the Community Manager explained during the interview:

"We now have more time when giving support to groups, to our leaders, which was almost non-existent before..." – COREangels' Community Manager.

The satisfaction perceived by the Leaders with the most recent improvements motivated them to grow their capital base and number of invested startups. Other important measures have been outlined by the participants such as "Firm Attractiveness", "Cost Efficiency" and "Fundraising Efficiency". The first, relates to the ability of COREangels to innovate and being different from other networks, the second relates to the capabilities of reducing operational costs and better benchmarking tools and software, the third to the improved capacity of the angel funds to raise capital and attract potential

investors. According to the respondents, all these factors improved due to the improvement of existing operations, because of new digitalization practices.

6.1.6 Challenges and Future Innovations

In order to understand the main challenges and expectations of both the employees and fund leaders regarding BMI and how to achieve success, respondents were asked what the next improvements and implementations within COREangels processes could be in their opinion. 17 codes were identified and distributed in 6 subcategories. Pertinently, the most mentioned factor was the challenge related to the "Adaptation to Different Contexts" (10 codes). This subcategory suggests the need for COREangels to build and deliver services that can be tailored to different profiles of angel investors. When new software and tools need to be delivered and new services offered, it is important for a global brand such as COREangels to understand the main needs for all their community members in a way that can be commonly embraced. As referred by the Financial Manager:

"*COREangels International has this goal of promoting new tools and sharing good practices. But every fund has a different context, and they are taking different decisions and sometimes new software doesn't fit for all. So, we have this challenge to adapt and understand different cultures and ecosystems.*" – COREangels' Financial Manager.

In addition to this subcategory, others have been considered important for participants, such as the desire to "digitalize and automate more current processes" and "future innovations of the business model". This last one relates particularly to the need to find new revenue streams. The CEO of COREangels mentioned:

"*We would like to find ways to attract extra revenue streams or, um, extra solutions that we can implement, and this could be really a disruptive innovation for our model and the industry*" - COREangels' CEO

Moreover, respondents highlighted challenges related to "better communication" and "new initiatives in the network". Some of the Leaders remarked:

"*I think more can be done regarding the reach of communication activities: we are a nearly unique community, already with a global footprint, and yet, the capacity to*

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attract external angels into the community seems still limited." – A COREangels Fund Leader

7. DISCUSSION

The main purpose of this chapter is to compare the author's findings with the existing literature, by analyzing each important standpoint with the purpose of outlining unbiased conclusions.

Within the literature, digitalization is considered as a great opportunity for SMEs to reinforce their systems and becoming more competitive in the market, enabling a variety of positive effects for their operations (Ramdani et al., 2022). With the evolution of the angel investing market, the rise of organized and more sophisticated networks of BAs (Mason et al., 2019) led to the need for these groups to adapt to new contexts. Simultaneously, digitalization practices have assumed an increasingly important role within the business world, helping businesses to improve their performances while changing their business models (Parida et al., 2019a). This study confirmed that digitalization, which leads to a company's business model changes, can surely bring many advantages to the firm and the customers. As anticipated by Parida et al. (2019), both the employees and the customers could derive benefits such as collection of data without human intervention, connectivity and communication, and the ability to transform raw data into valuable insights (Parida et al., 2019a). These factors seemed to be highly dependent on the main outcomes of a firm's digitalization efforts. All the participants of this study saw the need to digitalize processes as the main reason to derive important benefits and increase performance. As Parida et al. (2019) anticipated, implementing scalable platforms that revise the operational processes and activities of an organization is a key success factor for firm performance. Moreover, following the theories behind our conceptual framework, digitalization and the application of new technologies, such as QUVA, enabled an important innovation in the business model of the firm that resulted in positive outcomes and impacts for the users and the providers (Parida et al., 2019a).

