Week-1
Initial Business Model Canvas

1) Value proposition describes the bundle of products or services that create value for a specific customer segment. Examples are such as what value do we deliver to the customer? Which customer needs are we satisfying? And, what are we offering to each customer segment? Value propositions exist in quantitative and qualitative areas. Quantitative areas include price, cost reduction, risk reduction, convenience and usability. Qualitative areas include newness, performance, design, brand, and customization
2) Customer segments define the different groups of people or organizations to serve. They have separate segments if customer needs require and justify distinct offer, of if customer reached through different channels, requires different types of relationships, are willing to pay for different aspects, and have different profitabilities. Customer segments may exist in different types. Mass market is one large group comprising only one segment, niche market is specific, specialized customer group, segmented is a slightly different customer groups, diversified is having multiple unrelated customer segments and multi-sided markets.
3) Channels describe how a company communicates with and reaches its customer segments to deliver a value proposition. Channels helps in raising awareness of the products and services, helping customers evaluate the value proposition, allowing customers to purchase, delivering a value proposition, and providing post-purchase customer support. Channels demand consideration of key questions. For example, through which channels do our customer segments want to be reached? How can we integrate our channels? And, what measures define which channels work best?
4) A customer relationship describes the types of relationships a company establishes with specific customer segments. It is driven by motivations to include customer acquisition, customer retention and upselling.
5) A revenue stream represents the cash a company generates from each Customer Segment. Revenues minus costs equals to profits. There are different types of revenue streams. The first is transaction revenues resulting from one-time customer payments. Another type is a recurring revenues resulting from ongoing payments to either deliver a value proposition to customers and/or provide post-purchase customer support. Revenue stream opportunities require you to ask several core questions. For what value are customers really willing to pay? For what do they currently pay (competitors)? And, how will this change in the future? Ways to generate revenue streams includes buying (asset sale), renting, subscription, licensing and advertising.
6)

   Key partnership describes the network of suppliers and partners that make the business model work. There are different types of partnerships which includes strategic alliances between non-competitors, joint ventures to develop new businesses, buyer-supplier relationships, and co-opetition which is a strategic partnership between competitors. Several motivations to create partnerships includes optimization and economy of scale, which is the most basic form of partnership or buyer-supplier relationship designed to optimize resources and activities (i.e. reduce cost). Another is an acquisition of particular resources and activities, to extend capabilities by relying on other firms to furnish particular resources or perform certain activities, and motivated by needs to acquire knowledge, licenses, or access to customers. Lastly is to reduce risk and uncertainty.
7)

   Key resources describe the most important assets required to make a business model work. It can be physical, financial, intellectual, or human. Key resources can be owned or leased by the company or acquired from key partners.
8) Key activities are the most important things a company must do to make its business model work. For example, for PC manufacturer Dell, key activities include supply chain management. And for consultancy McKinsey, key activities include problem solving.

9) A cost structure is all costs incurred to operate a business model. By creating and delivering value, maintaining customer relationships, and generating revenue all incur costs. Costs can be calculated relatively easily after defining key resources, key activities, and key partnerships Cost-driven business models focus on minimizing costs wherever possible. They aim at creating and maintaining the leanest possible cost structure, using low price value propositions, maximum automation, and extensive outsourcing. Value-driven companies are less concerned with the cost implications, and instead focus on value creation. They offer premium value propositions and a high degree of personalized service usually characterize value-driven business models.

Week-2
Discovering and Interviewing Your Customers

1) all except specifications of the solution

2) all

3) false

4) true

5)

Define customer segments

Value Propositions are specific to a defined customer segment. Segmentation must go beyond demographics and identify groups of customers with common needs. Only then can value propositions be developed which resonate with customers' urgent needs.

Customer Discovery Canvas

The Customer Discovery canvas provides a structure for a cross functional team to identify the most important customer needs and insights for a specific customer segment. The canvas focuses on identifying customer outcomes and how these relate to their most important needs. Insights are developed through combining a picture of their desired outcomes matched with your unique capabilities. Expect to produce lots of questions to ask customers and view this stage as iterative and continuous.

Product/Service Value Map

Mirroring the Customer Discovery canvas, the Value Map creates a picture of how products and services provide value to customers – with direct correlation to identified customer needs and insights. Product benefits will only resonate with customers if they have an urgent, recognised problem or opportunity that they want to address.

