

# ENT101

## Building Business Model

SY 2022-2023

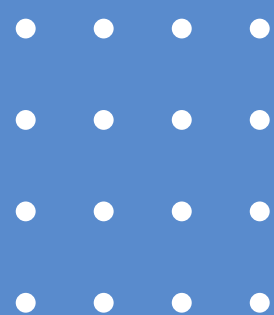




# OBJECTIVES



1. Define the business model.
2. Identify the four core areas of a business model.
3. Explore the importance of the Customer Value Proposition in further detail.
4. Describe the different types of Customer Value Propositions and learn how to identify your target customers.
5. Identify the nine components of the business model canvas



# BUSINESS MODEL

is a conceptual framework that describes how a company creates, delivers, and extracts value

## IN CONTRAST

A business plan is a formal document that provides background and financial information about the company, outlines your goals for the business, and describes how you intend to reach them





# The Four Parts Of A Business Model

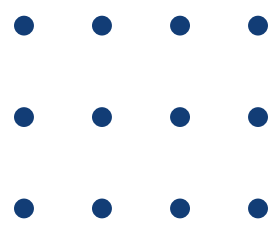
the offering

the customers

the infrastructure

the financial viability

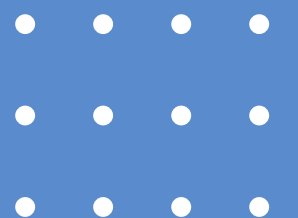


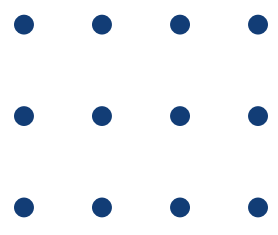


# THE OFFERING

Offering: what you are offering to a particular customer segment, the value generated for those customers, and how you will reach and communicate with them.

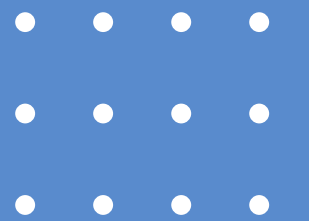
Customer value proposition (CVP): a statement that describes exactly what products or services your business offers and sells to customers.





# THE CUSTOMERS

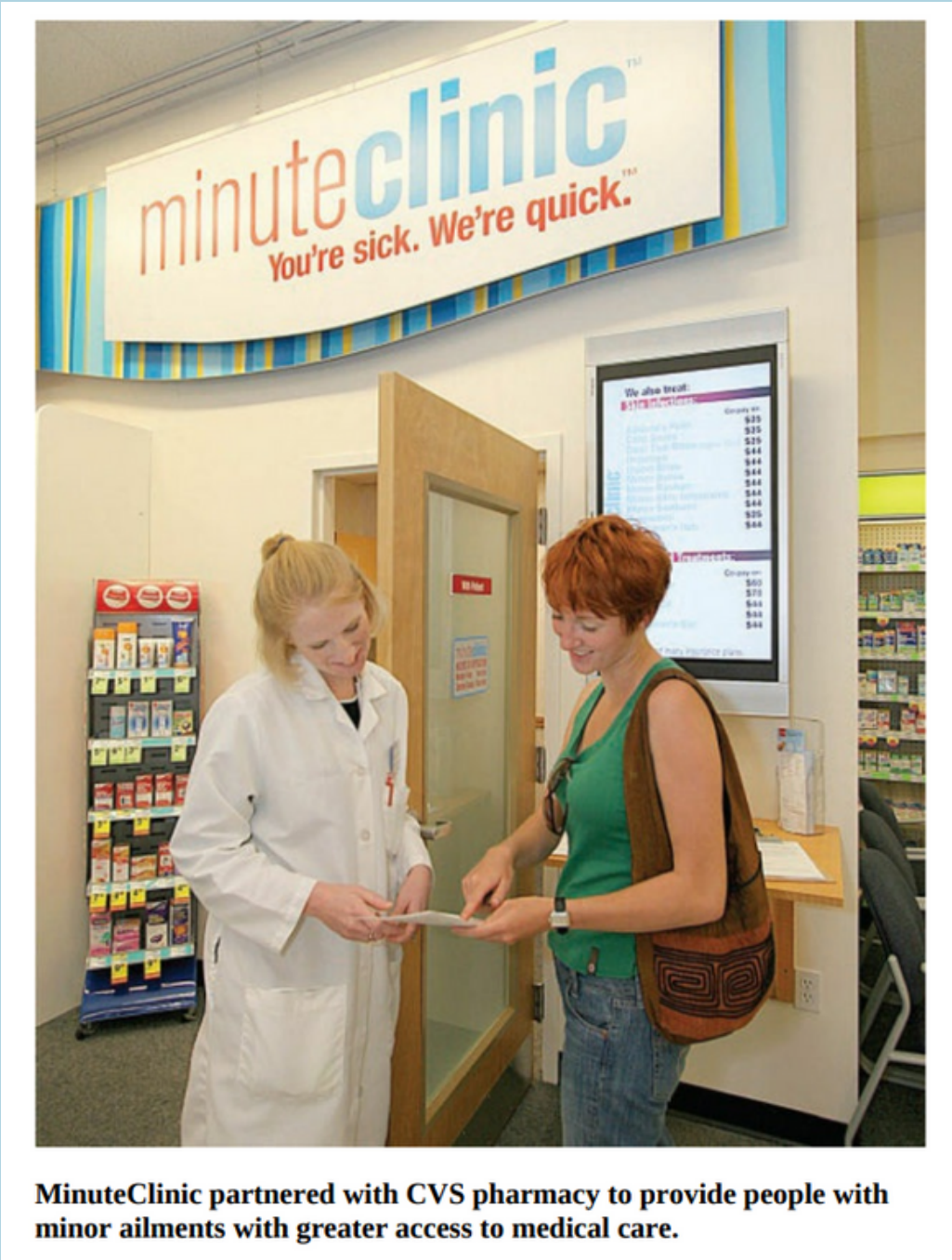
people who populate the segments of a market  
served by the offering





