EMPREENDEDORISMO E NOVOS NEGÓCIOS

6. BUSINESS INNOVATION

(chapter one from https://learning.oreilly.com/library/view/value-proposition-design/9781118968062/design-chapter01.xhtml)

"Business model innovation is about **new ways** of creating, delivering and capturing **value**."

BUSINESS MODEL CANVAS . types

BAIT & HOOK
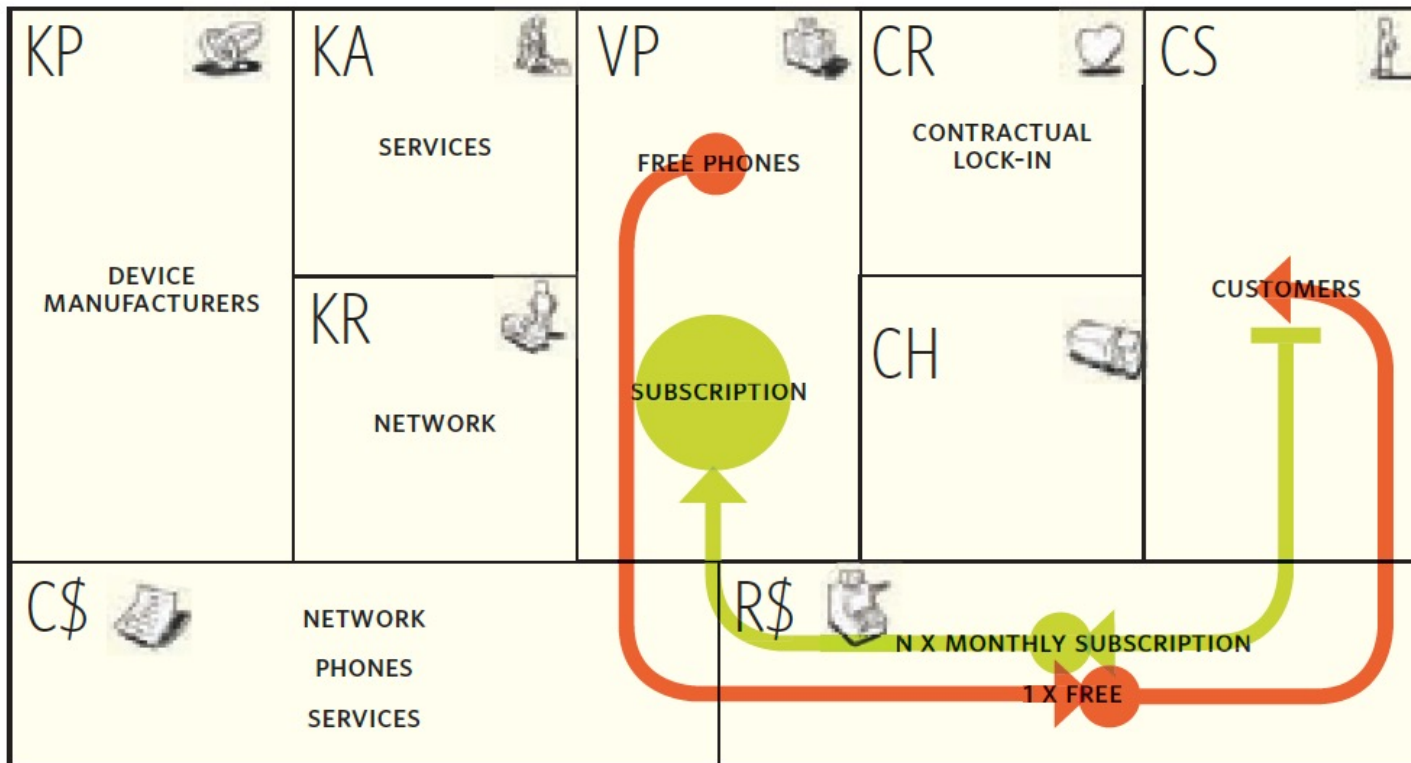
RECURRING REVENUES

LONG TAIL

FREEMIUM

MULTIPLATFORM

BUSINESS MODEL CANVAS – BAIT & HOOK

"Bait & hook" refers to a business model pattern characterized by an attractive, inexpensive, or free initial offer that encourages continuing future purchases of related products or services.
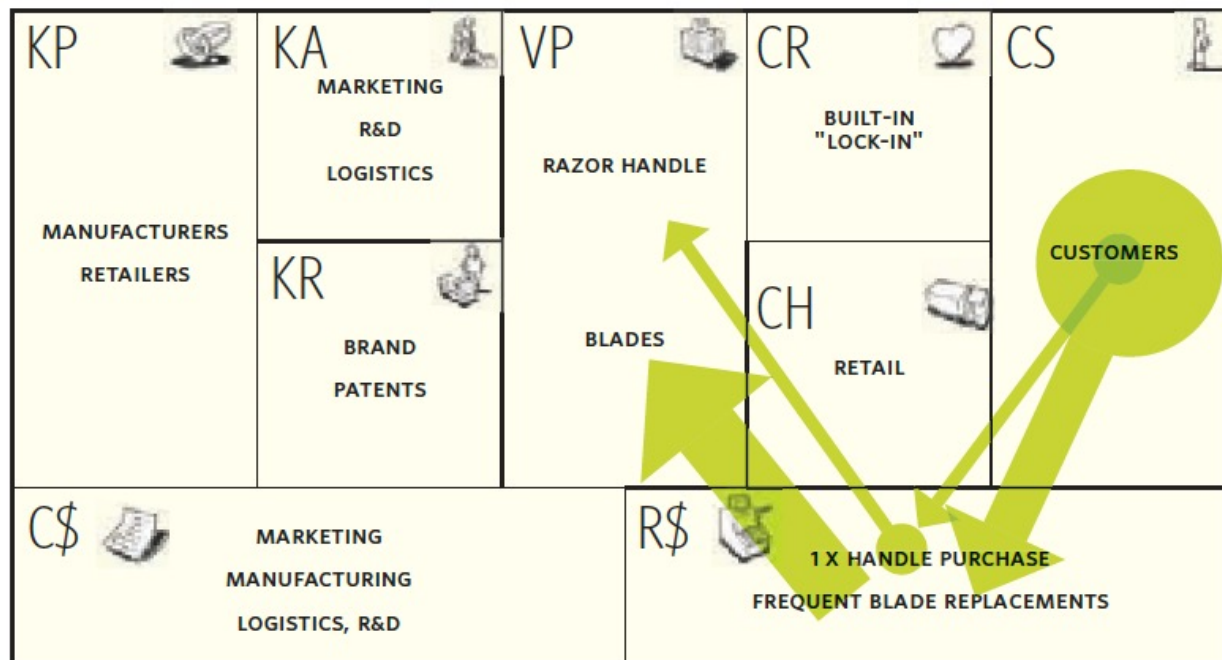
Bait & Hook of Free Mobile Phones

BUSINESS MODEL CANVAS – RECURRING REVENUES

The key to this model is the close link between the inexpensive or free initial product
and the follow-up item—usually disposable—on which the company earns a high margin. Controlling the "lock-in"
is crucial to this pattern's success. Through blocking patents, Gillette ensured that competitors couldn't offer
cheaper blades for the Gillette razor handles. In fact, today razors are among the world's most heavily patented
consumer products, with more than 1,000 patents covering everything from lubricating
strips to cartridge-loading systems.

Razor & Blades : Gillette

KP	KA	VP	CR	CS
	MARKETING			
	R&D		BUILT-IN	
	LOGISTICS	RAZOR HANDLE	"LOCK-IN"	
MANUFACTURERS				CUSTOMERS
RETAILERS	KR		CH	
	BRAND	BLADES	RETAIL	
	PATENTS			

C$	R$
MARKETING	
MANUFACTURING	1 X HANDLE PURCHASE
LOGISTICS, R&D	FREQUENT BLADE REPLACEMENTS

BUSINESS MODEL CANVAS – Nespresso Case

https://www.youtube.com/watch?v=dhQh-tryXOg

BUSINESS MODEL CANVAS

Recurring Revenues: Attractive, inexpensive or free initial offers, which encourages further continued acquisitions of products or services related to the original offer;

This model is also known as model "leader in losses" or "machine razor & blade";

Initial offer subsidized or even losing money with the intention of generating further sales profits.

