

Jonathan Tait



# Innovation & Enterprise Programme

scottish institute for  
enterprise 



SCOTLAND  
OF FOOD & DRINK



UNIVERSITY OF THE  
WEST OF SCOTLAND

UWS



Coatbridge College



# Aims for this workshop

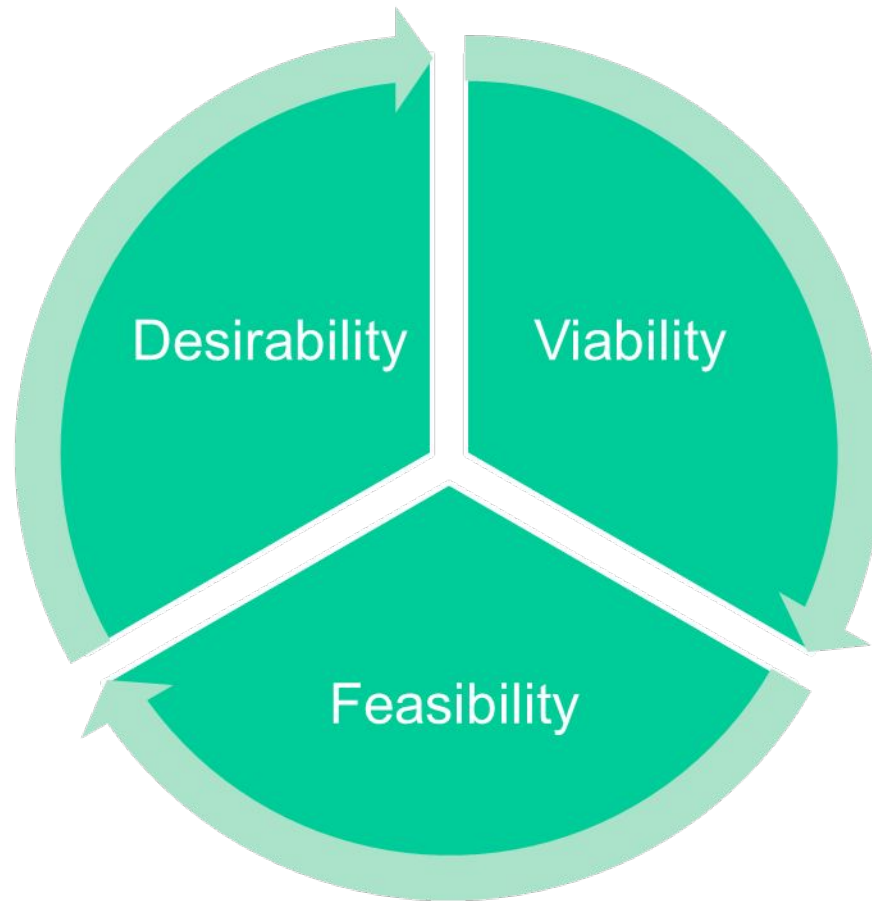
Building a ***viable*** business idea

NOT a Business Plan

Understand and apply the Business  
Model Canvas to an idea



# A good idea



# Desirability Lens

- What someone wants and will pay for.
- Something that solves a problem.
- Provides a customer gain.
- Something they don't know they need yet. Provides a 'nudge'
- Solve it well and customers will pay a premium for it.

# Feasibility

- Technically and operationally possible.
- Now or in the very near future



# Viability

- Does it work financially?
- Is there a revenue stream to be made from it?
- Are there people who want it and can afford it?
- Are there ENOUGH people who want it and can afford it?
- Can you afford to implement it?

# Introducing the Business Model Canvas

*“A business model describes the rationale of how an organization creates, delivers and captures value.”*

Osterwalder & Pigneur, 2010: 14



# Introducing the Business Model Canvas

Allows you to step outside of your idea and visualise a business model that can turn your idea into a business.

Enables you to see how your idea can progress into something that creates, captures and delivers value

That can demonstrate Desirability, Feasibility and Viability







# The Business Model Canvas

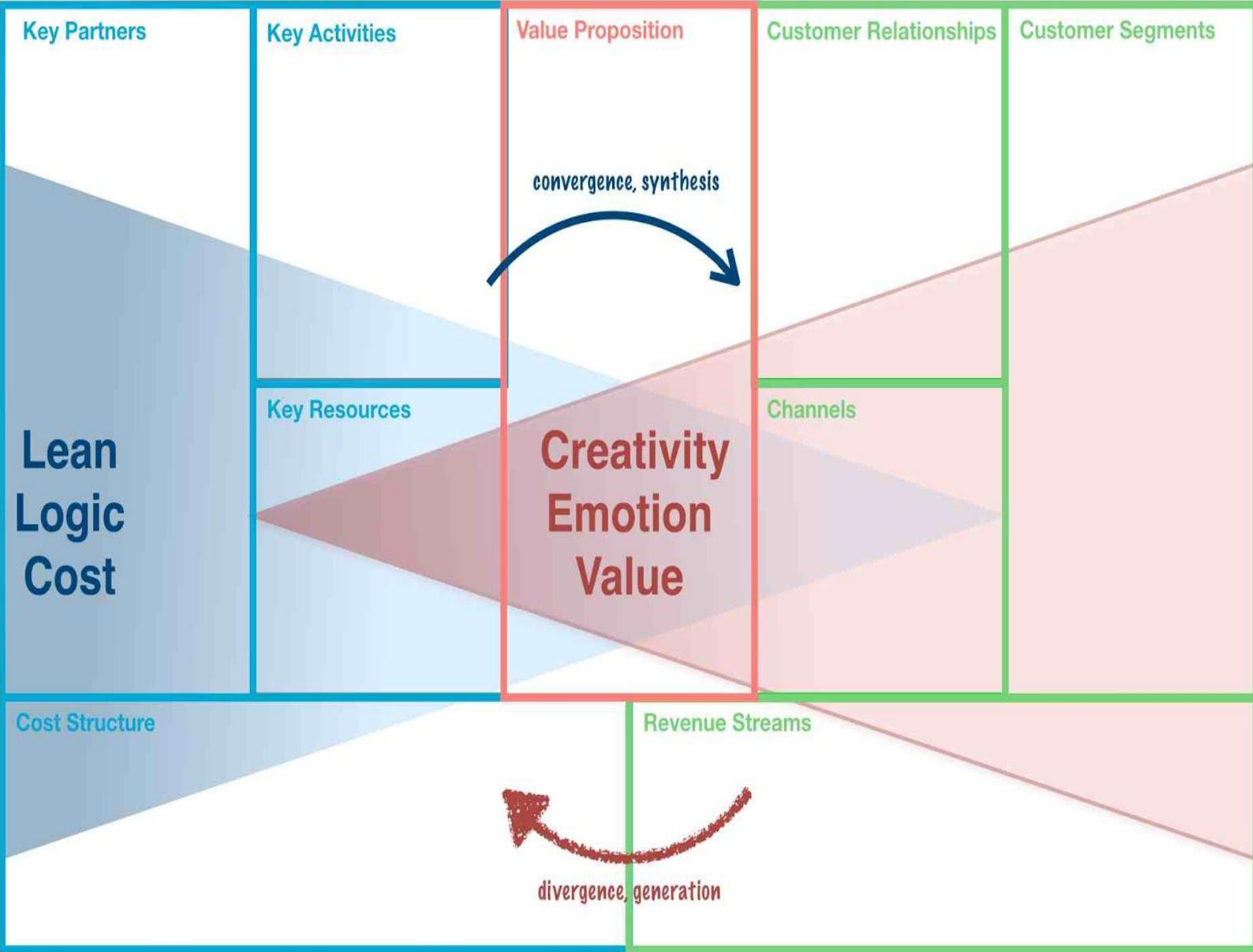
Designed for:

Designed by:

Date:

Version:

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 			Revenue Streams 	



# The Right Hand Side : Emotion

Finding the magic mix between **what** your idea does and **why** people will buy it

It is where your product and service offering intersects with your customer's desires.

They know that this offering exists and are willing to pay money for it



# The Left Hand Side : Logic and Practicalities

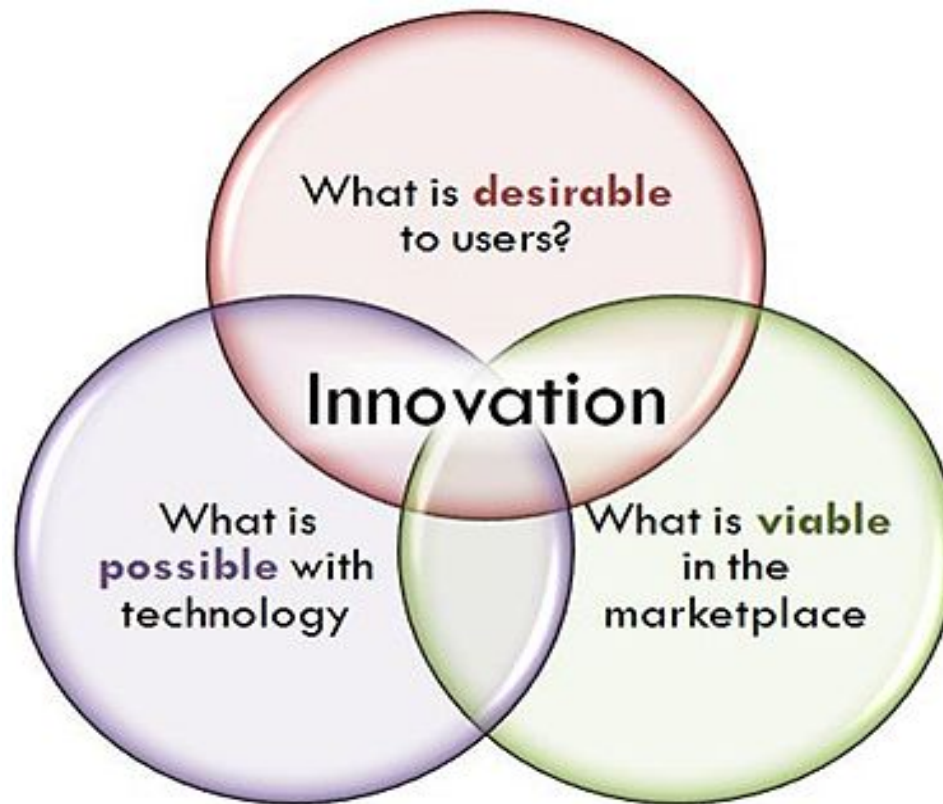
The **how** of how you will get your product or service to market

