1. Strategy
   1. Four Strategic Areas
      1. The Business Model Environment
         1. Business models are designed and executes in specific environments
         2. Understanding changes in the environment help you adapt your model more effectively to shifting external forces
         3. How to better grasp on your business model “design space”
            1. Market Forces

Market Issues

Identified key issues driving and transforming your market from Customer and Offer perspectives

Market Segments

Identifies the major market segments, describes their attractiveness, and seeks to spot new segments

Needs and demands

Outlines market needs and analyze how well they are served

Switching costs

Describes elements related to customer switching business to competitors

Revenue Attractiveness

Identifies elements related to revenue attractiveness and pricing power

* + - * 1. Industry Forces

Competitors (Incumbents)

Identifies incumbent competitors and their relative strength

New Entrants (Insurgents)

Identifies new, insurgent players and determines whether they compete with a business model different from yours

Substitute Products and Services

Describes potential substitutes for your offers – including those from other markets and industries

Suppliers and other value chain actors

Describes the key value chain incumbents in your market and spots new, emerging players

Stakeholders

Specifies which actors may influence your organization and business model

* + - * 1. Key Trends

Technology trends

Identifies technology trends that could threaten your business model – or enable it to evolve or improve

Regulatory trends

Describes regulations and regulatory trends that influence your business model

Societal and cultural trends

Identifies major societal trends that may influence your business model

Socioeconomic trends

Outlines major socioeconomic trends relevant to your business model

* + - * 1. Macroeconomic Forces

Global Market Conditions

Outlines current overall conditions from a macroeconomic perspective

Capital markets

Describes current capital market conditions as they relate to your capital needs

Commodities and other resources

Highlights current prices and price trends for resources required for your business model

Economic infrastructure

Describes the economic infrastructure of the market in which your business operates

* + - * 1. Look at info graphic on page 201
    1. Evaluating Business Models
       1. SWOT
          1. Strength, weakness, opportunities and threats
          2. Four questions

Strengths (Internal and helpful)

Opportunities (External and helpful)

Weakness (Internal and harmful)

Threats (External and harmful)

* + 1. Business Model Perspective on Blue Ocean Strategies
       1. Coined by Kim and Mauborgne
       2. Potent method for questioning value propositions and business models and exploring new customer segments
       3. Creating completely new industries through fundamental differentiation as opposed to competing in existing industries
       4. ***Value Innovation***
          1. ***Increasing value for customers by creating new benefits and services, while simultaneously reducing costs by eliminating less valuable features or services***
       5. Four Actions Framework
          1. Which of the factors that the industry takes for granted should be eliminated?
          2. Which factors should be reduced well below the industry standard?
          3. Which factors should be raised above the industry standard?
          4. Which factors should be created that the industry has never offered?
    2. Manage Multiple Business Models within an enterprise