

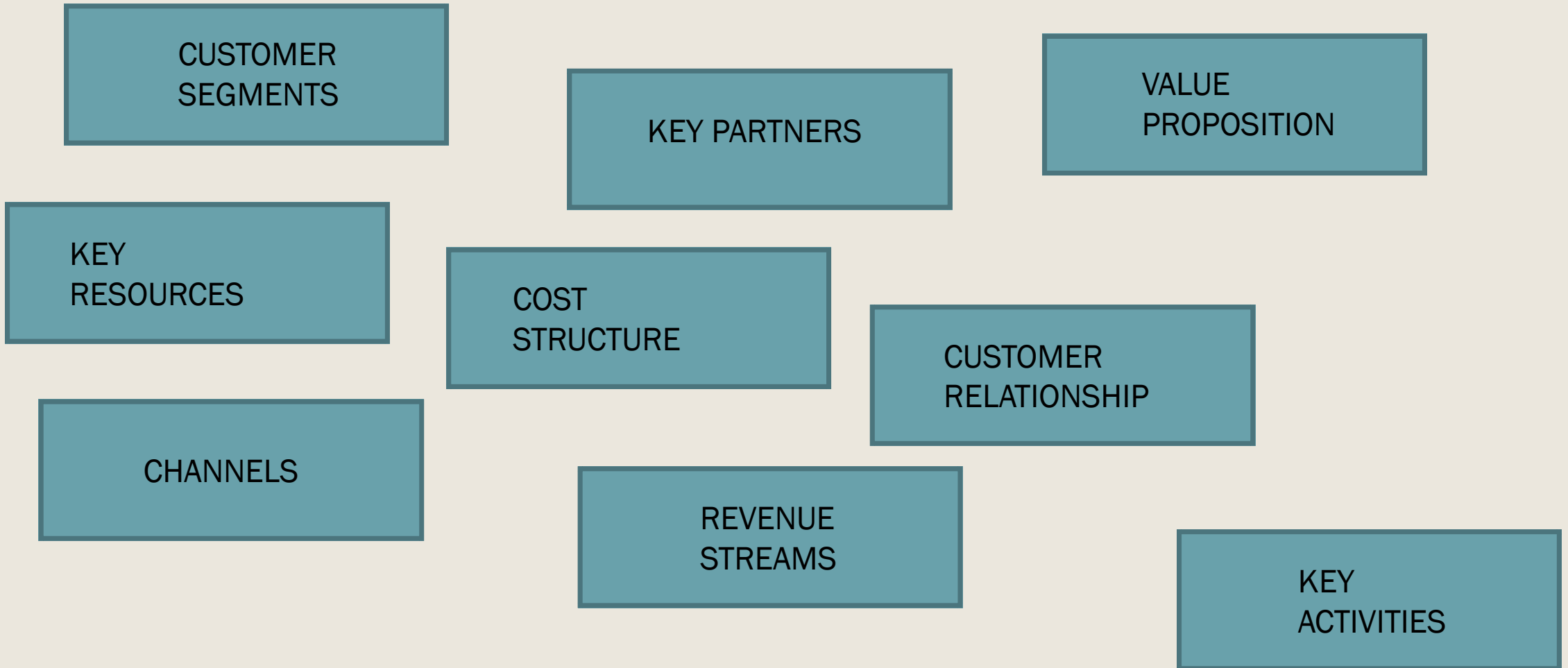


BMC WORKSHOP