The resources you need, the networks you need to build

The costs you will incur



# What is Innovation?

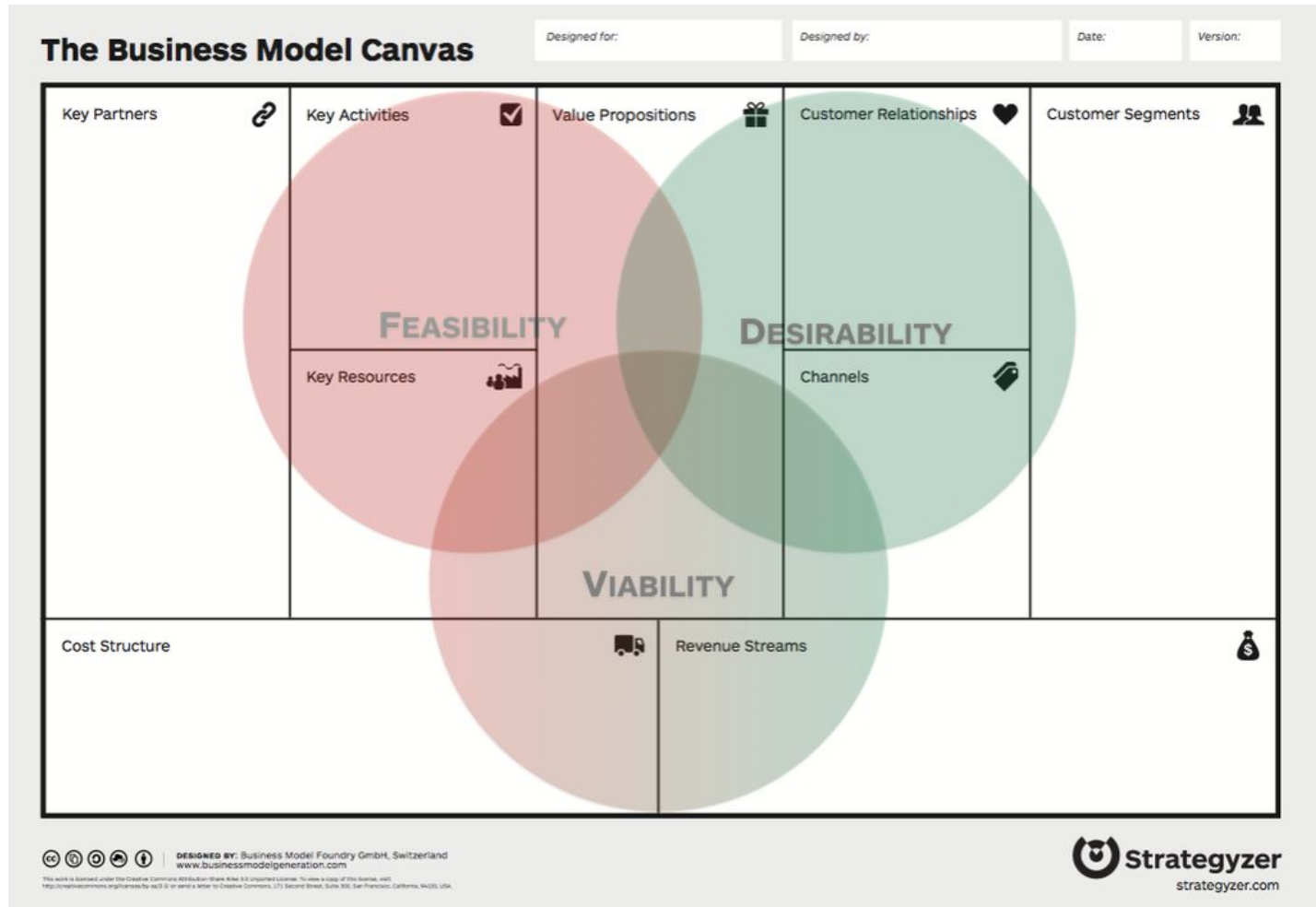


#SIEinnovator@

\_sie\_



# Innovating through the BMC



#SIEinnovator@

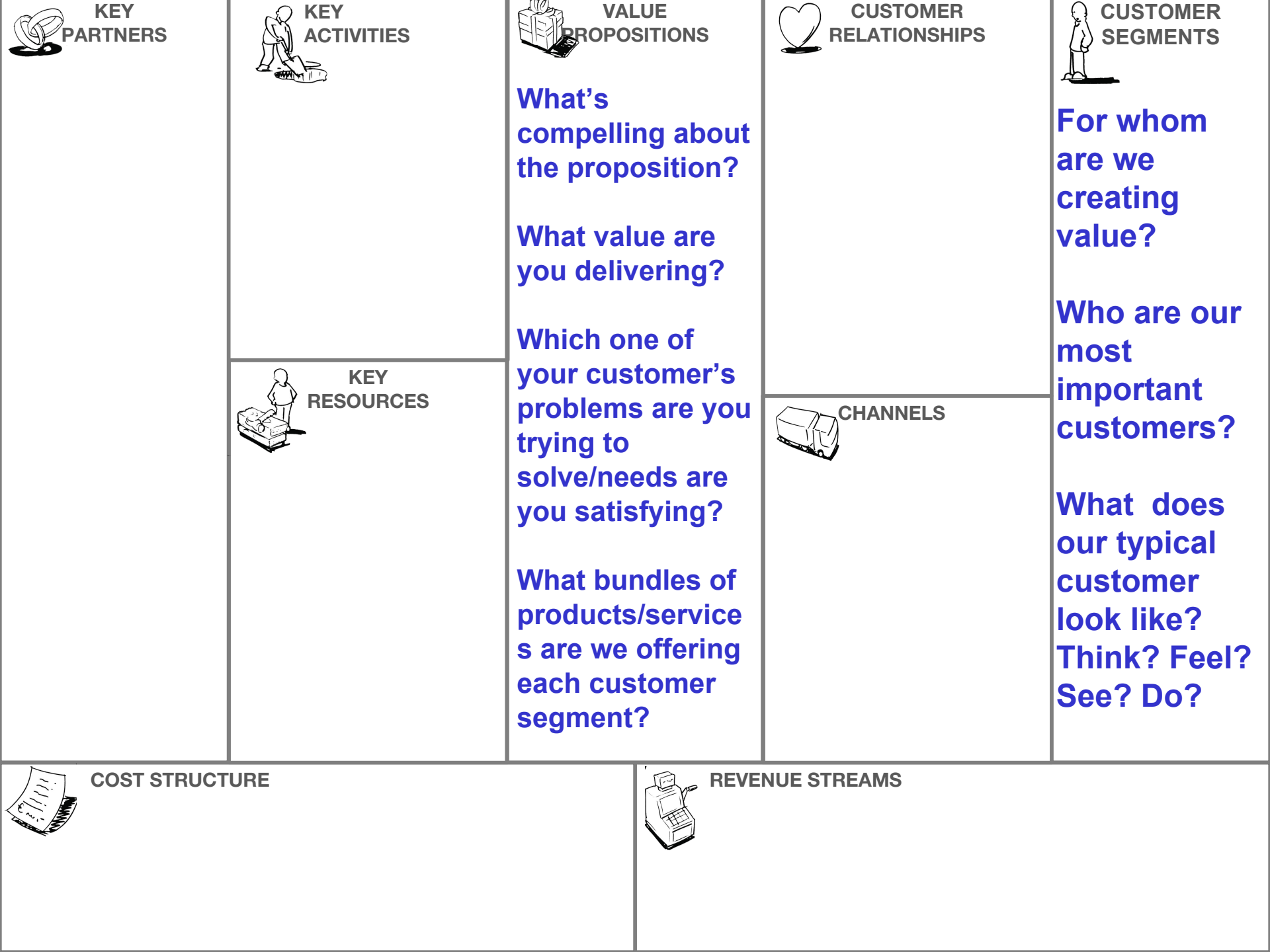
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# Introduction to the Business Model Canvas

<https://www.youtube.com/watch?v=QoAOzMTLP5s>



# The Value Proposition

The product is the good or service that the company makes. It provides **some** value for your customer

The value proposition consists of those **customer specific** features and benefits so customers understand the **specific** value of the product to them and encourage them to buy



A great value proposition appeals to the customers' **decision-making drivers**

# The Value Proposition

You must understand your customer's opportunities, problems and needs

You must offer solutions which improve profitability and solve urgent problems

***And*** differentiates you from everyone else!





Innovation & Enterprise Programme

Financial
The innovators

The Guardian | Monday 5 August 2013

# Helping women to feel safer: the rape alarm that records attack and pinpoints location

Female university students are the initial target market for the Personal Guardian device, developed by Rebecca Pick, 22, who has recently graduated in marketing and enterprise.

## The retirement you want could be locked up in your home.

### Aviva Equity Release.

#### How much could you release?

If you're a homeowner aged 55 or over and your financial aims are much tighter than you think them to be, releasing the cash tied up in your home could help you to enjoy a more comfortable retirement. Thousands of people have already taken a lifetime mortgage with Aviva Equity Release.

One of the first things you'll want to know is how much you can release, which will depend on your age, property value and type. The table below can be used as a guide to see how much you could release.

