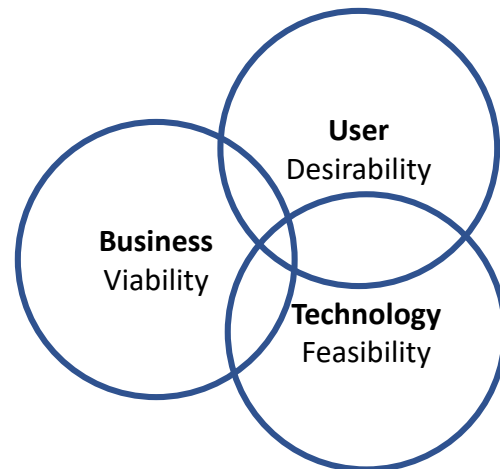


# Tool: Business Model Innovation

- Business Model Innovation is very nicely presented and taught at St. Gallen University.  
Read this paper. <https://www.thegeniusworks.com/wp-content/uploads/2017/06/St-Gallen-Business-Model-Innovation-Paper.pdf>  
You will learn the basics of BMI and you will get familiar with 55 Business Model patterns
- Very insightful webinar from Imperial College Business School. Recommended to watch.  
<https://www.youtube.com/watch?v=pylnXDFSHG8>

# Tool: Business Model Innovation -Some Basic Principles

**Created value > Captured value > Cost of delivery**



- Value created for the user of a solution or an application should be higher than the capturing mechanism which in turn should be greater than the delivery system (on-line or offline)
- Three checks when you start building a new business model. Start always with the consumer

## Tool: Business Model Innovation -Some Basic Principles

### Business Model Canvas

[Designorate.com](http://Designorate.com)

Company Name:

Date:

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
"Remove this text, and add start yours"	"Remove this text, and add start yours" What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?	"Remove this text, and add start yours" What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?	"Remove this text, and add start yours" What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the <b>Channels</b>	"Remove this text, and add start yours" For whom are we creating value? Who are our most important customers?
	Key Resources		Channels	
	"Remove this text, and add start yours" What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?		"Remove this text, and add start yours" Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient?	
Cost Structure		Revenues Streams		
"Remove this text, and add start yours" What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?		"Remove this text, and add start yours" For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?		

- It helps you to organize your thinking around your current business model and to start the journey of building a new one

## Tool: Business Model Innovation -Some Basic Principles

Lean Startup by Eric Ries, is a phenomenal book that changed the whole thinking regarding innovation. Read the book. Start with a short video summary

<https://www.youtube.com/watch?v=9bPgNEDdX3E>