



AMARILLO
ENTERPRIZE
CHALLENGE

Tuesday, September 13th
Business Model Canvas

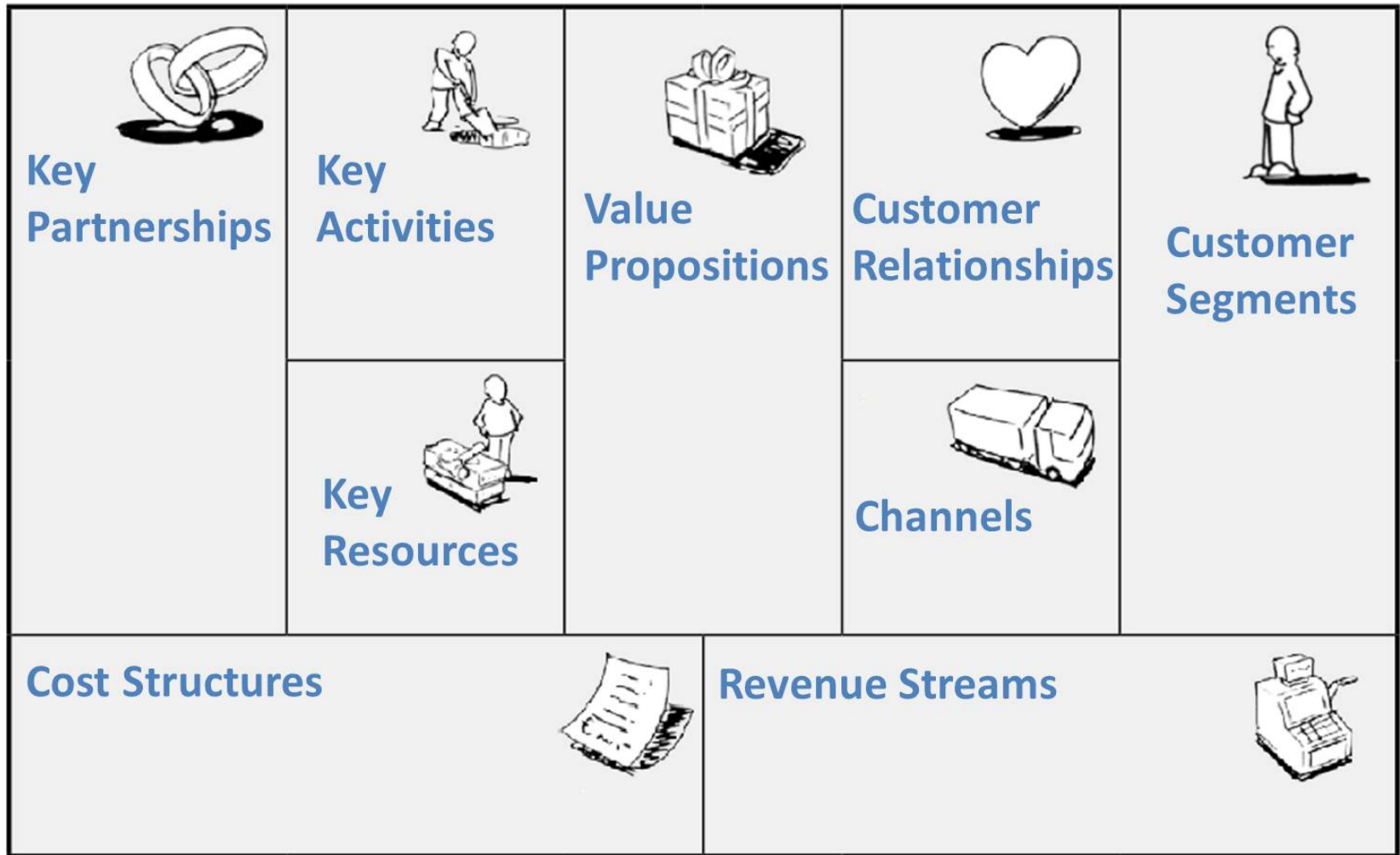
Business Model Design

- A business model describes the rationale of how an organization creates, delivers and captures value
 - Customers
 - Product/service offering
 - Infrastructure
 - Financial Viability
- Design Attitude vs. Decision Attitude

Let's Get Started...

