



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

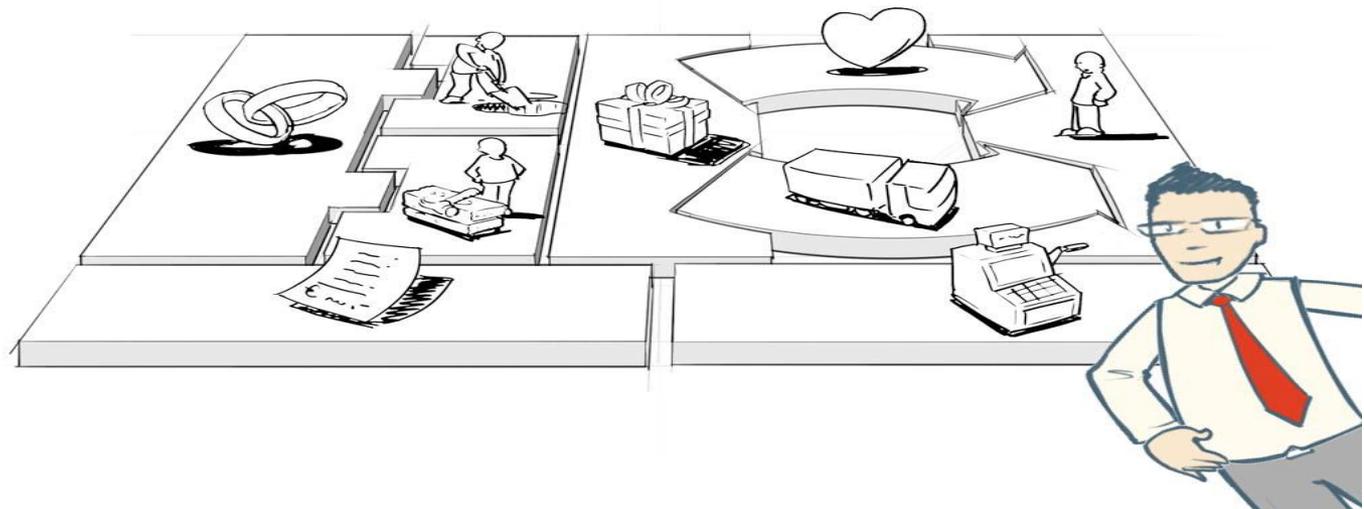
- Build the Business Model Canvas for your case study

