



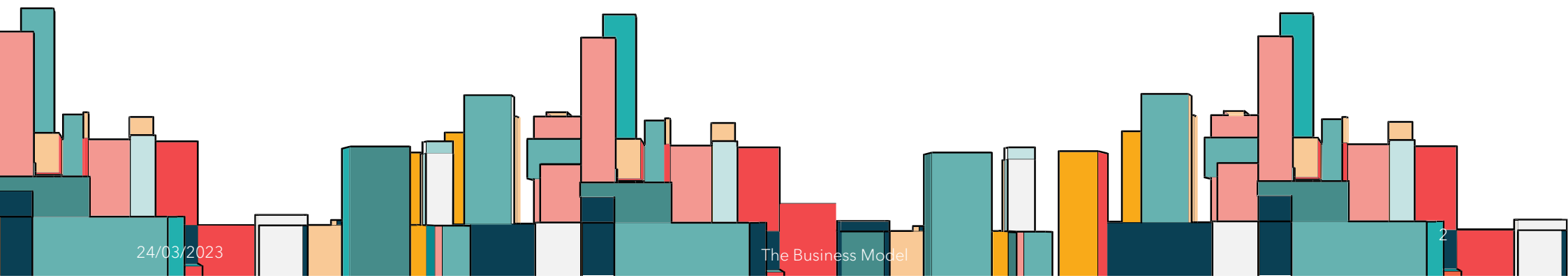
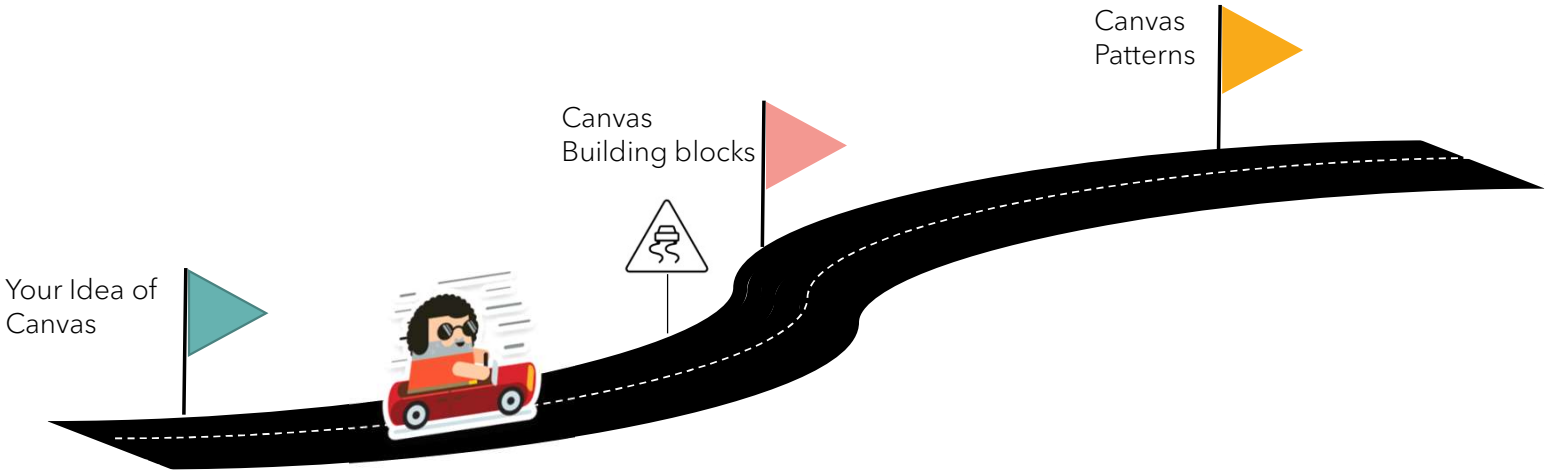
THE BUSINESS MODEL

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MEiM

OUR ROADMAP



24/03/2023

The Business Model



AGENDA

1. Business model definition
2. Business model conceptualization
3. Business model tools
4. Your Idea of Business Model Canvas

ARE YOU A VISIONARY?

ARE YOU AND
ENTREPRENEURIAL SPIRIT?

YES or NO

ARE YOU CONSTATLY
THINKING ABOUT HOW TO
CREATE VALUE AND BUILD
OR TRANSFORM
BUSINESSES?

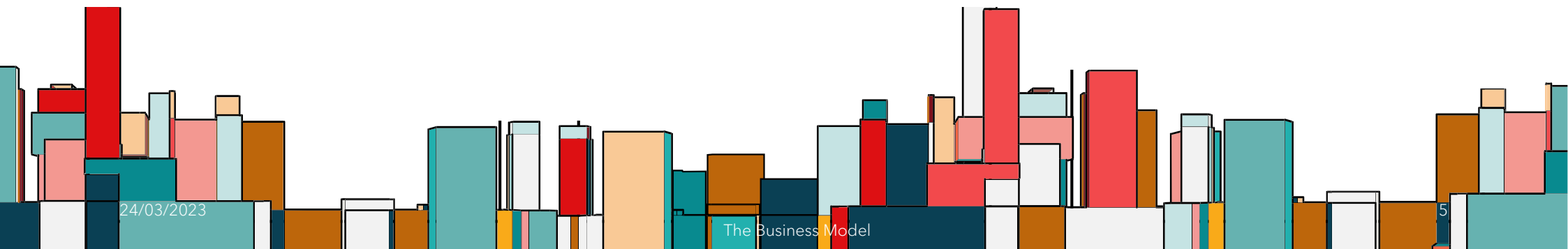
YES or NO

ARE YOU TRYING TO FIND
INNOVATIVE WAYS OF
DOING BUSINESS TO
REPLACE OLD; OUTDATED
ONES?

