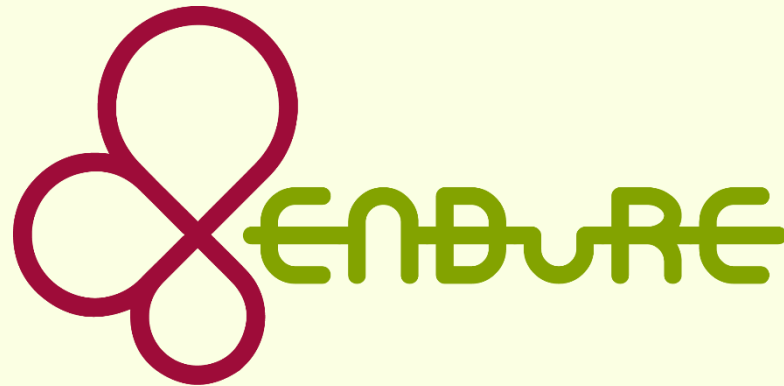




Business Model and business growth

Odense 12.05.2016



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Agenda

- Reflections from last week
- Front end Innovation - RobieX, Thomas Kroman, Business Development, Blue Ocean Robotics
- Business Modelling
- Value Proposition
- The perfect business model
- Your business model
- Scalability and global perspective
- Wrap up and assignment

Reflections

- The social orientation of your business
 - What has been your reflection since last week?
 - Any new perspectives or initiatives
 - What progress have you made
- Our feedback
 - Good feedback among groups
 - Showed interest in engaging in discussions

80% *of companies believe they deliver outstanding value and a superior customer experience.*

8% *of their customers agree.*

Source: Closing the delivery gap, Bain and Company

Today

- A lot of hands on work
- Presenting
- Giving feedback
- Asking tricky, dumb, sneaky, intelligent questions
- Reflecting

Front End Innovation

- Blue Ocean Robotics

Business Modelling

- Building the business for your idea that will make fly
- *A business model describes the rationale of how an organization creates, delivers and captures value.*

Osterwalder, 2010

- The value you produce and offer
- To whom and how you deliver it
- How you recuperate your costs

Business models defined

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

Osterwalder, 2010

- What the company offers, to whom and how this is done.

Background and starting point

- Alexander Osterwalder



UNIVERSITE DE LAUSANNE
ECOLE DES HAUTES ETUDES COMMERCIALES

THE BUSINESS MODEL ONTOLOGY
A PROPOSITION IN A DESIGN SCIENCE APPROACH

THESE

Présentée à l'Ecole des Hautes Etudes Commerciales
de l'Université de Lausanne

par

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Pour l'obtention du grade de
Docteur en Informatique de Gestion

2004



Business Idea to Business Model

- The **business idea** is a robust vision relating to a business opportunity - *a solution which satisfies a need*
- The **business model** describes how the business captures the opportunity in order to make money