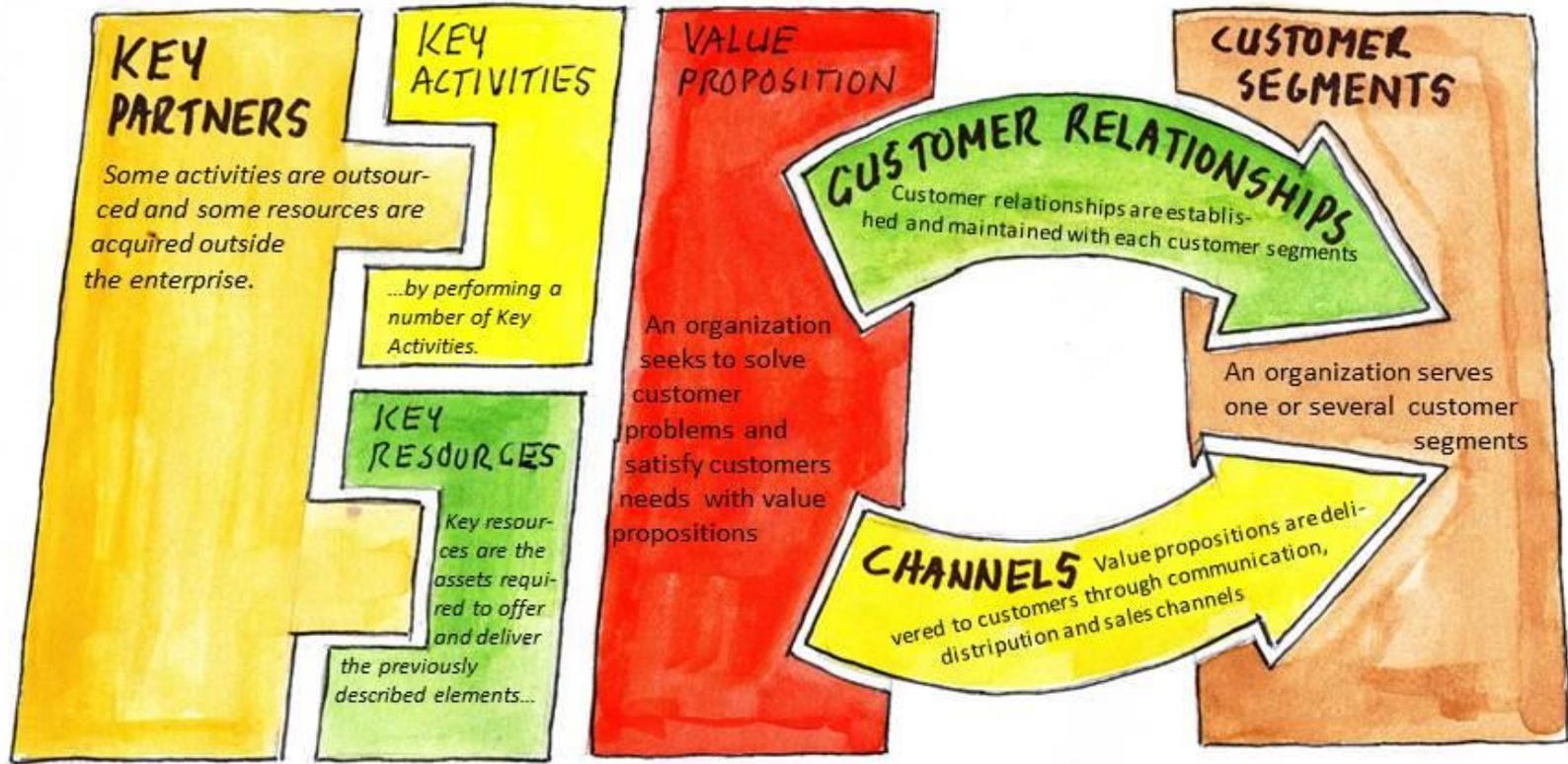
Developing a solid business model

- 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**.





COST STRUCTURE
The business model elements result in the cost structure.

REVENUE STREAMS
Revenue streams result from value propositions successfully offered to customers.