YES or NO

ARE YOU THINKING TO THE «STARTUP PROJECT» OPTION?

YES or NO



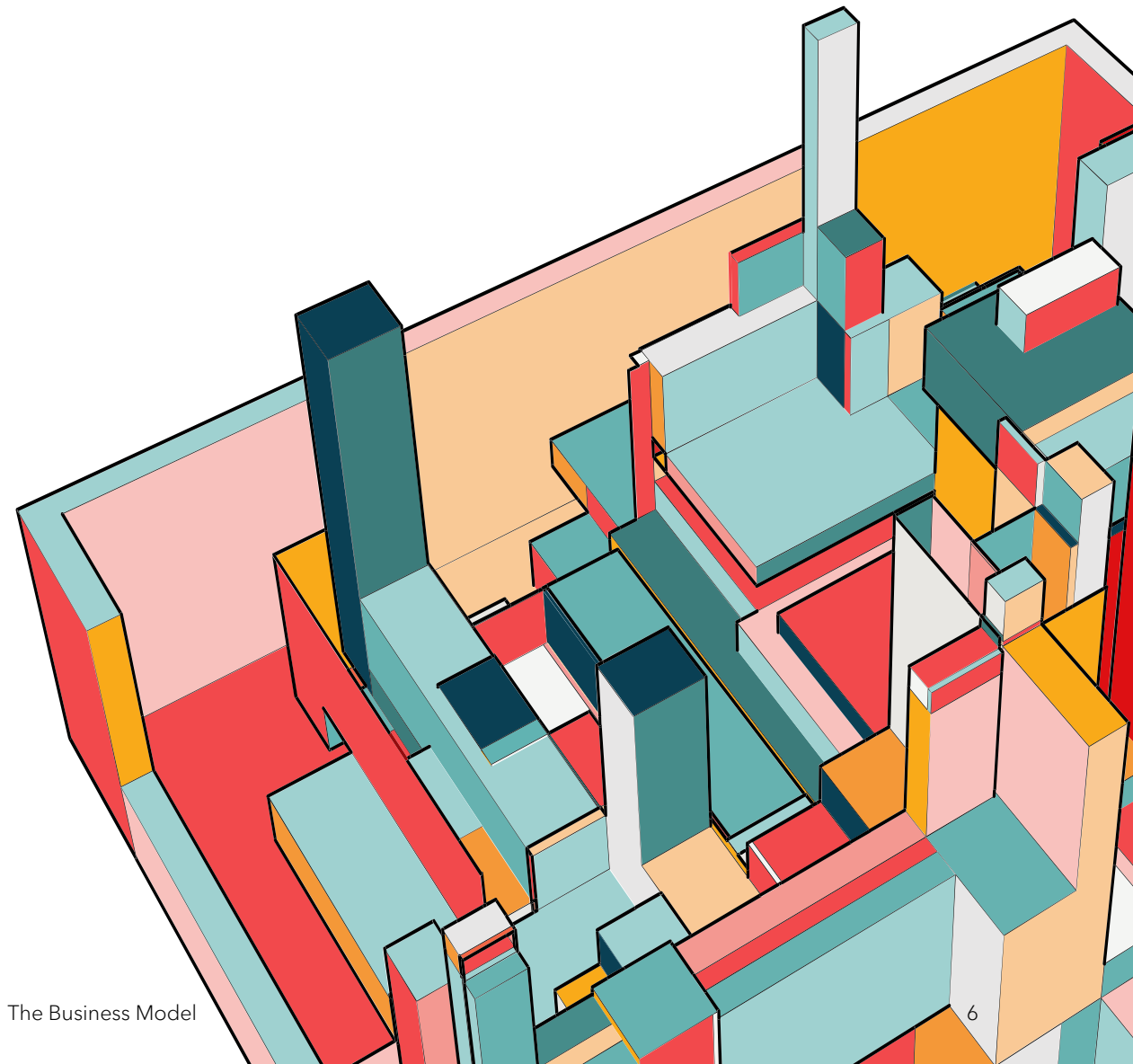
BUSINESS MODEL

"Business models are, at heart, stories. Stories that explain how enterprises work. A good business model answers Peter Drucker's age-old questions: 'Who is the customer? And what does the customer value?'"

