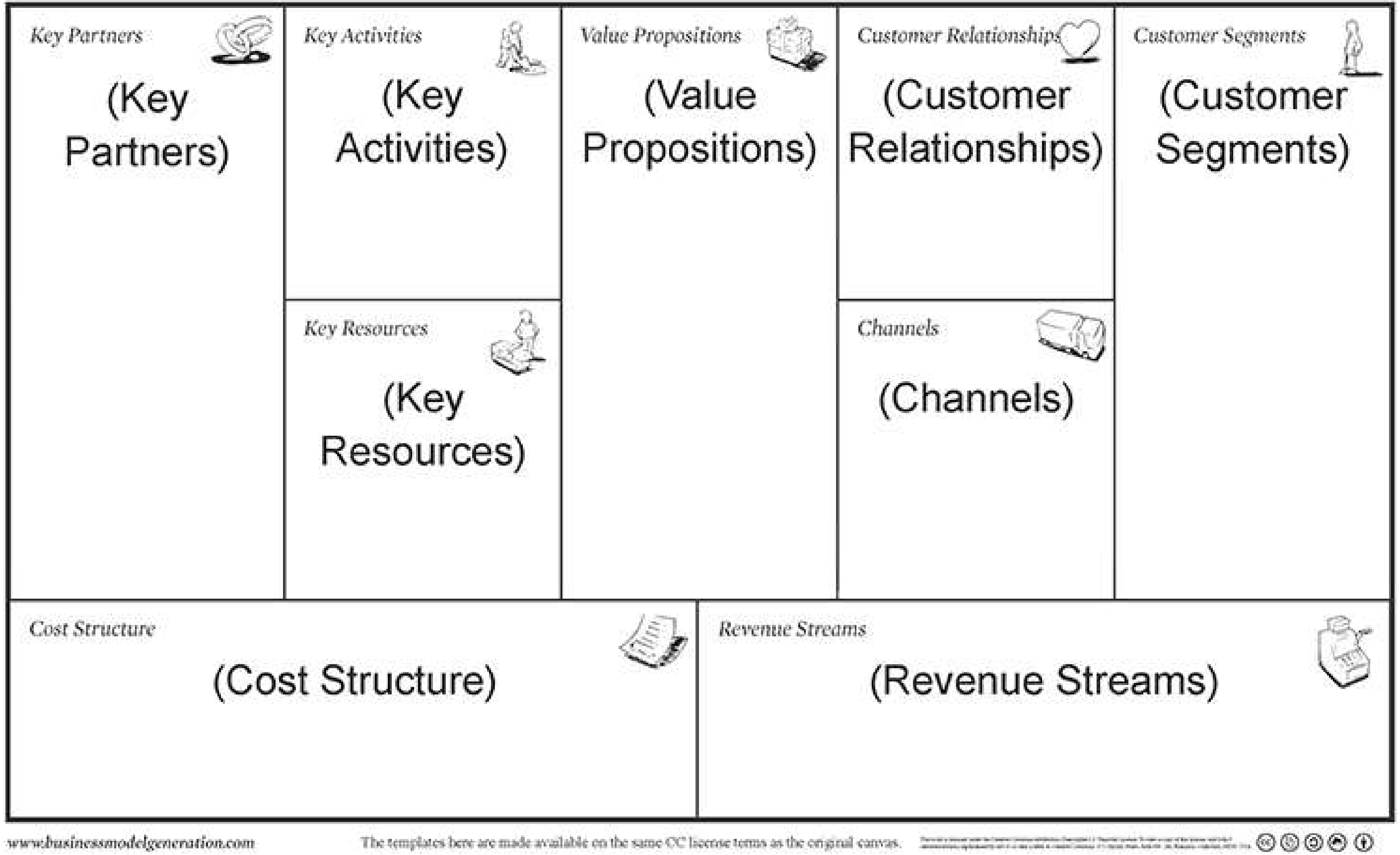
Business Model Canvas

BA291

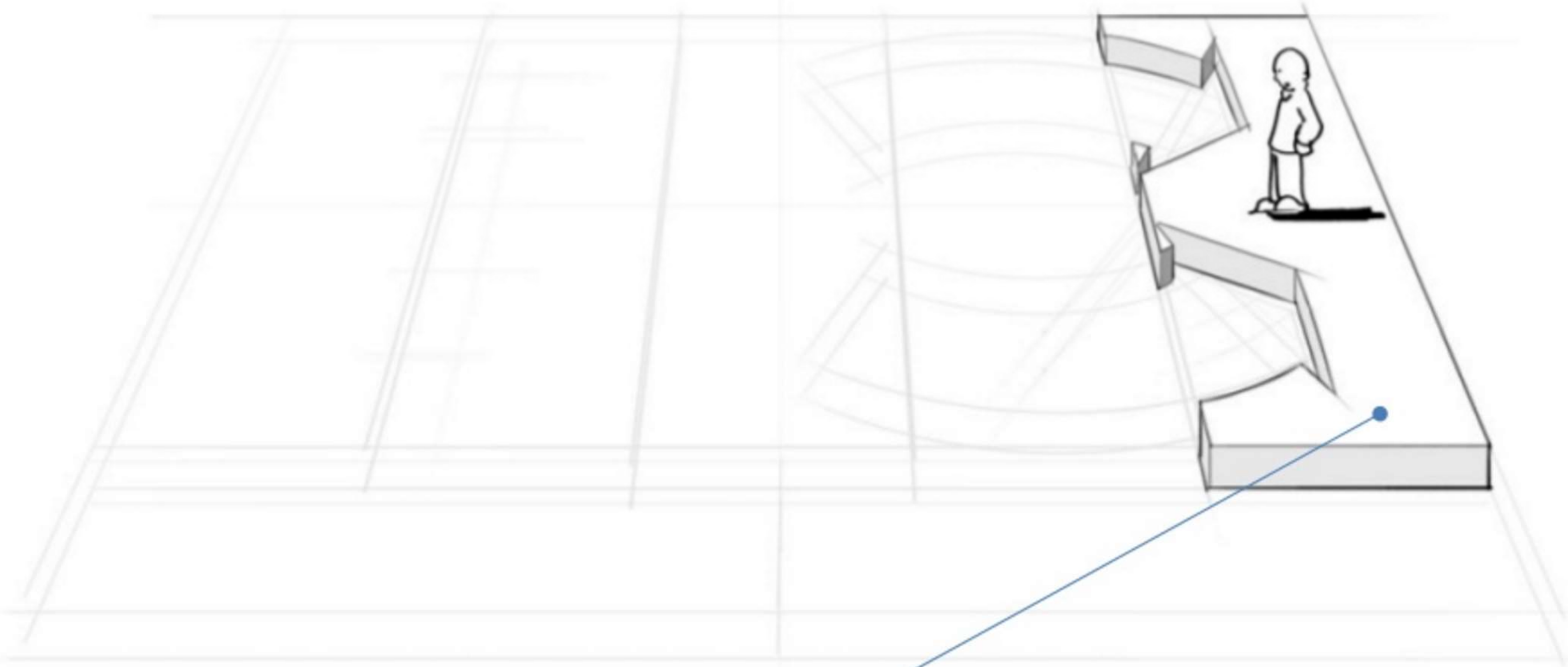
What is a Business Model?

