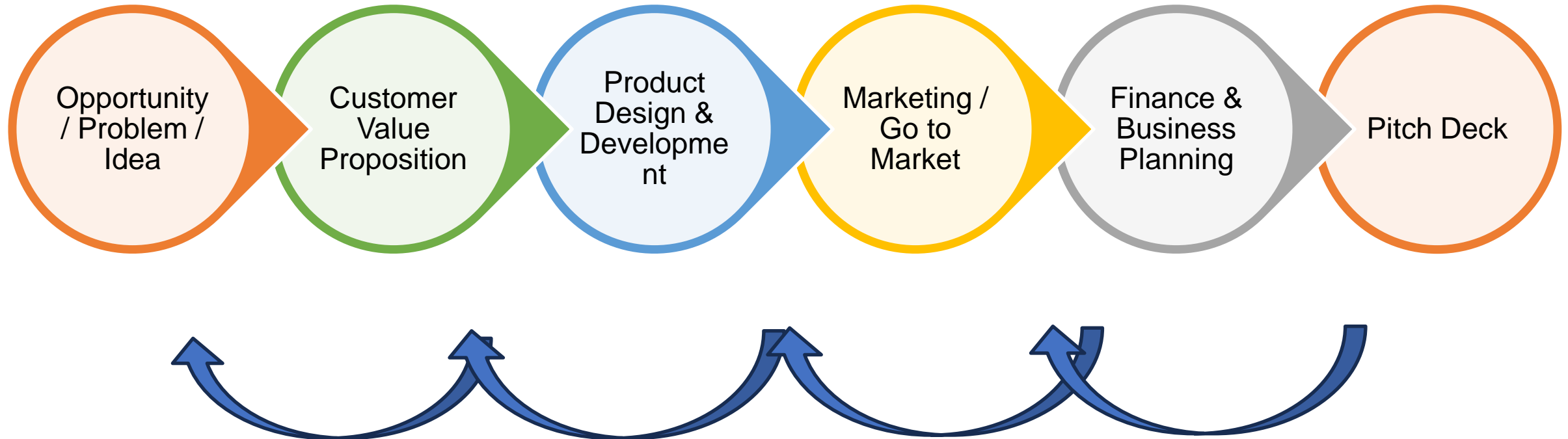


Business Model Canvas **29th & 30th Aug 2023**

Process for Start up Creation

Continuous Learning & Iterative Process



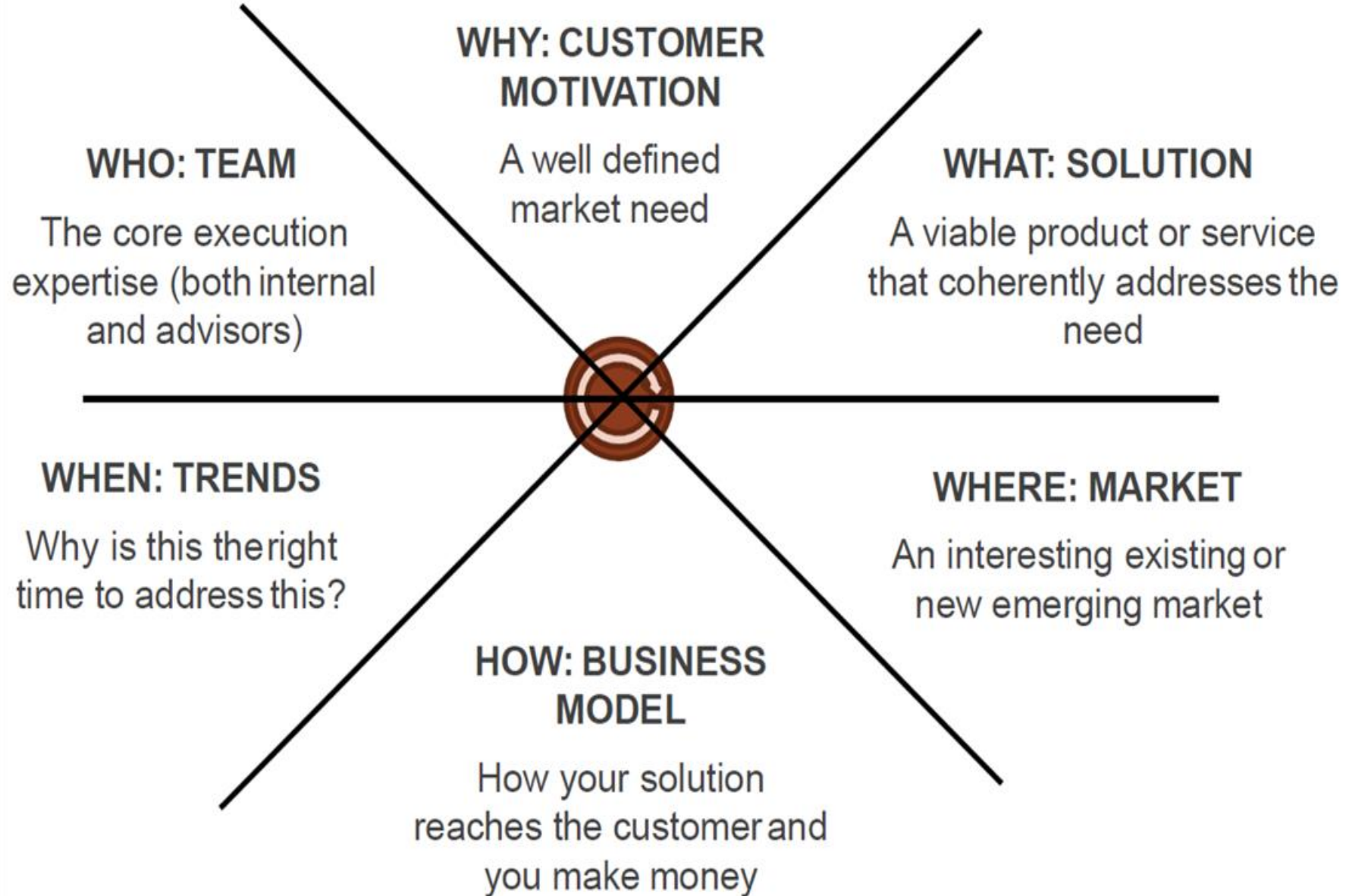
- **An Organization that creates, delivers, and captures value**
- **Four main areas of a business are: customers, offering, infrastructure & financial viability (Demand – Supply – Profit)**
