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HEC Lausanne

Designing, assessing and visualizing business models

VMBO 2009/02/09

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Gérardmer
Remiremont
Munster
Rouffach
Guebwiller
Mulhouse
Thann
Belfort
Audincourt
Porrentruy
Delémont
Laufen
Freiburg
i. Breisgau
Waldkirch
Bad Krozingen
Müllheim
Schopfheim
Waldshut
Säckingen
Basel
Liestal
Olten
Aarau
Lenzburg
Zürich
Zofingen
Schwenningen
Villingen
Donaueschingen
Blumberg
Tuttlingen
Sigmaringen
Biberach
Saulgau
Mindelheim
Bad Wörishofen
Memmingen
Kaufbeuren
Bad Waldsee
Bad Wurzach
Leutkirch
Stockach
Singen
Überlingen
Schaffhausen
Radolfzell
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Ravensburg
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Wangen
Isny
Kempten
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Immenstadt
Weinfelden
Romanshorn
Lindau
Bregenz
Sonthofen
Oberstdorf
Frauenfeld
Arbon
Wil
St.Gallen
Rorschach
Lustenau
Altstätten
Dornbirn
Hohenems
Götzis
Herisau
Appenzell
Feldkirch
Bludenz
Vaduz
Buchs
Wattwil
Rapperswil
Meilen
Thalwil
Uster
Winterthur
Kloten
Wettingen
Baden
Brugg
Bülach
Zug
Baar
Einsiedeln
Schwyz
Glarus
Emmen
Luzern
Sursee
Langenthal
Burgdorf
Langnau i.E.
Sarnen
Stans
Altdorf
Chur
Davos
Besançon
Moutier
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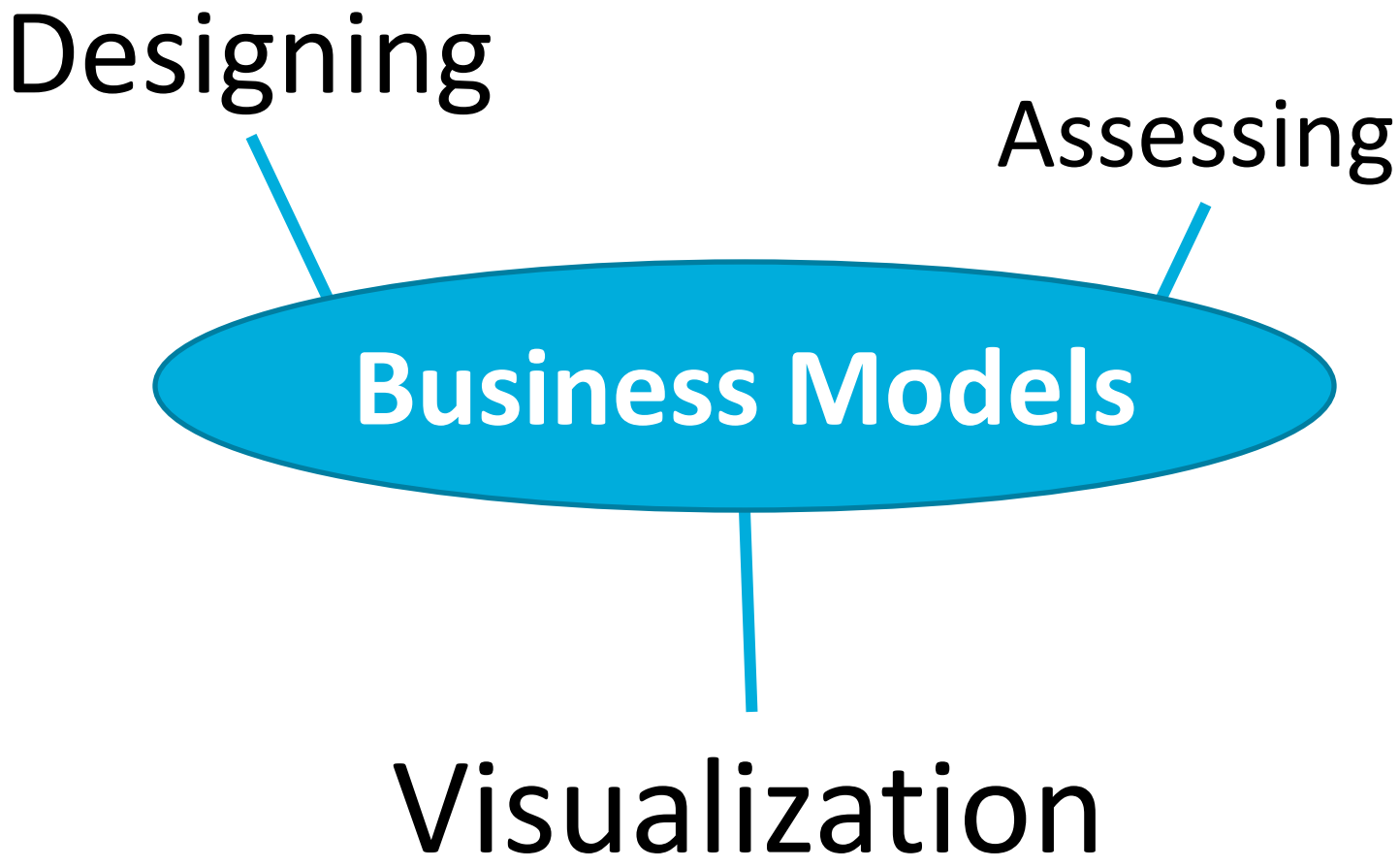
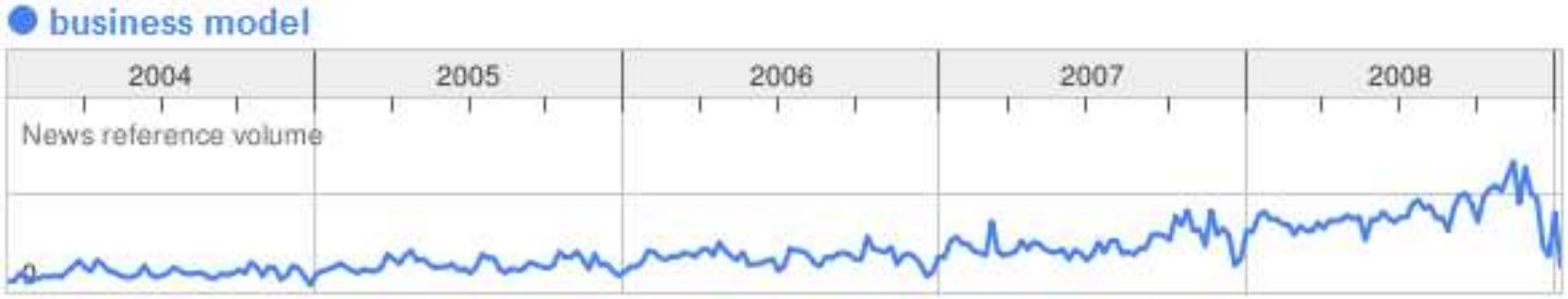
Biasca
Chiavenna
Sóndrio
Morbegno
Tirano
Édolo
St.Moritz
Chiasso
Como
Varese
Lecco
Mandello
Calolziocorte
Villa
Merate
Bergamo
Sarnico
Palazzolo
Sarezzo
Gardone
Concésio
Salò
Darfo
Breno
Pisogne
Sesto
Borgomanero
Gattinara
Gallarate
Saronno
Séveso
Seregno
Monza
Dálmine
Limbiate
km
25
50
75
100