Why choose this model?

When after the initial sale there is a need to purchase consumables

What are the benefits?

Possibility to generate recurring income

What are the constraints?

Need to control the level of "imprisonment"

BUSINESS MODEL CANVAS – LONG TAIL

BUSINESS MODEL CANVAS

Key Partners 🔗	Key Activities ✔	Value Propositions 🎁	Customer Relationships ❤	Customer Segments ⬤
Suppliers of niche content	Platform management	Offer of a high range of niche products	Customer profile	Niche customers
	Key Resources 👷		**Channels** 🚚	
	Platform		Internet	

Cost Structure 🏷	Revenue Streams 💰
Platform management and development	Small income from each niche product, but from a high volume of sales

BUSINESS MODEL CANVAS

Long tail: focus on providing a large number of niche products, each of which is sold infrequently;

Aggregated sales can be as profitable as the traditional model;

It is necessary to lower inventory costs and create a platform that makes the content available.

Why choose this model?
- Unusual products
- Exhibition platform of the product

What are the benefits?
- Number of users
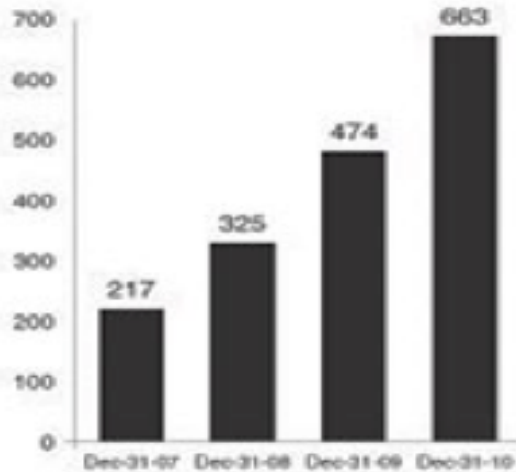- High number of products
- Time

What are the constraints?
- Storage and distribution costs

BUSINESS MODEL CANVAS - FREEMIUM

BUSINESS MODEL CANVAS - SKYPE

Free users
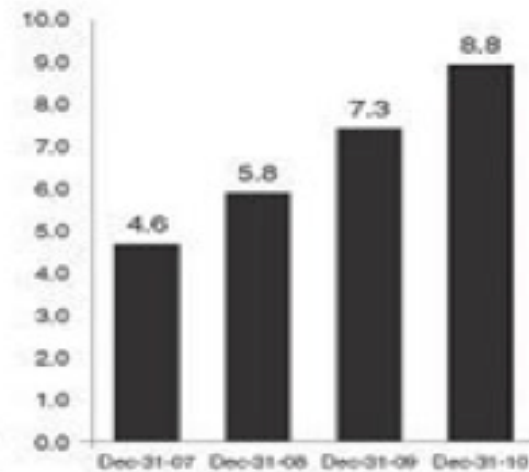
Paying users

BUSINESS MODEL CANVAS - SKYPE

Skype

KP	KA	VP	CR	CS
PAYMENT PROVIDERS	SOFTWARE DEVELOPMENT	FREE INTERNET & VIDEO CALLING	MASS CUSTOMIZED	WEB USERS GLOBALLY
DISTRIBUTION PARTNERS	**KR**	CHEAP CALLS TO PHONES (SKYPEOUT)	**CH**	PEOPLE WHO WANT TO CALL PHONES
TELCO PARTNERS	SOFTWARE DEVELOPERS SOFTWARE		SKYPE.COM HEADSET PARTNERSHIPS	

C$	R$
SOFTWARE DEVELOPMENT COMPLAINT MANAGEMENT	FREE SKYPEOUT PRE-PAID OR SUBSCRIPTION HARDWARE SALES

BUSINESS MODEL CANVAS

Freemium model: **at least a substantial segment of customers can continuously benefit from a free offer.** Customers who do not pay are funded by another part of the business model or other customer segment;

Most customers never become a paying customer, usually less than 10% of users pay for the service (low-cost acquisition of new customers).

