

BMO

Business Model Ontology

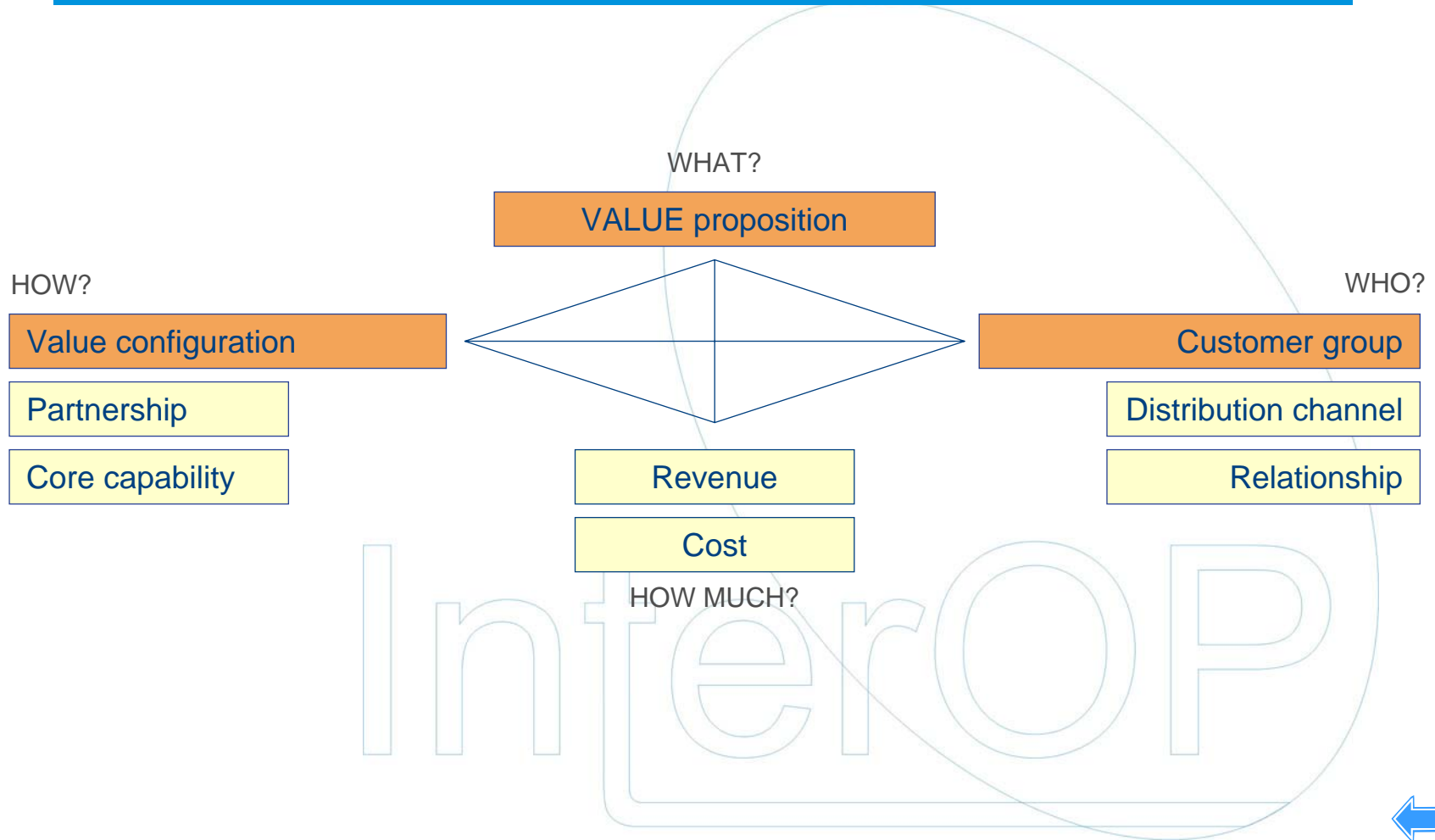


A Business Model Supports...