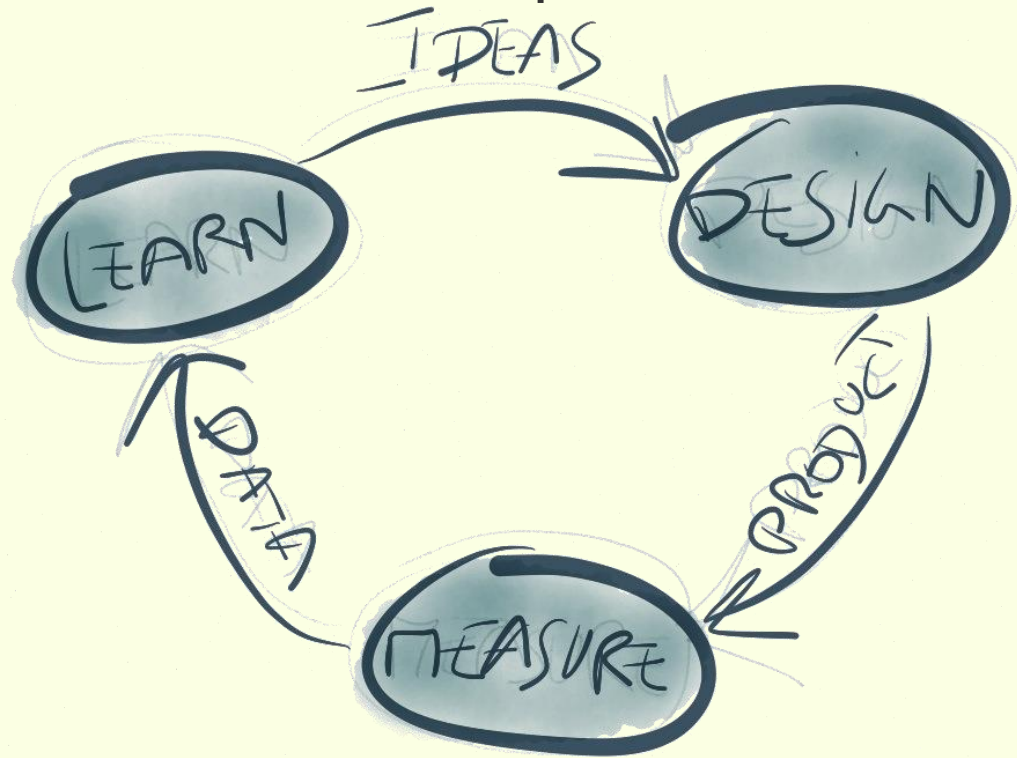
The focus

Where does
the money
come from?



Working with it

- To work with a business model is a process of **designing**, **testing** and **evaluating** a business idea for a product or service.
- Similar to Lean Start-Up
- Iterative process
- Always be a next version



