

Business Model Canvas

21st Oct 2024

Feedback on Customer Discovery Presentations

- **Customer Discovery Process**

- **By and large , WELL DONE**
- **Those who met experts benefited**
- **Those who did some desk research before going to customers, benefited a lot**

Feedback on Customer Discovery Presentations (2)



- **Feedback on the Deck**
 - **Good stuff – Hypothesis, Questionnaire (Very few teams had hypotheses on Customer Segments)**
 - **Ok stuff - Customer Discovery detailing, Validation of hypotheses (Could have been more evocative)**
 - **To Improve – Summary of Findings, Revised CVP, BMC, Solution**
 - **Synthesis Missing**
 - **Customer Segments still too broad**
 - **CVP written as a list of features , CVP to Solution didn't come through , Tech had to come through in the solution**
 - **Competition not considered at all**

Feedback on Customer Discovery Presentations (3)

- **Feedback on the Presentation**

- Preferred it when everyone took an opportunity to present
- Underprepared for presentation – not tried out Zoom beforehand
- Some students were reading the slide – that's not how presentations are meant to be

- **Online Meeting Etiquette**

- Videos HAVE to be ON
- Better preparation : Slide Sharing, Audio , Video, Background blurring
- No need to ask “Can you hear me?”

- **Reimbursements**

- Process has been shared on Moodle

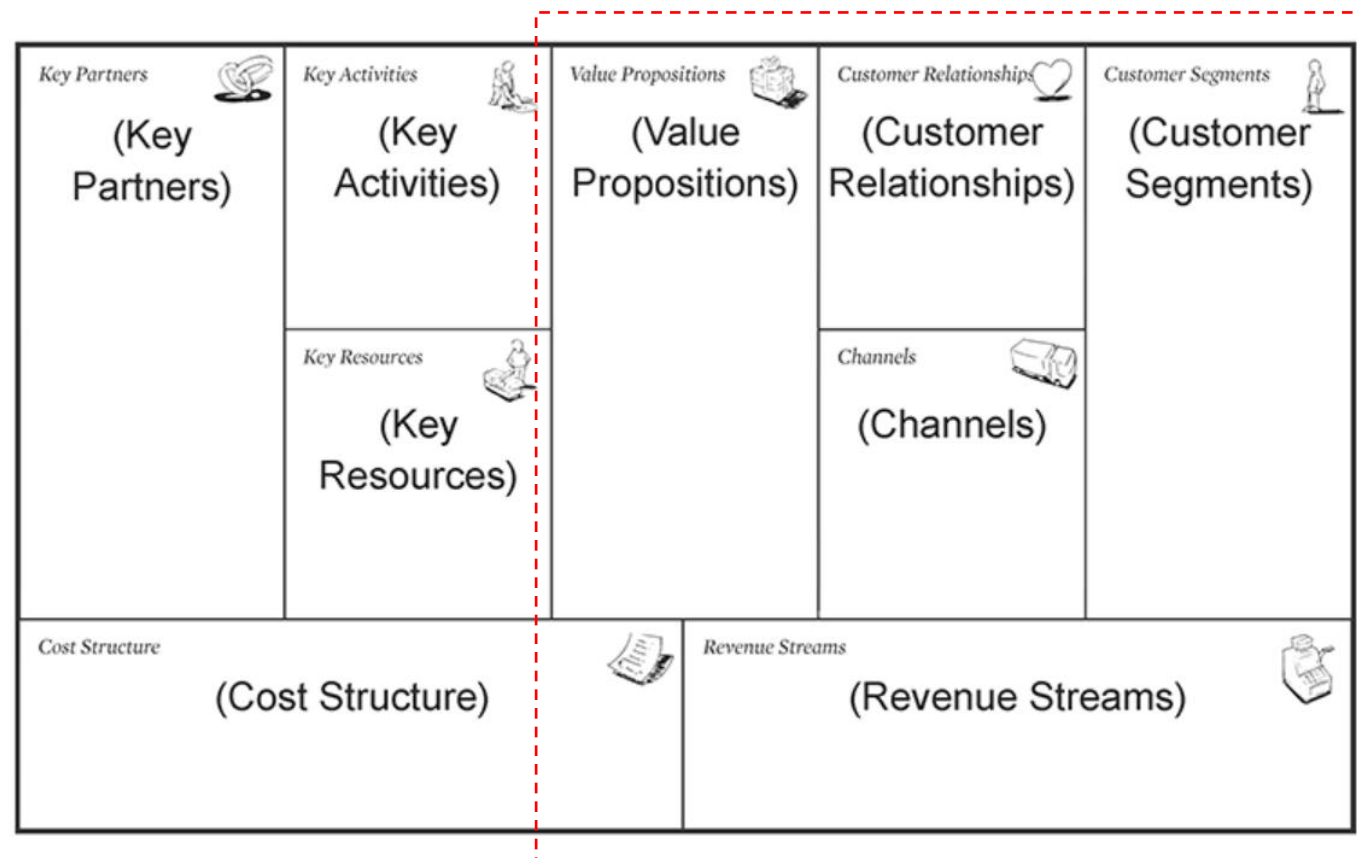
Types of Business Models

- **B2B, B2C , B2G : business models**
- **D2C : Direct to Consumer**
- **Multi-Sided Platforms**
- **Subscription based business model**
- **FREE as a Business Model**

Building a Business Model



- 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: Value Propositions



- **VP describes the bundle of products and services that create value for a specific Customer Segment**
- **Value Propositions can be**
 - Quantitative (price, speed of service etc)
 - Qualitative (design, customer experience)
- **Elements of Value Proposition**
 - ✓ 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
- **Distinguish between decision makers, 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**

- **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, retailer**

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**
- **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**
- **Key Resources**
 - Owned
 - Leased
 - Acquired from key partners
- **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 Manufacturing companies**
 - ✓ **Problem Solving: For service companies**
 - ✓ **Network Building : For Platform Companies**

