

APPLIED ENTREPRENEURSHIP

TODAY ;-)



NOVA SCHOOL OF
BUSINESS & ECONOMICS

REMEMBERING.

The Business Model Canvas

Designed for:

Designed by:

Class

Keywords:

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?

Key Activities



What Key Activities do our Value Proposition require?
Our Distribution Channels?
Customer Relationships?
Revenue Streams?

Value Propositions



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?

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?

Customer Segments



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

Key Resources



What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

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?

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?

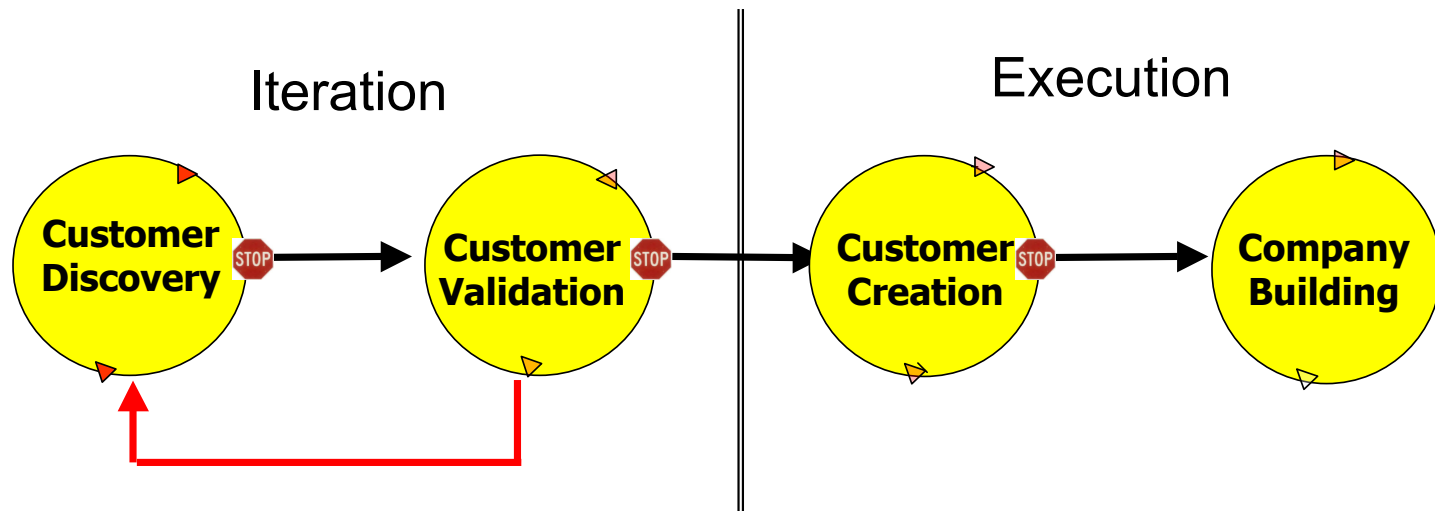
Revenue Streams



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?		

Customer	Revenue Streams	Revenue Categories
Business Unit	Core Unit	Regulatory Requirements
Product Line	Additional Services/Support	Regulatory Compliance
Sales Channel	Commodity - Standard Equipment	Hardware/Software
Geography	Commodity - Support/Services	Software Licenses
Relationship Type		

3 Stages of a Startup



The Business Model Canvas

Designed for:

Designed by:

On: Day: Week:
Iteration:

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?
Key Partners: Who are our key suppliers? Who are our key suppliers? Who are our key suppliers? Who are our key suppliers?

Key Activities



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Key Activities: What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?

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Customer Relationships

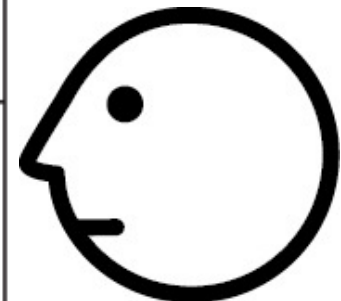


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Customer Segments



For whom are we creating value?
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Customer Segments: For whom are we creating value? Who are our most important customers?



Key Resources



What Key Resources do our Value Propositions require?
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What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
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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?

this is what you're
offering your
customers



Revenue Streams

For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How are they going to pay?
How much does each Revenue Stream contribute to overall revenue?
Revenue Streams: For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How are they going to pay? How much does each Revenue Stream contribute to overall revenue?

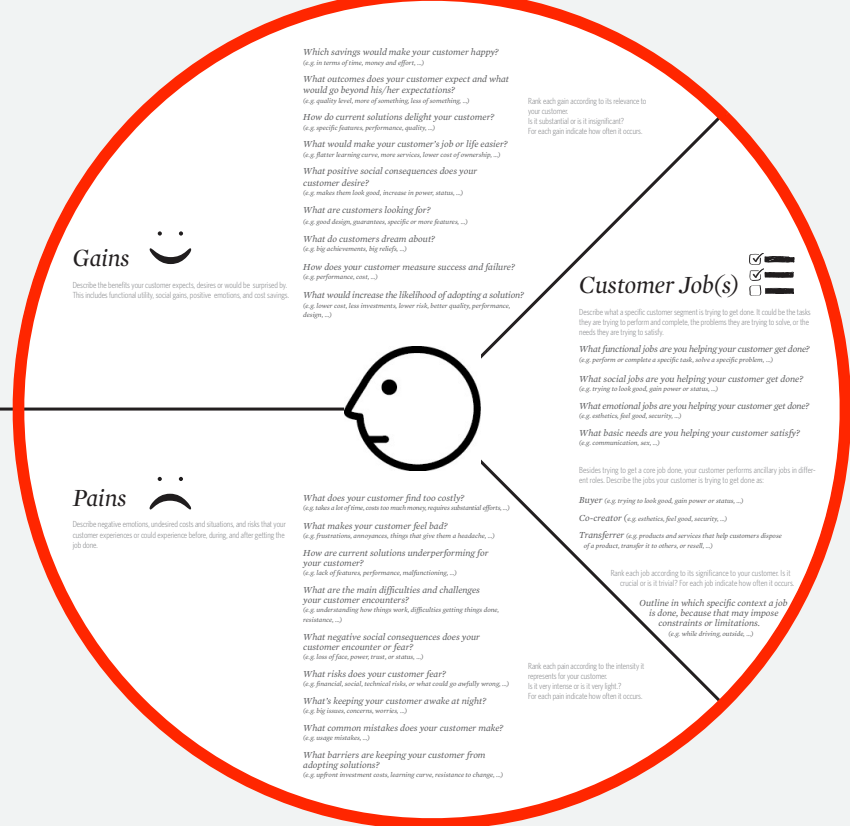


The Value Proposition Canvas

Designed for:

Designed by:

On: Day Month Year
Iteration: No.



design

observe

Use in Conjunction with the Business Model Canvas

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The Business Model Canvas

Designed for:

Designed by:

On: To:

Iterations:

<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>Business model innovation Complementary resources Reduction of risk and uncertainty</p>	<h2>Key Activities</h2>  <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p>Manufacturing Software development Retailing Marketing Logistics Human resources management Finance Legal</p>	<h2>Value Propositions</h2>  <p>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?</p> <p>Performance Reliability Durability Flexibility Customization Cost Convenience Speed Security Sustainability Social impact</p>	<h2>Customer Relationships</h2>  <p>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?</p> <p>Personalized Self-Service Automated Communities Co-creation Partnerships Resellers Intermediaries Agents Dealers Retailers Wholesalers Distributors Franchises Licensing Affiliates Partners Joint ventures Acquisitions Mergers Takeovers Divestitures Spin-offs Revolutions Evolution</p>	<h2>Customer Segments</h2>  <p>For whom are we creating value? Who are our most important customers?</p> <p>Mass Niche Segment Market Geography Demographics Psychographics Behavioral</p>
<h2>Key Resources</h2>  <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p>Human resources Physical resources Financial resources Intellectual resources Social resources Technological resources Organizational resources Cultural resources Legal resources Political resources Environmental resources Natural resources Artificial resources Virtual resources Digital resources Information resources Knowledge resources Skills resources Talents resources Capabilities resources Competences resources Experiences resources Reputation resources Networks resources Connections resources Relationships resources Partnerships resources Alliances resources Coalitions resources Consortiums resources Associations resources Unions resources Guilds resources Orders resources Societies resources Clubs resources Groups resources Teams resources Organizations resources Institutions resources Organisms resources Species resources Genus resources Family resources Order resources Class resources Phylum resources Kingdom resources Domain resources Life resources Matter resources Energy resources Information resources Knowledge resources Skills resources Talents resources Capabilities resources Competences resources Experiences resources Reputation resources Networks resources Connections resources Relationships resources Partnerships resources Alliances resources Coalitions resources Consortiums resources Associations resources Unions resources Guilds resources Orders resources Societies resources Clubs resources Groups resources Teams resources Organizations resources Institutions resources Organisms resources Species resources Genus resources Family resources Order resources Class resources Phylum resources Kingdom resources Domain resources Life resources</p>		<h2>Channels</h2>  <p>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?</p> <p>Direct sales Indirect sales Partnerships Resellers Intermediaries Agents Dealers Retailers Wholesalers Distributors Franchises Licensing Affiliates Partners Joint ventures Acquisitions Mergers Takeovers Divestitures Spin-offs Revolutions Evolution</p>		
<h2>Cost Structure</h2>  <p>What are the most important costs inherent to our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p>Fixed costs Variable costs Semi-variable costs Sunk costs Opportunity costs Transaction costs Coordination costs Compliance costs Risk costs Uncertainty costs Information costs Knowledge costs Skills costs Talents costs Capabilities costs Competences costs Experiences costs Reputation costs Networks costs Connections costs Relationships costs Partnerships costs Alliances costs Coalitions costs Consortiums costs Associations costs Unions costs Guilds costs Orders costs Societies costs Clubs costs Groups costs Teams costs Organizations costs Institutions costs Organisms costs Species costs Genus costs Family costs Order costs Class costs Phylum costs Kingdom costs Domain costs Life costs Matter costs Energy costs Information costs Knowledge costs Skills costs Talents costs Capabilities costs Competences costs Experiences costs Reputation costs Networks costs Connections costs Relationships costs Partnerships costs Alliances costs Coalitions costs Consortiums costs Associations costs Unions costs Guilds costs Orders costs Societies costs Clubs costs Groups costs Teams costs Organizations costs Institutions costs Organisms costs Species costs Genus costs Family costs Order costs Class costs Phylum costs Kingdom costs Domain costs Life costs</p>		<h2>Revenue Streams</h2>  <p>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?</p> <p>Fixed revenue Variable revenue Semi-variable revenue Sunk revenue Opportunity revenue Transaction revenue Coordination revenue Compliance revenue Risk revenue Uncertainty revenue Information revenue Knowledge revenue Skills revenue Talents revenue Capabilities revenue Competences revenue Experiences revenue Reputation revenue Networks revenue Connections revenue Relationships revenue Partnerships revenue Alliances revenue Coalitions revenue Consortiums revenue Associations revenue Unions revenue Guilds revenue Orders revenue Societies revenue Clubs revenue Groups revenue Teams revenue Organizations revenue Institutions revenue Organisms revenue Species revenue Genus revenue Family revenue Order revenue Class revenue Phylum revenue Kingdom revenue Domain revenue Life revenue Matter revenue Energy revenue Information revenue Knowledge revenue Skills revenue Talents revenue Capabilities revenue Competences revenue Experiences revenue Reputation revenue Networks revenue Connections revenue Relationships revenue Partnerships revenue Alliances revenue Coalitions revenue Consortiums revenue Associations revenue Unions revenue Guilds revenue Orders revenue Societies revenue Clubs revenue Groups revenue Teams revenue Organizations revenue Institutions revenue Organisms revenue Species revenue Genus revenue Family revenue Order revenue Class revenue Phylum revenue Kingdom revenue Domain revenue Life revenue</p>		

