



UNIVERSITA' DEGLI STUDI  
DI ROMA TOR VERGATA



BA

MASTER OF SCIENCE IN  
BUSINESS ADMINISTRATION

UNIVERSITY ROME TOR VERGATA  
SCHOOL OF ECONOMICS PRESENTS

# **BUSINESS MODEL INNOVATION**

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# Lesson #7

## Business Model Canvas

# Today

## Business Model Canvas

### Case study session

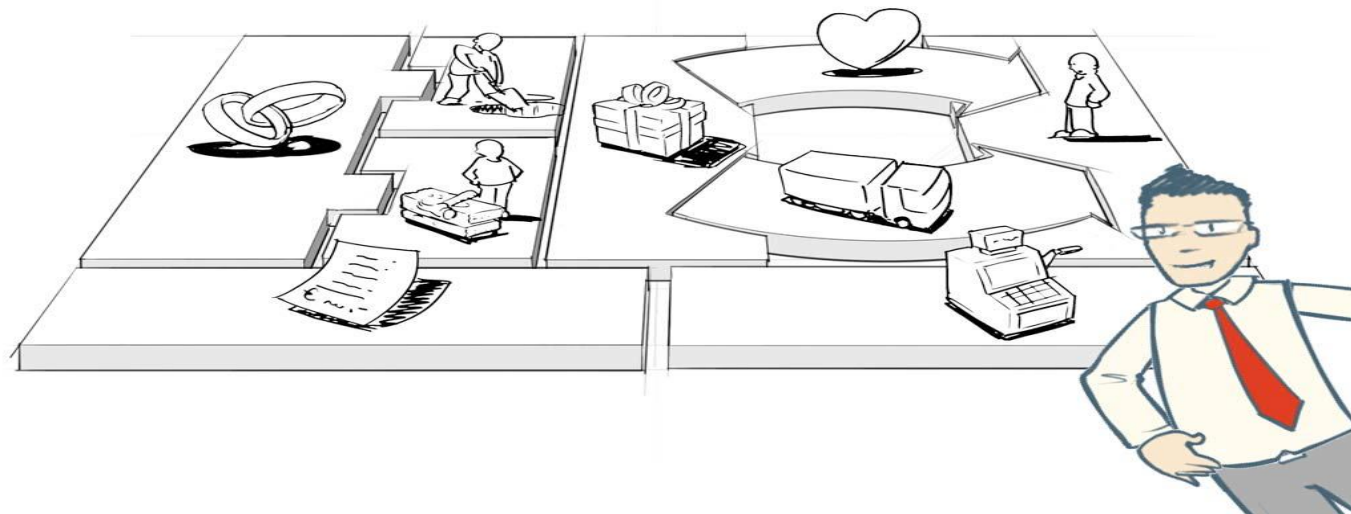
- Build the Business Model Canvas for your case study

# Developing a solid business model

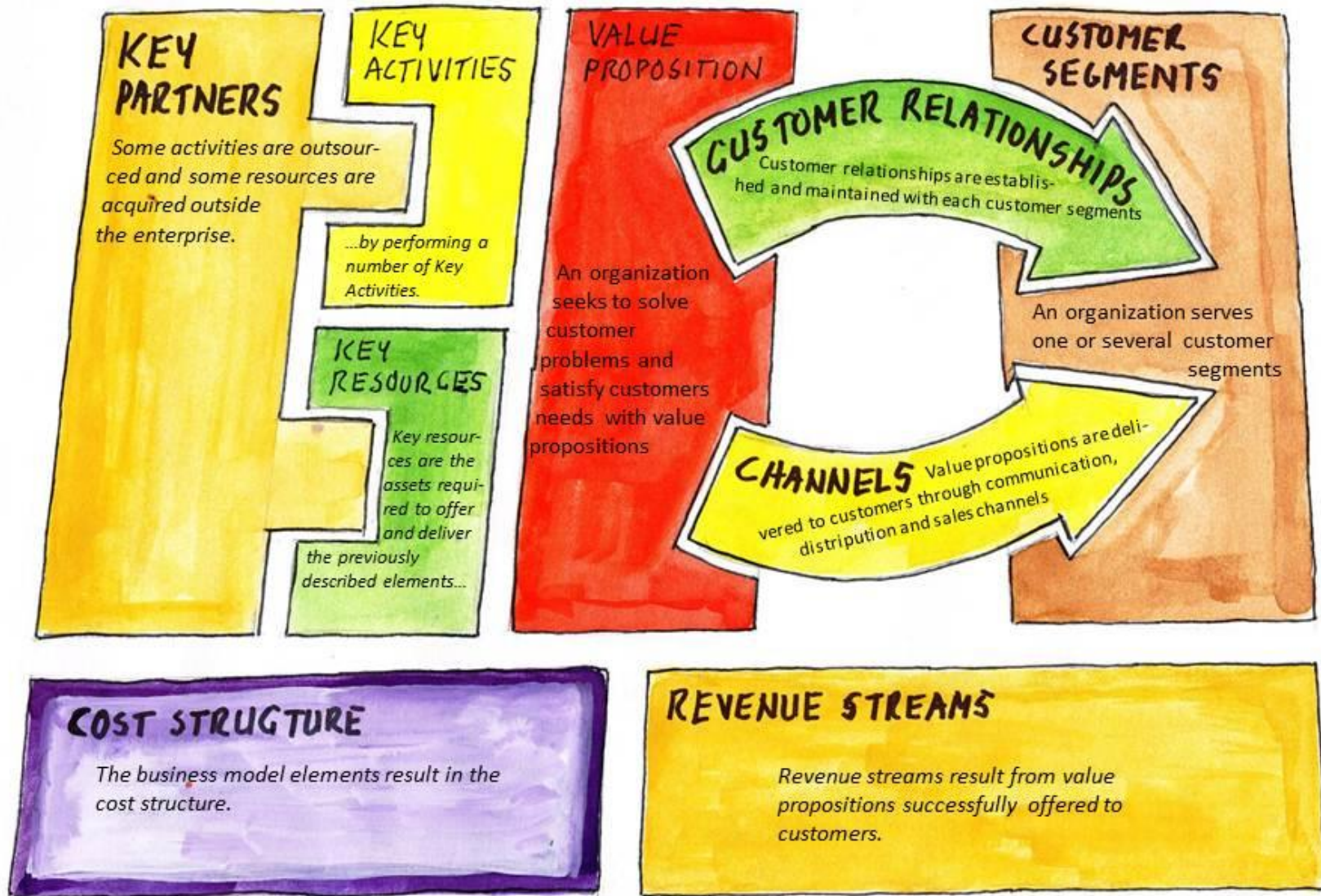
- Who is my client?
- Added value: In which market does my application have the highest added value?
- What is the key benefit to my client?
- Do I have all necessary licenses to sell and manufacture?
- Is my IP portfolio fully protecting my business model?