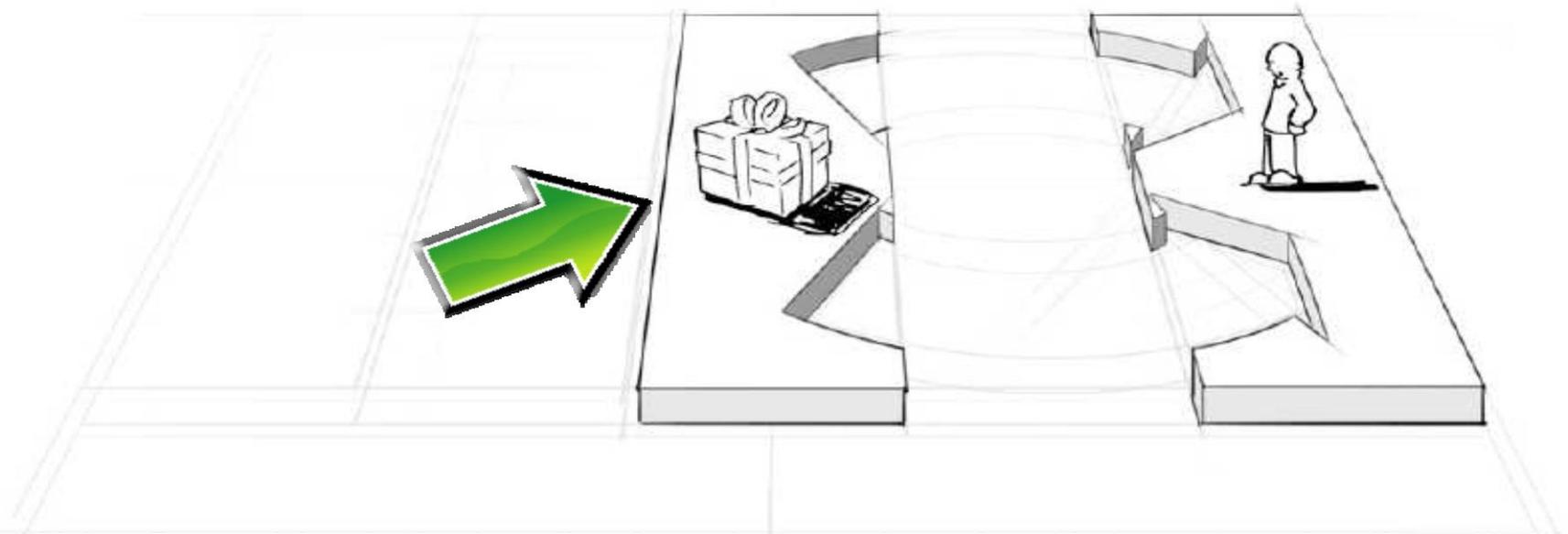
Customer Segments



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

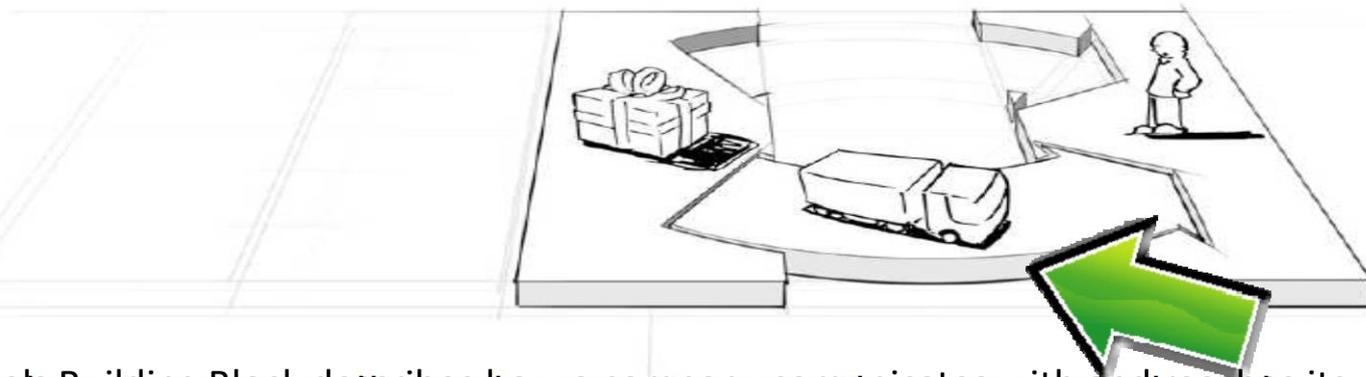


The Value Proposition is the bundle of products and services that create value (benefits) for a specific Customer Segment.

