Business Model Canvas

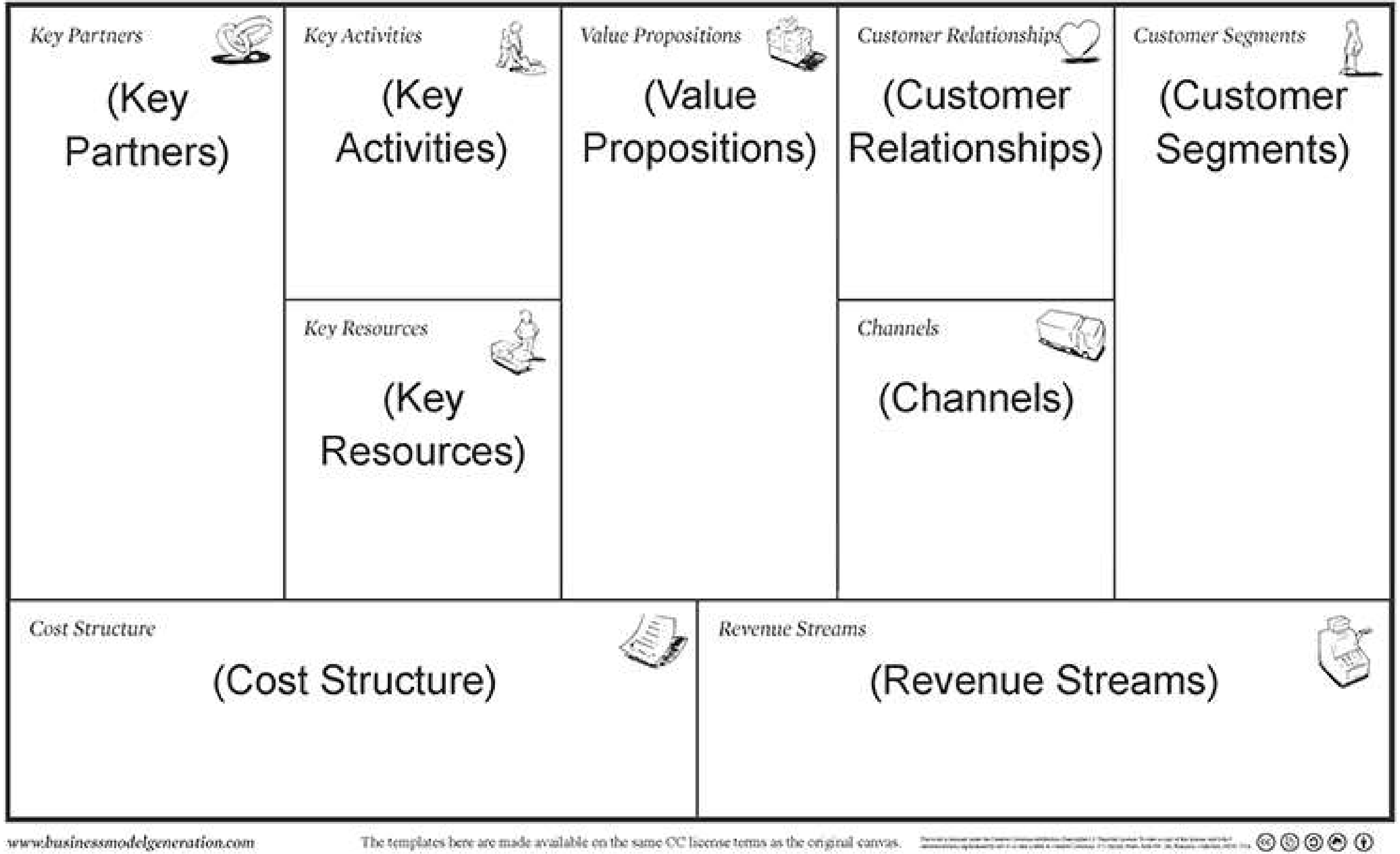
BA291

THAMMASAT
people & sustainability

What is a Business Model?