Age	Property value	£150K	£200K	£250K	£300K	£350K
55	£24K	£10.5K	£14.5K	£18.5K	£22.5K	£26.5K
60	£31.5K	£12.5K	£17.5K	£22.5K	£27.5K	£32.5K
65	£39.5K	£15.5K	£21.5K	£27.5K	£33.5K	£39.5K
70	£47.5K	£18.5K	£25.5K	£32.5K	£39.5K	£46.5K
75	£55.5K	£21.5K	£29.5K	£37.5K	£45.5K	£53.5K
80	£63.5K	£24.5K	£33.5K	£41.5K	£49.5K	£57.5K
85	£71.5K	£27.5K	£37.5K	£45.5K	£53.5K	£61.5K

This is a lifetime mortgage. To understand the features and risks, ask for a personalised brochure. Minimum age and property values apply.

To find out more, call us on the number below. When you call us, we can also arrange a no obligation appointment with a carefully selected equity release adviser. The adviser can explain the features of Aviva lifetime mortgages, and the things you need to think about, such as how equity release will reduce the amount of inheritance you can leave and how it can affect your tax position and your eligibility for welfare benefits.

The adviser isn't employed by Aviva but can only advise on Aviva's lifetime mortgages.

Aviva is an award-winning equity release leader providing lifetime mortgages to more than 175,000 UK customers. Aviva is also a long standing member of the Equity Release Council, a trade body set up to protect people taking out equity release.

To find out more or to request your FREE guide to Aviva Equity Release, call 0800 923 806. Quoting ref: 8371/05.

aviva.co.uk/unlock

## Former student's anger at assault led to development of wearable distress device

### Shane Hickey

When a woman was raped in the apartment complex in which Rebecca Pick lived, the University of Strathclyde student felt scared - and angry. The victim had screamed for help but failed to attract the attention of passersby. "It was terrible," says Pick, 22, who has recently graduated in marketing and enterprise. "I thought then that we should have some way of being certain we can get a response."

So, while studying for her finals, Pick came up with the idea of a simple electronic device that uses a mobile phone to alert police to the exact spot of an ongoing attack. It also turns the phone into a recording device that gathers evidence for later use in court.

The Personal Guardian, which measures 6cm by 3.5cm and weighs 40g, can be attached to a bag strap, belt or other piece of clothing. To activate it, the wearer simply presses the two buttons on either side of the device, which activates their mobile phone. This in turn triggers a call to a monitoring station, where staff will listen live to hear if an attack is occurring. They will then direct police to the exact location via GPS.

The attack in her flats block spurred Pick into action, but as an undergraduate she had long been convinced of the need for a security device for female students. The idea crystallised during a stint of work experience at a security firm, where she saw how staff authenticated house alarms that had been activated.

A recent survey indicated that a third of female students in Britain had experienced either a sexual assault or unwanted advances while at university. Colleges have recently been criticised for not taking rape and sexual assault complaints seriously enough.

Pick's device originally had one major button but she switched to two, which need to be pressed together, to cut down on false alarms. If the device is activated accidentally, staff at the monitoring station should be able to tell.

Pick says: "They can tell the difference if you are laughing and giggling or if you are screaming, or if there is a difference in your breathing, like a panic attack."

### Universities criticised

Research indicates that more than a third of women have suffered from unwanted advances at British universities.

A Guardian investigation found that fewer than half of the universities in the Russell Group - which is made up of 24 high profile institutions - record and sexual harassment reported to them.

After the report's publication, scores of students reported allegations of sexual violence at university towns, where Rape Crisis groups say there is sexual violence. The universities say they invest heavily in services to support them.

Once they have authenticated that, they will then give the police all the information, including your GPS location, and so then the police will be alerted." A list of friends or family can also be notified that the alarm has been activated.

The device is connected to the phone via Bluetooth. The monitoring centre has software that can isolate and magnify specific sounds so they can judge whether there is a scuffle or a conflict, even if the phone is in a bag or pocket. Where problems arise is if the mobile phone runs out of battery or is out of a 25-metre range.

Pick secured £50,000 of investment from angel syndicate Gabriel Investments and has produced a 3D-printed prototype. The final product will be neutrally coloured, so it won't show under clothing. Trials are expected to take place before its October launch. Talks are under way with monitoring stations to provide the service, which will also be available on mainland Europe.

The creator envisages a profit by the third year for her company, Pick Protection. The device will be free but users will pay a £5-£10 monthly charge for the monitoring station service.

Although a focus solely on the corporate market would probably prove far more lucrative, Pick says her aim has always been to help young women protect themselves, and will thus be targeting students. She is also pitching the device at companies with workers who operate alone, such as security guards.

"I'd like to think that it would be part of your morning routine - before you go out, you put it on and it just stays with you every day," she says. "Generally, everyone knows someone who has had something happen to them. You don't have to look very far."

You can read our archive of innovators columns at [theguardian.com/business/series/the-innovators](http://theguardian.com/business/series/the-innovators). The [theinnovationsentrepreneur.com](http://theinnovationsentrepreneur.com) website has more about how the Big Innovation Centre works.

# Get Juiced



# Designing Value Propositions

## *(Before your Business Plan)*

- ***Think Lean*** – don't scale early
- Expose your work early
- Start with the market – not with what you already have!
- ***Kill your babies*** – don't get attached to ideas, validate/invalidate, fail fast, fail early, learn to move

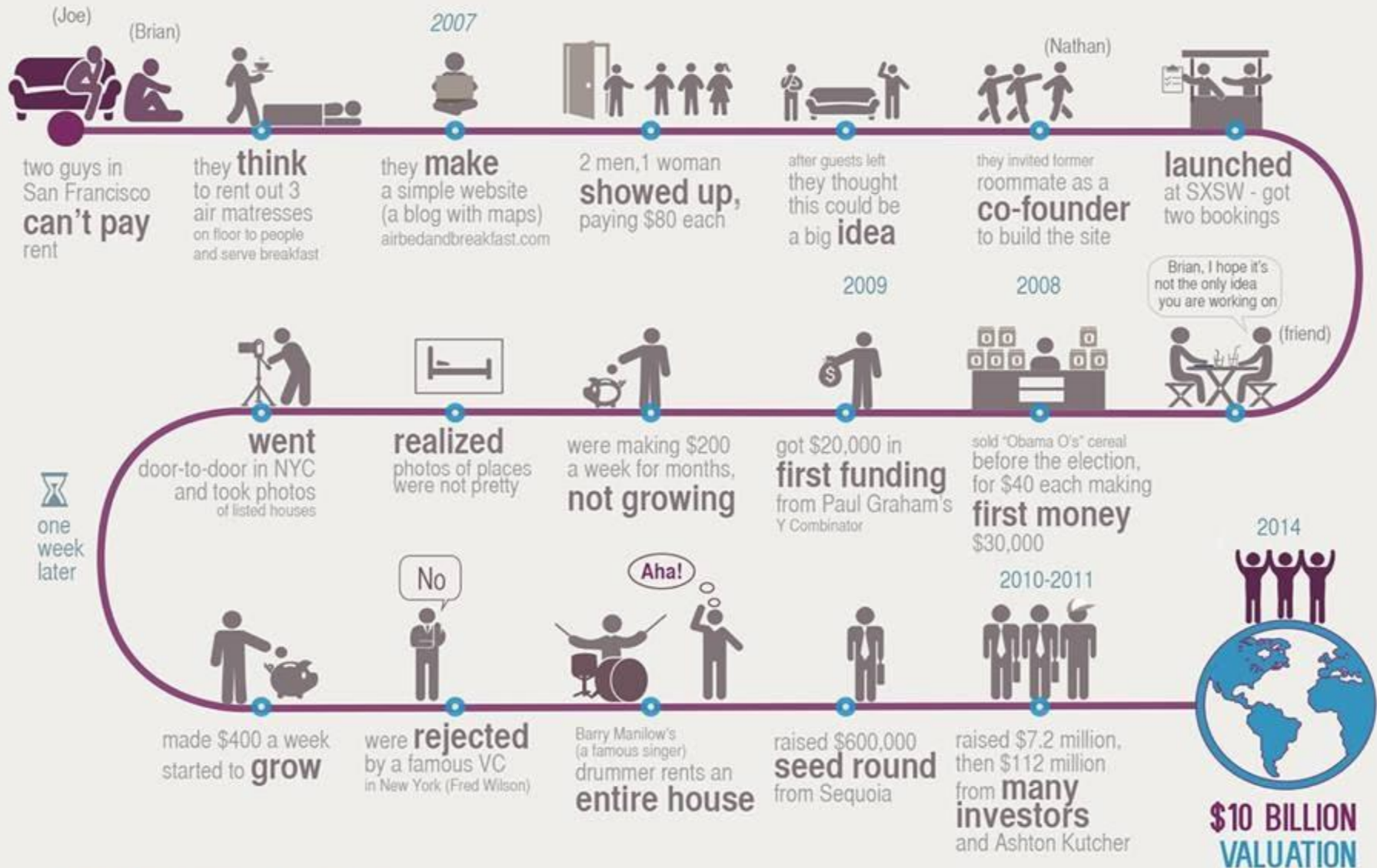




# HOW AIRBNB STARTED

BY ANNA VITAL

Or How 3 Guys Went From Renting Air Mattresses To A 10 Billion Dollar Company





# Swipii

Redefining loyalty. The fun way.



