



cloud
strategy
day

“How the Microsoft cloud enables the best App experiences across devices”

Beat Schwegler – beatsch@microsoft.com
Director, Platform Strategy Group, Microsoft Corp.

agenda

Microsoft's
devices and
services
strategy

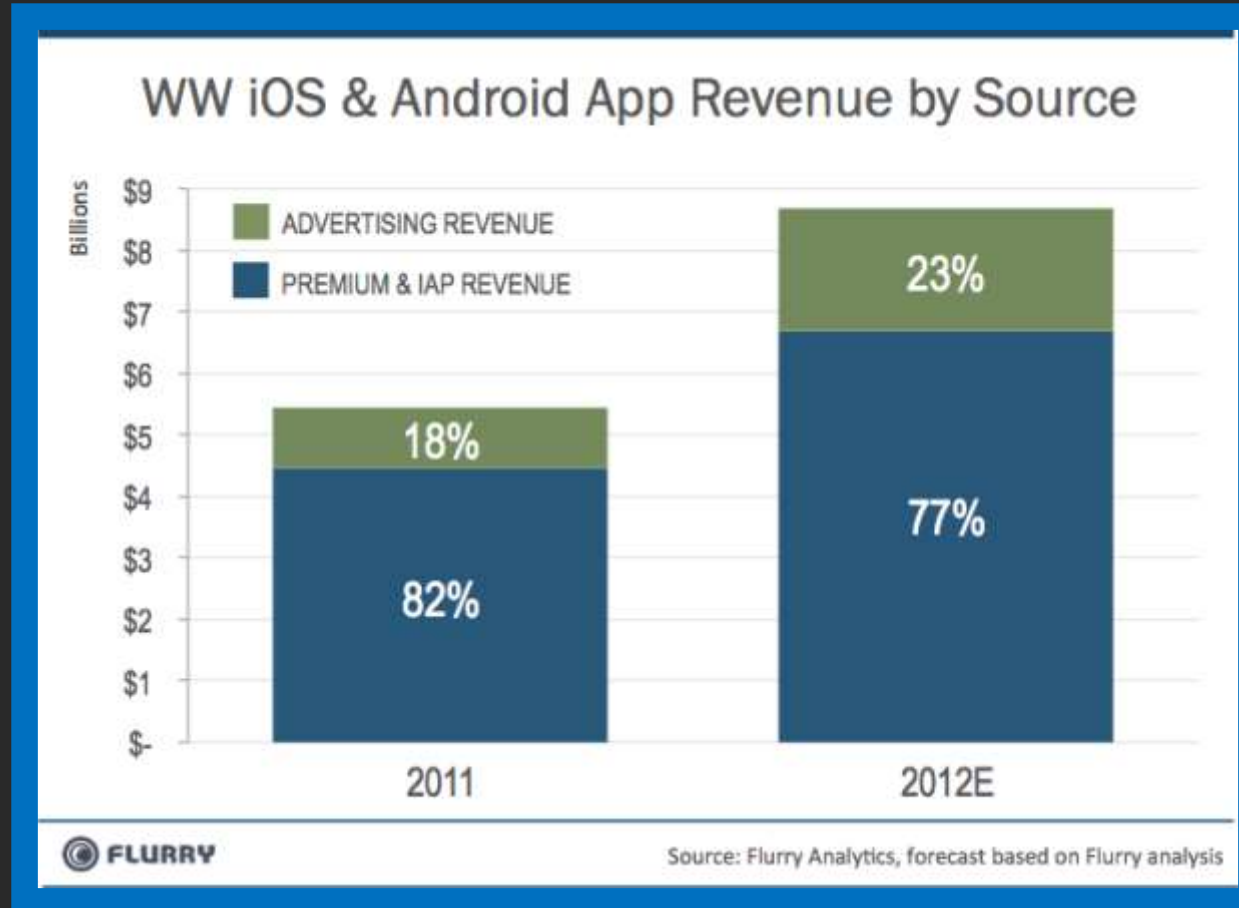
making
money with
apps

cloud enabled
app scenarios
with Windows
Azure

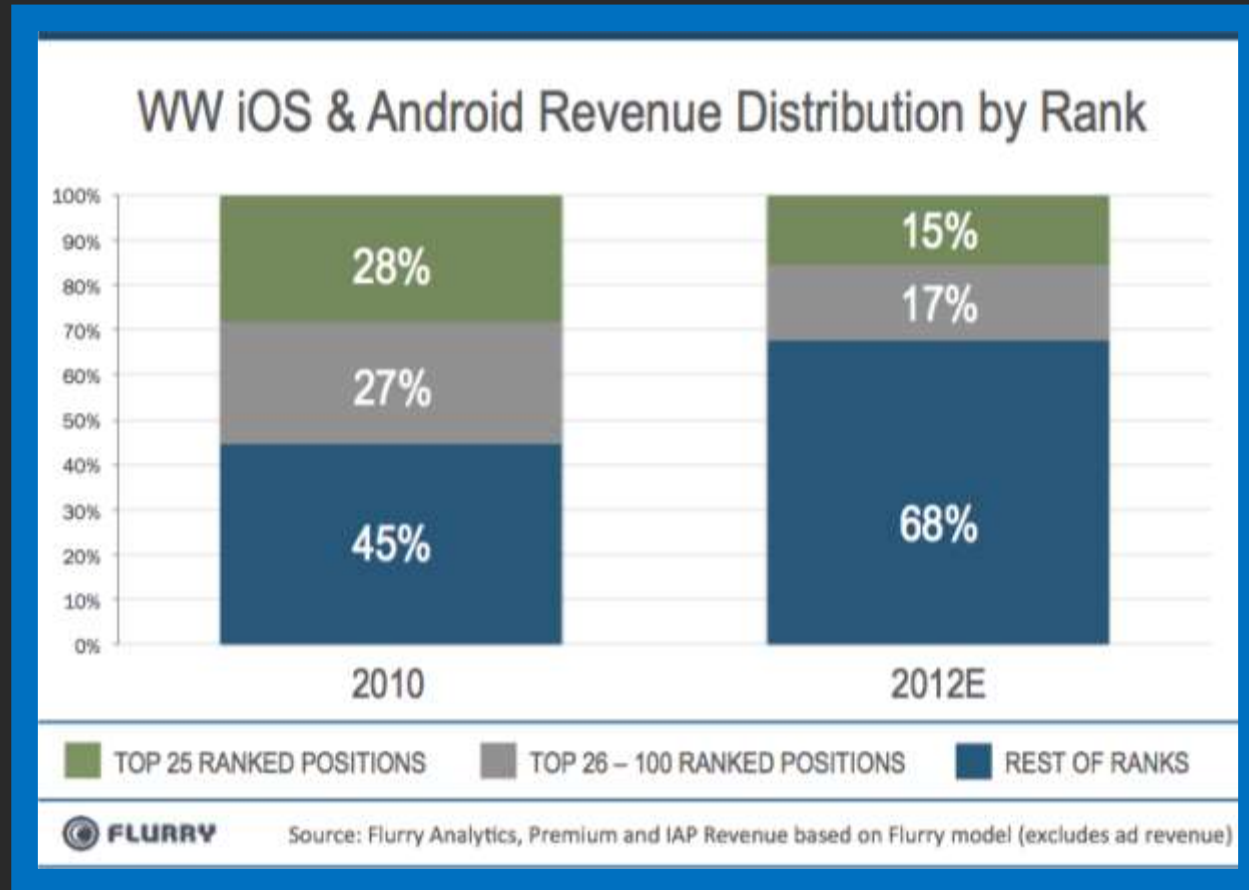
key
architectural
considerations

chapter II

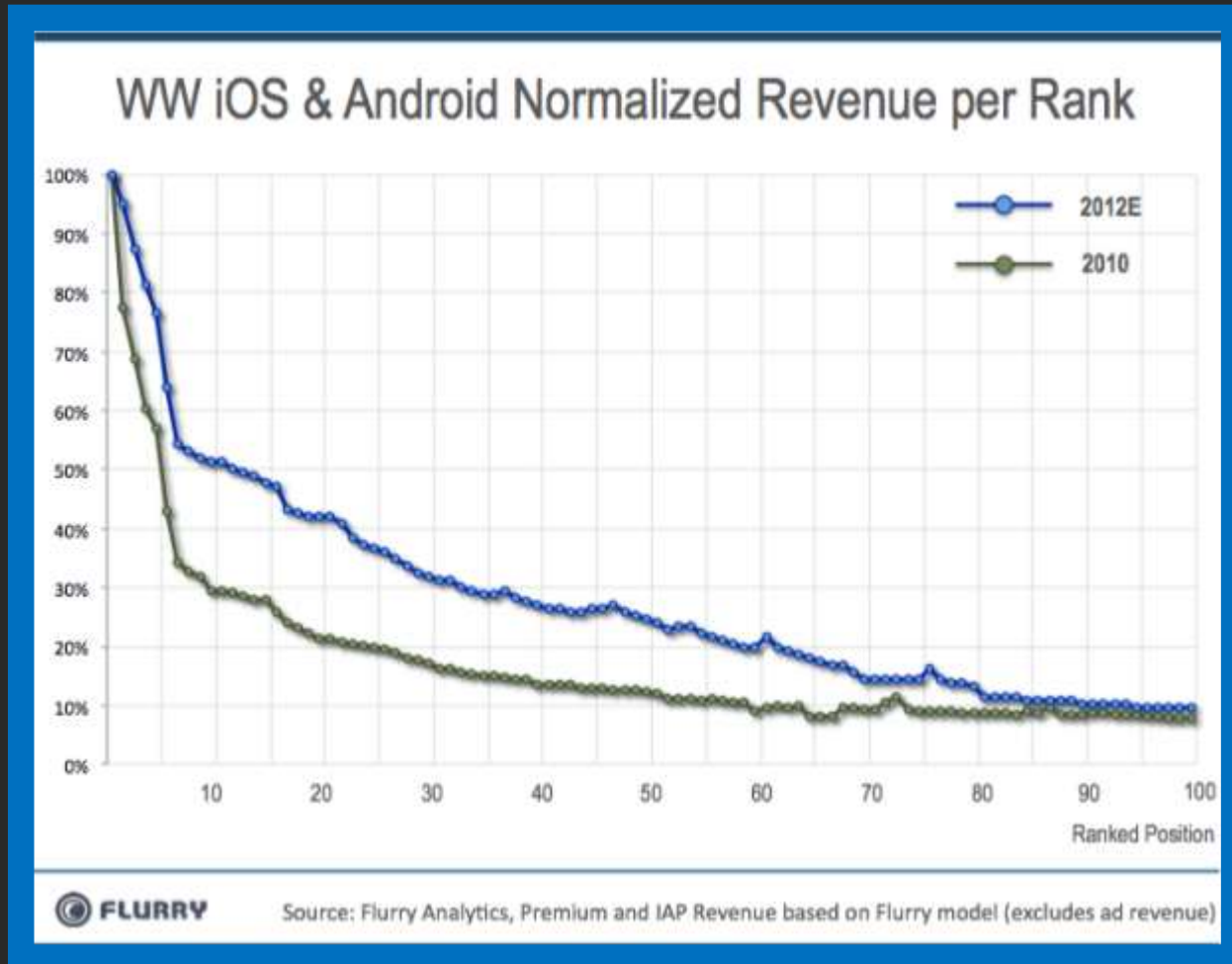
how are \$ made



the long tail grows



the long tail grows



making money



App
development as
a service



Ad based



Usage,
subscription or
license



Related service
charges



Consumer




SME



Enterprise

making money



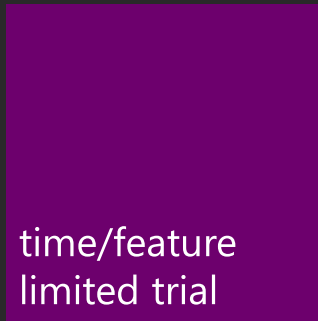
pay before
download




in-app
purchases



advertising



time/feature
limited trial



third party
transactions



You're holding a handbook for visionaries, game changers,
and challengers striving to defy outmoded business models
and design tomorrow's enterprises. It's a book for the ...