Joan Magretta, 2002

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The Business Model

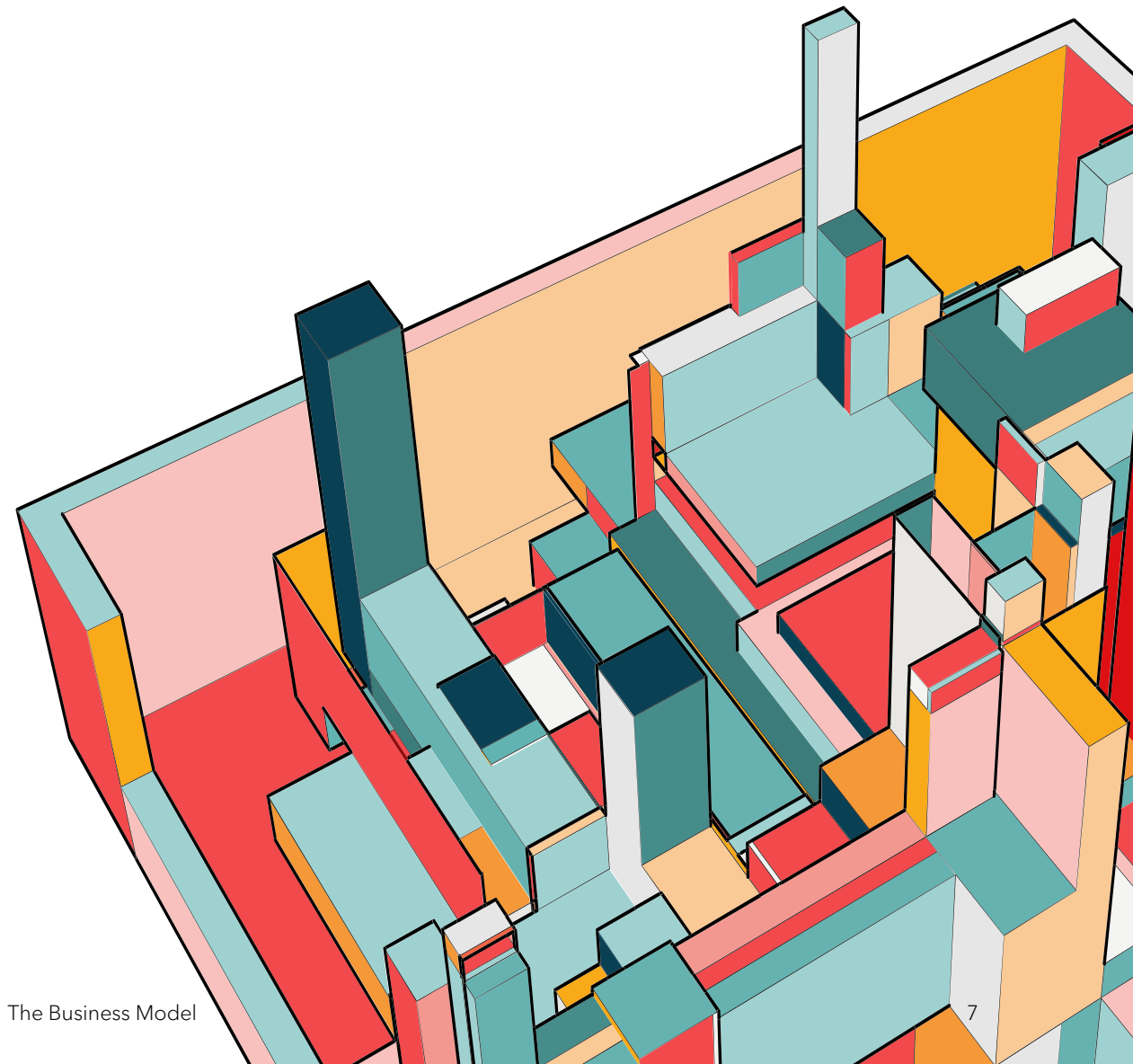


BUSINESS MODEL

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

- Businesses are structures designed to **achieve specific goals** in **logical** and **predictable** ways.
- **Decision making process:** decisions depend on **facts** and clear, **objective criteria**.

"Entrepreneurs are so excited to bring the product to market that they just default to adopting whatever business model is popular in similar markets."



