



University of the Cordilleras
Innovation and Technology Transfer Office

Business Modeling

TECHNO100 Technopreneurship
Unit 3

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- Introduction to business sustainability
- Business model canvas

Introduction to Business Sustainability



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Did You Know?

Juicero

Wi-Fi connected juicer
and proprietary single-
serving packets of pre-
chopped fruits and
vegetables



Did You Know?

Juicero

Total funding:
\$118.5 million

Google funding:
\$100 million



Did You Know?

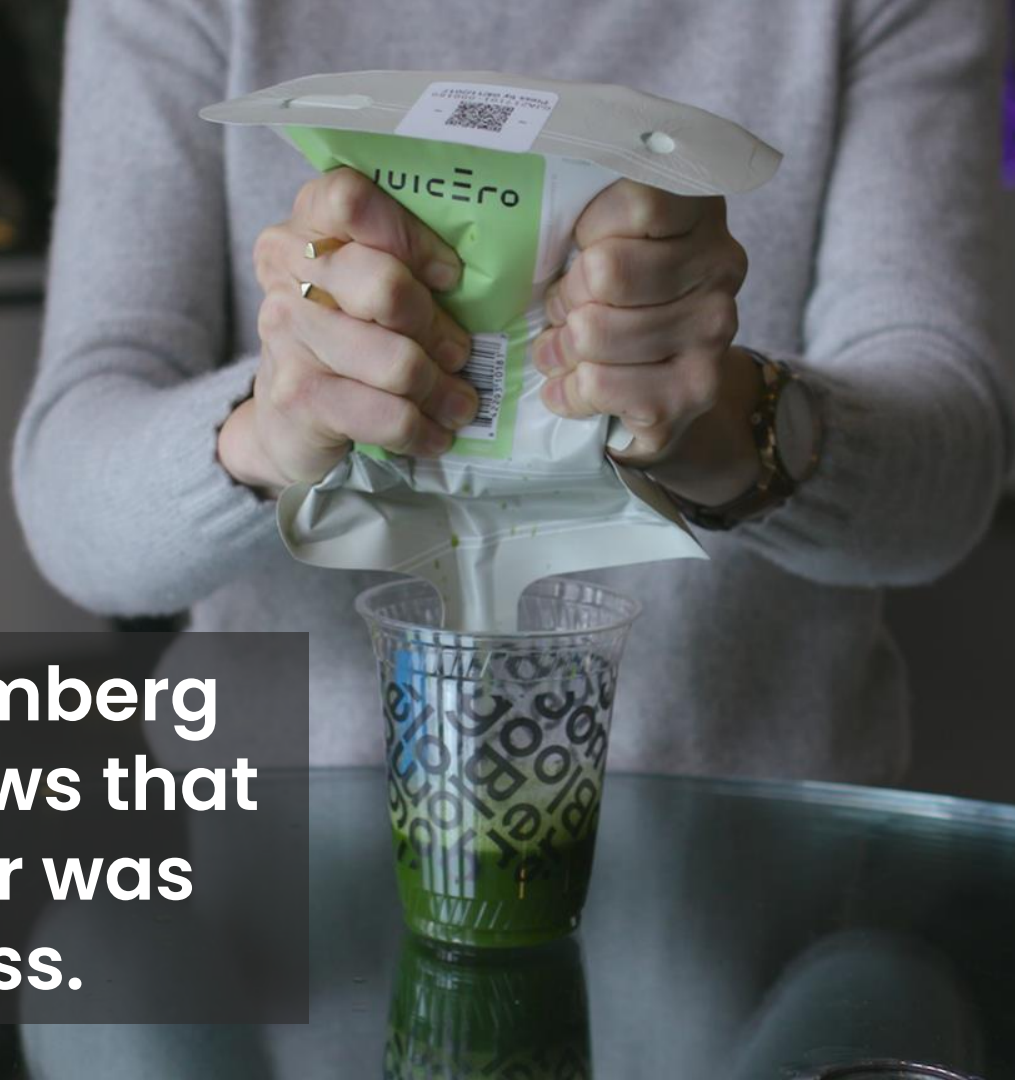
Juicero

Failures:

Initial value of \$699 was too expensive

Can only crush the packages from Juicero

**The Bloomberg
Video shows that
the juicer was
useless.**





Ben Einstein

Product Designer. Founder, **BoltVC**

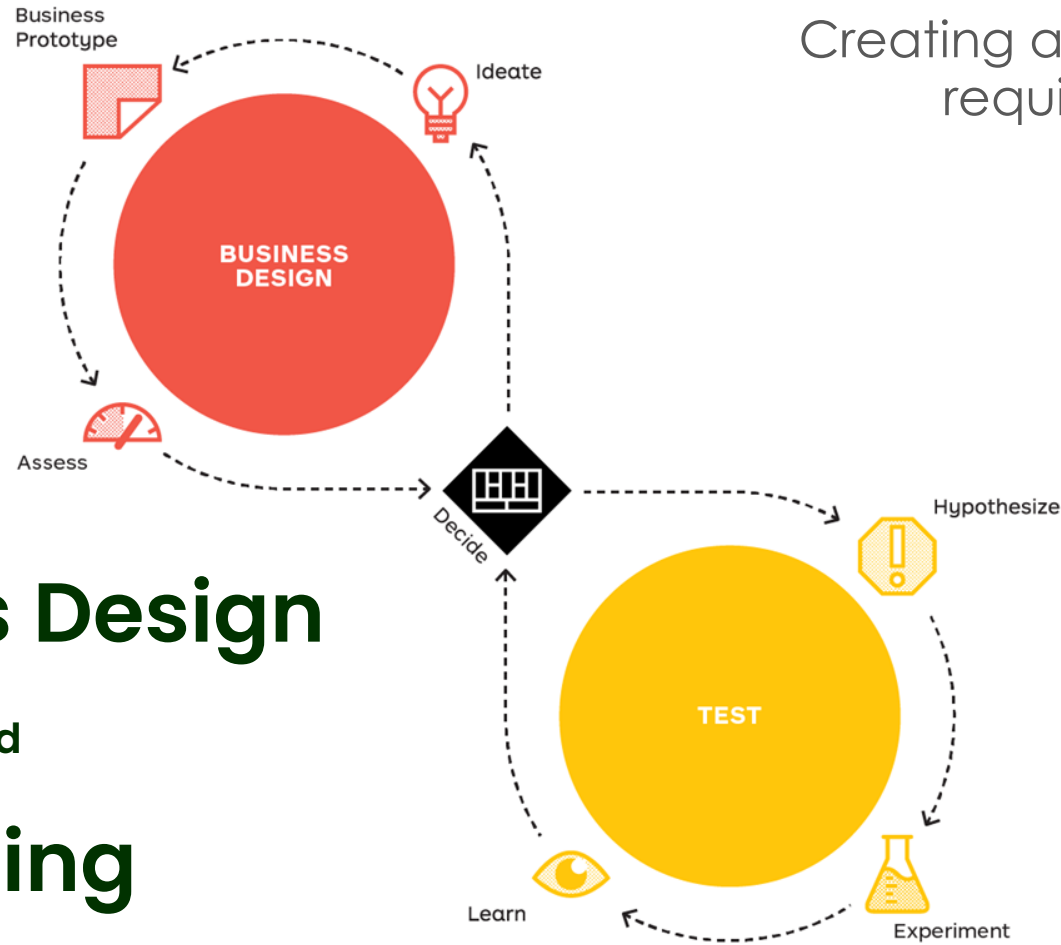
Apr 24, 2017

Here's Why Juicero's Press is So Expensive

Hidden away in Juicero's bad week of press is one of the most powerful lessons we preach to hardware startups: unconstrained development is lethal



Creating a viable startup
requires two things:



Business Design and Testing

Introduction to the Business Model Canvas



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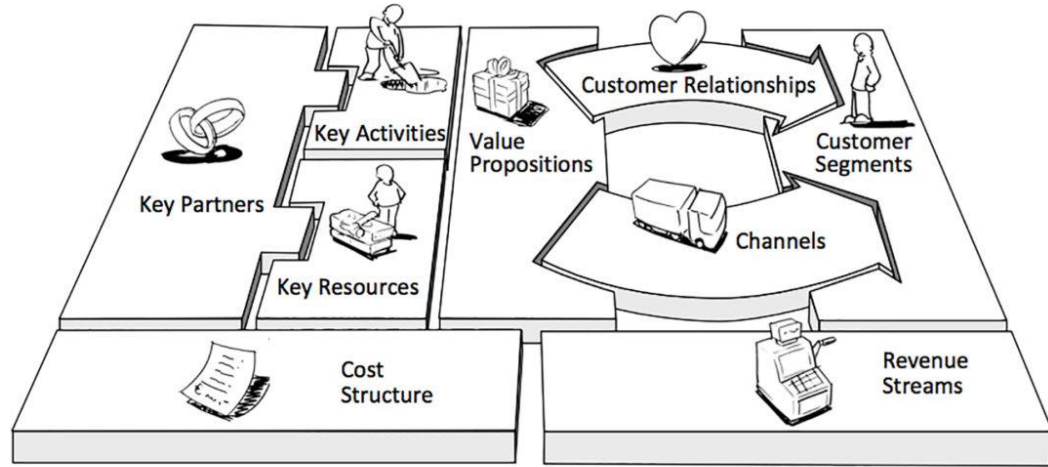
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STARTUP HOUSE

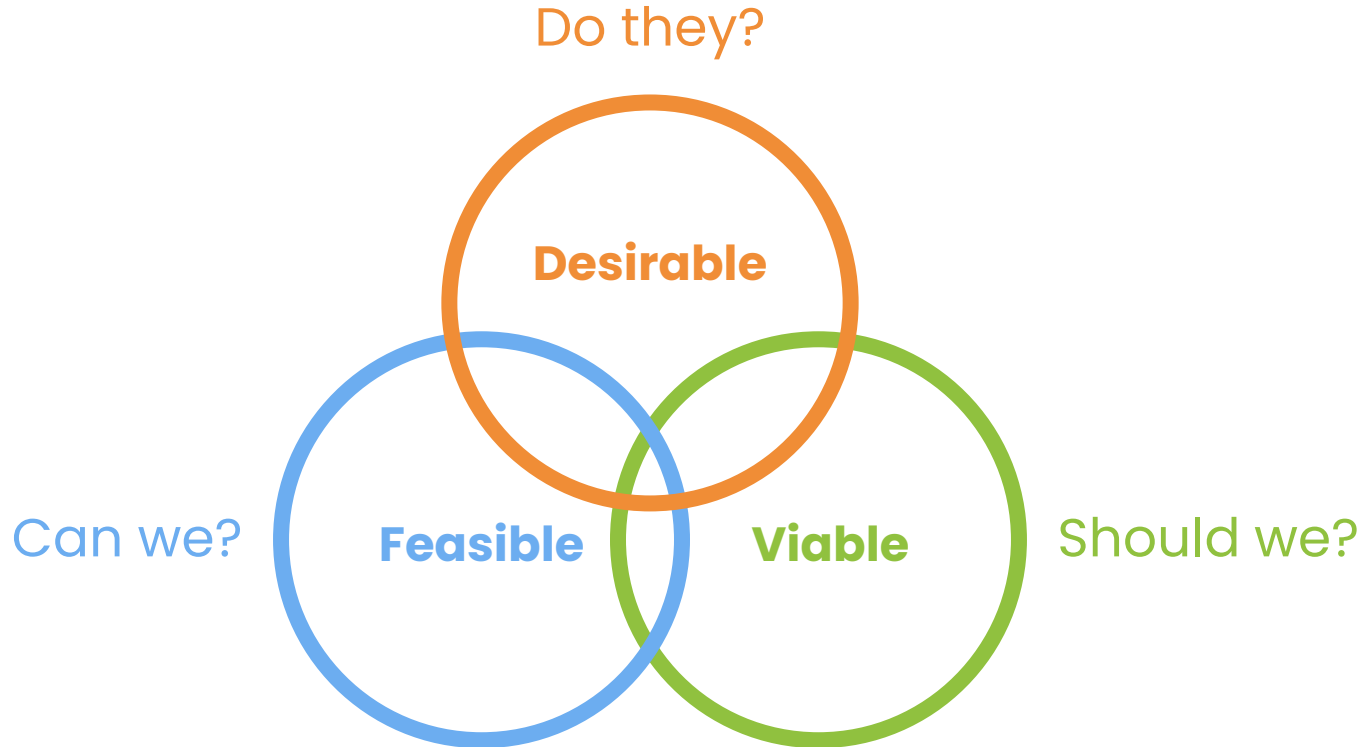
What is a Business Model Canvas?