Business Model Generation

WRITTEN BY

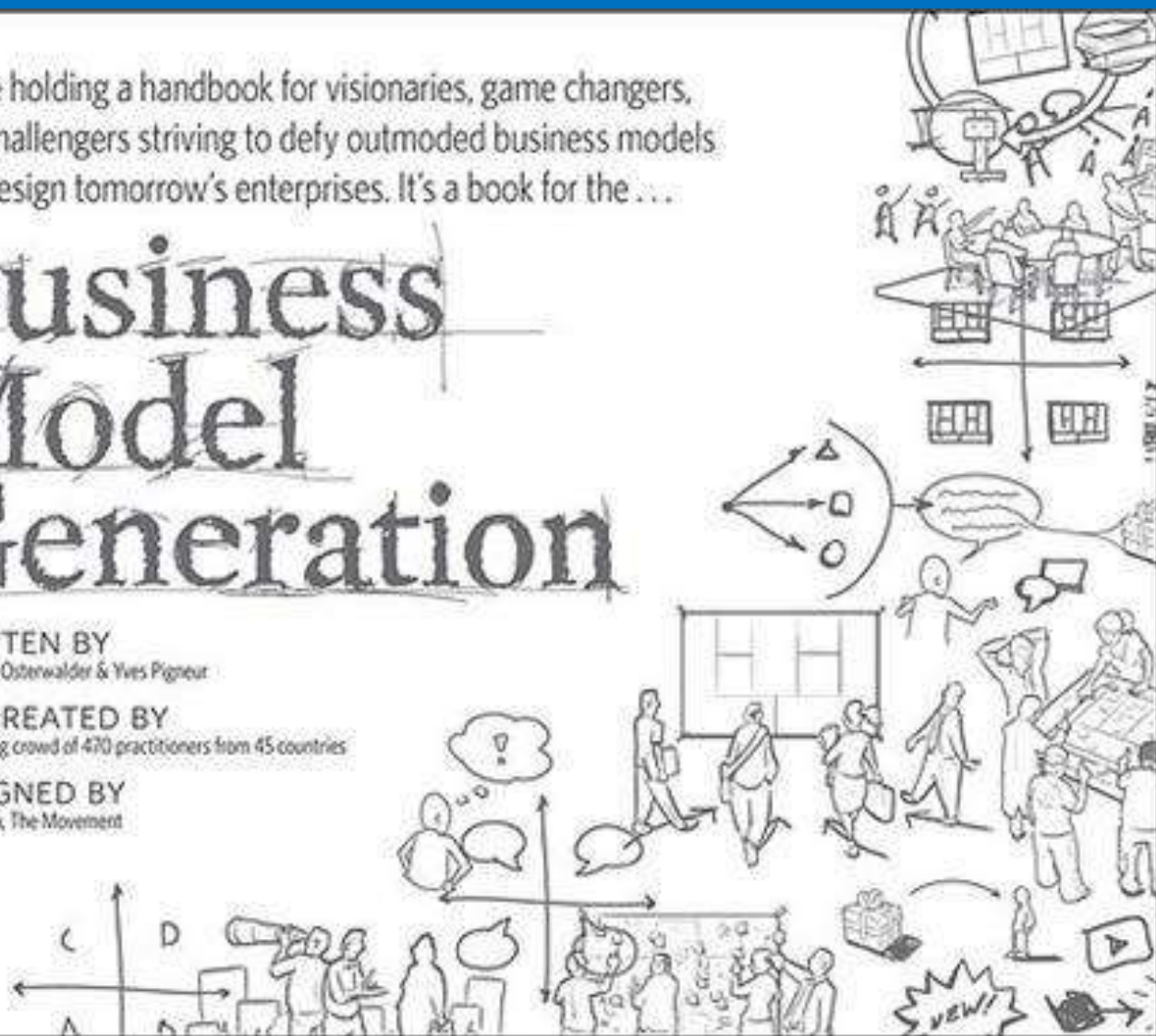
Alexander Osterwalder & Yves Pigneur

CO-CREATED BY

An amazing crowd of 470 practitioners from 45 countries

DESIGNED BY

Alan Smith, The Movement



business model canvas

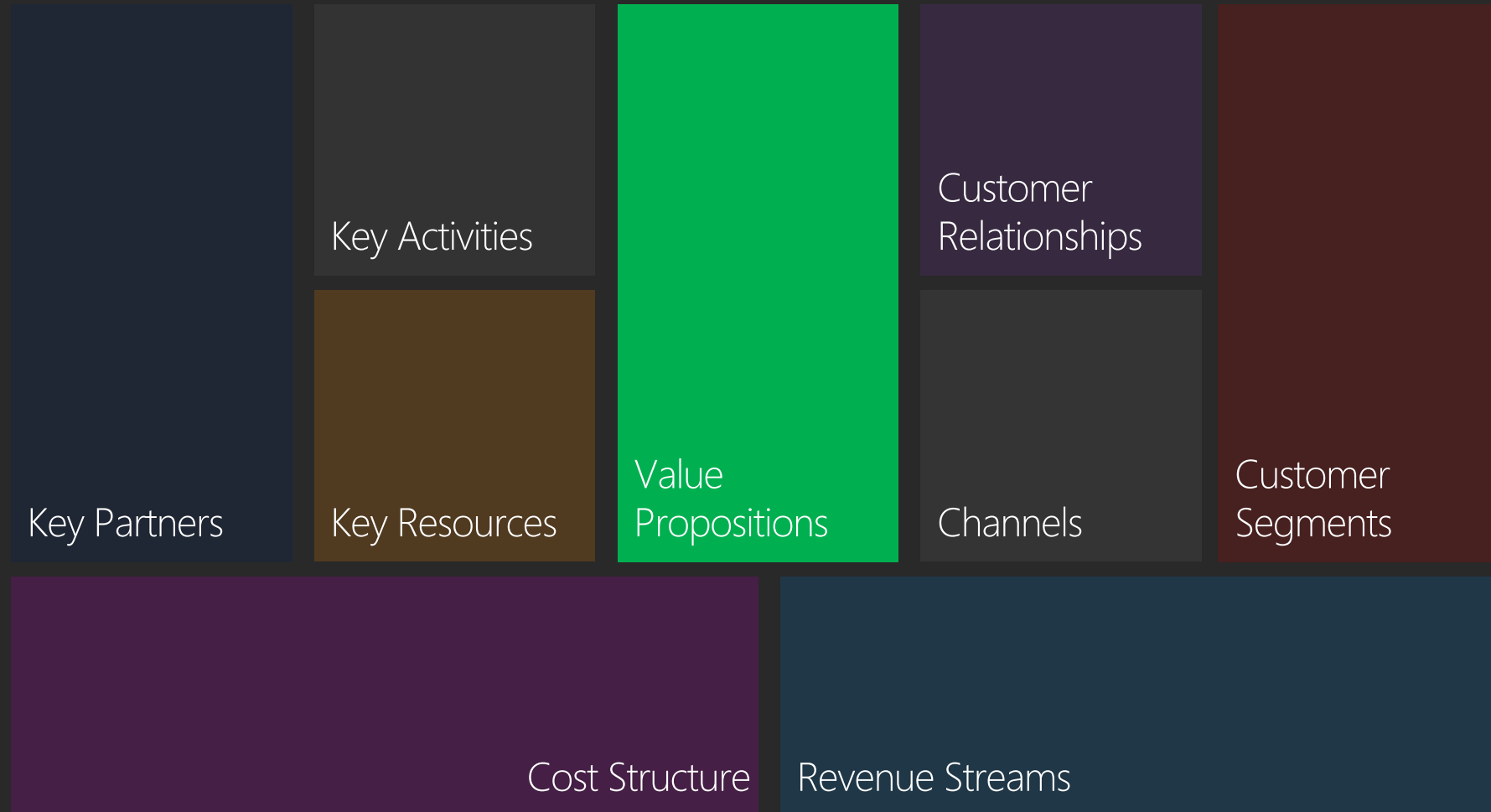