# Business Model Generation (Canvas)

- A **business model** describes the rationale of how an organization creates, delivers, and captures value
- The **business model** can be articulated in conceptual blocks that allow the clear description of the relevant elements for the company management.
- The model proposed by Alexander **Osterwalder** & Yves **Pigneur** uses **9 basic building blocks**.







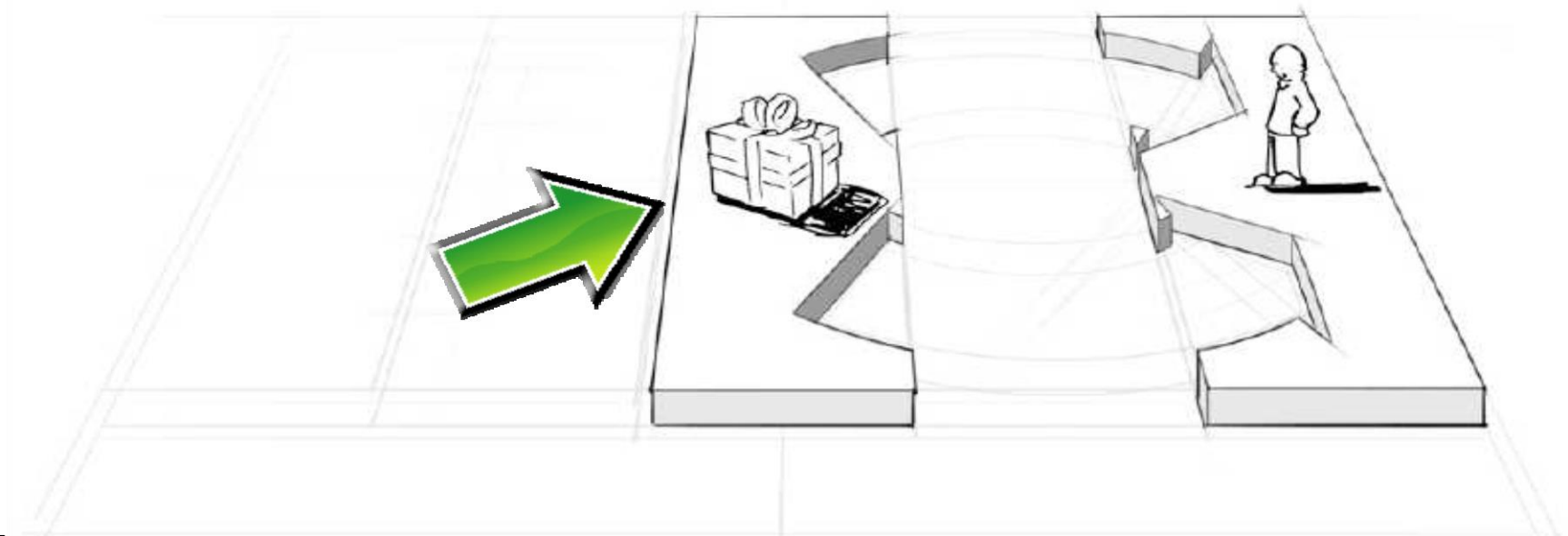
# Customer Segments



For whom are we creating value? Who are our most important customers?  
What aspects characterize them (specific needs, different channels, types of relationships, different income)  
What are the most common segments?