Competitive Position

Based on each customer segment’s most important needs and insights, the Competitive Canvas produces a clear picture of points of difference and points of parity with competing offerings. The Competitive Canvas provides the basis to identify and develop sustainable differentiation.

Develop a compelling value proposition

The first 4 steps provide the structure to build value propositions which offer benefits that resonate with customers’ needs, based on sustainable differentiation and supported by proof so that customers trust your claims. The Value Proposition is more than an elevator pitch, it is a narrative which builds over time and develops credibility and trust with customers.

Test it

At this stage it is vital to get in front of customers and test if your value proposition story resonates with them. This is the stage to refine your offering to better match your customers most important needs.

Execution - putting it to work

Value Propositions are a ‘promise of value’ to your customers, they should be integral to your whole business organisation.

Each person understanding how their role delivers customer value

Sales tools that resonate and build value based on individual customer’s needs

Marketing briefs for external agencies with a focus on value

Strategy development driven by customer needs and insights

New product development based on customer insights

Business models which are redefined and challenged and are all about delivering customer value.

Week-3

Product Understanding and Marketing

1) True
2) All except (cost of doing business)
3) A chasm is the gap that exists between the early market dominated by a few visionary customers to a mainstream market dominated by a large block of customers who are pragmatists in orientation.
4) All except (surveys)
5) All except (acquisitions)
6)

LEADERSHIP STAGE ONE
CREATIVITY

All successful entrepreneurs have something in common: creativity. Sure, maybe other people have had a similar idea to yours, but how you make it work, convince others of its potential and get people to fall in love with its possibilities is an extremely creative process. Many entrepreneurs find that early on in their idea’s lifecycle, creativity is the biggest trait they need to be a successful leader. You have to be creative in your use of limited resources, have the ability to catch a potential investor’s eye -especially if you’re looking further than their circle of friends and family for funding- and see things that other people can’t, including having faith in your own vision when others may not.

LEADERSHIP STAGE TWO

DIRECTION

As your business starts to enter its first stage of growth, you need to be able to articulate your direction in measurable goals. As one venture capitalist told me, “There is no formula for investment at the seed stage because there are no numbers and tractions for us to look at- but the team is everything. If you can measure what the entrepreneur is speaking about and express it in numbers, then they are up to something.”

Although financial goals are of course extremely important, direction is not limited just to money matters. It also includes having a clear idea about your target market, articulating your vision in a sentence which is measurable, inspiring and achievable and communicating effectively with key stakeholders. Focus on being fluid in your direction too- it may need be redefined as circumstances change, more investors come on board, resources change, or indeed, you change!

LEADERSHIP STAGE THREE

DELEGATION

As your business grows, you may find yourself getting increasingly inefficient as you handle more responsibilities. The key to combating this is delegation, delegation, delegation! Hiring the right team who you trust to believe in and respect your vision is of upmost importance at this stage. Knowing your weaknesses and hiring people for their competencies, concentrating on building up a diverse workforce made up of different genders, background and skills, developing mutually agreed goal posts and investing in good governance to track finance and business relationships have all been proven to contribute to successful growth. What’s more, you shouldn’t be afraid to take tough decisions as the organization evolves. Be clear about your own accountability and role within the business too.

LEADERSHIP STAGE FOUR

COORDINATION

As your organization grows further, silos might develop within your business which could lead to inefficiencies, miscommunication and loss of trust. If this happens, you should focus on effectively and skilfully coordinating between various personalities, expertise and management levels. Concentrate on creating a strong corporate culture where the business’ vision and values for the future are deeply embedded. A recent survey by McKinsey & Company suggests that those leaders who create a sense of ownership amongst their frontline staff fare better during periods of change. Work closely with other stakeholders to develop a structure to help to manage decision-making too– try to avoid the paralysis that sets in through too many meetings that have no outcome except frustration!

Week-4

Prototyping and Testing:-

1) all except pricing
2) false
3) the lens
4) true
5)

Applying the STP Model

Follow the steps below to apply the STP Model in your organization.