# Frank Gehry



Innovation & Enterprise  
Programme







Heavy Guyan turn mid blow

***And always be clear on your value proposition!***

Clayton Christensen  
Professor Harvard Business School

*On disruptive innovators and how to hire a milkshake*

[/www.youtube.com/watch?v=VmbSpTJXozk](http://www.youtube.com/watch?v=VmbSpTJXozk)

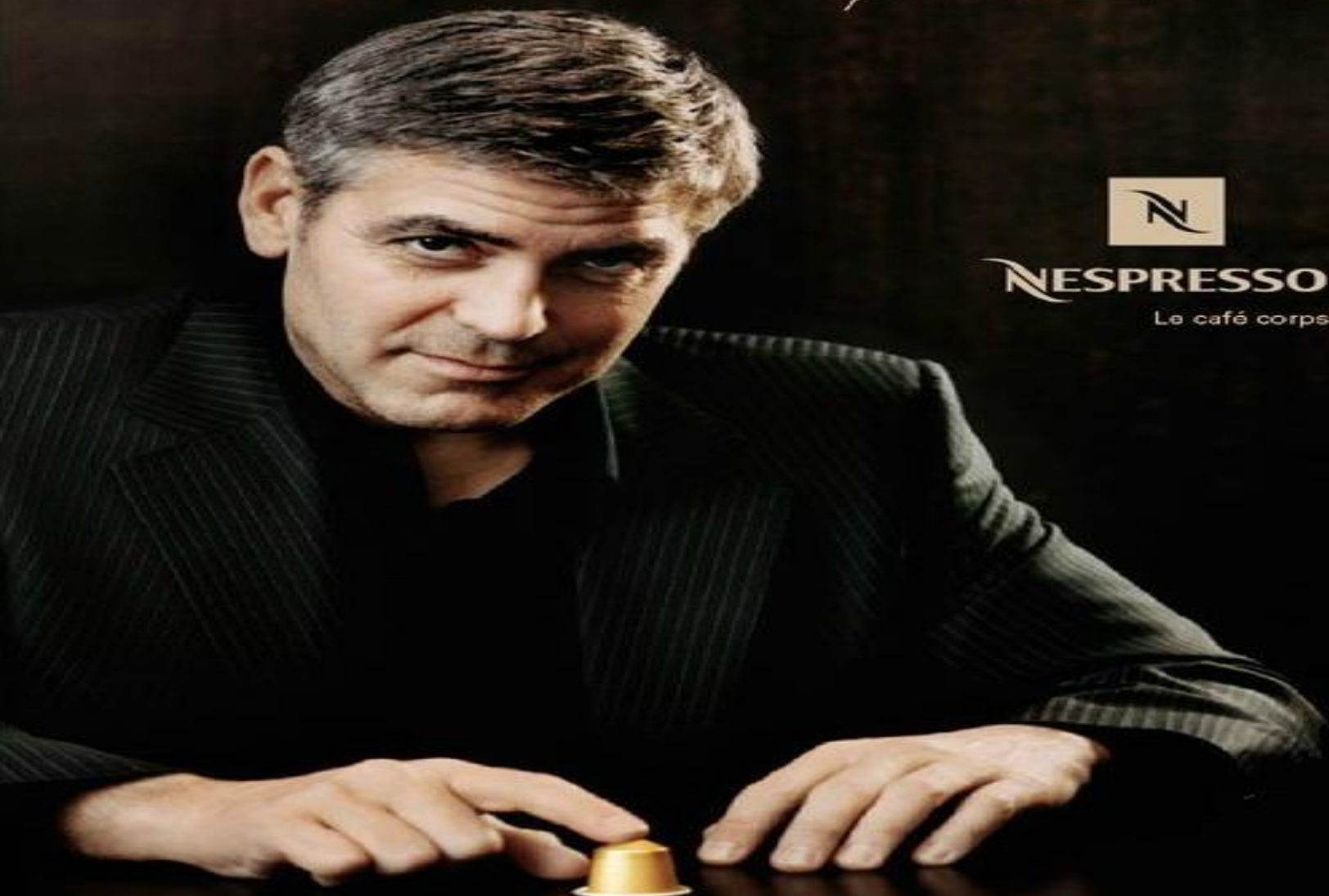


*Nespresso. What else ?\**



**NESPRESSO**

Le café corps et âme.





# Nespresso Value Proposition?

The very best coffee at home or in the office – as good as the very best coffee in a cafe in Rome



# Nespresso BMC

<http://bit.ly/2Ft8fhe>

Key  
Partners



Key  
Activities



Value  
Proposition



Customer  
Relationships



Customer  
Segments



**WHO  
WILL  
HELP  
YOU?**

**HOW  
DO  
YOU  
DO IT?**

**WHAT  
DO  
YOU  
DO?**

**HOW DO  
YOU  
INTERACT  
WITH  
THEM?**

**WHO  
DO  
YOU  
HELP?**

Key  
Resources



**WHAT  
DO YOU  
NEED?**

**START  
HERE!**

Channels



**HOW DO  
YOU  
REACH  
THEM?**

Cost  
Structure












**WHAT WILL IT  
COST?**

Revenue  
Streams



**HOW MUCH WILL  
YOU MAKE?**

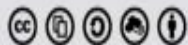
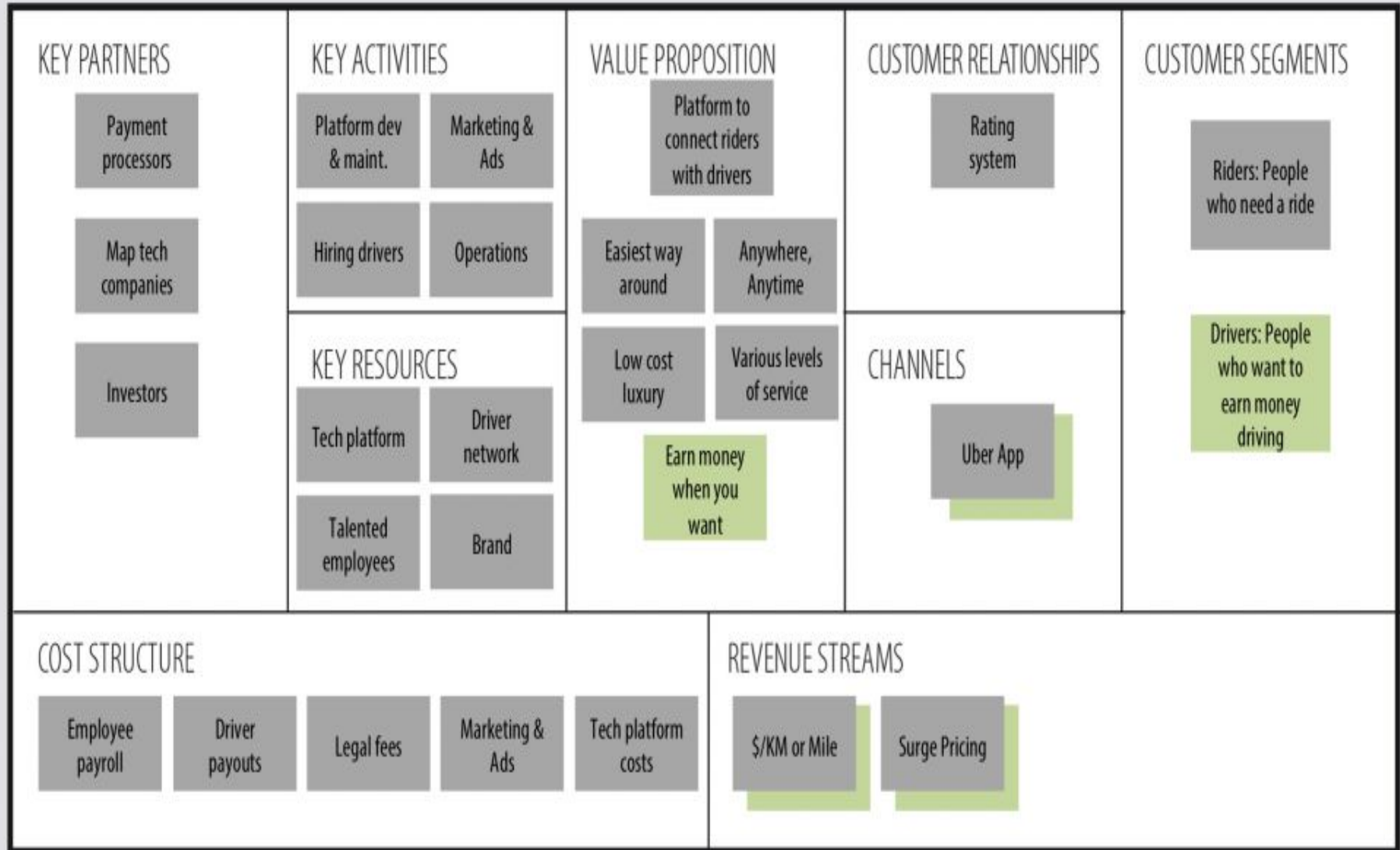
<div data-bbox="19 14 251 85">  <b>KEY PARTNERS</b> </div> <p>What can the company <i>not</i> do so it can focus on its Key Activities?</p> <p>Key suppliers?</p> <p>Which key resources are we acquiring from our partners?</p> <p>Which key activities do our partners perform?</p>	<div data-bbox="386 14 618 85">  <b>KEY ACTIVITIES</b> </div> <p>What <i>uniquely</i> strategic things does the business do to deliver its proposition?</p>	<div data-bbox="792 14 1081 85">  <b>VALUE PROPOSITIONS</b> </div> <p>What's compelling about the proposition?</p> <p>What value are you delivering?</p> <p>Which one of your customer's problems are you trying to solve/needs are you satisfying?</p> <p>What bundles of products/service s are we offering each customer segment?</p>	<div data-bbox="1178 14 1506 85">  <b>CUSTOMER RELATIONSHIPS</b> </div> <p>How do we get, keep and grow customers?</p> <p>What is the best way to interact with our customers through their journey?</p>	<div data-bbox="1613 14 1854 85">  <b>CUSTOMER SEGMENTS</b> </div> <p>For whom are we creating value?</p> <p>Who are our most important customers?</p> <p>What does our typical customer look like? Think? Feel? See? Do?</p>
	<div data-bbox="357 549 656 621">  <b>KEY RESOURCES</b> </div> <p>What unique strategic assets must the business have to compete?</p> <p>Yours and others!</p>		<div data-bbox="1178 599 1439 671">  <b>CHANNELS</b> </div> <p>How do you plan to acquire customers? How do you plan to deliver your value proposition to them? How do you plan to communicate with your customers ?</p>	
<div data-bbox="19 1149 115 1249">  </div> <b>COST STRUCTURE</b> <p>What are the most important costs inherent in our business model?</p> <p>What are the business' major cost drivers?</p> <p>How are they linked to revenue?</p>		<div data-bbox="985 1149 1062 1270">  </div> <b>REVENUE STREAMS</b> <p>For what value are the customers REALLY willing to pay?</p> <p>For what do they currently pay?</p> <p>How does the business earn revenue from the value propositions?</p>		

# **Sammy's Super Sandwich Shop**

<http://bit.ly/2Fu8EzP>

# BUSINESS MODEL CANVAS

# UBER



DESIGNED BY BUSINESS MODEL FOUNDRY AG










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<http://creativecommons.org/licenses/by-sa/4.0> or send a letter to Creative Commons,  
 171 Second Street, Suite 300, San Francisco, California, 94105, USA.

