

BUSINESS MODEL ROADMAP



BUSINESS
MAKE  **VER**

Contents

How to use
Template
Example

Business Model Roadmap

The Business Model Roadmap helps you to successfully implement a new business model by creating a practical action plan and roadmap. Designing a new business model is one thing, but how do you actually put it into practice? How do you move from your current model to a new business model? With a clear Business Model Roadmap, you can make it happen.

Template & example

Make a printout of the Business Model Roadmap Canvas template (page 4) and use sticky notes to write down required actions. Place them on the canvas to create the roadmap. Have a look at the Example of Terribles to get inspired and learn from the practical application of the Business Model Roadmap (pages 5-7).

How to use

A Business Model Roadmap can be made alone or in a group. The group must contain people that are familiar with the current business and operations.

In a Business Model Roadmap you go from a new business model description to practical actions for implementation. A new Business Model often means new technologies, people, partners and financial structures. Some changes are real 'points-of-no-return', for instance if you fire a part of your staff. By following the steps below, you will be able to complete the Business Model Roadmap:

Step 1: define the core changes in the business model

First, you should analyse the key differences between your current and future business model. Try to come up with one to three key changes. For example: a new service/product, target market or revenue model. If you have made a Business Model Canvas, look at it and think: What are the key differences with our business model today?

Step 2: write down specific actions

What are the actions needed to make the new business model happen? This is a brainstorming phase. Write down any actions that could be needed. Some examples:

- People: Do your people have the right skills and competences? Do you need to hire new people? Do you need to train your employees? Should you think about letting go some of your workers? Or outsource a part of your company?

- Partners: Do you need new partners? Can you distribute your new product or service with your existing partners? Who can help you?
- Technology: Can your technologies deliver your new business model? Do you need to upgrade, buy or make new technology? What about your IT systems?
- Finance: Do you need financial capital to make the new business model happen? Do you need new billing processes to cope with a change in revenue model? Should you restructure your expenditures?

Step 3: make the ideal path

Put down the sticky notes on the Business Model Roadmap Canvas. Make sure to put them on the right layer. Think about the order. What should be done first? Or can things be done in parallel?

Step 4: define your critical points in time

Some actions will have great impacts on your business. Highlight the actions that are critical. Critical actions are:

- Actions that cannot be undone. Think about selling a department or letting go of a staff member,
- Actions that create huge risks. For instance, developing a new technology that requires a large investment,
- Actions that make it impossible to go back to the old business model. For instance, reducing the price of your product.

Step 5: analyse and improve

In this step you analyse the roadmap. Are the actions in the right order? Can you postpone some of the critical actions that you are unsure about? Do you still think your new business model is a good idea?

Step 6: divide the actions

Make an action list. Who is in charge of which action? Which deadline do you put on it?

Step 7: follow-up!

You can't predict the future. Your business may change. Your competitors will change. Maybe halfway your roadmap you have learned new things. So: Hang your roadmap on the wall. But make sure it is not carved in stone. Sit down a few months from now and update it.

business model roadmap

name _____

main changes in your business model

- 1.
- 2.
- 3.

people

partners

technologies

financials

TODAY

time



FUTURE

date _____

Business Model Roadmap – Example based on Terribles

Terribles is a small business that provides a website on dance clubs. Dance club visitors can rate clubs and submit their report to Terribles. Terribles provides a website with the reviews, but also events and live streaming of shows. They also have a social media website and intend to launch mobile payment and ticketing. Right now, they want to implement their business model in foreign countries.

Step 1: define the core changes in the business model

Terribles wants to internationalize. Their value proposition isn't going to change. But their target group is: they will extend their target group to include visitors of dance clubs in other countries.

Step 2: write down specific actions

Based on a brainstorming session with two owners and one day-to-day manager of the company, five actions were identified:

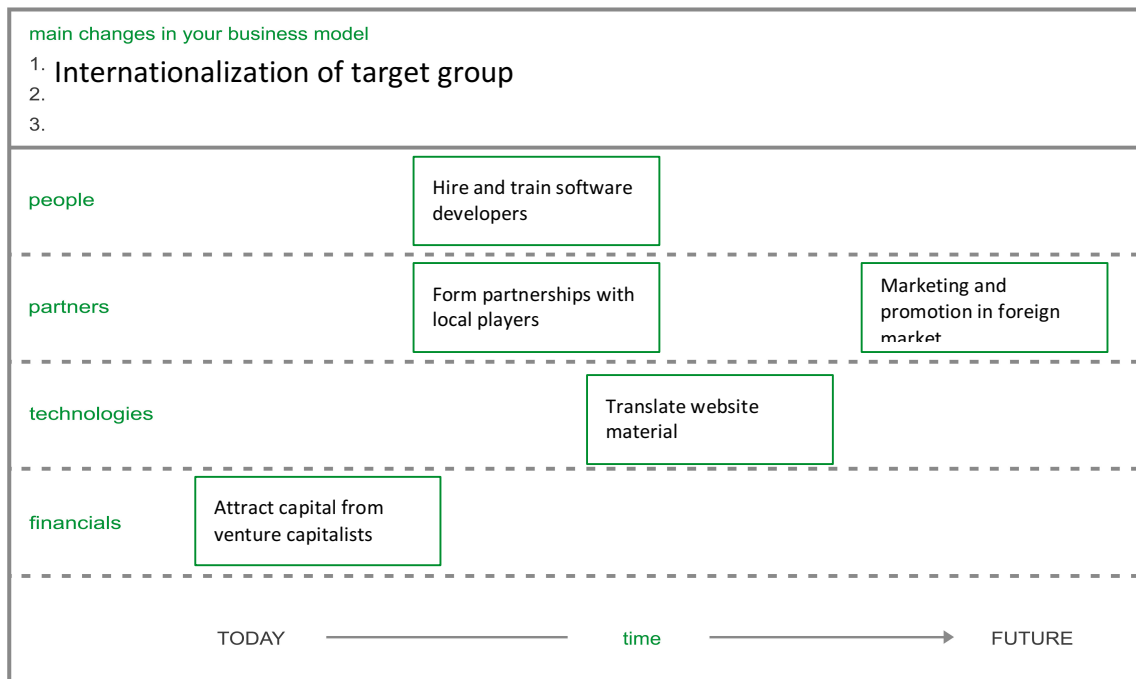
- Marketing and promotion in foreign market. Terribles is not known as a brand in the foreign markets.
- Translate website material. The website content is now in Dutch. It has to be translated in the local languages.
- Hire and train software developers. The IT of the company is not flexible enough to deal with all the translations. New software developers are needed to make the IT flexible.
- Attract capital from venture capitalists. The changes will cost money. Especially marketing and promotion but also hiring new software developers.
- Form partnerships with local players. The trick to success in the local market was that the owners have contacts with all major dance clubs. Thanks to this, the content on the website was always fresh and up-to-date. To expand in other countries, new partnerships are needed with local players.

