

Bringing the Course Together & Business Model Canvas 2nd Feb 2023

Plan for Today



- **Building the Course together**
- **Tying up learnings using Business Model Canvas (BMC)**
- **Course Feedback**
- **End-sem Inputs**

What was the course meant to cover

Expose UG students in their early years to ‘entrepreneurial thinking & mindset’ by introducing various elements of venture creation including **basic concepts in innovation and entrepreneurship**. It will also help build **generalist skills** in UG students and aid them in becoming well-rounded individuals and preparing for **careers beyond core engineering**

	Dates	Innovation	Entrepreneurship
Week 1	21 st to 25 th Dec		Course Introduction
Week 2	26 th Dec to 1 st Jan	Introduction to Design & Innovation	Customer discovery; Problem definition; Customer value proposition
Week 3	2 nd Jan to 8 th Jan	Design principles; System design, embodiment, and components	New Product Development
Week 4	9 th Jan to 15 th Jan	Design brief; Concept generation; Idea sketching	Marketing / Go To Market
Week 5	16 th Jan to 22 nd Jan	Proof-of-concept fabrication; Rapid prototyping	Entrepreneurial Finance Basics
Week 6	23 rd Jan to 29 th Jan	Prototype testing; Early customer feedback; Design improvement	Communication Skills
Week 7	30 th Jan to 2 nd Feb	Design for manufacturability; design for environment and other factors	Business Model Canvas

What have we covered in ENT 101?

	Dates	Innovation	Entrepreneurship
Week 1	21 st to 25 th Dec		Opportunity Identification & Idea Generation
Week 2	26 th Dec to 1 st Jan	Introduction to Design & Innovation	Problem definition & Customer value proposition
Week 3	2 nd Jan to 8 th Jan	Design principles; System design, embodiment, and components	Marketing / Go To Market
Week 4	9 th Jan to 15 th Jan	Design brief; Concept generation; Idea sketching (SCAMPER)	New Product Development
Week 5	16 th Jan to 22 nd Jan	Proof-of-concept fabrication; Rapid prototyping	Communication / Pitch Deck
Week 6	23 rd Jan to 29 th Jan	User Study & Design improvement : Garvin's Quality Dimensions	Basic Finance for Entrepreneurs
Week 7	30 th Jan to 2 nd Feb	Design for manufacturability	Business Model Canvas