Business model canvas

- 4 areas → 9 building blocks

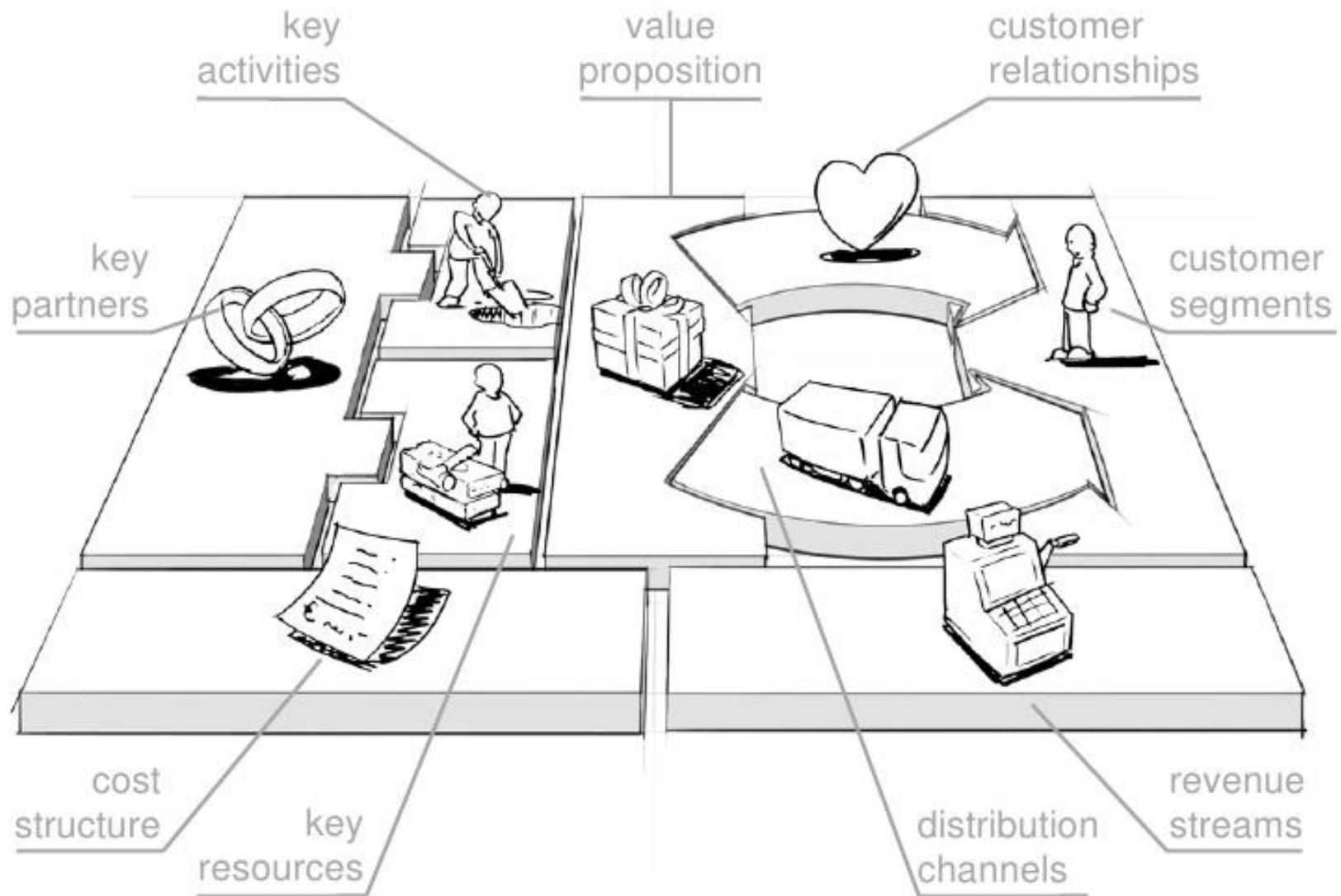
How

What

Who

Money

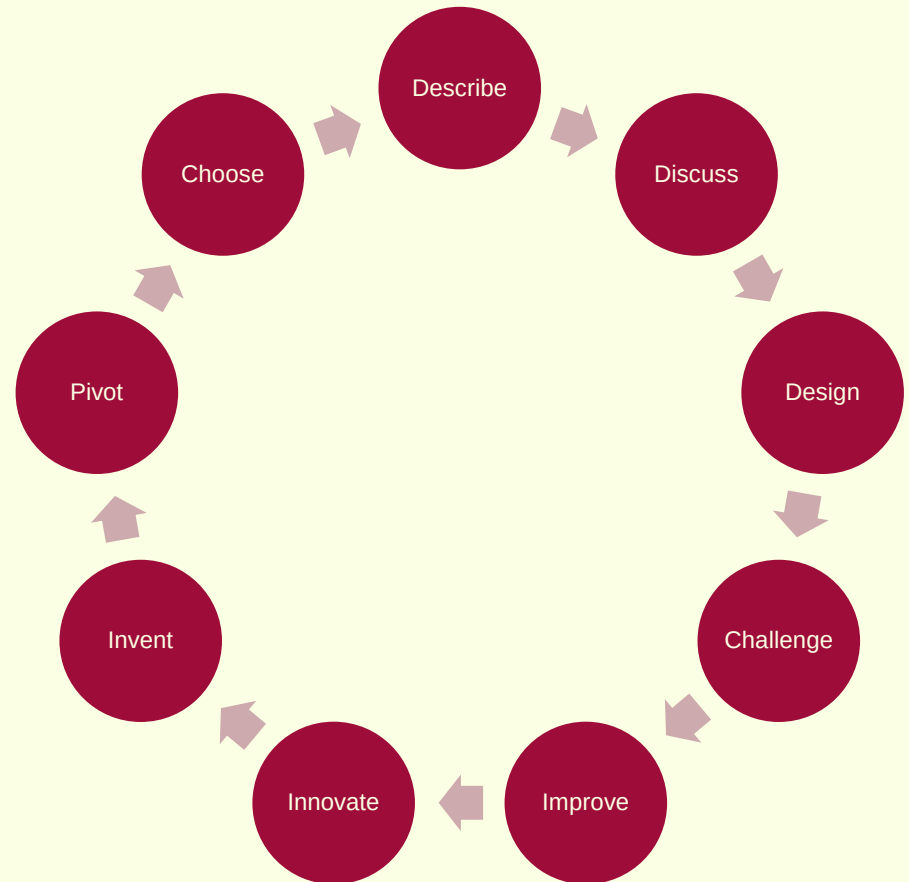




images by JAM

Strenghts

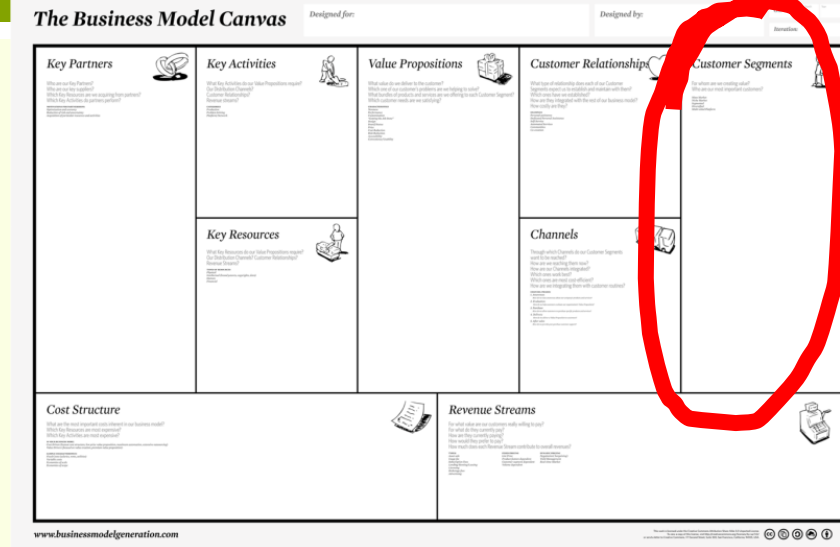
- Visual and tactile
- Dynamic - operational
- Accommodates pivoting
- Provides an overview and interconnectivity