BUSINESS MODEL

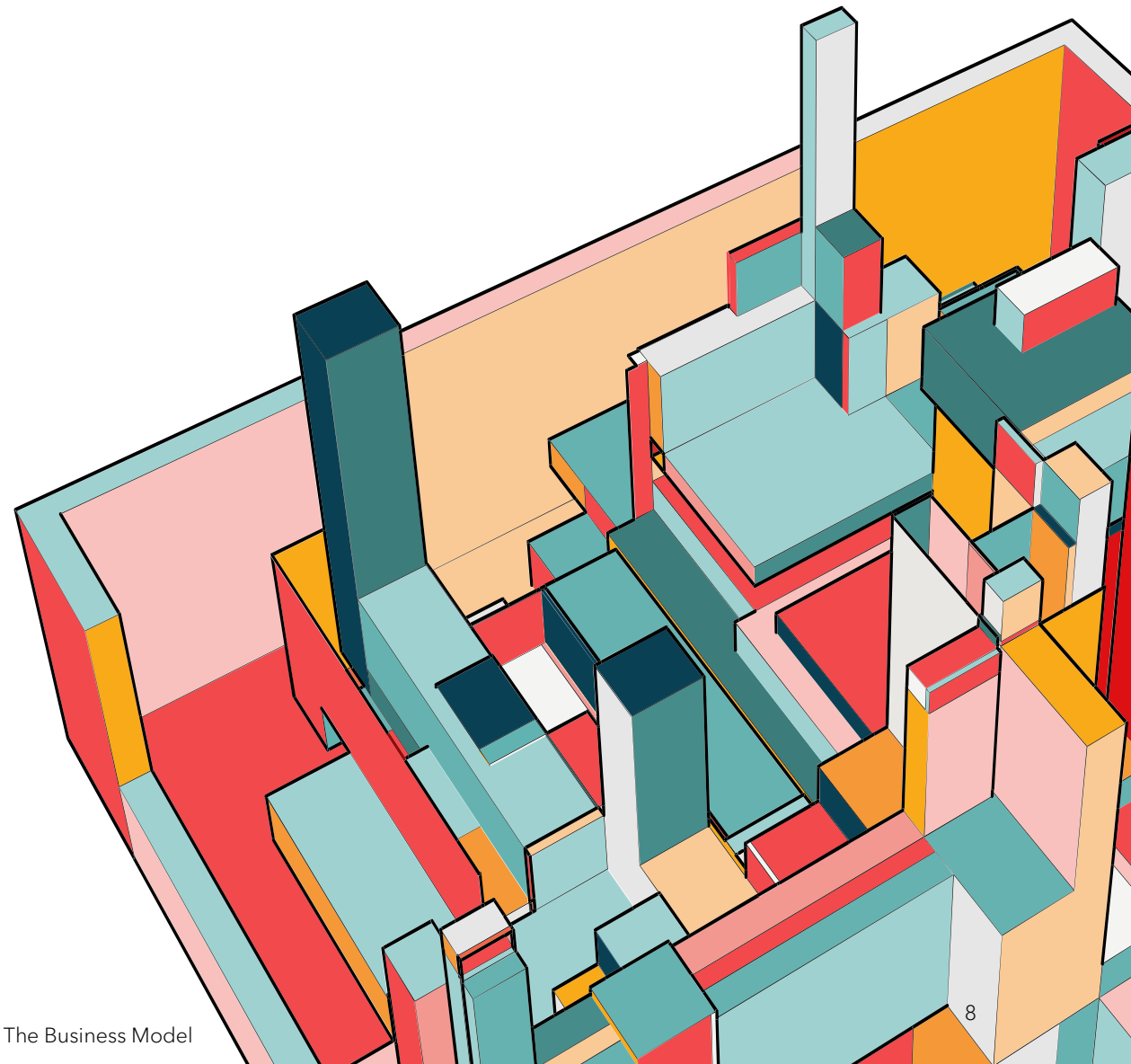
Entrepreneurs often spend a disproportionately small amount of time on their business model. They invest a lot of time in developing the end user profile, the product definition, and the value proposition, showing how they will create value for the customer, but barely any time figuring out how that value translates into a profitable business.

Often, they spend all this time focusing on innovation related to technology and product design without a commensurate amount of time on innovating with the business model.

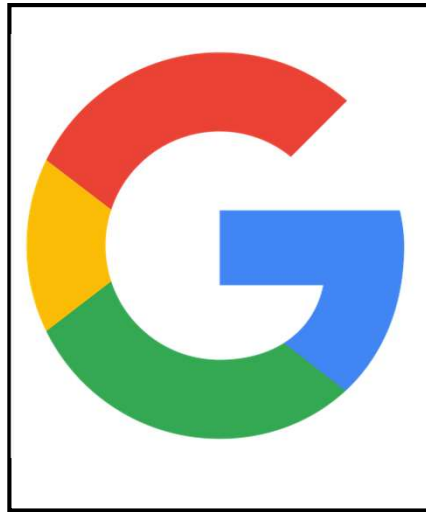
Companies that spend time and effort on innovative business models can see enormous payback.

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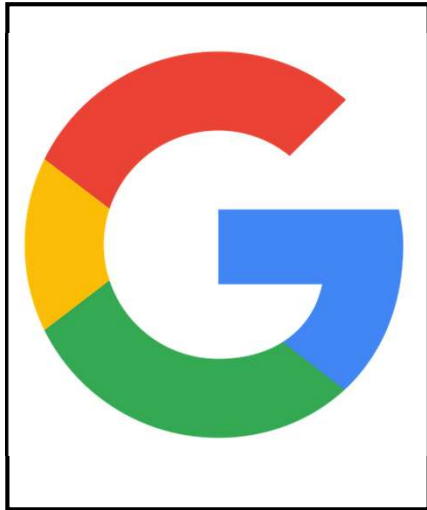
The Business Model



INNOVATIVE BUSINESS MODEL



INNOVATIVE BUSINESS MODEL

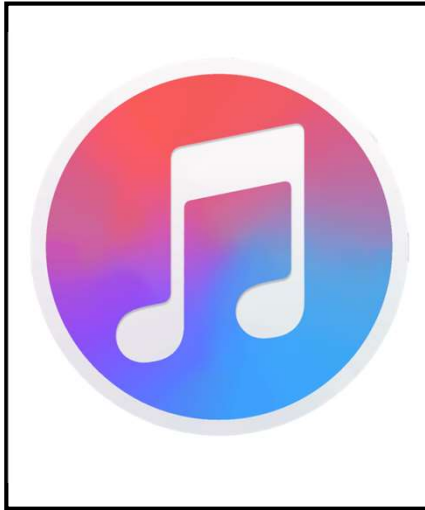


Prior to Google, the business model or “value capture framework” of search engines was to fit as many banner advertisements on a page as possible, and to charge as much as possible for them.