The company, prior to going for a more digital path, lacked efficient processes, tools and solutions to better manage clients and the growth of the network. As the author assessed in the previous chapter, 20 codes have been assigned to the subcategory "Weaknesses in the Past". Bouwman et al. (2019) noted that spending the right amount

of time and resources is a crucial element when innovating a firm's business model. Another essential component relates to the level of the team's innovativeness within a specific organization (Bouwman et al., 2019). With this research, we can confirm such hypothesis. Indeed, from the analysis of the data gathered and from the observations conducted, the time, resources and money dedicated to implementing new processes and improving existing operations led to many benefits to the team, to the clients and to the network. This is a result of the ability of the team to think differently and be open to new ideas, combined with their ability to work in a setting of mutual collaboration where disruption is constantly encouraged. While Bouwman et al. (2019) only focused on SMEs, there is no evidence that their findings could have been applied to a specific case such as the author's one, and therefore to an angel investing network, an organization that more than providing products or services, provides experience, support and a sense of community and collaboration among angel investors.

As examined previously in the literature review, CS can be evaluated as a philosophy (Eggert et al., 2020), as a strategy (The Customer Success Association, 2019) or as a company's final objective (Nick Mehta & Allison Pickens, 2020). This study's results found peculiar similarities with most of the findings of our literature. As Eggert et al. (2020) anticipated, CS requires a strong commitment from an organization and therefore specific organizational changes to achieve such success. At the same time, the same authors found that building relationships with existing customers and helping them achieve their main goals is a key success factor to attain customer value in the long term and will create superior customer experience, increasing customers retentions and value. This is in line with what Gellweiler & Krishnamurthi (2020) anticipated, hence that digital innovations will achieve customer value and success through the realization of customer intimacy (benefits from customer experience). During the internship, the management team decided to build the CS area which would combine both new organizational structures and digital innovations, with the final purpose to achieve these objectives. Hence, subcategories such as "Satisfaction," "Operational Excellence", "Customer Experience" and "Service Leadership" have registered a high frequency of codes which indicates the importance of these factors when assessing Customer Success within COREangels. This confirms the theories at the base of our Conceptual Framework, such as those of Gellweiler & Krishnamurthi (2020).

Although with this study it is possible to make important comparisons with Gellweiler & Krishnamurthi (2020)'s findings, their theory neglects some other important factors that a company should consider when trying to achieve CS. These relate to the sense of belonging to a global community that enhances long term values such as engagement, trust and professionalism. This is indeed a consequence of the transformation process to a more digital BM, which improved communication and the exchange of ideas and opportunities among participants.

8.   CONCLUSIONS

The purpose of this project was to assess the impact that digitalization has on angel investing networks, anticipating the innovation literature by untangling the relationships among digital practices, business model innovation, customer success and firm performance in the context of business angels' networks. More specifically, this research clarifies the effects that digital approaches can have on firm performance and the benefits that they could deliver to its customers, as already proven in previous studies (Bouwman et al., 2019; Gellweiler & Krishnamurthi, 2020; Parida et al., 2019a).

8.1. Academic Contributions

One of the main purposes was to find whether the generalization of the literature findings could be applied to a more specialized context like an angel investment network. This study finds that digitalization and innovation capabilities positively affect the customers' values and performance of COREangels. Three main questions have been raised at the beginning of this thesis, namely: "Does digitalization have a positive impact on an angel investing network's performance?" (RQ1); "Do Business Model Innovation and Customer Success positively impact performance in an angel investing network?" (RQ2); and "How Customer Success and Firm Performance can be further improved through BMI?" (RQ3).

With regard to the RQ1, the findings of this study reinforce Parida et al. (2019) insights that digitalization enables business model innovation by applying diverse digital technologies. The results, in fact, show that COREangels' business model experienced a deep transformation due to the introduction of new digital systems and the integration of digital tools. It was unanimously noted by the employees and the clients, how the efforts

of introducing more digital approaches have changed the current business model, which has positively impacted the overall efficiency, effectiveness and performance of the network, hence in accordance with the model proposed by Bouwman et al. (2019). In view of RQ2, the present study showed that the innovation of the current business model enhanced client success through a modification of the network's practices, which in turn increased the company's performance. Therefore, besides the confirmation of the previous theories behind our model, which already found the important linkage between BMI and firm performance (Bouwman et al., 2019), with this study the author can affirm the existence of another strong relationship between CS and firm performance in an angel investing network. The success of the angel investors led to the success of the entire network, which unveiled in the form of increased firm attraction, improved cost structure, and improved efficiency. Moreover, the continuous team's effort to innovate current operations and experimenting new approaches has been considered extremely important, as anticipated by Bouwman et al. (2019).