a clearly stated outline of how the business intends to generate revenue.

Business Model Canvas



Customer Segments



which customers and users are you serving?
which jobs do they really want to get done?

Customer Segments

- For whom are we creating value?
- Who are our most important customers?

  - Mass Market
  - Niche Market
  - Segmented
  - Diversified
  - Multi-sided Platform

Facebook – World's leading Social Networking Site (SNS)

Key Partners

- Content Partners (TV Shows, Movies, Music, News Articles)

Key Activities

- Platform Development
- Data Center Operations Mgmt

Key Resources

- Facebook Platform
- Technology Infrastructure

Value Propositions

- Connect with your friends, Discover & Learn, Express yourself
- Reach, Relevance, Social Context, Engagement
- Personalized and Social Experiences, Social Distribution, Payments

Relationships

- Same-side Network Effects
- Cross-side Network Effects

Channels

- Website, Mobile Apps
- Facebook Ads, Facebook Pages
- Developer Tools and APIs

Customer Segments

- Internet Users
- Advertisers and Marketers
- Developers

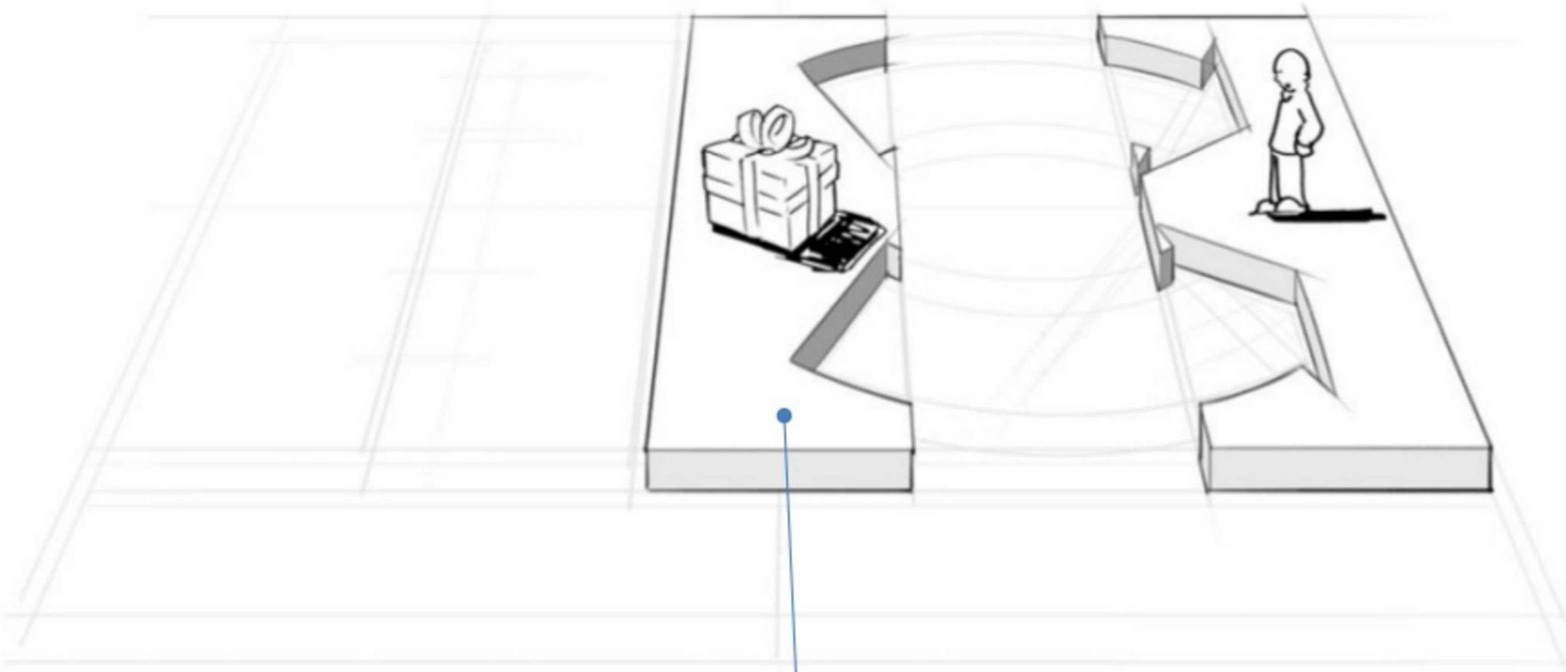
Cost Structure

- Data center costs
- Marketing and Sales
- Research and Development
- General and Administrative

Revenue Streams

- Free
- Ad Revenues
- Payment Revenues

Value Proposition



what are you offering them? what is that getting done for them? do they care?