- Understanding
- Knowledge Sharing
- Measurement
- Simulation and Learning



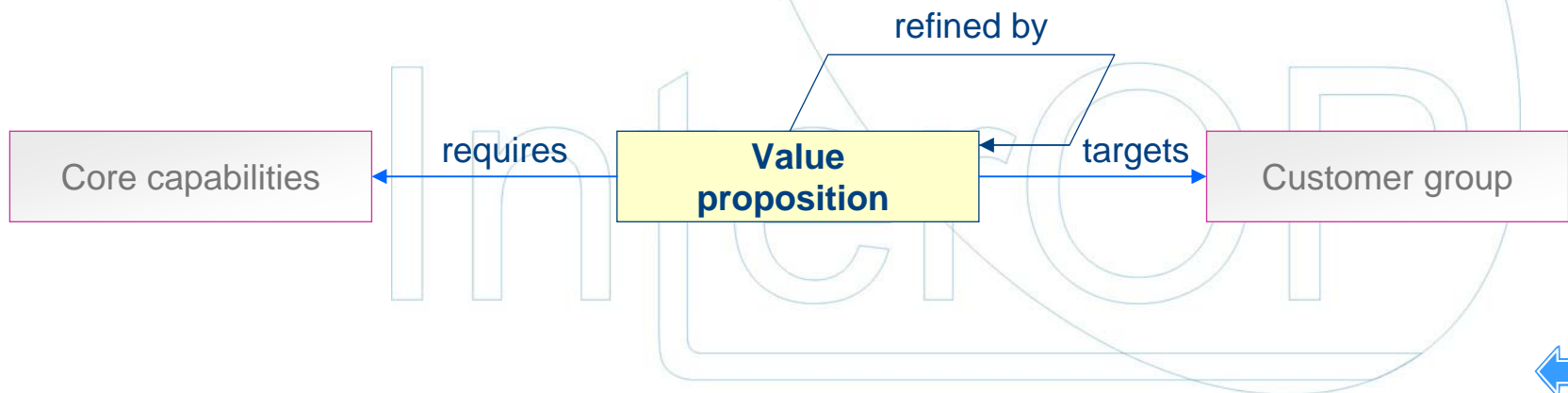
BMO Main Concepts



Value proposition

The value proposition defines

- the actual product or service
- the value or benefits perceived by customers of the products and services offered by the firm



Value Proposition – Reasoning

- Use
 - The actual use of a product or service by the customer
- Risk
 - Reducing the risk for the customer
- Effort
 - Reducing the effort for the customer



Value Proposition – Value Level

- ☐ Me-too
 - Same value as the competitors
- ☐ Innovative imitation
 - Established product with some innovative features
- ☐ Excellence
 - Exceptional value
- ☐ Innovation
 - New product or combination of products