- Few words - easy to get started



Building blocks

Customers (segments)

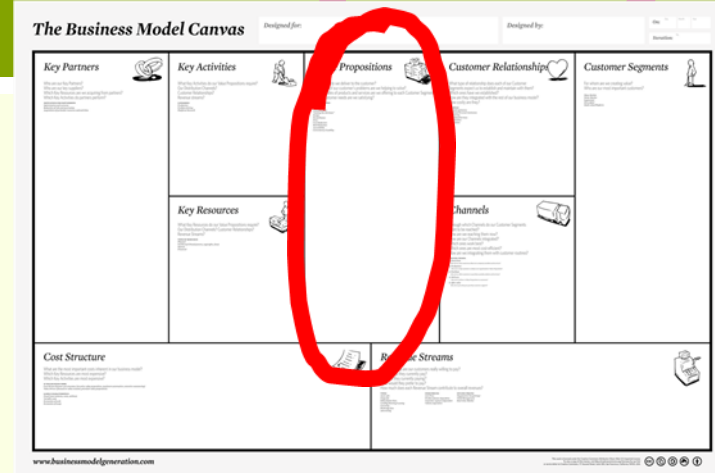
- Who am I creating value for?
- Who are the most important customers?
- Think segments
- Is the customer and user the same
- What are the trends in the market, moving towards what?



