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## **TEAM 27 BUSINESS IDEA AND BUSINESS MODEL: STOCKBRIDGE**

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StockBridge is a cutting-edge platform designed to assist small and medium-sized stores in tackling the issues associated with surplus inventory of slow-moving products or unexpected surges in product demand by uniting stores with similar product categories on a single platform.

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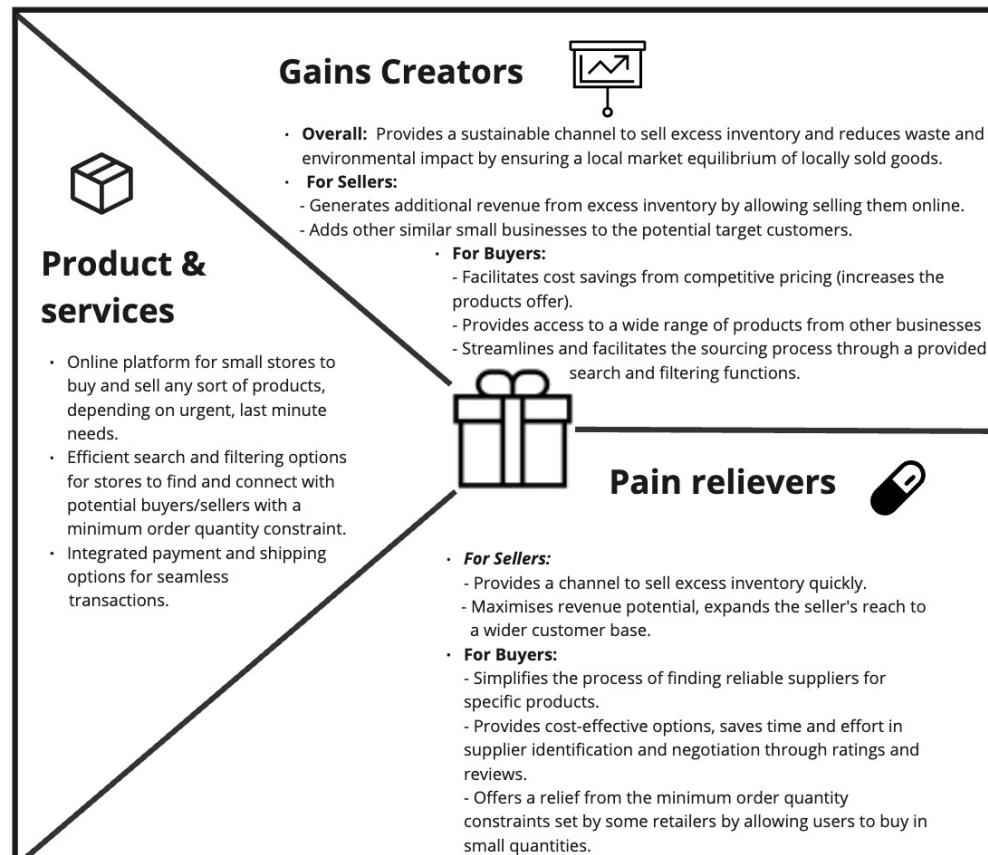
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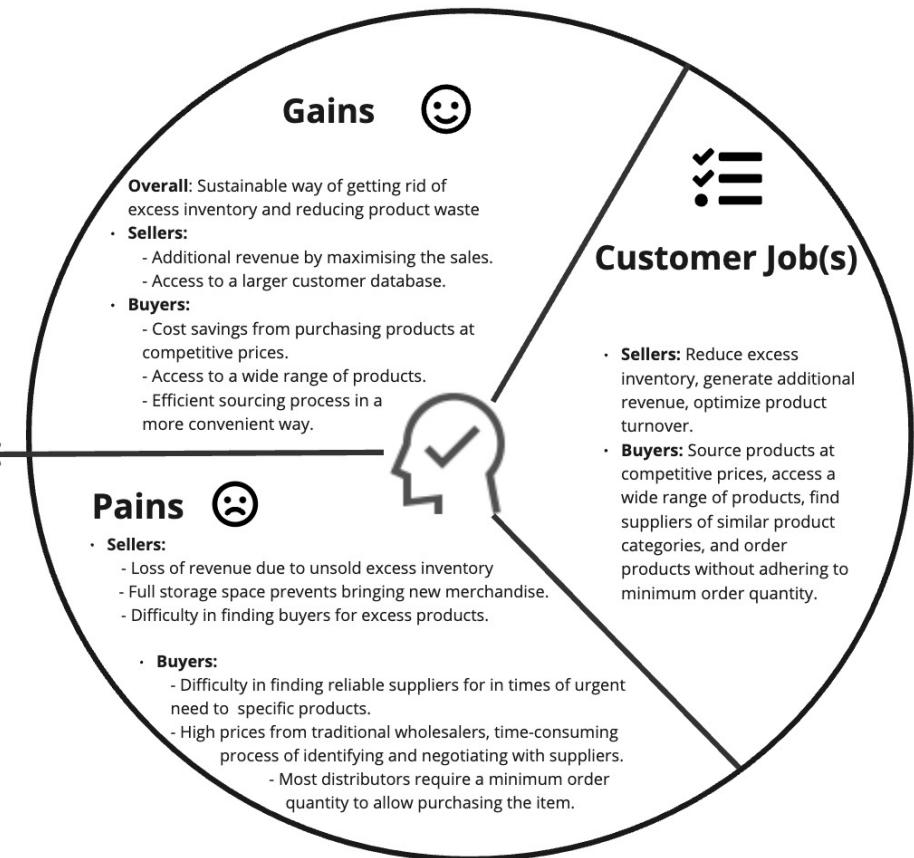
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# Value Proposition Canvas:

## Value Proposition



## Customer Profile



# The Business Model Canvas

Designed for: StockBridge

Designed by: Team 27

On: Day 24 Month 04 Year 2023  
Iteration: 1

<h3>Key Partners</h3>  <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p><small>Partnerships are networks of organizations and ecosystems. Acquisition of individual resources and activities.</small></p> <ul style="list-style-type: none"> <li>Local stores in every production domain: florists, small hardware stores, small supermarkets, bakeries, libraries, etc. (Those with excess inventory and those with urgent need of refill)</li> <li>Delivery companies: DHL, Hermes, DPD, etc. Since fast delivery is key for urgent sudden demands</li> <li>Uber: Extension to Uber eats – Uber goods (especially for smaller products like flowers, baked goods, etc)</li> <li>Payment processors: Partners who handle secure and efficient transaction processing</li> </ul>	<h3>Key Activities</h3>  <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p><small>Customer activities include Production, Product Design, Marketing, Sales, Distribution, Pricing, Cost Reduction, accessibility, Commissibility.</small></p> <ul style="list-style-type: none"> <li>Development and maintenance of the platform</li> <li>Marketing and social media management</li> <li>Customer support</li> </ul>	<h3>Value Propositions</h3>  <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p><small>Value propositions include Novelties, Premium, Differentiation, Unique Selling Points, Bundling, Price, Cost Reduction, accessibility, Commissibility.</small></p> <ul style="list-style-type: none"> <li>An online platform that allows small businesses to sell excess inventory and buy supplies without paying attention to MOQ (Minimum Order Quantity)</li> <li>Help users make informed decisions through user ratings and reviews</li> <li>Facilitates interaction between buyers and sellers by providing efficient search options</li> </ul>	<h3>Customer Relationships</h3>  <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p><small>Customer relationships include Personal selling, Relationship Marketing, Self-service, Direct selling, Commercial services, Co-innovation.</small></p> <ul style="list-style-type: none"> <li>Self-service platform for customers to post and manage their listings</li> <li>Customer support available through email, or a dedicated form</li> </ul>	<h3>Customer Segments</h3>  <p>For whom are we creating value? Who are our most important customers?</p> <p><small>Market segments include Mass Market, Niche Market, Estimated, Segmented, Multi-sided Platform.</small></p> <p>Small to medium sized businesses from various industries:</p> <ul style="list-style-type: none"> <li>with excess inventory</li> <li>in urgent need of supplies</li> </ul>
<h3>Key Resources</h3>  <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p><small>Value resources include Physical, Intellectual (brand, patents, copyrights, data), Financial.</small></p> <ul style="list-style-type: none"> <li>Web Application: server, user interface, database</li> <li>An agile team for the development of the application</li> <li>Technical support team</li> <li>Advertisement material</li> </ul>	<h3>Channels</h3>  <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p> <p><small>Channel phases include Awareness, Consideration, Purchase, Retention, After-sale.</small></p> <ul style="list-style-type: none"> <li>Web application that is easy to use and intuitive</li> <li>Social Media: LinkedIn, Instagram, etc.</li> <li>Referral through our customers</li> </ul>			
<h3>Cost Structure</h3> <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p><small>Cost structure includes Direct Costs (labor and materials), Indirect Costs (overhead, rent, utilities), External Costs (logistics, taxes, permits), Opportunity costs (lost revenue).</small></p> <p>Sample characteristics: Fixed Costs (rent, taxes, utilities); Variable Costs (logistics, taxes, permits); Opportunity costs (lost revenue).</p> <ul style="list-style-type: none"> <li>Website and Software development costs</li> <li>Marketing Costs: Instagram, LinkedIn, Brochures and wallpapers, Fair visits</li> <li>Customer Support team</li> </ul>	<h3>Revenue Streams</h3>  <p>For what value are our customers really willing to pay? How do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p><small>Revenue streams include Pay-per-use, Pay-per-transaction, Pay-per-activity, Pay-per-time, Pay-per-usage, Pay-per-territory, Pay-per-geography, Pay-per-employee.</small></p> <p><small>Pricing types include Cost Plus, Profit Margin, Customer acquisition dependent, Volume dependent, Supermarket, Pay-per-use, Real-time Market.</small></p> <ul style="list-style-type: none"> <li>Commission fees</li> <li>Premium membership</li> <li>Extra fees for prioritization and better visibility in search results</li> <li>Extra shipment fees if shipment is arranged</li> </ul>			