AGENDA



Business Model Importance



Brokerage

Open Source

Crowdsourcing

Manufacturer

Advertising

Subscription

Infomediary

Affiliate

Software as a Service

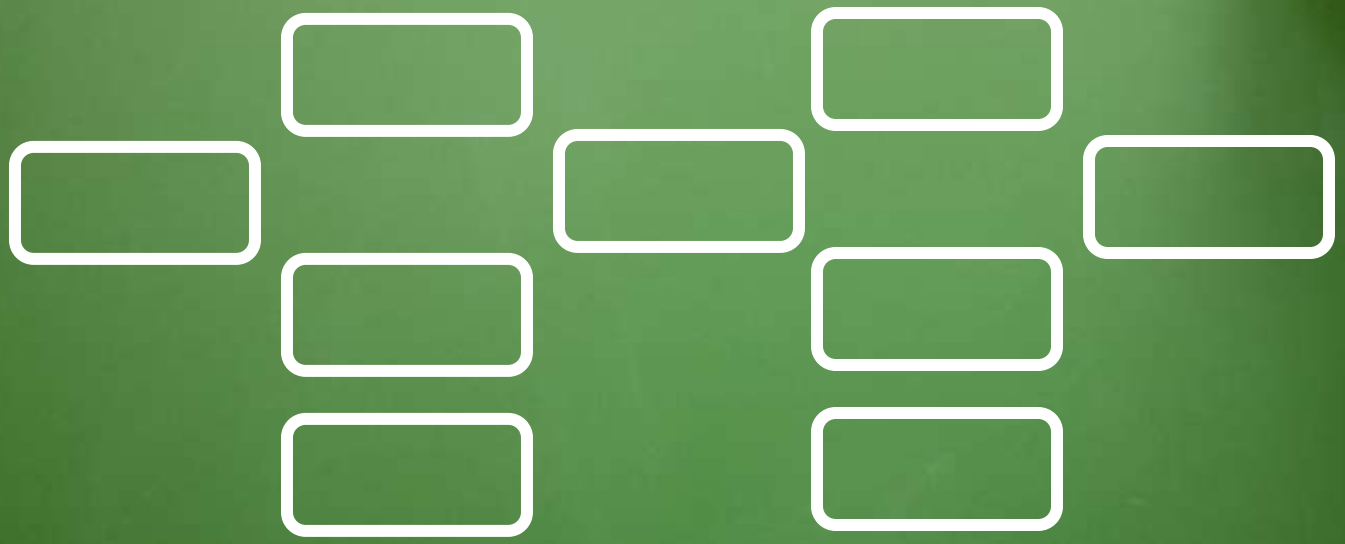
Utility

Community

Merchant

[Rappa M. 2008]

DESIGNING BUSINESS MODELS: "BUSINESS MODEL ONTOLOGY"



4 areas

HOW?

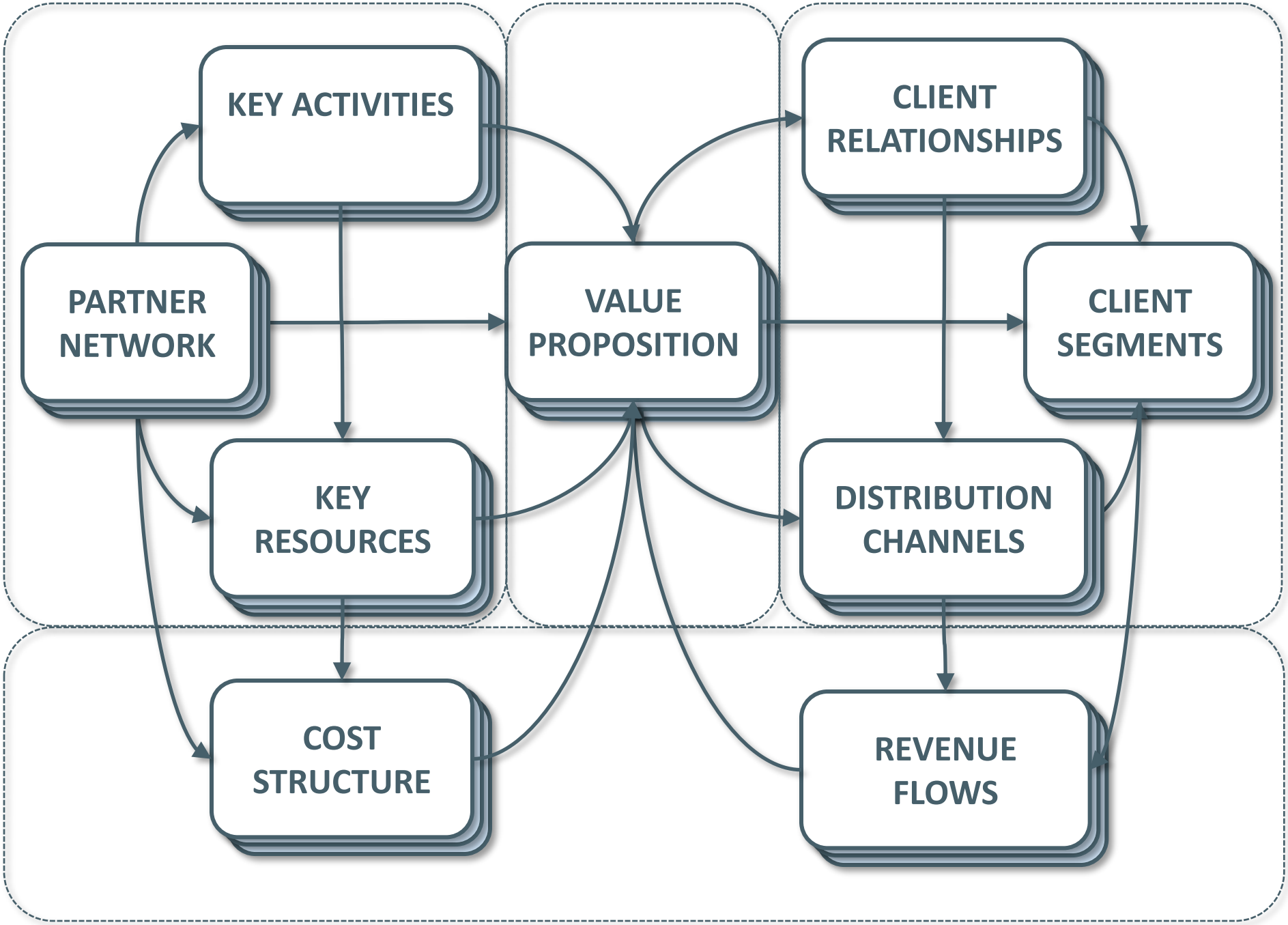
WHAT?

WHO?

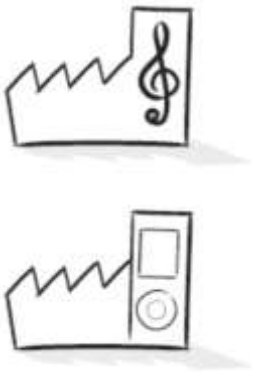
$?

€?

9 building blocks

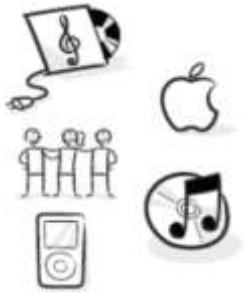

KEY ACTIVITIES
CLIENT RELATIONSHIPS
PARTNER NETWORK
VALUE PROPOSITION
CLIENT SEGMENTS
KEY RESOURCES
DISTRIBUTION CHANNELS
COST STRUCTURE
REVENUE FLOWS