Tool that allows to
define and
communicate a
business concept
and its sustainability

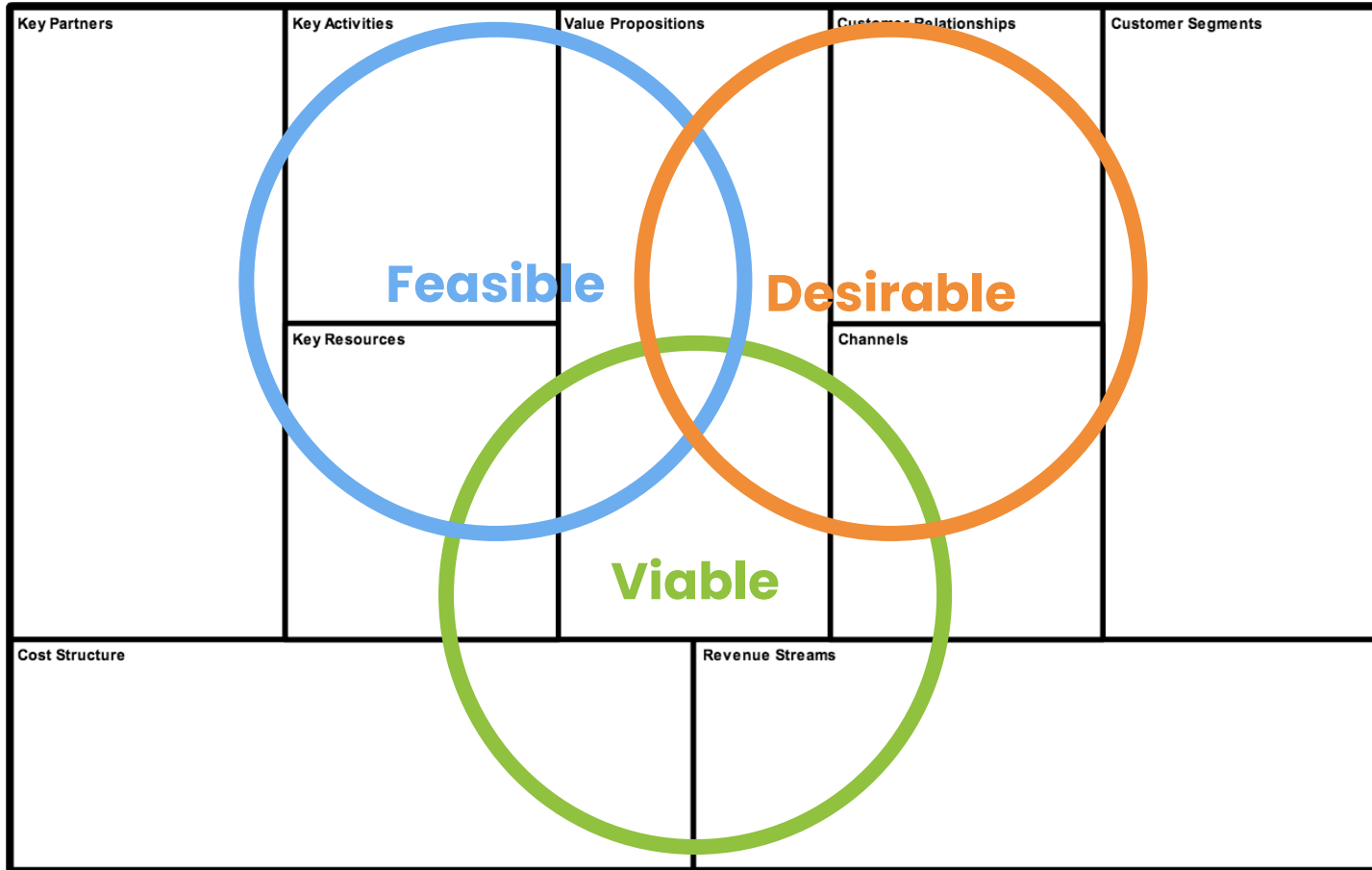


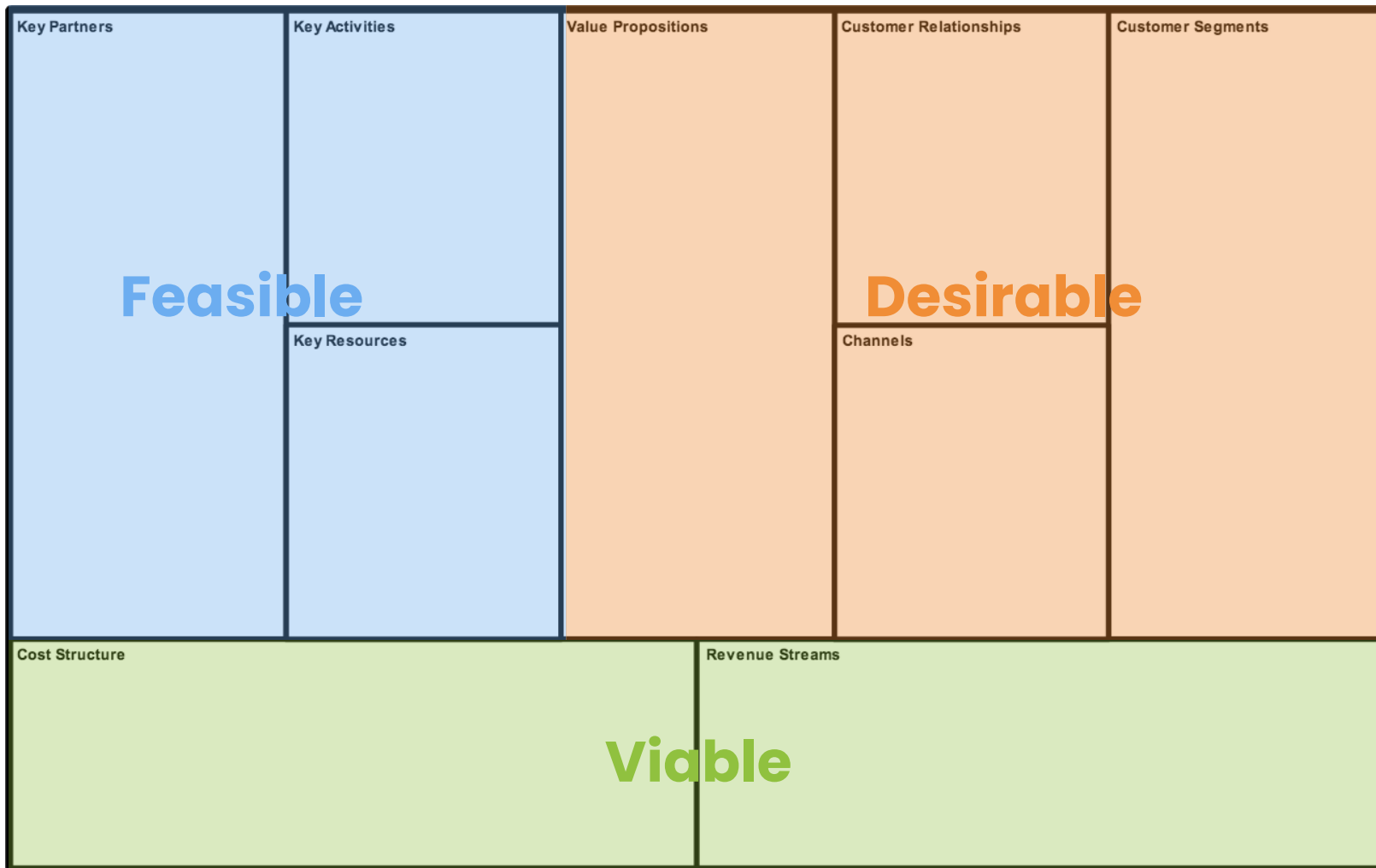
Adapted from "Business Model Generation", Alexander Osterwalder, Wiley 2012.
www.businessmodelgeneration.com
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It Tries to Check for Three Things