- Mass market
- Niche market
- Segmented
- Diversified
- Multi sided markets

# The Value Proposition



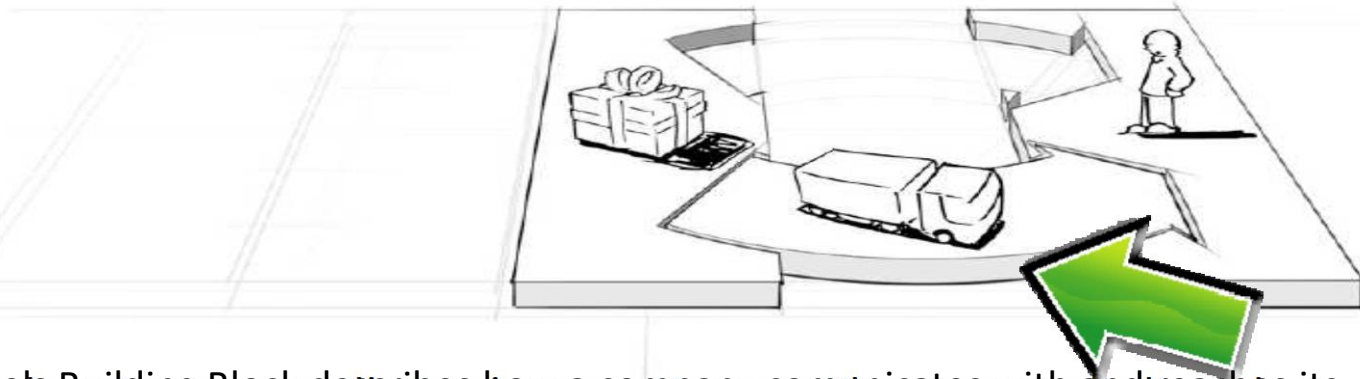
The Value Proposition is the bundle of products and services that create value (benefits) for a specific Customer Segment.

Which problems are we solving? Which needs are we satisfying?

- Newness
- Performance
- Customization
- Getting the job done
- Design
- Brand/status
- Price
- Cost reduction
- Accessibility
- Convenience/Usability



# Distribution channels, commercial resources and value delivery

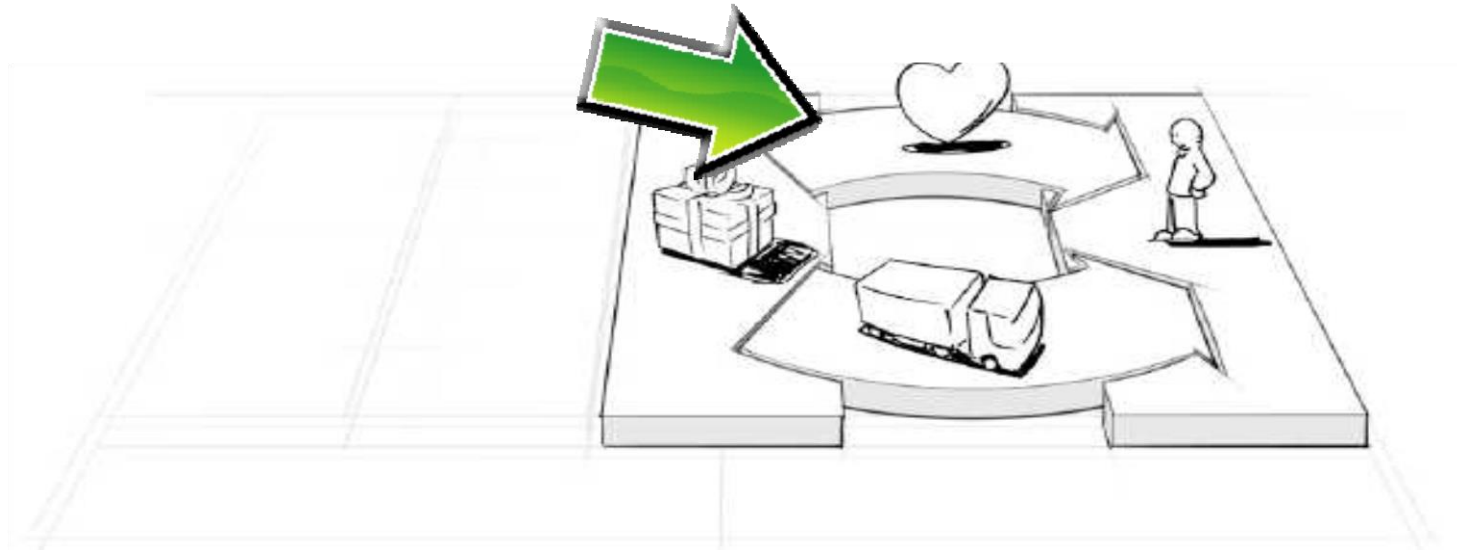


The Channels Building Block describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition

Which channels do customers prefer, which are available, which do we use, how are they integrated, which work better, and which are more convenient?