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

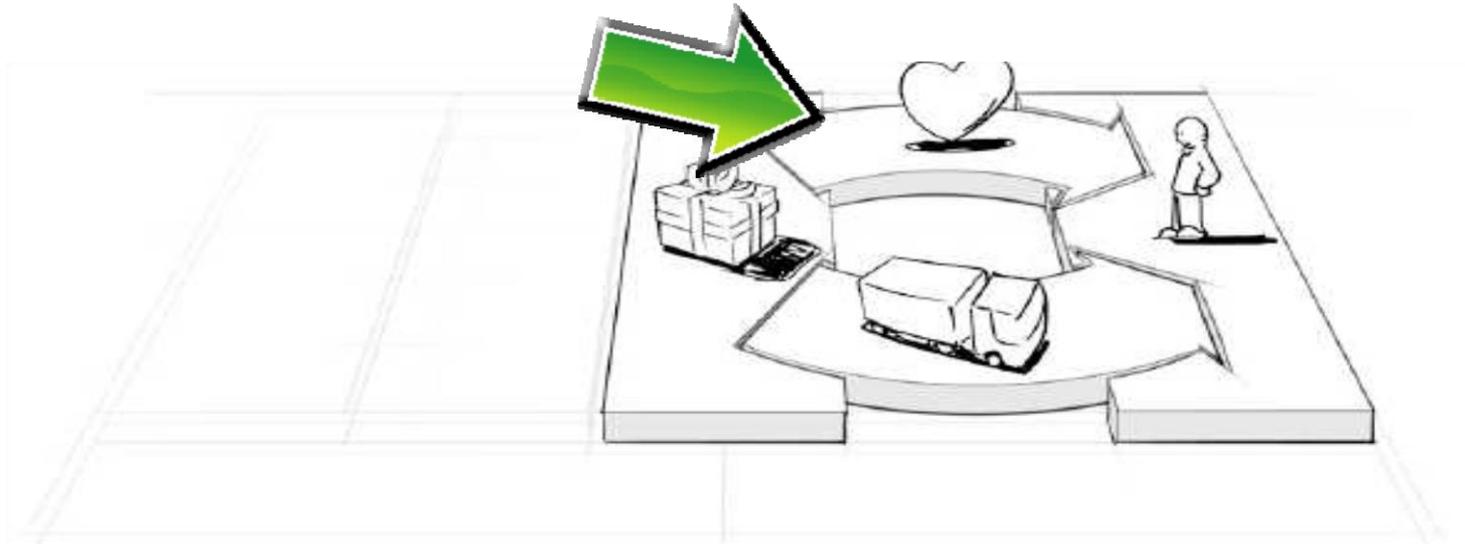
Which channels do customers prefer, which are available, which do we use, how are they integrated, which work better, and which are more convenient?

Channel Types

Channel Phases

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

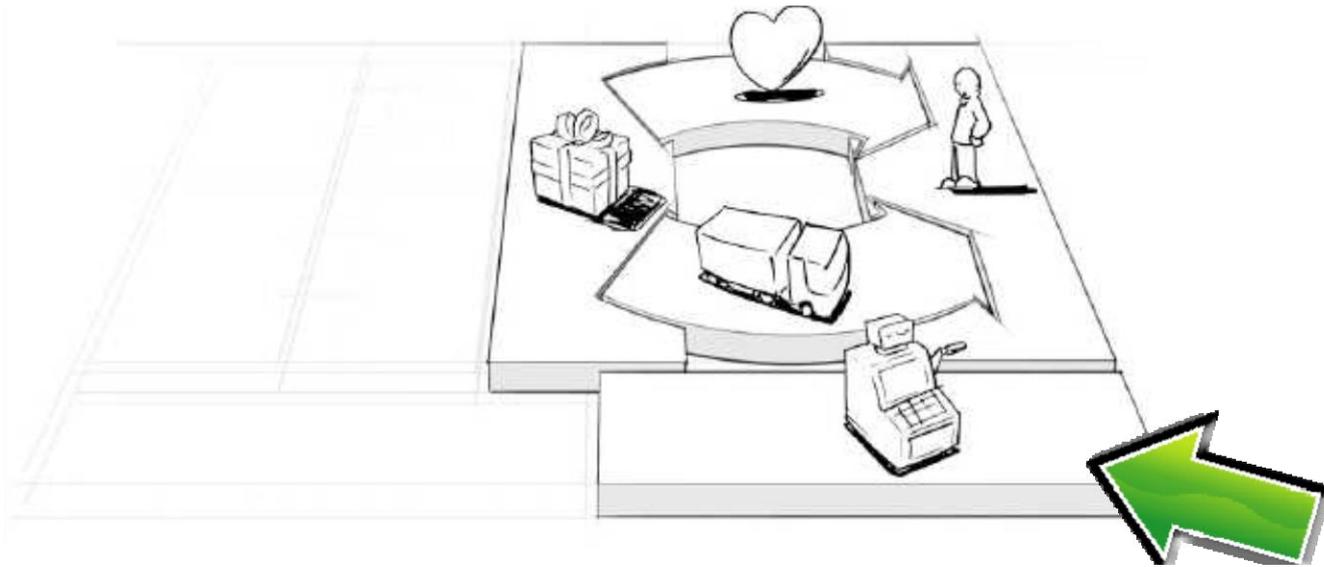


What type of relationship does each of our Customer Segments expect? Which ones have been established? How costly are they? How are they integrated with the rest of our business model?