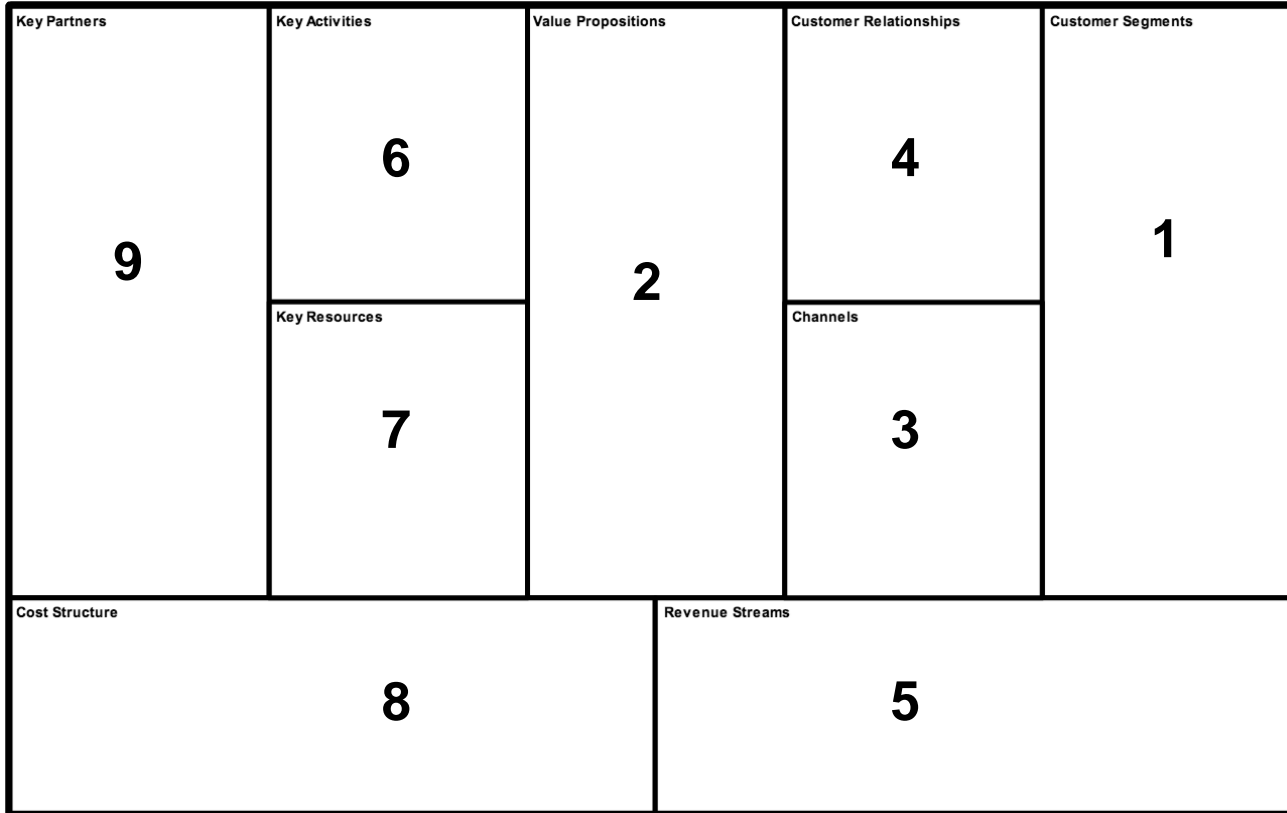


Which Represents Portions of the BMC

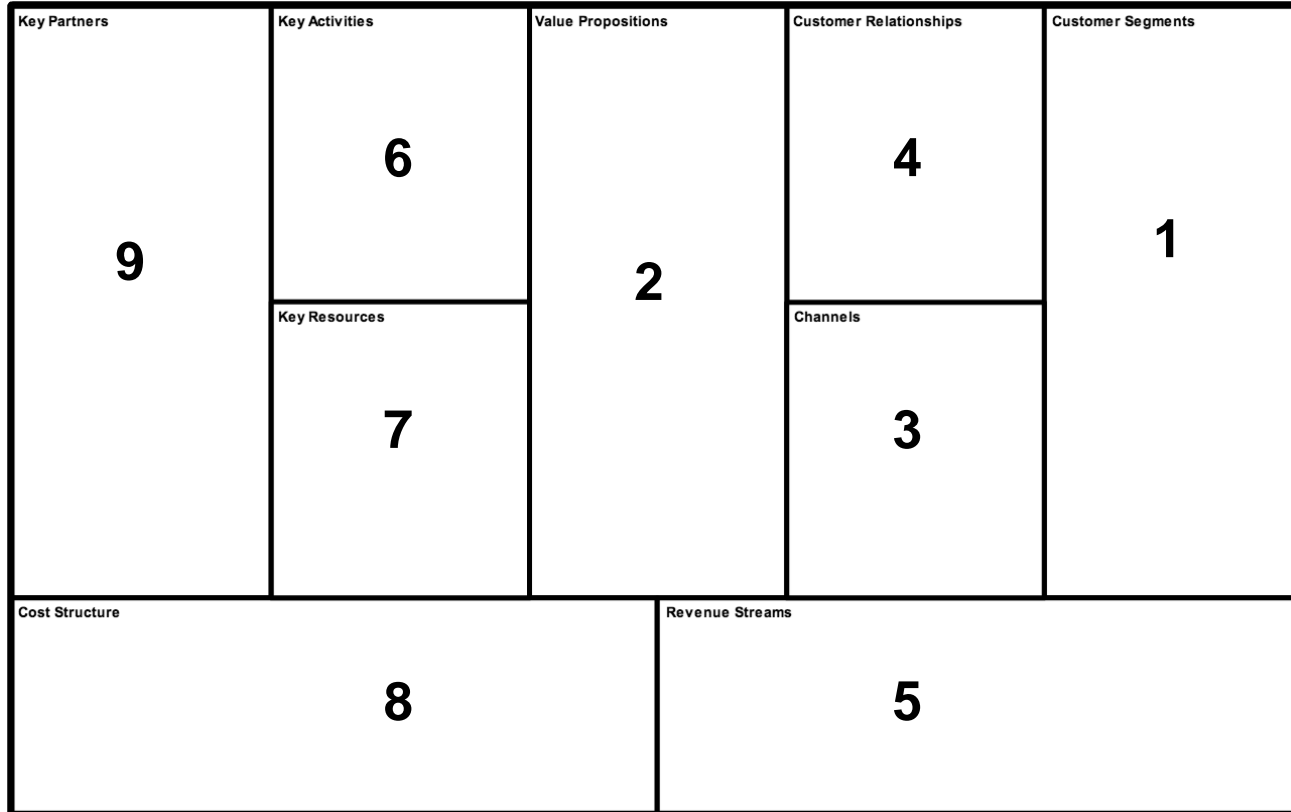




Filled out in a Particular Manner



To Tell a Story



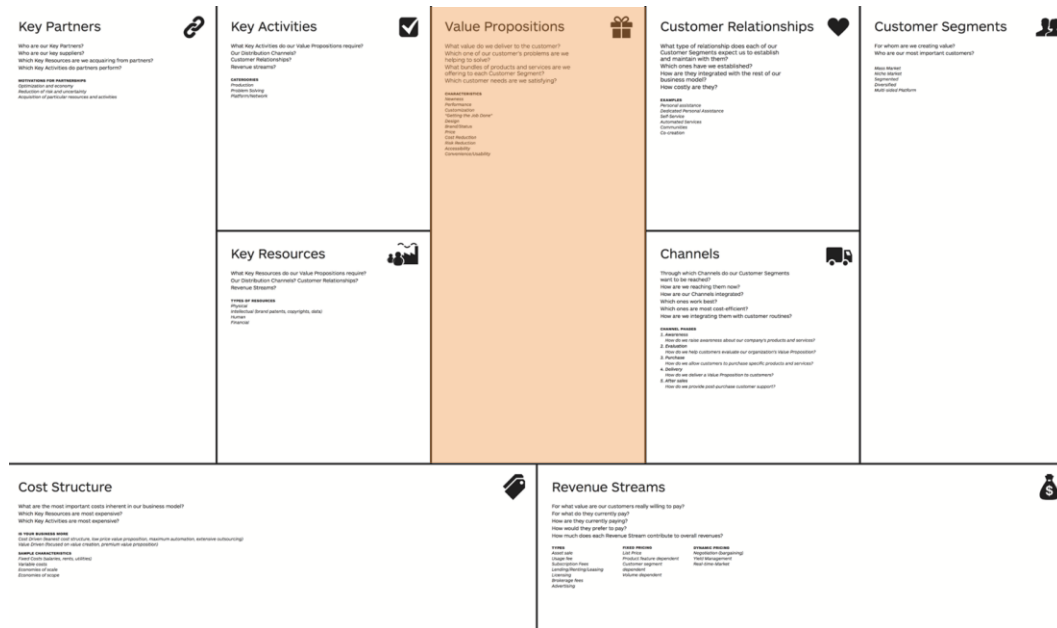
Groups of the different **target users**