### **3 Description Business Idea according to the BMC sketch**

#### **3.1 Customer Segments**

The customer segments for this web application are small to medium businesses from various domains with excess inventory and small to medium businesses in urgent need of supplies. Traded Items can range from end products to intermediate products, i.e., products needed for manufacturing. Businesses with excess inventory often struggle with the cost and space requirements of storing unsold inventory, and they may need to find new customers to sell their extra products to clear space and generate revenue. On the other hand, businesses in urgent need of supplies may be experiencing unexpected demand or production delays and need to quickly acquire additional inventory to meet their needs. By connecting these two groups and facilitating their interaction, the web application provides a mutually beneficial solution that helps small businesses generate revenue from their excess inventory while helping other businesses acquire the supplies they need.

#### **3.2 Value Propositions**

The value proposition of this web application lies in its ability to solve two key problems that businesses face - excess inventory and urgent supply needs. The platform provides a convenient way for businesses to buy and sell excess inventory. For businesses with excess inventory, the platform offers a hassle-free way to sell their surplus products to other businesses that need them. This allows them to free up valuable storage space and generate revenue while avoiding the costs associated with disposing of the excess inventory. For businesses with urgent supply needs, the platform provides a way to source the products they require from other businesses in a quick and easy manner. This is particularly beneficial for small businesses that may not have established relationships with distributors or have access to a large network of potential suppliers. They also don't have to order larger quantities than their current demand to adhere to the minimum order quantity set by the distributors. Moreover, through efficient search and sorting options, it will be more convenient for our users to find and connect with potential partners. Users can also inspect reviews from other users which can help them make more informed decisions. Overall, the value proposition of this web application lies in its ability to provide a win-win solution for businesses that face inventory management challenges.

#### **3.3 Customer Relationships**

The customer relationships for this web application would be primarily self-service based, as customers would be able to manage their listings and transactions directly through the platform. However, the platform would also offer customer support mainly through email or a dedicated form on the website. By providing excellent customer support, the web application would be able to foster long-term relationships with its customers, leading to repeat business and positive word-of-mouth referrals.

### **3.4 Channels**

We recognize the importance of communicating with our customers through both direct and indirect channels. Direct channels allow us to connect with customers in a more personal and targeted manner, while indirect channels help us reach a wider audience and expand our platform's visibility. As such, our website will serve as the primary direct channel for customers to buy and sell products in our marketplace. Our website will offer customers an intuitive and user-friendly experience that allows them to easily navigate through it to satisfy their needs. In addition to direct channels, we can also utilize indirect channels to expand our reach and attract new customers. Social media platforms, such as Facebook and Instagram, provide a powerful tool for us to connect with potential customers and promote our website. Finally, customer referrals are another valuable indirect channel that can help us attract new customers. This word-of-mouth marketing can be an effective way to attract new customers who may be more likely to trust a recommendation from someone they know.

### **3.5 Key Activities**

Our marketplace has several key activities that are critical to its success. Firstly, we prioritize the development and maintenance of our web application, which serves as the backbone of our platform. Our team of skilled developers continuously works to enhance the user experience, streamline the buying and selling process, and ensure that the application is up to date with the latest industry standards. Secondly, marketing and promotion are essential activities for our marketplace, as they play a crucial role in attracting new users and growing our customer base. To achieve this, we employ various marketing strategies, such as social media marketing, and email marketing, to increase visibility and drive traffic to our platform. Finally, we prioritize the needs of our customers and provide them with excellent service and support. We offer services to help customers with any issues they may encounter while using our platform, and we take their feedback seriously to improve our marketplace. Our customer support team is always available to answer questions and assist, ensuring our users have a positive experience on our platform.