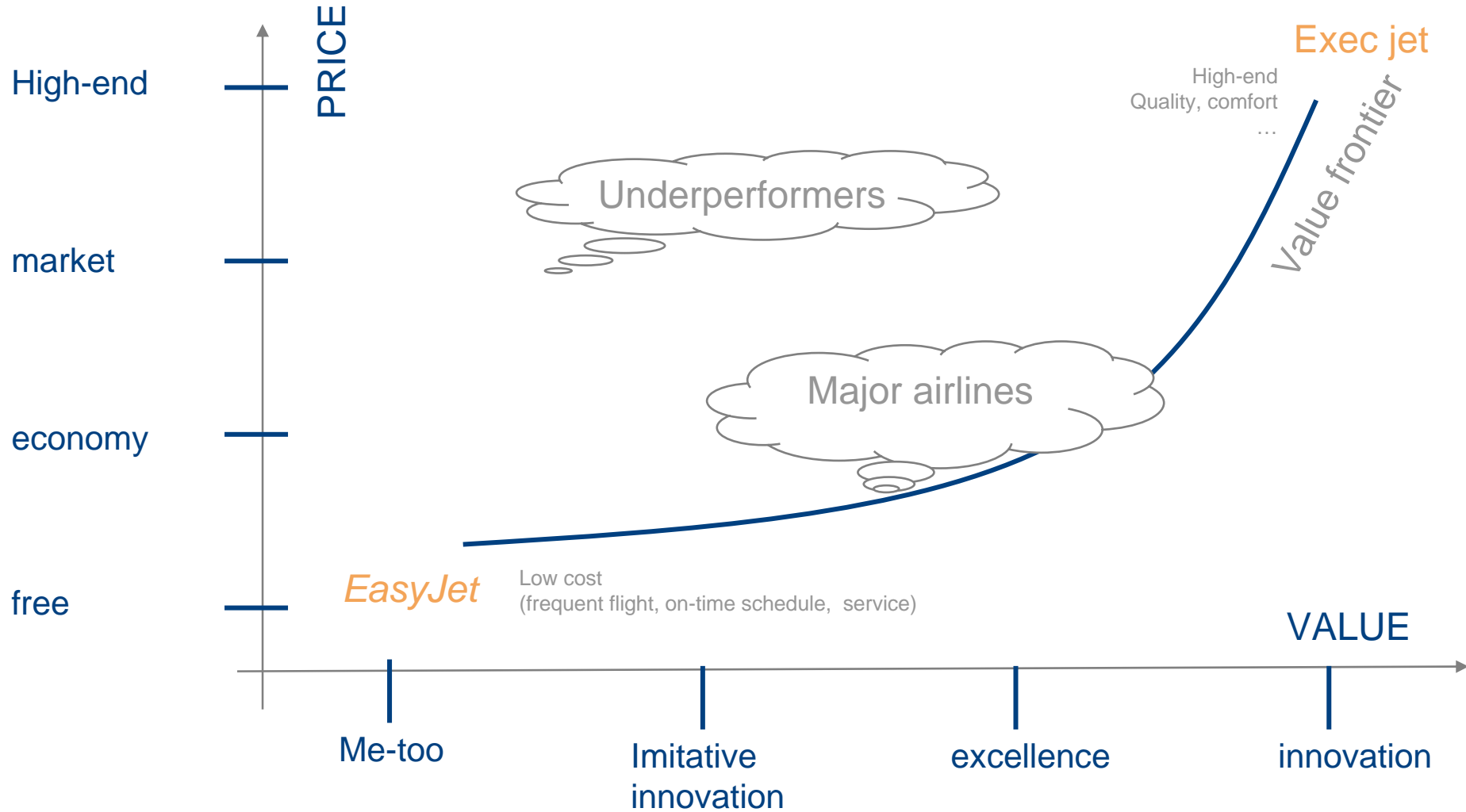


Value Proposition – Price Level

- ☐ Free
 - No cost for the customer
- ☐ Economy
 - Low cost for the customer
- ☐ Market
 - Same cost as competitors charge
- ☐ High-end
 - High costs for the customer