Channel Types		Channel Phases				
Own	Sales Force	1. Awareness	2. Evaluation	3. Purchase	4. Delivery	1. Awareness
	Web sales	How do we raise awareness about our company's products and services	How do we help customers evaluate our organization's Value Proposition	How do we allow customers to purchase specific products and services?	How do we deliver a Value Proposition to customers?	How do we raise awareness about our company's products and services
Partner	Partner stores					
	Wholesaler					

# Customer Relationships

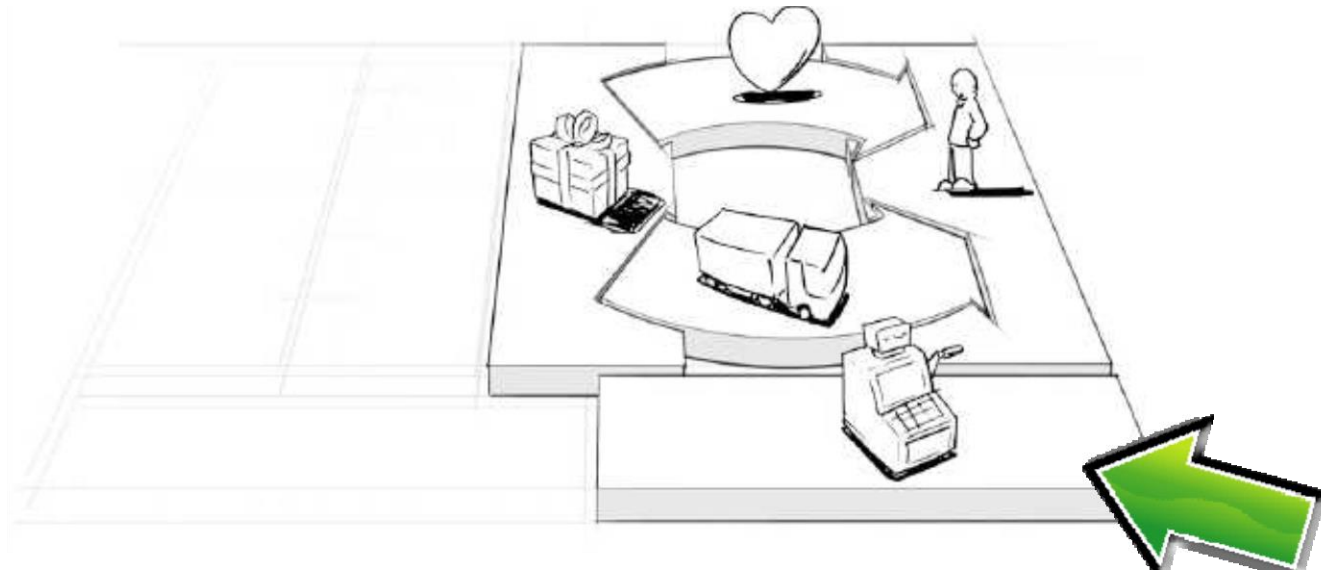


What type of relationship does each of our Customer Segments expect? Which ones have been established? How costly are they? How are they integrated with the rest of our business model?

Some types of relationships:

- Personal assistance
- Dedicated personal assistance
- Self-service
- Automated services
- Communities
- Co-creation

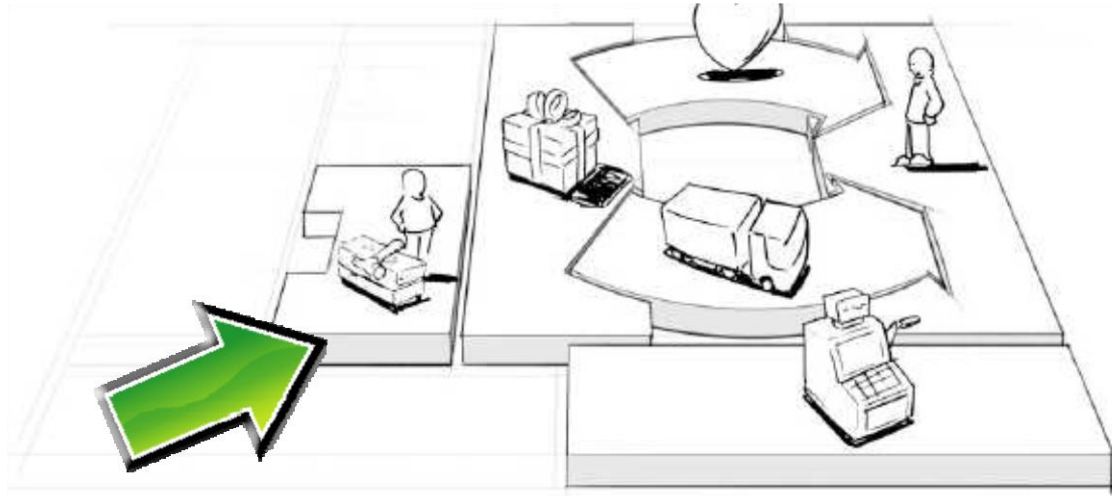
# Revenue Streams



What value is each Customer Segment truly willing to pay? How would they like to pay? What is the importance of the various income streams?

The forms of income	Pricing Mechanisms	
Asset sales	<b>Fixed Menu Pricing</b> Predefined prices are based on static variables  List price Product feature dependent Customer segment dependent Volume dependent	<b>Dynamic Pricing</b> Prices change based on market consitions  Negotiation Yield management Real-time market Auctions
Usage fee		
Subscription fee		
Lending/Renting/Leasing		
Licensing		
Brokerage fees		
Advertising		