# Activity - The First iPods





















# The iPod – A Business Model Canvas – Value Proposition(s)

<div></div> <div>KEY PARTNERS</div> <div>What can the company <i>not</i> do so it can focus on its Key Activities?</div> <div>Key suppliers?</div> <div>Which key resources are we acquiring from our partners?</div> <div>Which key activities do our partners perform?</div>	<div></div> <div>KEY ACTIVITIES</div> <div>What <i>uniquely</i> strategic things does the business do to deliver its proposition?</div> <div><div></div><div>KEY RESOURCES</div><div>What unique strategic assets must the business have to compete?</div><div>Yours and others!</div></div>	<div></div> <div>VALUE PROPOSITIONS</div> <div>1. What's compelling about the proposition?</div> <div>What value are you delivering?</div> <div>Which one of your customer's problems are you trying to solve/needs are you satisfying?</div> <div>What bundles of products/services are we offering each customer segment?</div>	<div></div> <div>CUSTOMER RELATIONSHIPS</div> <div>How do we get, keep and grow customers?</div> <div>What is the best way to interact with our customers through their journey?</div> <div><div></div><div>CHANNELS</div><div>How do you plan to acquire customers? How do you plan to deliver your value proposition to them? How do you plan to communicate with your customers ?</div></div>	<div></div> <div>CUSTOMER SEGMENTS</div> <div>For whom are we creating value?</div> <div>Who are our most important customers?</div> <div>What does our typical customer look like? Think? Feel? See? Do?</div>
<div></div> <div>COST STRUCTURE</div> <div>What are the most important costs inherent in our business model? What are the business' major cost drivers? How are they linked to revenue?</div>		<div></div> <div>REVENUE STREAMS</div> <div>For what value are the customers REALLY willing to pay? For what do they currently pay? How does the business earn revenue from the value propositions?</div>		










# The iPod – A Business Model Canvas – Customer Segments

 <div>KEY PARTNERS</div> <p>What can the company <i>not</i> do so it can focus on its Key Activities?</p> <p>Key suppliers?</p> <p>Which key resources are we acquiring from our partners?</p> <p>Which key activities do our partners perform?</p>	 <div>KEY ACTIVITIES</div> <p>What <i>uniquely</i> strategic things does the business do to deliver its proposition?</p>	 <div>VALUE PROPOSITIONS</div> <p>A thousand songs in your pocket</p> <p>The convenience of it all</p> <p>Take your music anywhere</p> <p>Legal, inexpensive access to thousands of songs</p> <p>Can selectively buy songs and not have to pay for every song on the CD</p> <p>Looking cool and ‘Apple-y’</p>	 <div>CUSTOMER RELATIONSHIPS</div> <p>How do we get, keep and grow customers?</p> <p>What is the best way to interact with our customers through their journey?</p>	 <div>CUSTOMER SEGMENTS</div> <p>2. For whom are we creating value?</p> <p>Who are our most important customers?</p> <p>What does our typical customer look like? Think? Feel? See? Do?</p>
 <div>COST STRUCTURE</div> <p>What are the most important costs inherent in our business model?</p> <p>What are the business’ major cost drivers?</p> <p>How are they linked to revenue?</p>		 <div>REVENUE STREAMS</div> <p>For what value are the customers REALLY willing to pay?</p> <p>For what do they currently pay?</p> <p>How does the business earn revenue from the value propositions?</p>		










# The iPod – A Business Model Canvas – Customer Relationships

<div data-bbox="38 157 357 235">  <div>KEY PARTNERS</div> </div> <div data-bbox="38 314 357 535"> <p>What can the company <i>not</i> do so it can focus on its Key Activities?</p> </div> <div data-bbox="38 578 357 621"> <p>Key suppliers?</p> </div> <div data-bbox="38 664 357 885"> <p>Which key resources are we acquiring from our partners?</p> </div> <div data-bbox="38 928 357 1106"> <p>Which key activities do our partners perform?</p> </div>	<div data-bbox="376 157 772 271">  <div>KEY ACTIVITIES</div> </div> <div data-bbox="376 285 772 549"> <p>What <i>uniquely</i> strategic things does the business do to deliver its proposition?</p> </div> <div data-bbox="376 635 772 756">  <div>KEY RESOURCES</div> </div> <div data-bbox="376 792 772 1056"> <p>What unique strategic assets must the business have to compete?</p> </div> <div data-bbox="376 1106 772 1156"> <p><b>Yours and others!</b></p> </div>	<div data-bbox="792 149 1149 235">  <div>VALUE PROPOSITIONS</div> </div> <div data-bbox="792 271 1149 349"> <p>A thousand songs in your pocket</p> </div> <div data-bbox="792 385 1149 464"> <p>The convenience of it all</p> </div> <div data-bbox="792 499 1149 578"> <p>Take your music anywhere</p> </div> <div data-bbox="792 614 1149 728"> <p>Legal, inexpensive access to thousands of songs</p> </div> <div data-bbox="792 763 1149 913"> <p>Can selectively buy songs and not have to pay for every song on the CD</p> </div> <div data-bbox="792 949 1149 1028"> <p>Looking cool and ‘Apple-y’</p> </div>	<div data-bbox="1168 149 1584 235">  <div>CUSTOMER RELATIONSHIPS</div> </div> <div data-bbox="1168 271 1584 406"> <p>3. How do we get, keep and grow customers?</p> </div> <div data-bbox="1168 442 1584 621"> <p>What is the best way to interact with our customers through their journey?</p> </div> <div data-bbox="1168 678 1584 763">  <div>CHANNELS</div> </div> <div data-bbox="1168 778 1584 1135"> <p>How do you plan to acquire customers? How do you plan to deliver your value proposition to them? How do you plan to communicate with your customers ?</p> </div>	<div data-bbox="1603 149 1903 271">  <div>CUSTOMER SEGMENTS</div> </div> <div data-bbox="1603 328 1903 435"> <p>Teens and Young Adults</p> </div> <div data-bbox="1603 478 1903 585"> <p>Fitness enthusiasts</p> </div> <div data-bbox="1603 635 1903 842"> <p>Increasingly people with other Apple products</p> </div> <div data-bbox="1603 892 1903 1049"> <p>Ultimately <b>ANYONE</b> who loves music</p> </div>
<div data-bbox="38 1163 144 1263">  </div> <div data-bbox="164 1163 444 1206"> <div>COST STRUCTURE</div> </div> <div data-bbox="164 1228 869 1385"> <p>What are the most important costs inherent in our business model? What are the business’ major cost drivers? How are they linked to revenue?</p> </div>		<div data-bbox="975 1163 1072 1278">  </div> <div data-bbox="1081 1163 1381 1206"> <div>REVENUE STREAMS</div> </div> <div data-bbox="1081 1213 1903 1406"> <p>For what value are the customers <b>REALLY</b> willing to pay? For what do they currently pay? How does the business earn revenue from the value propositions?</p> </div>		










# The iPod – A Business Model Canvas - Channels

<div><b>KEY PARTNERS</b></div> <div>What can the company <i>not</i> do so it can focus on its Key Activities?</div> <div>Key suppliers?</div> <div>Which key resources are we acquiring from our partners?</div> <div>Which key activities do our partners perform?</div>	<div><b>KEY ACTIVITIES</b></div> <div>What <i>uniquely</i> strategic things does the business do to deliver its proposition?</div> <div><b>KEY RESOURCES</b></div> <div>What unique strategic assets must the business have to compete?</div> <div>Yours and others!</div>	<div><b>VALUE PROPOSITIONS</b></div> <div>A thousand songs in your pocket</div> <div>The convenience of it all</div> <div>Take your music anywhere</div> <div>Legal, inexpensive access to thousands of songs</div> <div>Can selectively buy songs and not have to pay for every song on the CD</div> <div>Looking cool and ‘Apple-y’</div>	<div><b>CUSTOMER RELATIONSHIPS</b></div> <div>Mass market</div> <div>No live customer service</div> <div>No personal interaction</div> <div>Online helpdesk</div> <div><b>CHANNELS</b></div> <div>4. How do you plan to acquire customers? How do you plan to deliver your value proposition to them? How do you plan to communicate with your customers ?</div>	<div><b>CUSTOMER SEGMENTS</b></div> <div>Teens and Young Adults</div> <div>Fitness enthusiasts</div> <div>Increasingly people with other Apple products</div> <div>Ultimately <b>ANYONE</b> who loves music</div>
<div><b>COST STRUCTURE</b></div> <div>What are the most important costs inherent in our business model? What are the business’ major cost drivers? How are they linked to revenue?</div>		<div><b>REVENUE STREAMS</b></div> <div>For what value are the customers <b>REALLY</b> willing to pay? For what do they currently pay? How does the business earn revenue from the value propositions?</div>		