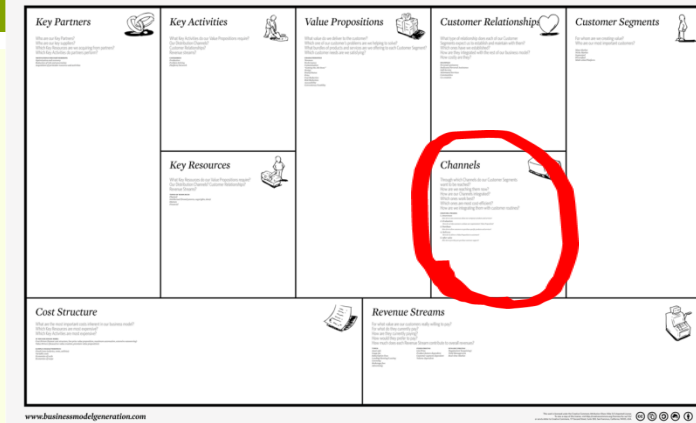
Building blocks

Value proposition

- How is your idea unique
- How is the customer pain solved
- How do you distinguish yourselves from the competitors?



Building blocks



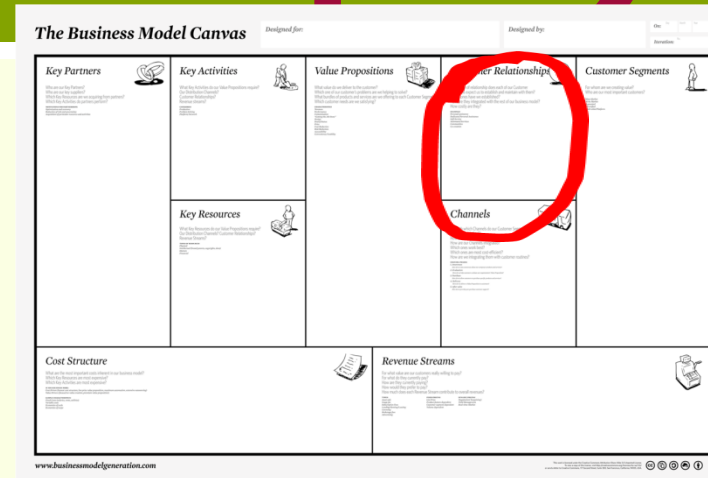
Channels

- How do I create awareness around my idea, product or service?
- How do you deliver your value proposition to the customer?
- Distribution, communication, sales

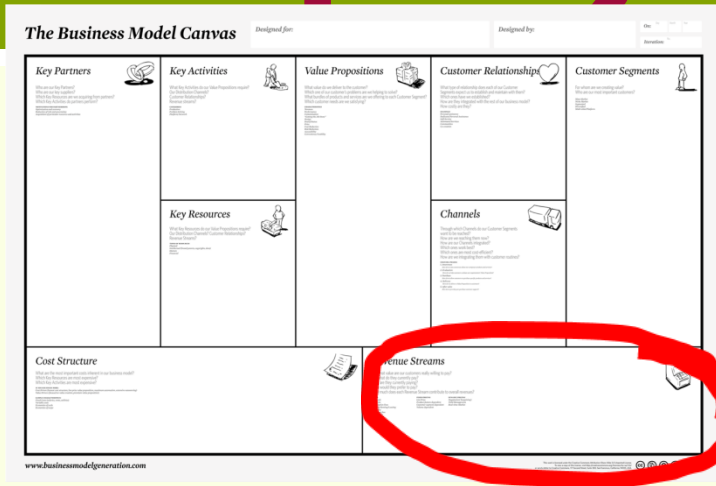
Building blocks

Customer relation

- Your relation to your customer?
 - Personally, web or?
- What relation are created and maintained to which segments?
- Flow of information to and from customers



