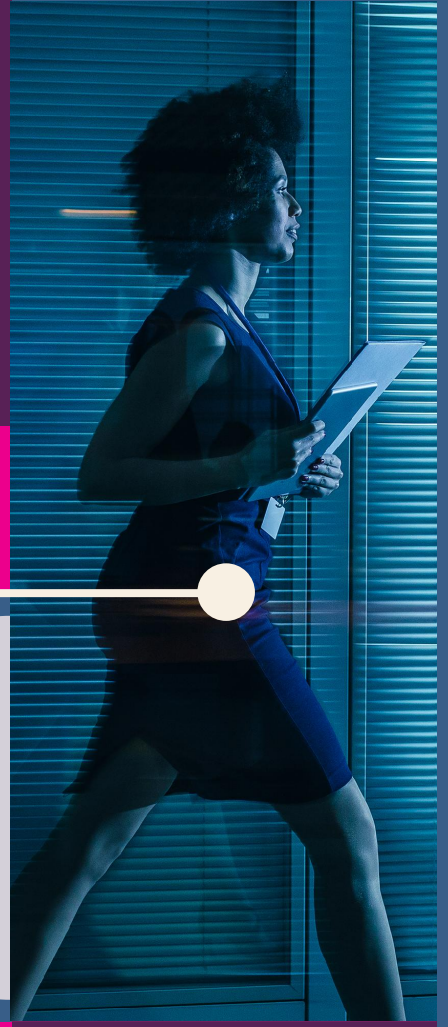
CHAPTER 2 - BUSINESS VALUES

AGENDA

1. Value Proposition
2. Value propositioning
3. Value Proposition
4. The 4Ps
5. The business value modeling



VALUE PROPOSITIONING

- Unique services offered to businesses and users.

This includes

- cost savings through pay-as-you-go pricing,
- scalability (to easily adjust resources based on demand),
- enhanced accessibility (with data and applications available from anywhere with internet access),
- improved collaboration through shared resources, and
- increased efficiency by offloading IT maintenance and infrastructure management to cloud providers.

The goal is to provide compelling reasons for organizations to adopt cloud solutions over traditional IT infrastructure.

LOW COST

SCALABILITY

FLEXIBILITY

SECURITY

- Digital Locks:
- Safety tools (Anti virus)
- Limited Access:
- Backup Vaults:

POSITIONING

- In marketing, positioning defines how your cloud service is perceived by customers compared to competitors.
- In cloud computing, this translates to highlighting the unique aspects of your service that differentiate it from other providers.
- Here, you'd emphasize what makes your "lemonade" stand out – perhaps it's the use of organic ingredients, a unique flavor, or a focus on eco-friendly packaging.

VALUE PROPOSITION:

- This defines the specific benefits your cloud service offers to customers, addressing **their needs and pain points**.
- In cloud computing, your value proposition would focus on why customers should choose your cloud service over others.
- Here, you'd explain how your "lemonade" is different and better – maybe it's the use of cloud resources that are more reliable, more secure, or more cost-effective than competitors.

VALUE PROPOSITION VS. BUSINESS POSITIONING

- How we are different and beneficial?
- Customers' reason of buying a brand
- It is based on all marketing mix elements especially product/price mix
- In business, positioning and value propositions are interchangeable,
- But in academics, both are different.

