***Value Propositions Business Model***

What value do we deliver to the customer?

Which one of our customer’s problems are we helping to solve?

What bundles of products and services are we offering to each Customer Segment?

Which customer needs are we satisfying?

CHARACTERISTICS

*Newness*

*Performance*

*Customization*

*“Getting the job done”*

*Design*

*Brand/Status*

*Price*

*Cost Reduction*

*Risk Reduction*

*Accessibility*

*Convenience/Usability*

***Key Partners***

Who are our Key Partners?

Who are our key suppliers?

Which Key Resources are we acquiring from partners?

Which Key Activities do partners perform?

MOTIVATONS FOR PARTNERSHIPS:

*Optimization and economy*

*Reduction of risk and uncertainty*

*Acquisition of particular resources and activities*

***Cost Structure***

What are the most important costs inherent in our business model?

Which Key Resources are most expensive?

Which Key Activities are most expensive?

IS YOUR BUSINESS MORE:

*Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)*

*Value Driven (focused on value creation, premium value proposition)*

SAMPLE CHARACTERISTICS

*Fixed Costs (salaries, rents, utilities)*

*Variable costs*

*Economies of scale*

*Economies of scope*

***Key Activities***

What Key Activities do our Value Propositions require?

Our Distribution Channels?

Customer Relationships?

Revenue Streams?

CATEGORIES

*Production*

*Problem Solving*

*Platform/Network*

***Key Resources***

What Key Resources do our Value Propositions require?

Our Distribution Channels? Customer Relationships?

Revenue Streams?

TYPES OF RESOURCES

*Physical*

*Intellectual (brand patents, copyrights, data)*

*Human*

*Financial*

***Customer Relationships***

What type of relationship does each of our Customer Segments expect us to establish and maintain with them?

Which ones have we established?

How are they integrated with the rest of our business model?

How costly are they?

EXAMPLES

*Personal assistance*

*Dedicated Personal Assistance*

*Self-Service*

*Automated Services*

*Communities*

*Co-creation*

***Channels***

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 routines?

CHANNEL PHASES:

*1. Awareness*

*How do we raise awareness about our company’s products and services?*

*2. Evaluation*

*How do we help customers evaluate our organization’s Value Proposition?*

*3. Purchase*

*How do we allow customers to purchase specific products and services?*

*4. Delivery*

*How do we deliver a Value Proposition to customers?*

*5. After sales*

*How do we provide post-purchase customer support?*

***Revenue Streams***

For what value are our customers really willing to pay?

For what do they currently pay?

How are they currently paying?

How would they prefer to pay?

How much does each Revenue Stream contribute to overall revenues?

TYPES:

*Asset sale*

*Usage fee*

*Subscription fees*

*Lending/Renting/Leasing*

*Licensing*

*Brokerage fees*

*Advertising*

FIXED PRICING

*List price*

*Product feature dependent*

*Customer segment dependent*

*Volume dependent*

DYNAMIC PRICING

*Negotiation (bargaining)*

*Yield management*

*Real-time market*

***Customer Segments***

For whom are we creating value?

Who are our most important customers?

*Mass market*

*Niche market*

*Segmented*

*Divrsified*

*Multi-sided platform*