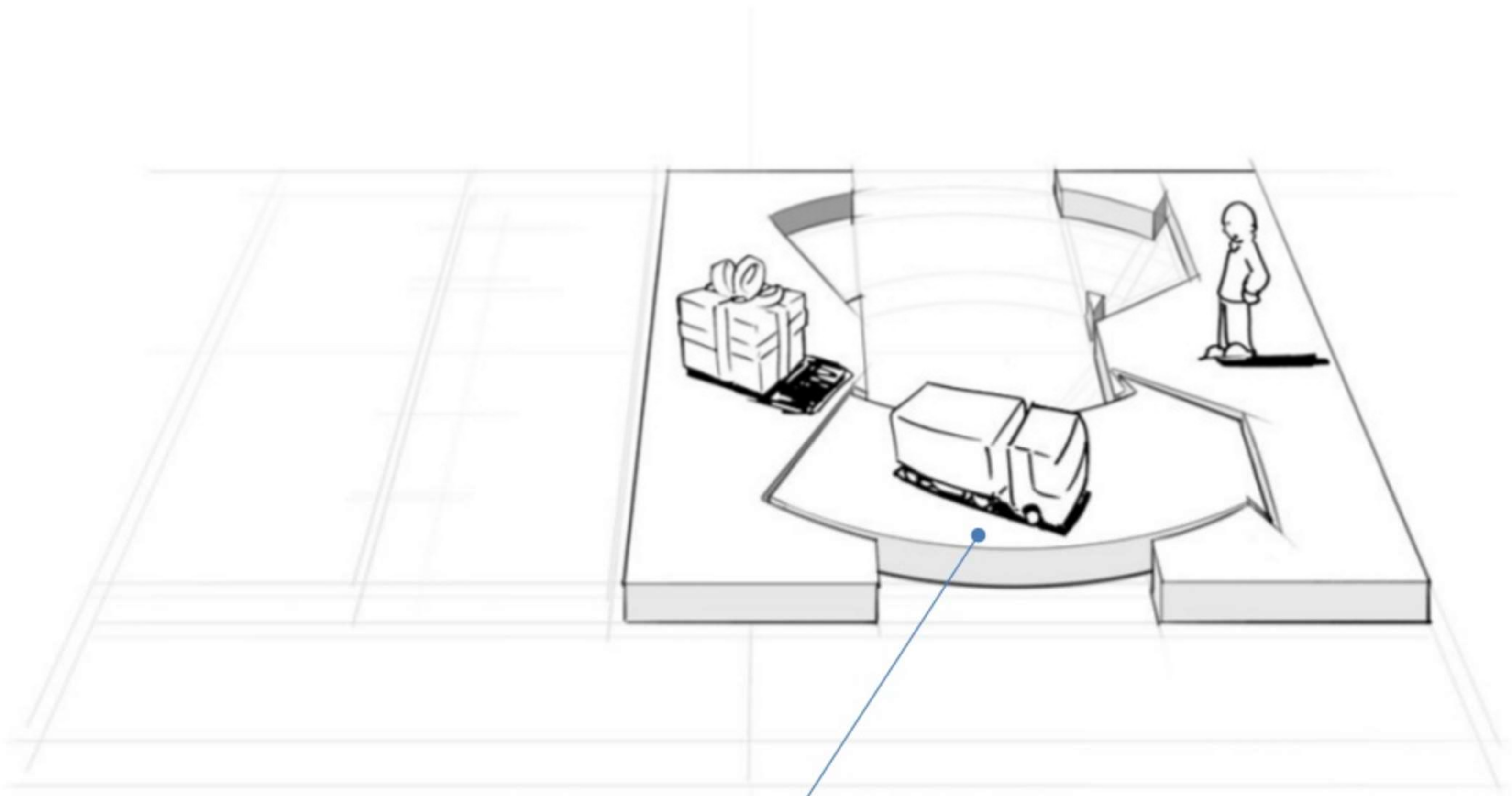
Value Proposition

- 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

Channels

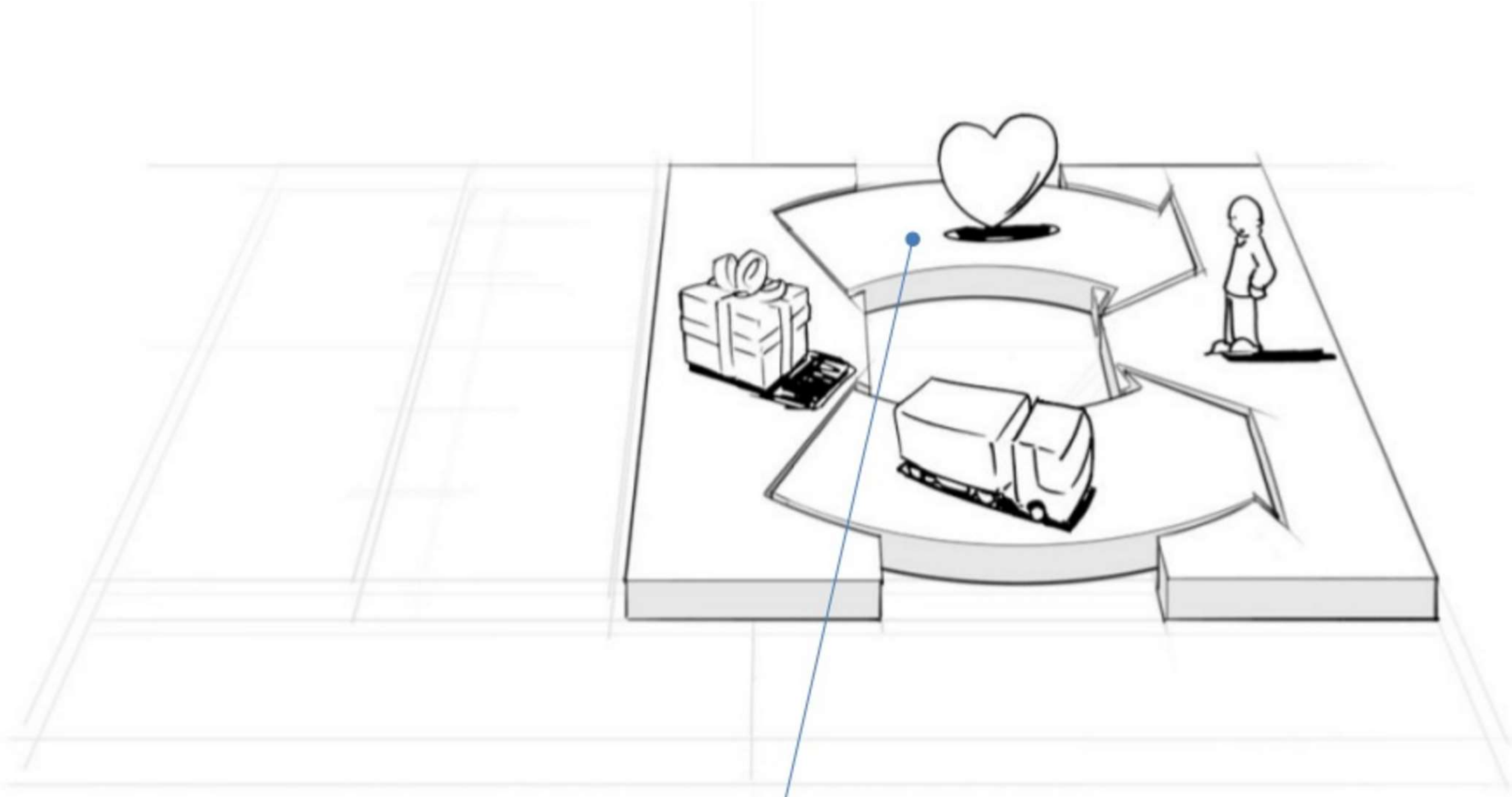


how does each customer segment want to be reached?
through which interaction points?

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 Relationships



what relationships are you establishing with each segment?
