



Understanding Business Models And Designing a New Model

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Agenda



- **Business Model Elements**

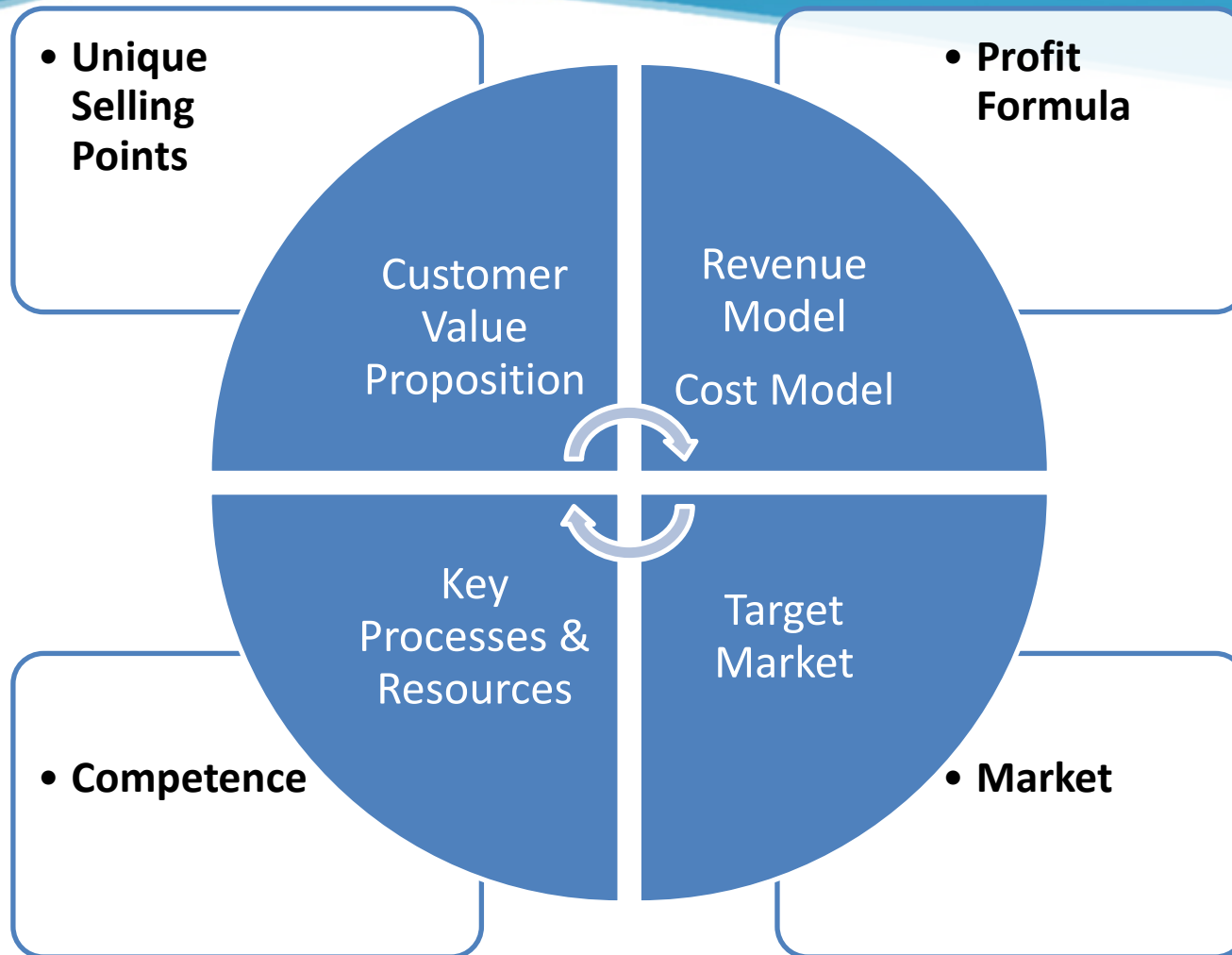
- Review Your Business Model

- The Basis of Competition

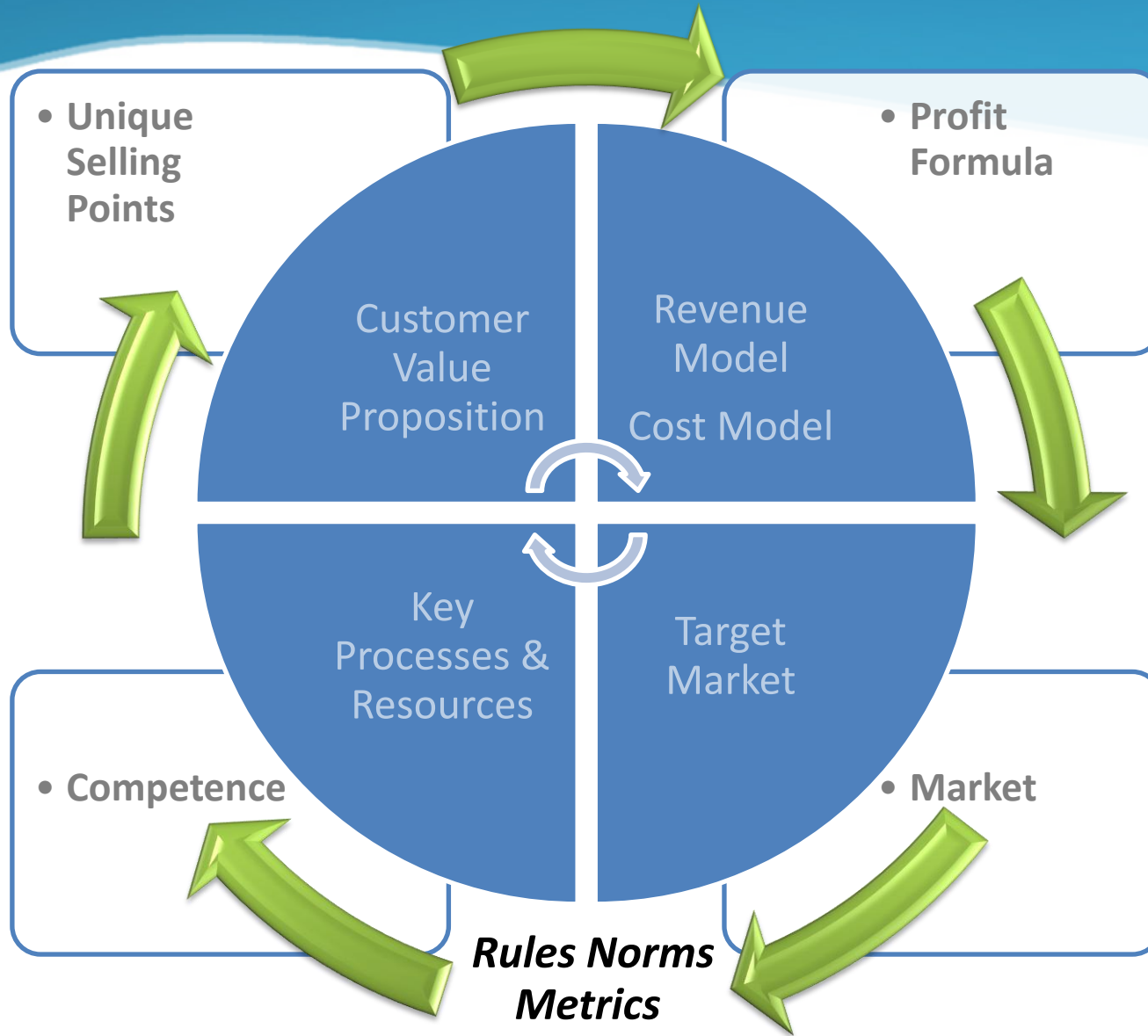
- Defining a New Model

- Business Model Levers

Business Model Elements



Business Model Elements



Agenda



- Business Model Elements



- **Review Your Business Model**



- The Basis of Competition



- Defining a New Model



- Business Model Levers

Customer Value Proposition

- *Entry 1*
- *Entry 2*
- ...

**Analyse
Business**



Profit Formula

Revenue Model:

- *Entry 1*
- ...

Cost Model:

- *Entry 1*
- ...

**Analyse
Business**



Core Competences

- *Entry 1*
- *Entry 2*
- ...

**Analyse
Business**



Markets

- *Entry 1*
- *Entry 2*
- ...