Step 1: Segment Your Market

Your organization, product or brand can't be all things to all people. This is why you need to use **market segmentation** to divide your customers into groups of people with common characteristics and needs. This allows you to tailor your approach to meet each group's needs cost-effectively, and this gives you a huge advantage over competitors who use a "one size fits all" approach.
There are many different ways to segment your target markets. For example, you can use the following approaches:

- **Demographic –** By personal attributes such as age, marital status, gender, ethnicity, sexuality, education, or occupation.
- **Geographic –** By country, region, state, city, or neighborhood.
- **Psychographic –** By personality, risk aversion, values, or lifestyle.
- **Behavioral –** By how people use the product, how loyal they are, or the benefits that they are looking for.

(You can use **Simonson and Rosen's Influence Mix** to identify factors that influence customer purchases.)

Example

The Adventure Travel Company is an online travel agency that organizes worldwide adventure vacations. It has split its customers into three segments, because it's too costly to create different packages for more groups than this.

Segment A is made up of young married couples, who are primarily interested in affordable, eco-friendly vacations in exotic locations. Segment B consists of middle-class families, who want safe, family-friendly vacation packages that make it easy and fun to travel with children. Segment C comprises upscale retirees, who are looking for stylish and luxurious vacations in well-known locations such as Paris and Rome.

Step 2: Target Your Best Customers

Next, you decide which segments to target by finding the most attractive ones. There are several factors to consider here.

First, look at the profitability of each segment. Which customer groups contribute most to your bottom line?

Next, analyze the **size and potential growth** of each customer group. Is it large enough to be worth addressing? Is steady growth possible? And how does it compare with the other segments? (Make sure that you won't be reducing revenue by shifting your focus to a niche market that's too small.) Last, think carefully about how well your organization can service this market. For example, are there any legal, technological or social barriers that could have an impact? Conduct a **PEST Analysis** to understand the opportunities and threats that might affect each segment.

Example

The Adventure Travel Company analyzes the profits, revenue and market size of each of its segments. Segment A has profits of $8,220,000, Segment B has profits of $4,360,000, and Segment C has profits of $3,430,000. So, it decides to focus on Segment A, after confirming that the segment size is big enough (it's estimated to be worth $220,000,000/year.

Step 3: Position Your Offering

In this last step, your goal is to identify how you want to position your product to target the most valuable customer segments. Then, you can select the **marketing mix** that will be most effective for each of them. First, consider why customers should purchase your product rather than those of your competitors. Do this by identifying your **unique selling proposition**, and draw a **positioning map** to understand how each segment perceives your product, brand or service. This will help you determine how best to position your offering.
Next, look at the wants and needs of each segment, or the problem that your product solves for these people. Create a **value proposition** that

clearly explains how your offering will meet this requirement better than any of your competitors' products, and then develop a marketing campaign that presents this value proposition in a way that your audience will appreciate.

Example

The Adventure Travel Company markets itself as the "best eco-vacation service for young married couples" (Segment A).

It hosts a competition on Instagram® and Pinterest® to reach its desired market, because these are the channels that these people favor. It asks customers to send in interesting pictures of past eco-vacations, and the best one wins an all-inclusive trip.

The campaign goes viral and thousands of people send in their photos, which helps build the Adventure Travel Company mailing list. The company then creates a monthly e-newsletter full of eco-vacation destination profiles.

Week-5

Building the Team

1)

What Makes a Successful Startup Team

When venture capital investors are doing due diligence, they focus carefully on the financial side of the business. Does the company have an interesting business model? How big is the addressable market? What are the growth plans of the company? They hire expensive experts and use advanced data tools to answer these questions and ensure that every financial detail is on the table.

But when it comes to evaluating the startup team, gut feel and intuition tend to be the main due diligence instruments that come into play. This isn't a great approach. Data shows us that 60% of new ventures fail due to problems with the team.

What makes a successful startup team?

One common answer is that prior startup experience, product knowledge, and industry skills predict the success of a new venture. But is prior experience sufficient for a team to work well together? In a recent study of 95 new startup teams in the Netherlands, we explored that question.

We found that experience alone was not enough to make a team thrive. While experience broadens the teams' resource pool, helps people identify opportunities, and is positively related to team effectiveness, a team also needs soft skills to truly thrive. Specifically, our study shows that shared entrepreneurial passion and shared strategic vision are required to get to superior team performance as rated by the external venture capital investors.

Of the startups we studied, the group that reported high levels of previous experience but average to low levels of passion and collective vision demonstrated weak team performance when it came to innovation in products and services, customer satisfaction, cost control, and expected sales growth. Contrary, the group of teams that reported average levels of previous experience but high levels of passion and collective vision demonstrated significantly stronger performance.