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

Business Model Canvas

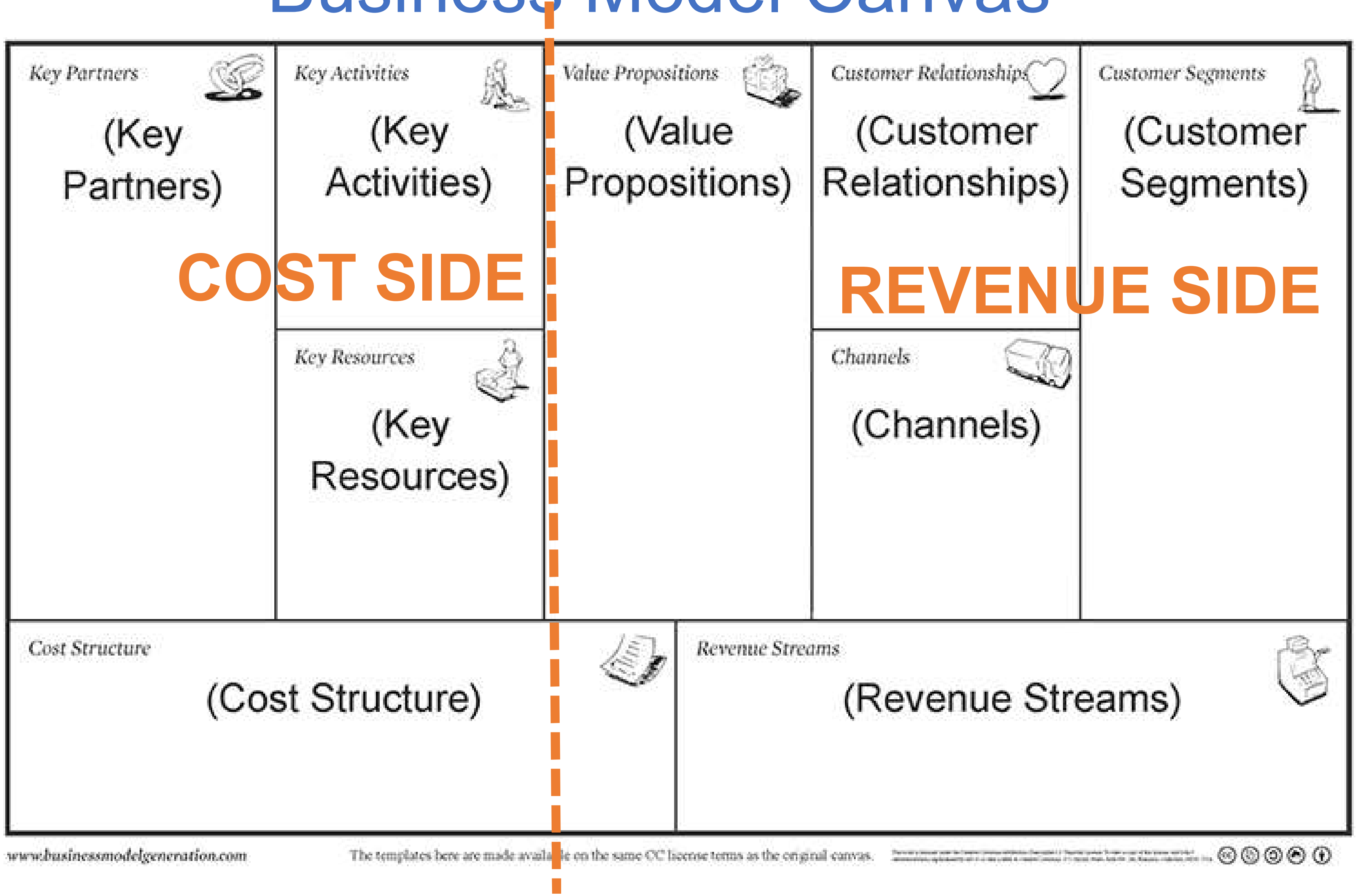


Some ideas for your business model canvas activity

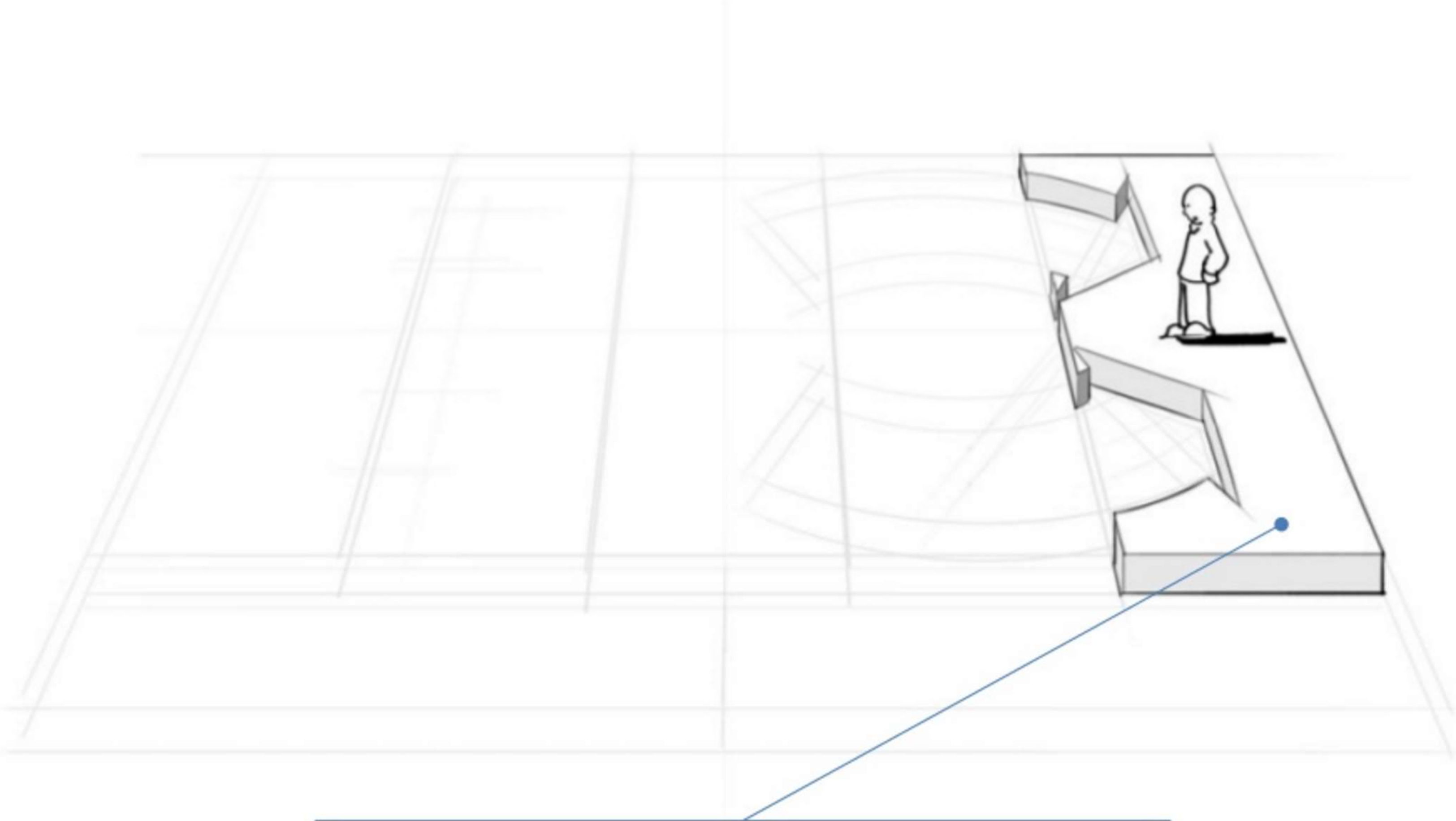
- **Netflix**
- **Grab…**
- **Alibaba**
- **Private bank**
- **CPN**
- **Diamond Grains**
- **More sheet TU**
- **Meb e-book**
- **SOS multi-brand store**
- **Refinn**

- **Spotify, QQ, Wongnai, Lineman,**

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 — Often found in consumer electronics sector
  - Niche Market — Often found in supplier-buyer relationships
  - Segmented — Market segments with slightly different needs and problems
  - Diversified — Unrelated Customer Segments with very different needs and problems
  - Multi-sided Platform — Two or more interdependent Customer Segments e.g. a credit card company or a free newspaper