STRATEGIC PARTNERS

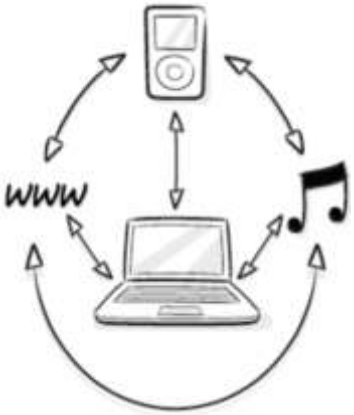


KEY ACTIVITIES

KEY RESOURCES

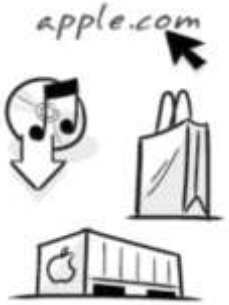


VALUE PROPOSITION



CUSTOMER RELATIONSHIP

DISTRIBUTION CHANNELS



CUSTOMER SEGMENT

COST

REVENUES

XPLANATIONS™ by XPLANE™
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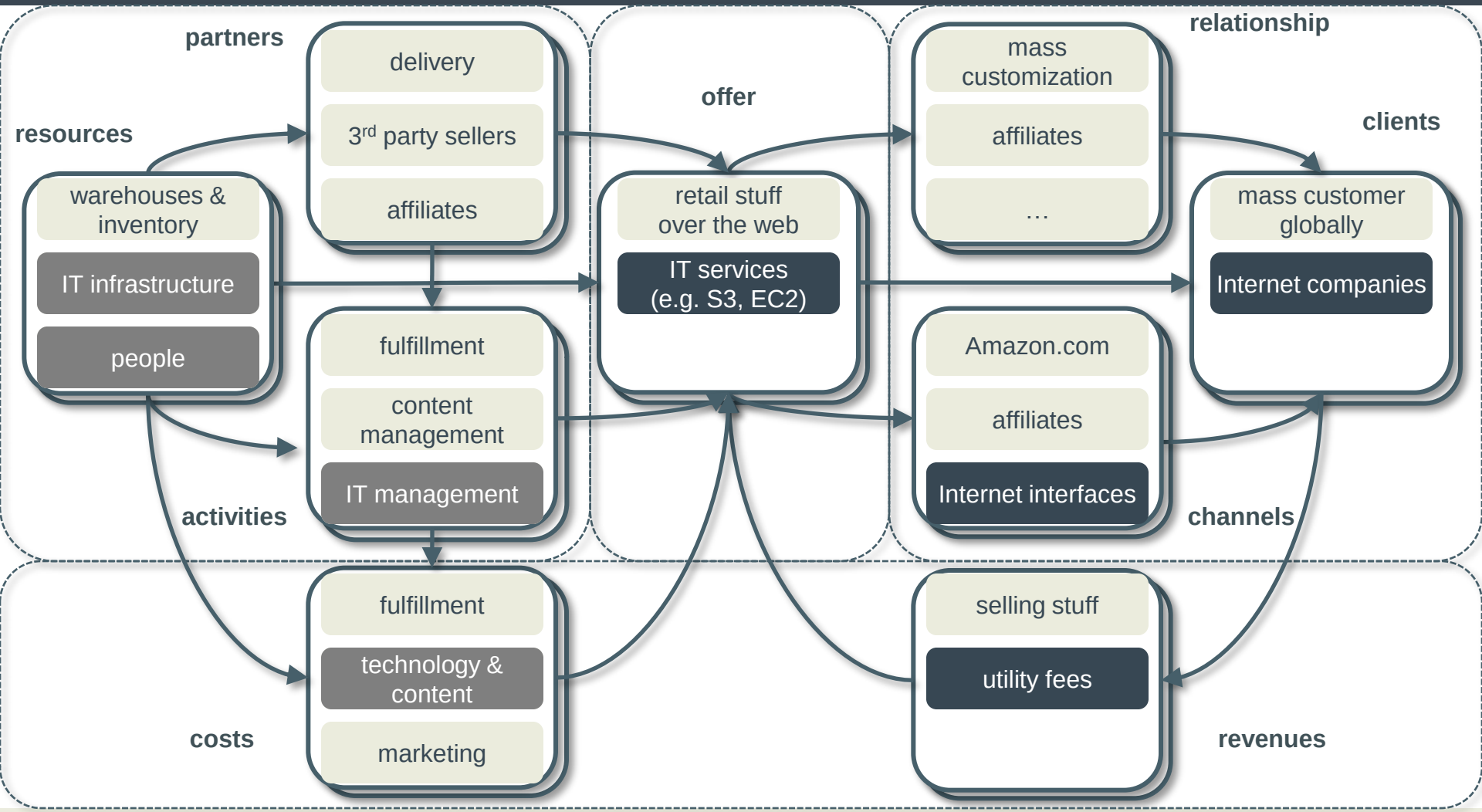
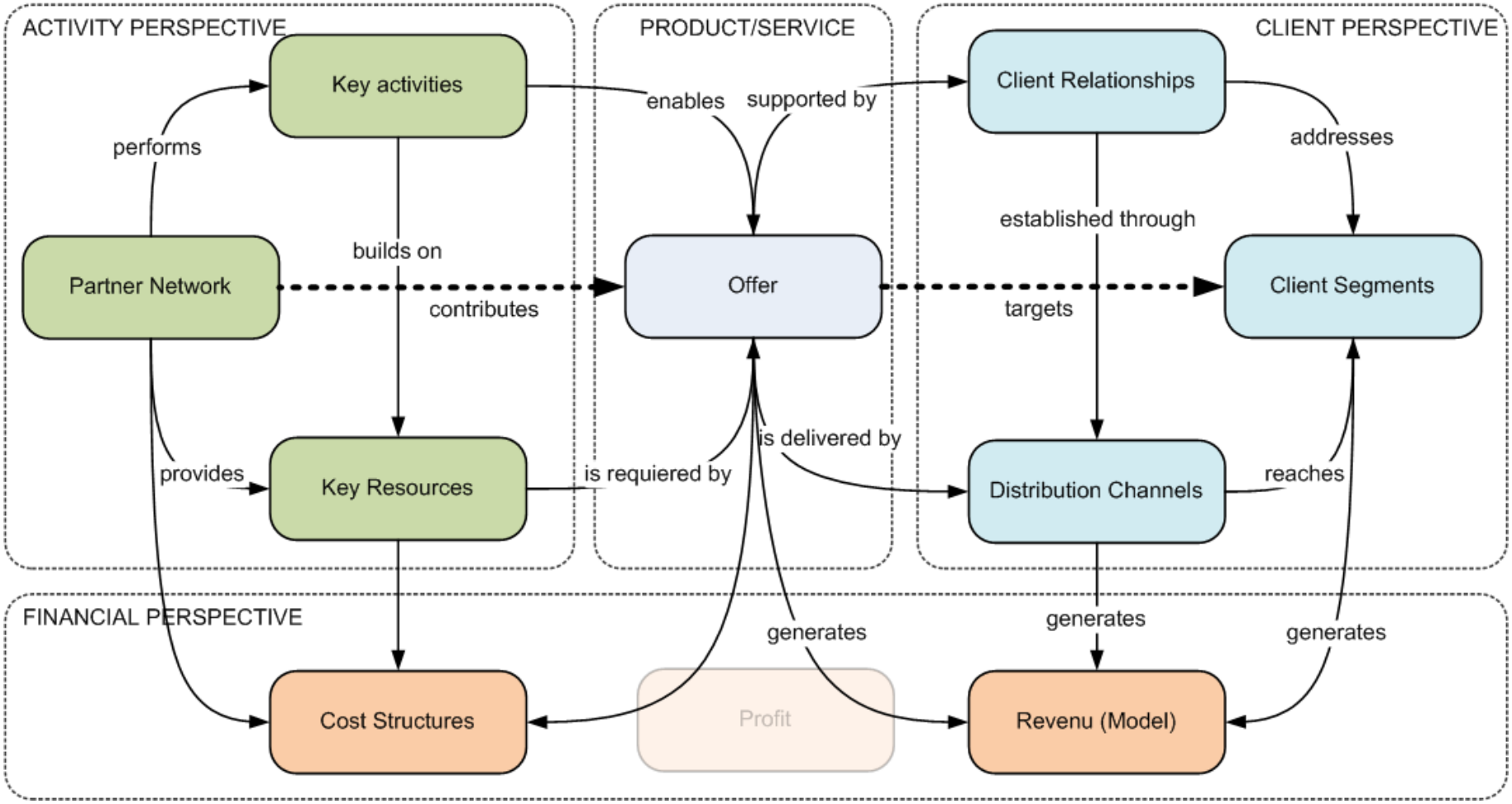
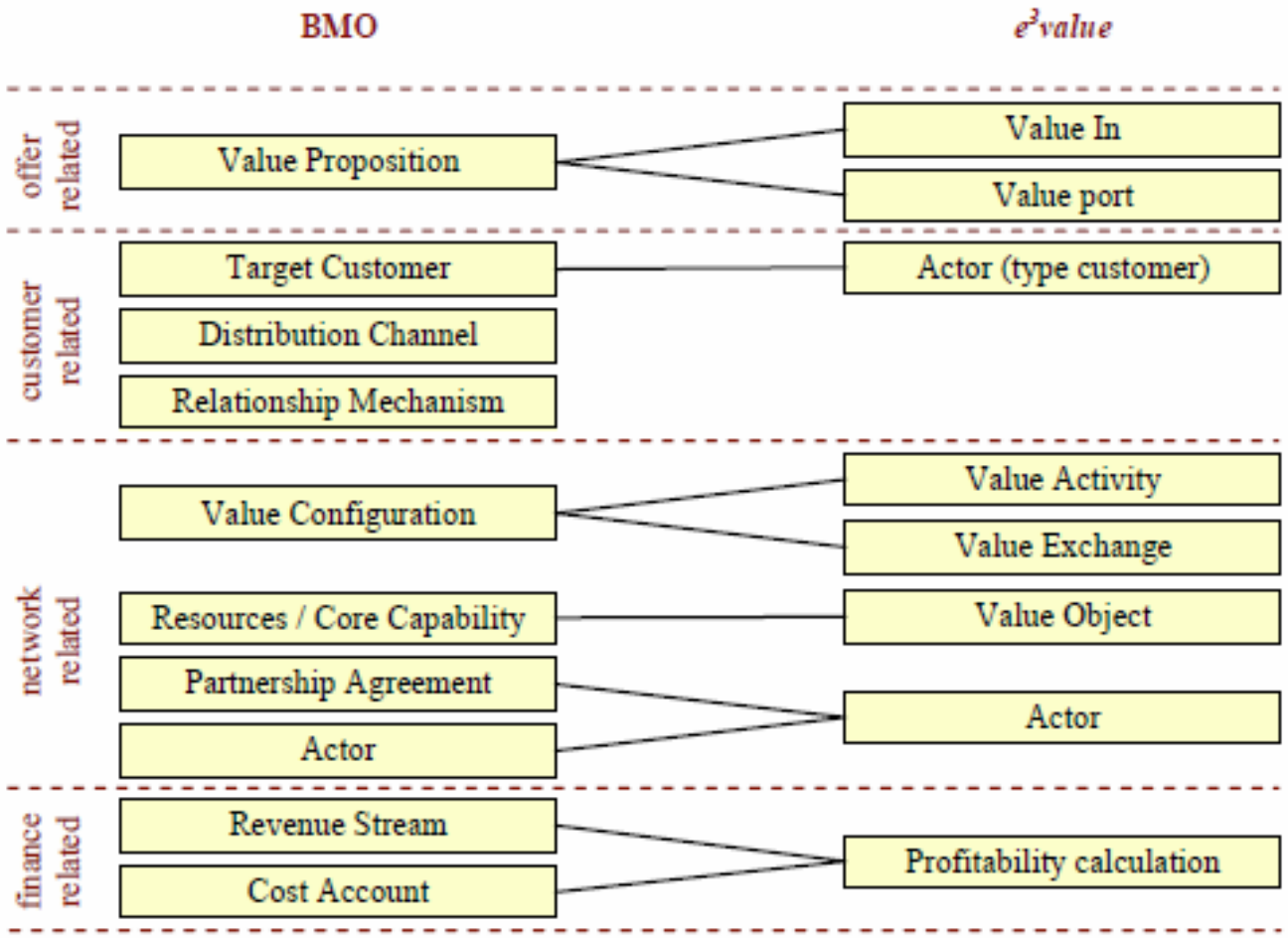
Amazon S3 & EC2