8.2. Practical Contributions

Regarding the practical contributions of this study, we aim at answering the RQ3. With this question, it was intended to understand which factors were considered fundamental to further improve CS and firm performance through BMI, besides those ones already confirmed and proposed by Gellweiler & Krishnamurthi (2020) and Parida et al. (2019) and how this could be applied to COREangels. From the analysis of the participants' opinions regarding future challenges to achieve success and by conducting the TOWS analysis, it can be concluded that those are linked to the introduction of new network practices. The individuated strategies and factors are linked to the challenges related to a better adaptation to different investors profiles, the search for new revenue streams through new partnerships' stipulations, the continuous process of digitalizing and automating existing operations, strengthening the community involvement and the adhesion to COREangels guidelines. Therefore, this study allowed the team to understand the change and introduction of novel components within COREangels' BM could definitely impact in a positive way the angel investors, with the final effect of impacting the network performance in terms of firm attractiveness, improved efficiency, and customer satisfaction. Finally, by following these strategies, the success of COREangels can be further improved and CS further enhanced.

8.3. Research Limitations and Future Research

Some limitations of this study should be acknowledged since they could influence its findings. The present study, despite using a non-probabilistic and quite small sample, takes into account only one type of angel investing network which therefore prevents the possibility to generalize the findings. All interviewees were selected by the author, and the participants, even though with different roles, cultural backgrounds, and nationalities, all came from the same organization. Moreover, the limited existing literature on the topic didn't allow the author to use a wide range of references. Other limitations are linked to the type of research method chosen by the author: the Action Research. In particular, the time frame of performing and monitoring the actions and evaluating their results was too short, which might affect the reliability of the findings. Future studies should explore a wider sample of angel investing networks, preferably by conducting quantitative investigations in order to expand the existing literature on the topic and the generalizability of the findings, identifying those gaps that need to be filled by the researcher community. Future researchers are advised to draw more precise recommendations regarding the actions to implement in the context of digitalizing angel network's operations, as well as how to increase the success of the angels and the performance of the community. Moreover, it would be recommended to replicate the study with the purpose of developing a framework that links digitalization, business model innovation, and sustainability in angel investing networks to better assess the economic, environmental, and social impacts of these networks in our society.

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Table 3 – Interview Structure

Topic / Question	Source from the Literature
Which changes of the business model would you highlight as the most relevant in the past and present within COREangels?	(Bouwman et al., 2019 ; Parida et al., 2019)
Do you believe that the company changed its BM due to the integration of new digital tools, systems or software.	(Parida et al., 2019a)
What do you think is the value that BMI created and delivered to both the company and the customers?	(Parida et al., 2019a)
Do you think that the time and resources spent for BM experimentation within COREangels were worth it?	(Bouwman et al., 2019)
Do you believe that innovativeness can lead to business performance?	(Bouwman et al., 2019)
CS – Do you think that digital innovations can lead to CS in terms of superior service functions, lower costs or customer experience and intimacy?	(Gellweiler & Krishnamurthi, 2020)
CS – Do you think digital innovations can improve customer value and lead to CS?	(Gellweiler & Krishnamurthi, 2020)
Do you think that BMI was able to achieve CS within COREangels?	(Author)

Do you think that firm performance benefited from BMI and CS?	(Author)
What do you think should be the next challenges, improvements, and implementation within COREangels?	(Author)

Table 4 - Questionnaire Items

Topic / Question	Source from the Literature
From your perspective, what values do you believe they contribute to the overall success of the community?	(Parida et al., 2019a)
In that same perspective, what values could bring your Fund to its success?	(Author)
How do you feel about the future of your angel fund?	(Butticè et al., 2021)
How would you describe your overall experience so far taking in consideration COREangels' support latest changes?	(Gellweiler & Krishnamurthi, 2020)
Would you recommend someone to become a leader of a COREangels fund?	(Otto et al., 2020)
Are you happy with the most recent innovations, such as Quva, within COREangels?	(Gellweiler & Krishnamurthi, 2020)
How important to your fund are the platforms and software available to key processes?	(Bouwman et al., 2019)
How do you believe COREangels International could enhance support and	Author based on: (Parida et al., 2019a), (Bouwman et al., 2019)