KP: Key Partnerships

- **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 : Cost Structure

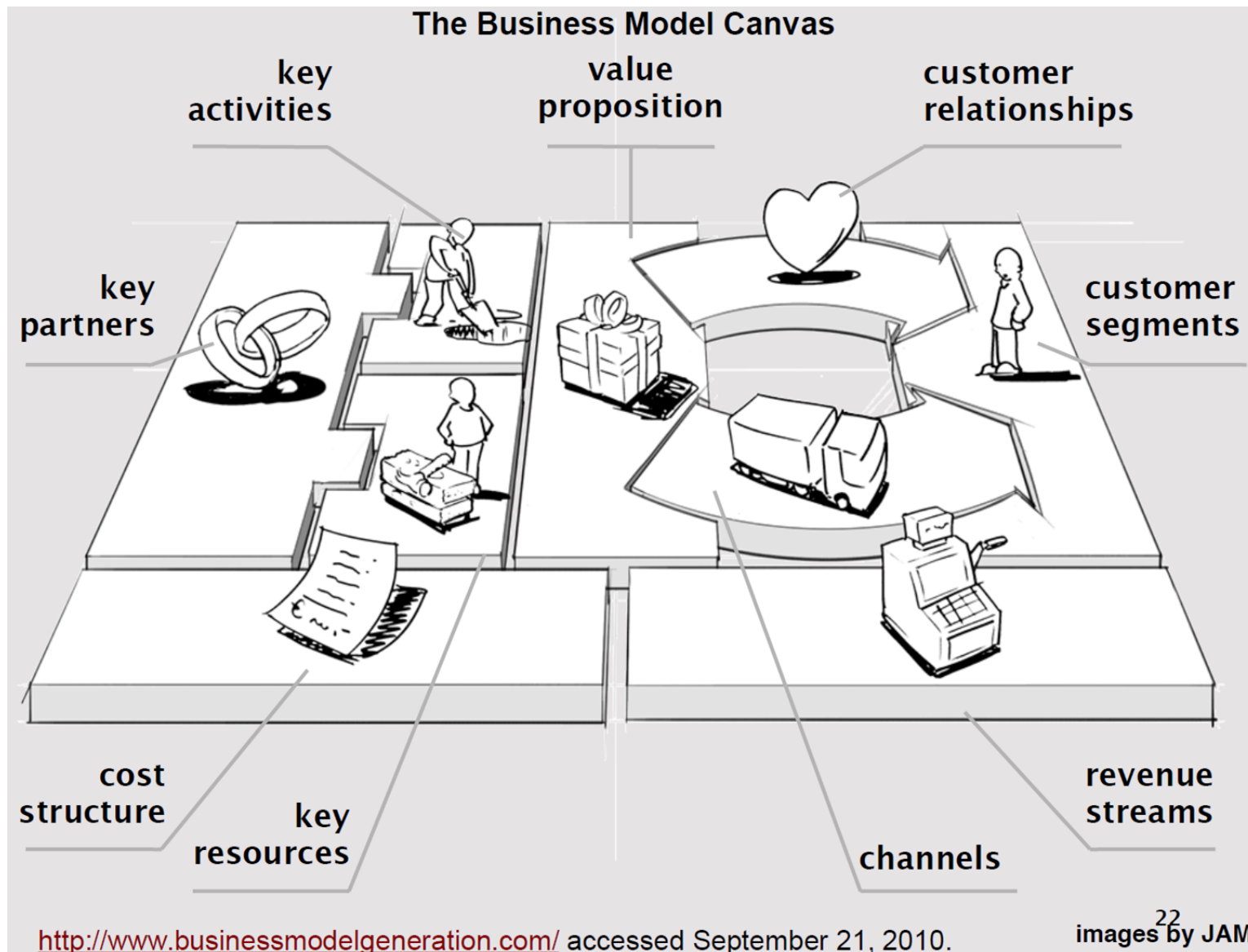
- **CS describes all costs incurred to operate a business model**
- **Two types of business models**
 - ✓ **Cost-driven**
 - ✓ **Value-driven**
- **Types of Costs**
 - ✓ **Fixed costs**
 - ✓ **Variable costs**

