



Advancing Sustainability of Process Industries through Digital and Circular Water Use Innovations

AquaSPICE

WP8: Communication, Dissemination, Training and Social Awareness

AUDENCIA



The AquaSPICE project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 958396.



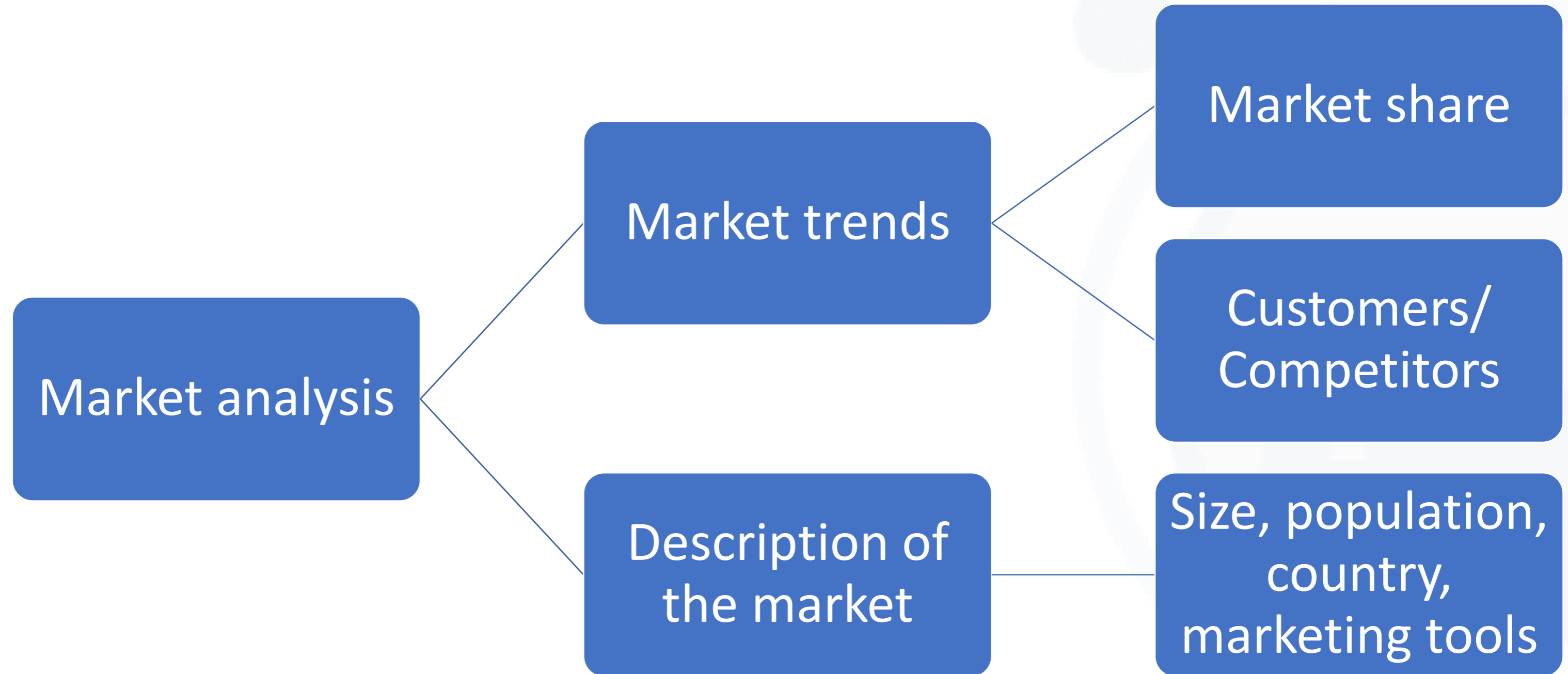
Advancing Sustainability of Process Industries through Digital and Circular Water Use Innovations