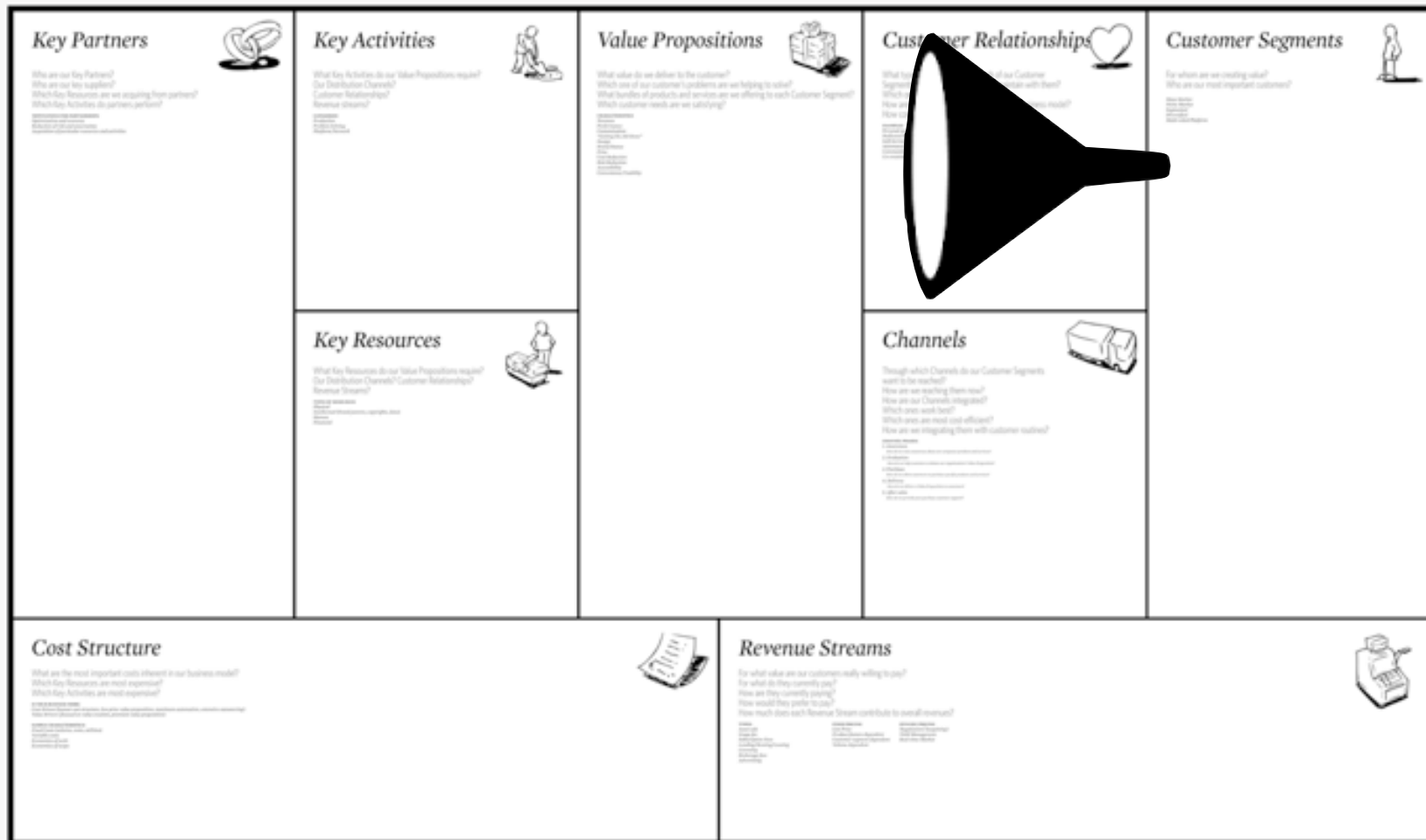
The Business Model Canvas

Designed for:

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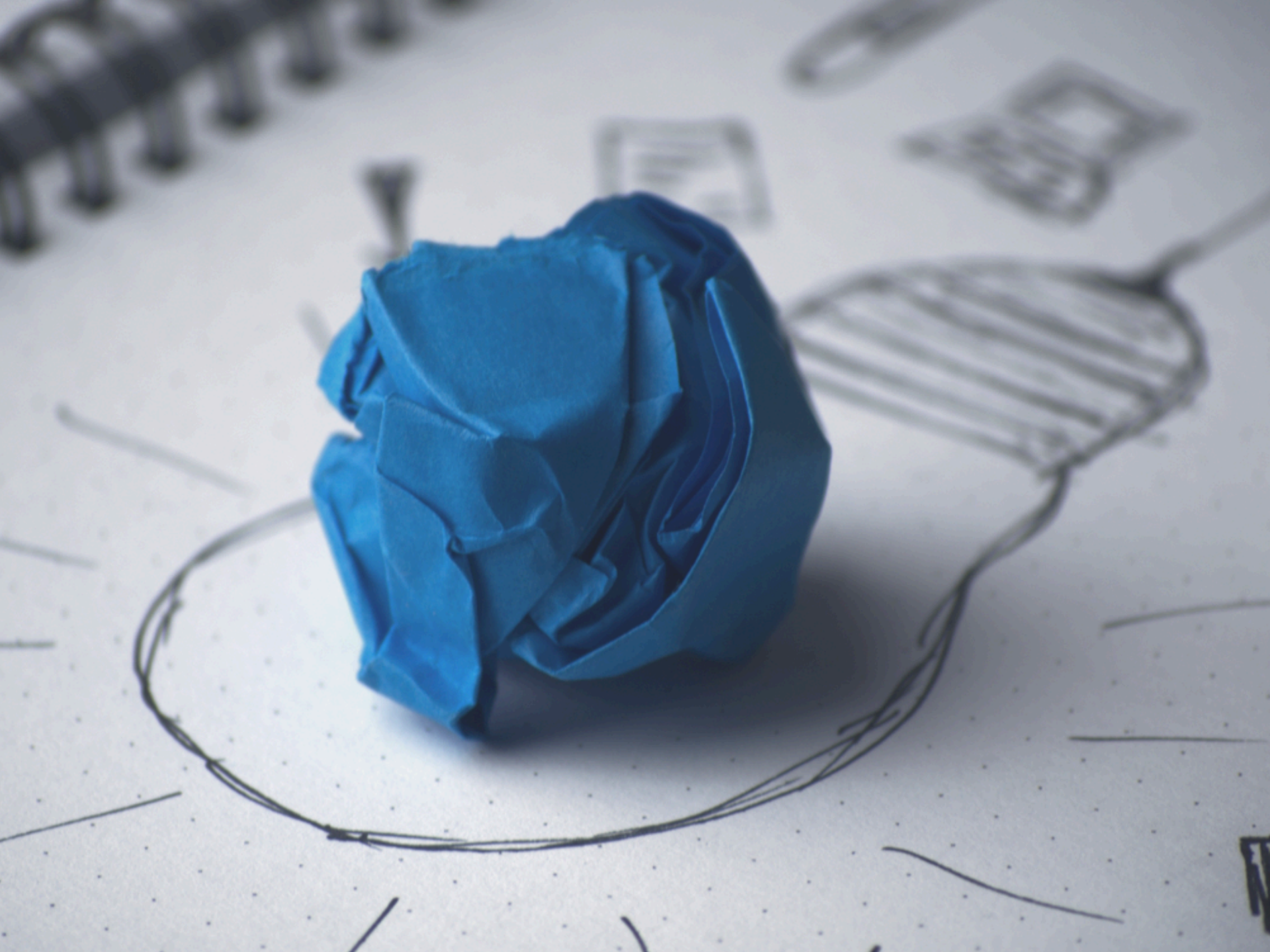
One

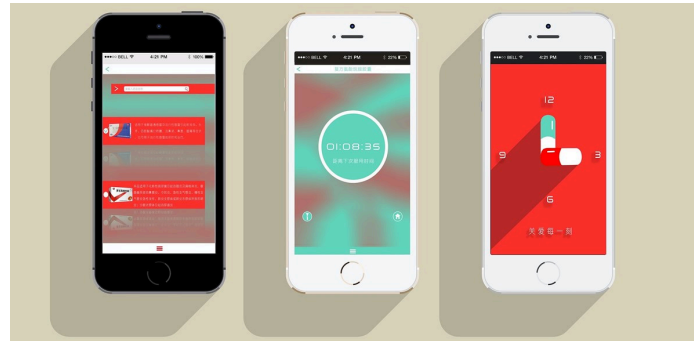
Discussion





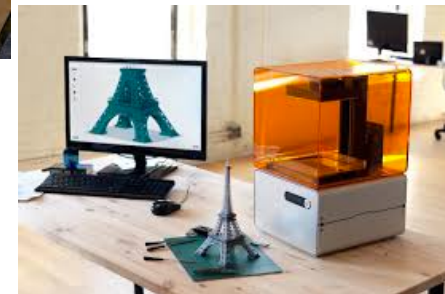
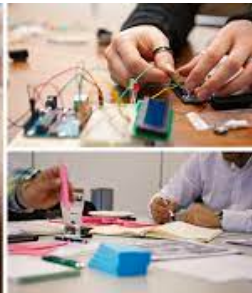






LOWER-fidelity

HIGHER-fidelity



A person is walking barefoot on a red tightrope. The person's legs, wearing light-colored trousers, are visible. The background shows a city skyline with various buildings and a body of water, with mountains in the distance under a cloudy sky.

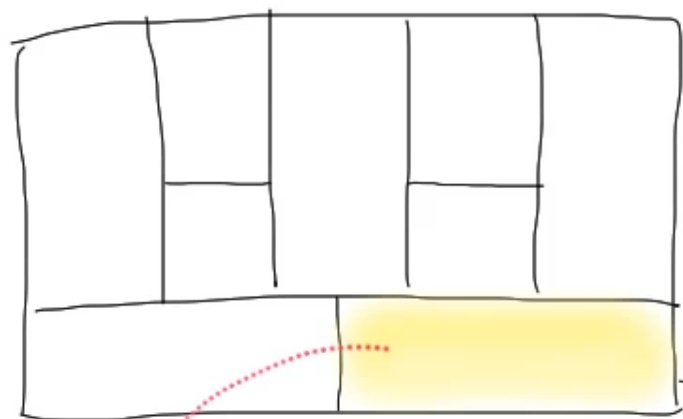
**GET OUT
OF THE
F... BUILDING!**





Revenue Streams

How do you Make Money?



● What **VALUE** is the customer paying for?



➔ 5. REVENUE MODEL

● **REVENUE MODELS** (i.e. direct sales) are the **STRATEGY**.



How does the company **MAKE MONEY** from each customer segment?



The Two Key Questions

- What's my **revenue Streams**?
- Within the revenue streams— how do I **price** the product?