Business Model Canvas

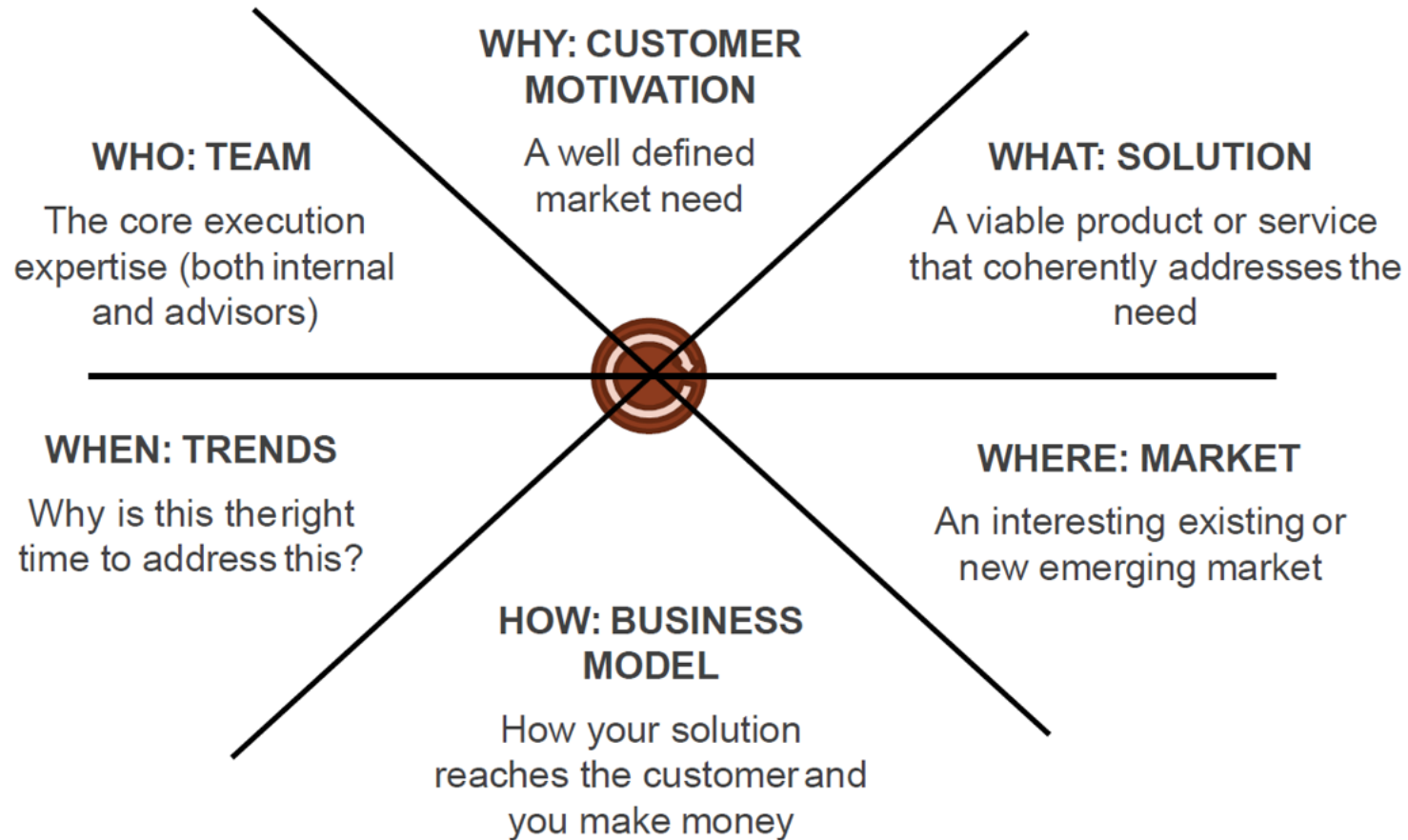
- **An Organization that creates, delivers, and captures value**
- **Four main areas of a business are: customers, offering, infrastructure & financial viability (Demand – Supply – Profit)**
- **Business model show the logic of how a company intends to make money**
 - ✓ **A blueprint for a strategy to be implemented through organizational structures, processes, and systems**