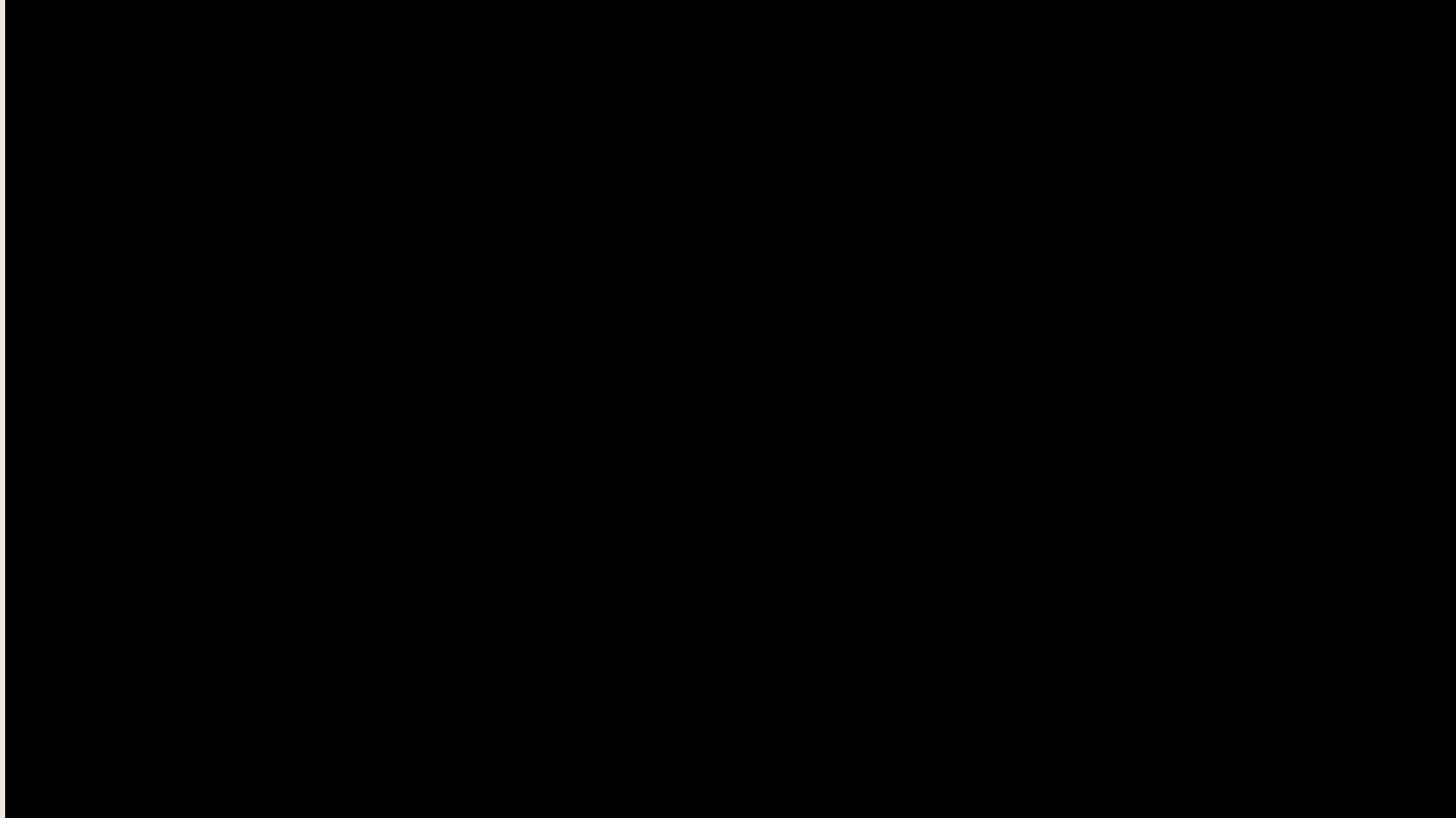
WHAT IS A BUSINESS MODEL?