personal? automated? acquisitive? retentive?

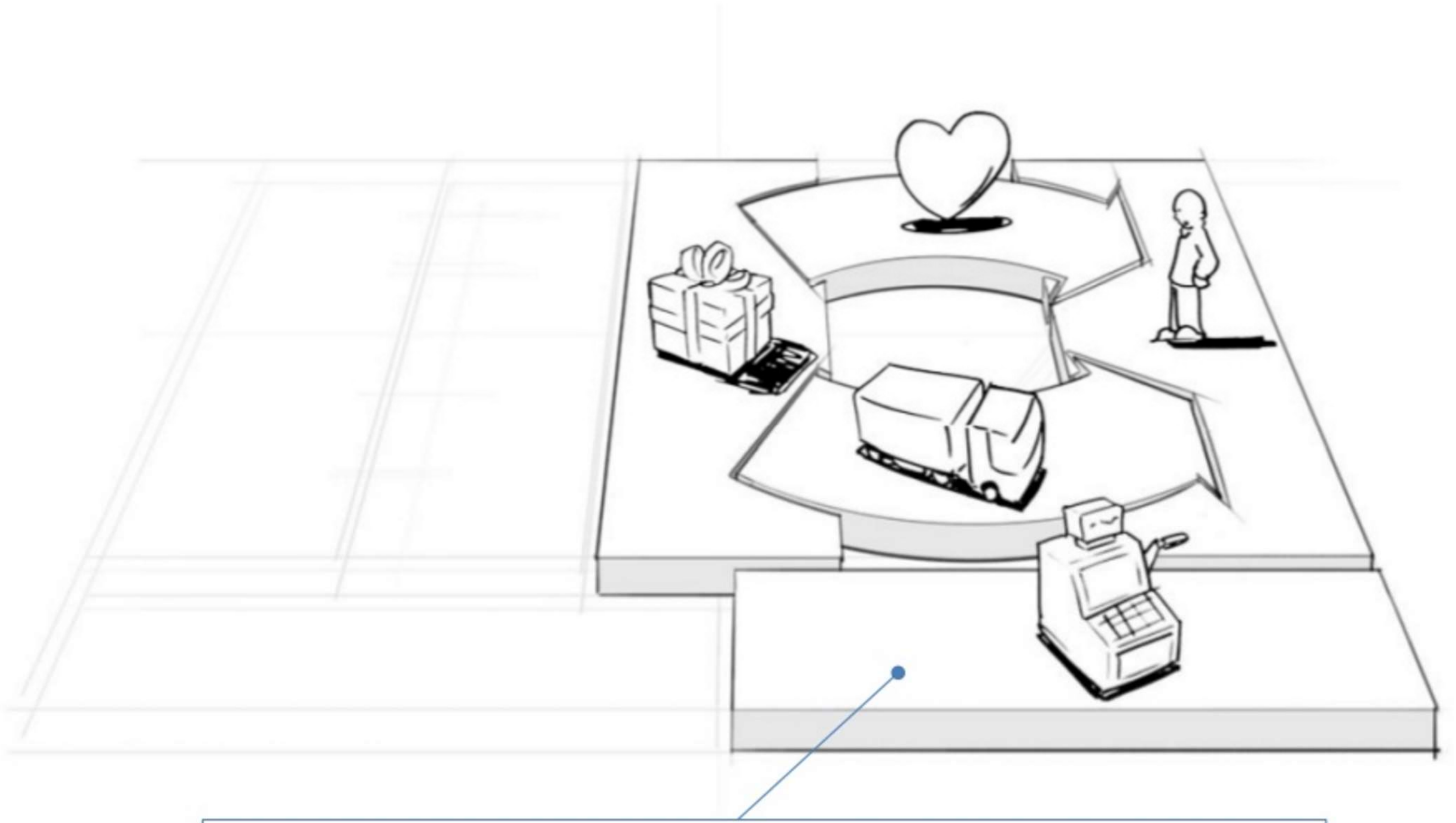
Customer Relationships

- 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?

Examples

- Personal Assistance
- Dedicated Personal Assistance
- Self-service
- Automated Services
- Communities
- Co-creation

Revenue Streams



what are customers really willing to pay for? how?
are you generating transactional or recurring revenues?