- Napkin Drawing
 - Illustrate how customers interact with your product/service offering
 - Describe unique attributes and special characteristics
- What are the jobs that customers need to get done?
 - What is the pain? What is the gain?
 - What problem do you solve?
 - What need do you meet?

Business Model Canvas Overview



Value Proposition

The bundle of products/services that create value for a specific customer segment

Questions to Ask:

- ✓ What value do we deliver to customers?
- ✓ Which one of our customer's problems are we solving?
- ✓ What is your company's competitive advantage?
- ✓ Which customer needs are we satisfying?
- ✓ What bundles of products and services are we offering to each customer segment?

Types of Value Propositions (quantitative and qualitative):

- Newness
- Performance
- Customization
- "Getting the job done"
- Price
- Risk / Cost reduction
- Design
- Convenience / usability
- Accessibility

Customer Segments

different groups or organizations a company/enterprise aims to reach and serve

Questions to Ask:

- ✓ For whom are we creating value?
- ✓ Who are our most important customers? B2B vs B2C
- ✓ Where do they live?
- ✓ How old are they?
- ✓ How much do they earn?
- ✓ Where do they “hang” out?
- ✓ How will they interact with the products?

Types of Customer Segments:

- Mass market (e.g. Consumer products)
- Niche market (e.g. Luxury items)
- Diversified market (e.g. Amazon)
- Multi-sided markets (e.g. Credit cards)

Channels

how a company communicates with and reaches its customer segments to deliver its value propositions

Questions to Ask:

- ✓ Through which channels do our customers want to be reached?
- ✓ How are we reaching them now?
- ✓ How are these channels integrated?
- ✓ Which channels works best?
- ✓ How are we integrating them with customer routines?

Types of Channels:

- Sales force
- Web sales
- Own stores
- Partner stores
- Wholesaler

Customer Relationships

the types of relationships a company establishes with specific customers

Questions to Ask:

- ✓ What type of relationship does each of our customer expect us to establish and maintain with them?
- ✓ Which ones have we established?
- ✓ How costly are they?
- ✓ How are they integrated with the rest of our business model?

Categories of Relationships:

- Personal assistance
- Dedicated personal assistance
- Self-service
- Automated service
- Customer communities
- Co-Creation

Revenue Streams

the cash a company generates from each customer segment (Revenue – costs = earnings (profits))

Questions to Ask:

- ✓ 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 of Revenue Streams:

- Asset sale
- Usage fee
- Subscription fees
- Lending/renting/leasing
- Licensing
- Brokerage fees
- Advertising

Key Resources

the most important assets required to make a business model work

Questions to Ask:

- ✓ What key resources do our value propositions require?
- ✓ What resources do our distribution channels require?
- ✓ What resources do our customer relationships require?
- ✓ What resources do our revenue streams require?

Categories of Resources:

- Physical assets (e.g. facilities, machines, etc.)
- Intellectual resources (e.g. brands, copyrights, patents, etc.)
- Human resources
- Financial resources and/or guarantees

Key Activities

the most important tasks a company must do to make its business model work

Questions to Ask:

- ✓ What key activities do our value propositions require?
- ✓ What key activities do our distribution channels require?
- ✓ What key activities do our customer relationships require?
- ✓ What key activities do our revenue streams require?

Categories of Key Activities:

- Production (e.g. Designing, making and delivering a product)
- Problem solving (e.g. Coming up with new solutions)
- Platform/Network (e.g. Service provision, interface management, platform promotion)

Key Partnerships

the network of suppliers and partners that make a business model work

Questions to Ask:

- ✓ 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 of scale
- Reduction of risk and uncertainty
- Acquisition of particular resources and activities

Cost Structure

all costs incurred to operate a business model

Questions to Ask:

- ✓ What are the most important costs inherent in our business model?
- ✓ Which key resources are the most expensive?
- ✓ Which key activities are the most expensive?

Categories of Cost Structures:

- Cost-driven (= minimizing costs)
- Value-driven (= focus on value creation)

Characteristics:

- Fixed costs
- Variable costs
- Economies of scale
- Economies of scope

Finished Canvas










The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 		Revenue Streams 		



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DESIGNED BY: Strategyzer AG
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NEXT WORKSHOP: **TUESDAY,**
SEPTEMBER 27th - 11am – 1pm
Investor Fact Sheet/Plan of Attack

Please RSVP at
AmarilloEnterPrizeChallenge.com
(for food count)

Questions?

www.AmarilloEnterPrizeChallenge.com

Or call
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