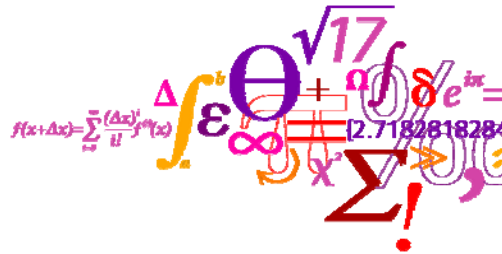


Business Model

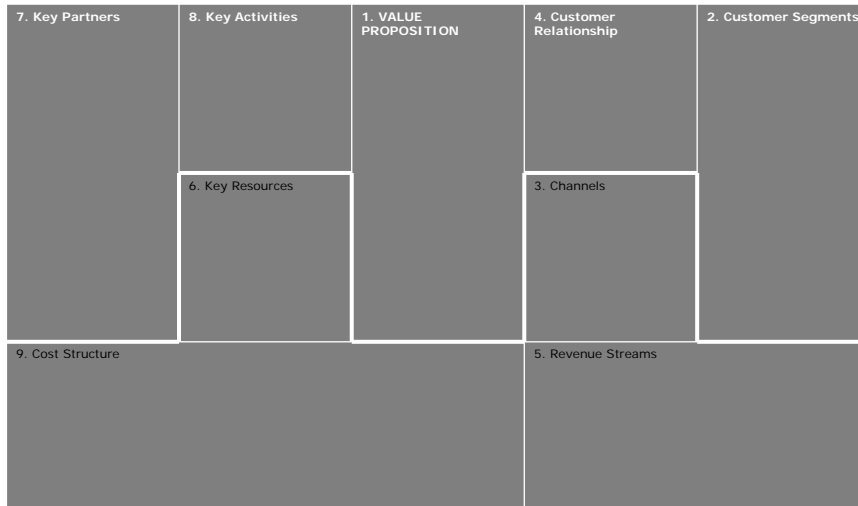
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**The Business model answer the question of:
How are companies organized?**

How a company creates values for
itself while delivering products and
services to customers

What are the pieces



Value proposition

What are you building and for whom

- Not about your technology
- Solving a problem meeting a need for a customers
- Who are your customers

The Customers

Who are they; why do they buy

- Demographic
- Social characteristic
- Geographic location

Channels

How does the product get to the customer

- Physical
- Web
- Mobile

Customer relationship

How does a company get, grow, keep

- Get them to the website
- Activate them when they are there
- Get them to keep buying and spend more

Revenue streams

How do you make money

What value is the customer paying for

- How will the company capture that value
- Direct sale
- Freemium – giving away the product and hope that some portion convert later
- License/subscription model

Key Resources

- Finance
- Physical
- Intellectual – acquire, protect
- Human – who and how do you keep them

Partnership

- What key resources am I acquiring from them
- What key activities do they perform & when
- Type of partnership- strategic alliances, buyers, suppliers, joint ventures etc

Key Activities

What key activities do you need to become an expert at

- Production – making something
- Problem solving – engineering/consulting
- Managing supply chain

Cost

Costs and expenses to operate

- Obvious - people building material
- Important cost
- Expensive resources
- Key activities are most expensive
- Fixed cost variable cost , economies of scale
- What will end up costing you money to run the business