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

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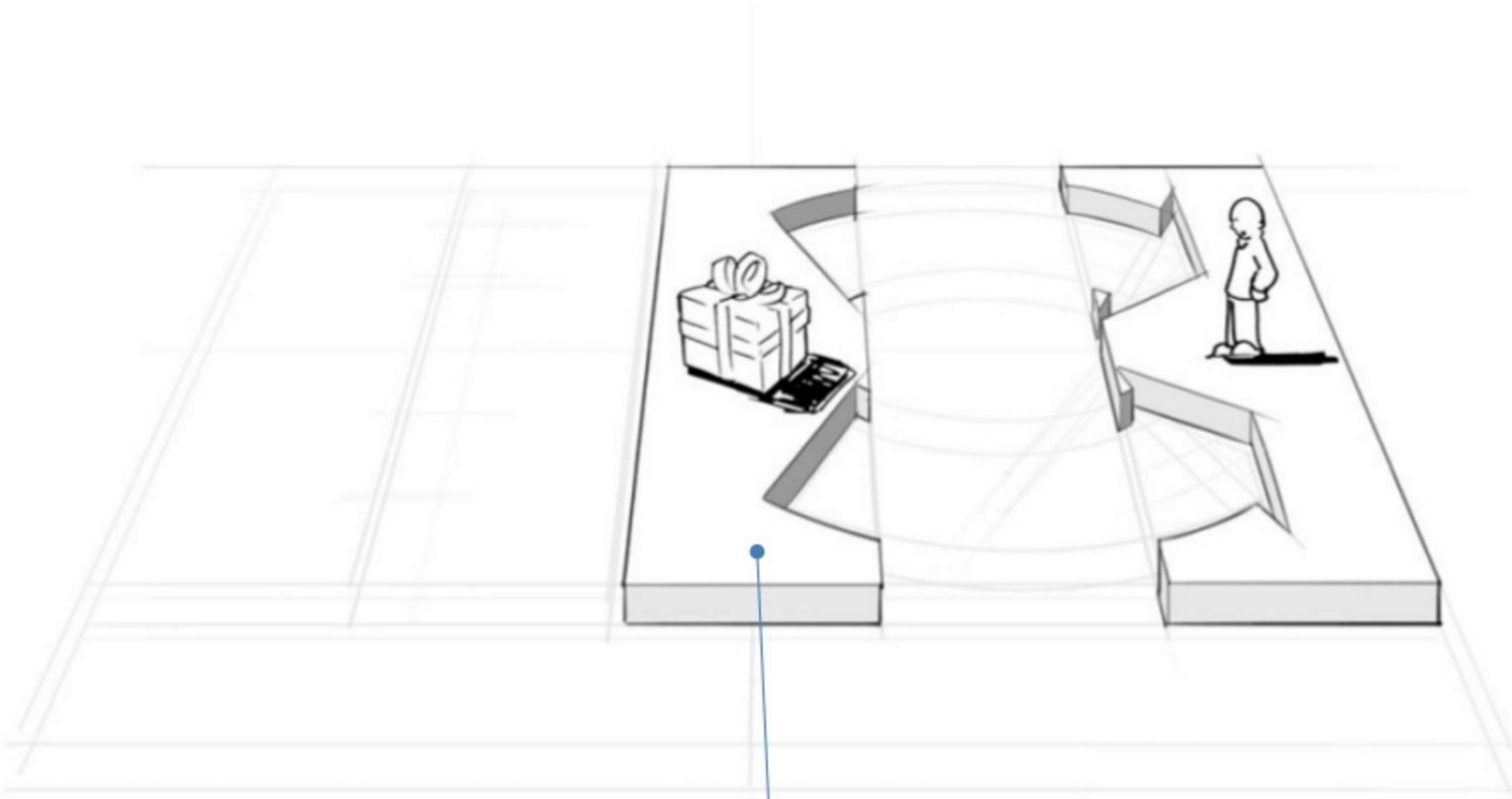
Value Proposition