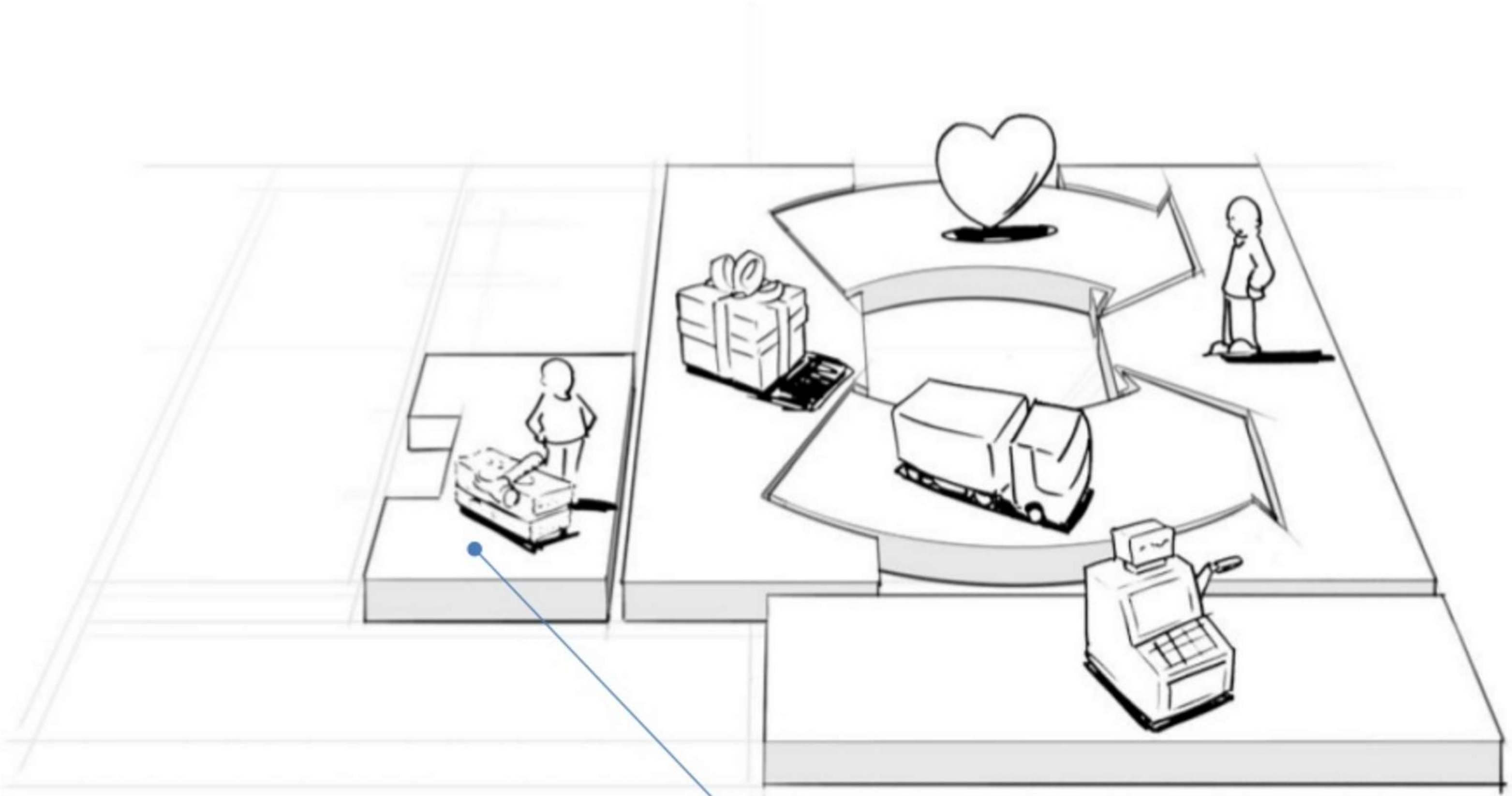
Revenue Streams

- 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

Key Resources



which resources underpin your business model?
which assets are essential?

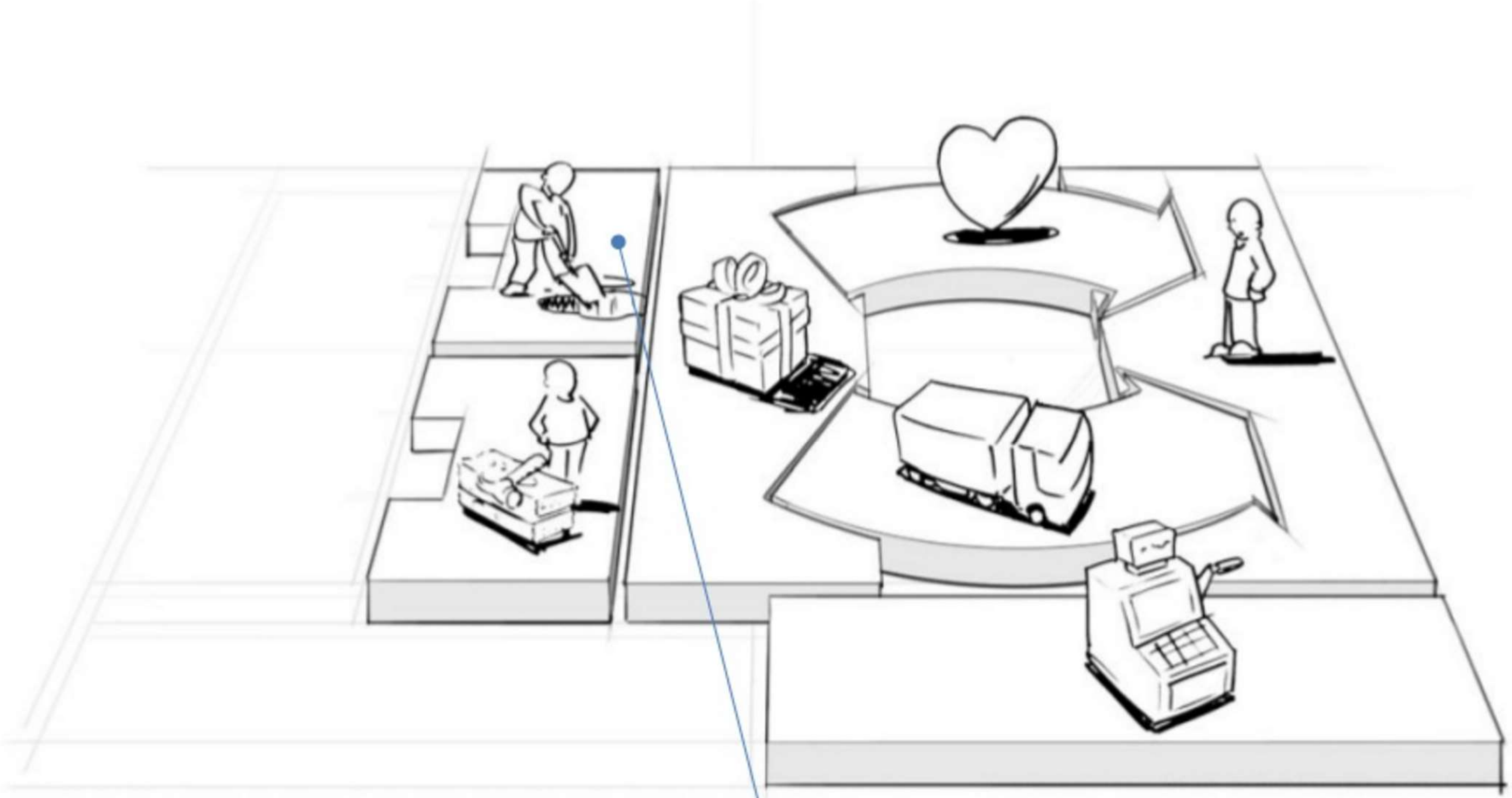
Key Resources

- 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

Key Activities



which activities do you need to perform well in your business model? what is crucial?