Some types of relationships:

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

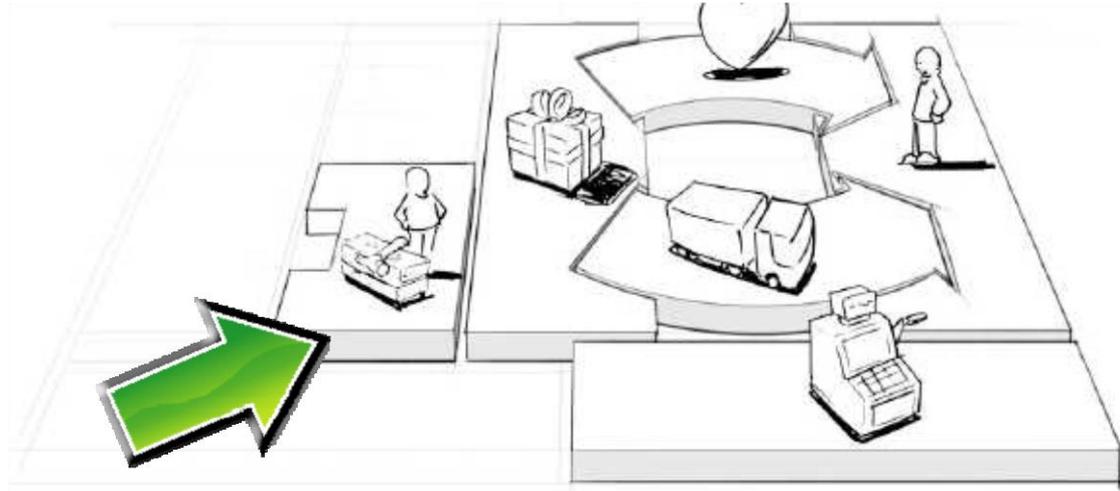
Revenue Streams



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	<div style="display: flex; justify-content: space-between;"> <div data-bbox="591 1179 1261 1265"> Fixed Menu Pricing Predefined prices are based on static variables </div> <div data-bbox="1261 1179 1918 1265"> Dynamic Pricing Prices change based on market conditions </div> </div>	
Usage fee		
Subscription fee	List price	Negotiation
Lending/Renting/Leasing	Product feature dependent	Yield management
Licensing	Customer segment dependent	Real-time market
Brokerage fees	Volume dependent	Auctions
Advertising		