We also found that greater team experience only leads to better performance if team members share a strategic vision for the company. Thus, when team members don't agree on the future strategy of the firm, the knowledge and skills they have will only marginally contribute to team performance.

Stellar teams have it all: hard and soft skills

When we talk about this balance between team member experience (hard skills) and passion and vision (soft skills) there's a sweet spot where stellar teams seem to live. If team members are super smart and experienced, but they don't feel like sharing this knowledge due to a lack of alignment about the vision for the company, their knowledge is useless for the business. Instead, these differences in passion and vision make teams perform worse. For example, if the CTO in the startup team has a lot of experience in the cyber software industry that is useful for building the current business, but she doesn't agree with the CEO on the future strategy of the company, she is less likely to share all her previous knowledge on cyber software within the team.

To illustrate the importance of evaluating an entrepreneurial team with this balance between hard and soft skills in mind, let's look at the case of Emma, an investor at a venture capital firm. (The names of people and institutions in this story have been changed for anonymity.) Emma recently told me about a potential investment in a software company in Stockholm that she was very excited about. Let's call it Clocker. When Emma read about Clocker and received the company materials, she was thrilled to meet the team. In addition to the interesting financials, the team's track record was outstanding.

The CEO had in depth industry knowledge, worked in the software space for years, and led the product division for Salesforce. The CFO graduated from Harvard, had worked for Bain & Company before joining Clocker and had very strong financial and strategic skills. The VP of Sales was a sales tiger who had worked as an account manager for Microsoft. Finally, the fourth team member was very hands-on, a serial entrepreneur with a successful exit on her resume and some experience with start-up failures. On paper, this team for sure seemed to have all it would take to successfully scale up Clocker and ensure a nice return on the investment.

Nevertheless, when the team members presented their pitch in the boardroom and elaborated on the Clocker growth strategy, Emma was disappointed. The story just didn't hold. While the CEO told Emma that she wanted to expand to the U.S. and become the next Salesforce, the CTO did not seem to share this ambition. He dismissed the CEO's ideas immediately and argued that the company would be too busy with other projects to realize global expansion this year. It became clear that the Clocker team had very different goals in mind. They were also not equally passionate about the company. The VP of Sales still ran his own sales business on the side — while the CTO was constantly on the lookout for other jobs.

When Emma talked to the CEO a few weeks later she learned that the Clocker team had broken up. Because of their different goals for the company, team members did not communicate efficiently and failed to share their knowledge, which led to bad team dynamics and weak decision-making.

While previous experience has often been cited as a key ingredient for entrepreneurial success, our results show that experience alone will not lead to success. Instead knowledge, skills, and passion are *equally* important for succeeding as a new venture. Experience and expertise only lead to better performance if team members share their knowledge and have a common vision for the company.

When investors evaluate startup teams they should keep in mind that a great resume alone is not enough to achieve great performance. Building a successful startup is a long and bumpy road; without entrepreneurial passion and strategic vision, a stellar resume merely becomes a piece of paper.

2)

In the management section of your business plan, you describe who'll run the company. This may be no more than a simple paragraph noting that you'll be the only executive and describing your background. Or it may be a major section in the plan, consisting of an organizational chart outlining interrelationships among every department and manager in the company, plus bios of all key executives.

Time and again, financiers utter some variation of the following statement: "I don't invest in ideas; I invest in people." Whether this is the whole story—investors certainly prefer capable people with good ideas to inept people with good ideas—there's no doubt that you, and the people who run your company, will receive considerable scrutiny from financiers as well as from customers, suppliers and anyone else with an interest in your plan. People are, after all, a company's most important asset. Not adequately addressing this issue in a business plan is a serious failing. Luckily, it's one of the easiest parts.

You. Before you can impress people with your management team, it's important to let your readers know who's at the helm and who's selecting the management team. You, therefore, have to let them know your background, including your vision, your credentials, and why you chose the management team you did. You need to briefly explain what's expected of this management team and the role you see them playing in the future of this business.

Your managers. Identifying your managers is about presenting what they bring to the table. You can provide this by describing them in terms of the following characteristics:

Education. Impressive educational credentials among company managers provide strong reasons for an investor or other plan reader to feel good about your company. Use your judgment in deciding what educational background to include and how to emphasize it.