Apple iPod/iTunes business model



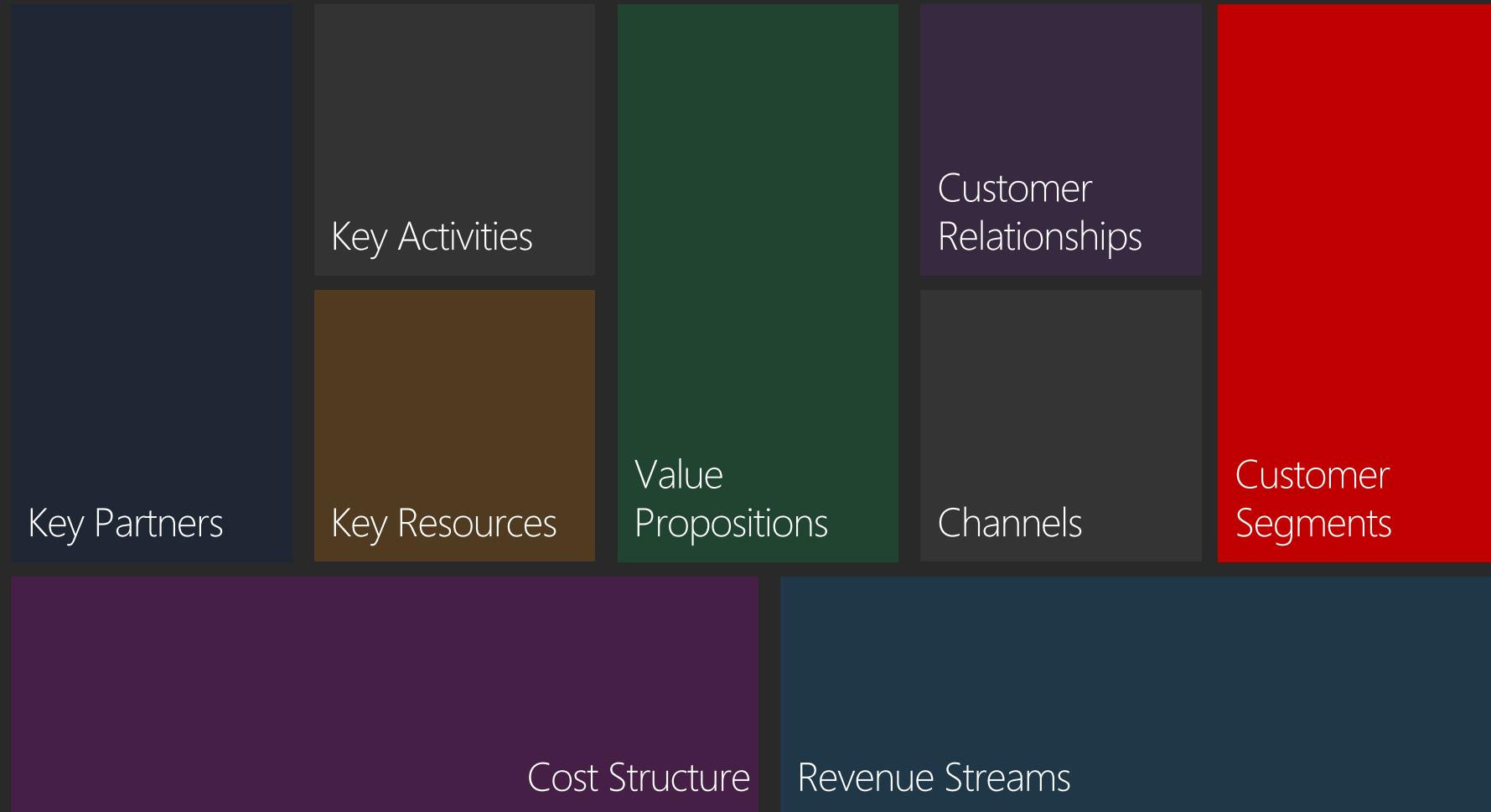
products and services that create value for customers

Newness
Performance
Customization
Design
Price
Cost/Risk reduction
Accessibility



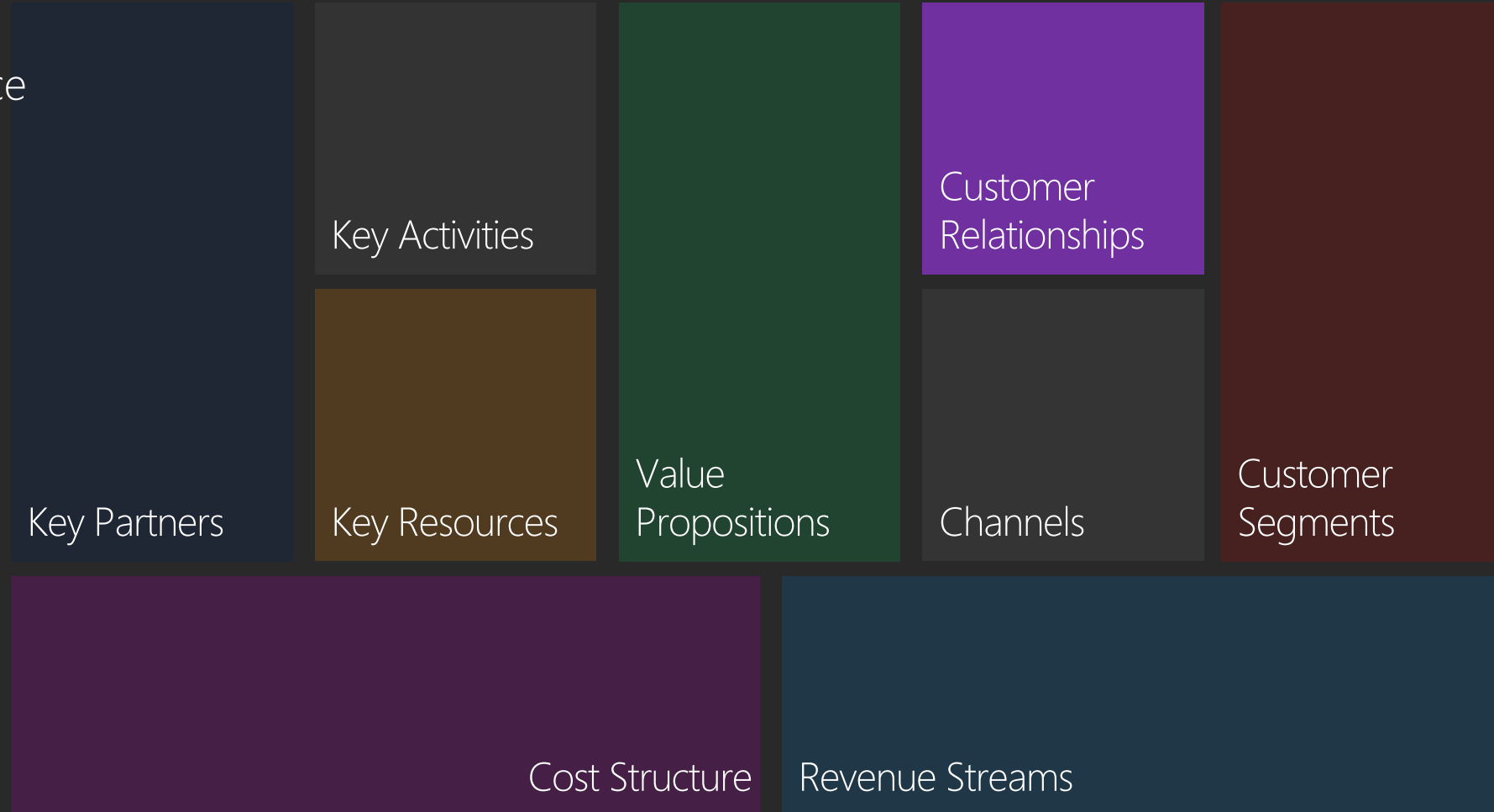
groups of people and organizations which will be served