# The iPod – A Business Model Canvas– Revenue Streams










<div><b>KEY PARTNERS</b></div> <div><p>What can the company <i>not</i> do so it can focus on its Key Activities?</p><p>Key suppliers?</p><p>Which key resources are we acquiring from our partners?</p><p>Which key activities do our partners perform?</p></div>	<div><div><b>KEY ACTIVITIES</b></div><div><p>What <i>uniquely</i> strategic things does the business do to deliver its proposition?</p></div></div> <div><div><b>KEY RESOURCES</b></div><div><p>What unique strategic assets must the business have to compete?</p><p><b>Yours and others!</b></p></div></div>	<div><div><b>VALUE PROPOSITIONS</b></div><div><p>A thousand songs in your pocket</p><p>The convenience of it all</p><p>Take your music anywhere</p><p>Legal, inexpensive access to thousands of songs</p><p>Can selectively buy songs and not have to pay for every song on the CD</p><p>Looking cool and 'Apple-y'</p></div></div>	<div><div><b>CUSTOMER RELATIONSHIPS</b></div><div><p>Mass market</p><p>No live customer service</p><p>No personal interaction</p><p>Online helpdesk</p></div></div> <div><div><b>CHANNELS</b></div><div><p>Online for Ipods And I Tunes store</p><p>Other online and high street retailers</p><p>Gift cards sold at other retail outlets</p><p>Latterly Apple Stores</p></div></div>	<div><div><b>CUSTOMER SEGMENTS</b></div><div><p>Teens and Young Adults</p><p>Fitness enthusiasts</p><p>Increasingly people with other Apple products</p><p>Ultimately <b>ANYONE</b> who loves music</p></div></div>
<div><div><b>COST STRUCTURE</b></div><div><p>What are the most important costs inherent in our business model?</p><p>What are the business' major cost drivers?</p><p>How are they linked to revenue?</p></div></div>		<div><div><b>REVENUE STREAMS</b></div><div><p>5. For what value are the customers <b>REALLY</b> willing to pay?</p><p>For what do they currently pay?</p><p>How does the business earn revenue from the value propositions?</p></div></div>		

# Activity 2: Create your own business model – Key resources

<div>  <div> <div>KEY PARTNERS</div> <div> <p>What can the company <i>not</i> do so it can focus on its Key Activities?</p> <p>Key suppliers?</p> <p>Which key resources are we acquiring from our partners?</p> <p>Which key activities do our partners perform?</p> </div> </div> </div>	<div> <div>  <div> <div>KEY ACTIVITIES</div> <div> <p>What <i>uniquely</i> strategic things does the business do to deliver its proposition?</p> </div> </div> </div> <div> <div>  <div> <div>KEY RESOURCES</div> <div> <p>6. What unique strategic assets must the business have to compete?</p> <p><b>Yours and others!</b></p> </div> </div> </div> </div> </div>	<div> <div>  <div> <div>VALUE PROPOSITIONS</div> <div> <p>A thousand songs in your pocket</p> <p>The convenience of it all</p> <p>Take your music anywhere</p> <p>Legal, inexpensive access to thousands of songs</p> <p>Can selectively buy songs and not have to pay for every song on the CD</p> <p>Looking cool and ‘Apple-y’</p> </div> </div> </div> </div>	<div> <div>  <div> <div>CUSTOMER RELATIONSHIPS</div> <div> <p>Mass market</p> <p>No live customer service</p> <p>No personal interaction</p> <p>Online helpdesk</p> </div> </div> </div> <div> <div>  <div> <div>CHANNELS</div> <div> <p>Online for Ipods And I Tunes store</p> <p>Other online and high street retailers</p> <p>Gift cards sold at other retail outlets</p> <p>Latterly Apple Stores</p> </div> </div> </div> </div> </div>	<div> <div>  <div> <div>CUSTOMER SEGMENTS</div> <div> <p>Teens and Young Adults</p> <p>Fitness enthusiasts</p> <p>Increasingly people with other Apple products</p> <p>Ultimately <b>ANYONE</b> who loves music</p> </div> </div> </div> </div>
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# The iPod – A Business Model Canvas– Key Activities










<div data-bbox="38 157 357 235">  <div>KEY PARTNERS</div> </div> <div data-bbox="38 314 357 535"> <p>What can the company <i>not</i> do so it can focus on its Key Activities?</p> </div> <div data-bbox="38 578 357 628"> <p>Key suppliers?</p> </div> <div data-bbox="38 664 357 885"> <p>Which key resources are we acquiring from our partners?</p> </div> <div data-bbox="38 928 357 1106"> <p>Which key activities do our partners perform?</p> </div>	<div data-bbox="396 157 763 271">  <div>KEY ACTIVITIES</div> </div> <div data-bbox="396 285 763 549"> <p>7. What <i>uniquely</i> strategic things does the business do to deliver its proposition?</p> </div> <div data-bbox="396 635 763 756">  <div>KEY RESOURCES</div> </div> <div data-bbox="396 792 763 1156"> <p>I Tunes Store</p> <p>I Tunes Software</p> <p>I Pod</p> <p>Key Partner Deals</p> </div>	<div data-bbox="792 149 1149 235">  <div>VALUE PROPOSITIONS</div> </div> <div data-bbox="792 271 1149 1028"> <p>A thousand songs in your pocket</p> <p>The convenience of it all</p> <p>Take your music anywhere</p> <p>Legal, inexpensive access to thousands of songs</p> <p>Can selectively buy songs and not have to pay for every song on the CD</p> <p>Looking cool and ‘Apple-y’</p> </div>	<div data-bbox="1168 149 1584 235">  <div>CUSTOMER RELATIONSHIPS</div> </div> <div data-bbox="1168 271 1584 678"> <p>Mass market</p> <p>No live customer service</p> <p>No personal interaction</p> <p>Online helpdesk</p> </div> <div data-bbox="1168 685 1584 771">  <div>CHANNELS</div> </div> <div data-bbox="1168 771 1584 1149"> <p>Online for Ipods And I Tunes store</p> <p>Other online and high street retailers</p> <p>Gift cards sold at other retail outlets</p> <p>Latterly Apple Stores</p> </div>	<div data-bbox="1603 149 1903 271">  <div>CUSTOMER SEGMENTS</div> </div> <div data-bbox="1603 328 1903 1049"> <p>Teens and Young Adults</p> <p>Fitness enthusiasts</p> <p>Increasingly people with other Apple products</p> <p>Ultimately <b>ANYONE</b> who loves music</p> </div>
<div data-bbox="38 1163 956 1263">  <div>COST STRUCTURE</div> </div> <div data-bbox="154 1228 956 1385"> <p>What are the most important costs inherent in our business model?</p> <p>What are the business’ major cost drivers?</p> <p>How are they linked to revenue?</p> </div>		<div data-bbox="985 1163 1903 1263">  <div>REVENUE STREAMS</div> </div> <div data-bbox="1072 1213 1903 1370"> <p>iPod sales</p> <p>Pay per song downloads</p> <p>Gift card sales</p> <p>Accessories</p> </div>		










# The iPod – A Business Model Canvas– Key Partners

<div data-bbox="42 164 280 235">  <div>KEY PARTNERS</div> </div> <div data-bbox="48 321 347 535"> <p>8. What can the company <i>not</i> do so it can focus on its Key Activities?</p> </div> <div data-bbox="48 578 328 621"> <p>Key suppliers?</p> </div> <div data-bbox="48 664 299 878"> <p>Which key resources are we acquiring from our partners?</p> </div> <div data-bbox="48 921 347 1106"> <p>Which key activities do our partners perform?</p> </div>	<div data-bbox="405 164 647 235">  <div>KEY ACTIVITIES</div> </div> <div data-bbox="386 271 714 628"> <p>I Tunes Software</p> <p>I Pod development</p> <p>Key Partner deals with record companies and artists</p> <p>Brand! Advertising and marketing</p> </div> <div data-bbox="376 642 666 714">  <div>KEY RESOURCES</div> </div> <div data-bbox="386 799 763 1156"> <p>I Tunes Store</p> <p>I Tunes Software</p> <p>I Pod</p> <p>Key Partner Deals</p> </div>	<div data-bbox="801 157 1081 228">  <div>VALUE PROPOSITIONS</div> </div> <div data-bbox="792 271 1149 1028"> <p>A thousand songs in your pocket</p> <p>The convenience of it all</p> <p>Take your music anywhere</p> <p>Legal, inexpensive access to thousands of songs</p> <p>Can selectively buy songs and not have to pay for every song on the CD</p> <p>Looking cool and ‘Apple-y’</p> </div>	<div data-bbox="1178 164 1497 235">  <div>CUSTOMER RELATIONSHIPS</div> </div> <div data-bbox="1188 271 1506 664"> <p>Mass market</p> <p>No live customer service</p> <p>No personal interaction</p> <p>Online helpdesk</p> </div> <div data-bbox="1178 685 1439 756">  <div>CHANNELS</div> </div> <div data-bbox="1178 763 1535 1149"> <p>Online for Ipods And I Tunes store</p> <p>Other online and high street retailers</p> <p>Gift cards sold at other retail outlets</p> <p>Latterly Apple Stores</p> </div>	<div data-bbox="1603 164 1845 235">  <div>CUSTOMER SEGMENTS</div> </div> <div data-bbox="1603 328 1893 1049"> <p>Teens and Young Adults</p> <p>Fitness enthusiasts</p> <p>Increasingly people with other Apple products</p> <p>Ultimately <b>ANYONE</b> who loves music</p> </div>
<div data-bbox="38 1170 144 1256">  </div> <div data-bbox="164 1170 444 1206"> <div>COST STRUCTURE</div> </div> <div data-bbox="154 1228 869 1385"> <p>What are the most important costs inherent in our business model?</p> <p>What are the business’ major cost drivers?</p> <p>How are they linked to revenue?</p> </div>		<div data-bbox="985 1170 1062 1278">  </div> <div data-bbox="1081 1170 1381 1206"> <div>REVENUE STREAMS</div> </div> <div data-bbox="1072 1213 1458 1370"> <p>iPod sales</p> <p>Pay per song downloads</p> <p>Gift card sales</p> <p>Accessories</p> </div>		