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

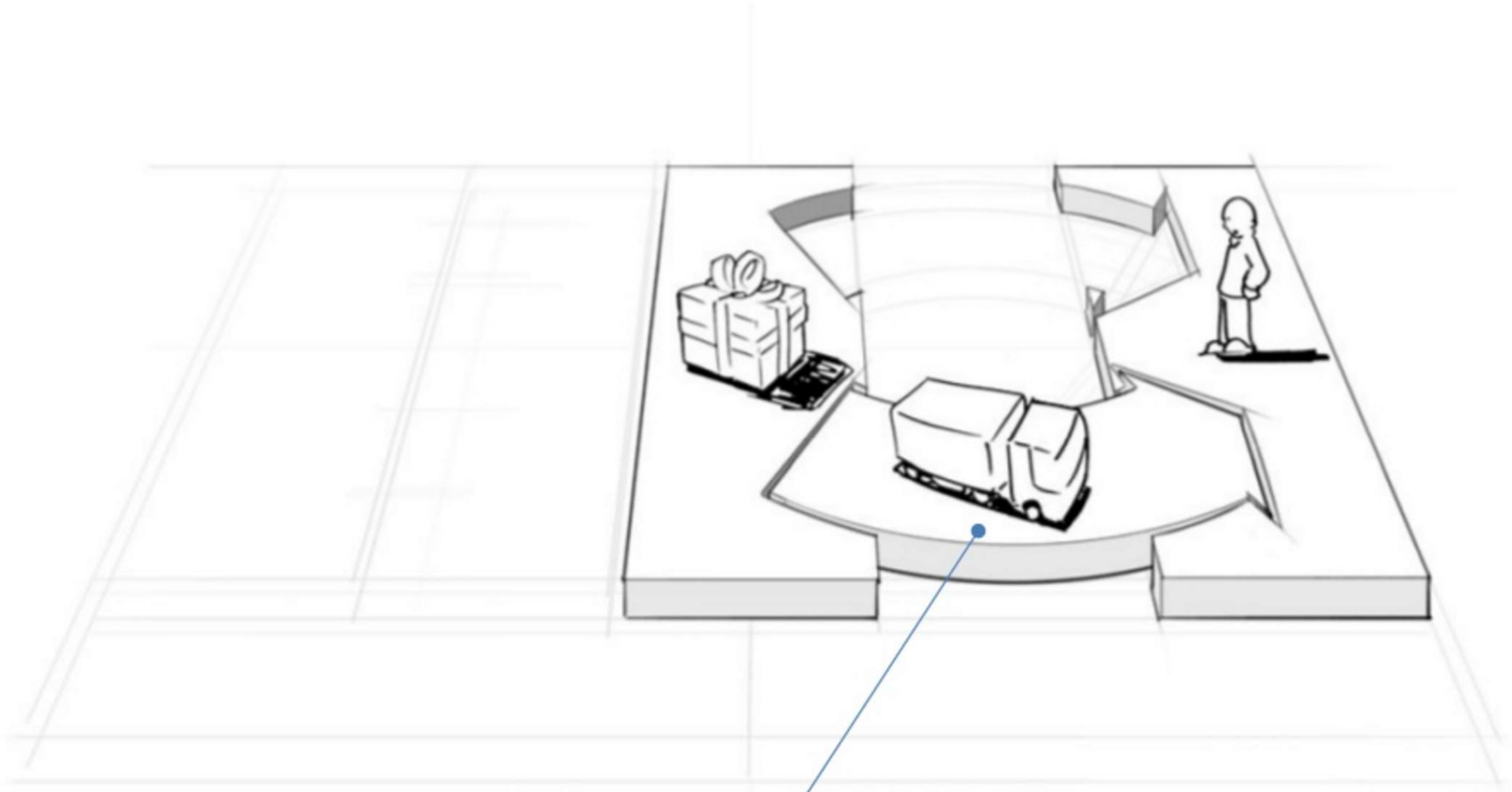
Value Proposition

- 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

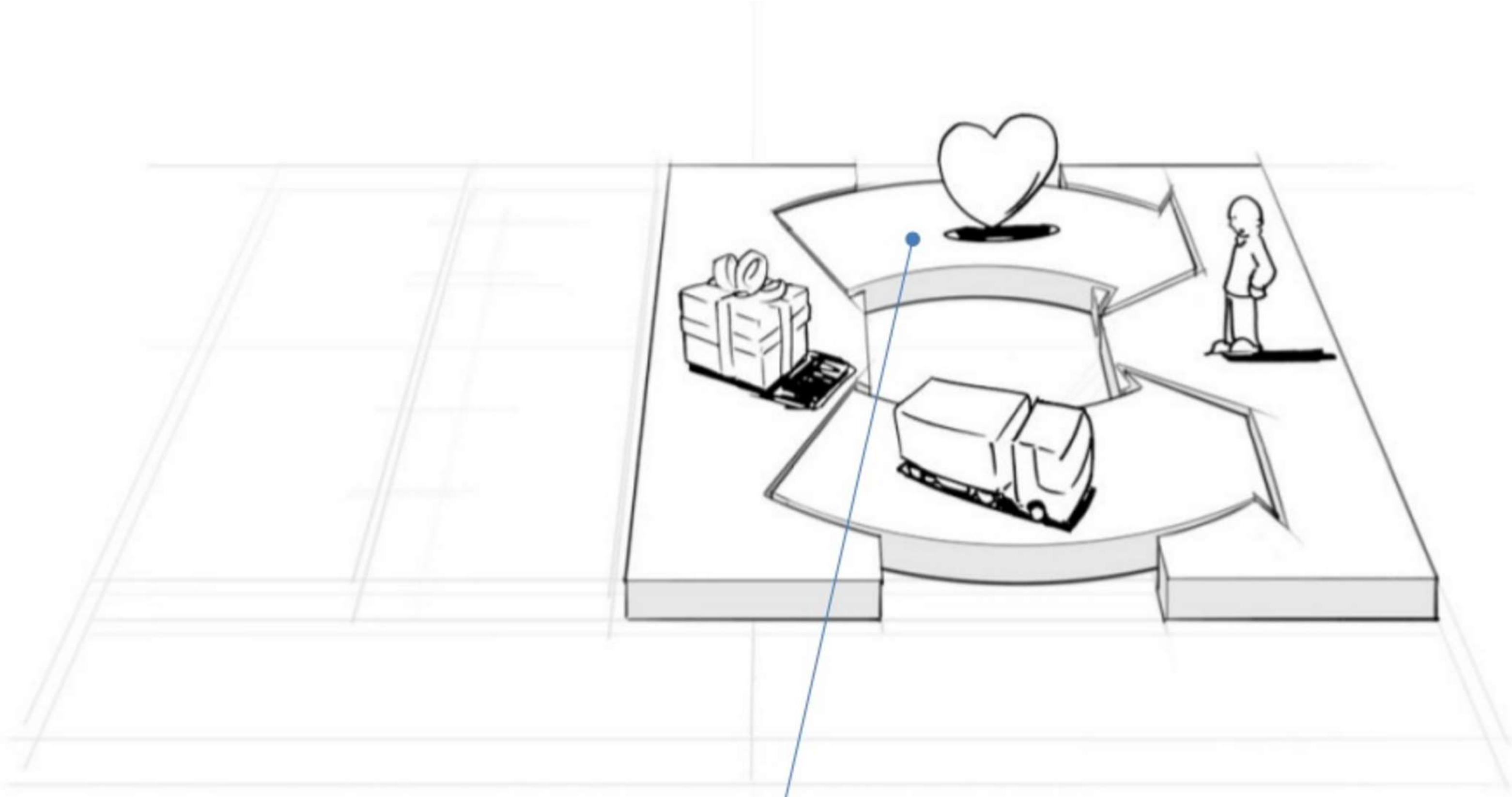


how does each customer segment want to be reached?
through which interaction points?

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?