# 4 Problems Experienced by Customers

## Lack of time



MinuteClinic partnered with CVS pharmacy to provide people with minor ailments with greater access to medical care.

didn't visit the doctor because of how much time it would take to request an appointment, how many days it would be until an appointment was available, and the length of time you'd have to spend in the doctor's office waiting room before being called in to be seen

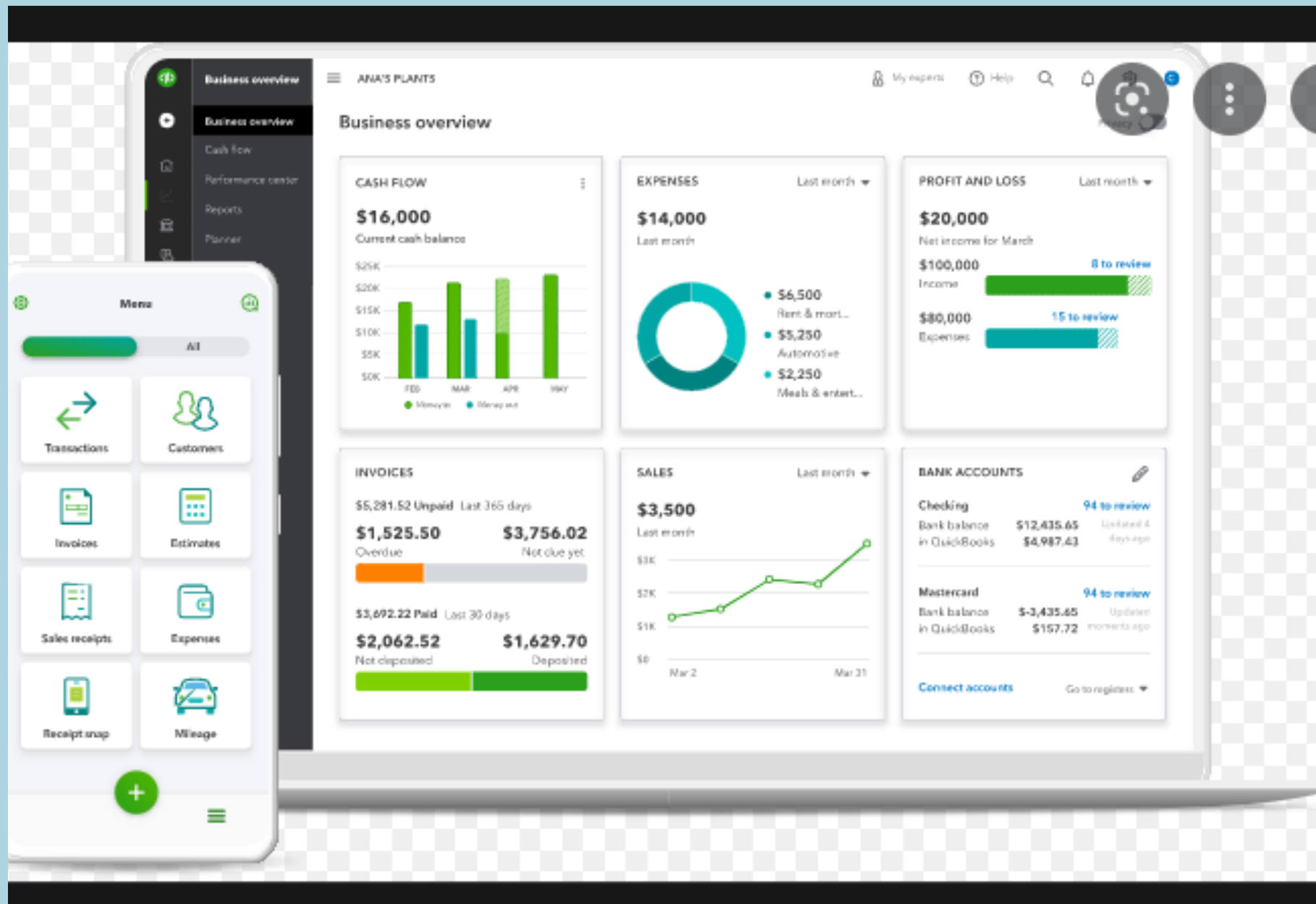
## Lack of money



India's Tata Motors has launched the nation's most affordable electric vehicle ever. The car maker has launched the electric model of its popular hatchback 'Tiago' with the vehicle being retailed at the starting cost of INR 849,000 or USD 10,370. <https://www.wionews.com/technology/tata-motors-launches-indias-cheapest-electric-vehicle-priced-at-103k-dollars-520554>

# 4 Problems Experienced by Customers

## Lack of skills



To solve a common problem, lack of accounting skills, software maker Intuit enabled individuals and small business owners to do their own accounting by developing Quicken and the somewhat more robust Quickbooks