Why choose this model?
- Marketing
- Network effect

What are the benefits?
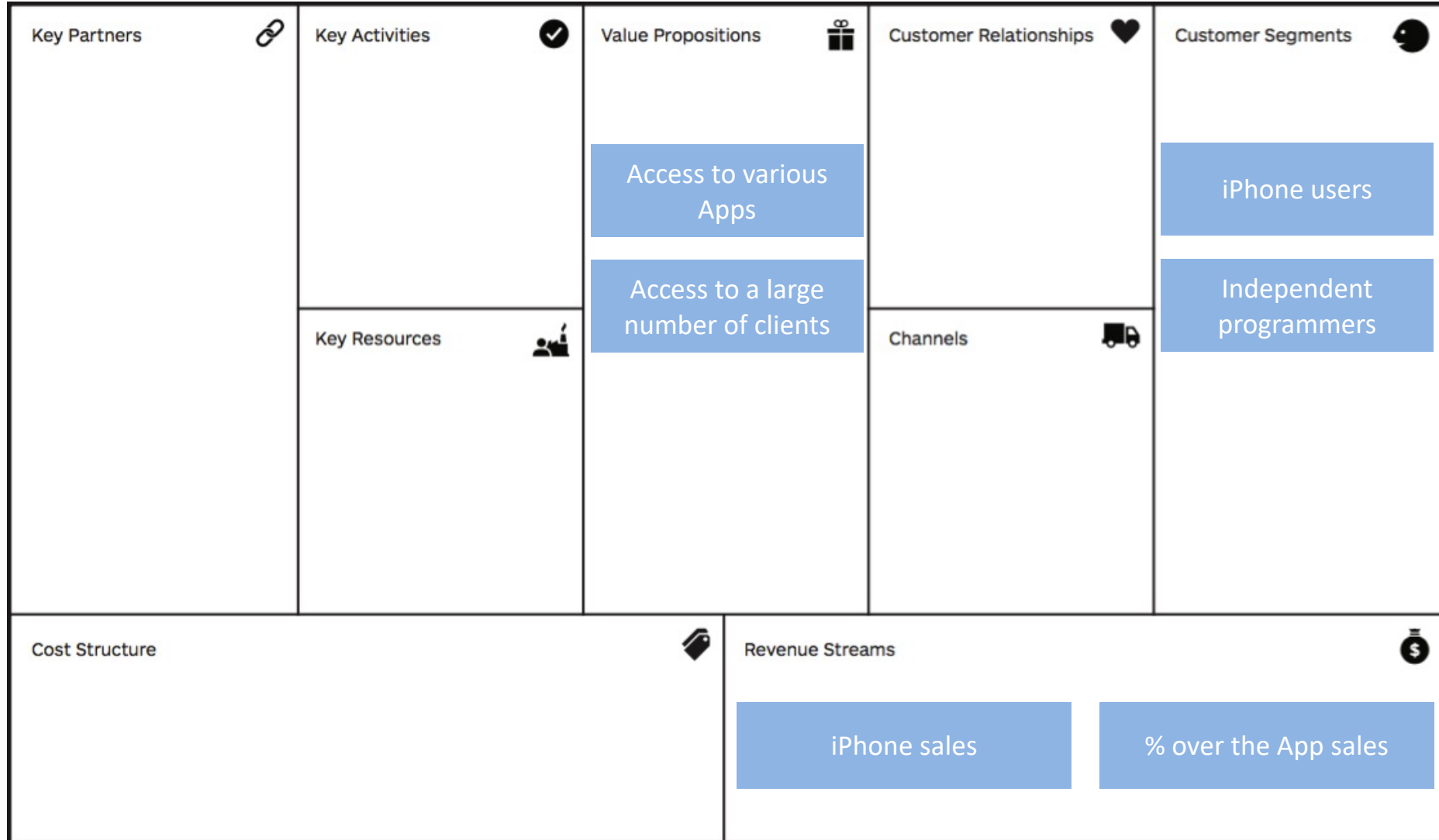- Amount of users
- Time