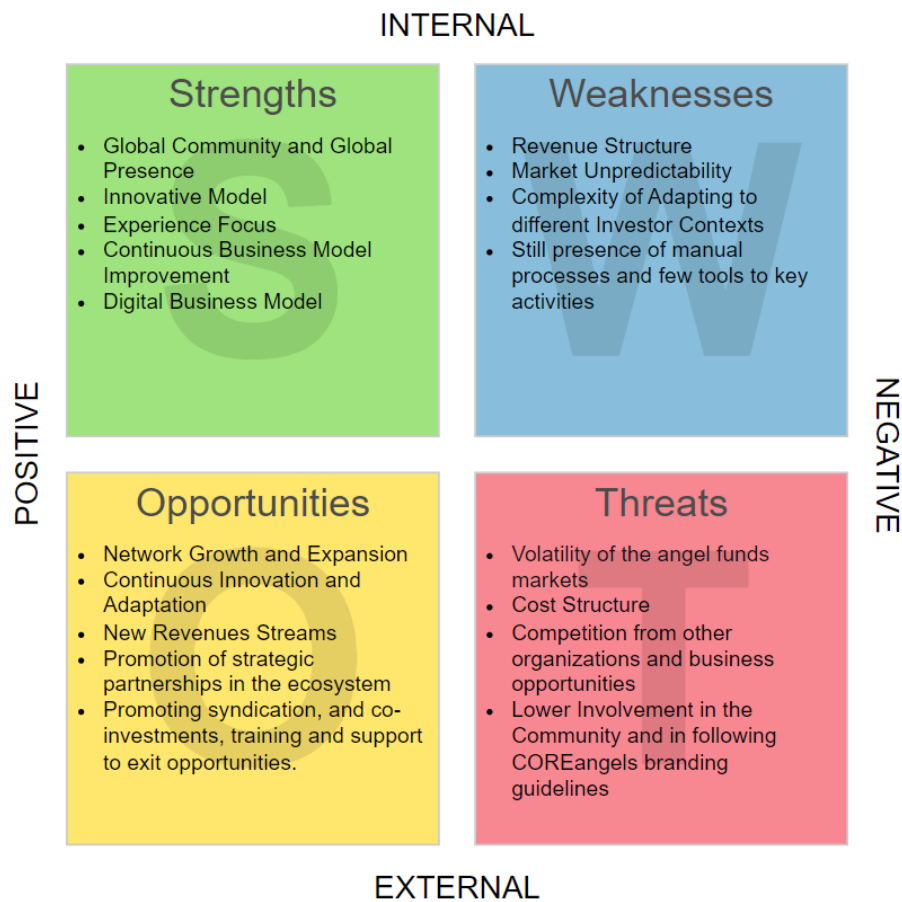| add more value to the network and your role?	
Please, feel free to suggest, express any concern or any feedback (positive or negative) about COREangels support and its most recent improvements that you believe would contribute to improving your experience.	(Author)

Figure 3 - SWOT Matrix

Table 5 – Summary of Codes

Categories	Sub-categories
1. Impact of Digitalization	Digital Tools in Transition
	Application of Different Technologies
	Automation Benefits
	Improved Lead Generation
	BMI as a result of Digitalization
	Transparency
	Need of Digitalization
	Improved Quality of Support to Leaders
2. Business Model Evolution	Continuous Improvement
	BM's Weaknesses in the Past
	BM's Characterizations
	Global Community Growth
	Improvement of existing processes
	Resources and Time for BMI
	Investor Focus
	Openness to Innovation
	Quality of Leaders
3. Impact on Performance	Operational Efficiency
	Firm Attractiveness
	Capability to better manage Shareholders
	Team Efficiency
	Growth of the Network
	Cost Efficiency
	Fundraising Efficiency
	Operational Excellence

4. Customer Success	Benefits from digital innovations (customer intimacy, and product/service leadership).
	Benefits from Improved Customer Support
	Better Communication
	Global Community and Intimacy
	Customer Engagement
	Funds' Performance
	Satisfaction
	Impact
	Professionalism
	Customer Experience Enhancement
5. Challenges and Future Innovations	New Revenues Streams
	Adaptation to Different Contexts
	Future BM's Innovations
	Tools Implementation Challenges
	New Initiatives
	Digitalization and Automation of Current Processes