# The iPod – A Business Model Canvas– Cost Structure

 <b>KEY PARTNERS</b>  <b>Music Artists</b>  <b>Record Companies</b>  <b>Music Industry</b>  <b>Other equipment suppliers (compatibility)</b>	 <b>KEY ACTIVITIES</b>  I Tunes Software  I Pod development  Key Partner deals with record companies and artists  Brand! Advertising and marketing	 <b>VALUE PROPOSITIONS</b>  A thousand songs in your pocket  The convenience of it all  Take your music anywhere  Legal, inexpensive access to thousands of songs  Can selectively buy songs and not have to pay for every song on the CD  Looking cool and ‘Apple-y’	 <b>CUSTOMER RELATIONSHIPS</b>  Mass market  No live customer service  No personal interaction  Online helpdesk	 <b>CUSTOMER SEGMENTS</b>  Teens and Young Adults  Fitness enthusiasts  Increasingly people with other Apple products  Ultimately <b>ANYONE</b> who loves music
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	 <b>COST STRUCTURE</b>  9. What are the most important costs inherent in our business model? What are the business’ major cost drivers? How are they linked to revenue?		 <b>REVENUE STREAMS</b>  iPod sales Pay per song downloads Gift card sales Accessories	

# The iPod – A Business Model Canvas

 <b>KEY PARTNERS</b>  <b>Music Artists</b>  <b>Record Companies</b>  <b>Music Industry</b>  <b>I Pod manufacturer</b>  <b>Other equipment suppliers (compatibility)</b>	 <b>KEY ACTIVITIES</b>  I Tunes Software  I Pod development  Key Partner deals with record companies and artists  Brand! Advertising and marketing	 <b>VALUE PROPOSITIONS</b>  A thousand songs in your pocket  The convenience of it all  Take your music anywhere  Legal, inexpensive access to thousands of songs  Can selectively buy songs and not have to pay for every song on the CD  Looking cool and ‘Apple-y’	 <b>CUSTOMER RELATIONSHIPS</b>  Mass market  No live customer service  No personal interaction  Online helpdesk	 <b>CUSTOMER SEGMENTS</b>  Teens and Young Adults  Fitness enthusiasts  Increasingly people with other Apple products  Ultimately <b>ANYONE</b> who loves music
 <b>COST STRUCTURE</b>  Costs relating to music industry partners Product and accessory manufacture costs R&D costs Online infrastructure (No physical overheads)		 <b>REVENUE STREAMS</b>  iPod sales Pay per song downloads Gift card sales Accessories		

**Activity for yourself later!**

**Beginning to map and model your idea**

# **Your Business and the external environment**

It doesn't operate in isolation

Number of outside factors that can influence it

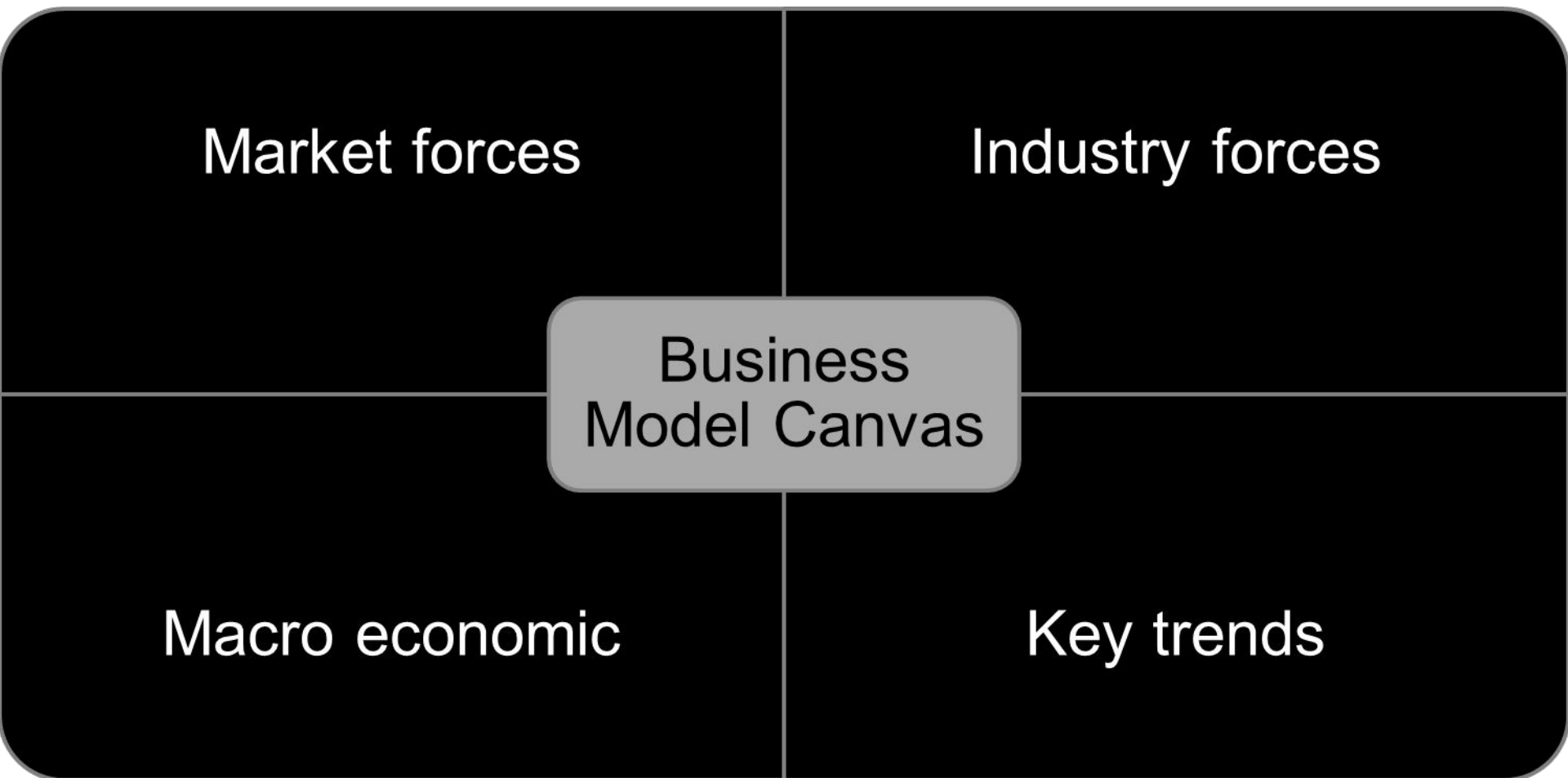
Vital that you scan the environment

Shows how you have conceived your business model and how you can adapt it

You want a sustainable business

Shouldn't confine you but should influence your choices.

# Scanning the environment



# Market forces

What are the most important **markets or customer segments**? The biggest growth potential and why?

What are customer **needs and demands** and how well are they being served?

Where are the **biggest unsatisfied customer needs**? Where is demand increasing/declining?



# Market forces continued

**Revenue attractiveness** – what are customers willing to pay for? Where can the largest margins be achieved? Can customers purchase cheaper elsewhere.?

**Switching costs** – what brings customers to a company/stops them defecting? Think customer relationships.

**Market issues** – where is the market heading – how does our VP fit in?

# Industry forces

**Competitors** — what are their competitive advantages and disadvantages? Which customer segments are they focusing on? Does this impact on your customer segments and revenue streams?

**The insurgents – new entrants** – what are their competitive advantages and disadvantages. Do they influence your customer segments and revenue streams?

# Industry forces continued

**Cheaper substitutes** for your product or services. Including those from other markets and industries.

**Suppliers and other value chain players.** To what extent is your business dependent on other players? Could they turn into competitors?

**Key stakeholders** – how do they influence – lobbyists/regulators

# Key trends

**Technology** – threaten or enable?

**Regulatory trends** – for example, government legislation and taxes

**Societal and cultural trends** – ethically sourced materials, global warming, socially conscious etc.

**Socioeconomic trends** – key demographics people living longer, disposable income rising?

# Macro economic trends

**Market conditions** – state of the economy

**Capital markets** – how easy is it to obtain funding in your particular market. What type of funding – grants, loans from bank.

**Price of resources** needed by your business model

**Economic infrastructure** - what is your access to suppliers and customers?

# Visit the future frequently...

....monitor trends and new connections.....

.....disrupt before you are disrupted.....



# New College Oxford





# Why engage with the future in the present?

Calibration



# Mary Smith - Spitalfields London

Calibration



...and then there was.....



And now.....!



