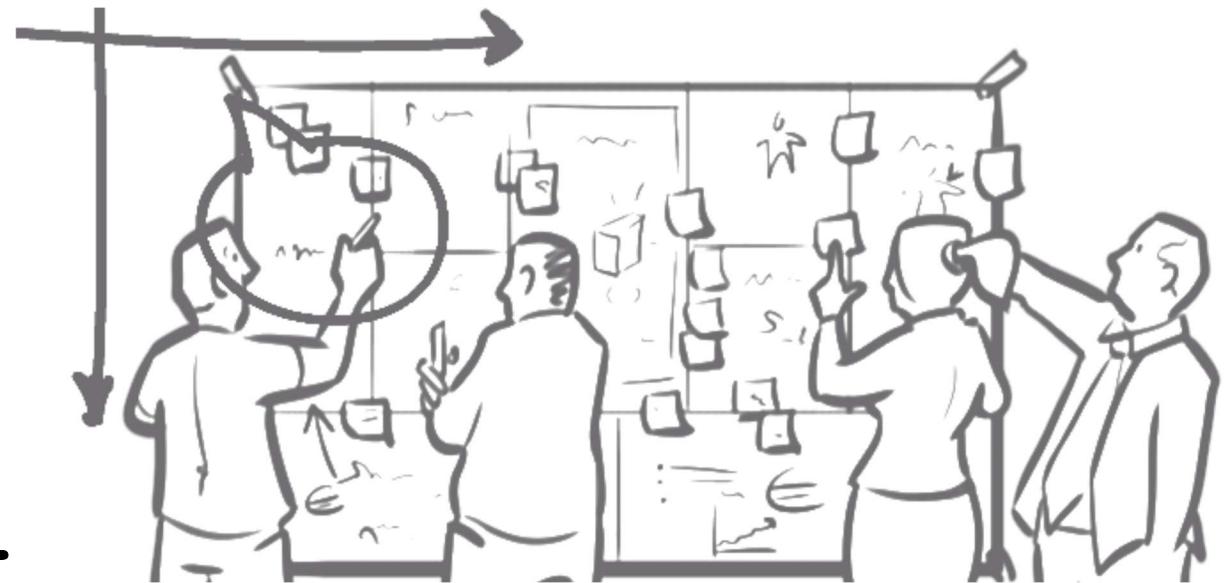
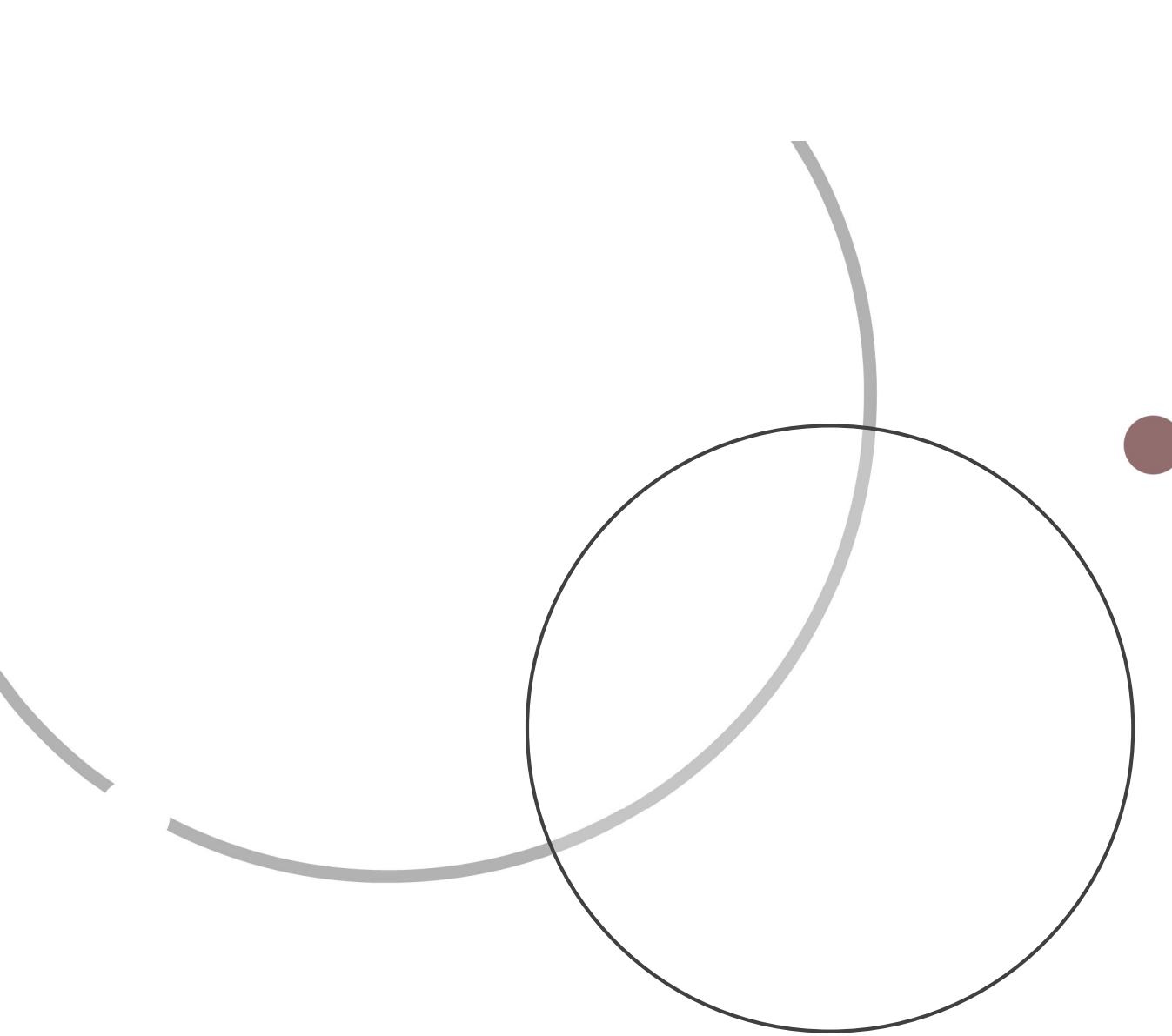