Google, by contrast, used simple text ads and targeted them based on the keywords used in a particular search. Advertisers found this technique more attractive than banner ads, because they had better data on the effectiveness of individual ads, and could make more effective ads based on the data.

This highly innovative business model is what made Google the juggernaut it is today, not the technical proficiency of its search algorithm.

INNOVATIVE BUSINESS MODEL



Before iTunes, the standard method of capturing value for digital music was to charge a monthly subscription fee for access to a library of music, where failure to pay the fee meant access to the music was cut off. Apple successfully differentiated itself with a one-time \$.99 per song charge, after which the user could keep the digital song forever. Initially, this model was perceived as risky, so Apple had to put a lot of effort into getting music labels to agree to the model and to educate users on the model's benefits. The model ended up being a major factor, if not the primary factor, in the success of iTunes relative to other music services, with a tremendously positive return on the investment Apple made in carefully and innovatively thinking through the value capture model.

HOW DO YOU USE THE BUSINESS MODEL?

PUBLIC SECTOR

«The public sector is often challenged to implement private sector principles [...] but I used the BM to help the department view as a service oriented business»

NON PROFIT SECTOR

«We used it to design and align members of the leadership team during the formation of a non profit program»

PERSONAL BUSINESS MODEL

«I use the BM in order to assess my personal business model (my competences, my value propositions, customer relationships»

HOW DO YOU USE THE BUSINESS MODEL?

ENTREPRENEURS

«I use the BM to translate the business plan into a business process and to ensure that I'm focused properly on being customer centric »

«The BM assist me in remind the team to think holistically about the business and prevents them from getting stuck on details»

«I've used the BM to explore new growth opportunities, assess uses of new business models buy competitors and to communicate how we could accelerate technology, markets and innovation»

A BUSINESS MODEL IS NOT A PRICING

A business model is a framework by which you extract from your customers some portion of the value your product creates for them.

SUBSCRIPTION MODEL

ADVERTISING

ONE TIME UP FRONT CHARGE PLUS
MAINTENANCE

CONSUMABLES

Value-based
pricing

The amount of money your venture gets paid is based on how much value the customer gets from your product, and not some arbitrary markup based on your costs.

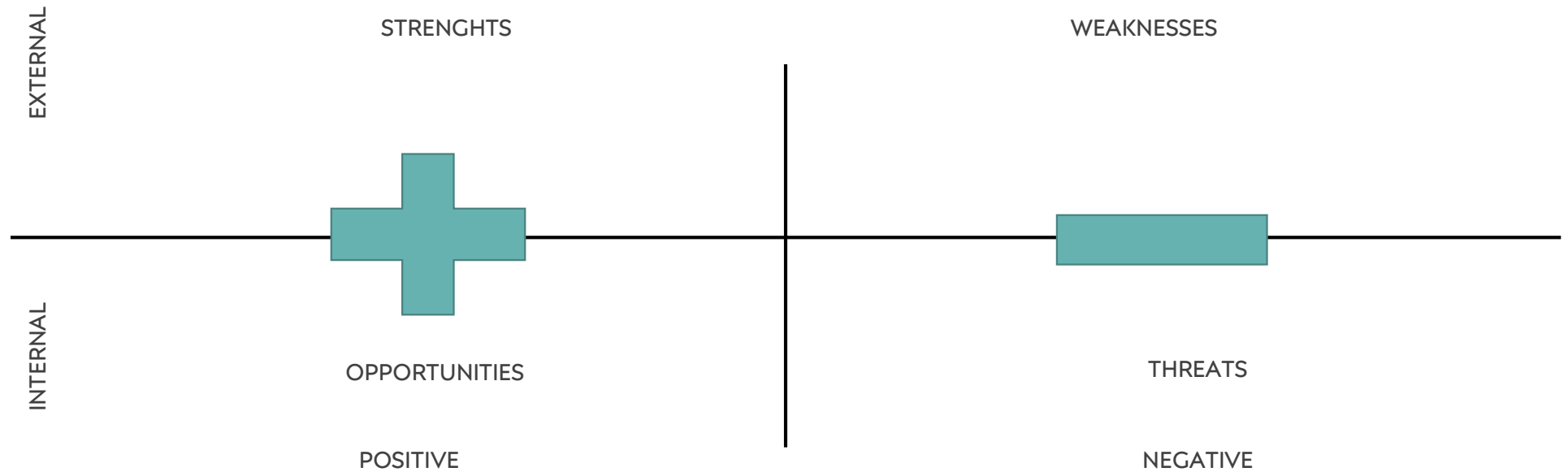


EVALUATION BUSINESS MODEL

A business model is an important management activity that allows an organization to evaluate the health of its market position and adapt accordingly.