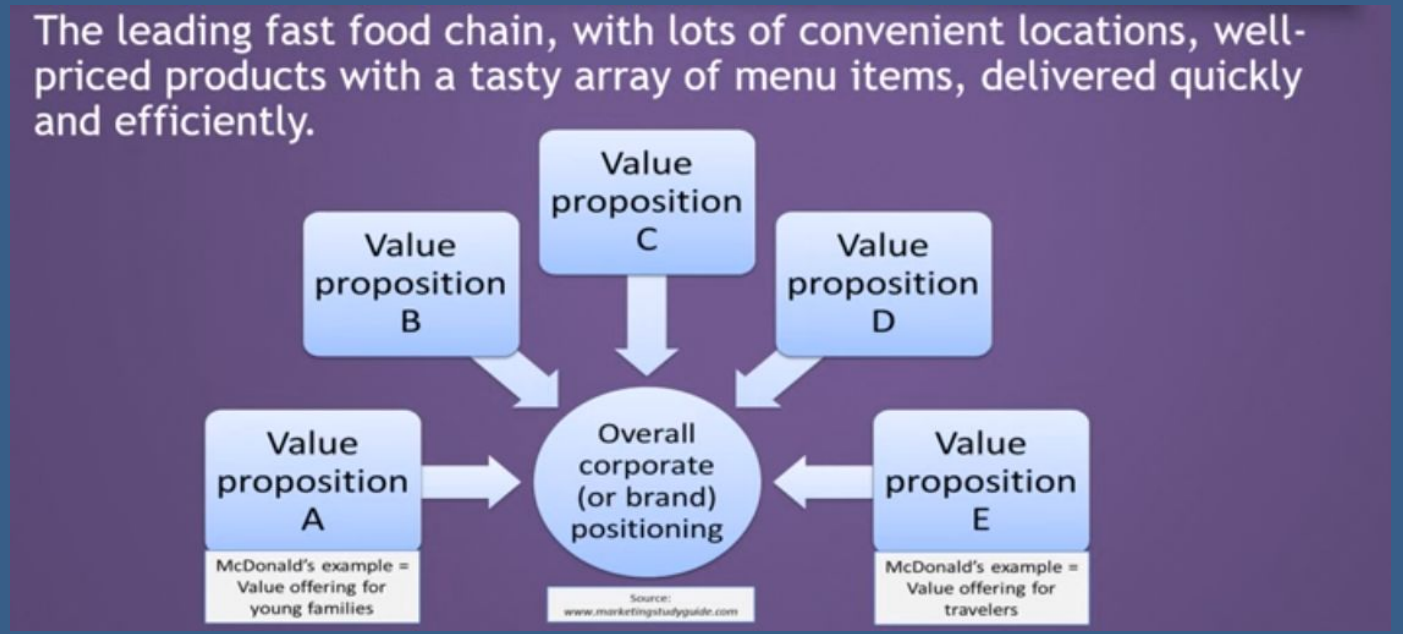
- Positioning is based on 1 -2 key elements of value proposition
- There will be multiple value propositions with one broader positioning
- Different value propositions may be for different market segments, but positioning is the executive summary of these various value propositions.

MCDONALD'S EXAMPLE

Value Proposition	Related marketing mix elements
Happy Meals for young children	Product
Convenience of drive-thru service	Place
Decent quality, well-priced food	Product/price
Wide choice of menu items	Product
Quick service	Process
Comfortable surroundings	Place
And all through are communicated through some promotional mix	

- Each of these offerings provide some degree of value to the end-consumer. Therefore, for a young family, McDonald's has a value proposition built around kid's meals, toys, a playground, alogn with food options for the parents.

The leading fast food chain, with lots of convenient locations, well-priced products with a tasty array of menu items, delivered quickly and efficiently.