BUS100 **Business Modeling**

Dr. Rashed Refaat





A graphic element on the left side of the slide features two overlapping circles. One circle is black and the other is grey, with their intersection point located near the bottom center. A single red dot is positioned to the right of the circles, aligned vertically with their intersection point.

Design
Attitude

- “If you freeze an idea **too quickly**, you fall in love with it.
- If you refine it **too quickly**, you become attached to it and it becomes **very hard to keep exploring**,

To Keep Looking for Better.

- The crudeness of the early models in particular is very deliberate.



Jim Glymph, Gehry Partners

Prototype's role in the design profession

- Prototypes do play a role in pre-implementation visualization and testing.
- But they also play another very important role: that of a tool of inquiry.
- In this sense they serve as thinking aids for exploring new possibilities.
- They help us develop a better understanding of what could be.

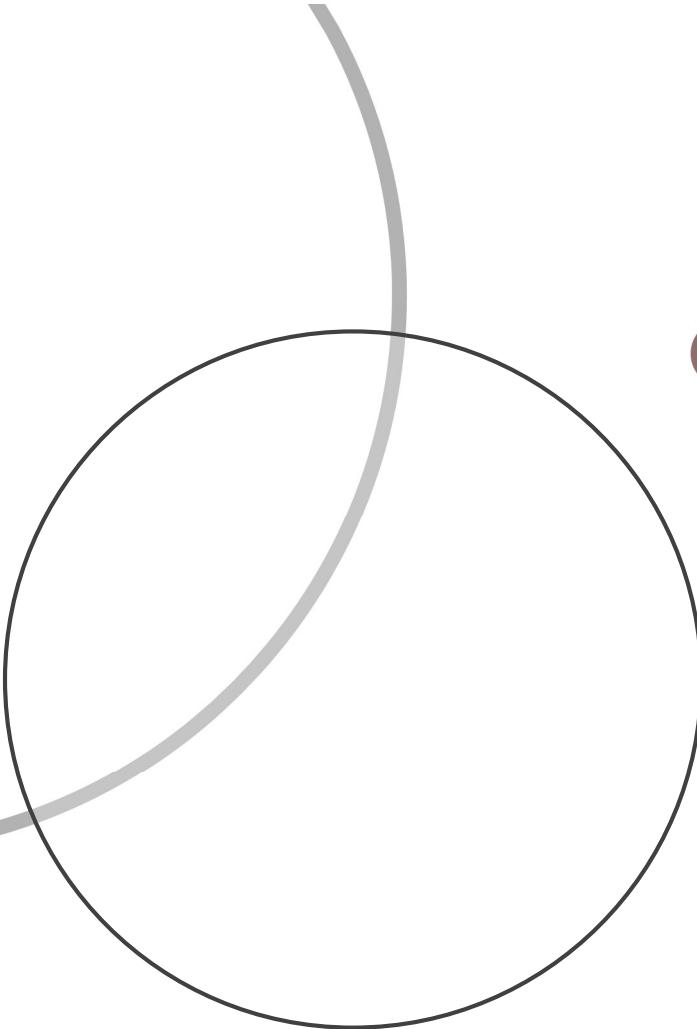


it is important to think
through a number of basic
business model possibilities
before developing a business
case for a specific model.

“Spirit of Inquiry” is called
design attitude, because it is
so central to the design
professions,



Spirit of Inquiry



Prototypes
at Different
Scales

Prototypes at Different Scales

A business model prototype can be anything from a rough sketch of an idea on a napkin to a detailed Business Model Canvas to a field-testable business model.

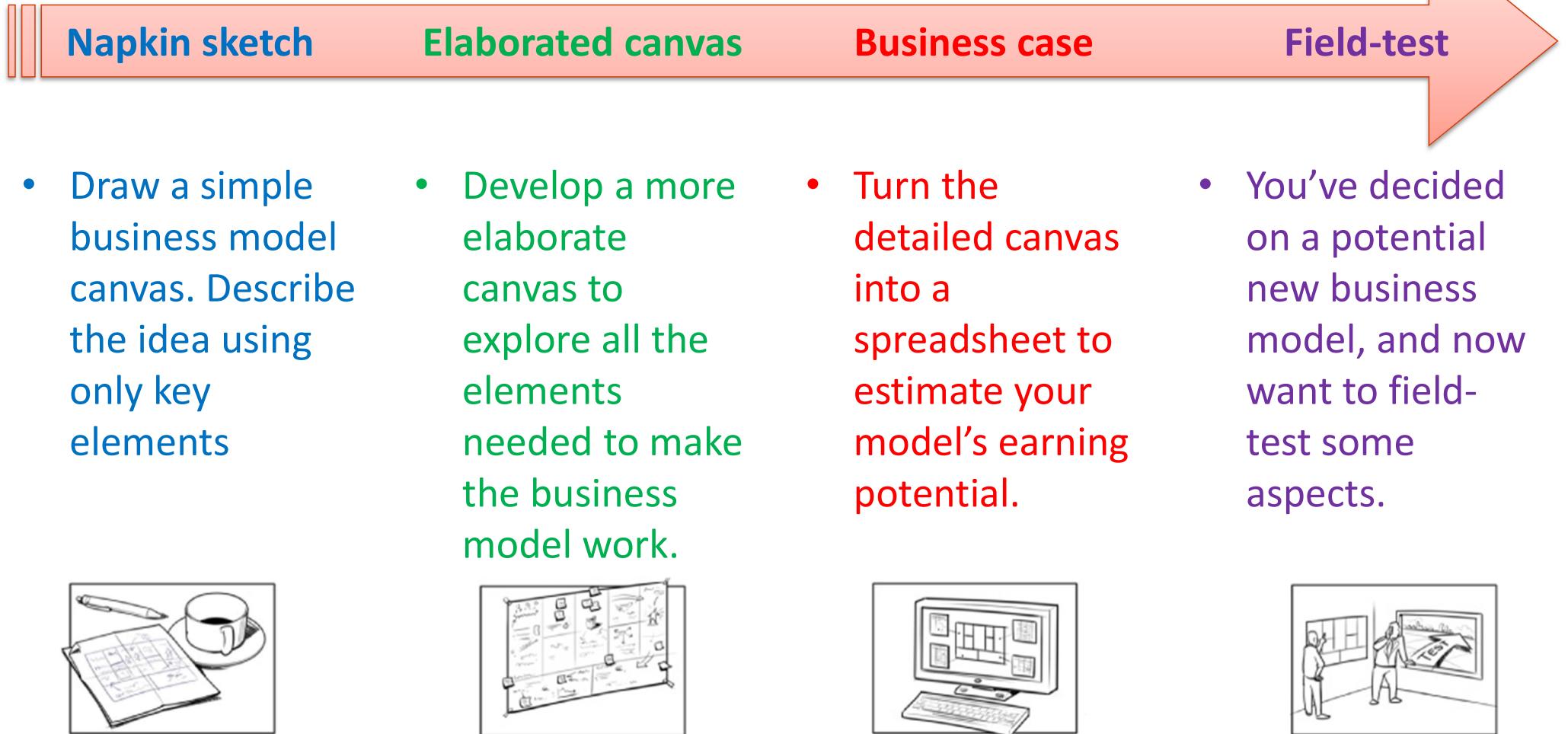
It's about exploring new and perhaps **silly**, even **impossible ideas** by adding and removing elements of each prototype. You can experiment with prototypes at different levels.

