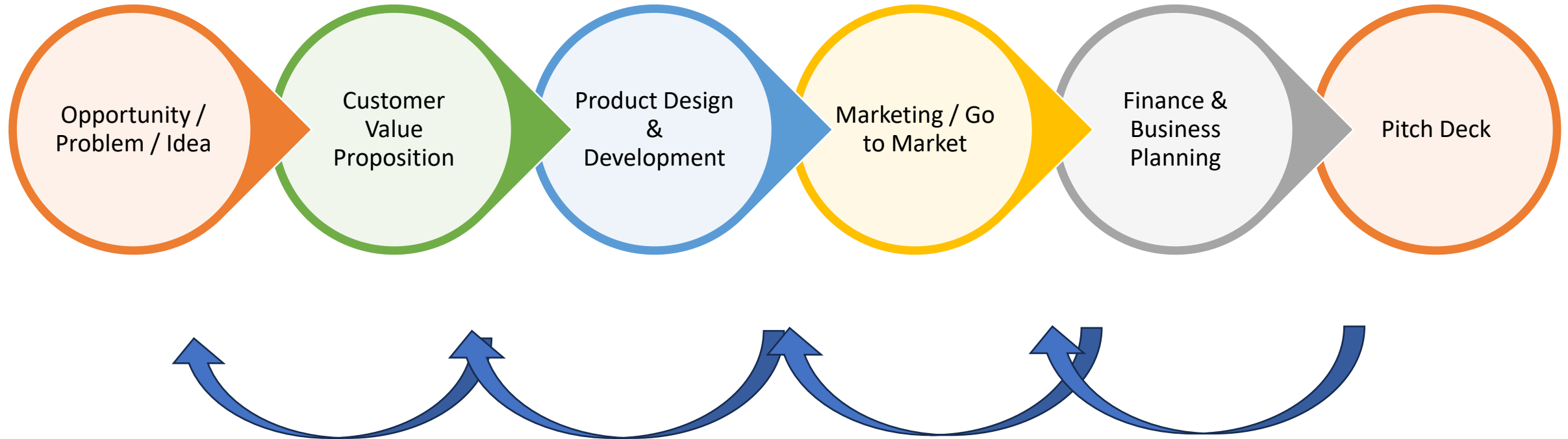


Business Model Canvas

22nd Oct 2024

Process for Start up Creation

Continuous Learning & Iterative Process

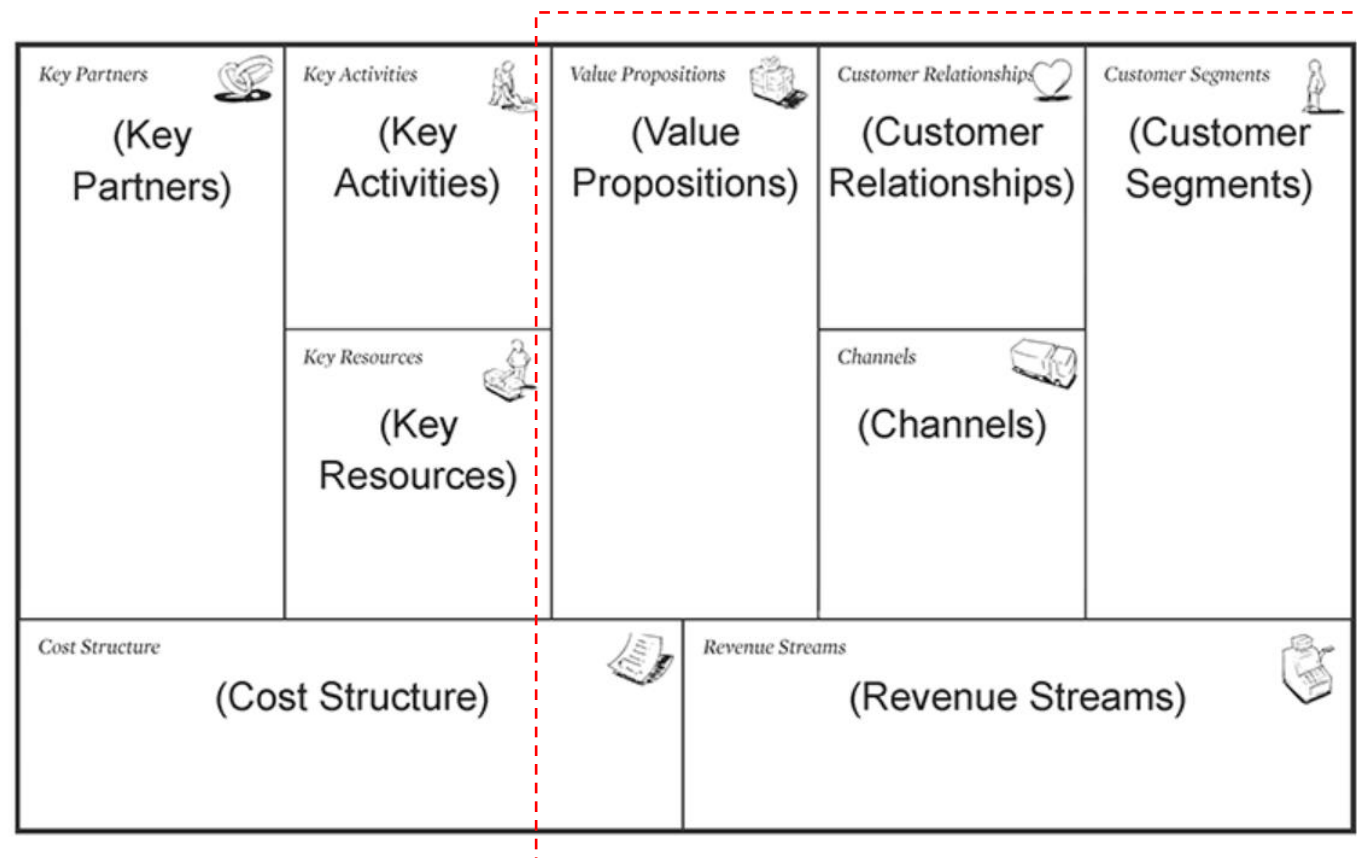


Types of Business Models

- **B2B, B2C , B2G : business models**
- **D2C : Direct to Consumer**
- **Multi-Sided Platforms**
- **Subscription based business model**
- **FREE as a Business Model**

Building a Business Model

- What do you sell?
- To whom do you sell it?
- How do you acquire customers?
- What is a typical transaction?
 - Purchase, subscription?
 - How much?
 - How does money change hands?
- How does product flow?
- How will you go to market?
- Who else is involved
 - Distributor / Partner
 - Advertiser
- How do you make money ?