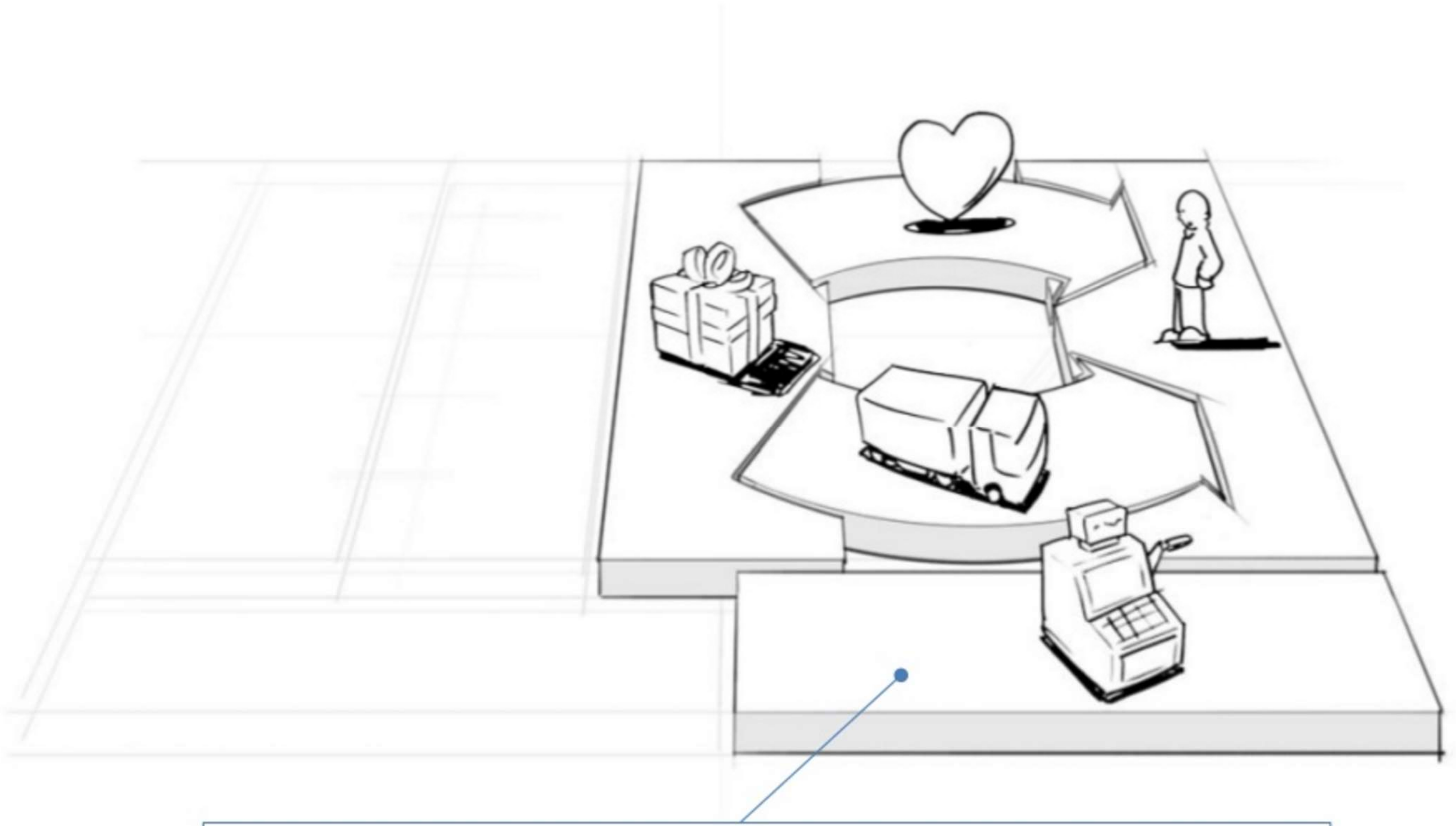
Customer Relationships

- 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?

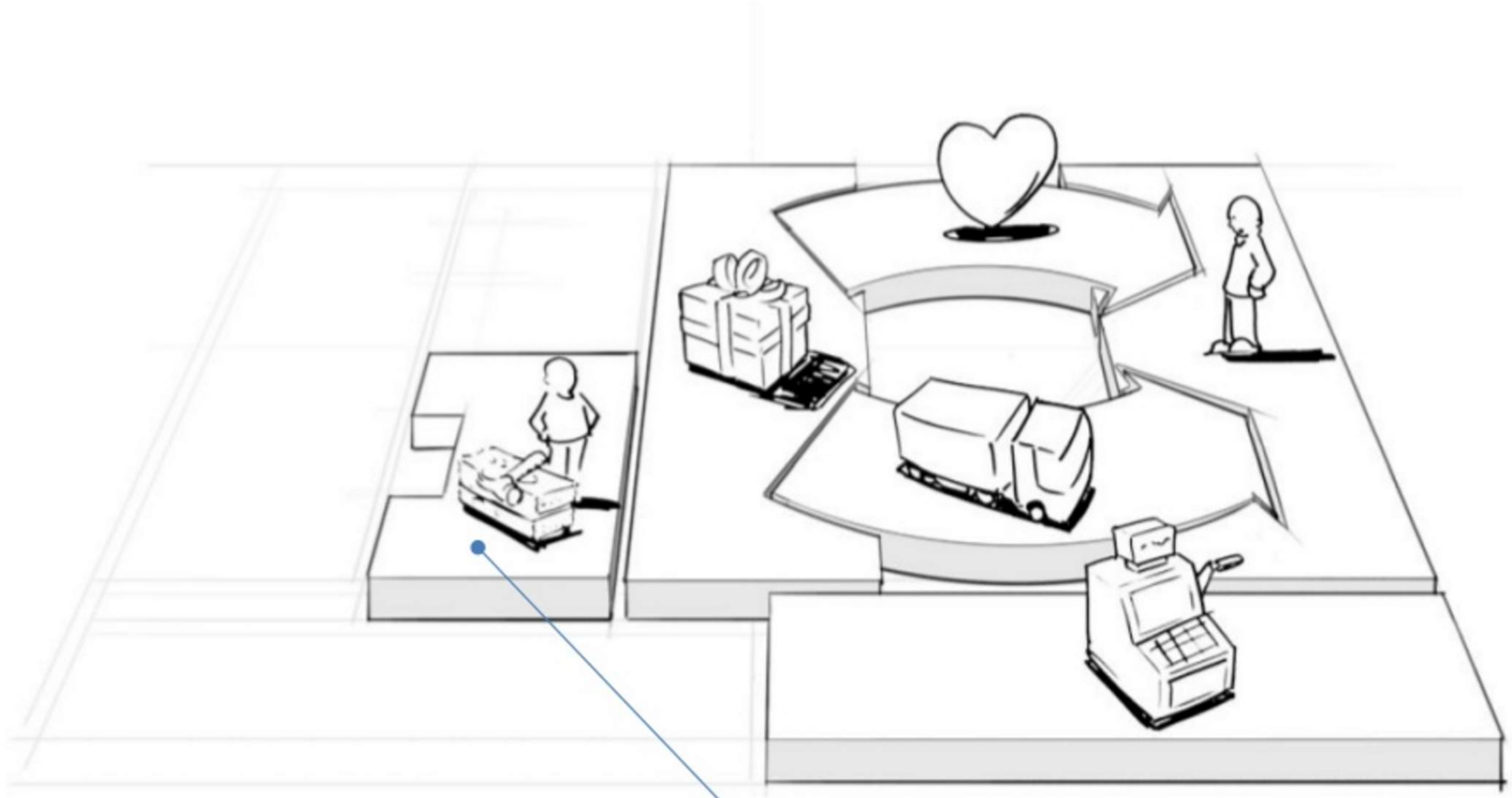
Revenue Streams

- 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?