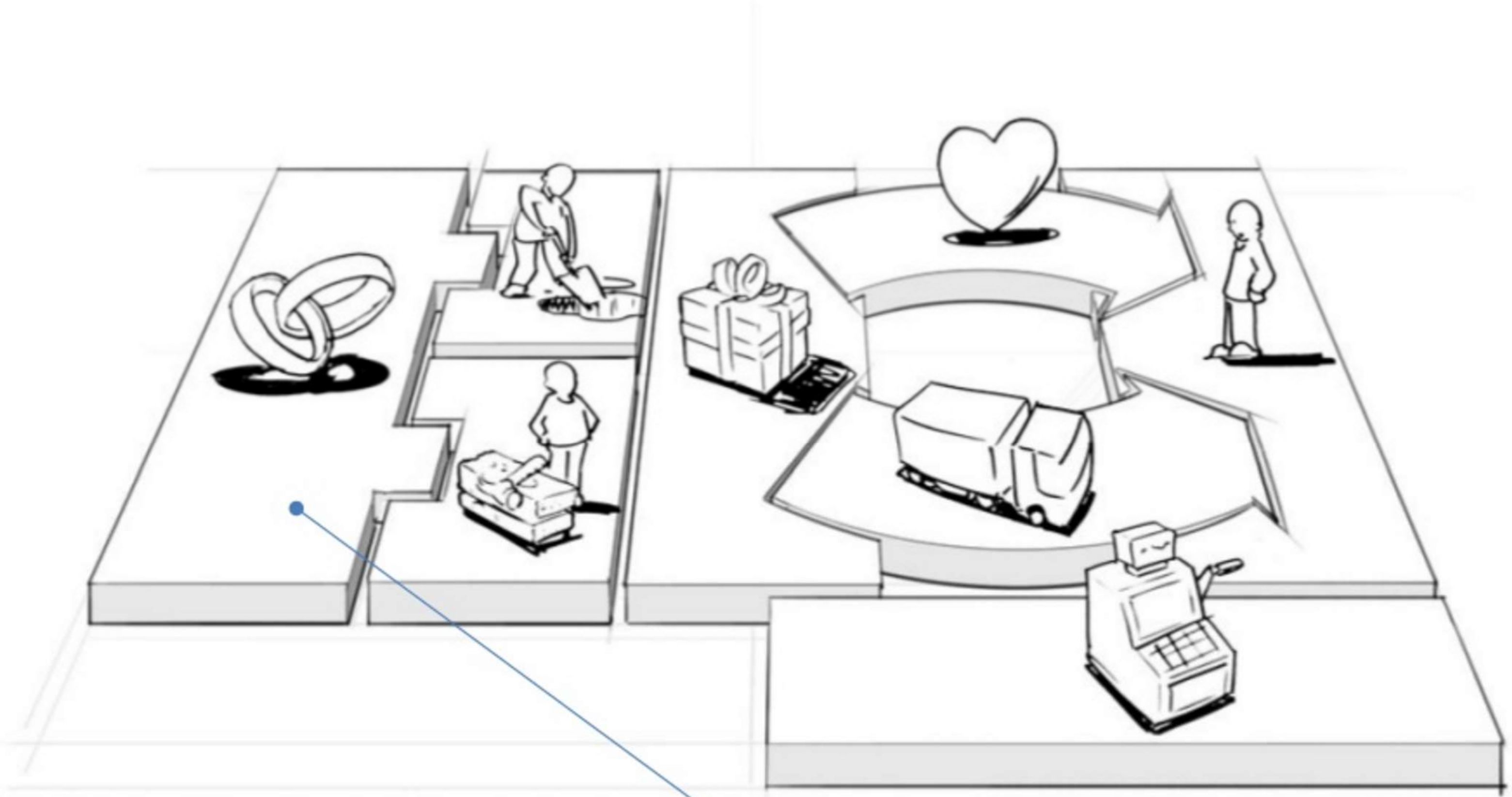
Key Activities

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

Categories:

- Production
- Problem Solving
- Platform/ Network

Key Partners



which partners and suppliers leverage your model?
who do you need to rely on?