This checkup may become the basis for incremental business model improvements, or it may trigger a serious intervention in form of a business model problems, and may even lead to a company's demise.

EVALUATING BUSINESS MODEL

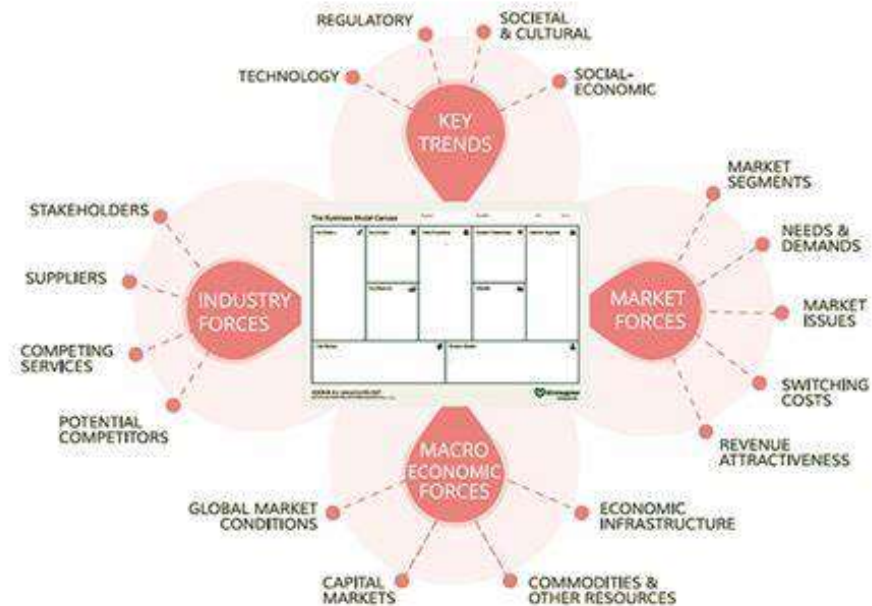


THE BUSINESS MODEL ENVIRONMENT

Understanding changes in the environment helps entrepreneurs to adapt the model more effectively to shifting external forces.

Entrepreneurs should conceive the external environment as a sort of **design space**.

It may be useful mapping four main areas of a business environments.





A TOOL FOR FRAME BUSINESS: THE BUSINESS MODEL CANVAS

SIMPLE & INTUITIVELY UNDERSTANDABLE

Nine building blocks show the logic of how a company intends to make money. The nine blocks cover the four main areas of the business: **customers, offers, infrastructure, financial viabilities**

UNIVERSAL

The model is applied and tested all around the world and is already used in organizations such as IBM, Ericsson, SAP, and Deloitte.

It adopts a **common and shared language** for describe a strategic idea of the business.