Employment. Prior work experience in a related field is something many investors look for. If you’ve spent ten years in management in the retail men’s apparel business before opening a tuxedo outlet, an investor can feel confident that you know what you’re doing. Likewise, you’ll want to explain the key, appropriate positions of your team members. Describe any relevant jobs in terms of job title, years of experience, names of employers, etc. Feel free to omit any irrelevant experience.

Skills. In addition to pointing out that you were a district sales manager for a stereo-equipment wholesaler, you should describe your responsibilities and the skills you honed while fulfilling them. Again, list the skills that your management team has that pertain to this business. Each time you mention skills that you or a member of your management team has spent years acquiring at another company, it will be another reason for an investor to believe you can do it at your own company.

Accomplishments. If you or one of your team members has been awarded patents, achieved record sales gains or once opened an unbelievable number of new stores in the space of a year, now’s the time to tell about it. And don’t brag: Just be factual and remember to quantify. If, for example, you have 12 patents or your sales manager had five years of 30 percent annual sales gains, this is the stuff investors and others reading your business plan will want to see.

Personal. Investors want to know with whom they’re dealing in terms of the personal side, too. Personal information on each member of your management team may include age, city of residence, notable charitable or community activities and, last but far from least, personal motivation for joining the company. Investors like to see vigorous, committed, involved people in the companies they back. Mentioning one or two relevant personal details of your key managers may help investors feel they know what they're getting into, especially in today's increasingly transparent business climate.

In a longer plan, when you give your management team's background and describe their titles, go on and tell readers exactly what each member of the management team will be expected to do in the company. This may be especially important in a startup, in which not every position is filled from the start. If your marketing work is going to be handled by the CFO until you get a little further down the road, let readers know this up front. You certainly can't expect them to figure that out on their own.

Board members. Your board members, and their reasons for being included, should be a brief part of your business plan. A board of directors gives you access to expertise, provided you choose them wisely, but at the cost of giving up control of the business to them. Technically, the officers of a corporation report to the board of directors, who bear the ultimate responsibility for the proper management of the company.

A board of advisors is a less-formal entity. You can have the same kind of people on an advisory board but you don't report to them nor do they have the same power as a board of directors. Your board should be able to challenge your thinking, help you solve knotty problems, and even change management if necessary.

Outside professionals. Some of the most important people who'll do work for you won't work for you. Your attorney, your accountant and your insurance broker are all crucial members of your team. Your business plan should reassure readers that you have your bases covered in these important professional positions.

Investors want profit. They don't just give money to people they like or admire. But it's also true that if they don't like, admire or at least respect the people running your company, they're likely to look elsewhere. The management section of your plan is where you tell them about the human side of the equation. You can't control your readers' responses to that, but you owe it to them to provide the information.

3)

After you have owned your own business for a while, you know how to run it. You've probably done everything from answering the phones to hiring a general manager, and you can justly claim to know your business inside and out, in general and in detail. In case there's any operation you can't personally undertake, one of your employees probably can. There are, however, exceptions to this rule. Highly technical matters of law, accounting, management and marketing are usually best handled by outside experts. Attorneys, accountants, and management and marketing consultants have specialized knowledge about niche areas that you couldn't--and shouldn't--hope to duplicate either personally or in the form of an in-house employee.

Having access to legal, accounting and other expertise is important to help your business grow as rapidly and efficiently as possible. Given enough time, you may be able to master the intricacies of law and finance. But why bother? Hand these duties off to professional service providers. They can do them faster and more effectively than you ever could. Besides, your skills are needed in helping your business expand.

Legal and Accounting Help

Why do you need a lawyer to grow? It's generally worthwhile to consult an attorney before making any business decision that could have legal ramifications. These decisions could include setting up or altering the terms of a partnership or corporation, checking for compliance with regulations in new locales where you hope to do business, negotiating loans to fund expansion, obtaining trademarks or patents, preparing buy-sell agreements, tax planning, drawing up or revising pension plans, reviewing business forms, negotiating and drawing up documents to buy or sell other companies or real estate, reviewing employee contracts, exporting or selling products in other states, and collecting bad debts. Many of the same considerations apply to the use of accountants by growing firms. You should at least consider running by an accountant any decision that could have accounting, financial or tax ramifications.