Finally

Business Model Prototyping

- Business model prototyping is about a mindset we call “design attitude.”
- It stands for an uncompromising commitment to discovering new and better business models by sketching out many prototypes —*both rough and detailed*—representing many strategic options.

Prototypes Levels



Napkin Sketch



- Outline the idea
- Include the Value Proposition
- Include the main Revenue Streams

Elaborated Canvas



- Develop a full Canvas
- Think through your business logic
- Estimate the market potential
- Understand the relationships
between Building Blocks
- Do some basic fact-checking

Business Case

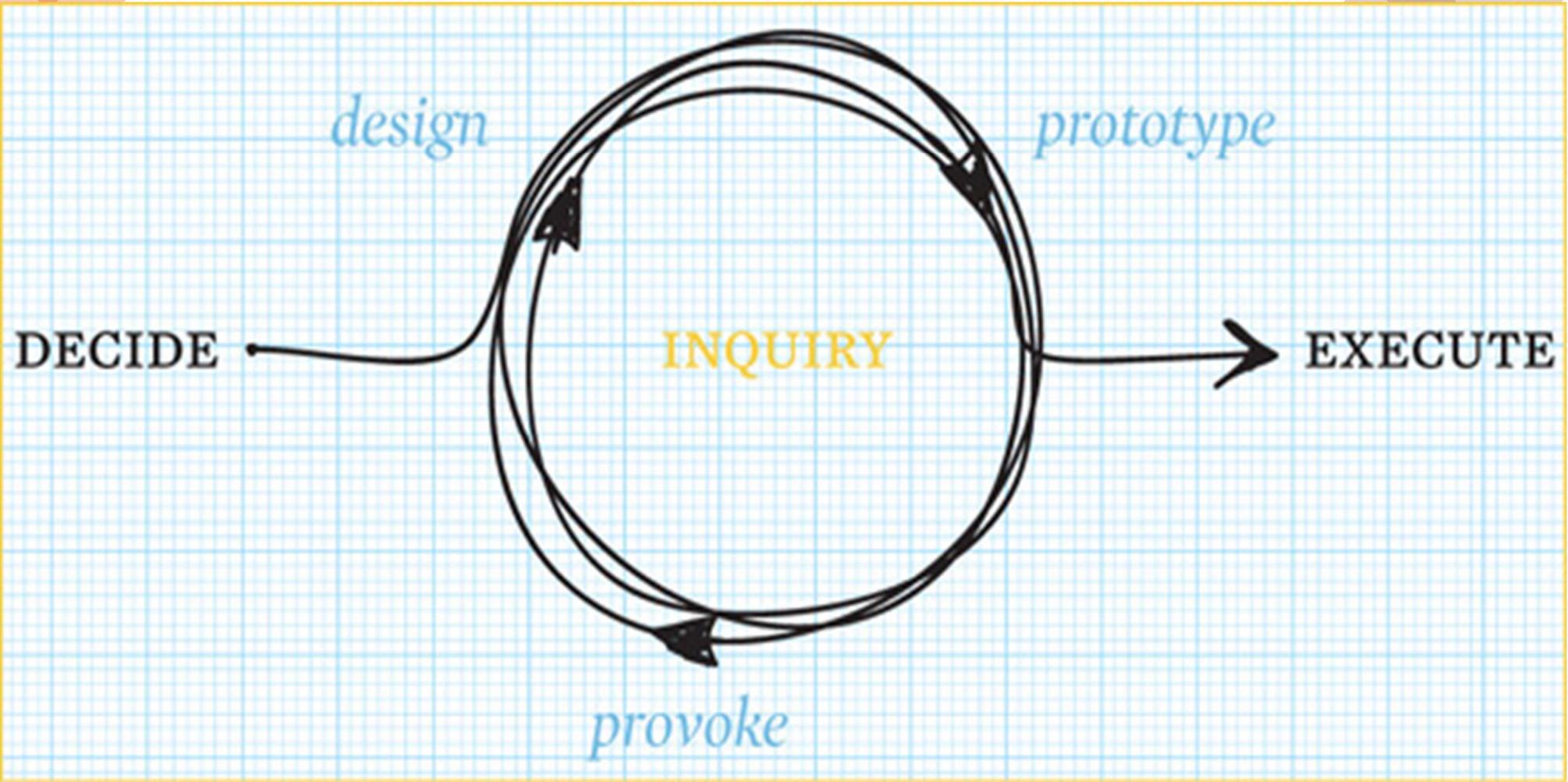


- Create a full Canvas
- Include key data
- Calculate costs and revenues
- Estimate profit potential
- Run financial scenarios based on different assumptions

Field-test



- Prepare a well-justified business case for the new model
- Include prospective or actual customers in the field test
- Test the Value Proposition, Channels, pricing mechanism, and/or other elements in the marketplace



Case Study

Review Book Page 169 (pdf file 175)

Wanted: A New Consulting Business Model

*John, 55
Founder & CEO
Strategy Consultancy
210 employees*



John Sutherland needs your help. John is the founder and CEO of a midsized global consulting firm that focuses on advising companies on strategy and organizational issues. He is looking for a fresh, outside perspective on his company because he believes that his business needs to be re-envisioned.

John built his company over two decades and now employs 210 people worldwide. The focus of his consultancy is helping executives develop effective strategies, improve their strategic management, and realign their organizations. He competes directly with McKinsey, Bain, and Roland Berger. One problem he faces is being smaller than his top-tier competitors, yet much larger than the typical niche-focused strategy consultancy. But John is not preoccupied with this issue, since his company is still doing reasonably well. What really troubles him is the strategic consulting profession's poor reputation in the marketplace, and growing client perception that the prevalent hourly and project-based billing model is outdated. Though his own firm's reputation remains good, he has heard from several clients that they think consultants overcharge, under-deliver, and show little genuine commitment to client projects.



Six Business Model Design Techniques

1. Customer Insights,
2. Ideation,
3. Visual Thinking,
4. Prototyping,
5. Storytelling, and
6. Scenarios.

Storytelling



Storytelling

- In our daily life as parents, as colleagues, and as friends, we are telling stories, **but actually**

we avoid as businesspeople using stories in our roles.

Storytelling is an **undervalued** and **underused** art
in the world of business.

Why Storytelling?

