1. Process
   1. Five Phases
      1. Mobilize
         1. Set the stage
         2. Prepare for a successful business model design project
         3. Objectives of first phase
            1. Frame the project objectives
            2. Test preliminary ideas
            3. Plan the project
            4. Assemble the team
         4. Project Legitimacy
            1. A critical success factor when working within established organizations.
            2. A straightforward way to create legitimacy and visible sponsorship is to directly involve a respected member of top management from the very beginning
            3. Manage vested interests

Take care to identify and managed vested interests throughout the organization.

* + - * 1. Cross-functional team

Compose a group of people from across the organization, including different business units, business functions(marketing, finance, IT, etc), levels of seniority and expertise.

* + - * 1. Orienting decision makers

Spend a considerable amount of time orienting and educating decision markers on business models, their importance, and the design and innovation process

* + 1. Understand
       1. Immersion
       2. Research and analyze elements needed for the business model design effort
       3. Mix of activities
          1. Market research
          2. Studying and involving customers
          3. Interviewing domain experts
          4. Sketching out competitor business models
       4. Question industry assumptions
    2. Design
       1. Inquiry
       2. Generate and test viable business model options, and select the best
       3. Team members must develop the ability to abandon the status quo during ideation
       4. An inquiry-focused design attitude is also crucial
       5. *Avoid falling in love with ideas too early!*
       6. What’s the profit/loss potential?
       7. Describe potential conflicts with existing business units
       8. How might this affect our brand?
       9. How will existing customers react?
       10. Participatory design
           1. Be especially inclusive when assembling the design team
       11. Old vs. New
           1. Should your old and new business idea be integrated or separated?
       12. Avoid short term focus
           1. Avoid ideas with large first year potentials. Think Google, how big was their first years revenue?
    3. Implement
       1. Execution
       2. Implement the business model prototype into the field
       3. Understand and develop innovative business models
       4. Define all related projects, specific milestones, organize any legal structures, and prepare a detailed budget and project roadmap.
       5. Manage uncertainties, closely monitor how risk/reward expectations play out against actual results
       6. Project Sponsorship
          1. A second success element is the sustained and visible support of your project sponsor, something that signals the importance and legitimacy of the business model
       7. Old vs new
          1. A third element is creating the right organizational structure
       8. Communication campaign
          1. Conduct a highly visible, multi-channel internal communication campaign announcing the new business model
          2. Helps counter the fear of the new
    4. Manage
       1. Evolution
       2. Adapt and modify the business model in response to market reaction
       3. Business Model Governance
          1. Consider establishing a business model governance authority to help better manage business models across an enterprise
          2. This group would…

Orchestrate business models

Engage stakeholders

Launch innovation or redesign projects

Track overall evolution of the organization’s business model

* + - 1. Manage synergies and conflicts
         1. Align business models with each other to exploit synergies and avoid or manage conflicts
      2. Business model portfolio
         1. Successful companies proactively manage a portfolio of business models
      3. A beginners mindset
         1. Maintain a beginners mindset which will keep you from becoming victims of your own success
         2. Scan the landscape and continuously assess our own business models
         3. Take a fresh look at your model regularly
  1. Four Objectives
     1. Satisfy existing but answered market needs
        1. Netjets, Lulu.com
     2. Bring new technologies, products, or services to market
        1. Redhat, Xerox,
     3. Improve, disrupt, or transform an existing market with a better business model
        1. Dell, Wii, IKEA, Skype, Amazon.com
     4. Create an entirely new market
        1. Google, Diners Club (Discover)
  2. Four Motivations
     1. A crisis with the existing business model
     2. Adjusting, improving, or defending the existing model to adapt to a changing environment
     3. Bringing new technologies, products, or services to market
     4. Preparing for the future by exploring and testing completely new business models that might eventually replace existing ones
  3. Challenges for the above are…
     1. Finding the right model
     2. Testing the model before a full-scale launch
     3. Inducing the market to adopt the new model
     4. Continuously adapting the model in response to market feedback
     5. Managing uncertainty
  4. Factors specific to established organizations
     1. Reactive
        1. Rolls Royce Jet Engines, IBM in the 1990s, Wii
     2. Adaptive
        1. P&G Open Innovation, Hilti
     3. Expansive
        1. iPod/iTunes, Xerox
     4. Pro-active/explorative
        1. Car2go, Amazon AWS
  5. Changes for the above are…
     1. Developing an appetite for new models
     2. Aligning old and new models
     3. Managing vested interests
     4. Focusing on the long term

1. Design Attitude
   1. *Decision attitude* assumes that it is easy to come up with alternatives but difficult to chose between them.
   2. The *design attitude*, in contrast, assumes that it is difficult to design an outstanding alternative, but once you have, the decision about which alternative to choose is trivial.
   3. Design Squiggle
      1. Embodies the characteristics of the design process
      2. Uncertain at the outset, it is messy and opportunistic, until it focuses on a single point of clarity once the design has matured