ENGG 683 – Case studies

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Schulich School of Engineering

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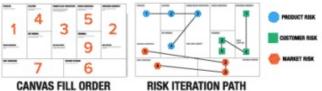
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Very important choice impacts profitability

Hard to change

Business model canvas

Business Model Canvas

Key Partners

Who are our Key Partners?
Who are our key suppliers?
Which Key Resources are we acquiring from partners?
Which Key Activities do partners perform?

MOTIVATIONS FOR PARTNERSHIPS:
Optimization and economy, Reduction of risk and uncertainty, Acquisition of particular resources and activities

Key Activities

What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

CATEGORIES:
Production, Problem Solving, Platform/Network

Key Resources

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

TYPES OF RESOURCES:
Physical, Intellectual (brand patents, copyrights, data), Human, Financial

Value Propositions

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?

CHARACTERISTICS:
Newness, Performance, Customization, "Getting the Job Done", Design, Brand/Status, Price, Cost Reduction, Risk Reduction, Accessibility, Convenience/Usability

Customer Relationships

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?
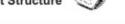
Channels

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?

Customer Segments

For whom are we creating value? Who are our most important customers? Is our customer base a Mass Market, Niche Market, Segmented, Diversified, Multi-sided Platform

Cost Structure

What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?

IS YOUR BUSINESS MORE: Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing), Value Driven (focused on value creation, premium value proposition).

SAMPLE CHARACTERISTICS: Fixed Costs (salaries, rents, utilities), Variable costs, Economies of scale, Economies of scope

Revenue Streams

For what value are our customers really willing to pay? For what 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?
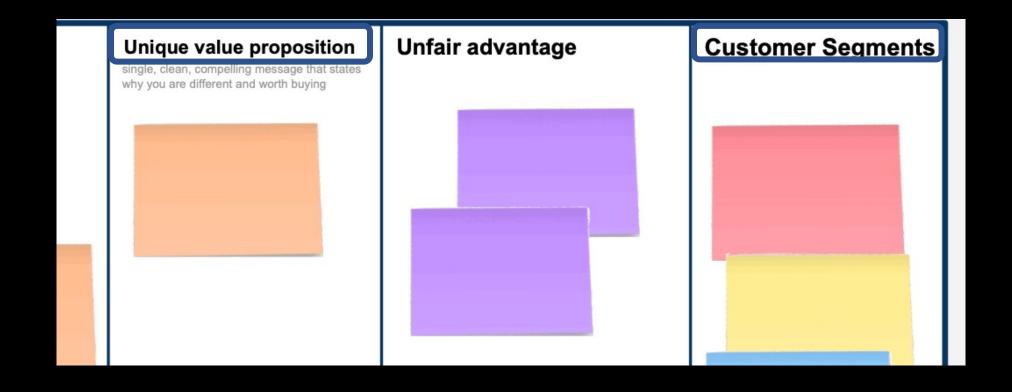
TYPES: Asset sale, Usage fee, Subscription Fees, Lending/Renting/Leasing, Licensing, Brokerage fees, Advertising
FIXED PRICING: List Price, Product feature dependent, Customer segment dependent, Volume dependent
DYNAMIC PRICING: Negotiation (bargaining), Yield Management, Real-time-Market

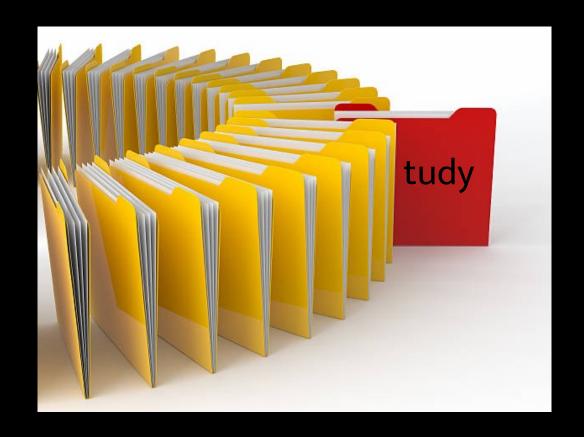© Ghada Nafie

Business Model Canvas

Knowing your customers and understanding their needs through your value proposition are two very important things that would setup a start up for success