Key Resources

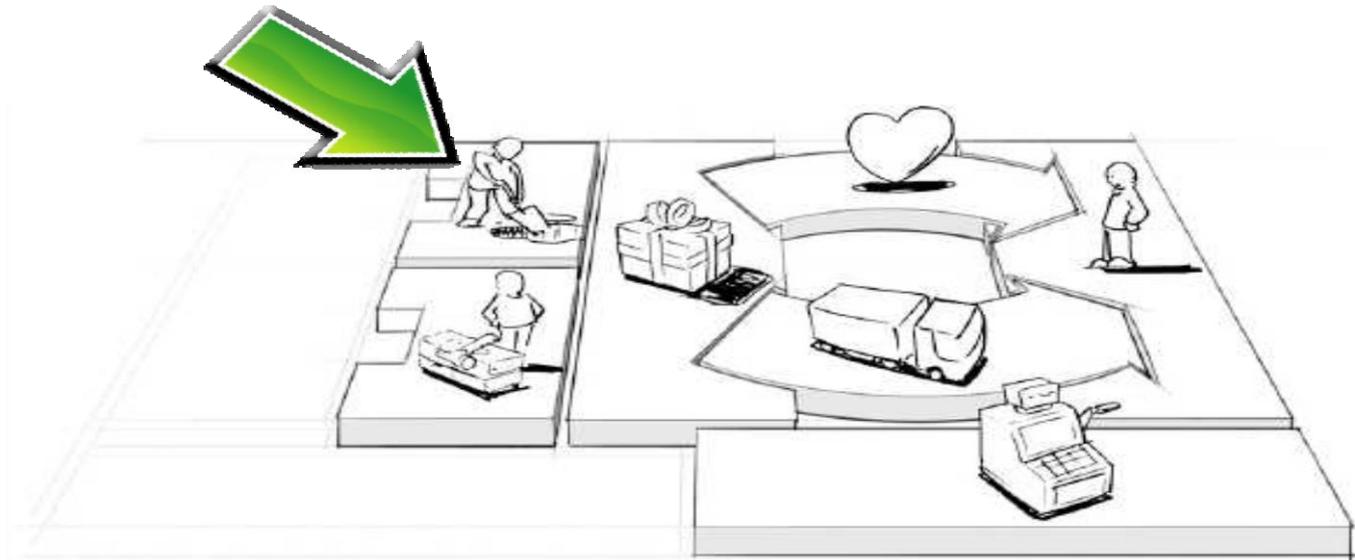


Which are the most important assets required to make a business model work, to produce value and retain a significant part?

The resources:

- Physical
- Intellectual
- Human
- Financial

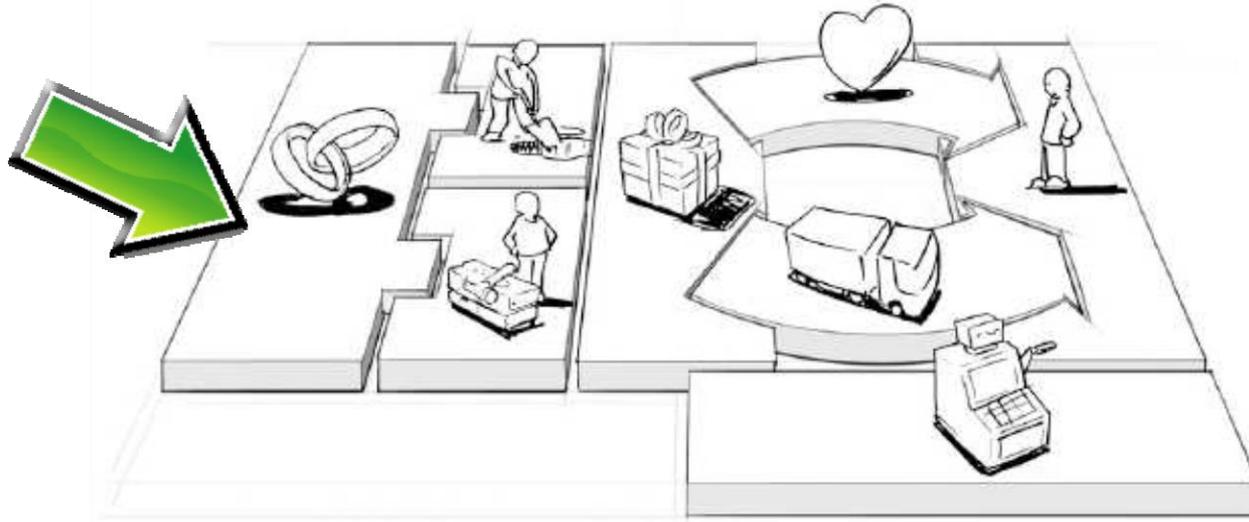
Key Activities



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

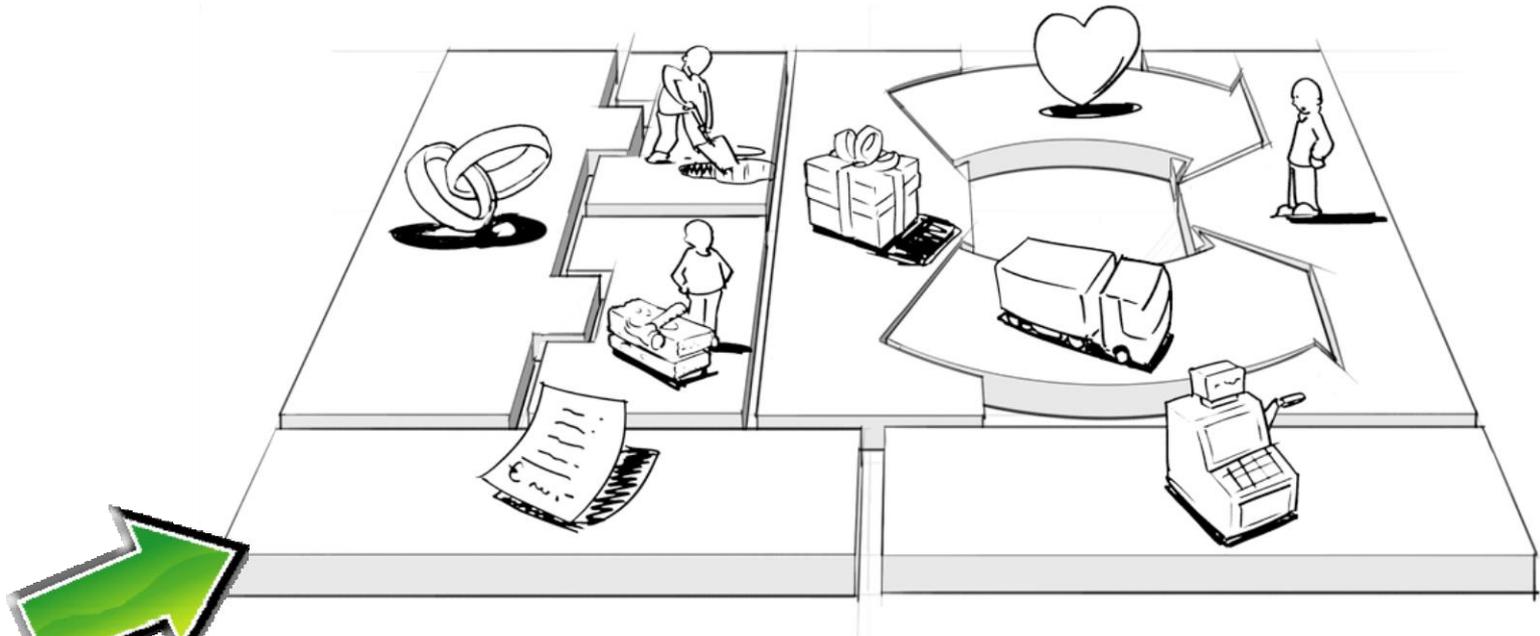


Who are our partners? Who are our key suppliers?

What resources do 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 	

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<http://businesscanvas.unirex.it>



Business Model Canvas

TESLA CANVAS

Key Partners

Panasonic -batteries

Nvidia - on board computer

Key Activities

Production
Constant innovation

Key Resources

Top R&D and Engineers
Production plant

Value Propositions

Top design

Green Image

Battery duration

Customer Relationship

Personalised

Channels

Show rooms
Top magazines
Trade fairs

Customer Segments

Top Income

High Income

Middle-high Income

Cost Structure

Value driven

Batteries
Top technology components
(Brake & recharge)

Revenue Streams

Up front purchases
Maintenance plans

Business Model Canvas

NETFLIX CANVAS

Key Partners

Content producers
Content providers
Streaming suppliers
(google chrome cast)

National partners for
distribution platforms

Key Activities

Negotiating content
agreements
Developing interface
Maintaining servers

Key Resources

Own content /
content developers
Large servers
Interface developers

Value Propositions

Film streaming - what
you want when you
want

User profiling
Extensive USA and
own content
Usable interface

pay by month - no
minimum

Customer Relationship

Automised
personalisation

Channels

Web - social - own
app
tv advertising

Customer Segments

Families

Male adult

Female adult

Cost Structure

Content agreements
Content production
Server maintain acne

cost-driven

Revenue Streams

Subscription fees
Single / multi / HD

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...