The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

Key Partners



Key Activities



Value Propositions



Customer Relationships



Customer Segments



Key Resources



Channels

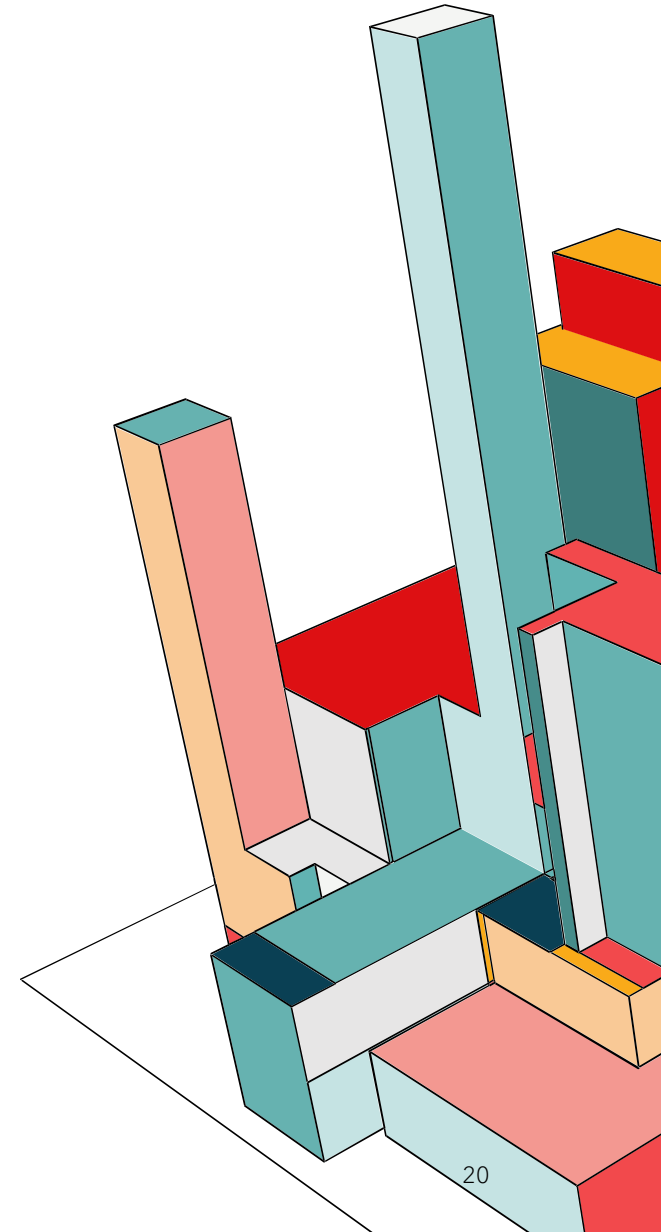
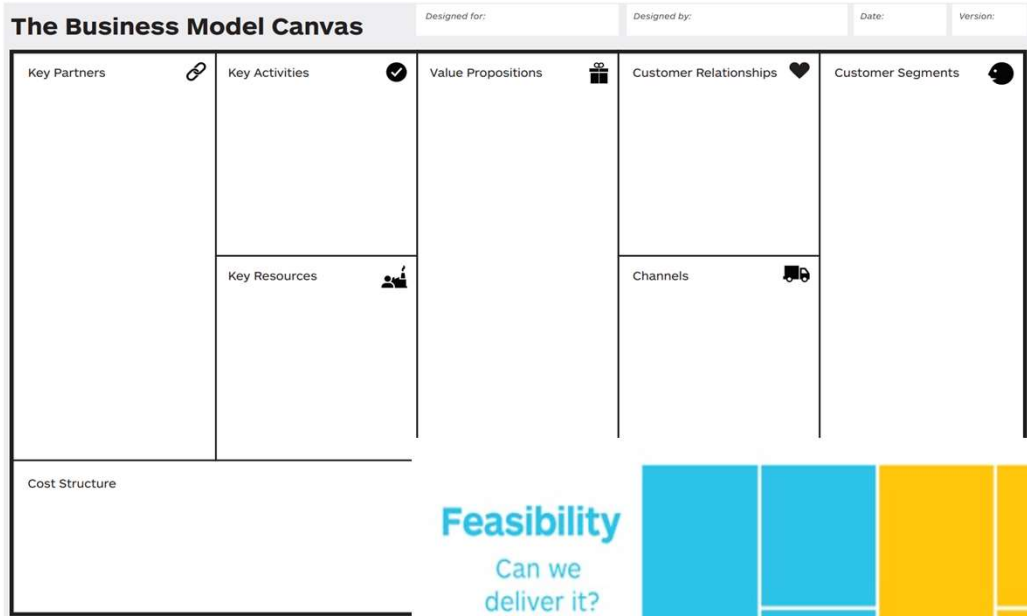


