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MAKE YOUR PRODUCT COME ALIVE WITH THE BUSINESS MODEL CANVAS

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ICEBREAKER
FROM HALLUCINATION TO VISION
AGILE ≠ AGILITY

NOT MERELY EXECUTING: CONTINUOUSLY ADAPTING, IMPROVING AND DELIVERING VALUE
1. BUSINESS MODEL CANVAS
2. BUSINESS MODEL STRATEGY
3. END-TO-END EXAMPLE
4. FORTIFY YOUR MODEL
5. BMC GROUP EXERCISE
6. EVALUATIONS
YOUR ROI:

- MAKE YOUR PRODUCTS COME ALIVE (VISION)

- CHALLENGE, VALIDATE AND STRENGTHEN YOUR BUSINESS MODELS (AGILITY)
# The Business Model Canvas

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COMPETING ON BUSINESS MODELS

FOUR LEVELS OF BUSINESS MODEL STRATEGY
LEVEL 0: OBLIVIOUS

FOCUS MAINLY ON PRODUCT, TECHNOLOGY AND SERVICES

GREAT VALUE PROPOSITIONS, PRODUCT-MARKET FIT

PROBLEM: THEY COMPETE SOLELY ON PRODUCTS AND VALUE PROPOSITIONS; UNAWARE OF BUSINESS MODEL INNOVATION
LEVEL 1: THE BEGINNERS

ASK THEMSELVES HOW THEY ARE MAKING MONEY, HOW THEY REACH THEIR CUSTOMERS, WHAT COST STRUCTURE IS NECESSARY, ETC.

UNDERSTAND THAT PRODUCTS, SERVICES AND TECHNOLOGY IS NOT ENOUGH

PROBLEM: THEY TREAT THE BUSINESS MODEL CANVAS AS A “CHECKLIST”; LITTLE ACTION IS DRIVEN BEYOND ALIGNMENT
LEVEL 2: MASTERS

UNDERSTAND THAT THE BUSINESS MODEL NEEDS TO INTEGRATE TOGETHER AS A STORY

EVERY SINGLE PIECE OF THE BUSINESS MODEL REINFORCES THE OTHERS AND CONTRIBUTES TO THE STORY

EXAMPLES: NINTENDO WII
LEVEL 3: INVINCIBLES

CONTINUOUSLY CHALLENGES, INNOVATES AND VALIDATES THEIR OWN MODELS DESPITE THEIR SUCCESS

MAY EVEN CANNIBALIZE THEIR OWN BUSINESS IN ORDER TO FIND NOVEL WAYS OF OPERATING

EXAMPLES: AMAZON
EXAMPLE: NESPRESSO

HOW TO INNOVATE WHILE DELIVERING EXISTING PRODUCTS BY EXISTING TECHNOLOGIES TO EXISTING MARKETS
Nespresso. What else? *

Nespresso.

Café com corpo e alma.

www.nespresso.com
Nespresso Play by Play

Key Partners
- Machine Manufacturers
- Coffee Growers

Key Activities
- Production
- Marketing
- Distribution

Key Resources
- Patents
- Brand
- Production Facilities
- Coffee

Value Propositions
- Nespresso Machine
- Nespresso Pods

Customer Relationships
- Acquire & Lock-in
- Nespresso Club

Customer Segments
- Households
- Businesses

Channels
- Retailers
- Mail Order & Call Center
- Nespresso Stores
- nespresso.com Website

Cost Structure
- Production Costs
- B2C Distribution Costs

Revenue Streams
- 1x Machine Sales
- Repetitive Pod Sales
NESPRESSO TODAY

- STILL ONE OF THE BIGGEST BUSINESS WITHIN NESTLE

- 30% ANNUAL GROWTH FROM 2010-2013

- ANNUAL REVENUE $5B

- 8% OF NESTLE’S OPERATING PROFITS
FORTIFY YOUR BUSINESS MODEL

7 CONSIDERATIONS TO ASSESS THE STRENGTH OF YOUR BUSINESS MODEL DESIGN
1. SWITCHING COSTS
2. RECURRING REVENUE
3. EARNING FIRST
4. COST STRUCTURE
5. OTHER’S WORK
6. SCALABILITY
7. COPY PROTECTION
EXERCISE: DESIGN YOUR OWN BUSINESS MODELS
SPLIT INTO 6 GROUPS

YOU’LL HAVE EXACTLY 15 MINUTES TO DESIGN YOUR BUSINESS MODEL USING A CANVAS

USE THE 7 CONSIDERATIONS TO DESIGN COMPETITIVE MODELS

EVERY GROUP WILL HAVE THE SAME PRODUCT – THE BUSINESS MODELS WILL DIFFER
READY?
YOU’RE A BIKE MANUFACTURER

DESIGN A COMPELLING BUSINESS MODEL CANVAS AROUND THIS CORE COMPETENCY IN 15 MINUTES

AT THE END OF 15 MINUTES, THE COACHES WILL EVALUATE THE MODEL AND PROVIDE A SCORE
1. SWITCHING COSTS
2. RECURRING REVENUE
3. EARNING FIRST
4. COST STRUCTURE
5. OTHER’S WORK
6. SCALABILITY
7. COPY PROTECTION
WINNER(S)
KEY TAKE-AWAYS

COMPETING ON VALUE PROPOSITIONS, SERVICES AND PRODUCTS ALONE IS NOT ENOUGH

THE PIECES OF THE BUSINESS MODEL NEEDS TO REINFORCE EACH OTHER; TELL A STORY (MAKE YOUR PRODUCT COME ALIVE)

BUSINESS MODELS EXPIRE FAST – CONTINUOUSLY CHALLENGE, VALIDATE AND INNOVATE YOUR BUSINESS MODELS (AGILITY)
THANK YOU!!!

Ray Arell (Intel)
Almir Drugovic (Sutherland Group)
Jason Kline (Salesforce)
Dan Neumann (NeuManagement)
Mike Register (Salesforce)
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Quickly test if the rough numbers indicate an idea worth pursuing.

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