Mass market
Niche market
Segmented
Diversified
Multi-sided platforms



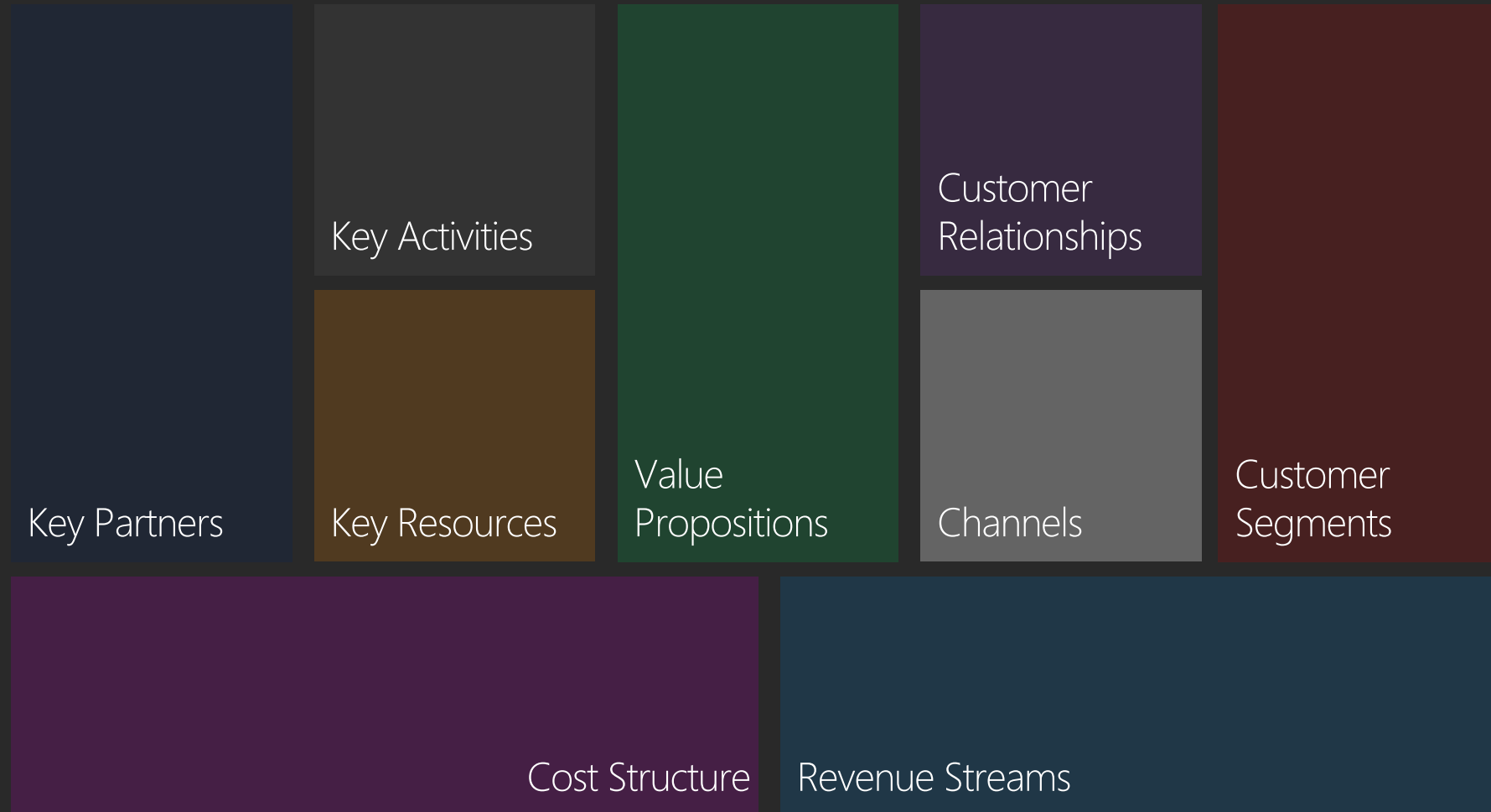
type of relationships established with customers

Personal assistance
Dedicated personal assistance
Self-service
Automated service
Communities
Co-creation



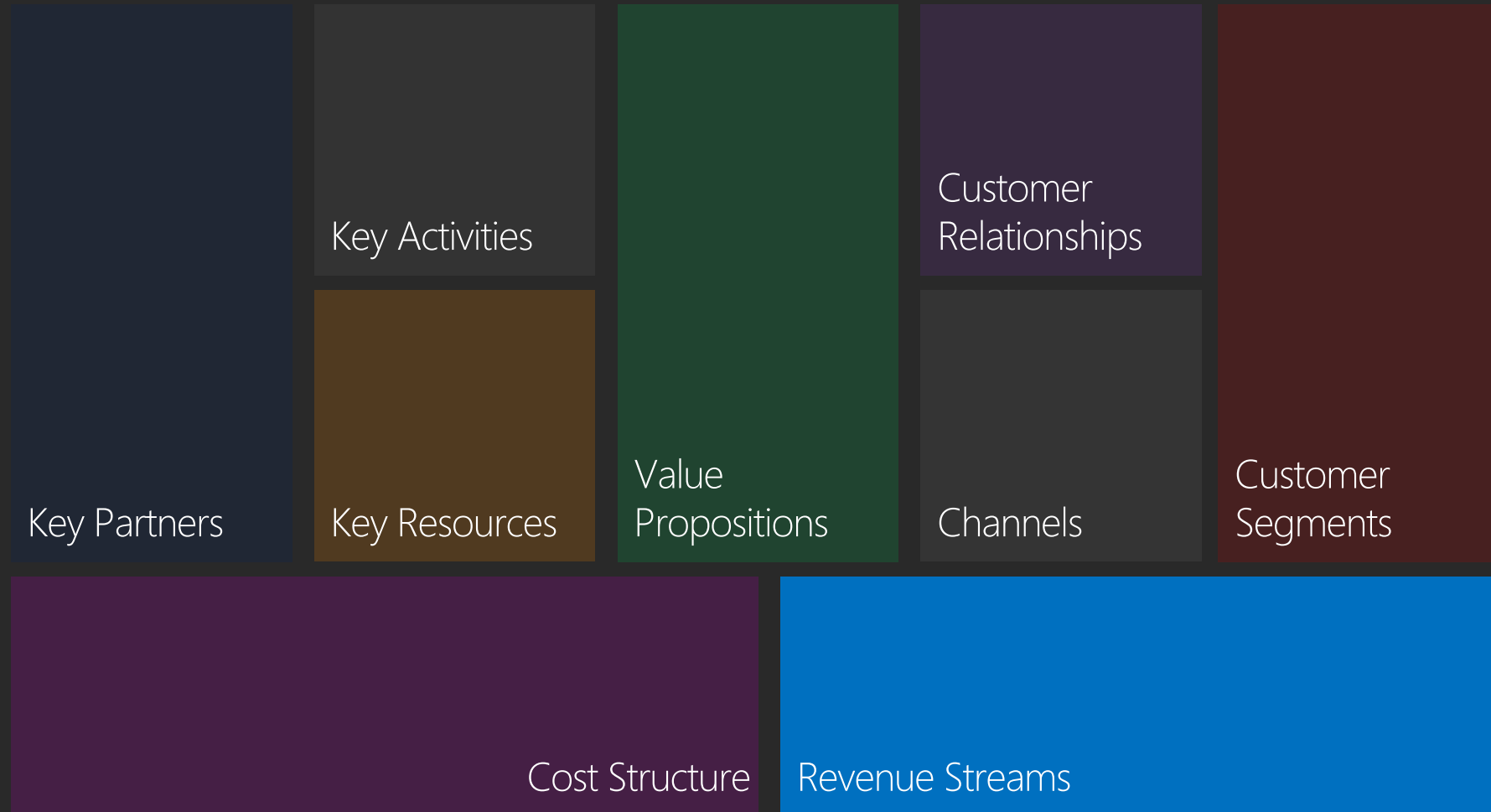
deliver the value proposition to the customer segments