Value proposition > price/value

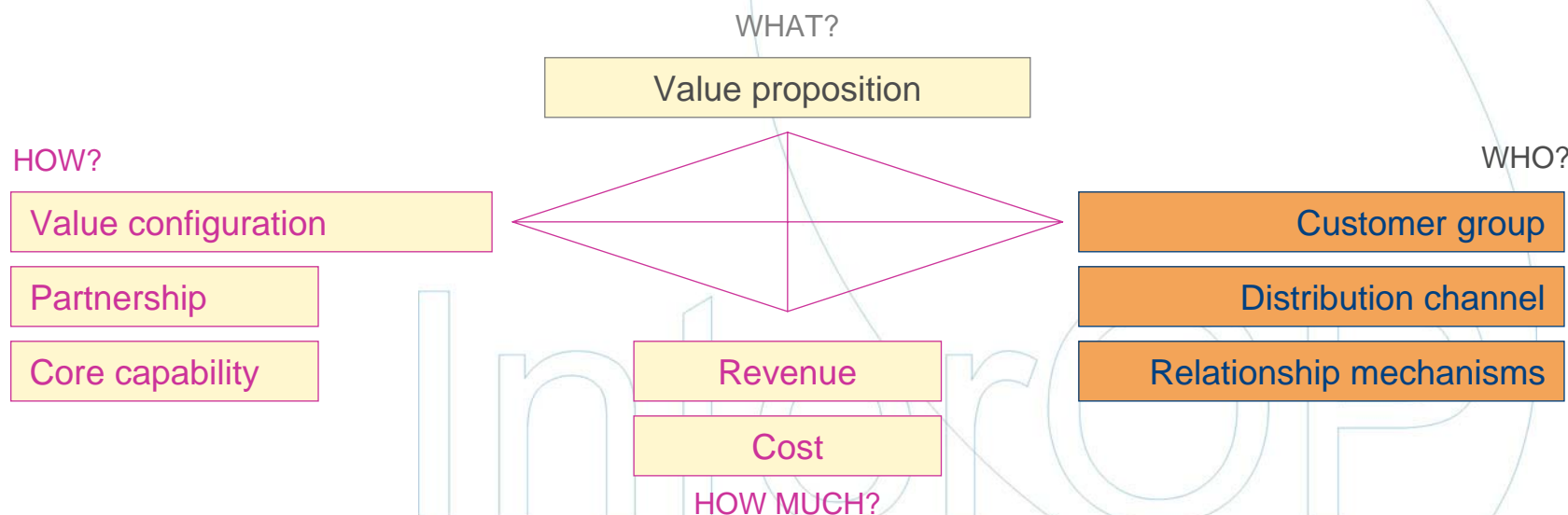


Customer Relationship

Who are our customers?

How do we reach them?

How do we get and keep them?



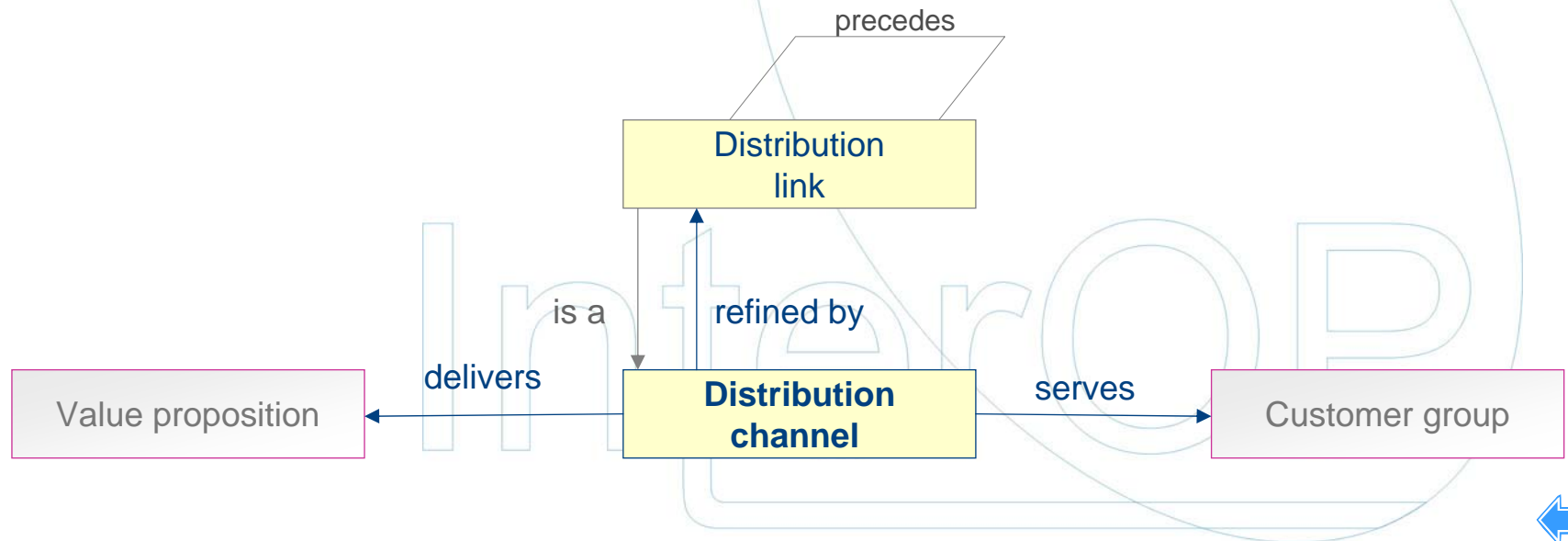
Customer Group

- Categorizations of the population into social classes or psychologically defined groups
- A company can specialize and gain competitive advantage by tailoring its value propositions



Distribution Channel

- A channel can be defined as a set of links or a network via which a firm “goes to market” and delivers its value proposition



Relationship – Customer Equity

- Customer acquisition
 - How do we get new customers?
- Customer retention
 - How do we keep existing customers?
- Add-on selling
 - How do we get our customers to buy more?