Revenue Stream =

the strategy the company uses to
generate cash from each customer
segment

Pricing Model =

the tactics you use to set the price in
each customer segment

Revenue Stream

The strategy

Common categories of revenue models

“Direct” revenue models

- *Sales*: Product, app, or service sales
- *Subscriptions*: SAAS, games, monthly subscription
- *Freemium*: use the product for free: upsell/conversion
- *Pay-per-use*: revenue on a “per use” basis
- *Virtual goods*: selling virtual goods
- *Advertising sales*: unique and/or large audience

“Ancillary” revenue models

- *Referral revenue*: pay for referring traffic/customers to other web or mobile sites or products.
- *Affiliate revenue*: finder’s fees/commissions from other sites for directing customers to make purchases at the affiliated site
- *E-mail list rentals*: rent your customer email lists to advertiser partners
- *Back-end offers*: add-on sales items from other companies as part of their registration or purchase confirmation processes, or “sell” their existing traffic to a company that strives to monetize it and share the resulting revenue

Pricing Model

the tactics

Two Types of Pricing

Fixed Pricing

- Cost + markup
- Value priced (by customer segment or features)
- Volume priced

Dynamic Pricing

- Negotiation
- Yield Management
- Real-time market
- Auctions

Common Startup Mistake

Lets Price on Cost

- Cost + markup
- Typically not a strategic way to price
- Driven by internal economics and not customer insight

Common Startup Mistake

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Price on **Value**

- Based on buyer's perception of value (e.g. time saved, new efficiency created, etc.)
- Customers don't necessarily feel that they want to pay this way

Market-Type Affects Pricing

Nature of
Existing Market

- Pure competition
- Oligopoly
- Monopoly

How they will
react?

- What is their product?
- What are their costs and prices?
- “What pricing will make them feel the worst?”