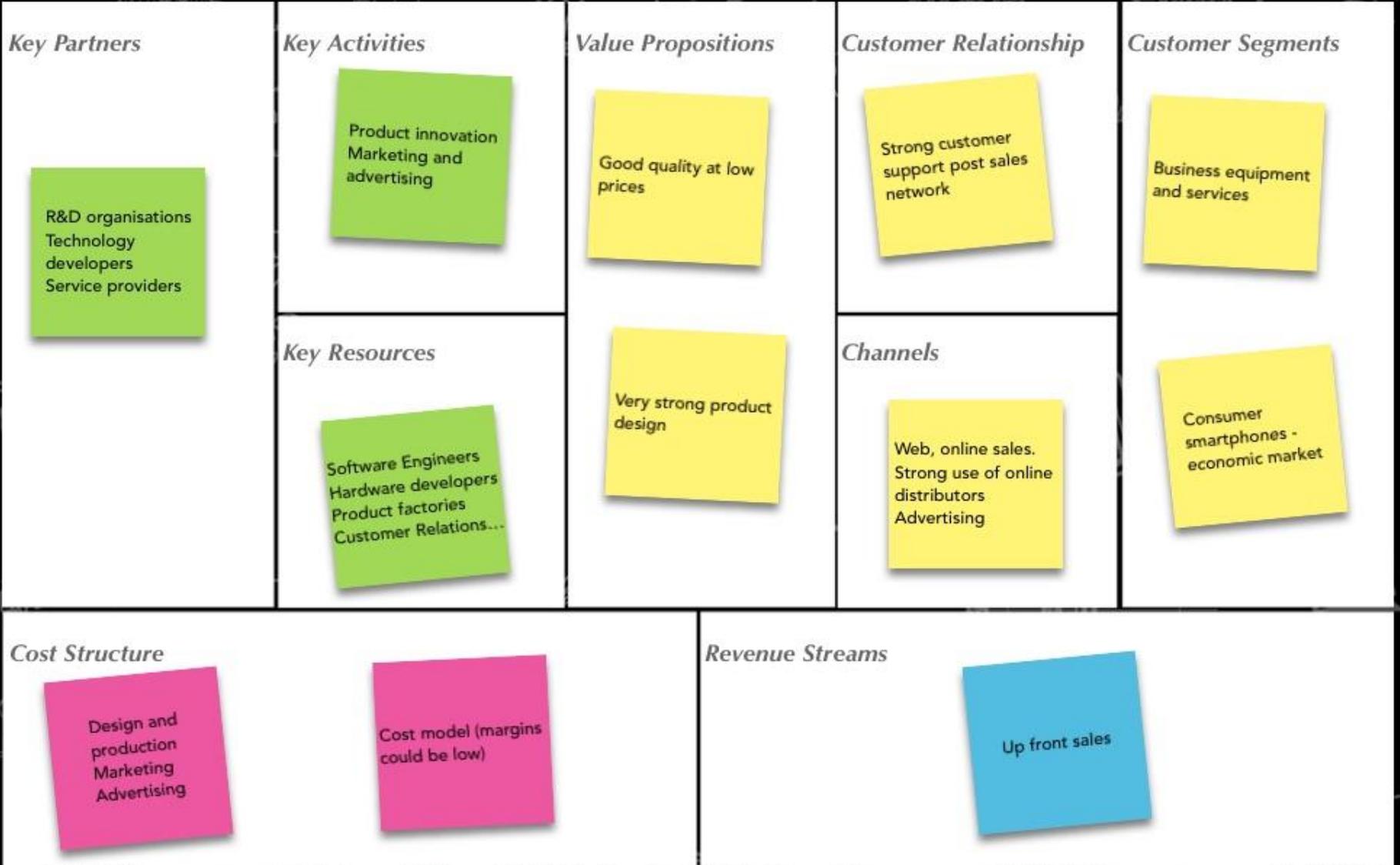
Mostly cost driven with small quality premium

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



MANAGEMENT INNOVATION

Fly High, See Far
Volare Alto, Osservare Lontano



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