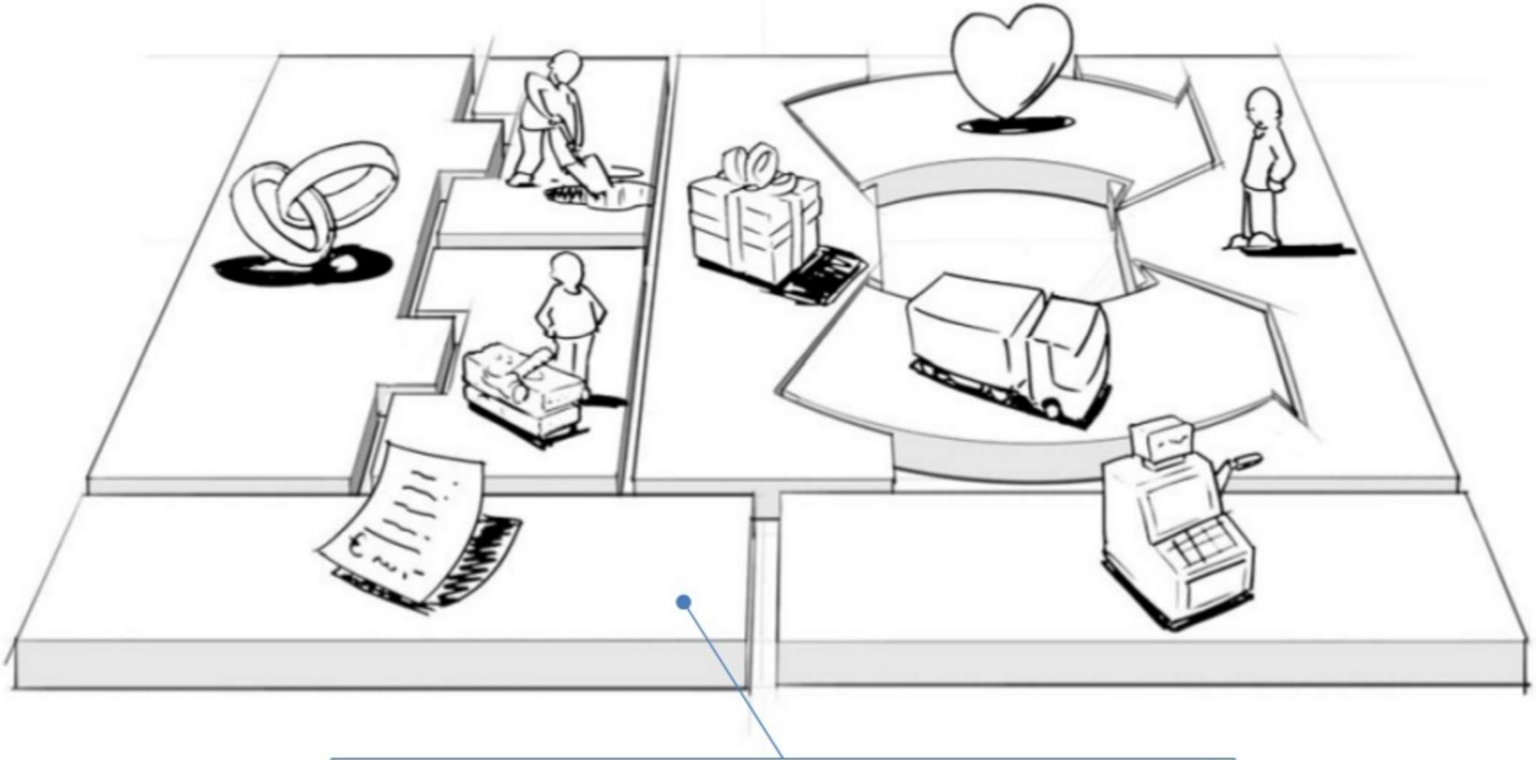
Key Partners

- 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

Cost Structure



what is the resulting cost structure?
which key elements drive your costs?

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

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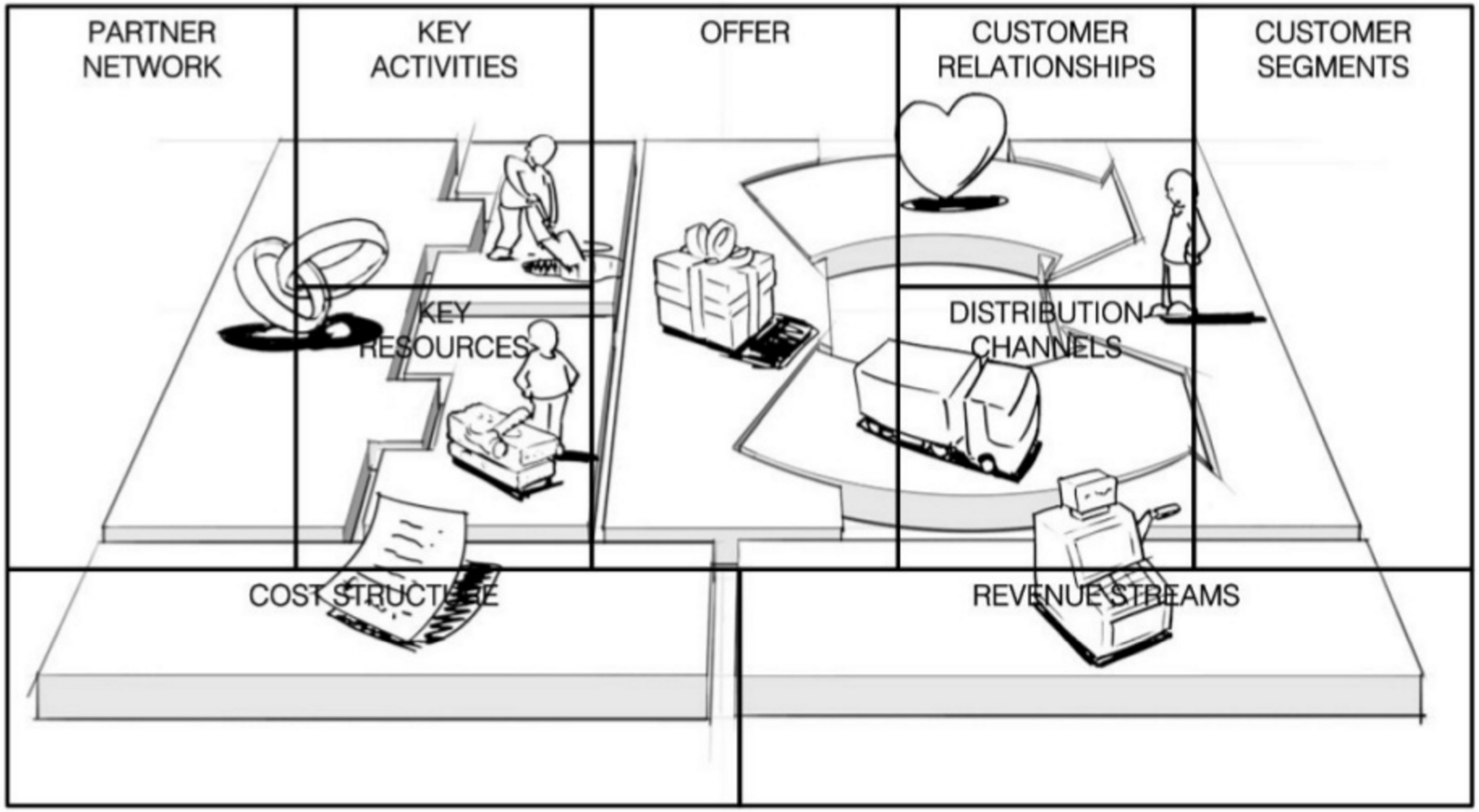