Divided based on
demographics or how
they can benefit from
the startup



Exchange of value
between the
Customer Segments
and the startup

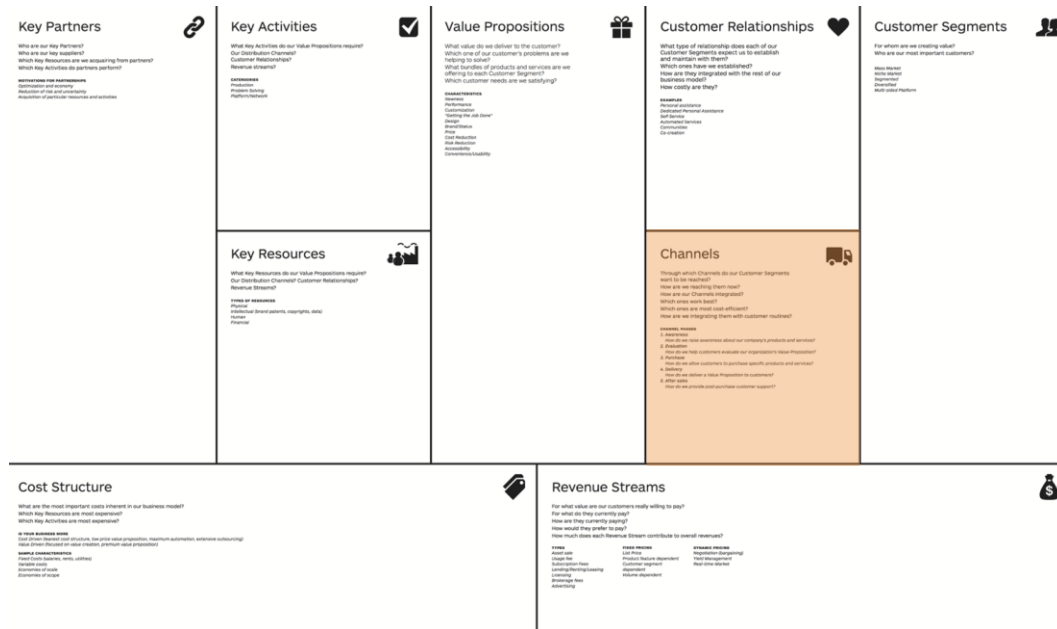
Answers the question
***“What makes the
startup unique?”***