Types of Business Models



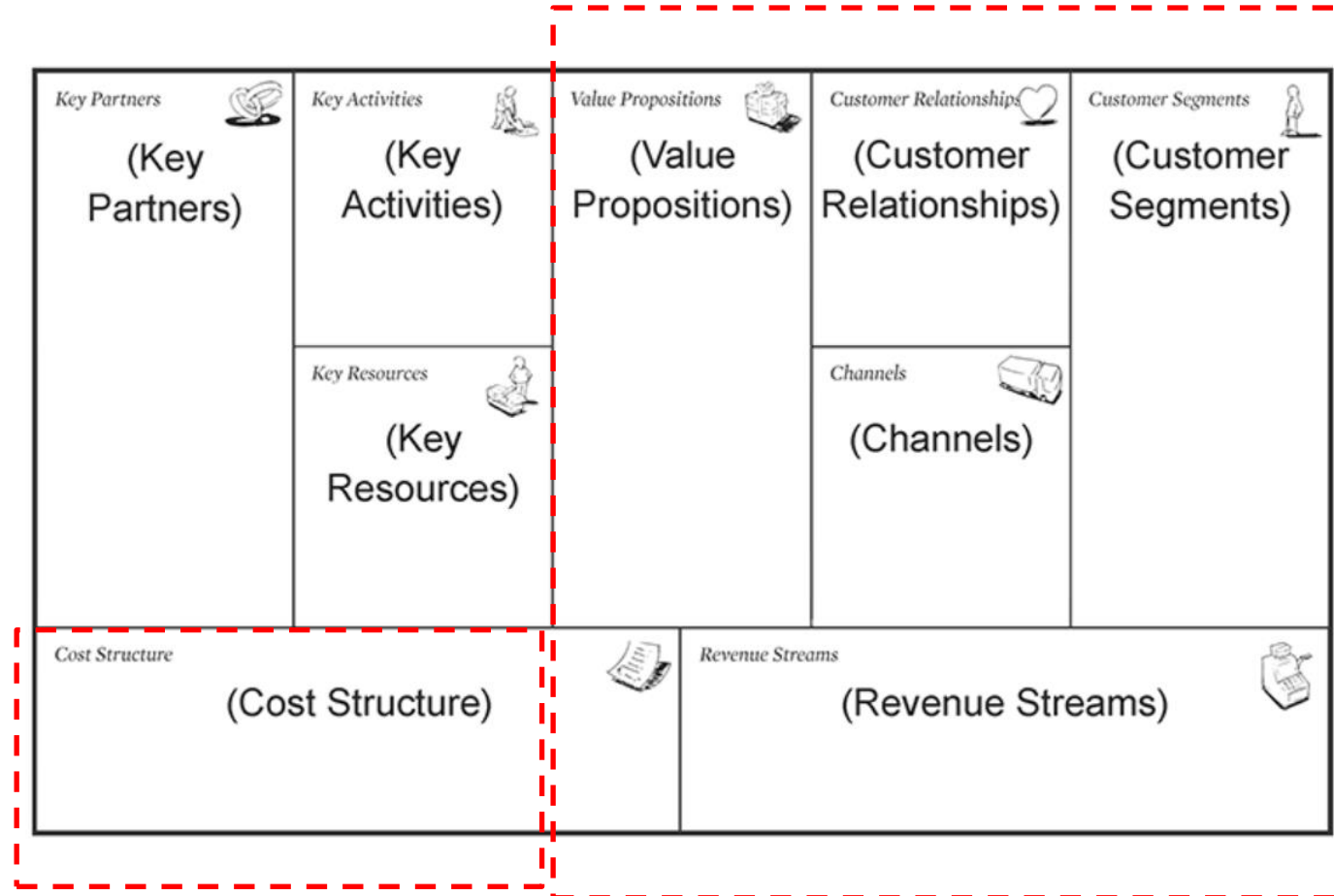
- **B2B & B2C business models**
- **The Long Tail Businesses – D2C**
- **Multi-Sided Platforms**
- **Subscription based business model**
- **FREE as a Business Model**

Opportunity Assessment Framework



Building a Business Model with BMC

- What do you sell?
- To whom do you sell it?
- How do you acquire customers?
- What is a typical transaction?
 - Purchase, subscription?
 - How much?
 - How does money change hands?
- How does product flow?
- How will you go to market?
- Who else is involved
 - Distributor / Partner
 - Advertiser
- How do you make money ?



- **VP describes the bundle of products and services that create value for a specific Customer Segment**
 - ✓ It seeks to solve customer problems and satisfy customer needs with value propositions
- **Values are quantitative (price, speed of service...) or qualitative (design, customer experience)**
- **Some element of VP**
 - ✓ Newness, Performance, Customization, Getting the job done
 - ✓ Design, Brand/Status, Price, Cost Reduction, Risk Reduction, Accessibility, Convenience/Usability

CS: Customers Segments

- **CS defines the different groups of people or organizations an enterprise aims to reach and serve**
 - ✓ An organization serves one or several Customer Segments
- **Many Types**
 - ✓ Mass Market
 - ✓ Niche Market
 - ✓ Segmented
 - ✓ Diversified
 - ✓ Multi-sided Markets
- **Distinguish between customers and users.**
 - ✓ In search, the customer is advertisers and users are the people doing searches
- **Identify your early adopters – early evangelists**
 - ✓ They will help your company to cross the chasm