7. KEY PARTNERS

8. KEY ACTIVITIES

6. KEY RESOURCES

9. COST STRUCTURE

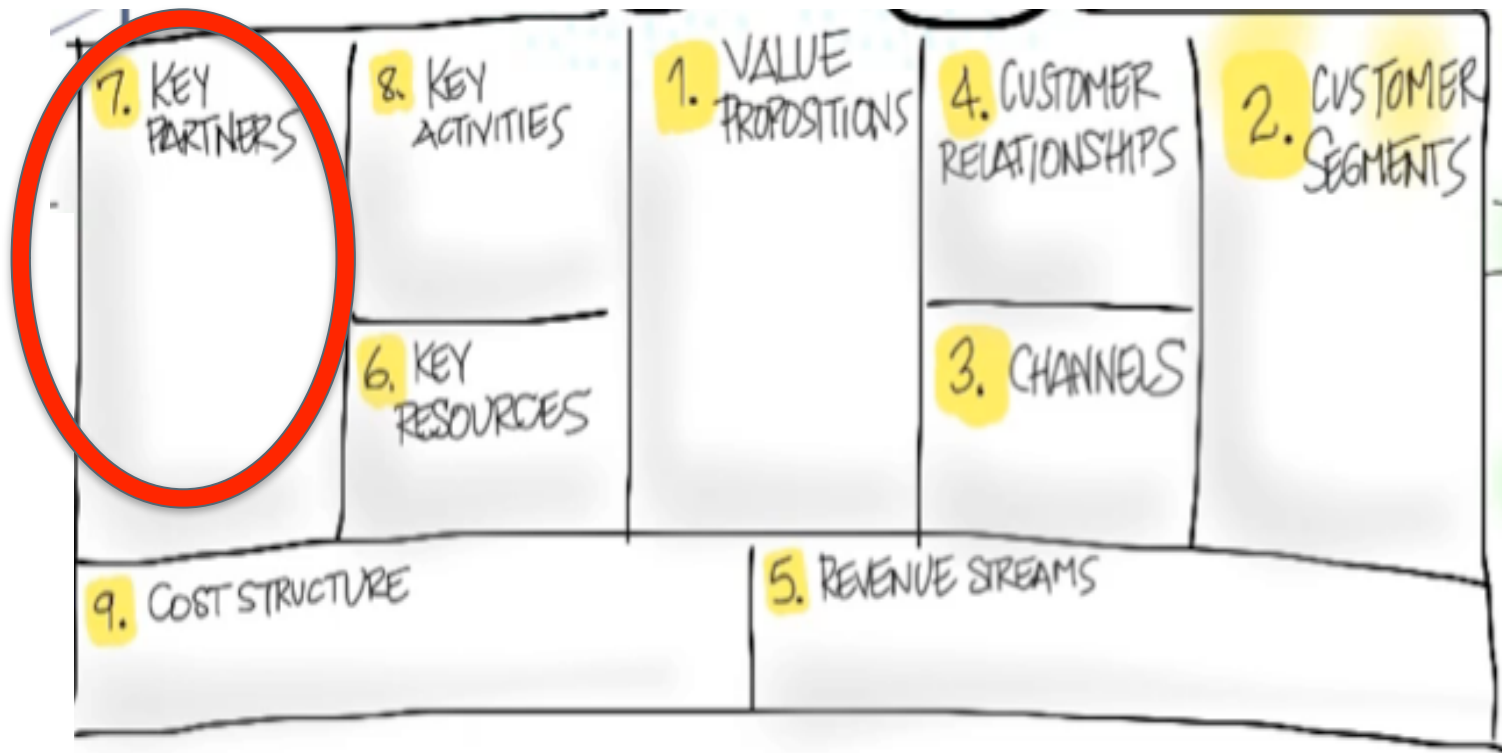
1. VALUE PROPOSITIONS

4. CUSTOMER RELATIONSHIPS

3. CHANNELS

2. CUSTOMER SEGMENTS

5. REVENUE STREAMS

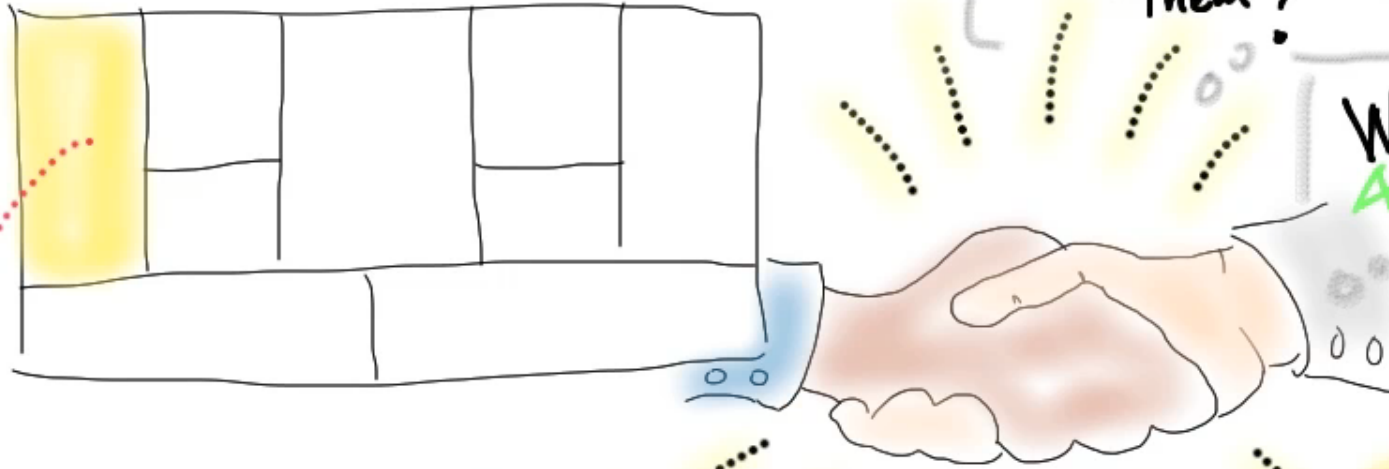


Key Partners

Who are your Partners and Suppliers?

WHAT **KEY RESOURCES**
are we acquiring from
them?

What **KEY ACTIVITIES** do
they perform?



KEY PARTNERSHIPS

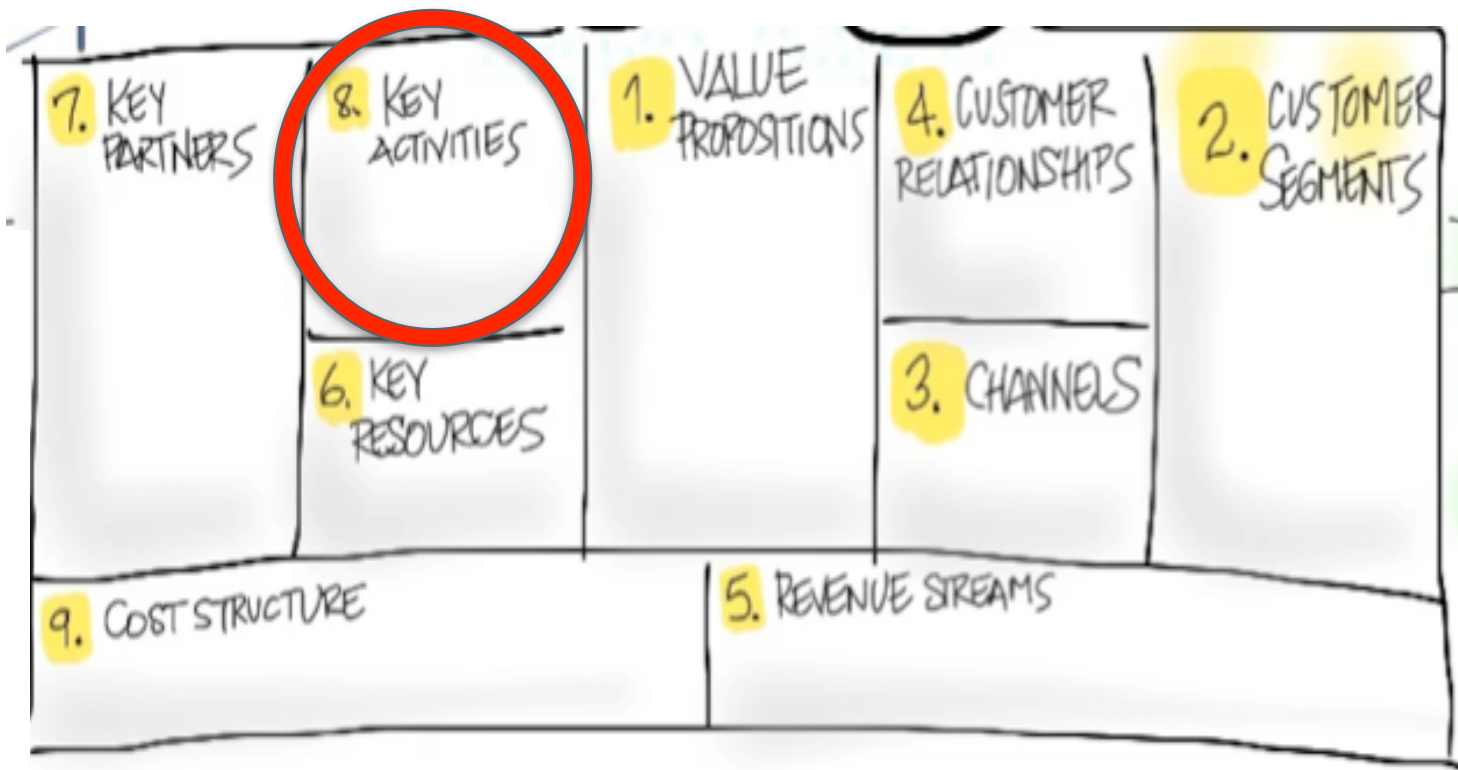
Who are the **KEY PARTNERS** and **SUPPLIERS** needed to make the business model **WORK**?