# Key Resources

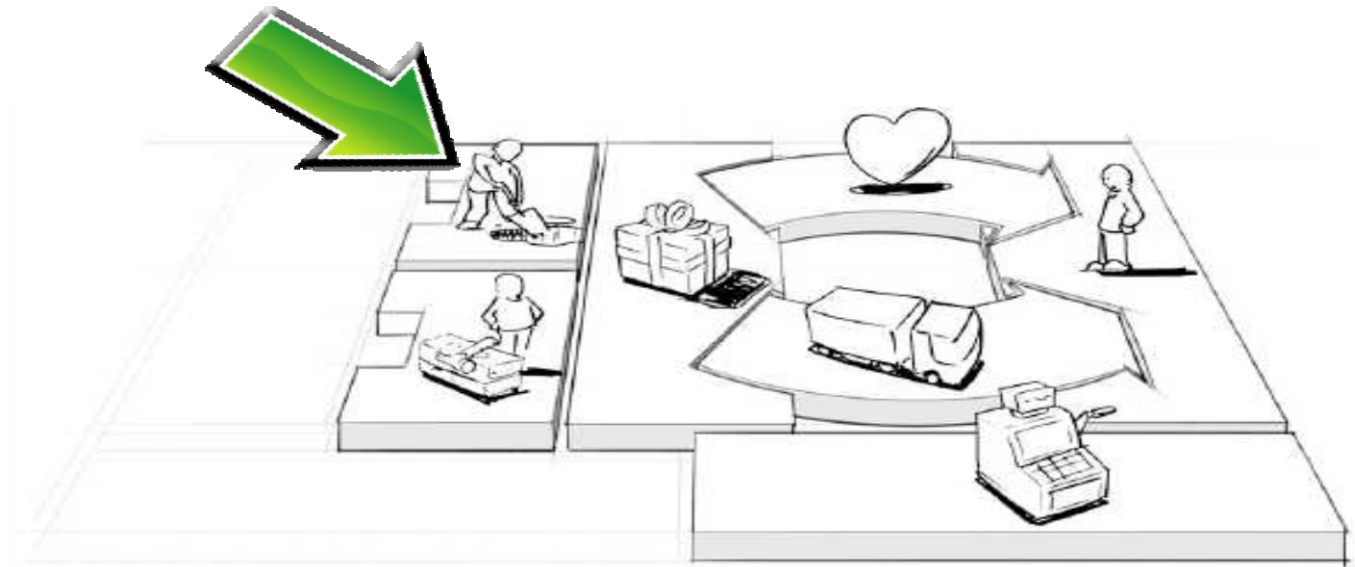


Which are the most important assets required to make a business model work, to produce value and retain a significant part?

**The resources:**

- Physical
- Intellectual
- Human
- Financial

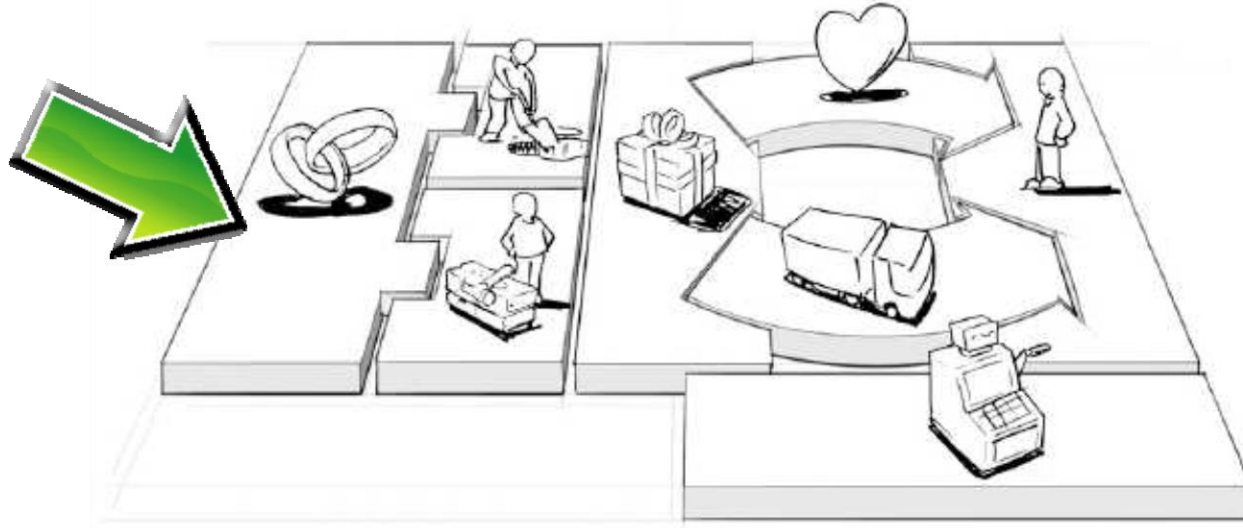
# Key Activities



What are the most important things a company must do to make its business model work?

- Production. The activities relating to designing, making, and delivering a product.
- Problem solving processes
- Platform/Network management