ACTIVITY PERSPECTIVE
PRODUCT/SERVICE
CLIENT PERSPECTIVE
Key activities
enables
supported by
Client Relationships
performs
addresses
established through
builds on
Partner Network
Offer
Client Segments
contributes
targets
provides
Key Resources
is requiered by
is delivered by
Distribution Channels
reaches
FINANCIAL PERSPECTIVE
generates
generates
generates
Cost Structures
Profit
Revenu (Model)

Mapping of similar elements



J Gordijn, A Osterwalder, Y Pigneur. C*omparing two Business Model Ontologies for Designing e-Business Models and Value Constellations.* Proceedings of the 18th BLED conference 2005

ASSESSING BUSINESS MODELS

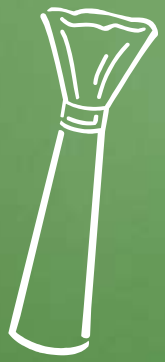
Business Model Assessment Questions

Key questions to assess a business model	
Client Segments	• Do we know our clients and their needs good enough? • Are some customer groups likely to defect soon? • Do we regroup different customer segments well enough
Offer	• Does our offer still cater well enough to our clients' needs? • Do we know how our customers perceive our offer? • Are our competitors proposing a similar offer at similar or better prices? • How well are our customers served by other competitors?
other blocks …	• …