Building blocks



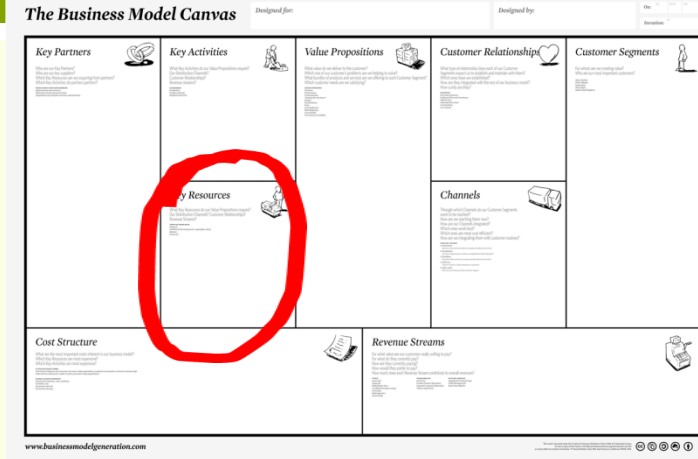
Revenue Stream

- Which revenue stream do you create and how are they created?
- What are your customers paying for?
- How much is each revenue stream contributing to the total income?
- How much turnover do you need to cover your costs?
- Numbers! £\$€

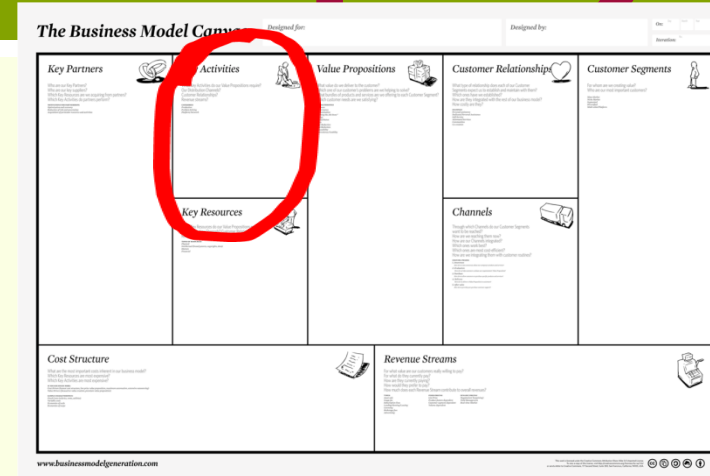
Building blocks

Key resources

- Which resources does it take to provide your value proposition (physical, financial, human etc.)?
- What do I have and what do I need to buy/borrow/rent?



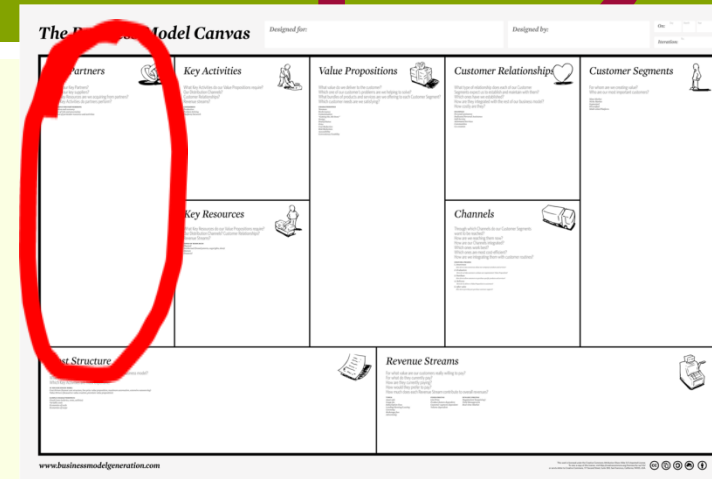
Building blocks



Key activities

- The value proposition is delivered based on these key activities
- What does it take?