Analyse
Business



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- Review Your Business Model



- **The Basis of Competition**

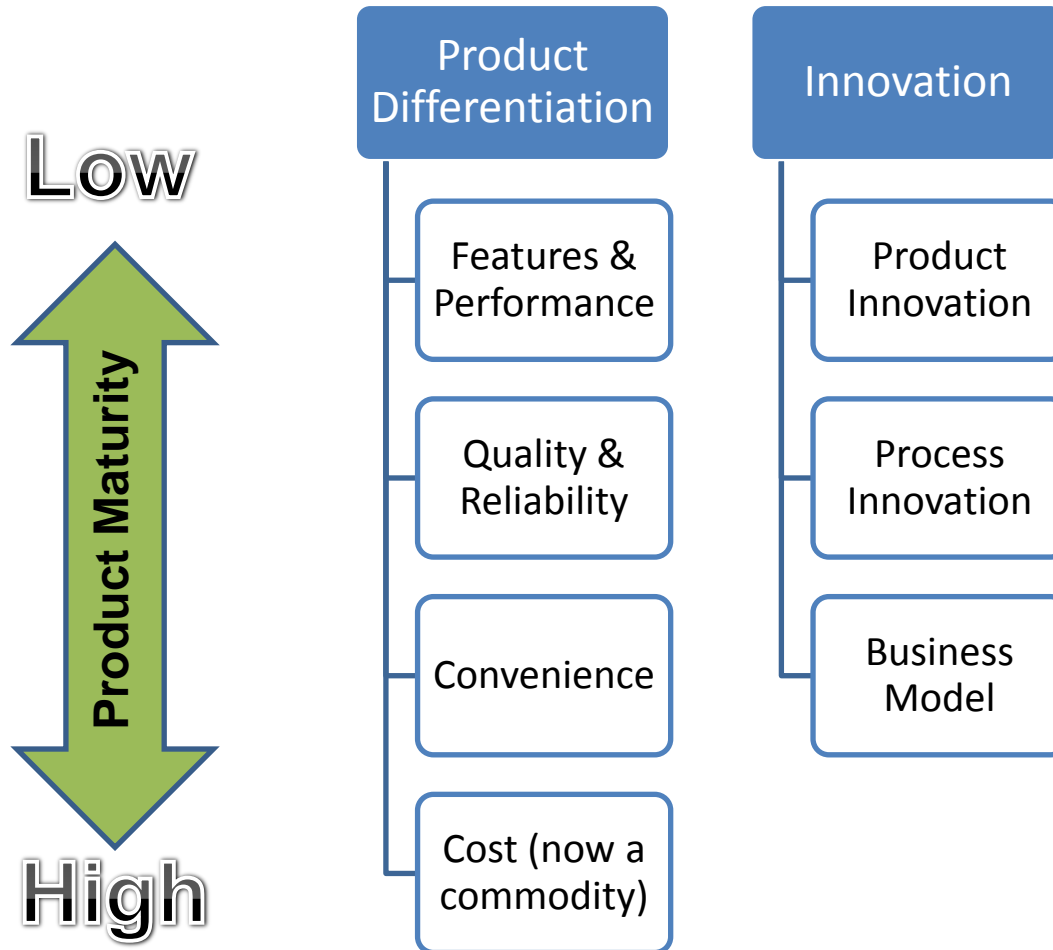


- Defining a New Model



- Business Model Levers

Shifts in the Basis of Competition



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- **Defining a New Model**

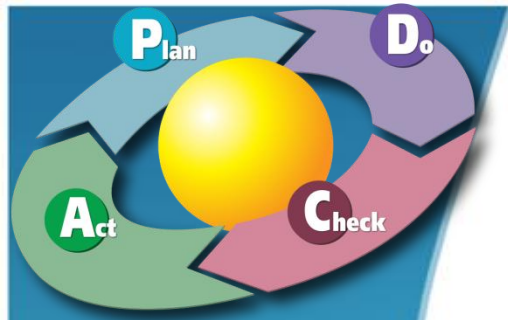


- Business Model Levers

Problem Solving Continuum

‘When knowledge is low, people make do with unstructured attempts to solve a problem.