- **Business model show the logic of how a company intends to make money**
 - ✓ **A blueprint for a strategy to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

Types of Business Models



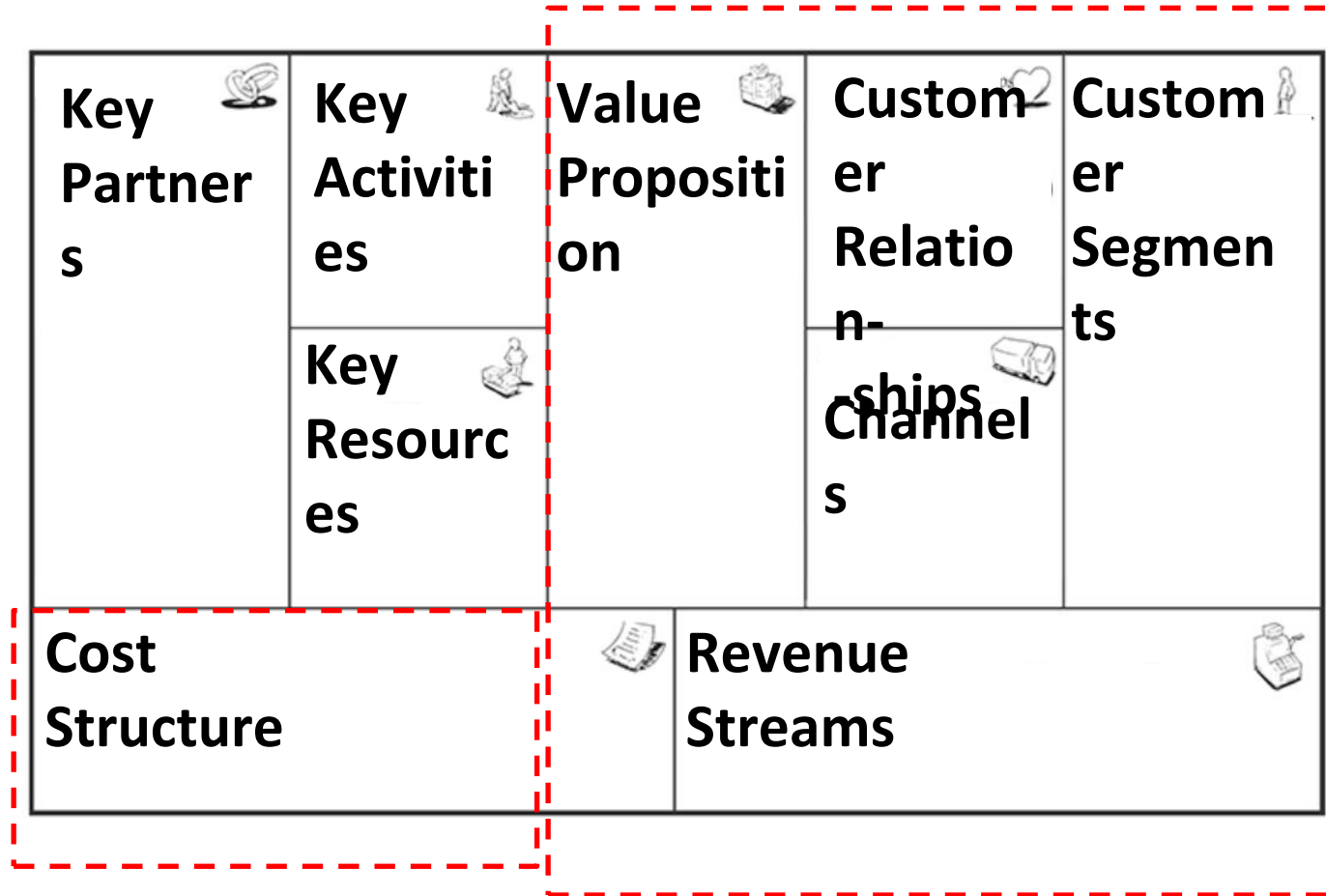
- **B2B, B2C , B2G : business models**
- **The Long Tail Businesses – D2C**
- **Multi-Sided Platforms**
- **Subscription based business model**
- **FREE as a Business Model**