# Key partnerships



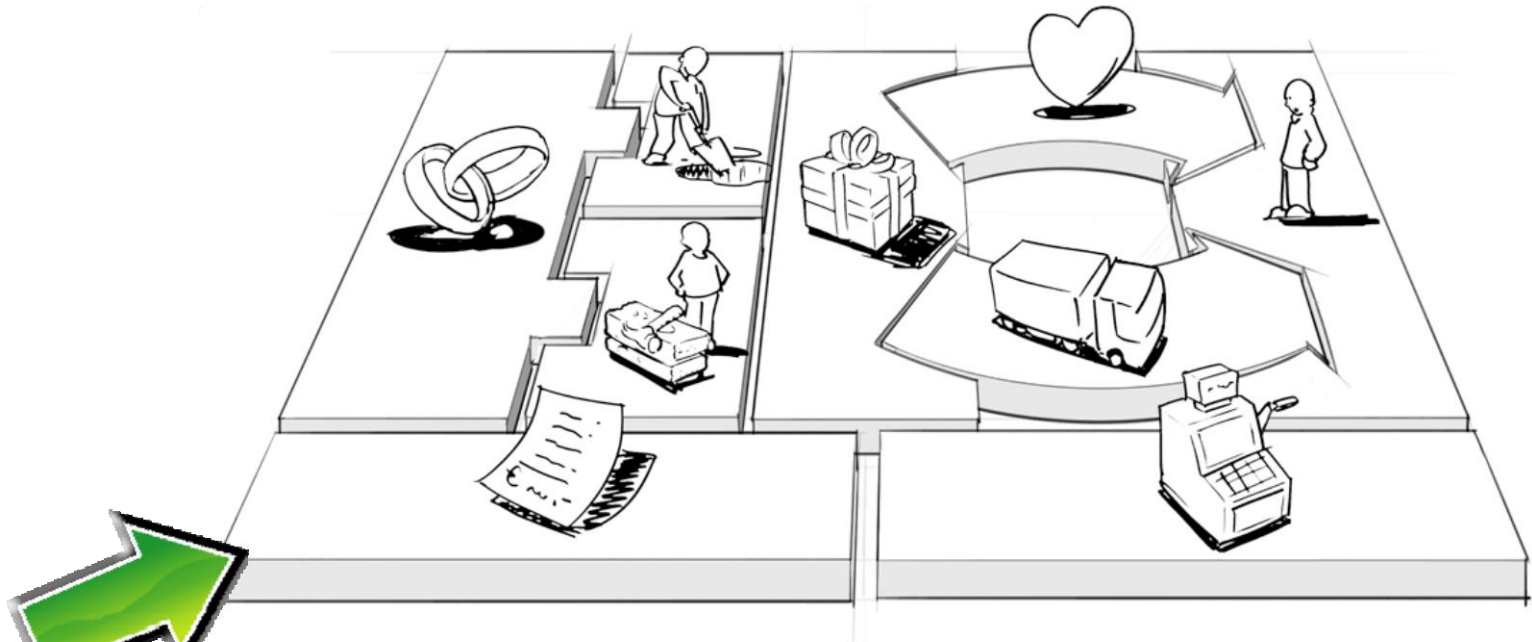
Who are our partners? Who are our key suppliers?

What resources to they provide? Which activities do they carry out?

- Optimisation and economy of scale
- Reduction of risk and uncertainty
- Acquisition of particular resources and activities



# Cost Structure



Which are the major costs required to operate our business model? Which key resources are most expensive? Which key activities are most expensive?




**Operating Structure**

**cost-driven**










**value-driven**

businesscanvas.unirex.it

# UNIREX Business Model Canvas

Block Title 

Title:  Version:

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 			Revenue Streams 	

Designed and developed by UNIREX

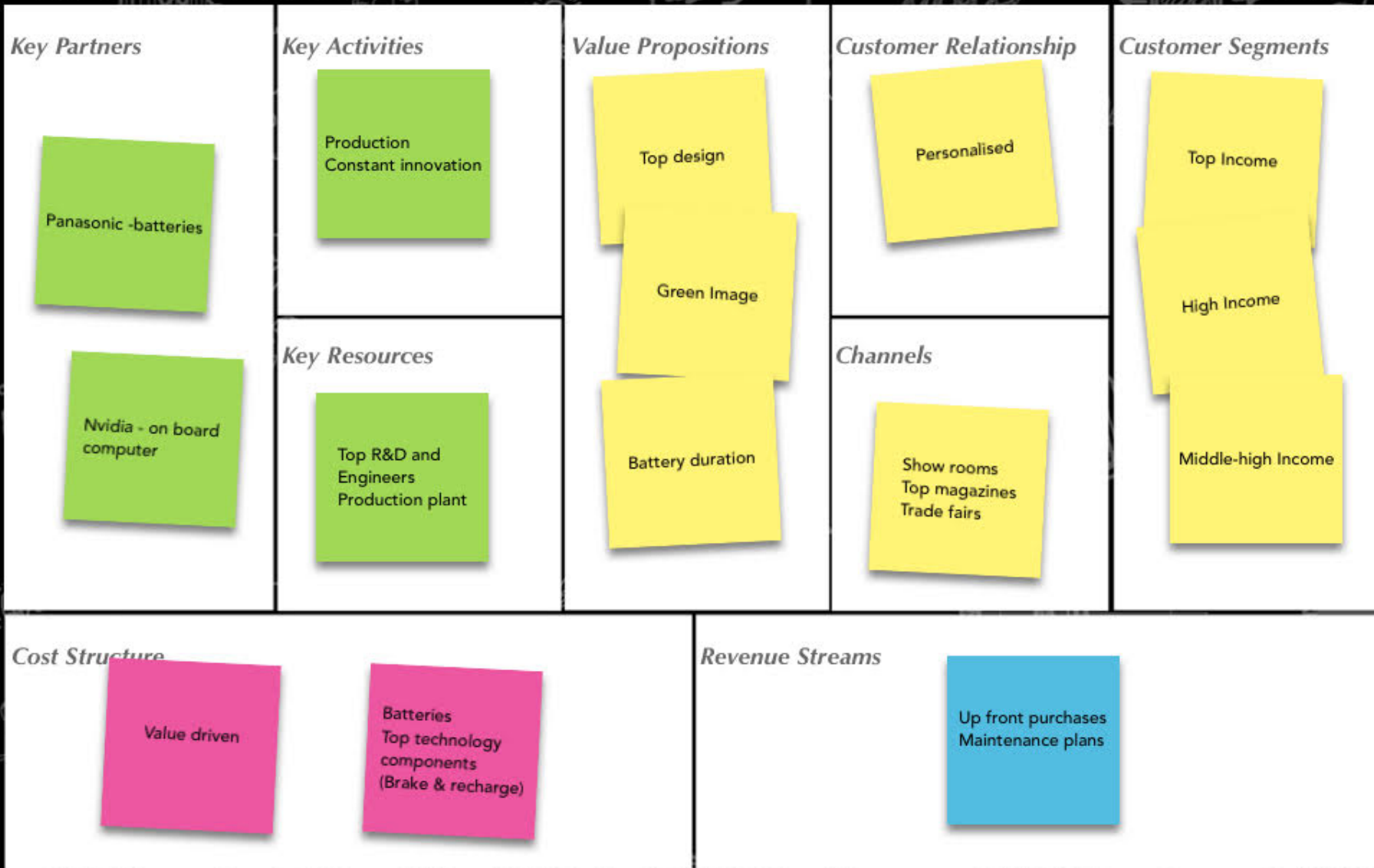
Button icons are designed by [Madebyoliver](#) from [Flaticon](#)