You probably started your business with a lawyer and an accountant available to answer questions, help draw up documents, and solve the inevitable problems of launching a new company. Now that you've been underway for a while and success seems to be a given, shouldn't you keep working with the professionals who helped you get here? Not necessarily, because the needs of a growing business are different from those of a startup.

The professional service providers who aided you in the beginning may not be good matches for your current needs.

Giving your professionals a checkup is largely a matter of assessing your need for professional services and judging whether your current advisors measure up. When you were starting up, issues such as the legal form your business would take--sole proprietorship or partnership, for example--were pressing. Today, you may be looking at how you should structure an international subsidiary. The odds are good that the attorney you started with won't be able to provide you with one-stop service as your business grows.

Likewise, accounting problems in the beginning, when your business was funded entirely with your own personal savings, may have revolved around little more than making sure you filed state and federal payroll tax forms and income tax returns properly. As you grow, however, you'll have to deal with depreciating plant, equipment and real property; setting up financial controls; and, most likely, the tax laws of entities beyond your startup state and city. Even if your original accountant was a whiz at the jobs you needed early on, it's not likely that you and your accountant will continue to grow in the same directions.

Marketing and Management Consultants

When it comes to marketing and management, many entrepreneurs are on firmer ground than when venturing into accounting and law. But nobody knows everything, even about general management and marketing. There's nothing wrong with admitting that and seeking outside help in an effort to execute your company's management and marketing as skillfully as possible. In narrow disciplines, such as managing mergers and acquisitions and marketing to ethnic groups, the use of an experienced specialist makes even more sense. And even if you feel there's nothing you don't know about a topic, hiring outside experts will allow you to do things you wouldn't ordinarily have time for and don't want to hire permanent employees for.

Hiring a consultant is different from hiring almost any other kind of employee, and it's different from purchasing most outsourced services, too. For one thing, consultants are expensive. They can cost anywhere from several hundred to several thousand dollars a day. Make sure you know what the consulting fees will be and exactly what you will get for paying them. Consultants should provide a more customized solution to your business problem than most outsourced providers. Make sure any consultant you hire asks lots of questions about your needs and listens to your answers. Be sure your description of your needs is specific, and avoid consultants with preconceived notions about solutions.

Upgrading Professional Service Providers
Referrals are the best way to get a new professional service provider. The best source of referrals is other entrepreneurs. Make a point of asking people in the same business sector (service, retail, restaurant, manufacturing, etc.) for referrals. You can also get good referrals from other professionals. That is, ask your accountant for an attorney's name and your attorney for an accountant's name. Other service providers, such as recruiters and bankers, are also good sources. Don't forget to ask suppliers and customers. Trade associations can also be good places to find names of professional service providers.

The Interview
Once you're outfitted with a few referrals, contact several to gauge their interest in you and your interest in them. Then personally interview at least three prospects.

At your first interview with a professional service provider, be ready to describe your business and its legal, accounting or other needs. Take note of what the provider says and does, and look for the following qualities:

- **Experience:** Although it's not essential to find an expert in your particular field, it makes sense to look for someone who specializes in small-business problems as opposed to, say, maritime law. Make sure the professional is willing to take on small problems; if you're trying to collect on a relatively small invoice, for example, will the lawyer think it's worth his or her time?
-
- **Understanding:** Be sure the professional is willing to learn about your business's goals. You're looking for someone who will be a long-term partner in your business's growth. Does the professional understand where you want to be tomorrow and share your vision for the future?
-
- **Ability to communicate:** If the lawyer speaks in legalese or the accountant uses lots of arcane financial terms without bothering to explain them, look for someone else.
-
- **Availability:** Will the professional be available for conferences at your convenience, not his or hers? How quickly can you expect emergency phone calls to be returned?

-
- **Rapport:** Is this someone you can get along with? You will be discussing matters close to your heart with this person, so make sure you feel comfortable doing so. Good chemistry will ensure a better relationship and positive results for your business.
-
- **Reasonable fees:** Attorneys, accountants and other professionals charge anywhere from $90 to $300 (or more) per hour, depending on the location, size and prestige of the provider. Shop around and get quotes from several providers before making your decision. However, beware of comparing one provider with another on the basis of fees alone. The lowest hourly fees may not indicate the best value; an inexperienced professional may take twice as long to complete a project as an experienced one will.
-
- **References:** Don't be afraid to ask for references. What types of businesses or cases has the attorney worked with in the past? Get a list of clients or other professionals you can contact to discuss competence, service and fees.