## Lack of access



lack-of-access problem is solar energy. The technology for small-scale solar collectors has been available since the 1970s, but it is generally suitable only for commercial buildings and homes with a large amount of roof space



# Different Types Of CVPS

## All-benefits

a type of value proposition that involves identifying and promoting all the benefits of a product or service to target customers, with little regard to the competition or any real insight into what the customer really wants or needs

## Points-of-difference

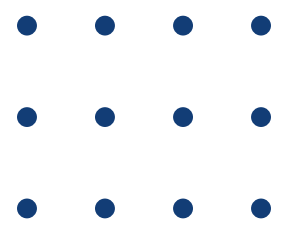
a type of approach that focuses on the product or service relative to the competition and how the offering is different from others on the market.

## Resonating-focus

a type of CVP that describes why people will really like your product and focuses on the customers and what they really need and value.

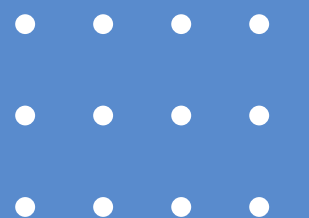
## Product-market fit

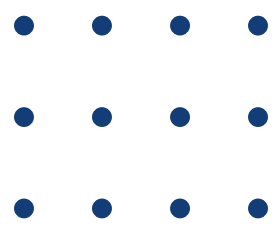
an offering that meets the needs of customers.