<http://businesscanvas.unirex.it>



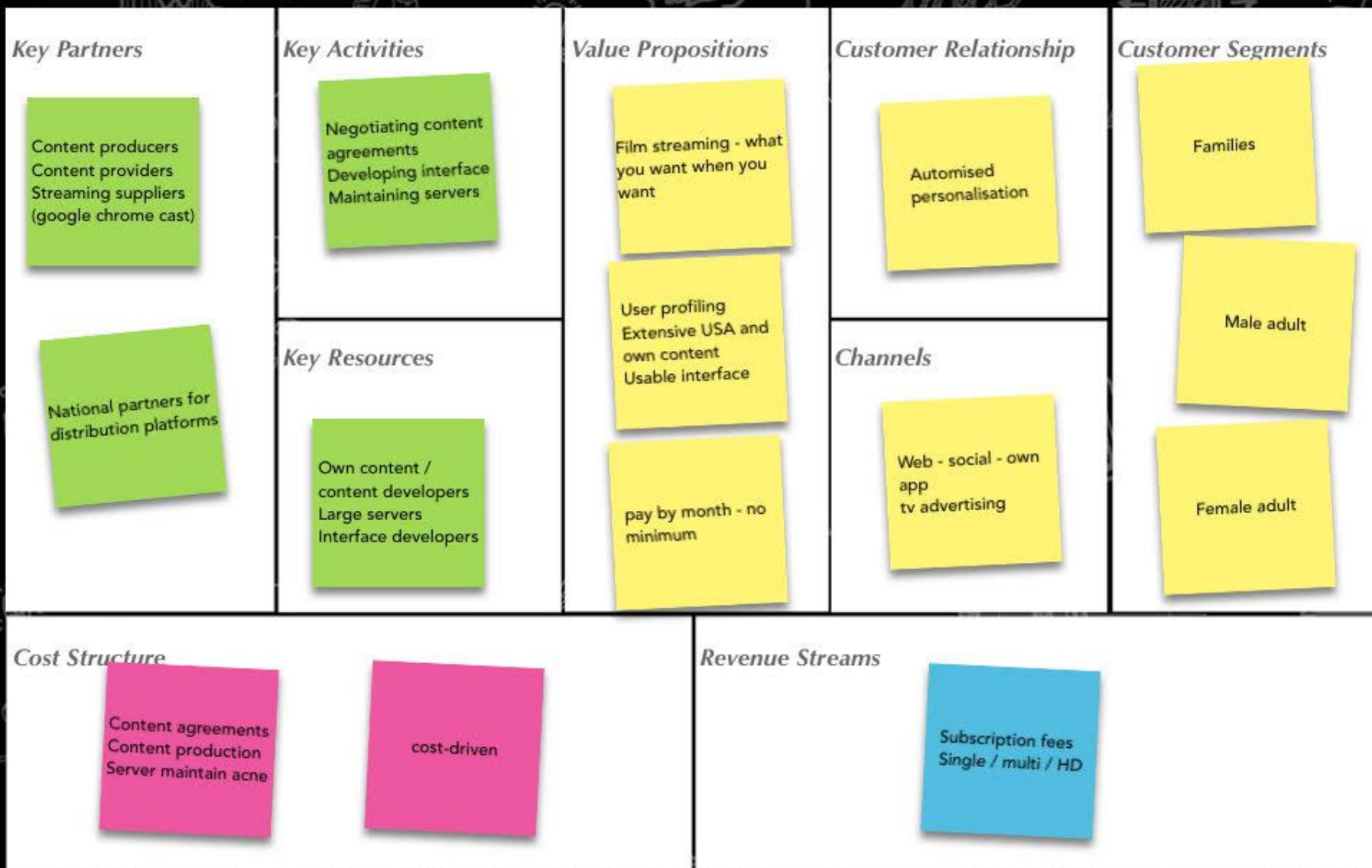
## Business Model Canvas

## TESLA CANVAS



## Business Model Canvas

## NETFLIX CANVAS



## Business Model Canvas

## Amazon Canvas

### Key Partners

Affiliated Product vendors  
Market place vendors

logistics operators

### Key Activities

Web content  
Warehousing  
Purchasing and sales  
Finance management

### Key Resources

Web site designers  
Vendor relations  
Customer relations  
Sales and logistics

### Value Propositions

Buy anything you could possibly need in one place

Good price, best reliability and fastest delivery

Complete peer information.  
Comments reviews etc.