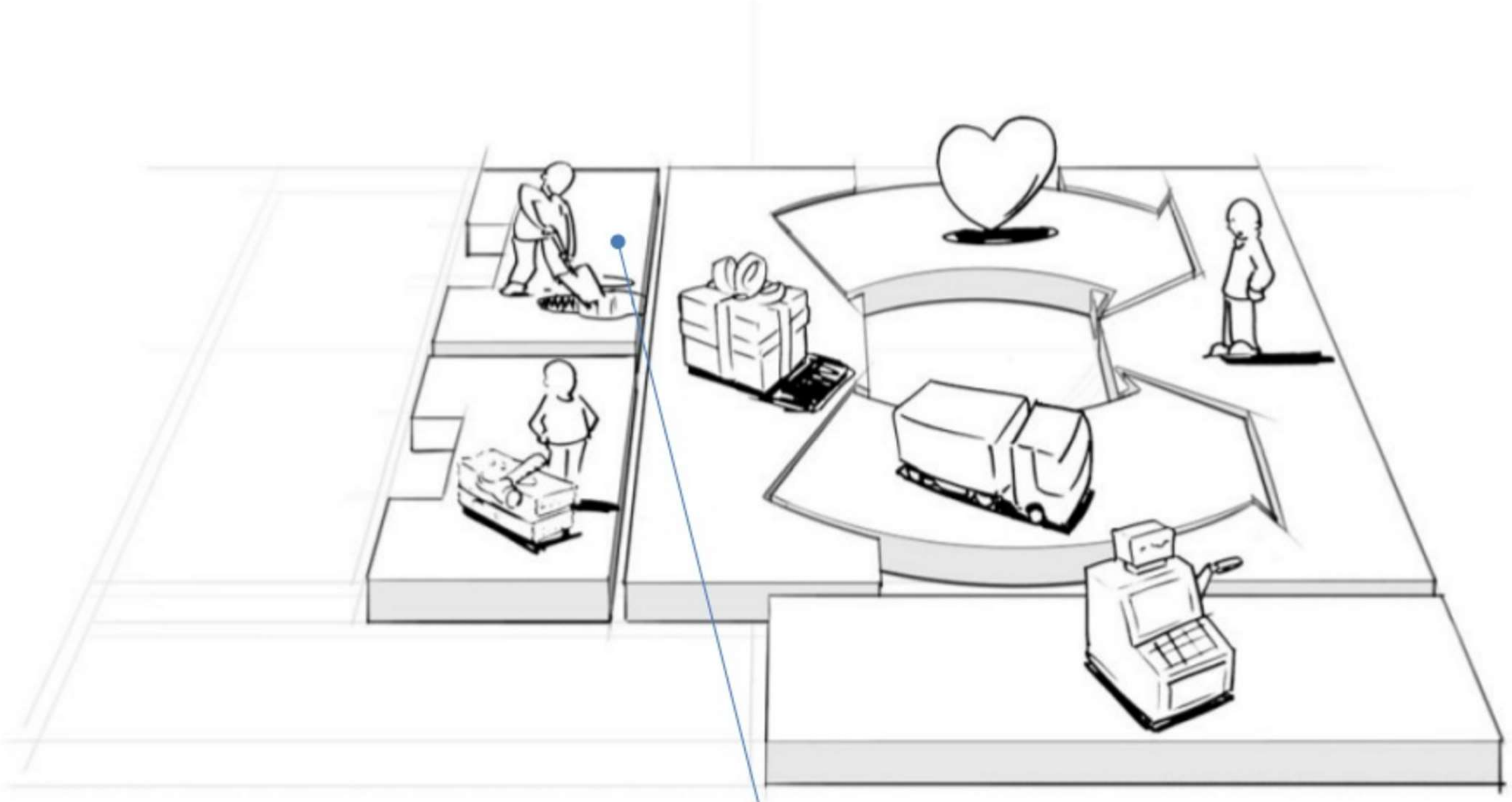
Key Resources

- 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?