Sales force
Web sales
Own stores
Partner stores
Wholesaler



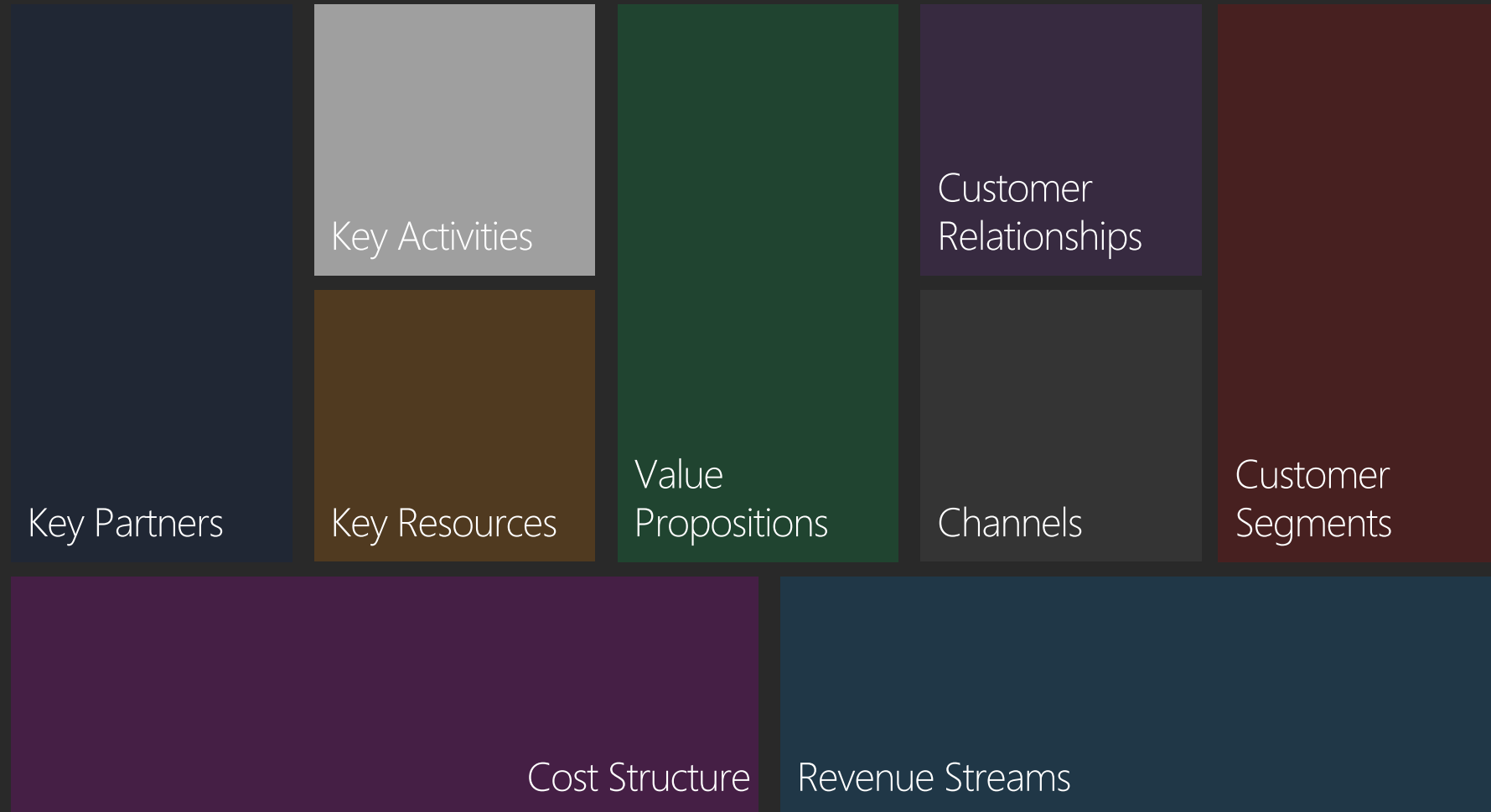
cash generated by the different customer segments

Asset sale
Usage fee
Subscription fees
Lending/renting/leasing
Licensing
Brokerage fees
Advertising



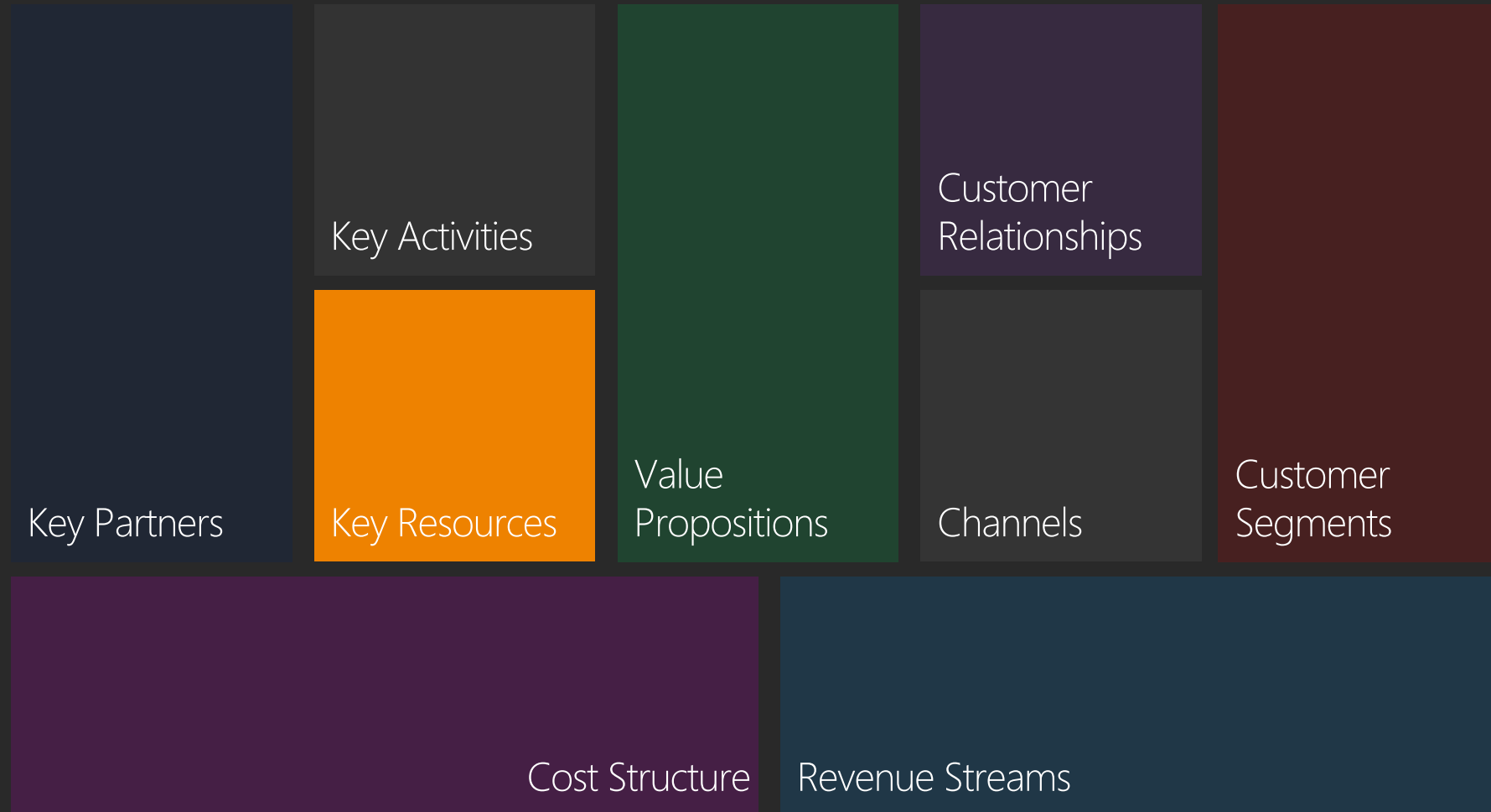
activities the value prop, channels, relationships and rev streams require