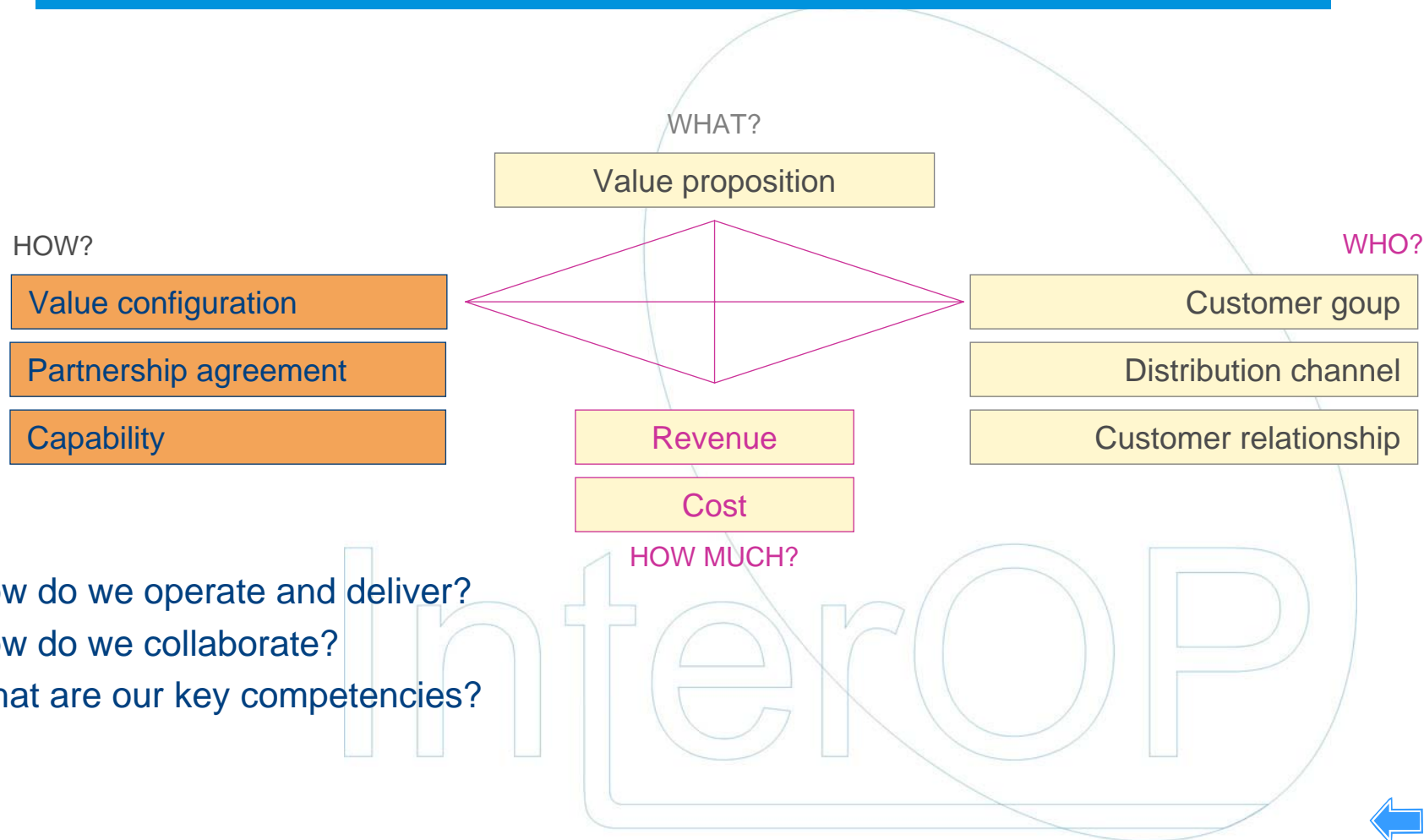


Relationship – Mechanisms

- Personalisation
 - Customising marketing and services to groups or individuals
- Trust
 - Accreditation
 - Rating
 - Insurance
- Branding
 - Building and maintaining an image