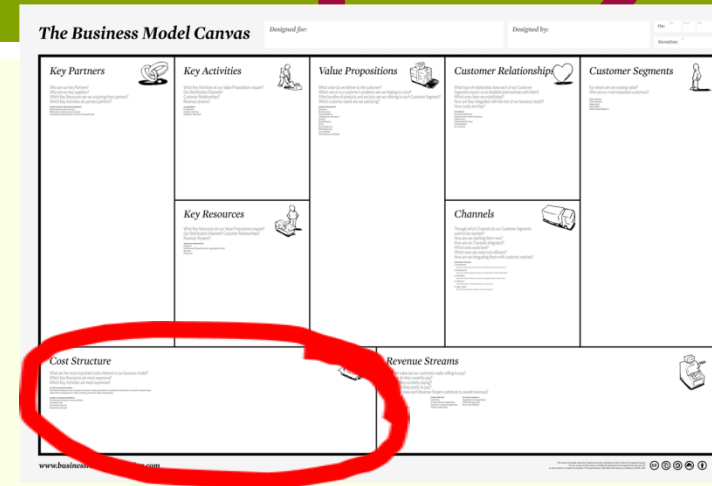
Building blocks



Key partners

- Who are your key partners (ressources outside your orgination)?
- Outsourcing, cooperation, suppliers etc.
- Forms of copperating - sharing assets or costs with others?

Building blocks



Costs

- Name the most important costs
- Fixed or variable costs?
- Costs related to producing and delivering your value proposition.

More info:

- <http://www.businessmodelgeneration.com/canvas>
- <http://www.youtube.com/watch?v=2FumwkBMhLo> (Short)
- <http://www.youtube.com/watch?v=jMxHApgcmoU> (Long)

Lunch

- 30 min



Value Proposition and Customer Segments

- Understanding the concept of value proposition and why and what value you deliver to the customer



- Who is it that eventually pay for your product/service

Value Proposition

- Discuss and explain the underlying VP of the following products and services

VP

The Tinder logo, featuring the word "tinder" in a bold, red, sans-serif font. A red flame icon is positioned above the letter 'i'. A small "TM" trademark symbol is located at the bottom right of the word.

VP



VP



VP1



VP2



Customer Segments

- Name products that would create value for these customers

CS



CS



CS

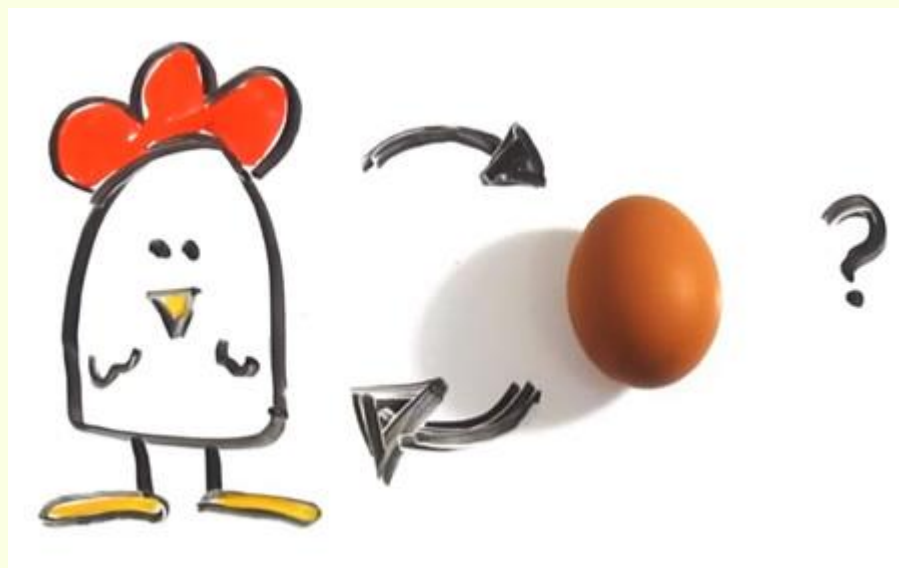


CS



Chicken or the egg?

- Do you start with the VP or the CS?