First: A Validated Business Model

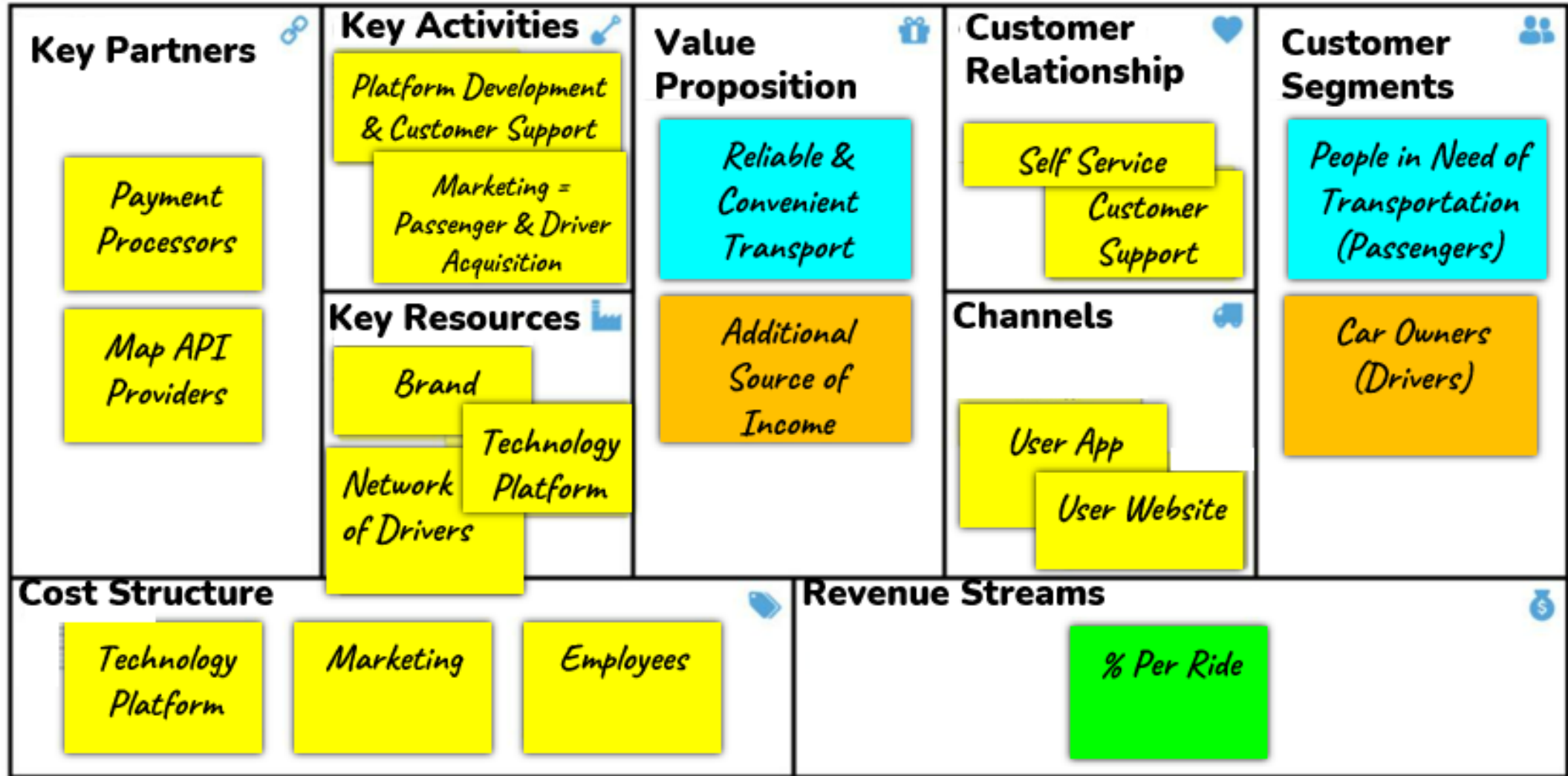


- **A business model describes the flow between key components of the company:**
 - ✓ **Value proposition which the company offers (product/service/benefits)**
 - ✓ **Customer segments such as users and payers**
 - ✓ **Awareness + Distribution channels to reach customers and make the value proposition**
 - ✓ **Customer relationships to create and sustain 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



Briefing for Final Project Team Presentation : Pitch Deck



- Nov 6th & 7th , Project Team Presentations, 10% weightage in course grading
- In Person, 2 separate panels
 - Nov 6th : Prof Ramesh
 - Nov 7th : Prof Anu
- 12 minutes for presentation, 3 minutes for Q&A
- 12-15 slide deck , Present only 10 slides
- Name of File : TeamName_BizPlan
- Give Slot Possibilities on Google Form
- https://docs.google.com/forms/d/1aA4JUQ8_DI-rxacwia0sMf_9KhcNF5i-MhDa8eccUCk/edit?no_redirect=true&pli=1t

Business Plan Presentation : Evaluation

S No	Item	Sub Items	Marks
1	Problem / Idea (REVISED)	Problem, Idea, Size of Opportunity	
2	Customer Discovery & Validation	About your customer discovery, Revised Hypotheses after Customer Discovery, Customer Segments after Customer Discovery	1
3	Solution Design	Revised CVP, Customer Benefits (Functional & Emotional), Product Feature listing, Detailing your POC (Proof of Concept) – how can it be demonstrated	2
4	Go To Market	Rev Stream, GTM – Awareness & Sales	2
5	Business & Financial Plan	Type of Biz Model, Project Plan, Financial Plan	3
5	Q&A	Presentation & Viva Answer	2
	Total		10