R&D
Support
Production
Problem solving
Platform/network



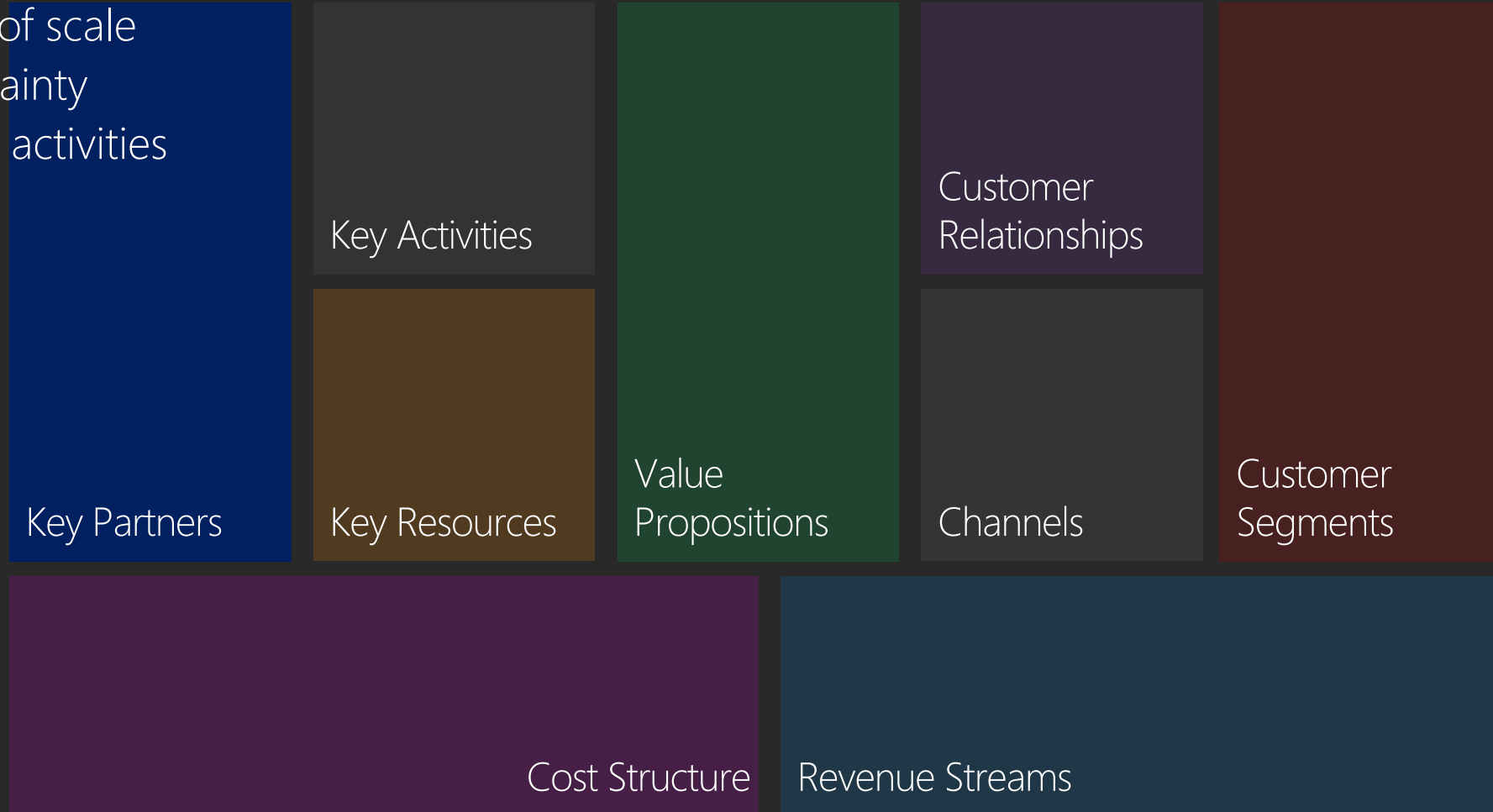
resources the value prop, channels, relationships and rev streams require