# Evolution periods are getting shorter

Calibration





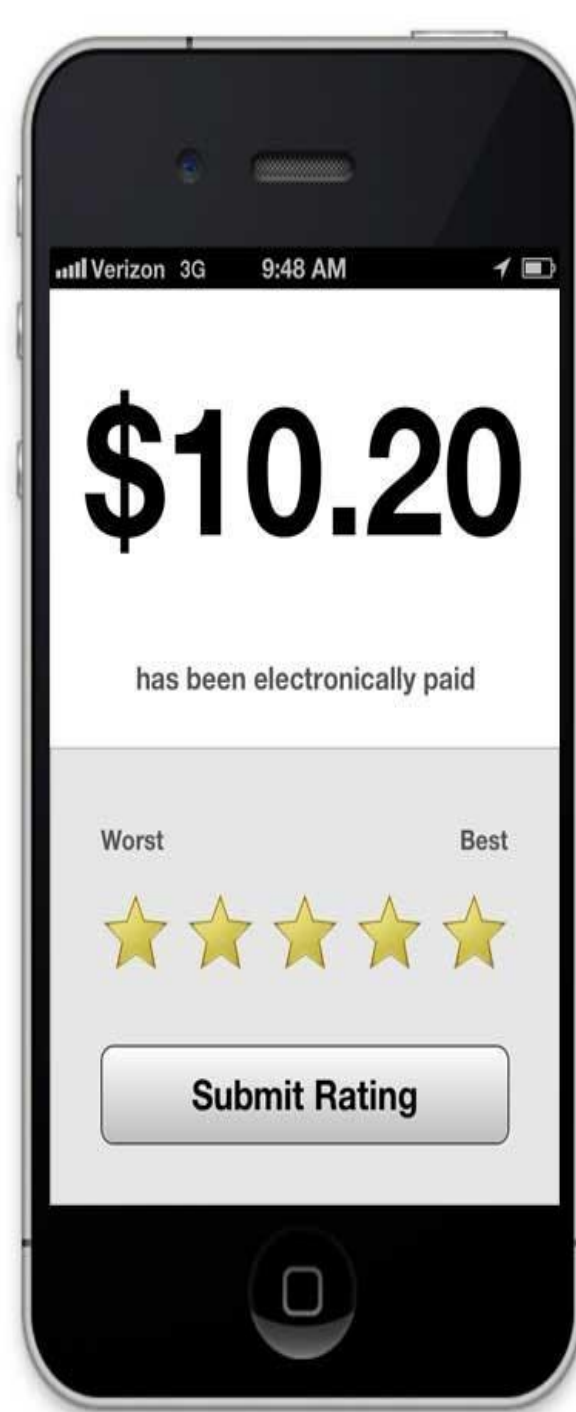
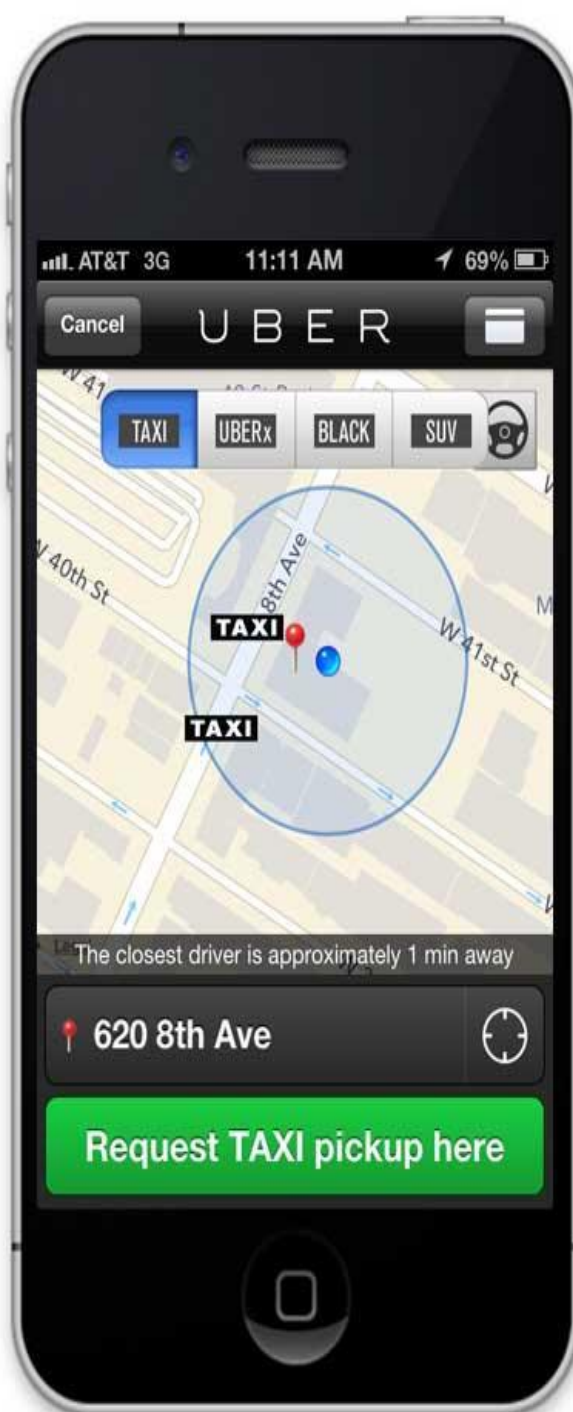
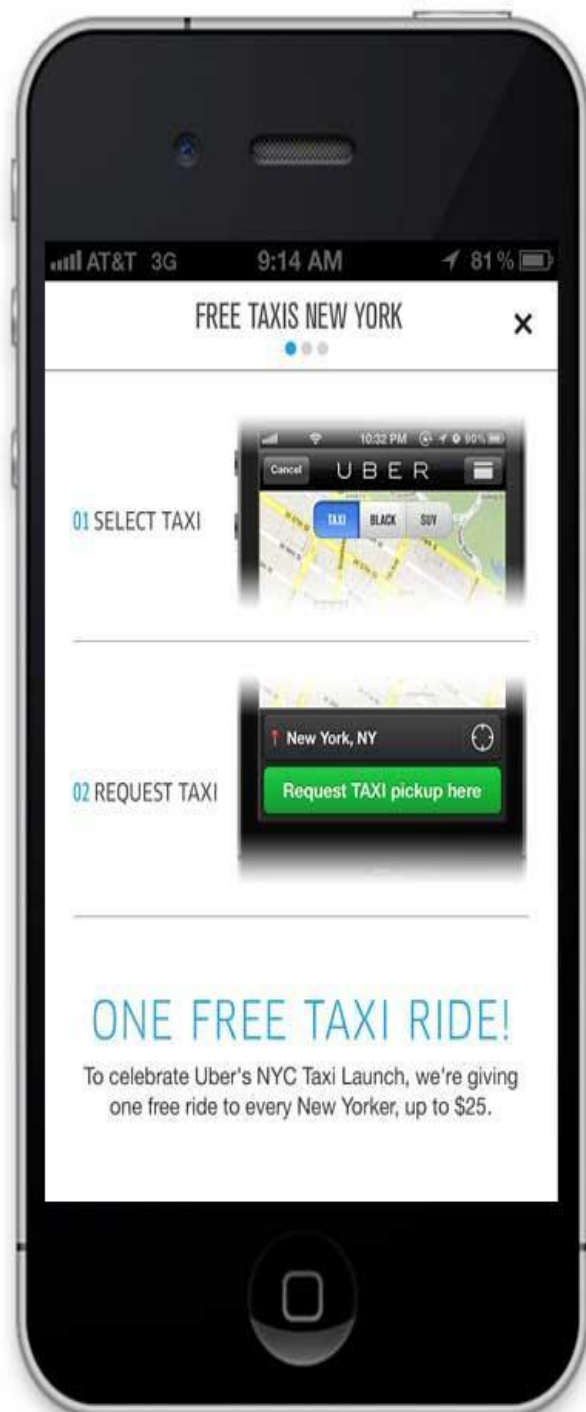


Length of time that US companies stay on the S&P Fortune 500:

1958  
61 Years

2014  
18 Years

...and dropping.....













Premium Car Sharing by BMW i and MINI





**Running my own businesses...**

**some thoughts on entrepreneurship  
and indeed on life in general**





**Turnover is Vanity**

**Profit is Sanity**

**but**

**CASH**

**IS KING**

# **Cash is the only thing that matters**

- Numbers run a business – you must be able to read them or you're flying blind
- Sales don't count, gross margin does
- A sale isn't a sale until you get paid
- Cash is hard to get and easy to spend



**Wake up early:** Try to get some of your most important tasks done before other people start to distract you with new problems

**Start the day by working on your hardest or most dreaded task:** You will gain a sense of accomplishment that will motivate you to accomplish more throughout the day

**Always ask questions:** Why are things the way they are? Is there a different and better way we can do it? Asking such questions leads to innovation

**Surround yourself with smart people:** Try to surround yourself, not with people who think just as you do, but with people who think in diverse ways. Listening and learning from them will motivate you and inspire creativity

**Be an optimist:** Optimists are the ones who change the world. All successful entrepreneurs have to be optimists, and to be willing to take risks

**Have a business with a noble purpose:** Money is one way to measure success, but it is not what inspires people

**Only worry about things that you have control over:** Recognise when you can't change something, and redirect your energy towards changing the things you can

**Plan for tomorrow today:** Spend five minutes identifying your main goals for tomorrow, and you will be much more focussed when you start the new day

**Network, network, network:** In the real world and as critically online

A sobering (penultimate thought)



- Statistically you will fail. But statistics are deceptive
- Preparation and those damn value propositions key
- Failure is not death
- Equips you to act more intelligently the next time
- And again, don't be obstinate.....



**fail fast, fail early, learn  
fast, move fast....and  
start again**



**KILL YOUR BABIES**

# Funding

It's very, very difficult

And don't do it before you have a very  
clear business model

How I've seen it done.....

# Funding

Friends and family

Student and early stage competitions Scottish Edge, Converge,  
SIE Fresh Ideas

Sector/business type specific – eg Firstport for Social Enterprises,  
Zero Waste Scotland for sustainable/circular economy

Prince's Trust / Youth Business Scotland (loan and grant)

<http://bit.ly/2T92Bax>

<http://bit.ly/2TdxAIR>

Scottish Microfinance Fund Loans - <http://bit.ly/2Tc9YOn>

Crowdfunding – eg Crowdcube

Funding Circle - <https://www.fundingcircle.com/uk/>

Part time jobs!

Better Business Finance – search engine <http://bit.ly/2TcceoT>

# **Competitions (and business plans!) – to maximise your chances of success.....**

Get the message across in the first two paragraphs

State clearly the potential rewards for the investor/reader

Tell a story, well, coherently, in plain English

Use your chance to make a powerful first impression





QUESTIONS?

# THANK YOU!



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**Innovation & Enterprise  
Programme**

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**enterprise**