### Customer Relationship

Automated emails, following user searcher and purchases (weekly)

Amazon Prime (and video)

### Channels

Word of mouth  
Web, social and to ads

### Customer Segments

Families

Businesses

### Cost Structure

Web management  
Warehouse management  
Warehouse mainten...

Mostly cost driven with small quality premium

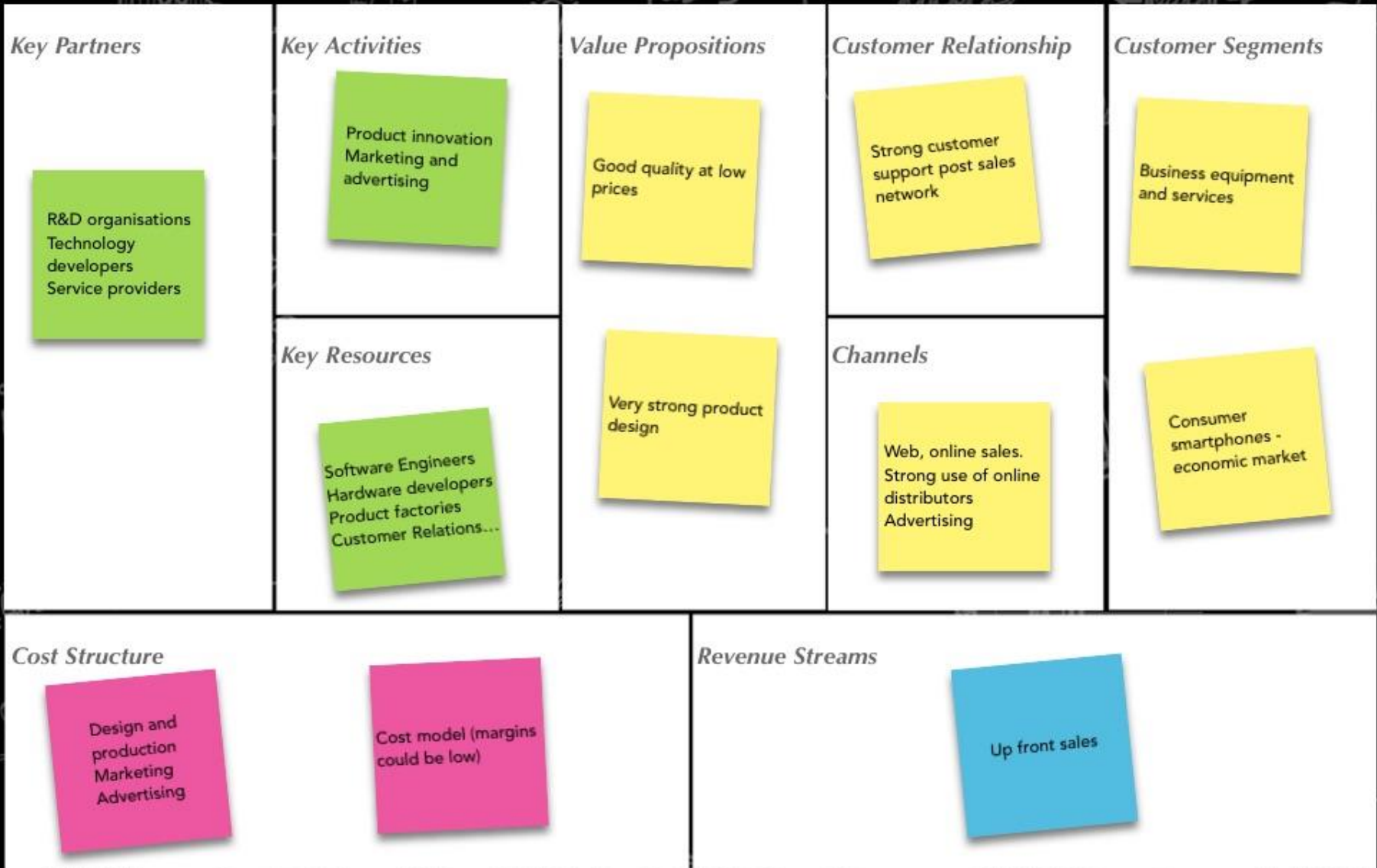
### Revenue Streams

Amazon takes up front payment for all goods and then pays vendors



## Business Model Canvas

## Huawei Canvas





# Today's Case Study Objectives

- Case study session
  - Case analysis in groups
    - Business Model Canvas



*Fly High, See Far*  
*Volare Alto, Osservare Lontano*



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