CR: Customer Relationships

- **CR describes the types of relationships a company establishes with specific Customer Segments**
- **Motivations for CR: How do you acquire, keep and upsell to customers**
 - ✓ **Customer Acquisition**
 - ✓ **Customer Retention**
 - ✓ **Boosting sales by Upselling**
- **Types of CR:**
 - ✓ **Personal assistance**
 - ✓ **Dedicated Personal assistance**
 - ✓ **Self service**
 - ✓ **Automated services**
 - ✓ **Communities**
 - ✓ **Co-creation**

CH: Channels

- **CH describes how a company communicates with and reaches its Customer segments to deliver a Value Proposition**
 - ✓ **How does the customer become AWARE (MEDIA)**
 - ✓ **How does the customer BUY (CHANNEL)**
- **Channel types**
 - ✓ **Own or Partner**
 - ✓ **Direct or Indirect**
 - ✓ **Inbound vs Outbound**
- **Examples**
 - **Sales force**
 - **Web sales**
 - **Own stores**
 - **Partner stores**
 - **Channel - Wholesaler, Distributor**

RS: Revenue Streams

- **RS represents the cash a company generates from each Customer Segment**
 - ✓ **Revenue streams result from value propositions successfully offered to customers**
- **Two types:**
 - ✓ **Transaction Revenues – one-time customer payment**
 - ✓ **Recurring Revenues – on-going payments**
- **Ways to generate RS:**
 - ✓ **Asset sale**
 - ✓ **Usage fee, Subscription fees, Lending/Renting/Leasing**
 - ✓ **Licensing, Brokerage fees, Royalty**
 - ✓ **Advertising**
- **Pricing Mechanisms**
 - ✓ **Fixed Menu: List price, Product Feature or CS or Volume dependent**
 - ✓ **Dynamic Pricing: Negotiations (bargaining), Yield management, Real-time-market, Auctions**
- **Charge from day-one:**
 - ✓ **Remember price is part of the product**
 - ✓ **Price defines your customers**
 - ✓ **Getting paid is the ultimate form of validation**



KR: Key Resources

- **KR describes the most important assets required to make the business model work**
- **KR can be owned or leased by the company or acquired from key partners**
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- **KR categories:**
 - ✓ **Physical**
 - ✓ **Financial**
 - ✓ **Intellectual**
 - ✓ **Human**

KA: Key Activities

- **KA describes the most important things a company must do to make its business model work**
- **KA categories:**
 - ✓ **Production:** for mfg companies
 - ✓ **Problem solving:** for service companies
 - ✓ **Platform/Network:** for networks, matchmaking platforms, software and brands

