

Business Model Canvas

for EFJ0110 Introduction to Business Processes



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1 Introduction

I think that the best business ideas are created when somebody finds modern solutions for old usual problems. I do interval running. It is very good kind of fitness, because it does not take as much time as gym but it allows you to be more active. For ordinary people an interval running is much better than normal running, because any kind of cardio is effective only if the duration of the training is longer than 40-45 mins, but it is very difficult to run for so long for the most part of people, that's why the running intervals are often mixed with walking ones and it allows the runner to run longer.

1.1 Description

As a result of the advantages a lot of people do interval running. But there is a big problem, in most cases intervals are measured by time. And durations of running and walking ones are not equal that's why it is impossible to use a normal timer for an interval running. It is a good opportunity to create a small indie-application for smart-phones which allows a user to set many timers which turn on consistently and restart the timers in accordance with the number of rings for the training.

1.2 Realization

This kind of application is very easy in development and it can be created by a team with only two people: a graphical designer and a programmer, but in my case I can play both roles. It makes the development longer but allows me to be independent. I did not find any kind of similar applications on the Google Play or AppStore.

2 Business Model Canvas

2.1 Customer Segment

The main part of our customers are runners which have been already using any kind of mobile software for fitness, but interval training can also be used for many other kind of training for example in cross-fit and so on. Moreover it can be used by a wide number of people which are not connected with any kind of sport or fitness. For example it can help customers to develop films, because during development you need to expose the film under different chemical reagents during different time periods.

I think that users are able to find many other and unexpected applications for this kind of program.

2.2 Value Propositions

In my point of view the main advantage of my application is the fact that the applications have the unique functionality and as a result it does not have any competitor. I also think it should be very simple and as a result it'll be easy to use. In addition for the first time I want to notice that actually the application represents the solution for a quite ancient problem throughout modern ways.

I like the idiom that "The Devil is in the details", and in my point of view in our case the design is the main detail. I have had some experience in graphical design and I also have some knowledge in a color theory, I'll give a lot of care to design during development, that's why I am able to promise that it'll be nice.

2.3 Channels

It is possible to spread my application via native application stores for the mobile platforms, it is the best channel because the native stores are installed in every device and they are used as the main source of new apps for the most part of users.

2.4 Customer Relationships

Every business should be friendly to its customers, in my case to be friendly is:

1. to be easy to access (from native store)
2. to have user friendly interface
3. to gives users choice between the free app with ads and the paid one with out.

I think it'll produce positive experience form the application and build strong relationships with our customers.

2.5 Revenue Streams

There are two main sources for us:

1. Adds which would be provided by services like iAd or AdSense and it would be our main source of income.

We can try to estimate the size of audience if we will sum the number of users of the most popular applications for running because in according with the part 2.1, the users of the apps are our the main focus group. Three of the most popular applications for running is downloaded by over than 500 000 of people. Usually a runner does from two to five trainings a week, but the most typical value is three, it is still less than mean of the series of numbers, and I will use it for my calculations. From this fact we can calculate that an user would open our app at least 12 days a month. The runner has to open the application before training and close it after, as result we has 24 view of ads during the month by one person. Average income from a one demonstration of ads is around 0.01 €. From here we can derive the table 1. below.

Table 1: Income in dependence to percent of total audience

Percent of auditory	Correspondent amount of auditory	Income per month
0.1%	500	120 €
0.5%	2500	600 €
1%	5000	1 200 €
5%	25000	6 000 €
10%	50000	12 000 €

2. It is also possible to get some profit from an in app purchase which turns off the ads and plays role of some kind of thanks-donate.

2.6 Key Resources

The key resources for the development of our service are skills which are compulsory for development of native application for the platforms which we focus on. At first we have to develop nice graphical design and implement it via native IDE and frameworks. So the key resources for us are skills in a programming and graphical design.

2.7 Key Activities

The functionality of this application contains two main features:

1. User can set several timers one after another for different exercise or intensity of the activity.
2. User can join the timers to loops and set a number of times which the loop have to be repeated.

2.8 Key Partnerships

I don't actually need a partners at the first steps of development, but the owners of the mobile platform which we are focused on, plays the role of the partners for as in some cases. It will also be possible to make some kind of partnerships with producers of sport goods and cloths, but it is in far future.

2.9 Cost Structure

The application is very small and easy in development, that's why I can make whole development by my self(I have had a course about Android Development and I have an experience in 2D design), it allows us make huge reduction of production costs. I think that the easiest way to start is development and production of the application for an Android smart-phones, in this case I can make the development on my computer with using of open-source software, that's I will need only around 1200 €for my supplying during development period, after development and testing I will also need 25\$ to get an access to the Android Developers Console which gives me an opportunity to publish my app on the Google Play.

If the application will be profitable it would be useful to make versions for iOS and Windows Phone, for this we also would need iMac mini which price is around 500 €and spend 19\$ to join Windows Phone developer club which give us an access to Microsoft Marketplace, we also would need to spend 99\$ per year for iOS Developers Program and publishing in AppStore. The development would also take 2 month per application.

Table 2: Cost Structure

Name	Price
Android Developers Console	25\$
Supplying for development period	1200\$
iMac	500 €
Windows Phone Club	19 \$
iOS Developers Program	99\$/year
Supplying for development period	2400\$
Total	4400\$

3 Appendix

3.1 The Business Model Canvas for my project, Alexey Tukalo, EFA12SF

Customers Segments Who are we creating value for? Wide amount of people which do interval trainings especial runners.				1
Value Propositions What value do we deliver to the customer? Easy to use Modern solution for usual problem Good design Unique service				2
Channels How do we reach our Customer Segments? Native application stores on different platforms^ Google Play, AppStore, Marketplace and so on.				3
Customer Relationships What type of relationships do our Customer Segments expect? Easy to get it from a native store. User can choose the free app with ads or pay 1\$ for a version without any ads.				4
Revenue Streams What value are our customers willing to pay for? In app purchases to turn off ads Adds				5
Key Resources What Key Resources do our Value Propositions require Graphical design for the GUI Knowledge of languages and native frameworks for the platforms IDE for different platforms				6
Key Activities What Key Activities do our Value Propositions require Allows user create loop with many different timers and makes the loop to run around some number of times. Allows user sets many timers one after another				7
Key Partners Who are our Key Partners The owners of the platforms(Google, Apple, Microsoft)				8
Cost Structure What are the important costs inherent in our business model? 25\$ to get an access to the Android Developers Console My costs during development (aroudn 600 Euro per month for 2 moths of development) 19\$ to join the Windows Phone developer club 99\$/year for iOS Developers Program				9