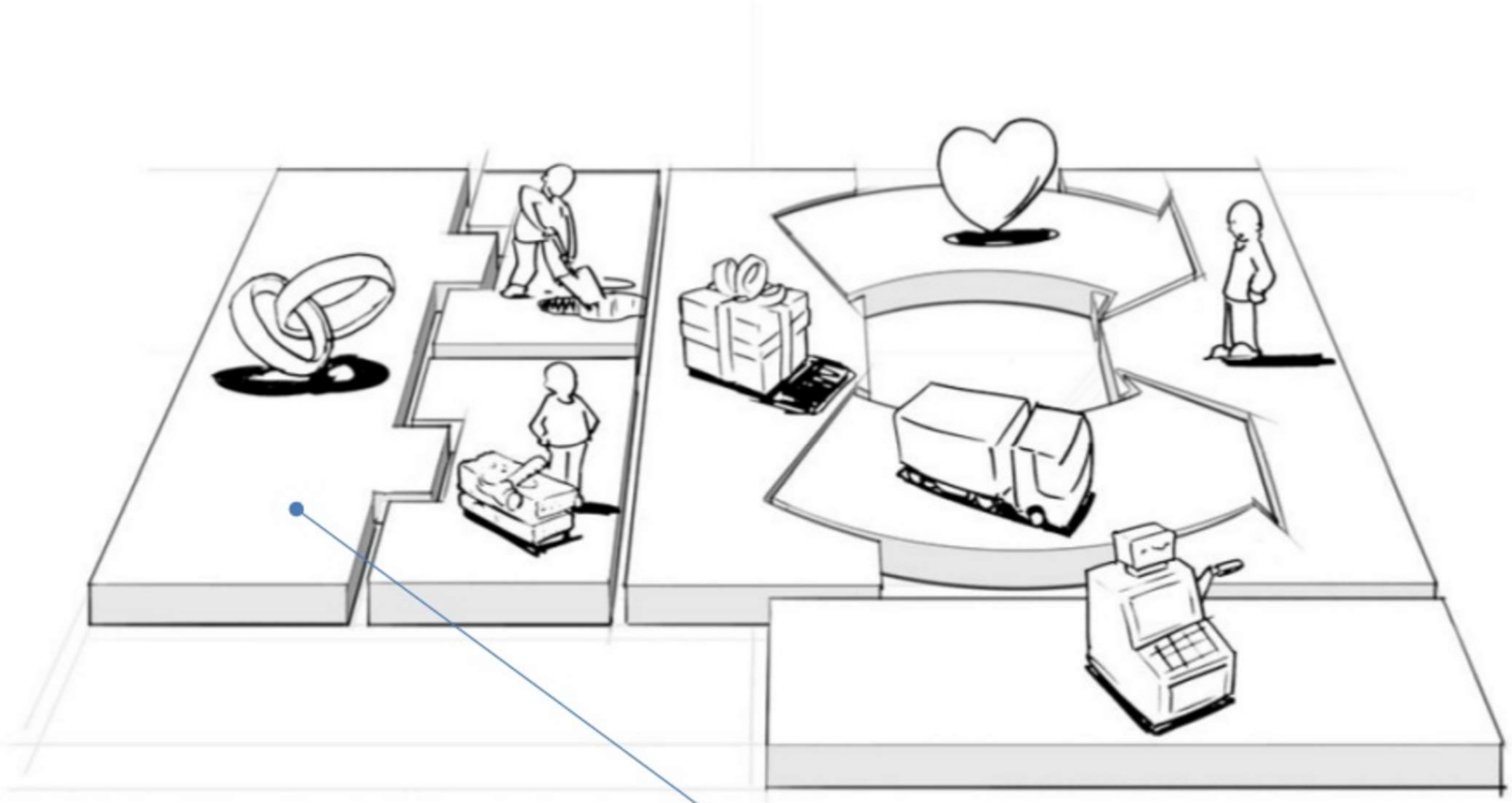
Key Activities

- 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?