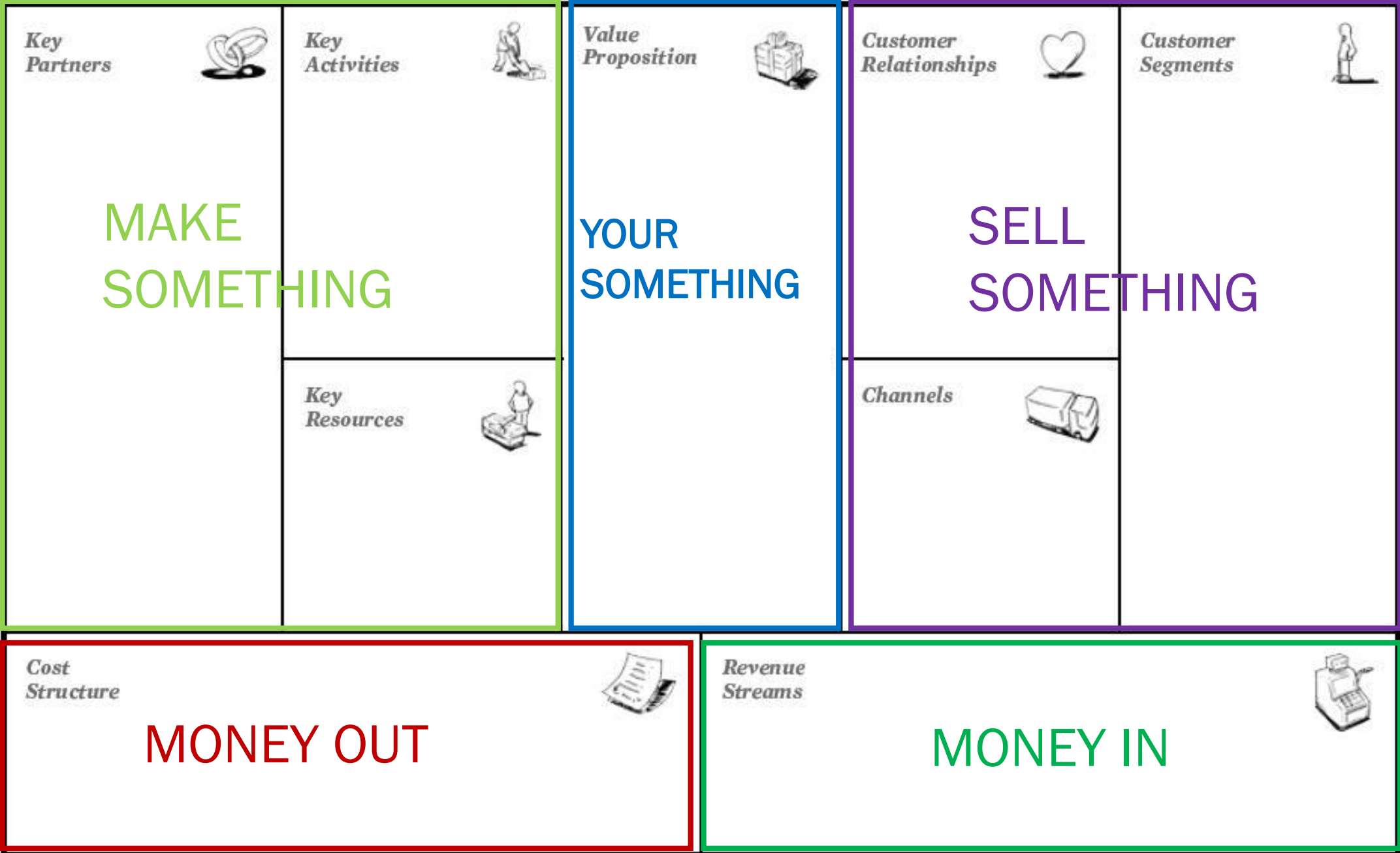
- How you plan to make money.
- “How you plan to take money from your customers pocket and put in yours.” - Guy Kawasaki
- “Assumptions about what a company gets paid for.” – Peter Drucker

Nine Components – What's the order?



BMC Theater Video





QUESTIONS FOR
THE BMC.



Value Proposition

- What is it?
- How important is it to solve this problem or need?
- How does it work?
- What is unique or different? Your point of differentiation.

Customer Segment

- For whom are you creating value?
- What is the Total Available Market?
- How many potential market segments are there?
- Does each segment have different needs?
- What other products or service do / will they want you to provide?
- How profitable is each segment?

Customer Relationship

- What type of interaction is your customer requiring?
- Do they prefer extensive customer service?
- Basic transaction with no follow up?
- Rewards programs?
- Warranties?
- Are they becoming a brand ambassador?

Channels

- How will you reach each customer segment?
- How are they being reached by your competition? Do they want something else?
- What services will be offered with each channel?
- Do you own the channel or are you dependent on others?
- What are the most cost efficient channels?

Key Activities

- What do you need to do to create your value proposition?
- Production activity?
- Specialized problem solving?
- Platform development?

Key Resources

- What assets do you need to deliver the value proposition?
- Human capital?
- Financial capital?
- Physical assets?
- Intellectual assets?

Key Partners

- Who are they?
- What value is delivered by each?
- What can be borrowed, rented or leased as opposed to purchased?
- How critical are partners to delivering value to your customer?
- What risks or uncertainties are reduced through the partnership?

Revenue Streams

- What are the revenue drivers?
- What are customers willing to pay? What mechanisms dictate pricing?
- How do they pay? Are there alternative methods?
- What is the average time to sale?
- Frequency of purchases?
- Volume of purchases?
- What is the margin?
- What is the break even point? (unit volume, sales volume)

Cost Structure

- What are the cost drivers? (activities, resources, standards)
- What is the unit cost structure?
- Are there economies of scale?
- What costs are fixed / variable?

STRATEGY



Strategy is about being different.

Develop 5 changes to the BMC that would differentiate you from your competition.

Thanks.

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