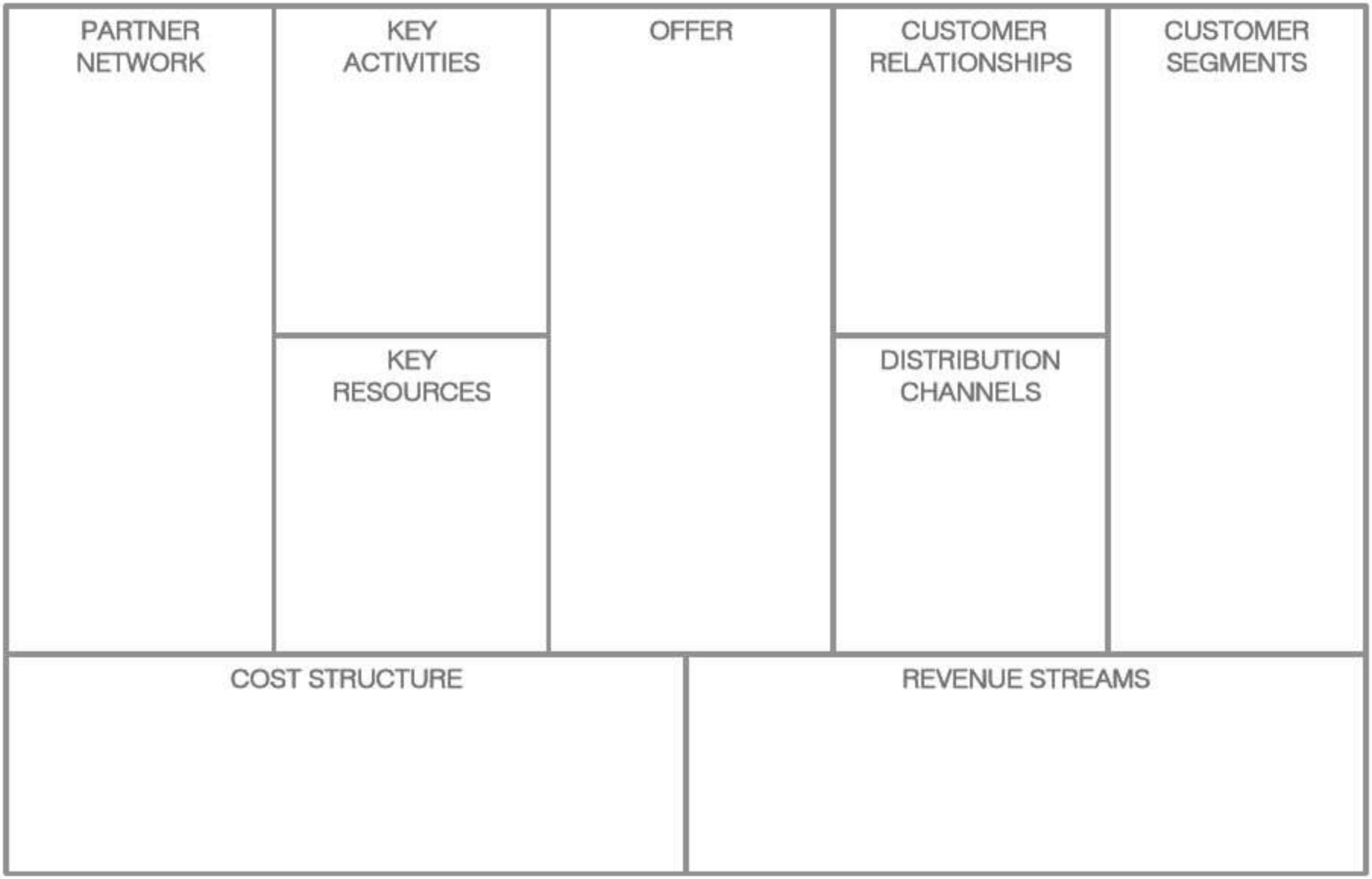
Business Model Innovation and Re-Design

Key questions to improve and innovate our business model	
Customer Segments	• Are there new customer segments we could serve? • Could we regroup/segment customers better according to their needs?
Value Proposition	• Could we offer our different customer segments more tailored needs? • Do our customers have other needs we could satisfy relatively easily by ourselves or with partners? • Could we complement our value proposition through agreements with partners (e.g. joint value propositions)?
Other blocks …	• …

