

# The Business Model Canvas

Designed for:

Designed by:

On: Day Month Year  
Iteration: No.

## Key Partners



No obvious candidates for key partners because at every aspect of the firm it is easy to find alternative partners.

## Key Activities



Maintenance and improvement of the core recommender system with continuous updates.

Implement system for the individual customers, using the core recommender backend.

Problem solving and Platform/network

## Key Resources



Expert machine learners (Human).

Flexible core recommender system that can be adjusted to different contexts(Intellectual).

## Value Proposition



There are a lot of firms on the internet that sell products, e.g webshops.

These webshops have logs with data for sales and who purchased the products, but this is usually not exploited to make recommendations to customers.

Our idea: Create a core recommender system that can be adapted to different webshops through a Software-as-a-Service model.  
The result is hopefully additional sales.

The value proposition is then offering a product that is expensive for each firm to make on their own, but we can offer a subscription license model that makes it cheaper because we have experience in recommender systems.

## Customer Relationships



Personal assistance in form of consulting.

Customer acquisition:

Customers get a free trial to experience the effects of the recommender system, they then pay a subscription license fee for continuous usage.

Customer retention:

Insight in their specific implementation setting and support with maintenance.

## Channels

The channels for the company are a website, direct contact through sales and the product is delivered through consulting work.

## Customer Segments



Firms who own webshops that do not include personalized recommender system.

Those who do not have the adequate skills to develop their own recommender system or just want to hire professionals to deliver a high quality solution..

It is easier for the customers to pay us than learn how use some complex API that they should adjust to their webshop setting.

Due to their lack of expertise in the field, it would become more expensive to develop the system themselves, than pay us for a solution.

## Cost Structure



Cost structure: Cost-driven. We want a system that to some extent can be automatised after some initial setup, but value is also important so we can argue for a middle way.

Characteristics: Costs increase depending on how many customers we have, so we have variable costs.

What costs the most: The employees, that is the expert machine learners.

## Revenue Streams



A subscription license fee model, where different webshops purchase a subscription license for a given period.

Alternatively, there could be usage fees where each time a product is sold based on recommendations we will take a cut.

Additionally, consultant service income.