Opportunity Assessment Framework



Building a Business Model with BMC

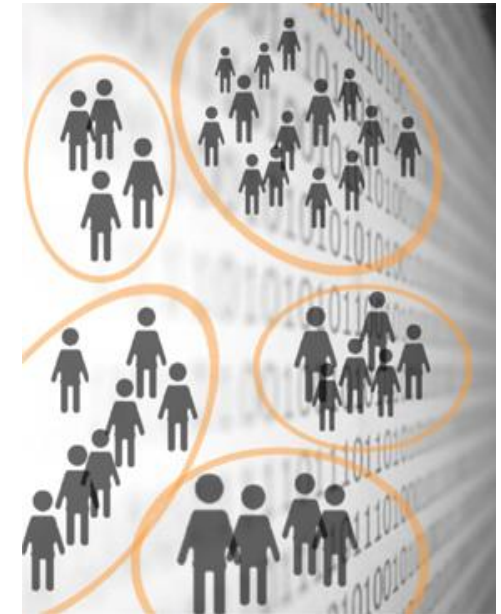
- What do you sell?
- To whom do you sell it?
- How do you acquire customers?
- What is a typical transaction?
- How will you go to market?
- How does product flow?
- Who else is involved
 - Distributor / Partner
 - Advertiser
- How do you make money ?



- **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
 - ✓ Customer Segments are defined demographically, geographically, psychographically
- **Distinguish between decision makers, customers and users.**
 - ✓ In search, the customer is advertisers and users are the people doing searches



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)
- Examples
 - Sales force, Web Sales, Own Stores, Partner Stores, Channel – Wholesaler, Distributor, retailer

- **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 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**
- **KR can be owned or leased by the company or acquired from key partners**
- **KR categories:**
 - ✓ **Physical**
 - ✓ **Financial**
 - ✓ **Intellectual**
 - ✓ **Human**

