



Business Model



AGENDA

- Business Model Canvas
- Why Business Model Canvas
- The 9 BMC blocks
- Teamwork

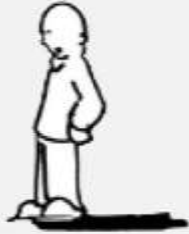


- The business model canvas was originally developed by Alex Osterwalder in 2005
- A management tool that lets you visualize and assess your business idea or concept



- BMC provides a quick overview of the business model
- Easy to understand
- Focused on customers
- Flexible
- Visible connections
- One page only





CS

1 Customer Segments

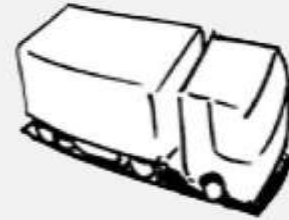
An organization serves one or several Customer Segments.



VP

2 Value Propositions

It seeks to solve customer problems and satisfy customer needs with value propositions.



CH

3 Channels

Value propositions are delivered to customers through communication, distribution, and sales Channels.



CR

4 Customer Relationships

Customer relationships are established and maintained with each Customer Segment.





R\$

5 Revenue Streams

Revenue streams result from value propositions successfully offered to customers.



KR

6 Key Resources

Key resources are the assets required to offer and deliver the previously described elements...



KA

7 Key Activities

...by performing a number of Key Activities.



KP

8 Key Partnerships

Some activities are outsourced and some resources are acquired outside the enterprise.



C\$

9 Cost Structure

The business model elements result in the cost structure.



An organization serves one or more customer segments at a time.

Different customer segments a business model can target are;

- **Mass market:** general population
- **Niche market:** specific, specialized Customer
- **Segmented:** slightly different needs- based on age, gender, geography so on
- **Diversified:** serving unrelated target customers – amazon provides web infrastructure to business
- **Multi-sided markets:** get two or more distinct groups



It seeks to solve customer problems and satisfy customer needs.

Value propositions can be either quantitative (price and speed of service) or qualitative (customer experience or product design).

Customer relationships are established and maintained with each customer segment.

There are several types of customer relationships;

- Personal assistance- serving face to face
- Dedicated personal assistance
- Self-service- e-banking, internet banking
- Automated services - using of AI-offering book or movie recommendations



Revenue streams result from value propositions successfully offered to customers

Revenue models;

- Transaction-based revenue
- Recurring revenue

Ways to generate revenue;

- Asset sales
- Usage fee
- Subscription fee
- Lending/ leasing/ renting
- Licensing
- Brokerage fees
- Advertising