- By their nature, new or innovative business models can be difficult to describe and understand as they challenge the status quo by arranging things in unfamiliar ways.
- They force listeners to open their minds to new possibilities.
- Resistance is one likely reaction to an unfamiliar model.
- Therefore, describing new business models in a way that overcomes resistance is crucial.

Why Storytelling?

1

Introducing
the New.

2

Pitching to
Investors

3

Engaging
Employees

Why Storytelling?

(1) Introducing the New.

- Ultimately, managers are interested in numbers and facts,
but having the right story can win their attention.
- A good story is a compelling way to quickly outline a broad idea before getting caught up in the details.



Why Storytelling?

(2) Pitching to Investors.

What investors and other shareholders want to know is:

- How will you create value for customers?
- How will you make money doing so?

That's the perfect setting for a story.

It's the ideal way to introduce your venture and business model before getting into the full business plan.

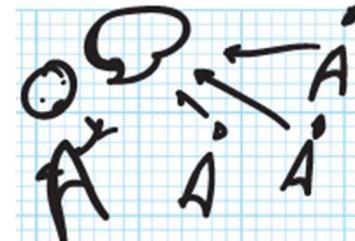


Why Storytelling?

(3) Engaging Employees.

When an organization transitions from an existing business model to a new business model,

- organization needs to powerfully engage its employees and convince collaborators to follow.
- People need a crystal-clear understanding of the new model and what it means for them.



Why Storytelling?

(3) Engaging Employees.

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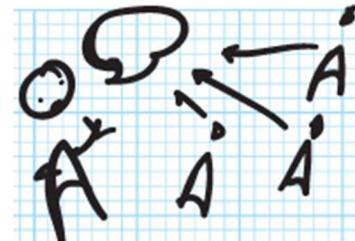


That is where **traditional** text-based PowerPoint presentations **usually fail**.

Why Storytelling?

(3) Engaging Employees.

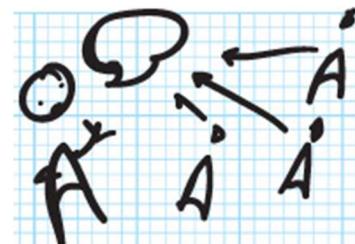
- People are **moved more** by stories than by logic.
- Introducing a new business model **through** an engaging story-based presentation (delivered with PowerPoint, drawings, or other techniques) is far more likely to connect with listeners.



Why Storytelling?

(3) Engaging Employees.

- Capturing people's attention and curiosity opens the way for in-depth presentations and discussions of the unfamiliar.



Making Business Models Tangible?

- The goal of telling a story is to introduce a new business model in an engaging, tangible way.
- Keep the story simple and use only one protagonist (hero).
- Depending on the audience, you can use a different protagonist with a different perspective.

Storytelling possible starting points

Explain the business model in the form of a story told from an employee's perspective.

Cast a customer as the protagonist and tell the tale from her point of view.

COMPANY
perspective

CUSTOMER
perspective

COMPANY *perspective*

Storytelling possible starting points

- Explain the business model in the form of a story told from an employee's perspective.
- Use the **employee as the protagonist** who demonstrates why the new model makes sense
- Either to solve customer problems or makes better or different use of resources, activities, or partnerships.

Storytelling possible starting points

CUSTOMER
perspective

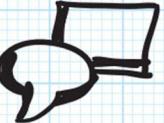
- Cast a **customer as the protagonist** and tell the tale from her point of view.
- Show the challenges **customer** faces & which jobs must get done, then outline how your organization creates value for her.
- Add some drama and emotion to the story and describe how your organization is making her life easier.

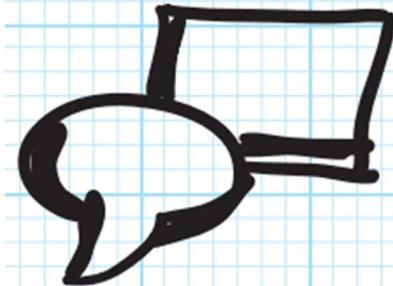
- The biggest challenge with stories told from a customer perspective is keeping them authentic and avoiding a facile or patronizing tone.