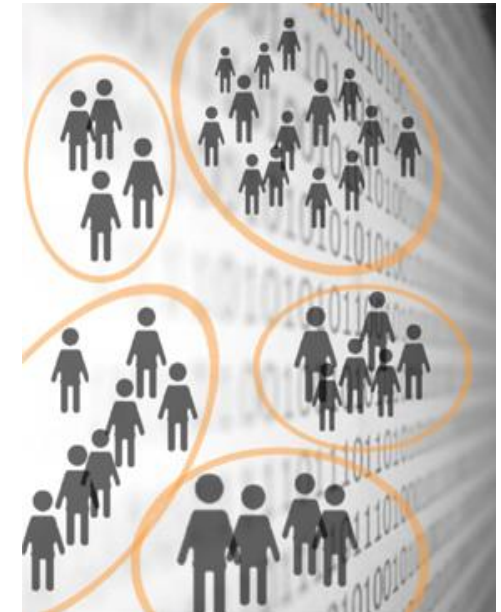


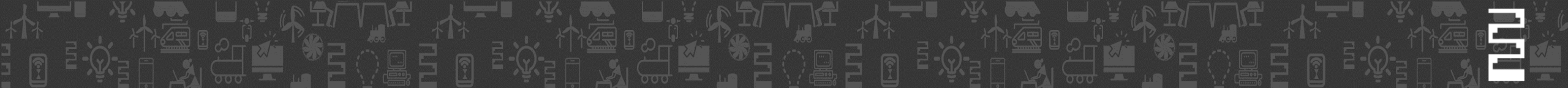
VP: Value Propositions

- **VP describes the bundle of products and services that create value for a specific Customer Segment**
- **Value Propositions can be**
 - Quantitative (price, speed of service etc)
 - Qualitative (design, customer experience)
- **Elements of Value Proposition**
 - ✓ Newness, Performance, Customization,
 - ✓ Getting the job done
 - ✓ Design, Brand/Status
 - ✓ Price, Cost Reduction, Risk Reduction
 - ✓ Accessibility, Convenience/Usability

CS: Customers Segments

- **CS defines the different groups of people or organizations an enterprise aims to reach and serve**
 - ✓ An organization serves one or several Customer Segments
- **Distinguish between decision makers, customers and users.**
 - ✓ In search, the customer is advertisers and users are the people doing searches
- **Identify your early adopters – early evangelists**
 - ✓ They will help your company to cross the chasm





Attendance Dean ACR

CR: Customer Relationships

- **CR describes the types of relationships a company establishes with specific Customer Segments**
- **Motivations for CR: How do you acquire, keep and upsell to customers**
 - ✓ **Customer Acquisition**
 - ✓ **Customer Retention**
 - ✓ **Boosting sales by Upselling**

CH: Channels

- **CH describes how a company communicates with and reaches its Customer segments to deliver a Value Proposition**
 - ✓ **How does the customer become AWARE (MEDIA)**
 - ✓ **How does the customer BUY (CHANNEL)**
- **Channel types**
 - ✓ **Own or Partner**
 - ✓ **Direct or Indirect**
 - ✓ **Inbound vs Outbound**
- **Examples**
 - **Sales force, Web Sales, Own Stores, Partner Stores, Channel – Wholesaler, Distributor, retailer**

RS: Revenue Streams



- **RS represents the cash a company generates from each Customer Segment**
 - ✓ **Revenue streams result from value propositions successfully offered to customers**
- **Two types:**
 - ✓ **Transaction Revenues – one-time customer payment**
 - ✓ **Recurring Revenues – on-going payments**
- **Charge from day-one:**
 - ✓ **Remember price is part of the product**
 - ✓ **Price defines your customers**
 - ✓ **Getting paid is the ultimate form of validation**