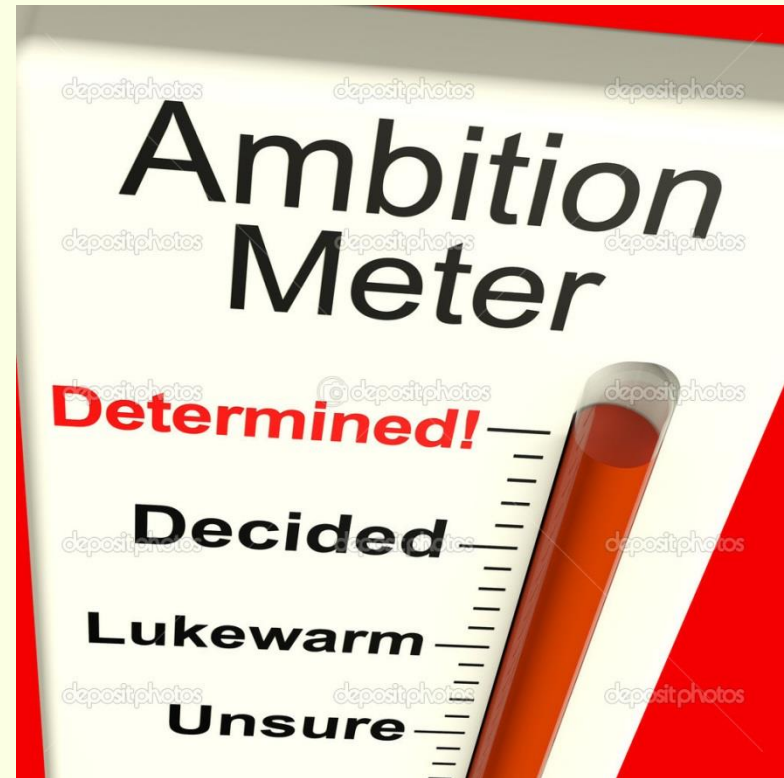


The perfect business model

1. What constitutes, in your mind, a great business model?
2. Name your favourite business model
3. Name a given product where you would change the business model
 1. What and why

Your business ambition

- To have base line please formulate what the goal/aim of you business is.
 - Short written note.



Your BMC v. 1.0

Compile your own business model

1. Draw the canvas - on a piece of paper
2. Fill out; starting with the VP or CS
3. Consider your strengths and weaknesses.
 1. Mark them and rate your canvas on a scale from 1 to 5 (best)
4. Present to another team
 1. They comment and note what they perceive as strengths and weaknesses

Your BMC v. 2.0

- Business model improvement
- Consider critical elements and see what you could/should change.
- What would happen if you change the CS, payment, partners etc.
- Groups challenge each other on this. Play a trick on each other 😊

BMC from v. 1.0 to v. 2.0

- What happened when you made changes
 - Improvement
 - Eureka moment
 - “What are they thinking, don’t they get it?”
 - Influence on the product?

Scalability

- Growth is what every entrepreneur wants - or?
- Have in mind how you can build a business that is scalable.
 - Is it possible to grow the company in a smart way, that doesn't imply a 1+1+1+1+1 model
- Hairdresser and scalability?
- Online platform and scalability?
- **Is your BM designed for scalability?** How is it that your BM is scalable and supports growth? What needs to be changed?



Born global

- Looking at your BMC, how does it support a global perspective of your business potential?
- Is it designed with a global perspective from the outset?

The logo for bornglobal, featuring the word "born" in black and "global" in orange, with a small orange circle above the "l".

bornglobal

Your BMC take aways

- Write down your own take aways from todays workshop.
- What have you learned regarding the BM
- What do you need to pay special interest in
- What needs to be changed
- Where were you spot on
- Other...



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Mentoring

- How many would be interested in having a mentor?
- Why and what benefit?

Next step

- 25.05.2016 // 14-18 marked, Communication & Sales
- Prepare a 2 minute Pitch
 - The pitch shall be addressing a potential customer
 - Who are you?
 - What is the pain you could solve
 - How will you solve it
- See this video:
<https://www.youtube.com/watch?v=Tq0tan49rmc>