- **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

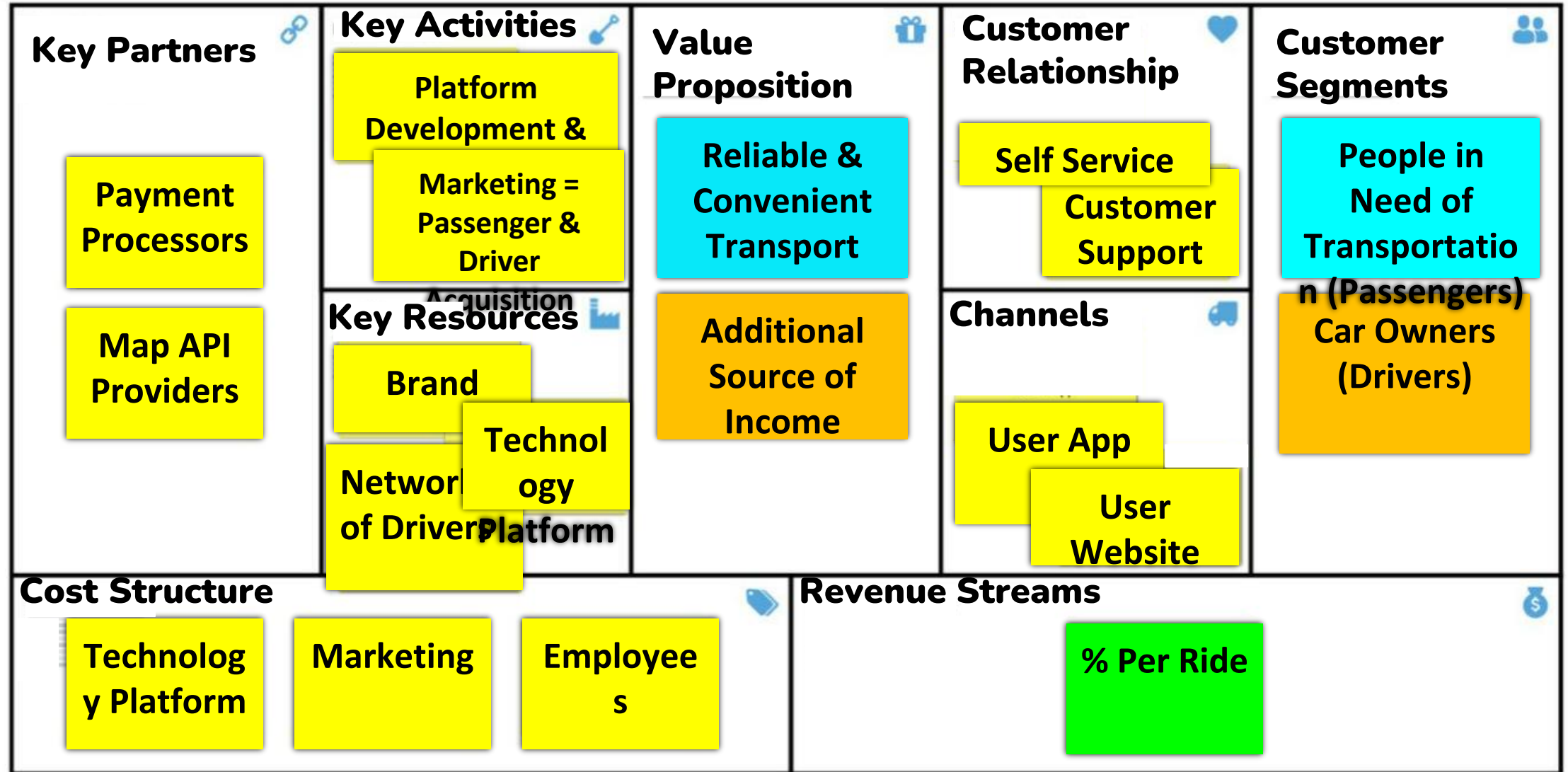
- **CS describes all costs incurred to operate a business model**
- **Two types of business models**
 - ✓ Cost-driven
 - ✓ Value-driven
- **CS characteristics**
 - ✓ Fixed costs
 - ✓ Variable costs
 - ✓ Economies of scale