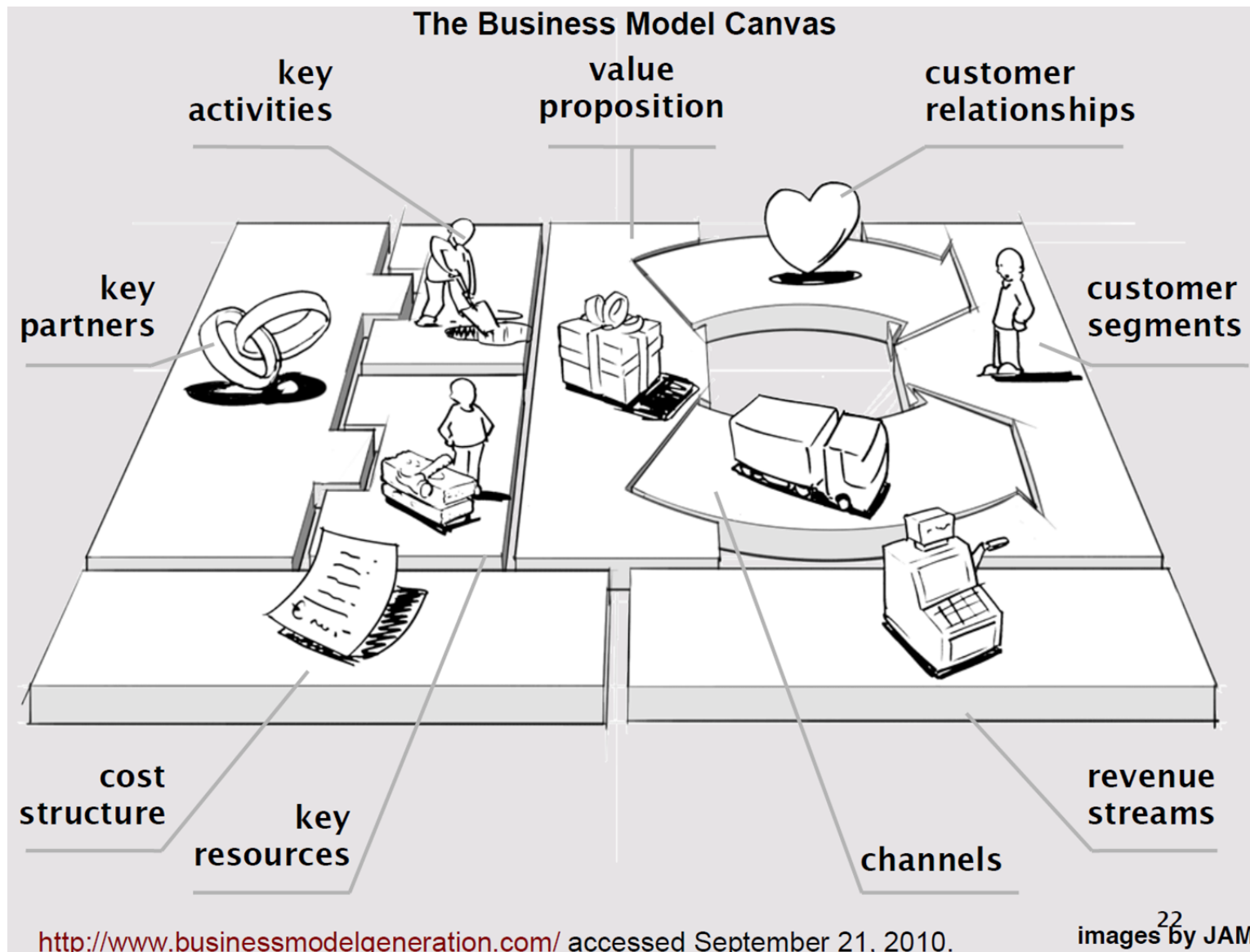
- **CS describes all costs incurred to operate a business model**
- **Two types of business models**
 - ✓ **Cost-driven**
 - ✓ **Value-driven**
- **Types of Costs**
 - ✓ **Fixed costs**
 - ✓ **Variable costs**

First: A Validated Business Model



- **A business model describes the flow between key components of the company:**
 - ✓ **Value proposition which the company offers (product/service/benefits)**
 - ✓ **Customer segments such as users and payers**
 - ✓ **Awareness + Distribution channels to reach customers and make the value proposition**
 - ✓ **Customer relationships to create and sustain demand**
 - ✓ **Revenue streams generated by the value propositions**
 - ✓ **Resources needed to make the business model possible**
 - ✓ **Activities necessary to implement the business model**
 - ✓ **Partners who participate in the business and their motivations for doing so**
 - ✓ **Cost structure resulting from the business model**


Business Model Canvas



Comments on BMC sheets submitted by Project Teams



- **Standard Errors**

- Too much text . Not cohesive, not fitting from one box to the other
- Customers have NOT been segmented. TOO BROAD
- CVP  List of features
- Customer Acquisition not covered in Customer Relationships
- Often written in today's context of the company
- Copied from website
- Confusion between Channel and Customer Acquisition
 - Customer Relationship = Acquisition, Retention, Upselling
 - Channel in BMC = Sales Channel (If you want you can write an awareness creation channel but that usually goes in customer acquisition part of Customer relationship)

Comments on BMC sheets submitted by Project Teams



- **Recommendations**

- **HAS TO BE IN STARTUP LAUNCH CONTEXT**
- **Has to be in team's own words, not taken from a website or such like**
- **Customers NEED to be segmented – both for B2C and B2B business models. Use Demographic, Psychographic, Geographic to get sharpness**
- **CVP either in 1 complete sentence or in Google format**
- **Revenue Streams to stay focussed on the key ones (at launch)**
- **Pls ask questions to understand Channel and Customer Relationships better.**