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Key Resources

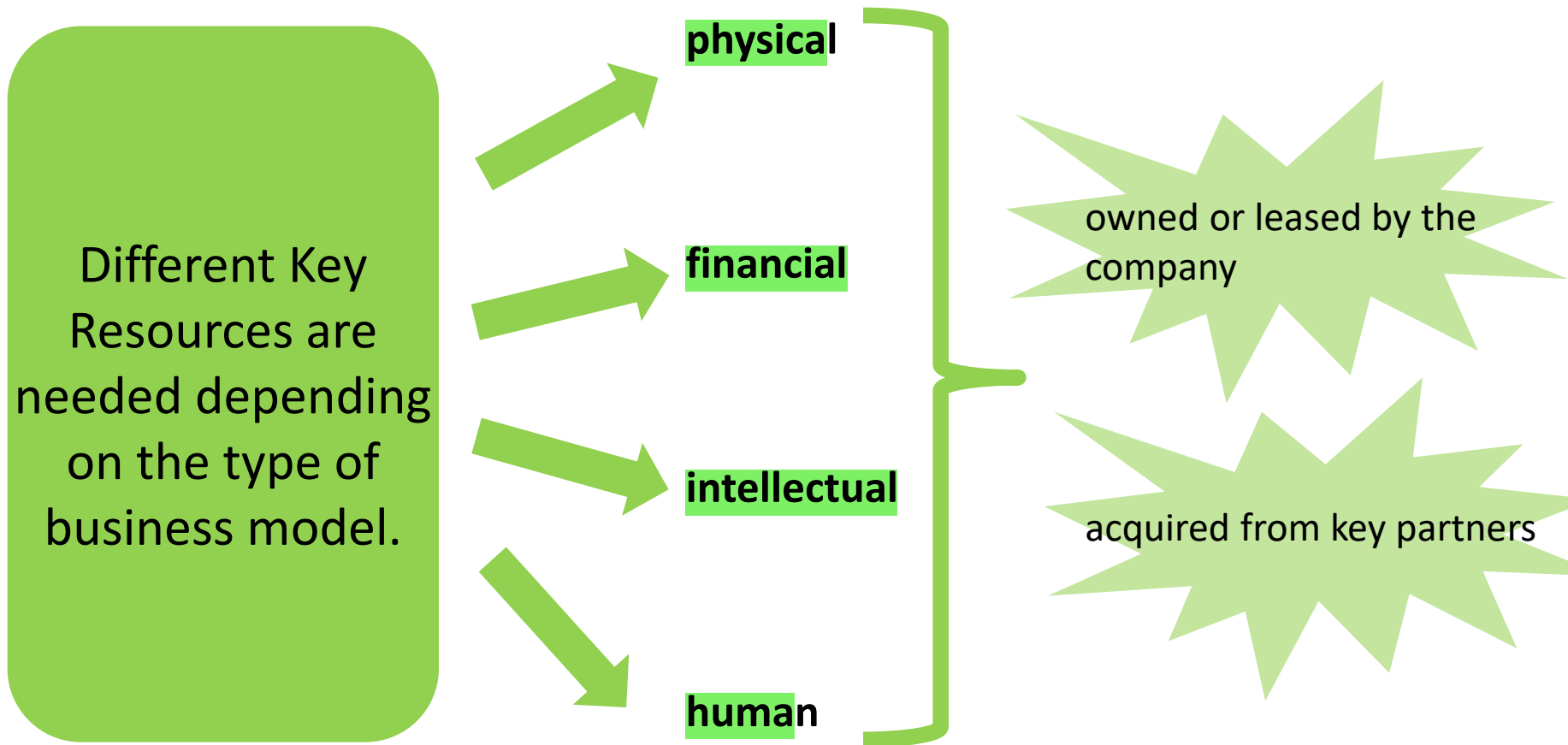
Key Resources: Definition



The Key Resources Building Block describes the most important assets required to make a business model work

Every business model **requires** Key Resources.

These resources allow an enterprise to create and offer a Value Proposition, reach markets, maintain relationships with Customer Segments, and earn revenues.



Key questions

- What Key Resources do our Value Propositions require?
- Our Distribution Channels?
- Customer Relationships?
- Revenue Streams?

Key Resources can be categorized as follows

Key Resources categories (1/2)

Element

Physical

Description

This category includes **physical assets** such as manufacturing facilities, buildings, vehicles, machines, systems, point-of-sales systems, and distribution networks. Retailers like Wal-Mart and Amazon.com rely heavily on physical resources, which **are often capital-intensive**. The former has an enormous global network of stores and related logistics infrastructure. The latter has an extensive IT, warehouse, and logistics infrastructure.

Intangible

Intellectual resources such as **brands, proprietary knowledge, patents and copyrights**, partnerships, and customer databases are increasingly important components of a strong business model. Intellectual resources are **difficult** to develop but when successfully created may **offer substantial value**. Consumer goods companies such as Nike and Sony rely heavily on brand as a Key Resource. Microsoft

Key Resources categories (2/2)

Element

Human

Description

Every enterprise requires human resources, but people are particularly prominent in certain business models. Novartis, for example, relies heavily on human resources: Its business model is predicated on an army of experienced scientists and a large and skilled sales force.

Financial

Some business models call for financial resources and/or financial guarantees, such as cash, lines of credit, or a stock option pool for hiring key employees. Ericsson