Step 3: make the ideal path

The hiring and training of software developers needs to be done before automation of the software platform can be done. Before hiring these software developers, the capital is needed to do so. Marketing and promotion in foreign market can only be done once the material is translated, and probably it is smart to coordinate marketing with the foreign local players, so this activity also relies on formation of partnerships first. Therefore, the actions are plotted as seen below.

business model roadmap

name Terribles



date _____

BUSINESS
MAKEOVER

Step 4: define your critical points in time

The most critical action was attracting capital from venture capitalist. If it would not succeed, they could never hire software developers or do major marketing campaigns. Also, the owners found it a risk because they would give up some control over their business. Attracting capital also required a strong business model description. So they decided to learn more about business model innovation at businessmakeover.eu.

Another critical point was to find a local partner. In the roadmap, the local partner is the key to international expansion. If it would not succeed, the business model innovation would be unsuccessful.

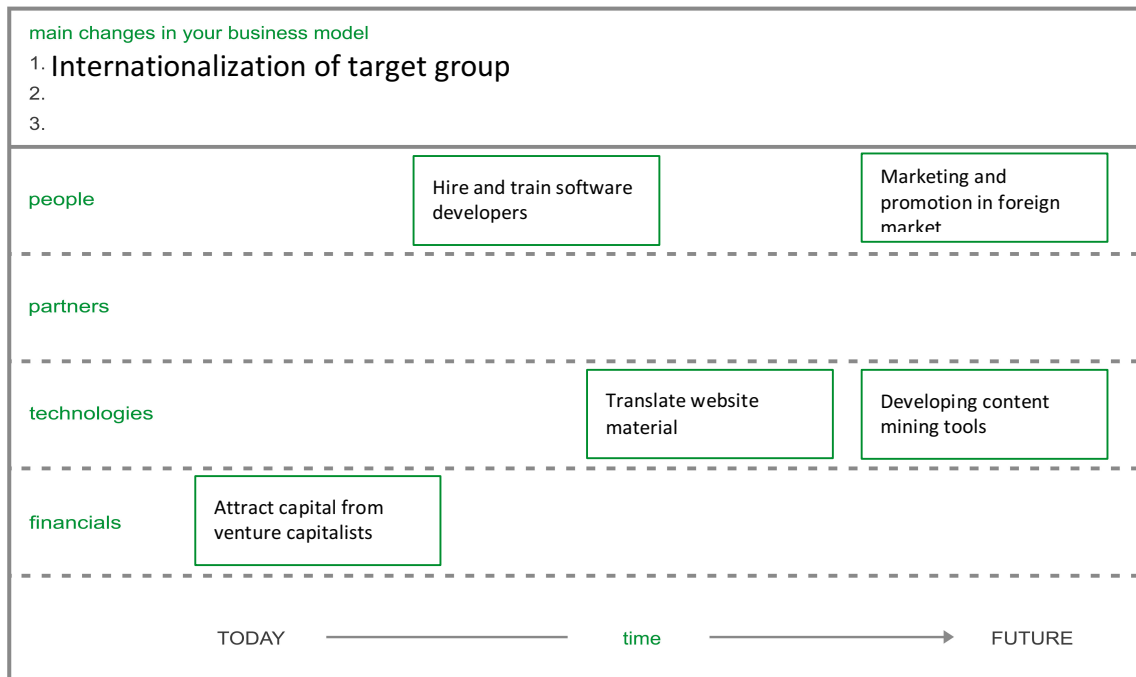
Step 5: analyse and improve

Finding a local partner turned out to be difficult. How to know whether to trust the person? And wouldn't it take a chunk out of the revenues to pay the local partner? The technical person in the workshop said that content about dance clubs can also be obtained by data mining, just like Google does it. Maybe the quality would be lower, but at least they would not have to rely on foreign partners.

So, in the new roadmap, partnerships with local players are removed. Instead, there is now an action called Developing content mining tools. Also, the other actions could now be shifted a bit.

business model roadmap

name Terribles



date _____