Channels

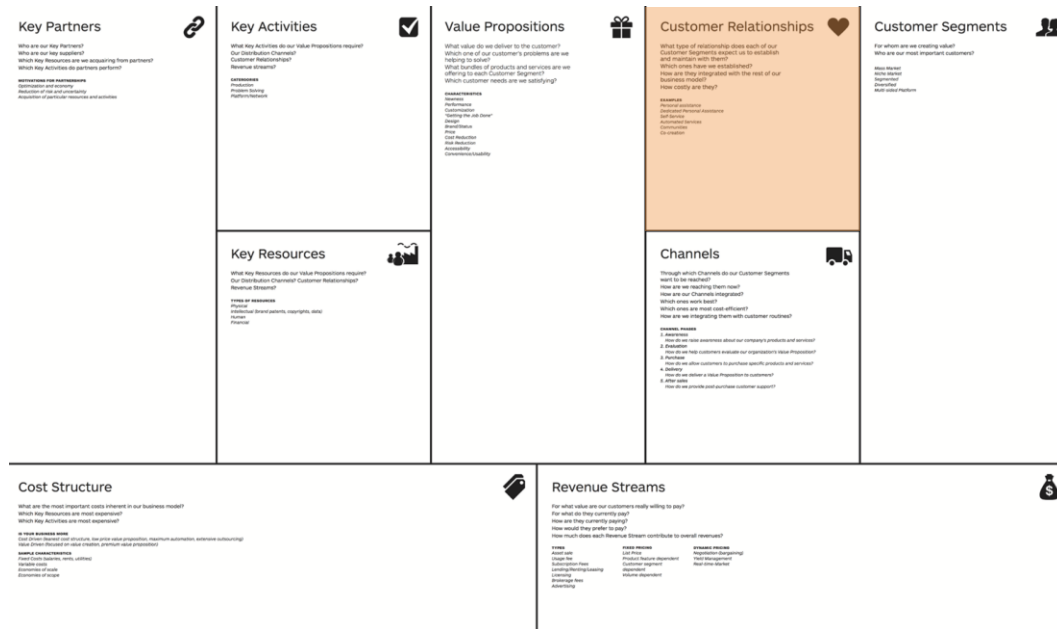
Avenue in which the Customer Segments come to contact with the startup

Important for **when**, **where**, and **how** to market to users



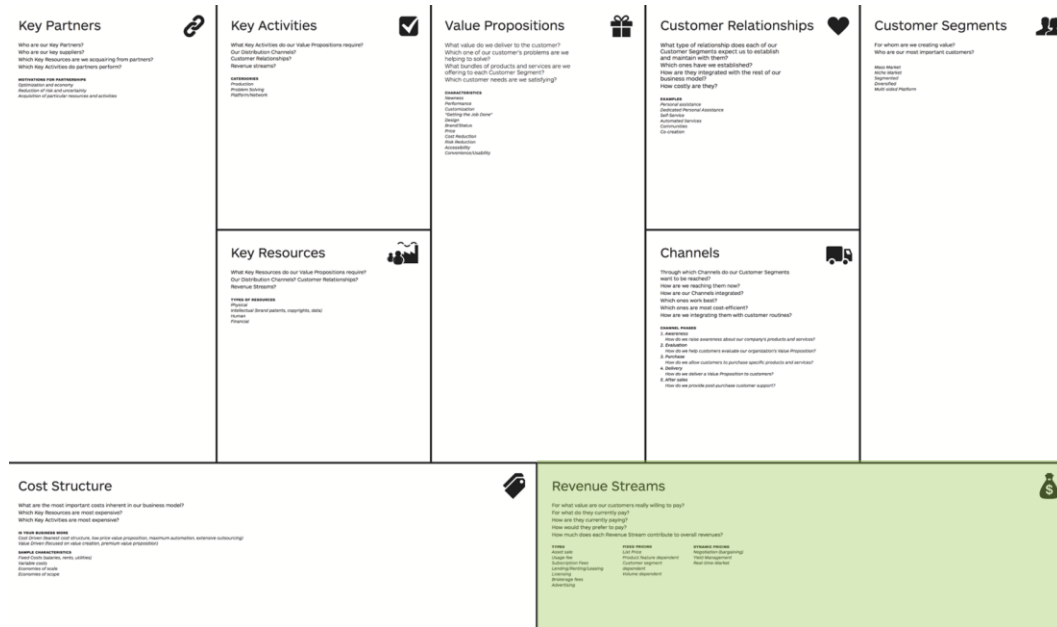
How the startup
interacts with the
Customer Segments