Evaluating Credentials

Some jobs, such as auditing financials to satisfy the requirements of lenders or investors, simply must be done by a professional with specific credentials. A certified public accountant is a good example. If you're looking for legal advice, you certainly want an attorney with a juris doctor or equivalent degree who is a member of the bar.

You have more flexibility in looking for other credentials. The initials MBA after a person's name suggest that, as the holder of a master's of business administration degree, that person is well-trained. However, highly experienced people may be just as effective even if they lack the diploma and the initials. Evaluating the worth of credentials can be tricky. Check with associations such as the American Bar Association , the American Institute of Certified Public Accountants , or the government agency in your state charged with granting CPA credentials.

Final Business Model Canvas

Answer for Question 1

Value proposition describes the bundle of products or services that create value for a specific customer segment. Examples are such as what value do we deliver to the customer? Which customer needs are we satisfying? And, what are we offering to each customer segment? Value propositions exist in quantitative and qualitative areas. Quantitative areas include price, cost reduction, risk reduction, convenience and usability. Qualitative areas include newness, performance, design, brand, and customization

Answer for Question 2

Customer segments define the different groups of people or organizations to serve. They have separate segments if customer needs require and justify distinct offer, of if customer reached through different channels, requires different types of relationships, are willing to pay for different aspects, and have different profitabilities. Customer segments may exist in different types. Mass market is one large group comprising only one segment, niche market is specific, specialized customer group, segmented is a slightly different customer groups, diversified is having multiple unrelated customer segments and multi-sided markets.

Answer for Question 3

Channels describe how a company communicates with and reaches its customer segments to deliver a value proposition. Channels helps in raising awareness of the products and services, helping customers evaluate the value proposition, allowing customers to purchase, delivering a value proposition, and providing post-purchase customer support. Channels demand consideration of key questions. For example, through which channels do our customer segments want to be reached? How can we integrate our channels? And, what measures define which channels work best?

Answer for Question 4

A customer relationship describes the types of relationships a company establishes with specific customer segments. It is driven by motivations to include customer acquisition, customer retention and upselling.

Answer for Question 5

A revenue stream represents the cash a company generates from each Customer Segment. Revenues minus costs equals to profits. There are different types of revenue streams. The first is transaction revenues resulting from one-time customer payments. Another type is a recurring revenues resulting from ongoing payments to either deliver a value proposition to customers and/or provide post-purchase customer support. Revenue stream opportunities require you to ask several core questions. For what value are customers really willing to pay? For what do they currently pay (competitors)? And, how will this change in the future? Ways to generate revenue streams includes buying (asset sale), renting, subscription, licensing and advertising.

Answer for Question 6

Key partnership describes the network of suppliers and partners that make the business model work. There are different types of partnerships which includes strategic alliances between non-competitors, joint ventures to develop new businesses, buyer-supplier relationships, and co-opetition which is a strategic partnership between competitors. Several motivations to create partnerships includes optimization and economy of scale, which is the most basic form of partnership or buyer-supplier relationship designed to optimize resources and activities (i.e. reduce cost). Another is an acquisition of particular resources and activities, to extend capabilities by relying on other firms to furnish particular resources or perform certain activities, and motivated by needs to acquire knowledge, licenses, or access to customers. Lastly is to reduce risk and uncertainty.

Answer for Question 7

Key resources describe the most important assets required to make a business model work. It can be physical, financial, intellectual, or human. Key resources can be owned or leased by the company or acquired from key partners.

Answer for Question 8

Key activities are the most important things a company must do to make its business model work. For example, for PC manufacturer Dell, key activities include supply chain management. And for consultancy McKinsey, key activities include problem solving.

Answer for Question 9

A cost structure is all costs incurred to operate a business model. By creating and delivering value, maintaining customer relationships, and generating revenue all incur costs. Costs can be calculated relatively easily after defining key resources, key activities, and key partnerships Cost-driven business models focus on minimizing costs wherever possible. They aim at creating and maintaining the leanest possible cost structure, using low price value propositions, maximum automation, and extensive outsourcing. Value-driven companies are less concerned with the cost implications, and instead focus on value creation. They offer premium value propositions and a high degree of personalized service usually characterize value-driven business models.