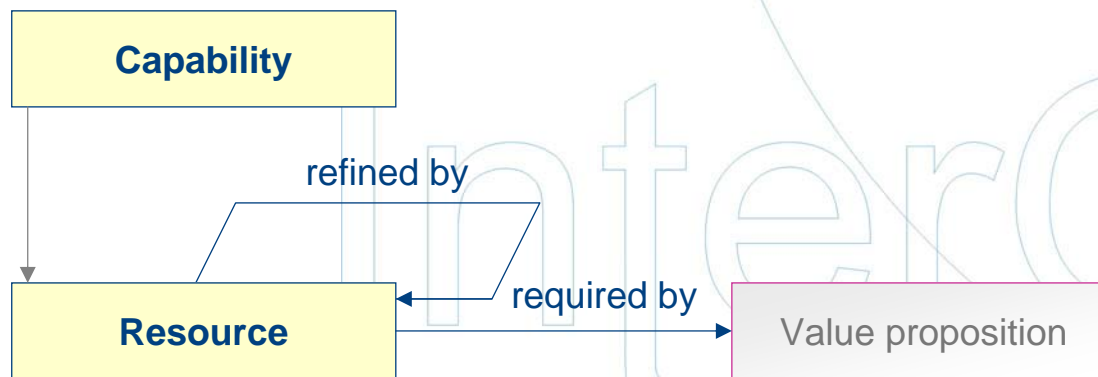


Infrastructure Management



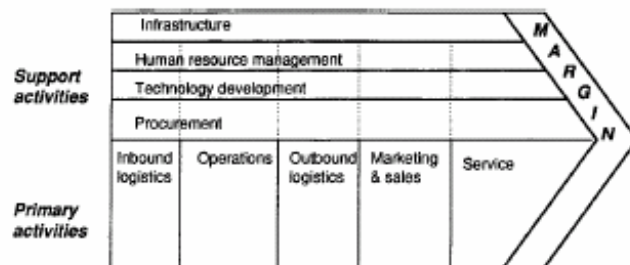
Capabilities and Resources

- Resource (ASSETS)
 - Inputs to the value creation process; can be tangible, intangible, or people-based skills
- Capability (KNOW-HOW)
 - The ability to exploit and coordinate resources to create, produce, and/or offer products and services to a market