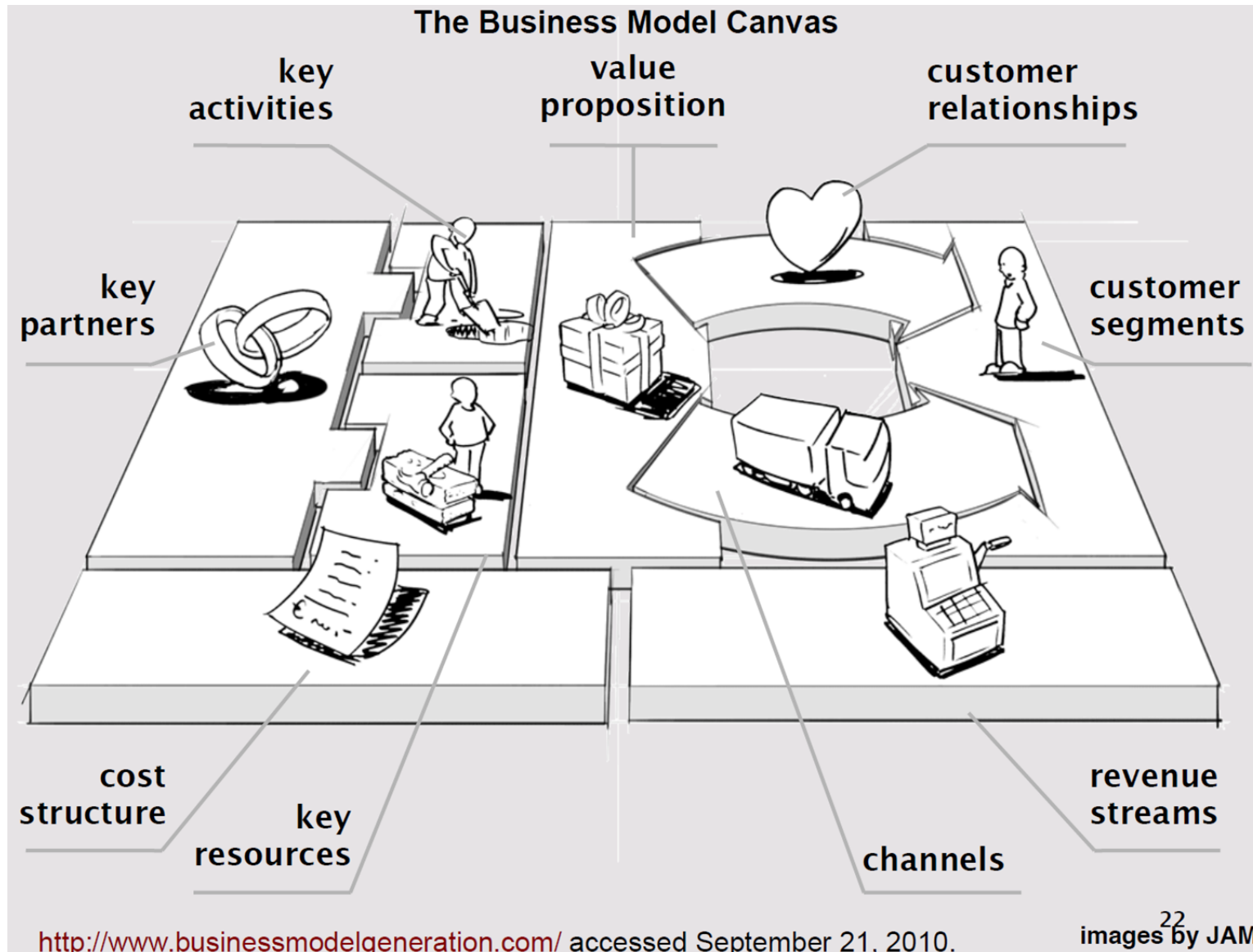
- **KP describes the network of suppliers and partners that make the business model work**
 - ✓ **Some activities are outsourced and some resources are acquired by the enterprise**
- **Three motivations**
 - ✓ **Optimization and Economy of scale**
 - ✓ **Reduction of risk and uncertainty**
 - ✓ **Acquisition of particular resources and activities**

- **CS describes all costs incurred to operate a business model**
- **Two types of business models**
 - ✓ **Cost-driven**
 - ✓ **Value-driven**
- **CS characteristics**
 - ✓ **Fixed costs**
 - ✓ **Variable costs**
 - ✓ **Economies of scale**
 - ✓ **Economies of scope**

