Exercise: Designing an API Strategy

Document a business model and design an API strategy for an existing company

Abstract
Develop (part of) an <u>API Strategy</u> for your organization.

Instructions
- Identify a business model opportunity
- Use the business model canvas to document your understanding of the business model.
- Based on this model, identify opportunities for added value from APIs

Step One: What business are you in?

Use the business model canvas to agree on the business your organization is in. You should develop a clear understanding of the **most important** elements of your division's business model.

Step Two: How could APIs drive value?

Once you have the model, you can identify opportunities for adding value with an API.

This might be with a set of *private* APIs or with one or more *public* API products. You can even suggest that your organization would benefit from both.

Be clear about

Step Three: What activities need to take place to unlock this value?

Exercise: Designing an API Strategy

Business Model Canvas Reference Guide

Customer Segments
"For whom are we creating value? Who are our most important customers?"

The customers for your organization or team, grouped by common needs, common behaviours or some other attribute. The customer segment categorization should be related to the right side of the business model canvas (value, channels, relationships, revenue)

Customer segments may be differentiated by:
- The value proposition they receive
- The channel through which they receive value
- The way the customers are acquired and retained
- How they contribute to the revenue stream

Value Propositions
"What value do we deliver to the customer? Which one of our customer's problems are we helping to solve?

The products and services that we offer to customer segments. Value Propositions are the reasons that customers choose one company over another. They solve a customer problem or fill a customer need.

Channels
"Through which channels do our customer segments want to be reached? Which ones work best?"

Channels are the interface which customers use to interact with the company. They serve several functions:
- Raising awareness about products and services and helping customers choose the right product (marketing)
- Allowing customers to purchase products and services (sales)
- Delivering a value proposition to customers
- Providing customer support

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

Examples:
- Personal Assistance
- Dedicated Personal Assistance

Exercise: Designing an API Strategy

- Self Service
- Communities

Revenue Streams
"For what value are our customers really willing to pay? For what do they currently pay? How much does each Revenue Stream contribute to overall revenues?"

Examples:
- Usage Fees
- Subscription Fees
- Advertising

Key Resources
"What Key Resources do our Value Propositions require?"

Examples:
- Physical assets
- Brand and intellectual assets
- Specialized workers
- Financial assets

Key Activities
"What Key Activities do our Value Propositions require?   Our Distribution Channels?   Customer Relationships? Revenue Streams?"

Examples:
- Production: activities for designing, making and building things
- Problem solving: activities that drive solutions to customer problems
- Platform/Network: development and maintenance activities for a key platform

Key Partnerships
"Who are our Key Partners? Who are our Key Suppliers?   Which resources are we acquiring form partners?   Which activities are performed by partners?"

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