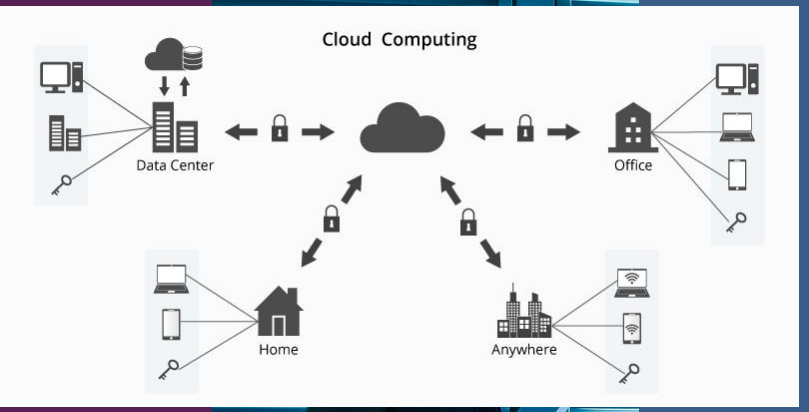


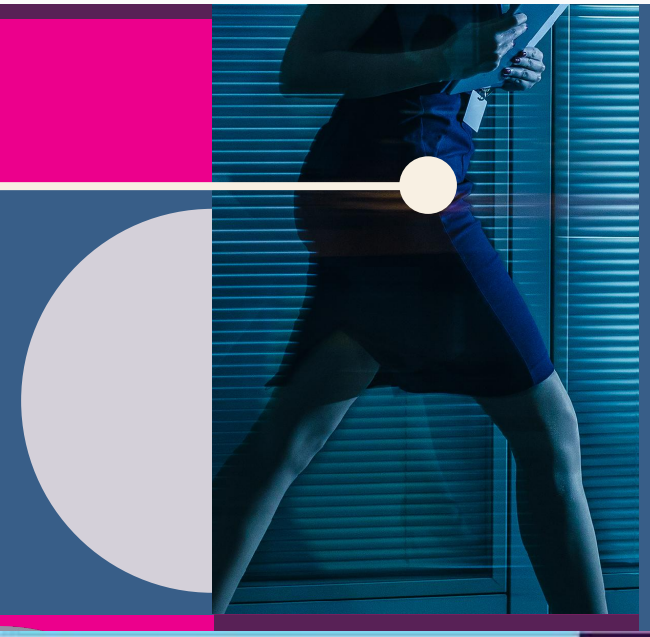
THE 4PS

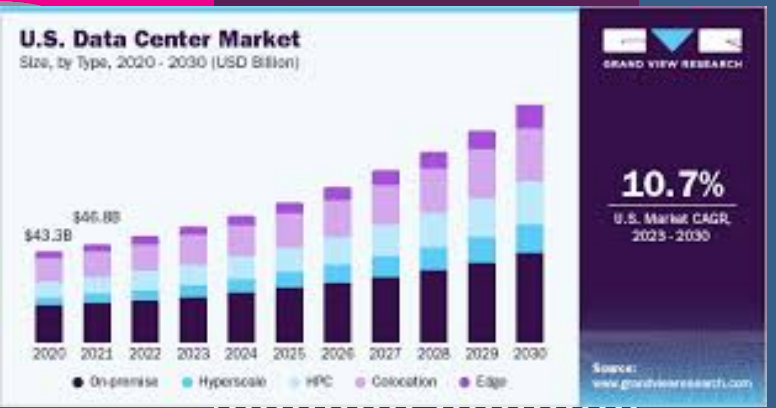
- The marketing mix (4P's) can be adapted to understand how cloud computing services are positioned and differentiated:

4PS-

- **Power:** Cloud computing provides access to powerful computing resources (servers, storage, databases) on-demand, enabling businesses to handle complex tasks and big data analysis.
- **Price:** Cloud computing offers a pay-as-you-go model, allowing businesses to optimize costs by only paying for the resources they use.
- **Performance:** Cloud providers offer high-performance infrastructure and tools that can improve application and service performance compared to on-premise solutions.
- **Place:** Cloud computing enables remote access to data and applications from anywhere with an internet connection, fostering flexibility and mobility for users.







WHY CC?
BUSINESS VALUE PROPOSITION

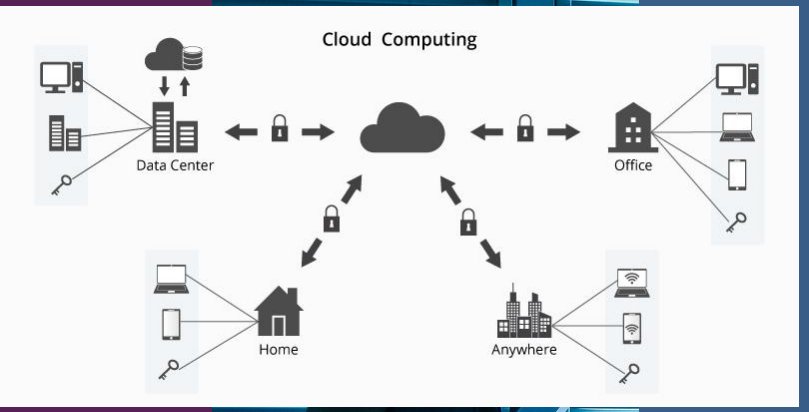
Benefits for Businesses:

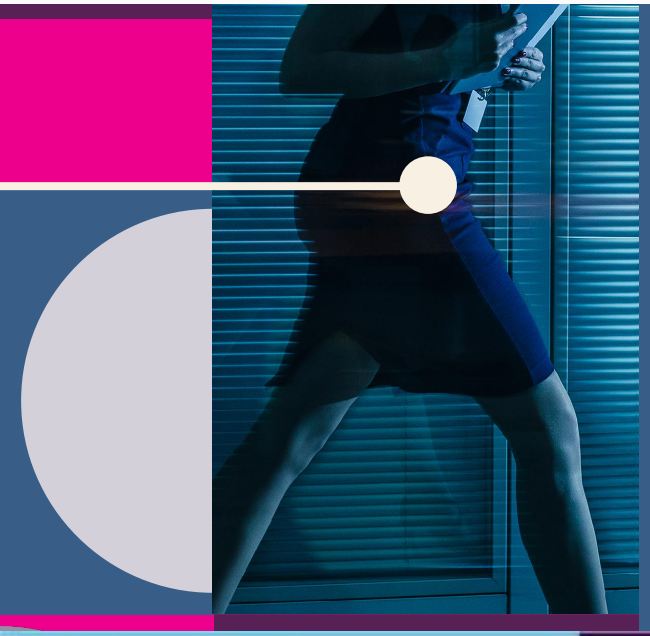
Cost Optimization: Reduced capital expenditure on IT infrastructure. Pay only for the resources you use.

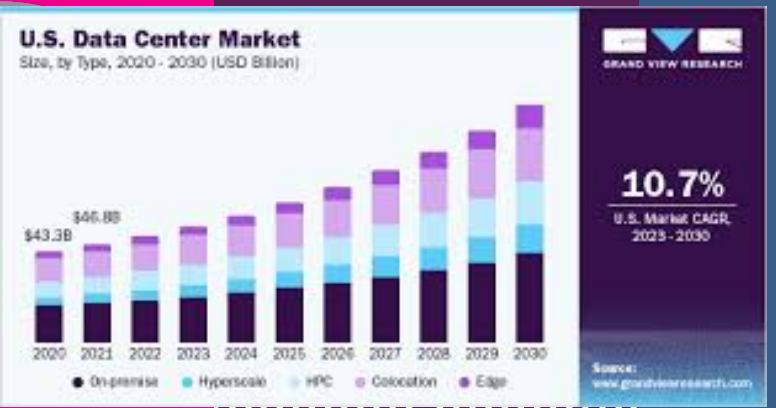
Scalability and Flexibility: Easily scale resources up or down to meet changing business demands.

Improved Agility: Faster deployment of new applications and services.

Enhanced Innovation: Access to cutting-edge technologies and tools to drive innovation.







WHY CC?
BUSINESS VALUE PROPOSITION

Increased Security: Robust security features offered by cloud providers.

Business Continuity and Disaster Recovery: Cloud-based data ensures accessibility even in case of disasters.

Improved Collaboration: Enables real-time collaboration and data sharing across teams and locations.

Simplified IT Management: Reduced IT burden for internal teams.

THE BUSINESS VALUE MODELING

Waterfall Model:

- A traditional, sequential model with well-defined phases (requirements gathering, design, development, testing, deployment).
- Strengths: Simplicity, clear structure.
- Weaknesses: Inflexible for changing requirements, less suitable for iterative development.

ITERATIVE MODEL:

- Combines elements of waterfall and agile models.
- Development happens in cycles, but with a more structured approach than pure agile.
- Strengths: Balances flexibility with structure, allows for progressive refinement of requirements.
- Weaknesses: Can be more complex to manage than a pure waterfall model.

AGILE MODEL:

- Emphasizes iterative development and continuous feedback.
- Development happens in short cycles (sprints) with frequent testing and delivery of features.
- Strengths: Adaptable to changing requirements, faster feedback loops.
- **Weaknesses:** Requires strong communication and collaboration, may not be suitable for projects with strict deadlines.

SPIRAL MODEL:

- Focuses on risk management.
- Development iterates through phases (planning, risk assessment, development, evaluation) with a focus on mitigating risks throughout the process.
- Strengths: Proactive risk management, suitable for complex projects.
- Weaknesses: Can be more complex to manage than simpler models.

- **Software Requirement Modeling:**
- **Data Flow Diagrams (DFDs):**
- Represent the flow of data through a system, visualizing data sources, destinations, and transformations.
- **Use Case Diagrams:**
- Capture the interactions between users and the system, defining different user roles and scenarios.
- Software Design Modeling:
- **Class Diagrams:**
- Represent the classes (objects) within a system, their attributes, and relationships between them.
- **Sequence Diagrams:**
- Illustrate the sequence of messages exchanged between objects to perform a specific task.