Physical
Intellectual
Human
Financial



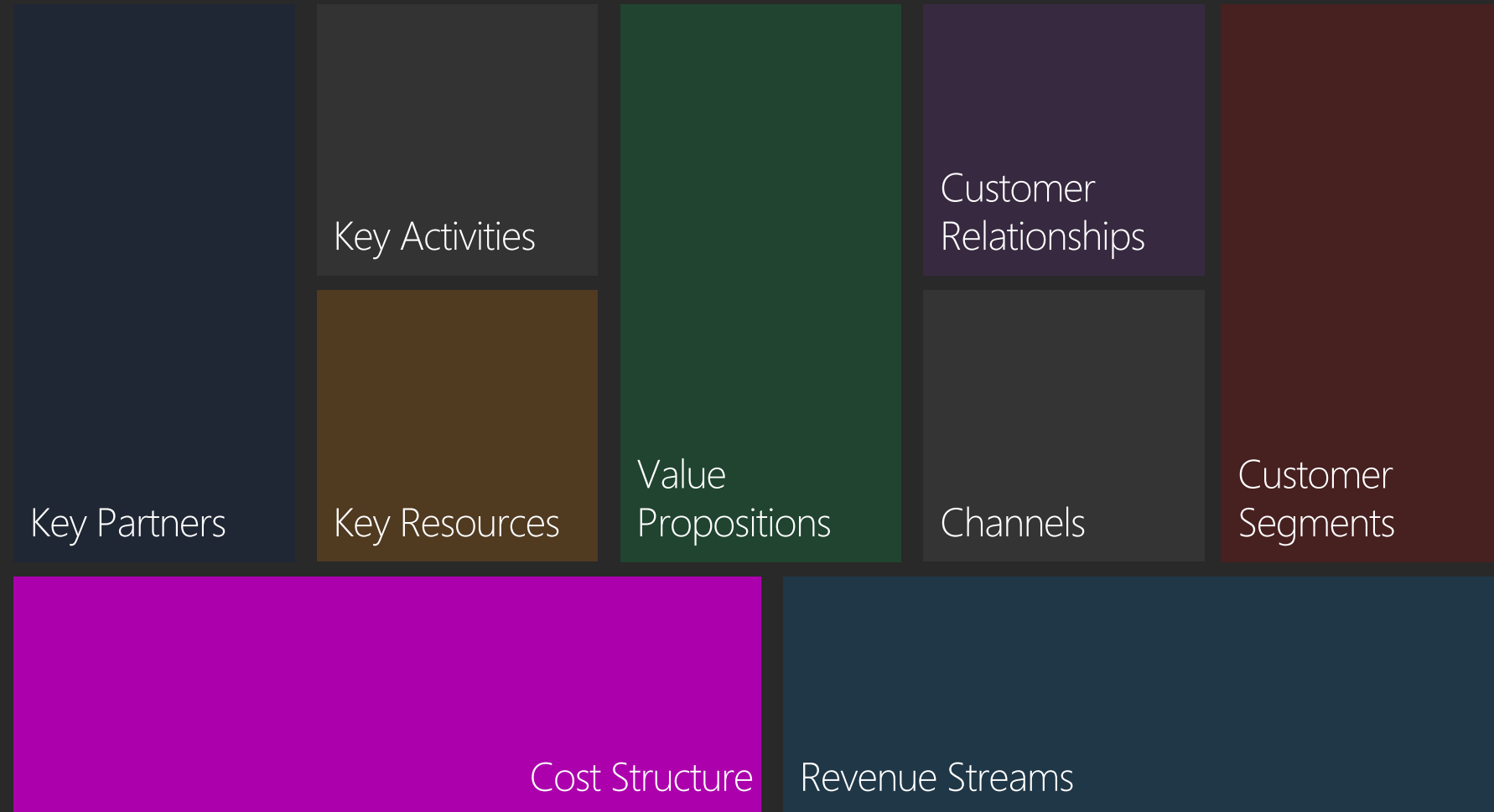
key partners and suppliers

Optimization and economy of scale
Reduction of risk and uncertainty
Acquisition of resources and activities



most important costs

Fixed costs
Variable costs
Economies of scale
Economies of scope



CAC

CAC

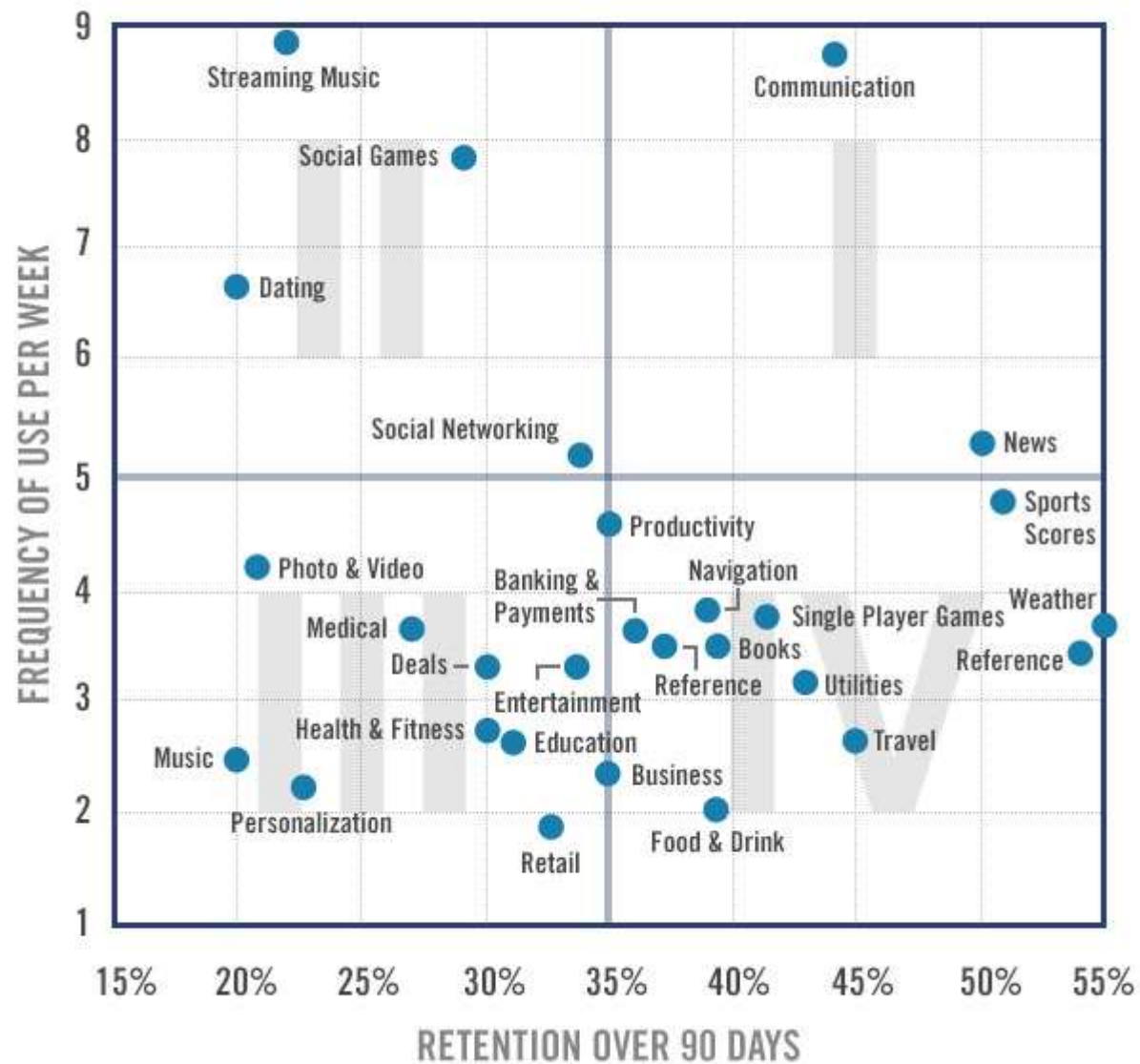
Unique visitors on App website:	50'000
% of visitors downloading trial:	3%
# of trials:	1500
% of trials convert to paid:	10%
# of paid subscriptions:	150

To acquire an additional 150 users, the company needs 50k unique visitors
SEO campaign with a click through of \$0.5 costs \$25k
CAC is \$167
CAC must be lower than lifetime value of customer (LTV)

Churn

The % of users who cancel the service

Loyalty by Application Category



bmc exercise

1

Split into groups of 4

2

Each group agrees on scenario/company

3

20 minutes of brainstorming using bmc poster and post-it's

4

5 minutes report back per group

conclusion



there are many business models for Apps



bmc is a great tool to create yours