As they gain more knowledge, they begin to recognize patterns and eventually to devise reliable rules to guide their problem-solving efforts.’ [1]



Defining a New Model

An Iterative Process:

- Discover *Jobs to be Done*
- Understand the problem space
 - “What are you trying to get done”
 - Not “What do you need?”
- Remember
 - Functional Elements
 - Social & Emotional Aspects

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- **Business Model Levers**

Business Elements

- **Offering** – Jobs to be Done
- **Access** – How to Acquire Offering
- **Payment** – What, When and How

Sample Product Offering Levers

Type	Features	Custom	Breadth
Product	Specific	General	Single
Service	General	Custom	Bundle

Sample Product Access Levers

Supply

Direct

Indirect

Support

Light

Heavy

Value

Instant

Delay

Purchase

Often

Rarely

Sample Product Payment Levers

Form

Cash

Finance

Price

Fixed

Variable

Payer

Single

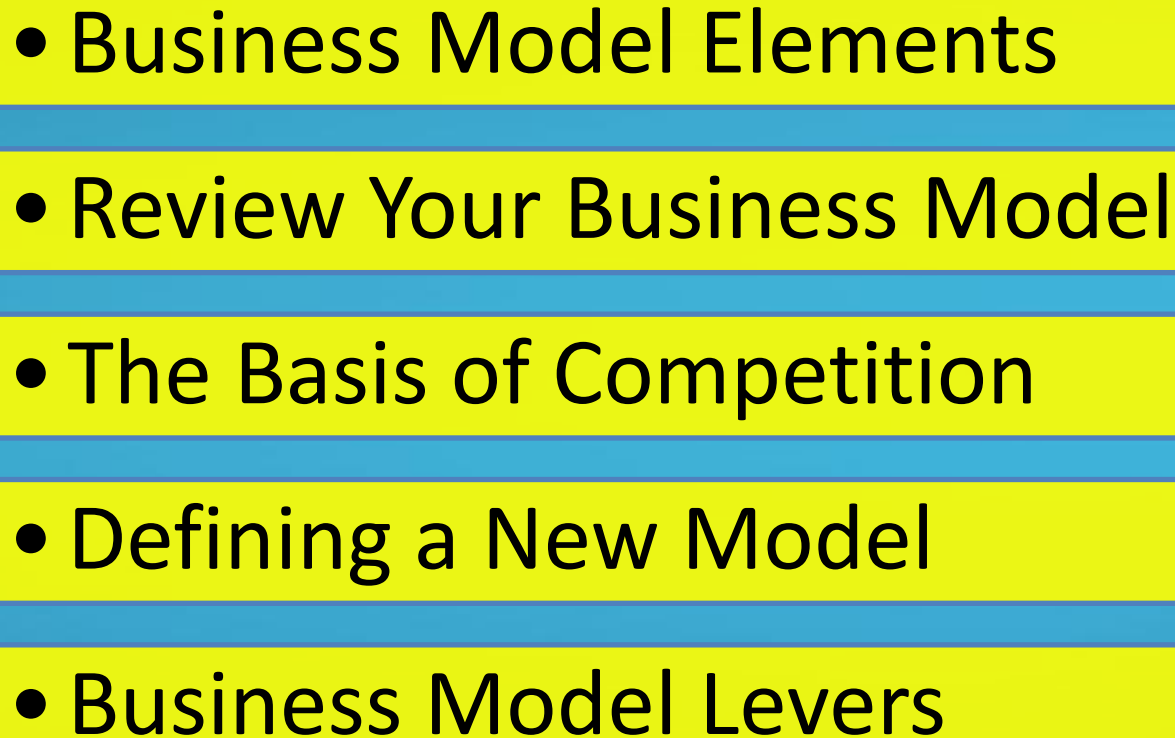
Multiple

Pay Per

Unit

Value

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Summary: Business Model Design



Summary: Business Model Design



Understand Business Models



Understand Problem Space



Assess Different Model Levels

Questions



References

- [1] *Johnson, M. W. (2010). Seizing the White Space. Harvard Business Press.*
- *Henderson, Gavin (2011). [Seizing the White Space Notes](http://mbastrategy.weebly.com/);*
- *Wikipedia.org; http://en.wikipedia.org/wiki/Main_Page*

Back up Slides



Sample Revenue Models 1



Affinity Club – Partner with Membership Associations

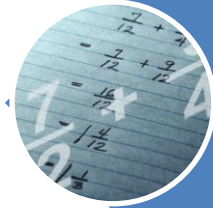


Bundling – Package Offerings



Cell Phone –Service Plans with Levels of Use

Sample Revenue Models 2



Fractionalization – Partial Ownership with Full Benefits



Leasing – Making High Cost Products Accessible



Pay as you Go – Charge Metered According to Usage

Sample Revenue Models 3



Printers – Low Cost Product
High Margin Components



Product Service – Sell Service
Performed not Product



Subscription – Fee for Access
to Product or Service