

# ENTERPRISE BUSINESS MOTIVATION MODEL

## *Ontology – Business Model Assessment Viewpoint*

This set of terms are related to the concerns of individuals who must assess a business model for strengths and weaknesses as well as the forces that influence whether that business model are likely to succeed. Many of the terms relevant to this area are shared terms, and appear in that list instead.

This viewpoint illustrates the relationship of a business model assessment to the rest of the elements of the business motivation model. Business model assessments can be performed either by internal parties or external parties. By documenting the assessment in the model, we

illustrate two things. A) an assessment is not, by itself, a driver. Assessments do not force change. However, an assessment can be the justification for change.

This assessment is fundamentally different from the assessment of capability maturity. A business model assessment is designed to show the business how their models work in the marketplace. They are external in focus and may question the structure of an existing business model. A capability assessment is designed to show how well the organization is aligned to fulfil the model. A capability assessment does not question that the business should have a particular model, but rather how well the company can perform it.

## **Barriers to Entry**

One of Porter's Five Forces, the Barriers to Entry are obstacles that any enterprise would face when entering an existing market in which the enterprise operates or would like to operate.

## **Business Model Assessment**

A business model assessment is an artifact or document that contains an analysis of one (or more) of the business models of an enterprise. Business model assessments are composed of a set of *judgments* about one or more influencers that affect the organizations ability to execute on the existing business model. Business judgements are produced as the result of an assessment process, which is an examination of one or more of the business models in use in the enterprise in light of a dynamic business environment.

## **Business Trend**

A business trend is a gradual change in the practices, expectations, or behaviour of customers, competitors, suppliers, and/or partners of an enterprise.

## **Buyer Power**

One of Porter's Five Forces, the Power of Buyers represents the ability of the buyers of products and services, in a particular market, to drive the competitive behaviour of companies.

## **Competitive Opportunity**

A competitive opportunity is an exploitable set of circumstances with uncertain outcome, requiring commitment of resources and involving exposure to risk. (Source: BusinessDictionary.com).

## **Competitive Pressure**

A competitive pressure is a challenge to the perceived or actual market position of a company that occurs through the offerings of competitors, the activities of regulators, or the behaviour of customers, partners or suppliers.

## **Degree of Rivalry**

One of Porter's Five Forces, the Degree of Rivalry represents a measure of the fierceness of competition in a particular market in which the enterprise operates or would like to operate.

## **Industry**

An Industry is a classification of businesses that share the same basic value proposition and similar business models.

## **Issue**

One of the elements of a business model assessment, an issue is a business judgement that captures a problem (or perceived problem) that the business would like to see addressed. The

business model assessment is composed of one or more business judgements, and puts perspective around the model or models evaluated.

## Legislative Edict

A Legislative Edict is a requirement, placed by a legislative body, forcing change on an organization. Typically used to regulate government agencies, legislative edicts can be placed on commercial organizations as well (example: Sarbanes-Oxley Financial Regulations). A legislative edict is different from a regulation, in that a regulation forces ongoing measurement, while an edict forces change.

## Potential Reward

One of the elements of a business model assessment, a potential reward is a type of potential impact to the organization that should be considered as part of a business judgement. The business model assessment is composed of one or more business judgements, and puts perspective around the model or models evaluated.

## Recommendation of Change

One of the elements of a business model assessment, a recommendation of change is a business judgement that indicates suggested changes to a business model or level of business maturity needed to address the effects of an influencer. The business model assessment is composed of one or more business judgements, and puts perspective around the model or models evaluated.

## Risk

One of the elements of a business model assessment, a risk is a type of potential impact to the organization that should be considered as part of a business judgement. The business model

assessment is composed of one or more business judgements, and puts perspective around the model or models evaluated.

## **Strength or Weakness**

One of the elements of a business model assessment, a strength or weakness is a business judgement that reflects expert opinions about the performance of the business according to a model of performance being used by the assessor. The business model assessment is composed of one or more business judgements, and puts perspective around the model or models evaluated.

## **Supplier Power**

One of Porter's Five Forces, the Power of Suppliers represents the ability of suppliers to drive the behaviour of downstream enterprises in their marketplace.

## **Threat of Substitutes**

One of Porter's Five Forces, the Threats of Substitutes represents the potential for a product or service to be replaced with an entirely different product (or simply to be omitted), thus driving behaviour of enterprises competing in the market.

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