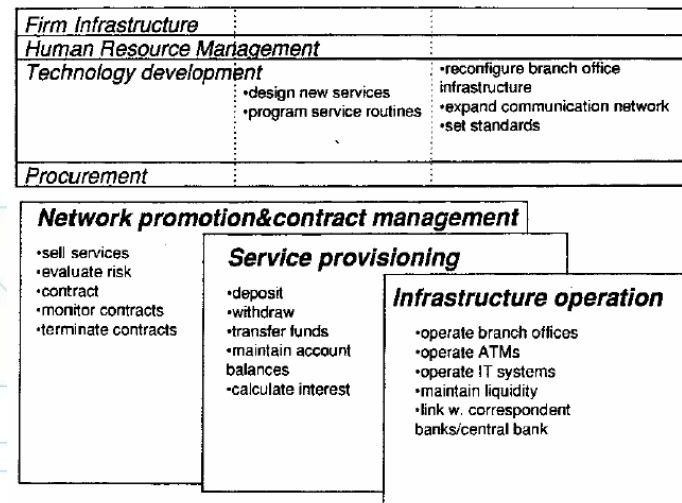


Value Configuration

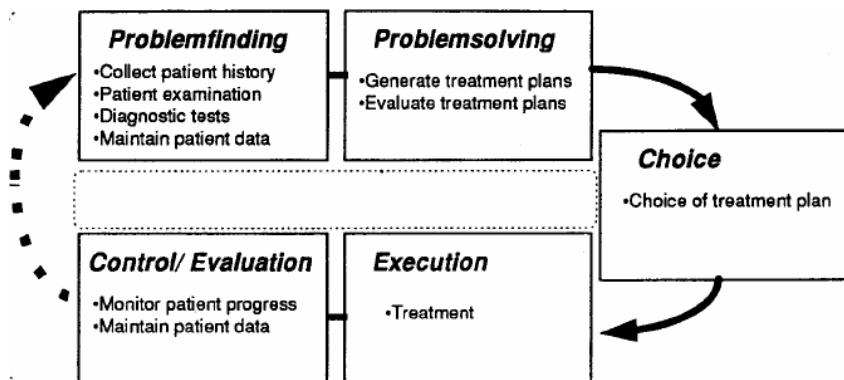
Value chain



Value network



Value shop

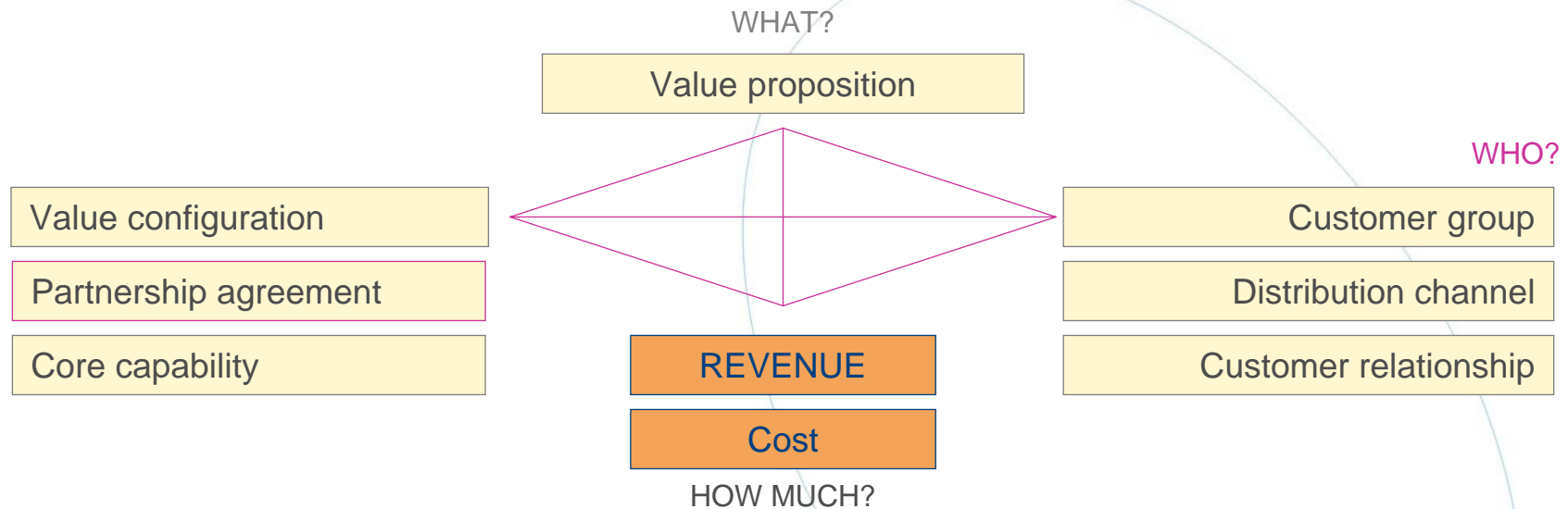


Partnership Agreement

- Reasoning
 - Economy of scales
 - Risk mitigation
 - Resource acquisition
- Strategic importance
 - Relevance for business success
- Degree of integration
 - Closeness of partnership
- Degree of competetion
 - Partner is a competitor or not
- Substituability
 - Ease of finding a substitute partner