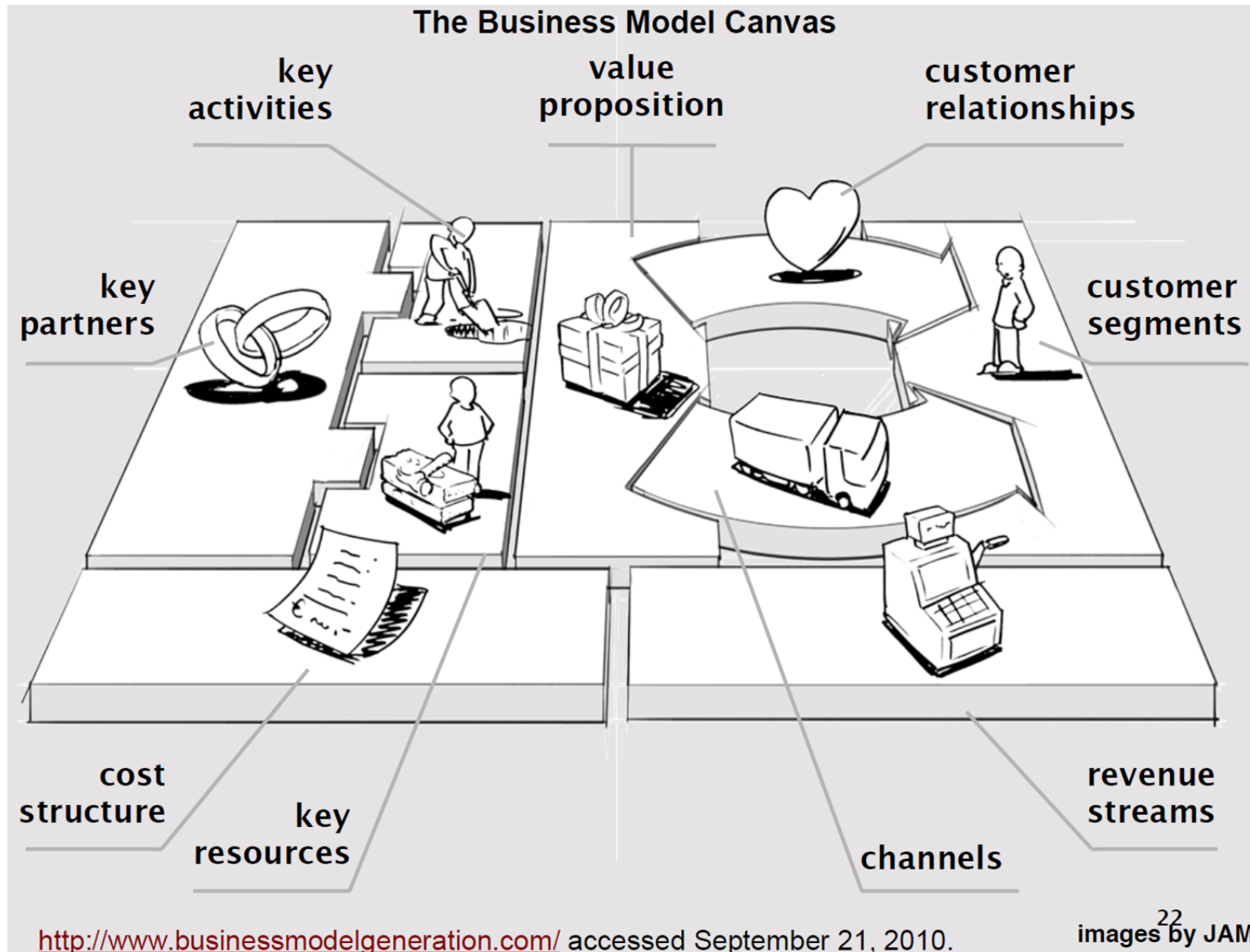
First: A Validated Business Model

- **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 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

Sample BMC : Uber



Business Model Canvas



Elements of Value B2C



PROVIDES HOPE

Definition: Providing something to be optimistic about

Example: GNC stores sell a wide range of weight loss, nutritional supplements and other products designed to improve consumers' health and fitness.



What elements are most important to consumers in different industries?

Click on each industry below to view the top five elements influencing loyalty for each.

- | | |
|------------------|----------------------|
| Apparel retail | Discount retail |
| Grocery | Food and beverage |
| Smartphones | TV service providers |
| Consumer banking | Brokerage |
| Auto insurance | Credit cards |

Reset

Social impact



Self-transcendence

Life changing



Provides hope



Self-actualization



Motivation



Heirloom



Affiliation and belonging

Emotional



Reduces anxiety



Rewards me



Nostalgia



Design / aesthetics



Badge value



Wellness



Therapeutic value



Fun / entertainment



Attractiveness



Provides access

Functional



Saves times



Simplifies



Makes money



Reduces risk



Organizes



Integrates



Connects



Reduces effort



Avoids hassles



Reduces cost



Quality



Variety



Sensory appeal



Informs

Elements of Value B2B