What are the constraints?
- Amount of users
- Increase of the value of the product / service
- Low cost

BUSINESS MODEL CANVAS – MULTIPLATFORM

BUSINESS MODEL CANVAS

Key Partners 🔗	Key Activities ✓	Value Propositions 🎁	Customer Relationships ♥	Customer Segments ●
	Key Resources 🏭	Access to various Apps Access to a large number of clients	**Channels** 🚚	iPhone users Independent programmers

Cost Structure 🏷	Revenue Streams 💰
	iPhone sales	% over the App sales

BUSINESS MODEL CANVAS

Multilateral Platform: **joins two or more groups of distinct but interdependent customers, while creating value for all**;

Sometimes there is the subsidization of a segment with a free value proposition;

Why choose this model?
Network effect

What are the benefits?
Interaction promotes loyalty

What are the constraints?
It is only valuable for one of the segments when the other is present.

The Business Model Canvas

Key Partners 🔗

Who are our Key Partners?
Who are our key suppliers?
Which Key Resources are we acquaring from partners?
Which Key Activities do partners perform?

MOTIVATIONS FOR PARTNERSHIPS
Optimization and economy
Reduction of risk and uncertainty
Acquisition of particular resources and activities

Key Activities ✔️

What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

CATEGORIES
Production
Problem Solving
Platform/Network

Key Resources 🏭

What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

TYPES OF RESOURCES
Physical
Intellectual (brand patents, copyrights, data)
Human
Financial

Value Propositions 🎁

What value do we deliver to the customer?
Which one of our customer's problems are we helping to solve?
What bundles of products and services are we offering to each Customer Segment?
Which customer needs are we satisfying?

CHARACTERISTICS
Newness
Performance
Customization
"Getting the Job Done"
Design
Brand/Status
Price
Cost Reduction
Risk Reduction
Accessibility
Convenience/Usability

Customer Relationships ❤️

What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
Which ones have we established?
How are they integrated with the rest of our business model?
How costly are they?

EXAMPLES
Personal assistance
Dedicated Personal Assistance
Self-Service
Automated Services
Communities
Co-creation

Channels 🚚

Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?
How are our Channels integrated?
Which ones work best?
Which ones are most cost-efficient?
How are we integrating them with customer routines?

CHANNEL PHASES
1. Awareness
    How do we raise awareness about our company's products and services?
2. Evaluation
    How do we help customers evaluate our organization's Value Proposition?
3. Purchase
    How do we allow customers to purchase specific products and services?
4. Delivery
    How do we deliver a Value Proposition to customers?
5. After sales
    How do we provide post-purchase customer support?

Customer Segments 👥

For whom are we creating value?
Who are our most important customers?

Mass Market
Niche Market
Segmented
Diversified
Multi-sided Platform

Cost Structure 🏷️

What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
Which Key Activities are most expensive?

IS YOUR BUSINESS MORE
Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)
Value Driven (focused on value creation, premium value proposition)

SAMPLE CHARACTERISTICS
Fixed Costs (salaries, rents, utilities)
Variable costs
Economies of scale
Economies of scope

Revenue Streams 💰

For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each Revenue Stream contribute to overall revenues?

TYPES
Asset sale
Usage fee
Subscription Fees
Lending/Renting/Leasing
Licensing
Brokerage fees
Advertising

FIXED PRICING
List Price
Product feature dependent
Customer segment dependent
Volume dependent

DYNAMIC PRICING
Negotiation (bargaining)
Yield Management
Real-time-Market

Strategyzer
strategyzer.com