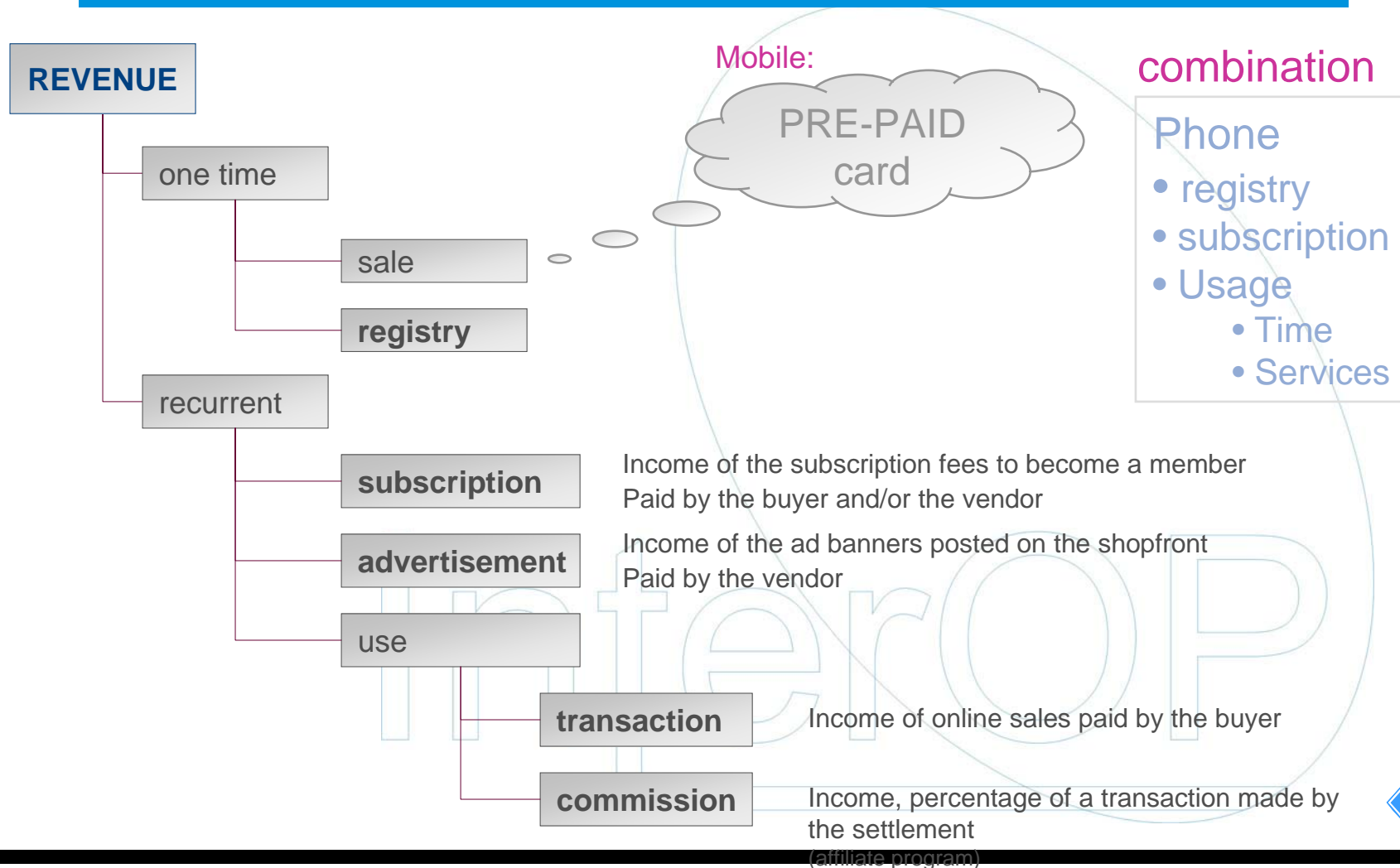
Financial Aspects



What are our revenues? Our pricing?
What are our costs?



Revenue Streams – Categories



BMO – Links

- Papers on BMO and other business models:
<http://www.businessmodeldesign.com/business-model-research.html>



Introduction to BMO

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