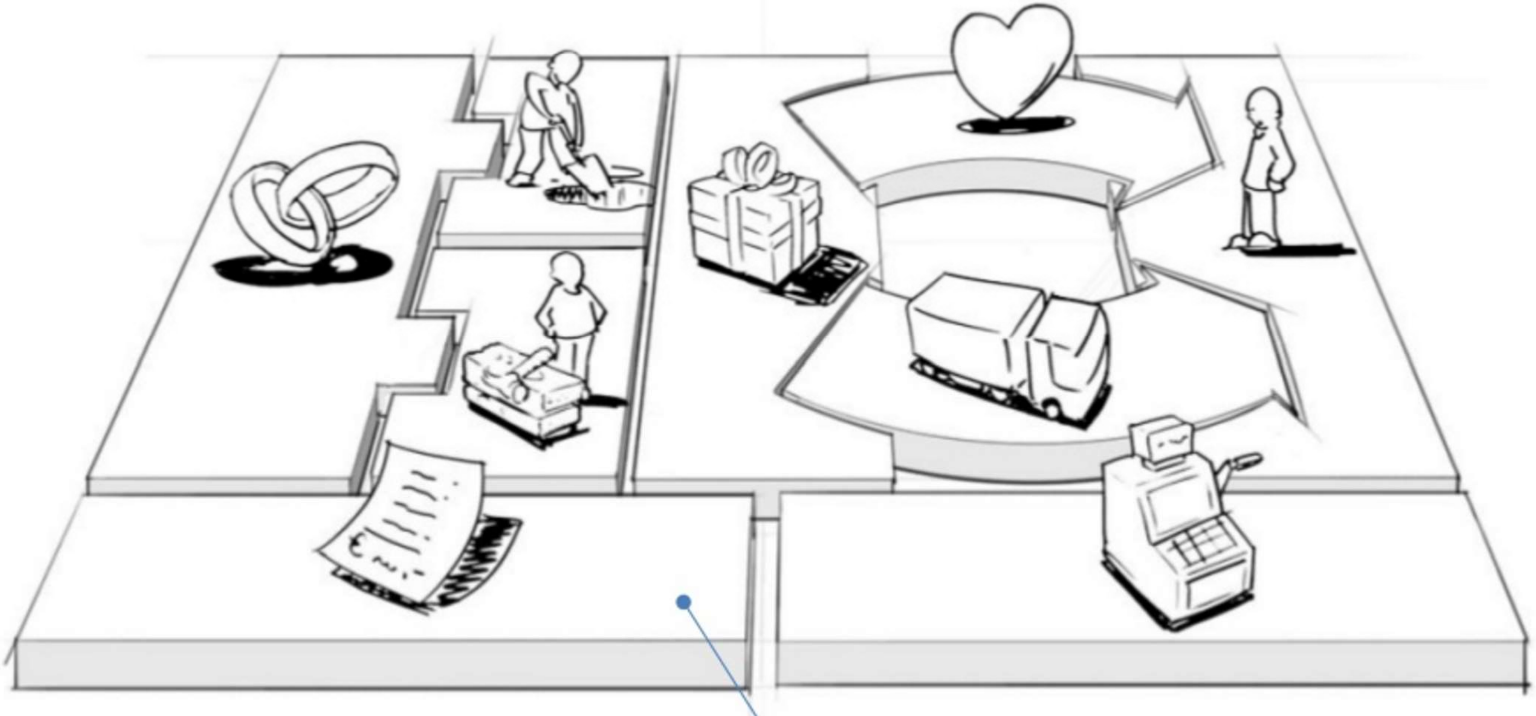
Key Partners

- 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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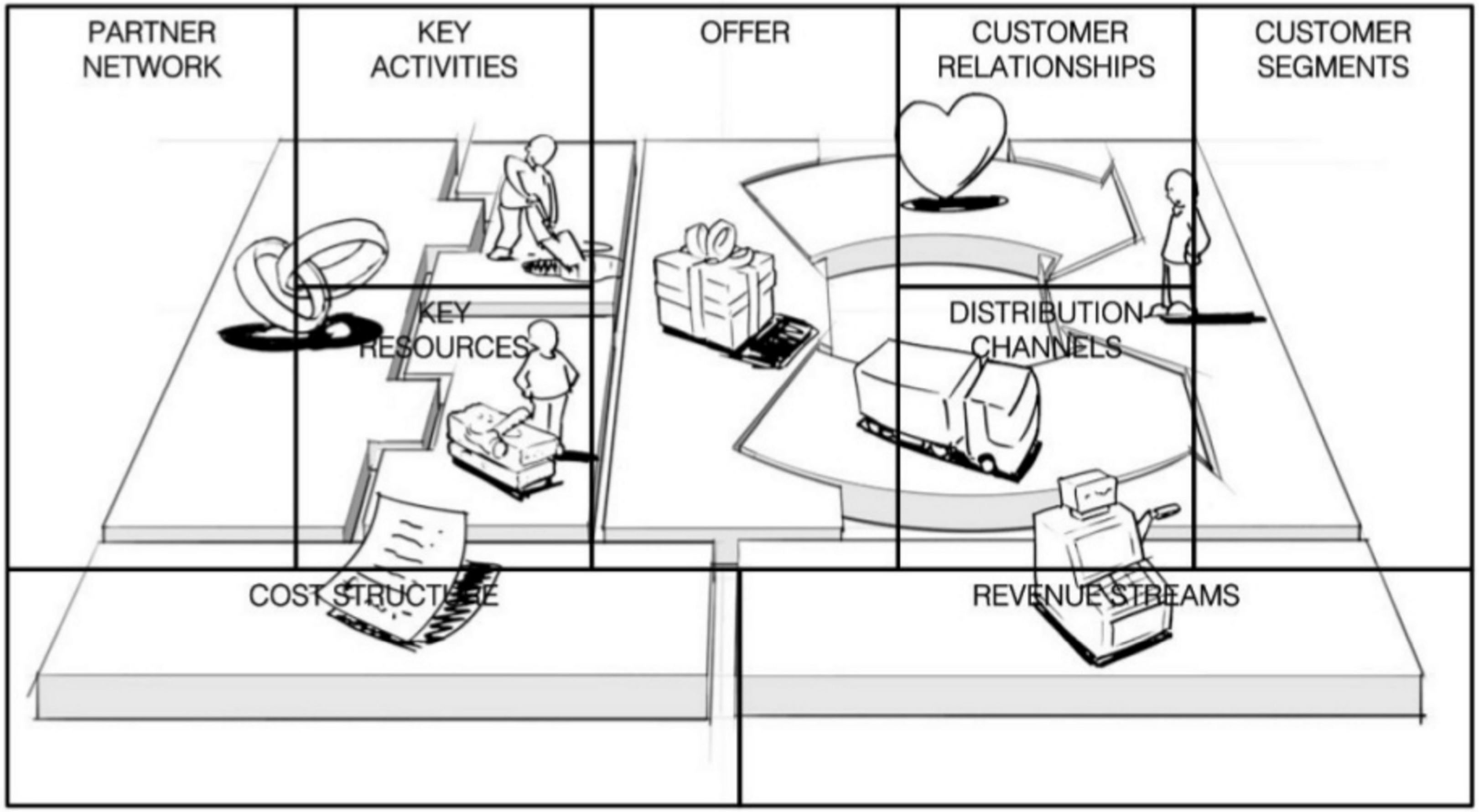

Business Model Canvas
Example

Facebook

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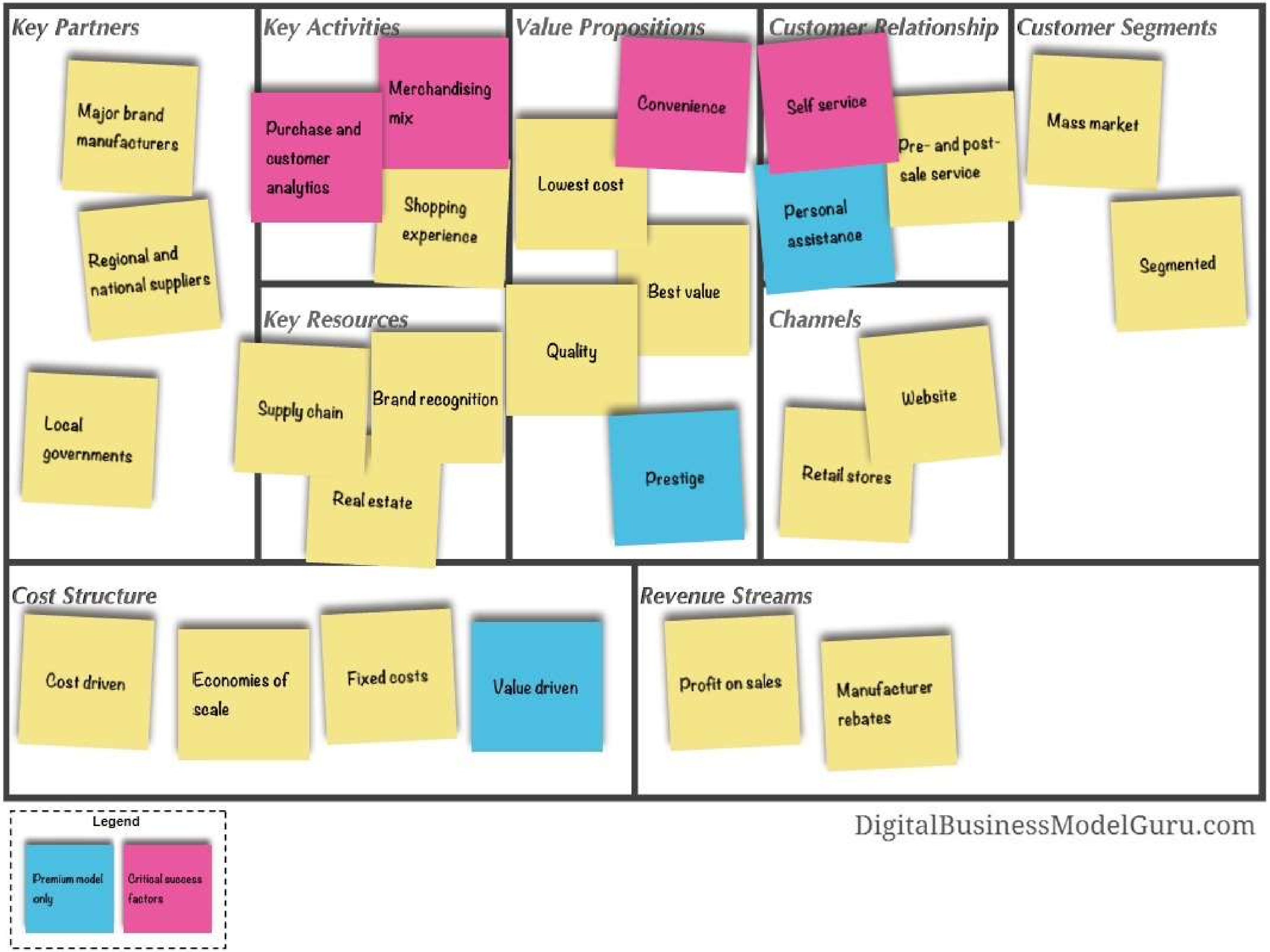
Business Model Canvas Example

Traditional Retail

Business Model Canvas: Traditional Retail



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