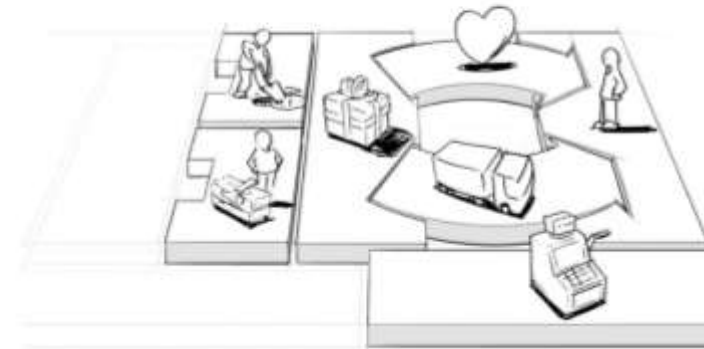


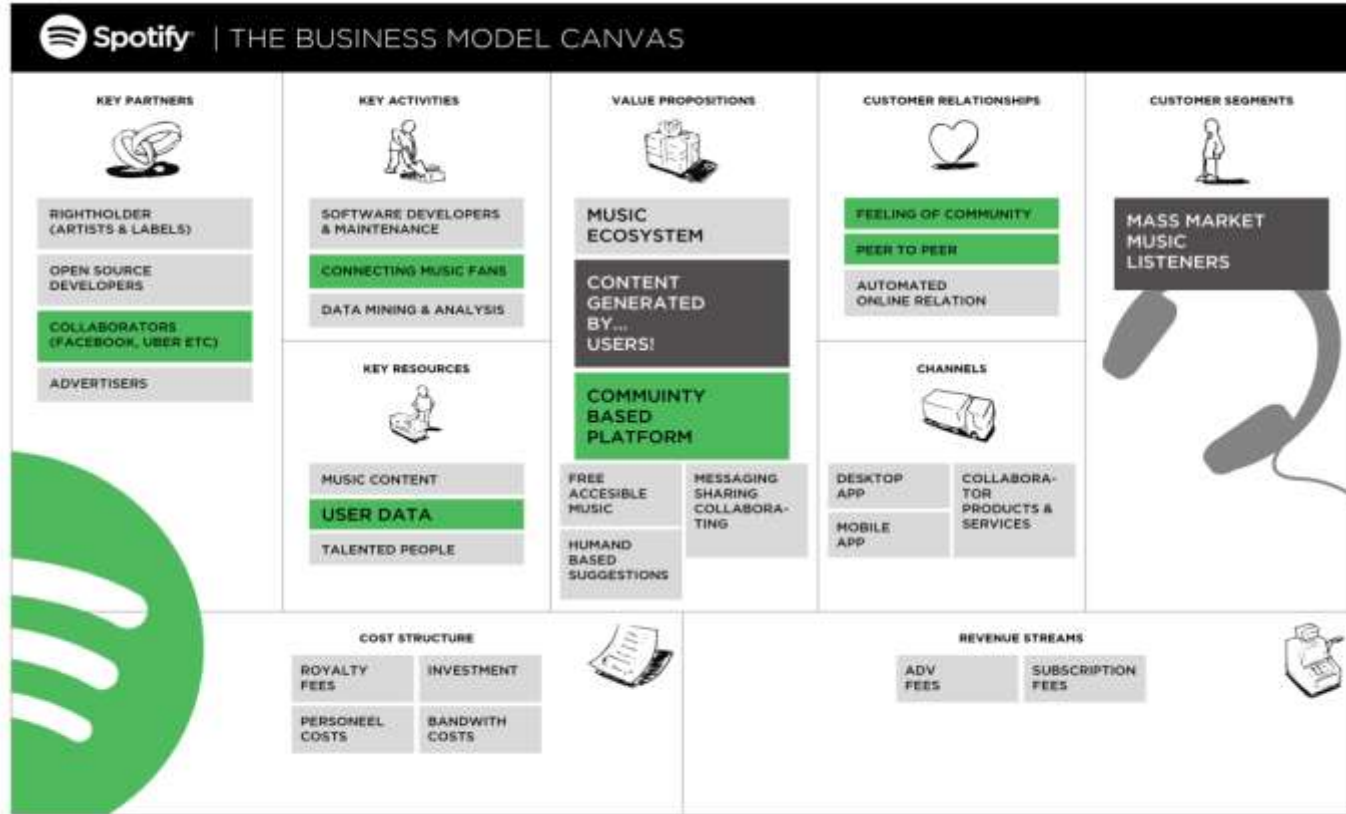
Key resources are the assets required to offer and deliver the previously described elements

There are several types of key resources and they are:

- **Human:** employees
- **Financial:** cash, lines of credit, etc.
- **Intellectual Property** : brand name, patents, copyright
- **Physical:** equipment, inventory, buildings

Key Resources





TEAMWORK

Fill in
the
follow-
-ing
empty
tables

<i>Key Partners</i>	<i>Key Activities</i>	<i>Value Propositions</i>	<i>Customer Relationship</i>	<i>Customer Segments</i>
	<i>Key Resources</i>		<i>Channels</i>	
<i>Cost Structure</i>			<i>Revenue Streams</i>	

Activate
Go to Set



1. Osterwalder, A. et al. (2010): Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers, New York: John Wiley & Sons.
2. Ojasalo, J. and Ojasalo, K. (2018). Service Logic Business Model Canvas. *Journal of Research in Marketing and Entrepreneurship*, 20(1), pp.70-98. doi:10.1108/jrme-06-2016-0015.
3. W. D. Bygrave (2014): The Portable MBA in Entrepreneurship, New York: John Wiley & Sons.
4. Lumosbusiness.com. (2020). Business Model Canvas - Spotify - Business Models, Strategy, Analytics. [online] Available at: <https://lumosbusiness.com/business-model-canvas-spotify/> [Accessed 26 Jul. 2022]