• STRATEGIC ALLIANCES between NON-COMPETITORS



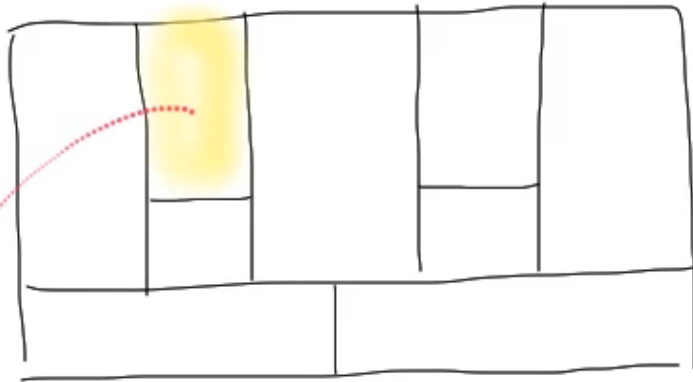
• JOINT VENTURES





Key Activities

What's Most Important for the Business?



➤ 8. KEY ACTIVITIES

What are the **MOST IMPORTANT THINGS** the company must **DO** to make the business model **WORK**?

● PRODUCTION



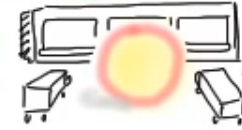
● PROBLEM SOLVING

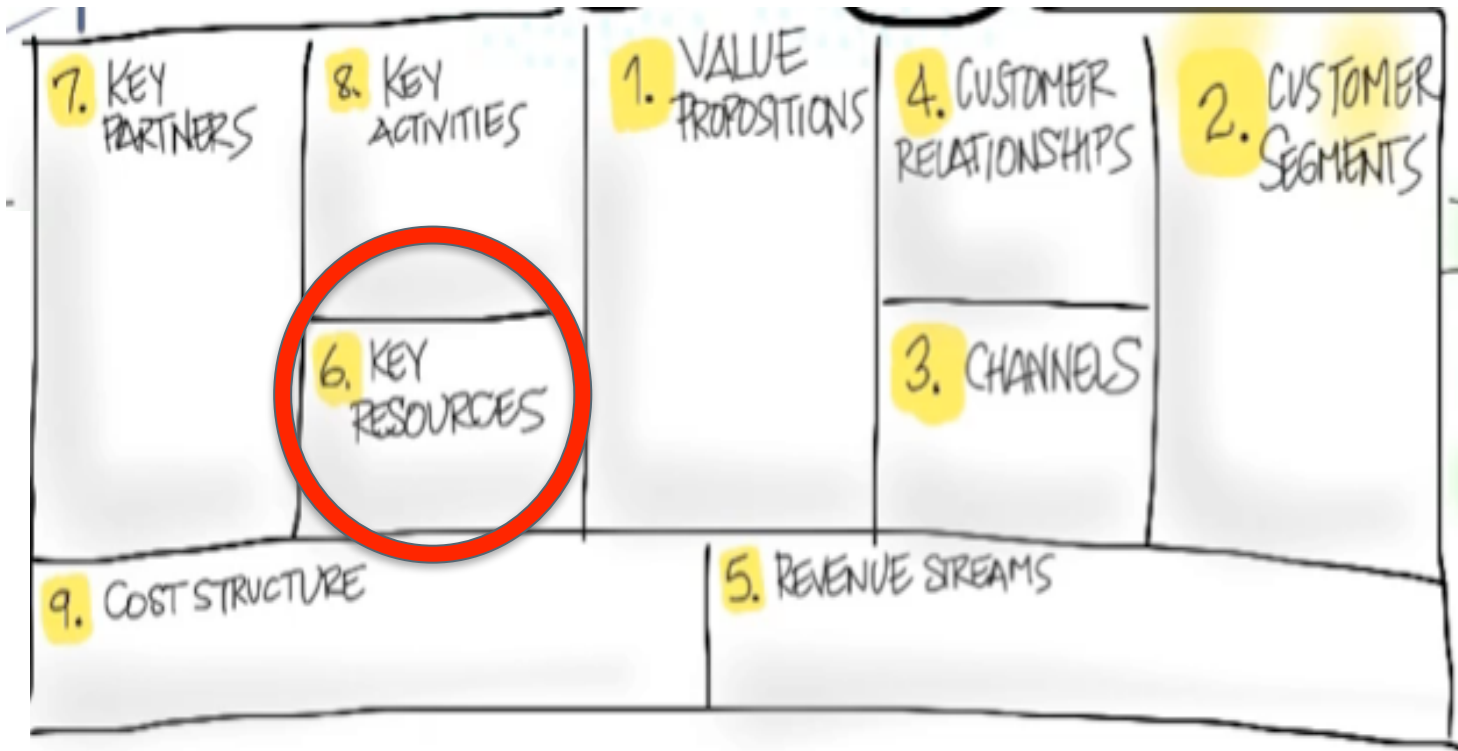
• CONSULTING
• ENGINEERING

WE CAN
SOLVE
THIS!