How the startup
maintains
relationships with the
Customer Segments

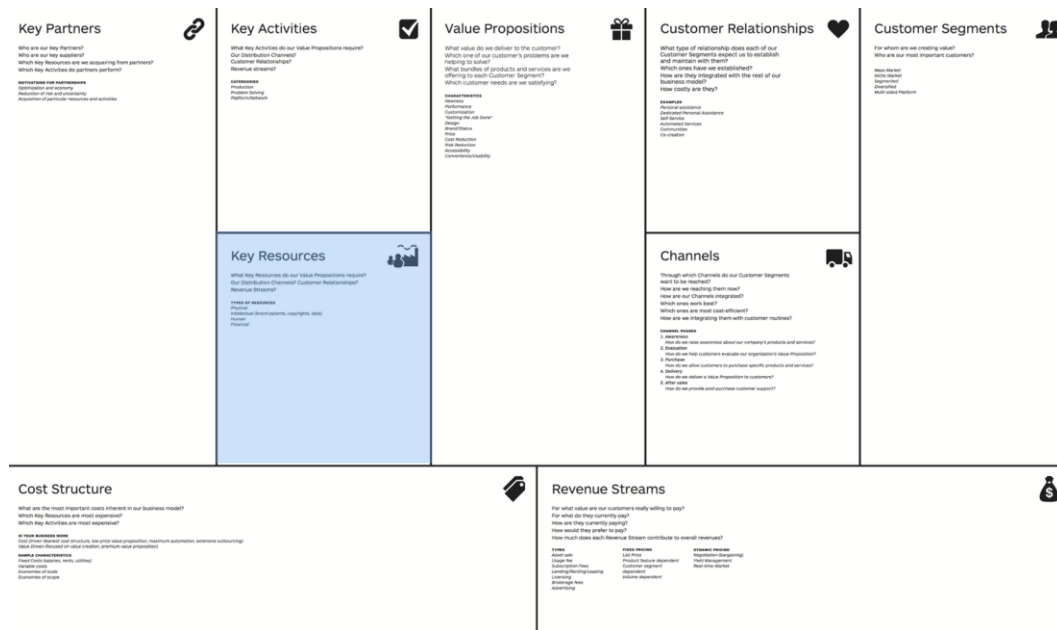


How the startup turns
the Value Proposition
into **financial gain** so
that it can be
sustainable

Plan accordingly to the Cost Structures



Practical resources
that are needed in
the Key Activities to
achieve the Value
Propositions

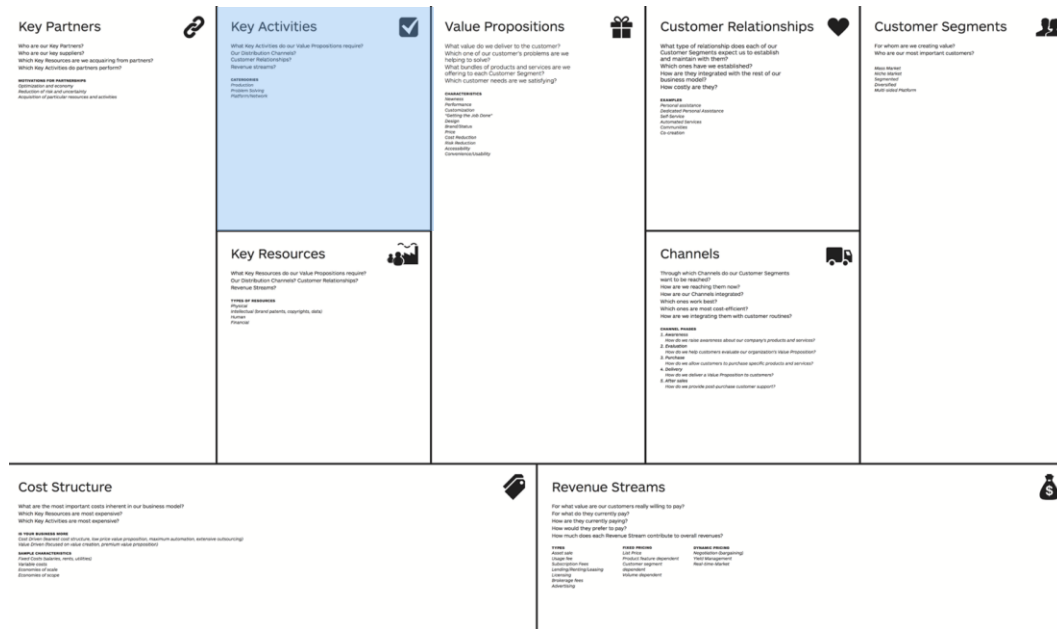


Key Activities

Things that the startup
does to achieve the
Value Propositions

Focus on the
important activities

Clump the important
activities



Key Partners

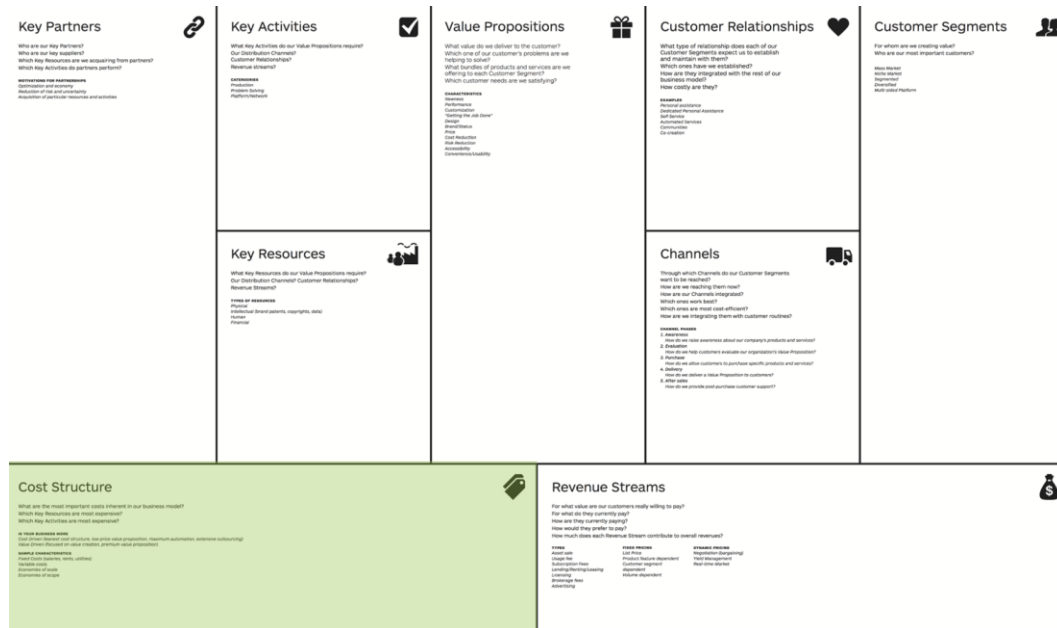
List of **external companies / suppliers / parties** that can help achieve the Value Propositions