VISUALIZATION



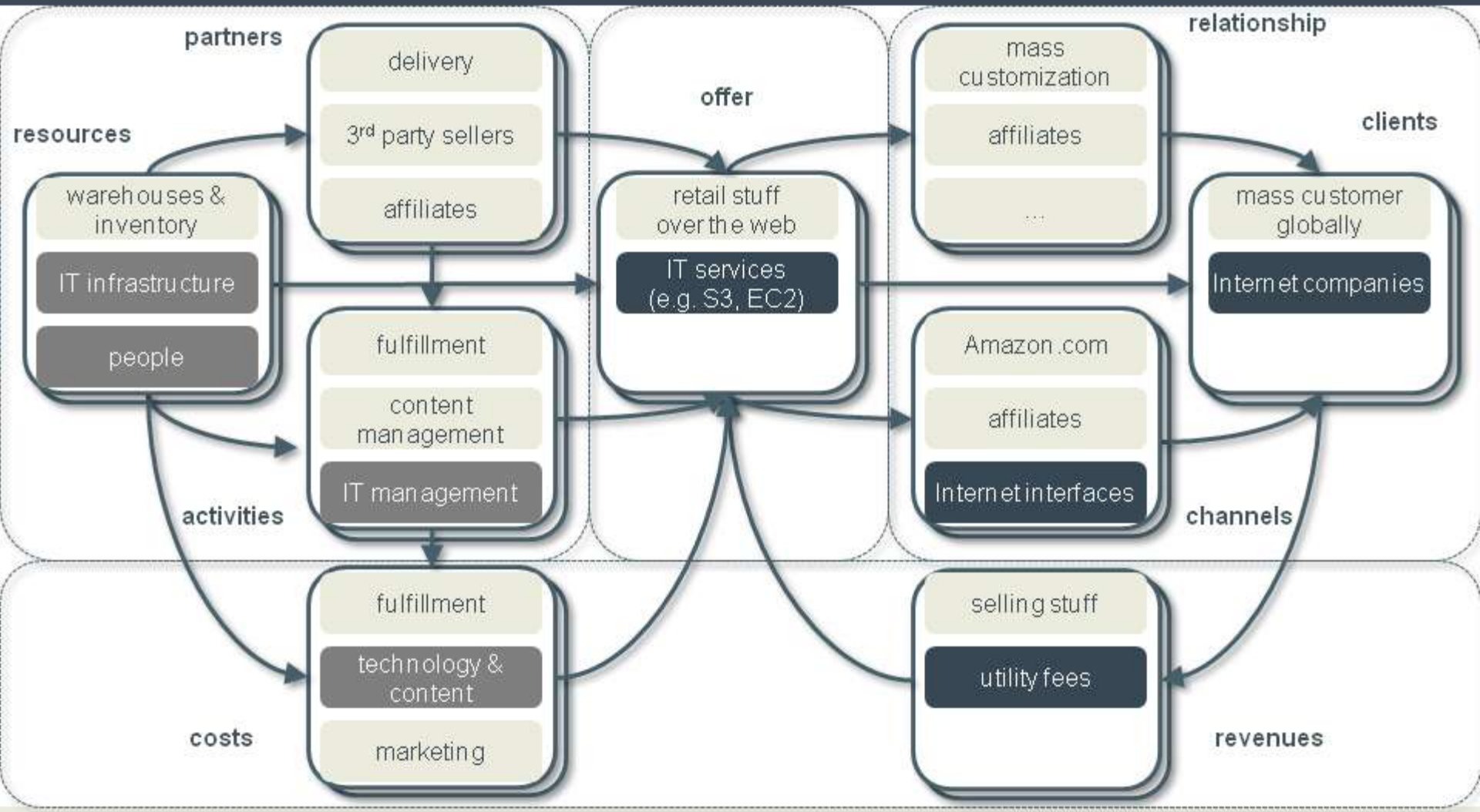
the business model canvas



Paper

Amazon S3 & EC2

PowerPoint



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