

Business Model Development Step-by-Step

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| <h2>Key Partners</h2> <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p>Motivation for Partnership: <i>Optimization and economy</i> <i>Reduction of risk and uncertainty</i> <i>Acquisition of particular resources and activities</i></p> | <h2>Key Activities</h2> <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Client Relationships? Revenue streams?</p> <p>Categories: <i>Production</i> <i>Problem Solving</i> <i>Platform/Network</i></p> | <h2>Value Propositions</h2> <p>What value do we deliver to the client? Which one of our client's problems are we helping to solve? What bundles of products and services are we offering to each client segment? Which client needs are we satisfying?</p> <p>Characteristics: <i>Newness</i> <i>Performance</i> <i>Customization</i> <i>"Getting the Job Done"</i> <i>Design</i> <i>Brand/Status</i> <i>Price</i> <i>Cost Reduction</i> <i>Risk Reduction</i> <i>Accessibility</i> <i>Convenience/Usability</i></p> | <h2>Client Relationships</h2> <p>What type of relationship does each of our Client 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?</p> <p>Examples: <i>Personal Assistance</i> <i>Dedicated Personal Assistance</i> <i>Self-service</i> <i>Automated Services</i> <i>Communities</i> <i>Co-creation</i></p> | <h2>Client Segments</h2> <p>For whom are we creating value? Who are our most important clients?</p> <p><i>Mass market</i> <i>Niche market</i> <i>Segmented</i> <i>Diversified</i> <i>Multi-sided Platform</i></p> | | | | | | | | | | | | | | | | | | | | | | | | |
| | <h2>Key Resources</h2> <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Client Relationships? Revenue Streams?</p> <p>Types of Resources: <i>Physical</i> <i>Intellectual (brand patents, copyrights, data)</i> <i>Human</i> <i>Financial</i></p> | | <h2>Channels</h2> <p>Through which Channels do our Client 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 client routines?</p> <p>Channel Phases:</p> <ol style="list-style-type: none"> Awareness: <i>How do we raise awareness about our organization's products and services?</i> Evaluation: <i>How do we help clients evaluate our organization's Value Proposition?</i> Purchase: <i>How do we allow clients to purchase specific products and services?</i> Delivery: <i>How do we deliver a Value Proposition to clients?</i> Support: <i>How do we provide post-purchase client support?</i> | | | | | | | | | | | | | | | | | | | | | | | | | |
| <h2>Cost Structure</h2> <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p>Is or business more: <i>Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)</i> <i>Value Driven (focused on value creation, premium value proposition)</i></p> <p>Sample characteristics: <i>Fixed costs (salaries, rents, utilities)</i> <i>Variable costs</i> <i>Economies of scale</i> <i>Economies of scope</i></p> | | <h2>Revenue Streams</h2> <p>For what value are our client 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?</p> <table border="0"> <tr> <td>Types:</td> <td>Fixed Pricing:</td> <td>Dynamic Pricing:</td> </tr> <tr> <td><i>Asset sale</i></td> <td><i>List Price</i></td> <td><i>Negotiation (bargaining)</i></td> </tr> <tr> <td><i>Usage fee</i></td> <td><i>Product/service feature dependent</i></td> <td><i>Yield Management</i></td> </tr> <tr> <td><i>Subscription fees</i></td> <td><i>Client segment dependent</i></td> <td><i>Real-time Market</i></td> </tr> <tr> <td><i>Lending/Renting/Leasing</i></td> <td><i>Volume dependent</i></td> <td></td> </tr> <tr> <td><i>Licensing</i></td> <td></td> <td></td> </tr> <tr> <td><i>Brokerage fees</i></td> <td></td> <td></td> </tr> <tr> <td><i>Advertising</i></td> <td></td> <td></td> </tr> </table> | | | Types: | Fixed Pricing: | Dynamic Pricing: | <i>Asset sale</i> | <i>List Price</i> | <i>Negotiation (bargaining)</i> | <i>Usage fee</i> | <i>Product/service feature dependent</i> | <i>Yield Management</i> | <i>Subscription fees</i> | <i>Client segment dependent</i> | <i>Real-time Market</i> | <i>Lending/Renting/Leasing</i> | <i>Volume dependent</i> | | <i>Licensing</i> | | | <i>Brokerage fees</i> | | | <i>Advertising</i> | | |
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