Storytelling Techniques

DESCRIPTION	Tell the story of a protagonist and his environment using one or several images	Tell the story of a protagonist and his environment using video to blur lines between reality and fiction	Have people play the roles of a story's protagonists to make the scenario real and tangible	Tell the story of a protagonist and his environment using text and one or several images	Use a series of cartoon images to tell the story of a protagonist in a tangible way
WHEN?	Group or conference presentation	Broadcast to large audiences or in-house use for decisions with important financial implications	Workshops where participants present newly developed business model ideas to each other	Reports or broadcasts to large audiences	Reports or broadcasts to large audiences
TIME & COST	Low	Medium to high	Low	Low	Low to medium

Storytelling Techniques

					
DESCRIPTION	Talk & Image	Video Clip	Role Play	Text & Image	Comic Strip
WHEN?	Group or conference presentation	Broadcast to large audiences or in-house use for decisions with important financial implications	Workshops where participants present newly developed business model ideas to each other	Reports or broadcasts to large audiences	Reports or broadcasts to large audiences
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Talk & Image

DESCRIPTION

Tell the story of a protagonist and his environment using one or several images

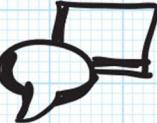
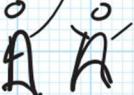
WHEN?

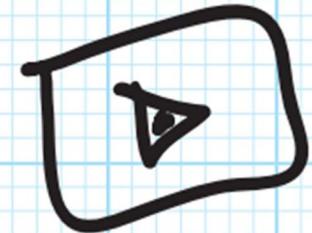
Group or conference presentation

TIME & COST

Low

Storytelling Techniques

					
DESCRIPTION	Talk & Image	Video Clip	Role Play	Text & Image	Comic Strip
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Video Clip

DESCRIPTION

Tell the story of a protagonist and his environment using video to blur lines between reality and fiction

WHEN?

Broadcast to large audiences or in-house use for decisions with important financial implications

TIME & COST

Medium to high

Storytelling Techniques

					
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Role Play

DESCRIPTION

Have people play the roles of a story's protagonists to make the scenario real and tangible

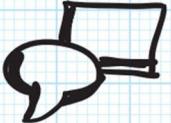
WHEN?

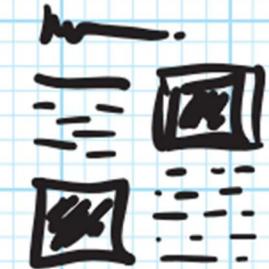
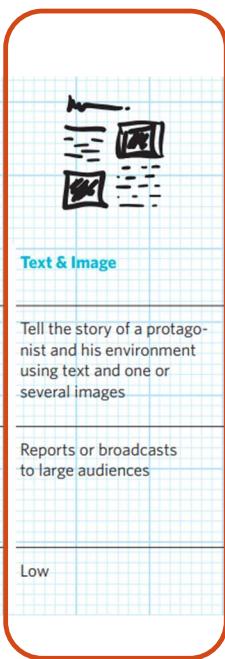
Workshops where participants present newly developed business model ideas to each other

TIME & COST

Low

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Text & Image

DESCRIPTION

Tell the story of a protagonist and his environment using text and one or several images

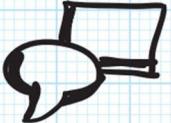
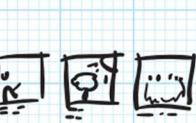
WHEN?