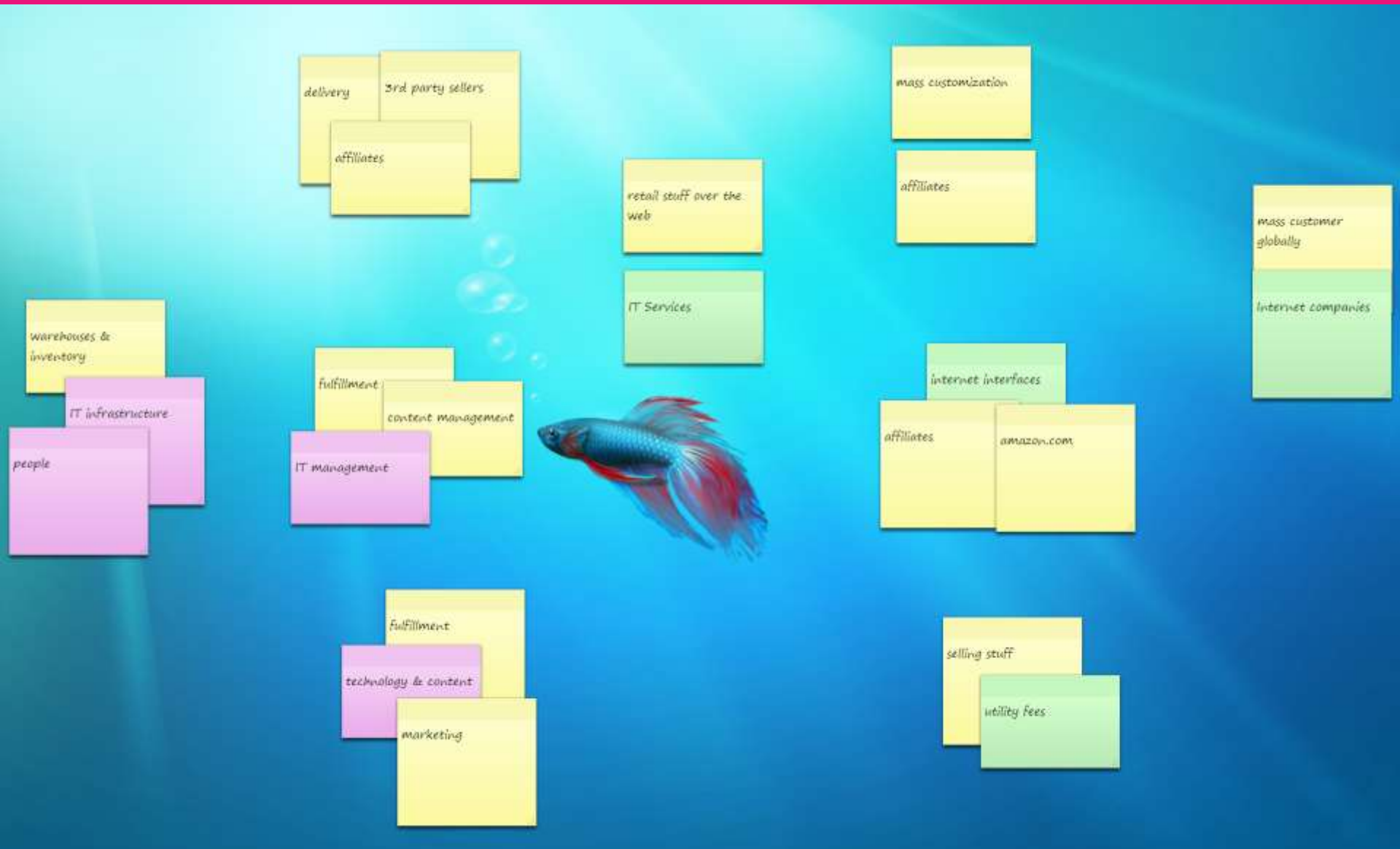
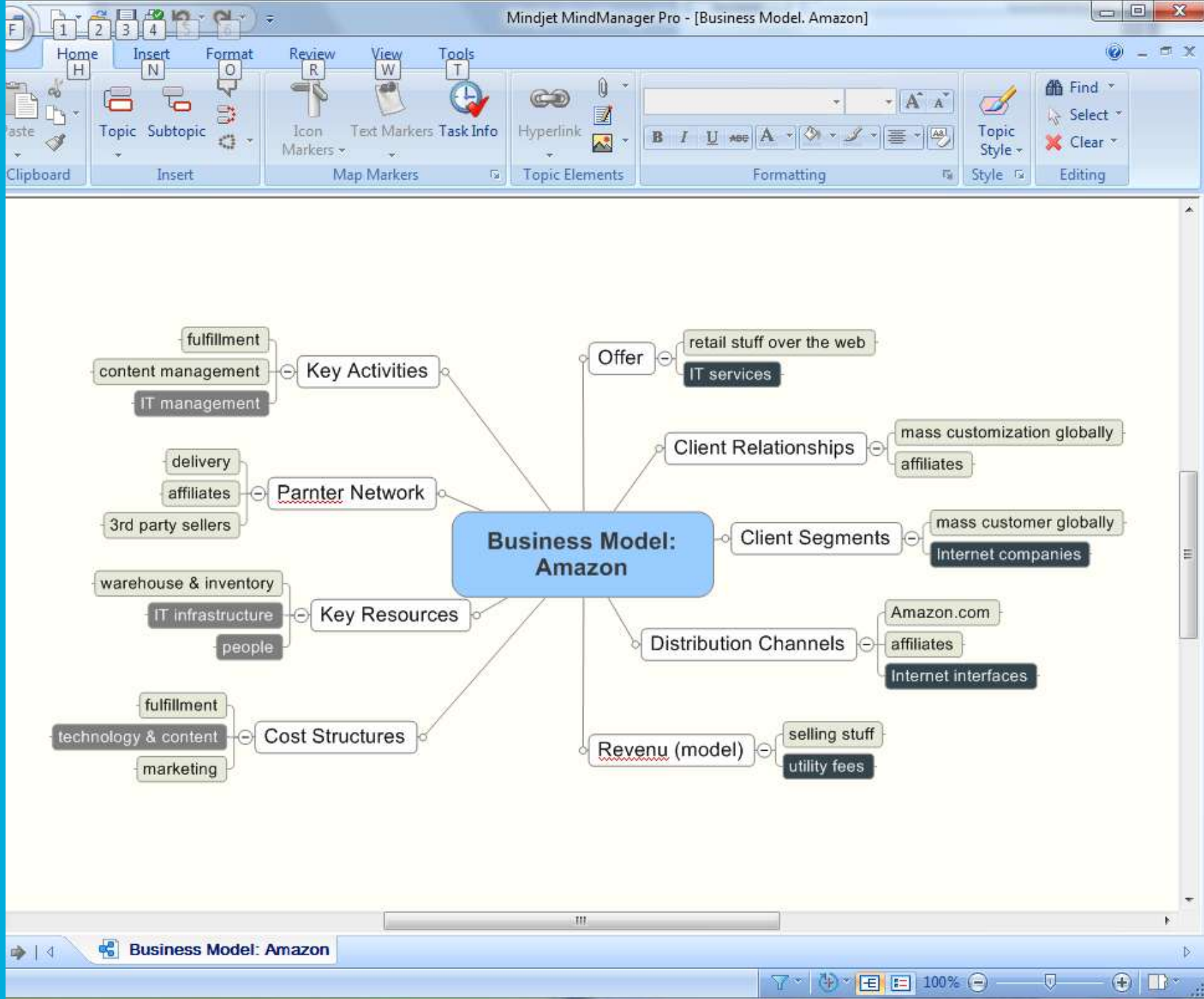
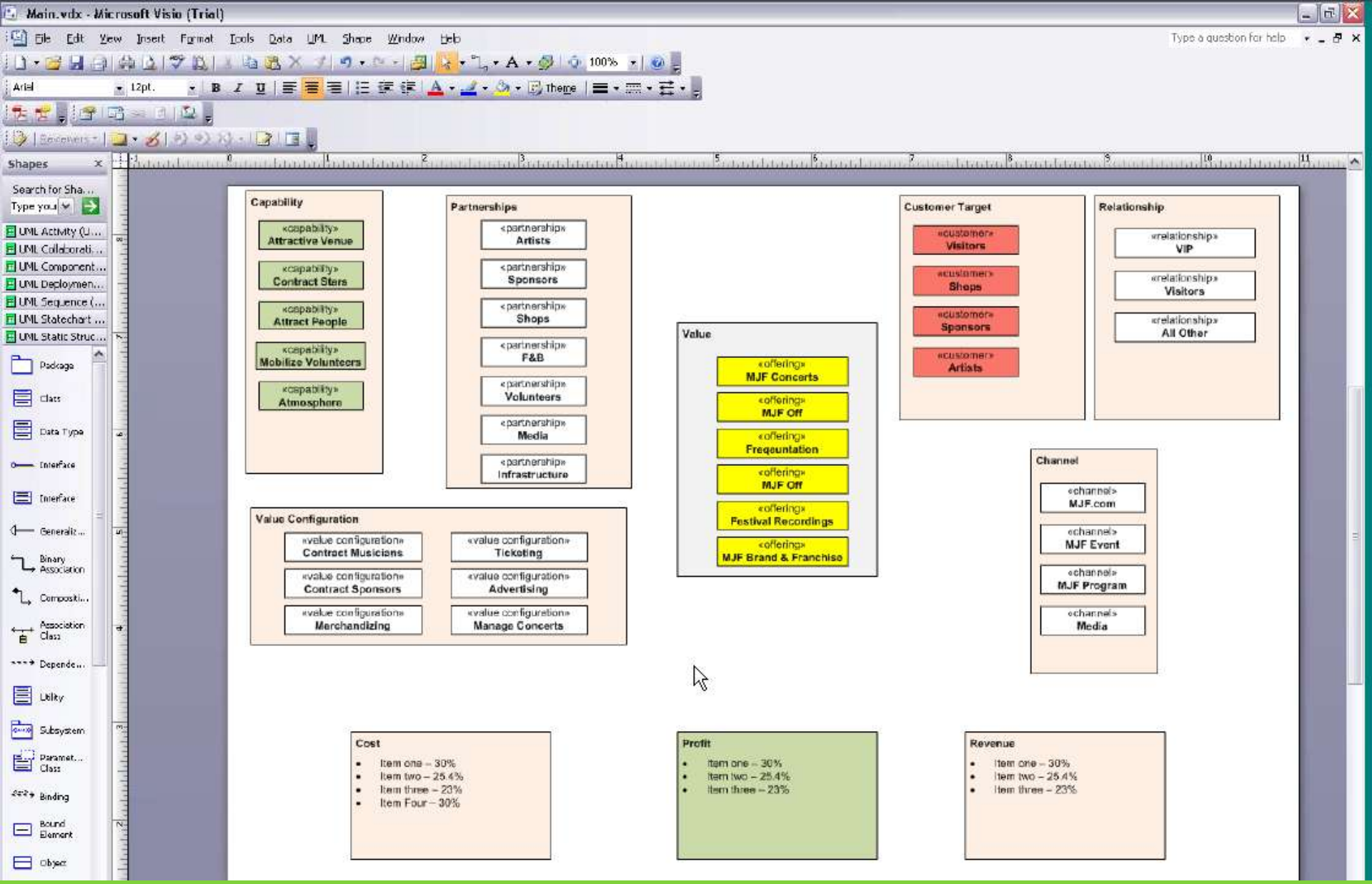
Digital Copy Paper Pattern