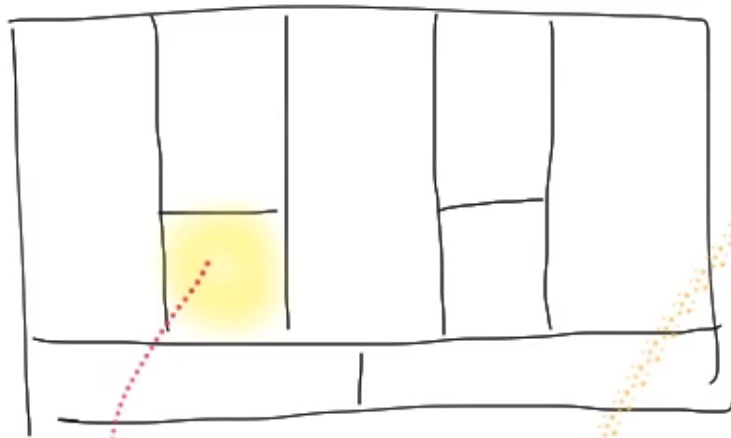
● SUPPLY CHAIN MANAGEMENT





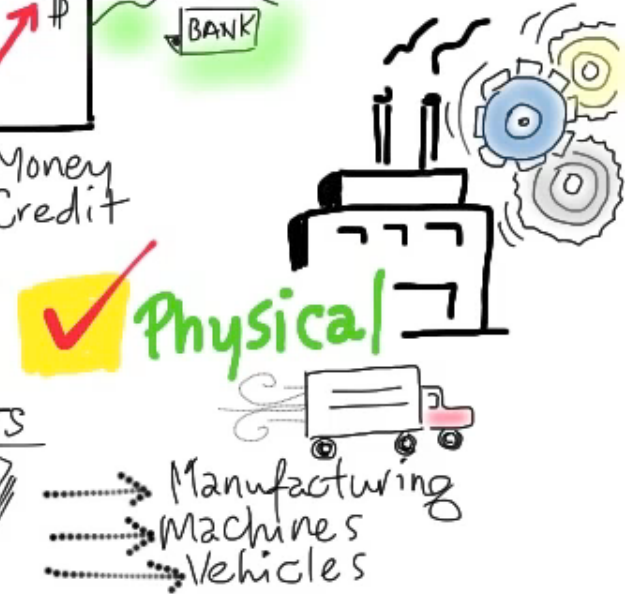
Key Resources

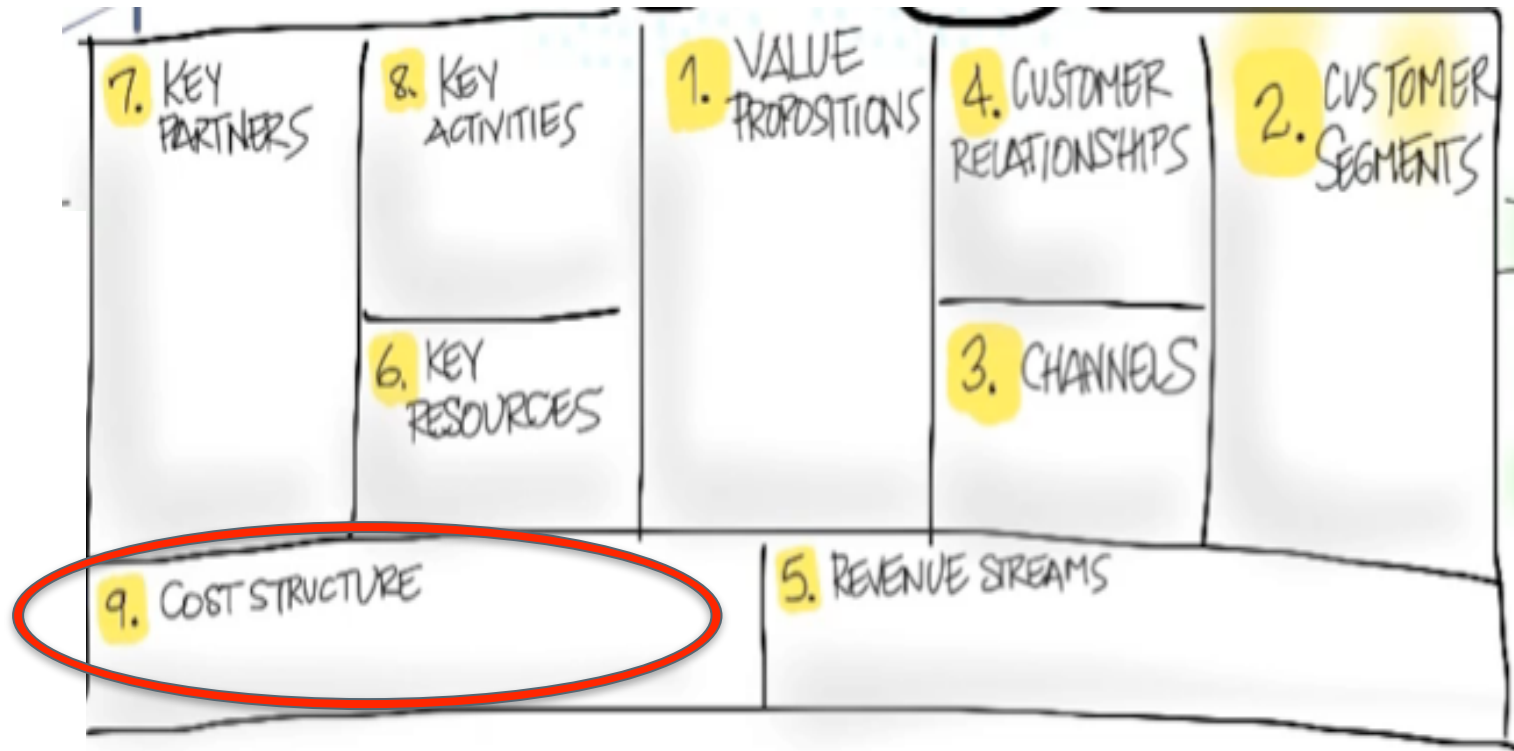
What's Are Your Most Important Assets?



6. KEY RESOURCES

What are the **MOST IMPORTANT ASSETS** required to make the business model WORK?





Cost Structure

What are the Costs and Expenses

A hand-drawn diagram of a 2D grid with 5 columns and 2 rows. The bottom-left cell is highlighted in yellow and contains a red dotted line representing a path starting from the bottom-left corner and moving towards the top-right corner.



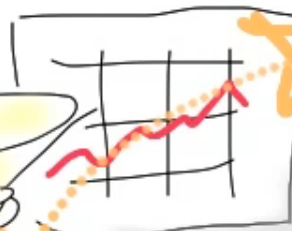
WHAT ARE the MOST IMPORTANT COSTS?



WHAT ARE THE MOST EXPENSIVE RESOURCES?



% of BUDGET



What KEY ACTIVITIES are the MOST EXPENSIVE?

9. Cost structure

What are the **COSTS** to operate the BUSINESS MODEL?

FIXED COSTS?
VARIABLE COSTS?

Economies of Scale?



APPLIED ENTREPRENEURSHIP

THANK YOU.



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