Helps lessen the Key Resources

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform? KEY PARTNERS AND RELATIONSHIPS Distribution of our services Acquisition of new customers Acquisition of new technology Protection of our assets, intellectual property and technology</p>	<p>What key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Channels? KEY ACTIVITIES Production Problem Solving Distribution Channels KEY RESOURCES Channels Performance Customer Relationships Technology (e.g. Web, Data) Design Manufacturing Assets Cost Reduction Risk Reduction Innovation Sustainability</p>	<p>What value do we deliver to the customer? Which type of our customer's problems are we helping to solve? Which type of our products and services are we offering to each Customer Segment? Which customer needs are we satisfying? VALUE PROPOSITIONS Channels Performance Customer Relationships Technology Design Manufacturing Assets Cost Reduction Risk Reduction Innovation Sustainability</p>	<p>What type of relationship does each of our customers have with us? How do we establish and maintain with them? Which type of relationship do we establish? How are they integrated with the rest of our business model? How costly are they? CUSTOMER RELATIONSHIPS Personal assistance Self-serve Automated services Communities Co-creation</p>	<p>For whom are we creating value? Who are our most important customers? CUSTOMER SEGMENTS Mass market Niche market Segment Segment Segment</p>
	<p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Channels? KEY RESOURCES Channels Performance Customer Relationships Technology Design Manufacturing Assets Cost Reduction Risk Reduction Innovation Sustainability</p>		<p>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 outreach? CHANNELS Channels Performance Customer Relationships Technology Design Manufacturing Assets Cost Reduction Risk Reduction Innovation Sustainability</p>	
<p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive? COST STRUCTURE Cost of Goods Sold Cost of Sales Cost of Distribution Cost of Customer Relationships Cost of Technology Cost of Manufacturing Cost of Assets Cost of Risk Reduction Cost of Innovation Cost of Sustainability</p>		<p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How much does each Revenue Stream contribute to overall revenues? REVENUE STREAMS Channels Performance Customer Relationships Technology Design Manufacturing Assets Cost Reduction Risk Reduction Innovation Sustainability</p>		

Monetary cost of operating the startup

Take note of the costs required to create / develop and maintain the operations of the startup



Guidelines to Creating the BMC

Set scope and goals

Who's the user?

Are you starting off? Or are you pivoting?

Focus on the big stuff

What are the things most needed?
What are needed right now?

Merge with data gathering tools

Include feasibility studies or the Javelin Validation Board

Don't be afraid to edit

Move around ideas if needed

Think beyond

Will these ideas still work in 5 years? 10 years?

Focus on sustainability

BUSINESS MODEL CANVAS – WINE INDUSTRY

<p>● KEY PARTNERS</p> <p>Cork/bottle suppliers</p> <p>External quality assessors</p> <p>Distributors</p>	<p>● KEY ACTIVITIES</p> <p>Design</p> <p>Retail management</p> <p>Distribution channels</p> <p>● KEY RESOURCES</p> <p>Physical assets; Vineyard, chateau</p> <p>Patrimonial resources: historic wine labels</p> <p>Well-trained vintner</p>	<p>● VALUE PROPOSITIONS</p> <p>High-quality wine</p> <p>Brand experience</p>	<p>● CUSTOMER RELATIONSHIPS</p> <p>No direct contact</p> <p>Some relationship with restaurant owners</p> <p>● CHANNELS</p> <p>Export</p> <p>Website</p> <p>Supermarkets</p>	<p>● CUSTOMER SEGMENTS</p> <p>Restaurants</p> <p>Home owners</p>
<p>● COST</p> <p>Vineyard/chateau maintenance</p> <p>Payroll</p>		<p>● REVENUE STREAMS</p> <p>Sale of wine</p>		

BUSINESS MODEL CANVAS – NETFLIX

<ul style="list-style-type: none">● KEY PARTNERS <p>Internet service providers (ISP)</p> <p>3rd party studios</p> <p>8</p>	<ul style="list-style-type: none">● KEY ACTIVITIES <p>Content procurement</p> <p>Application development</p> <p>3rd party licensing</p>	<ul style="list-style-type: none">● VALUE PROPOSITIONS <p>On-demand video</p> <p>Huge selection of content</p> <p>Original content</p> <p>Competitive price point</p> <p>2</p>	<ul style="list-style-type: none">● CUSTOMER RELATIONSHIPS <p>Self-service platform</p> <p>4</p>	<ul style="list-style-type: none">● CUSTOMER SEGMENTS <p>Mass market</p> <p>1</p>
<ul style="list-style-type: none">● KEY RESOURCES <p>Streaming rights</p> <p>Internet bandwidth</p> <p>Recommendation algorithm</p> <p>Content library</p> <p>6</p>			<ul style="list-style-type: none">● CHANNELS <p>Website</p> <p>App store</p> <p>Affiliate partners</p> <p>3</p>	
<ul style="list-style-type: none">● COST <p>In-house content production</p> <p>3rd party licensing</p> <p>Streaming application (staff, maintenance, etc.,)</p> <p>7</p>			<ul style="list-style-type: none">● REVENUE STREAMS <p>Subscriptions</p> <p>5</p>	



TESLA

BUSINESS MODEL CANVAS (TESLA)

KEY PARTNERS 🤝

- OEM Alliances
- Governments
- Leasing companies
- Panasonic (battery development)
- Manufacturing and purchasing
- Insurance companies
- Charge point partners

KEY ACTIVITIES 🛠️

- Research and development
- Design
- Electric power technologies
- Car manufacturing
- Charge point infrastructure

KEY RESOURCES 🏗️

- Electric vehicle technology
- Battery production
- Employees/skills/knowledge
- Engineering and design
- Elon Musk/Brand

VALUE PROPOSITIONS 💎

- Long-range recharging flexibility
- High-performance and modern design
- Energy efficiency and cost of ownership
- Autonomous driving capabilities
- Charge anywhere

CUSTOMER RELATIONSHIPS ❤️

- Customer service
- Customer intimacy
- Direct to customer
- Customer relationship management
- Personal assistance

CHANNELS 🌐

- Retail stores
- Website
- Conferences and events
- PR/Media

CUSTOMER SEGMENTS 🎯

- High-net worth individuals
- Green buyers
- Commercial fleet buyers
- Sports car enthusiasts
- Elon Musk fans
- Corporate executives
- Mid-tier management

COST STRUCTURE 💰

- Manufacturing infrastructure
- General admin/sales
- R&D costs
- Employees
- Distribution
- Cost of materials

REVENUE STREAMS 💵

- Automotive sales
- Automotive leasing
- Energy generation and storage
- Services