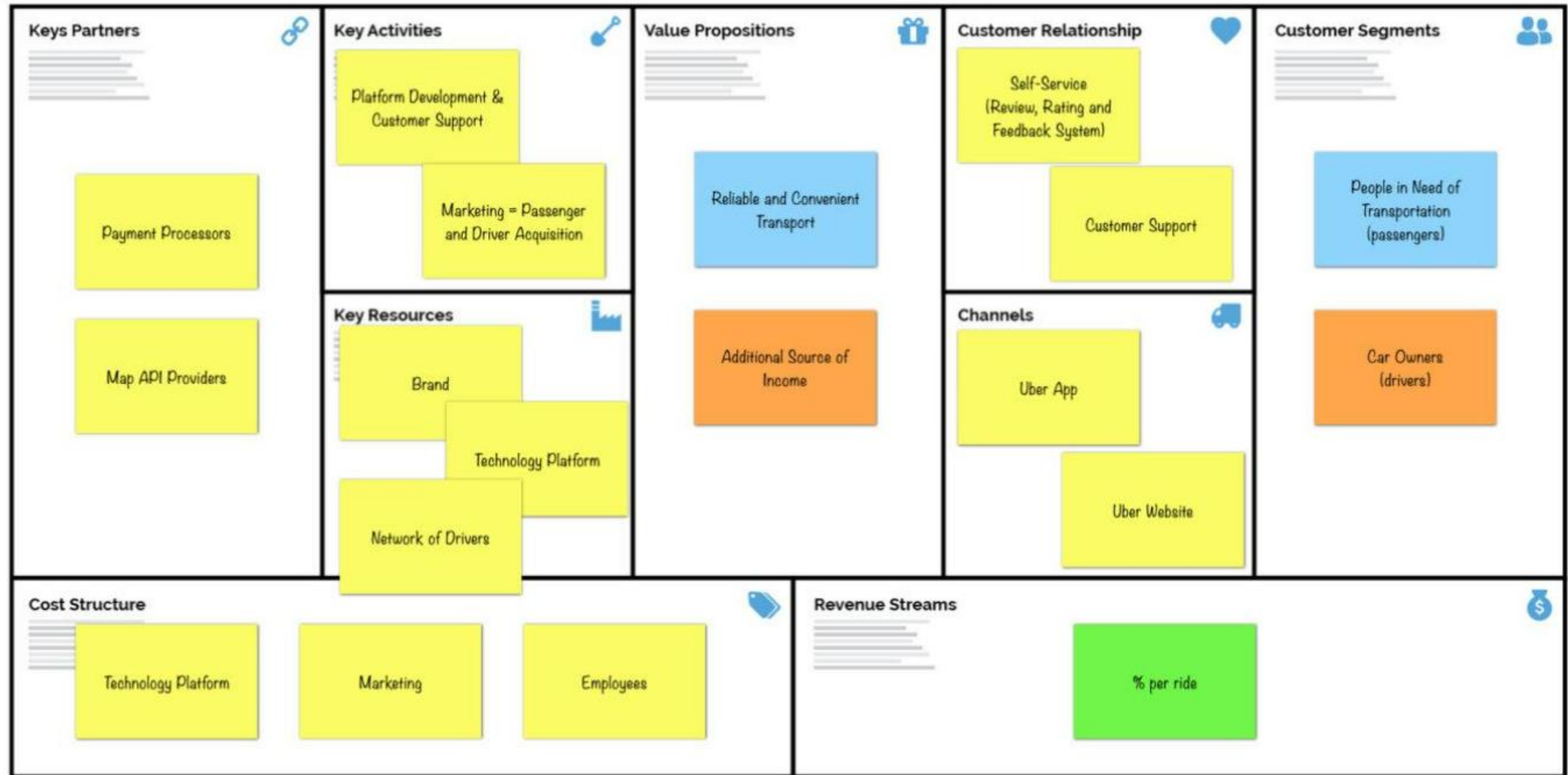


- **A business model describes the flow between key components of the company:**
 - ✓ **Value proposition which the company offers (product/service/benefits)**
 - ✓ **Customer segments such as users and payers or moms and teens**
 - ✓ **Distribution channels to reach customers and offer them the value of proposition**
 - ✓ **Customer relationships to create demand**
 - ✓ **Revenue streams generated by the value propositions**
 - ✓ **Resources needed to make the business model possible**
 - ✓ **Activities necessary to implement the business model**
 - ✓ **Partners who participate in the business and their motivations for doing so**
 - ✓ **Cost structure resulting from the business model**

Business Model Canvas



Sample BMC : Uber



ENT 101 : End Sem

- **Date & Time : 6th Feb , 2 to 5 pm**
- **Venue : LH 101 & LA 001 , Seating plan available on ASC, will be shared on Moodle**
- **Maximum Marks : 50 marks (25 marks Innovation, 25 marks Entrepreneurship)**
- **Syllabus : Half-Semester teachings (7 weeks)**
- **Type of Questions**

Some part Objective

Some part Long-Hand

Application Questions, Explanatory answers

Nothing that needs memorizing

CRIB SESSION – Online

MISSED QUIZZES – Will be given at the End-Sem time itself