Reports or broadcasts to large audiences

TIME & COST

Low

Storytelling Techniques

					
DESCRIPTION	Tell the story of a protagonist and his environment using one or several images	Tell the story of a protagonist and his environment using video to blur lines between reality and fiction	Have people play the roles of a story's protagonists to make the scenario real and tangible	Tell the story of a protagonist and his environment using text and one or several images	Use a series of cartoon images to tell the story of a protagonist in a tangible way
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Comic Strip

DESCRIPTION

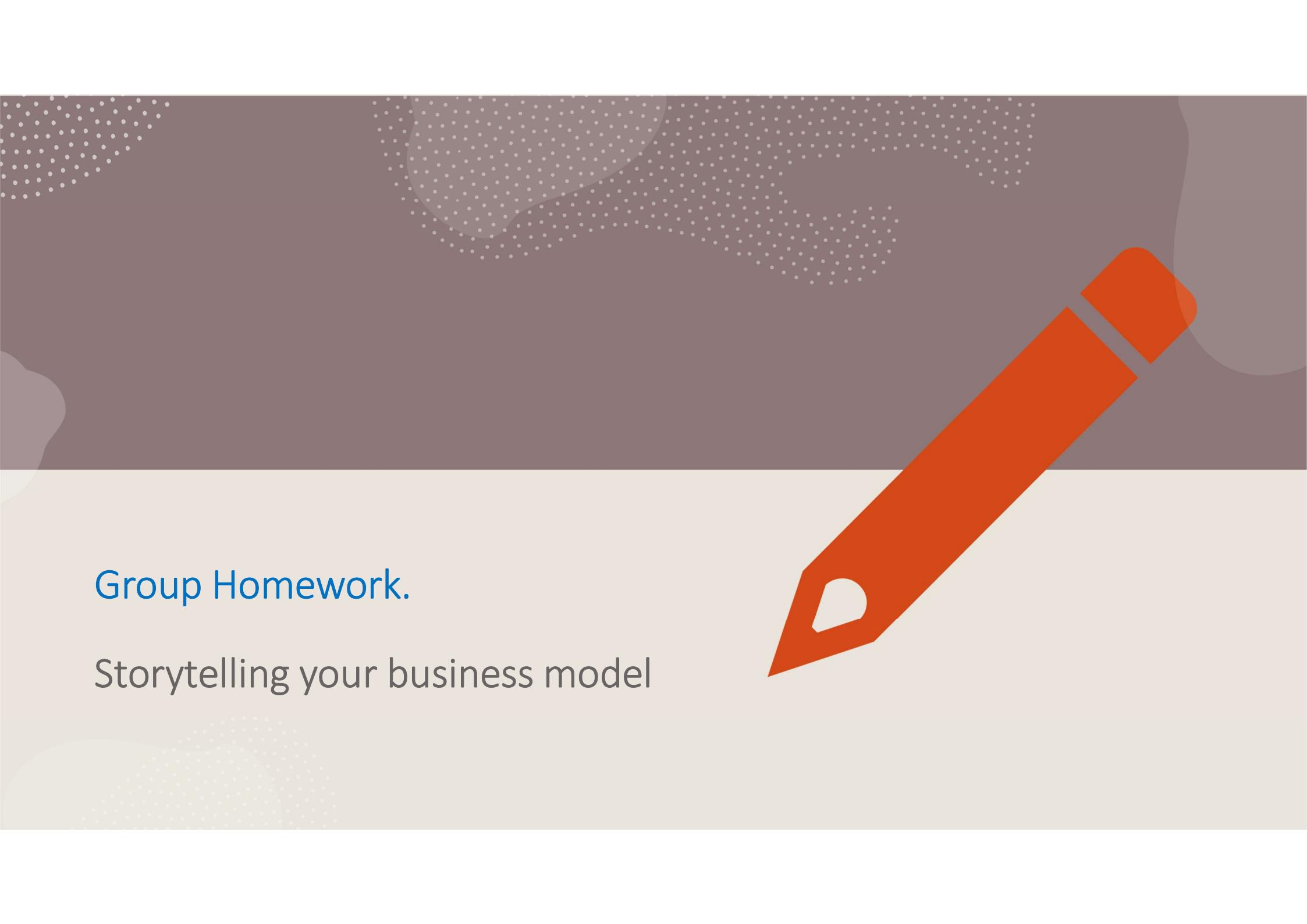
Use a series of cartoon images to tell the story of a protagonist in a tangible way

WHEN?

Reports or broadcasts to large audiences

TIME & COST

Low to medium



Group Homework.

Storytelling your business model