### **3.6 Key Resources**

As a marketplace, we rely heavily on our key resources to ensure the successful operation and growth of our platform. Our primary resource is our web application, which serves as the backbone of our marketplace. We invest heavily in the development and maintenance of our web application to ensure that it is reliable, secure, and user-friendly. To build a robust and user-friendly web application we need to use a trustworthy hosting service (for example Linode) to host our server, a reliable and flexible database (such as MongoDB), testing and debugging tools, and a flexible and user-friendly version control system (Git). Additionally, we need a team of agile developers (who will form the scrum team) who will work together to bring the platform from development to deployment. In addition to our web application, our team of customer support personnel is another essential resource for our marketplace. Our customer support team is responsible for providing timely and effective assistance to our customers, addressing any concerns they may have, and ensuring that they have a positive experience on our platform. Our team of support personnel is dedicated to ensuring that our

customers have a seamless experience from start to finish. Finally, we will need to produce some advertising material to promote our platform among the concerned stakeholders. The advertisement can take the form of social media adverts, flyers, fair visits, etc.

### **3.7 Key Partners**

Our value proposition is built on strong partnerships with local stores in multiple production domains. We aim to help these businesses with excess inventory connect with those who have an urgent need for a refill. To ensure timely delivery for sudden demands, partnerships with well-known delivery companies like DHL, Hermes, and DPD. For smaller products like flowers and baked goods, we can also extend our network to include Uber, through the Uber goods service. Finally, payment processors who handle secure and efficient transaction processing are necessary partners to provide a seamless trading experience for our customers. By having these key partners, we can provide a one-stop shop for trading excess inventory, making it easier for small businesses to reduce waste and save money.

### **3.8 Costs Structure**

Our cost structure is carefully constructed to drive the success and growth of our web application, with three key components at its core. Firstly, we allocate resources to website and software development costs. These investments cover the initial creation of our platform, as well as ongoing maintenance and improvements. By collaborating with skilled developers, we ensure that our infrastructure is robust, functions seamlessly, and evolves in response to user needs. We also need to invest in technology, hosting services, and software licenses to support the development and continuous improvement of our web application. Secondly, we make strategic investments in marketing and advertising. Through platforms like Instagram, LinkedIn, etc., we effectively reach our target audience and generate brand visibility. Offline promotional materials, including brochures, and active participation in industry fairs and exhibitions further amplify our presence. These efforts contribute to attracting potential users and fostering a thriving community around our platform. Lastly, we prioritize exceptional customer service and support. By allocating resources to recruit and train a dedicated team, we empower them to promptly address inquiries, provide technical assistance, and resolve concerns. Through prudent management of our cost structure, we are dedicated to delivering a superior web application that satisfies user demands.

### **3.9 Revenue Streams**

Our web application employs various revenue streams to ensure a sustainable and profitable business model. Firstly, we generate revenue through commission fees. When businesses conduct transactions through our platform, we charge a percentage or fixed commission fee based on the total value of each successful transaction. This allows us to earn revenue in proportion to the volume and value of transactions facilitated on our platform. Secondly, we offer a premium membership option for businesses seeking enhanced features and benefits. By subscribing to our premium membership, businesses gain access to exclusive services, priority customer support, and other valuable features. Furthermore, we provide businesses with the opportunity to increase their visibility and attract more customers by paying

extra fees for prioritization and better visibility in search results. By investing in these optional features, businesses can stand out from the competition, increase their exposure, and improve their chances of successful transactions. Additionally, for businesses that choose to utilize our platform for arranging shipments, we offer premium shipping options and special handling services. By diversifying our revenue streams through commission fees, premium membership subscriptions, extra fees for prioritization and visibility, and additional shipment fees, we create a balanced and sustainable financial model.

## 4 Mapping Business Model to Categories

StockBridge is an innovative marketplace that operates on a freemium and brokerage model.

### 4.1 Freemium

Customers will be able to use the basic features of the web application for free.

The basic features include:

1. Posting an advert to buy/sell supplies or to offer excess inventory.
2. Viewing other requests from other businesses.
3. Allowing posting up to 3 adverts.

Premium features include:

1. Being a business verified. This will signal to other businesses that you are a trustworthy partner.
2. Promotion of your adverts. (Increased visibility).
3. Allowing more than 3 adverts per week.
4. One free prioritized advert per week.

### 4.2 Brokerage

This web application would act as a broker between businesses with excess inventory and those in need of supplies, providing a platform for them to connect and negotiate transactions. It would generate revenue by charging a commission fee for each transaction.