Cost Structure



Revenue Streams





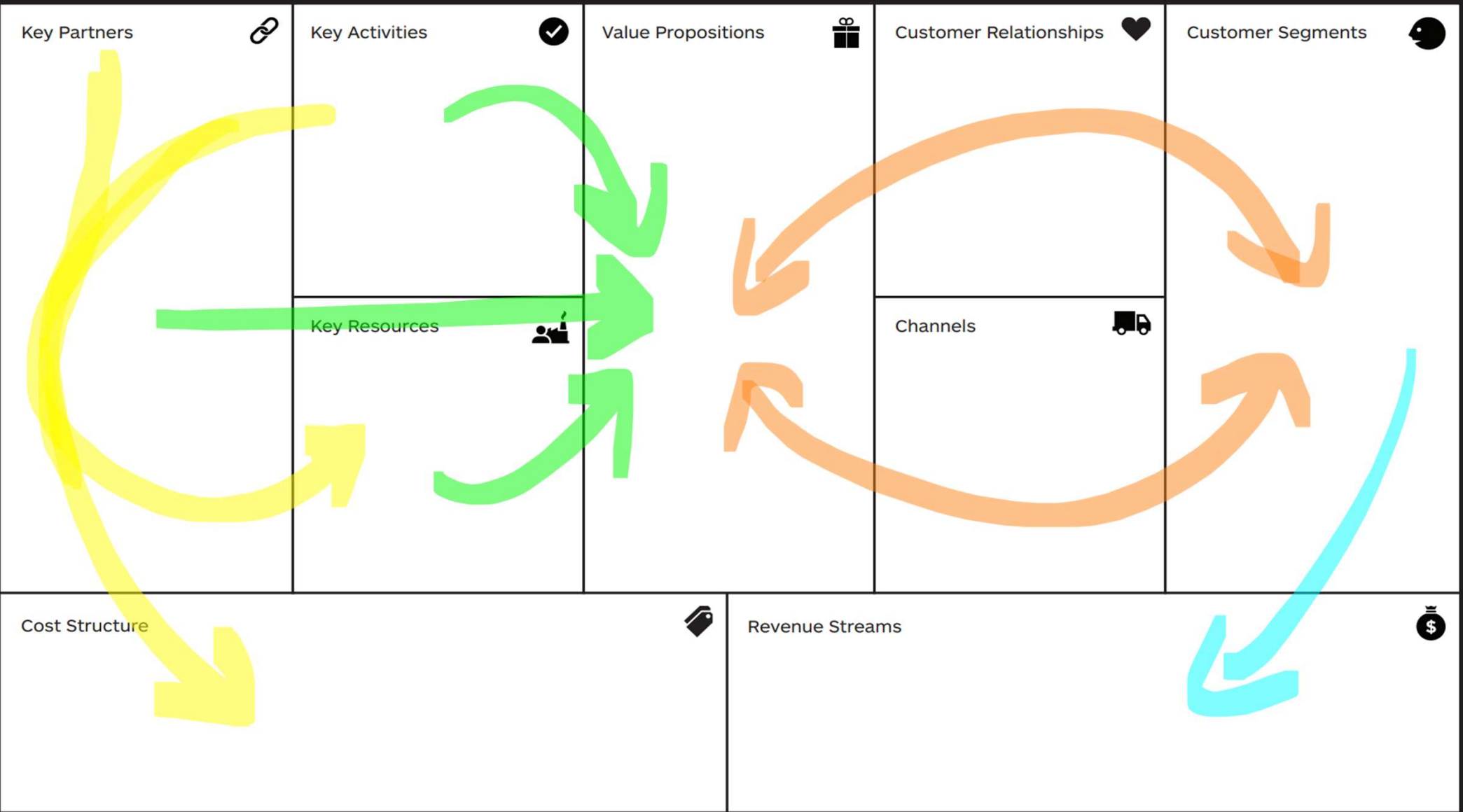
The Business Model Canvas

Designed for:

Designed by:

Date:

Version:



ALTERNATIVE TOOLS: THE LEAN CANVAS

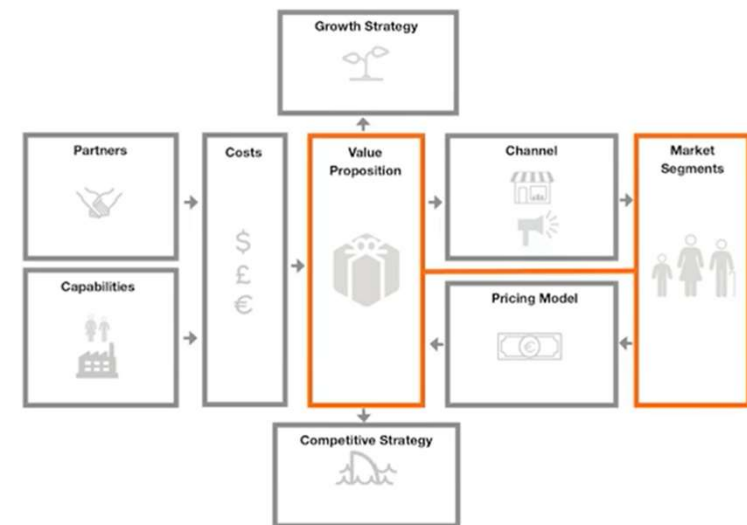
The Lean Canvas, created by Ash Maurya, is an adaptation of Business Model Canvas and it is especially designed for entrepreneurs. The canvas focuses on problems, solutions, key metrics and competitive advantages.

Problem Top 3 problems	Solution Top 3 features	Unique Value Proposition Single, clear, compelling message that states why you are different and worth buying	Unfair Advantage Can't be easily copied or bought	Customer Segments Target customers
	Key Metrics Key activities you measure		Channels Path to customers	
Cost Structure Customer Acquisition Costs Distribution Costs Hosting People, etc.		Revenue Streams Revenue Model Life Time Value Revenue Gross Margin		
PRODUCT		MARKET		

Lean Canvas is adapted from The Business Model Canvas (<http://www.businessmodelgeneration.com>) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Unported License.

ALTERNATIVE TOOLS: THE BUSINESS MODEL FRAMEWORK

Business Model Framework, developed by HackFwd, focuses on growth and competitive strategy. The tool has been published and used, aiming to focus on other aspects, beyond the value proposition and the customer.



ALTERNATIVE TOOLS: SOCIAL BUSINESS MODEL CANVAS

Based on the idea of the Business Model Canvas, this tool helps to develop social businesses - also useful for for-profit businesses.

Social Business Model Canvas

Key Resources	Key Activities	Type of Intervention	Segments	Value Proposition
<p><i>What resources will you need to run your activities? People, finance, access?</i></p>		<p><i>What is the format of your intervention? Is it a workshop? A service? A product?</i></p>	<p>Beneficiary</p> <p>Customer</p>	<p>Social Value Proposition</p> <p>Impact Measures</p>
<p>Partners + Key Stakeholders</p> <p><i>Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permissions?</i></p>		<p>Channels</p> <p><i>How are you reaching your beneficiaries and customers?</i></p>	<p>Customer Value Proposition</p> <p><i>How will you show that you are creating social impact?</i></p>	<p><i>What do your customers want to get out of this initiative?</i></p>
<p>Cost Structure</p> <p><i>What are your biggest expenditure areas? How do they change as you scale up?</i></p>		<p>Surplus</p> <p><i>Where do you plan to invest your profits?</i></p>	<p>Revenue</p> <p><i>Break down your revenue sources by %</i></p>	

Social Innovation Lab

Inspired by The Business Model Canvas

YOUR IDEA OF BUSINESS MODEL CANVAS

PRIMARK[®]

Rules

- 3 groups
- No pc
- No phone
- Information can be collected on my pc in sharing mode