# THE INFRASTRUCTURE

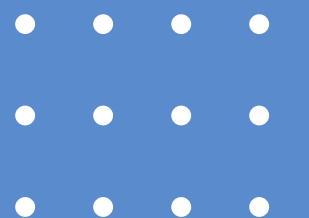
the resources (people, technology, products, suppliers, partners, facilities, cash, etc.) that an entrepreneur must have in order to deliver the CVP



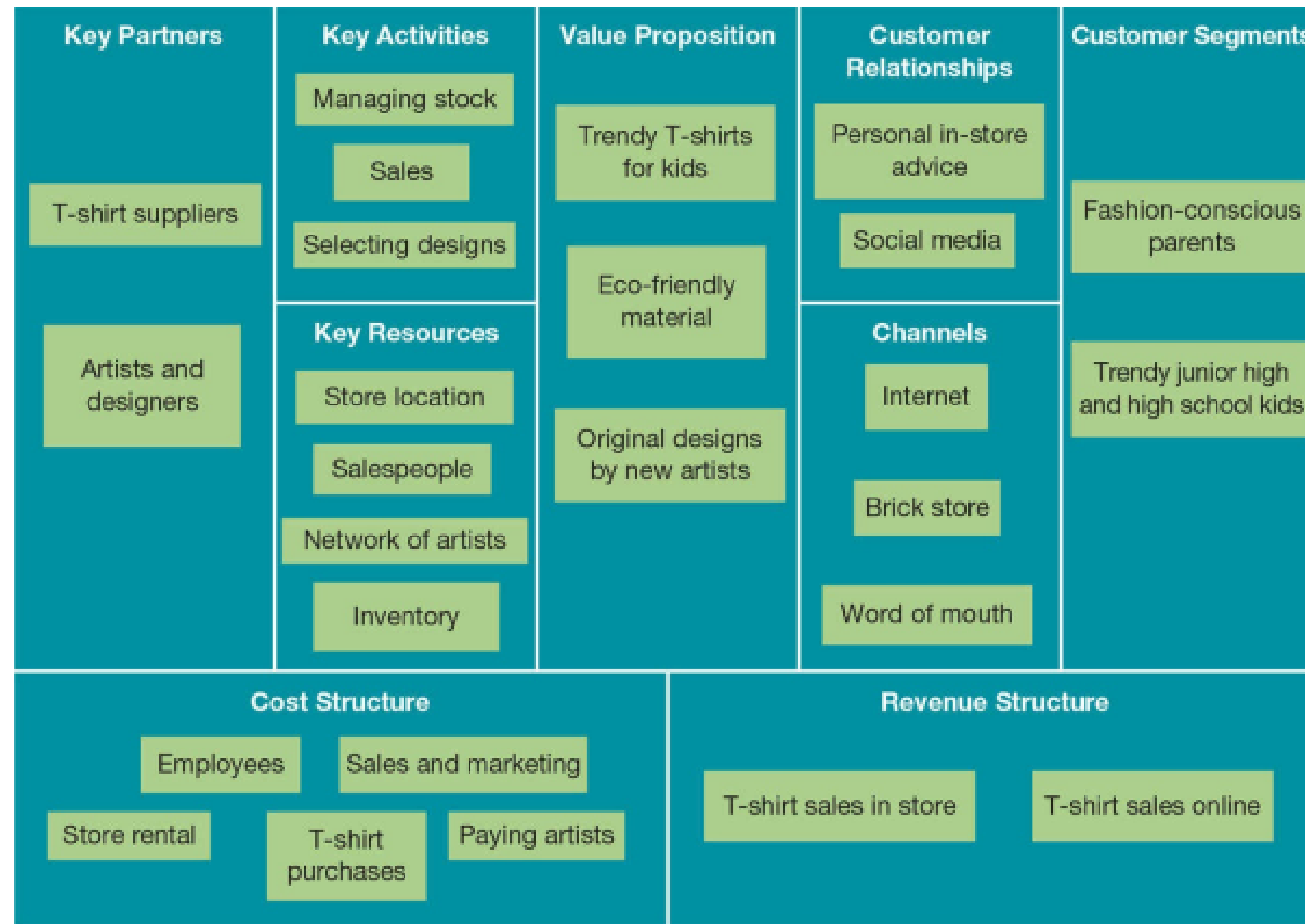


# THE FINANCIAL VIABILITY

defines the revenue and cost structures a  
business needs to meet its operating expenses  
and financial obligations



# SAMPLE BMC



Credit: BMC is from the book Business Model Generation by Osterwalder and Pigneur, 2010.

<http://www.businessmodelgeneration.com/canvas/bmc>



# REFERENCES

- **Entrepreneurship: How to Start, Grow, and Scale a Business**  
By Jen Riley, Ph.D. and Stuart Draper
- **Entrepreneurship: Practice and Mindset** by Heidi Neck,  
Christopher Neck and Emma Murray