Business Model Canvas Example

Facebook

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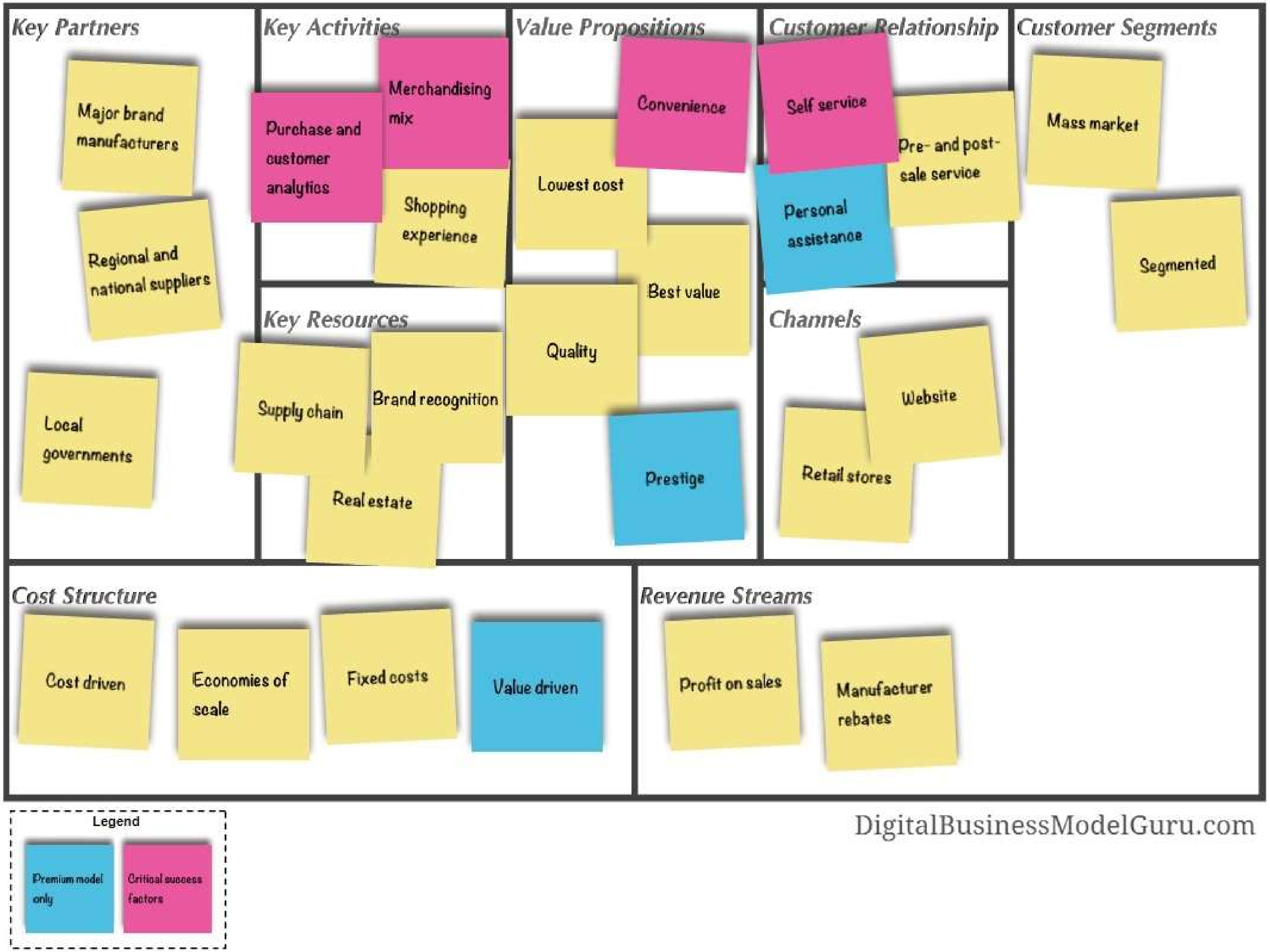
Business Model Canvas Example

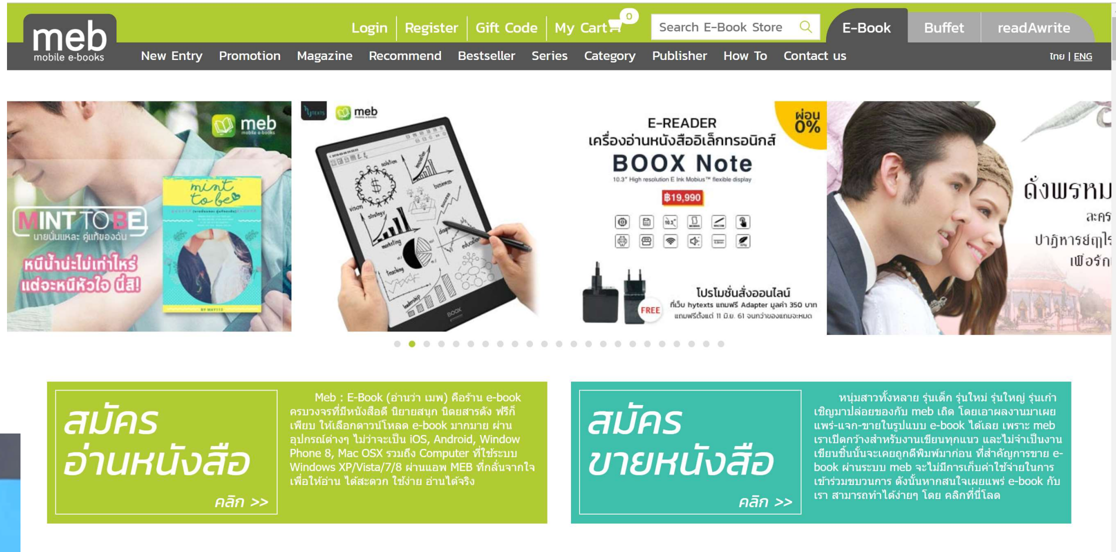
Traditional Retail

Business Model Canvas: Traditional Retail



Some ideas for your business model canvas activity

- Netflix
- Grab…
- Alibaba
- Private bank
- CPN
- Diamond Grains
- More sheet TU
- Meb e-book
- SOS multi-brand store
- Refinn



- Spotify, QQ, Wongnai, Lineman,