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Case studies

- Short articles describing real businesses

- Used to analyze and think about a certain problem and approach
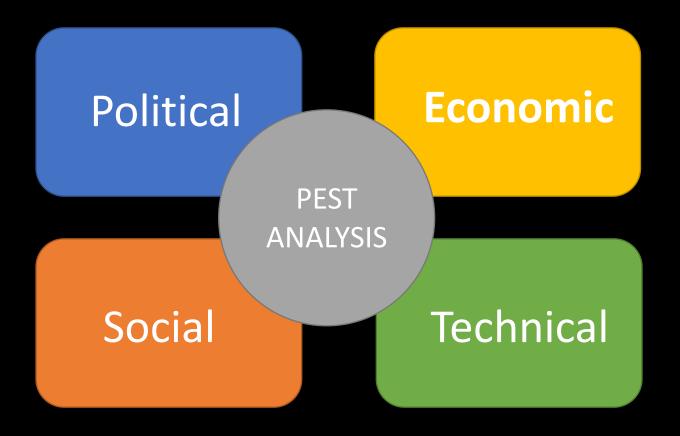
- Expose ourselves to innovative methods

Case studies are

pieces of content published by a company or a group who researched a case or topic to evaluate and understand its effectiveness .

PEST analysis in entrepreneurship

Method that allows you to assess some of the major external factors that influence the operation of a startup to be competitive in the market.
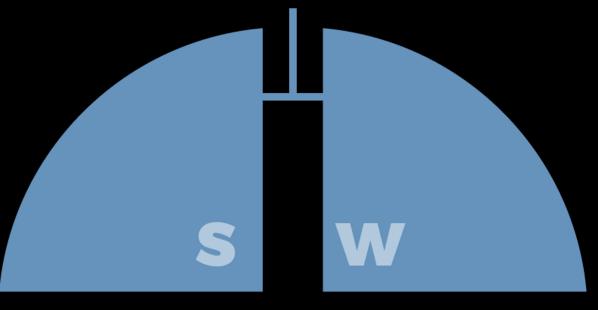
Political

Economic

PEST ANALYSIS

Social

Technical

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INTERNAL ELEMENTS

Strengths

How the company is unique.

What the company does well.

Existing intellectual property, capital.

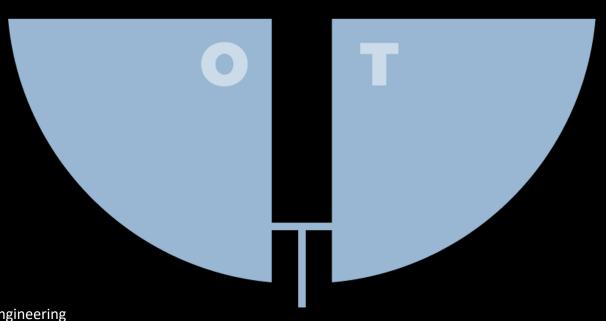**Weaknesses**

What your competitor does better than you.

Your company's known limitations.

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THE COMPONENTS OF SWOT ANALYSIS

O T

Opportunities

Marketplace gaps that you are prepared to fill.

Global or industry innovations that spur new growth.

Threats

Industry turmoil.

New competitors.

Innovations that spur migration away from industry.

EXTERNAL ELEMENTS
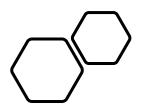
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ACTIVITY – Breakout rooms

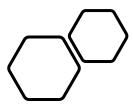## Business Models Canvas vs. Lean Canvas

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NIO – Developing a business model in China

- Founded in 2014

- By 2018 was more than just a car company

- Created a pleasant lifestyle for its users and a worldwide *User Brand*

*nio.com

ACTIVITY – Breakout rooms

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THANKS!