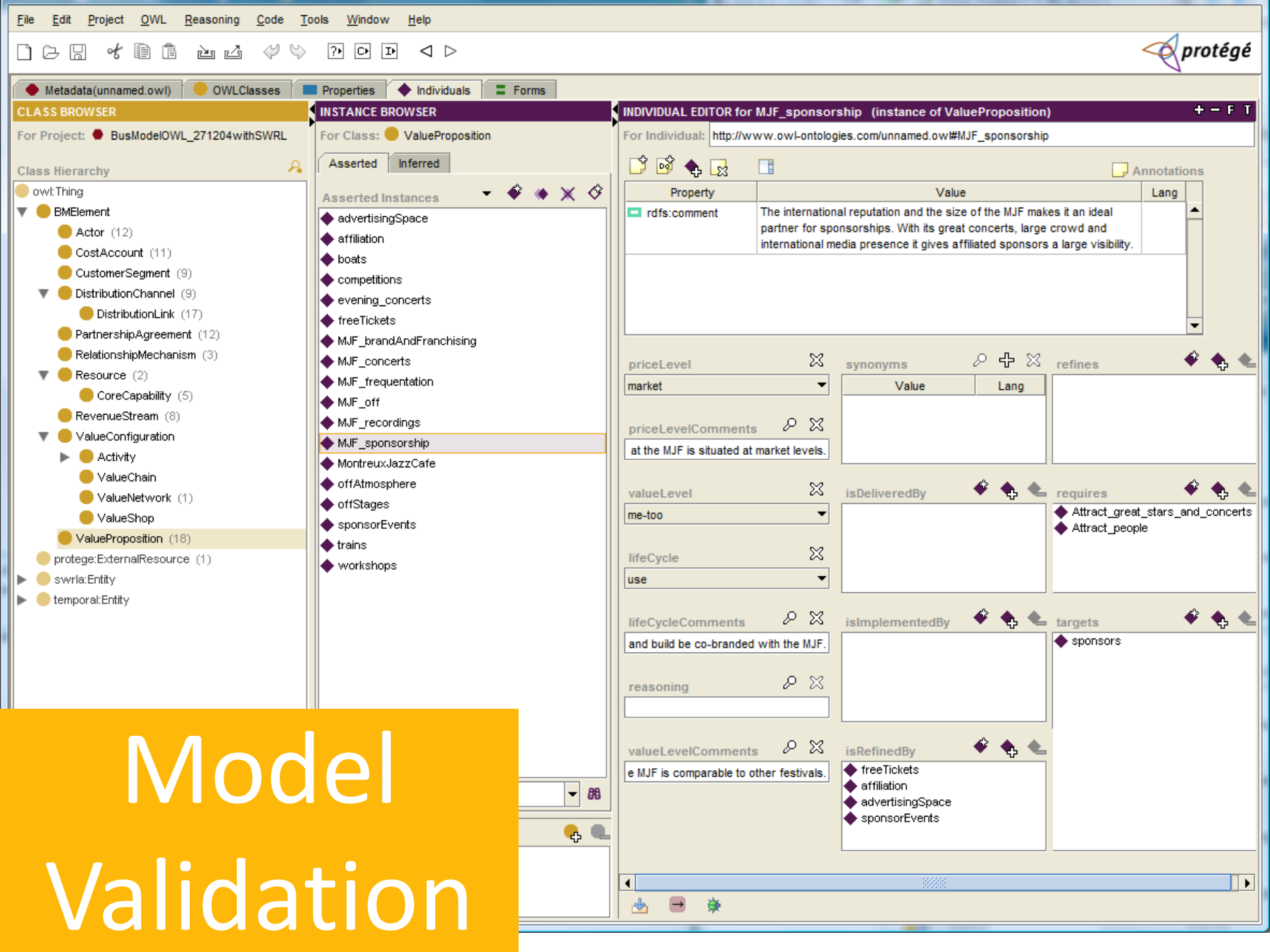


Digital Flexible Model





Digital Generic Technical

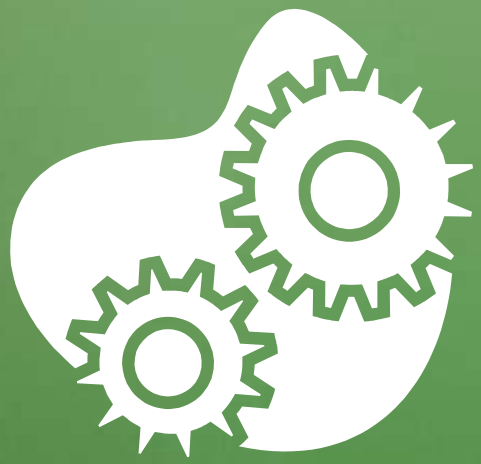


Model Validation

Balance

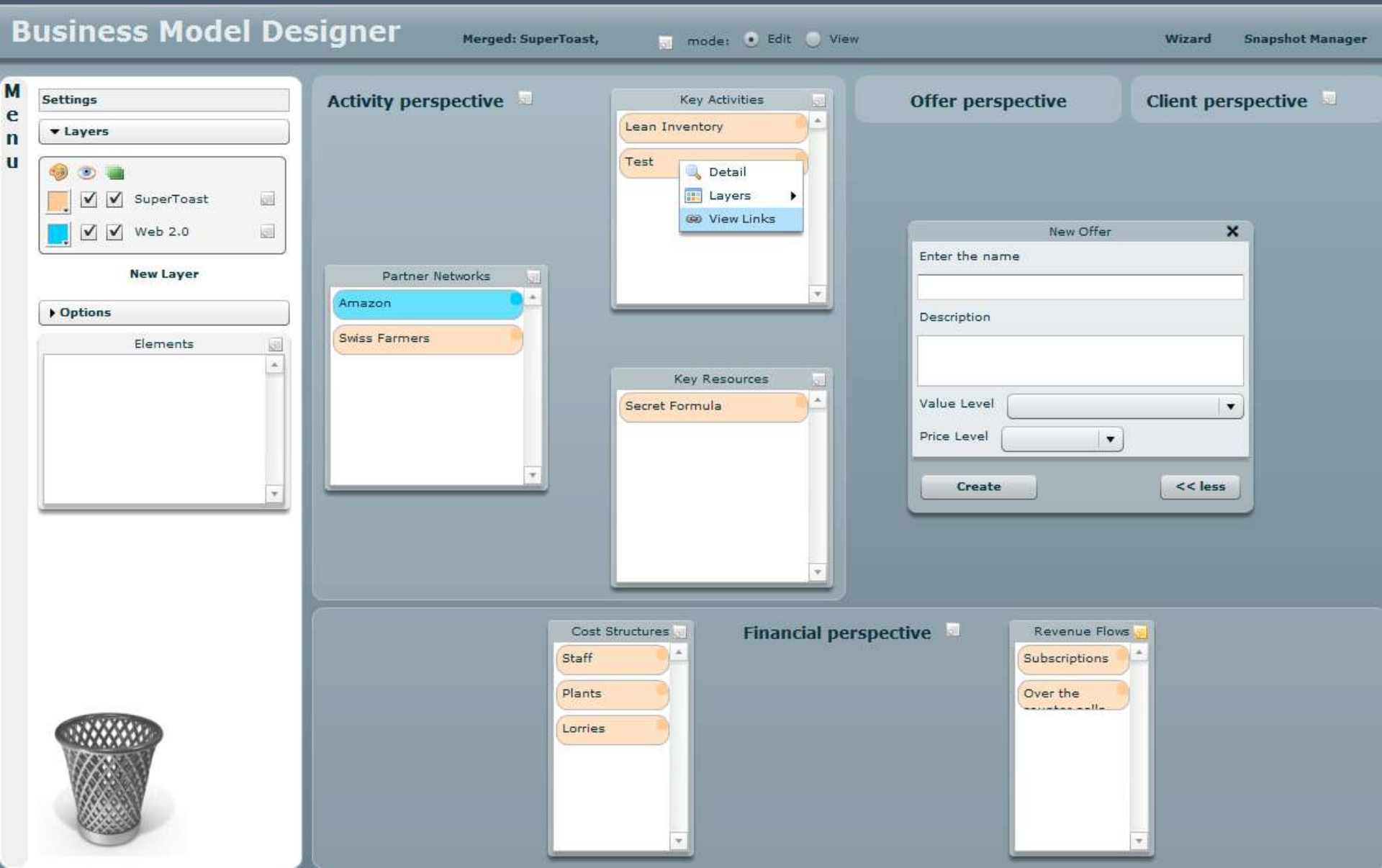
WE COULD DESIGN THE PRODUCT WITH A SIMPLE POINT-AND-CLICK INTERFACE...
OR WE COULD REQUIRE THE USER TO CHOOSE AMONG THOUSANDS OF POORLY DOCUMENTED COMMANDS, EACH OF WHICH MUST BE TYPED EXACTLY RIGHT ON THE FIRST TRY.
BEAR IN MIND, WE'LL NEVER MEET A CUSTOMER OURSELVES.
MAKE IT SO THEY HAVE TO REBOOT AFTER EVERY TYPO.
E-Mail: SCOTTADAMS@AOL.COM
S. Adams
4-30

VISUAL EDITOR



DEMO

http://www.fritscher.ch/bmedit/demo/ http://www.fritscher.ch/hec/tm/



Conclusion

Old Elements

Visual

Sticky Notes

New Layout

Think

Single Page

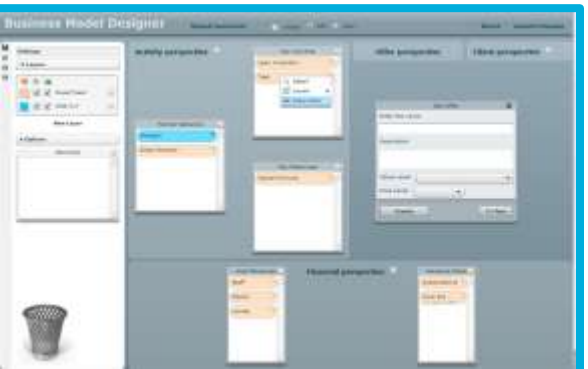
Relationships

Out-of-the-box

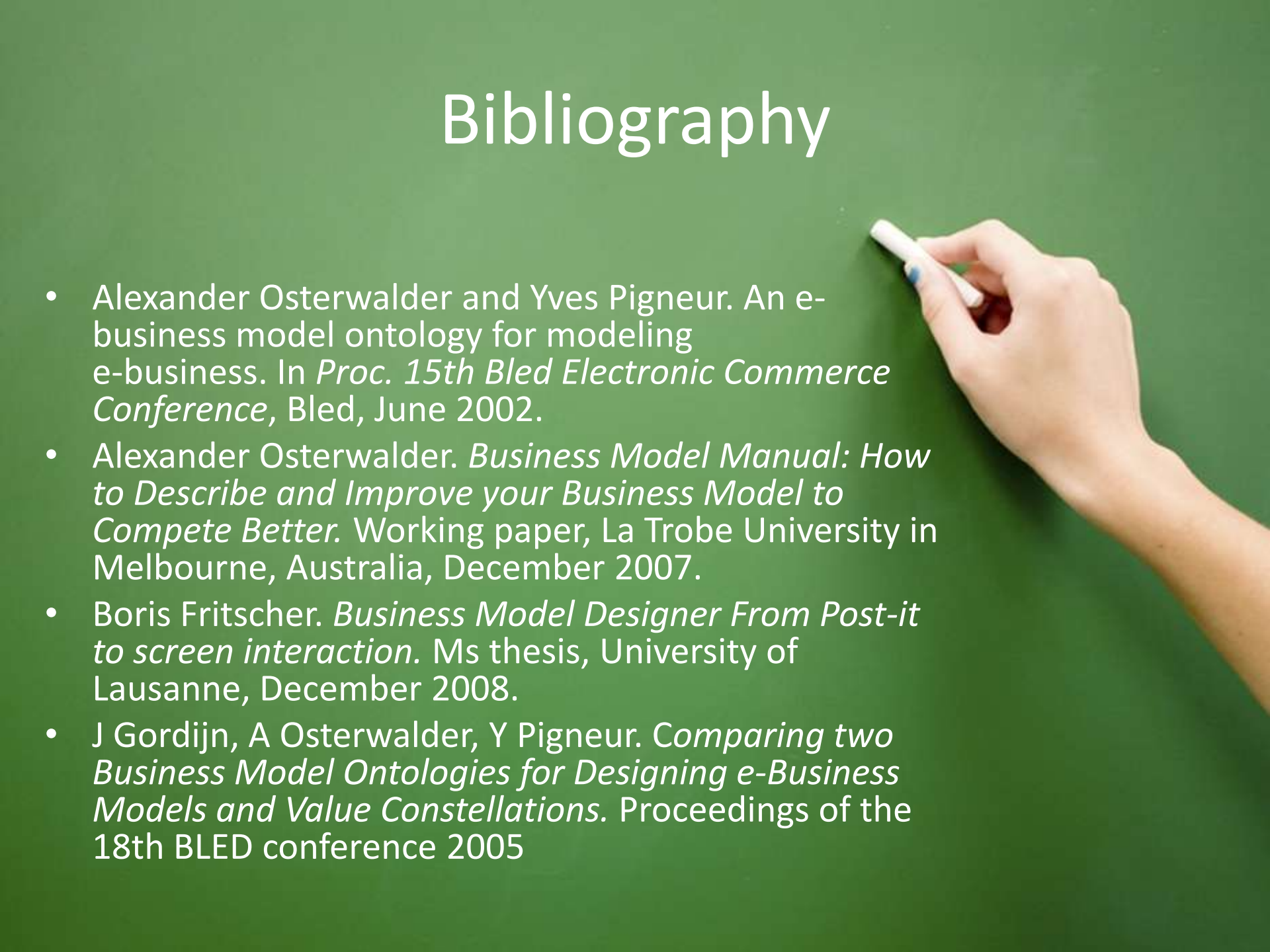
Compromise

Wizard

Extend



Bibliography



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- Alexander Osterwalder. *Business Model Manual: How to Describe and Improve your Business Model to Compete Better.* Working paper, La Trobe University in Melbourne, Australia, December 2007.
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- J Gordijn, A Osterwalder, Y Pigneur. C*omparing two Business Model Ontologies for Designing e-Business Models and Value Constellations.* Proceedings of the 18th BLED conference 2005

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upcoming Business Model Innovation Book

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