BUSINESS MODELS



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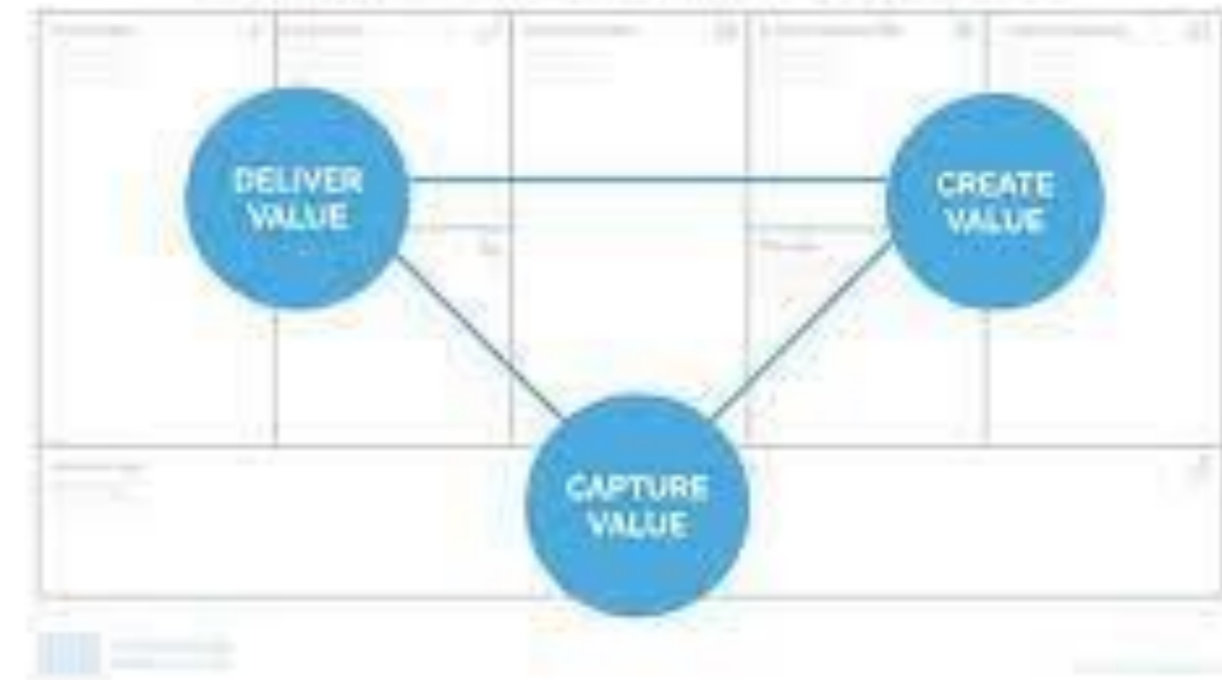
Market analysis



A business model must be simple-understandable and efficient.



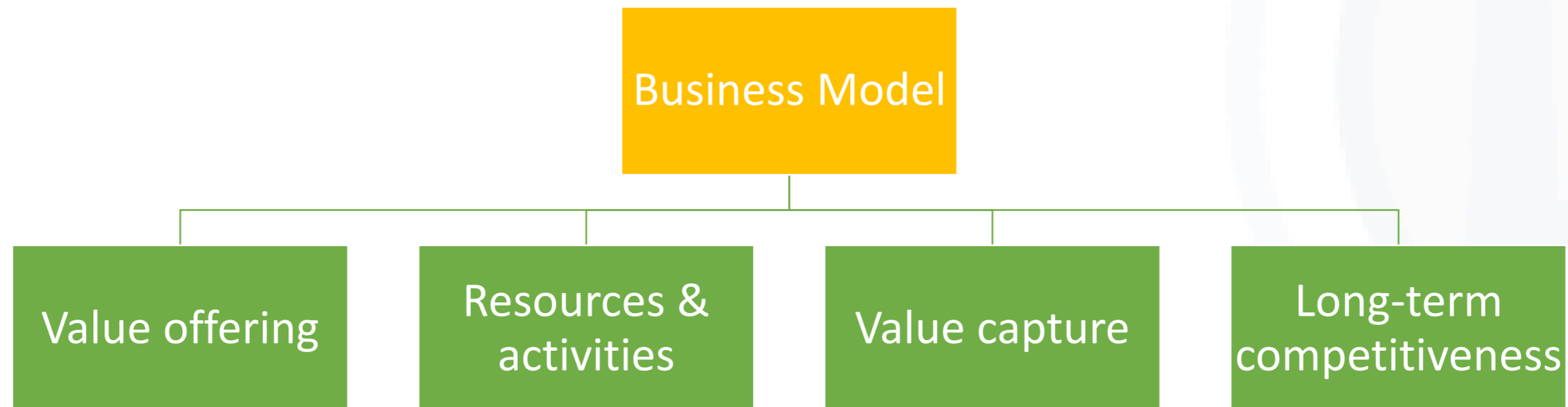
What is a Business Model?

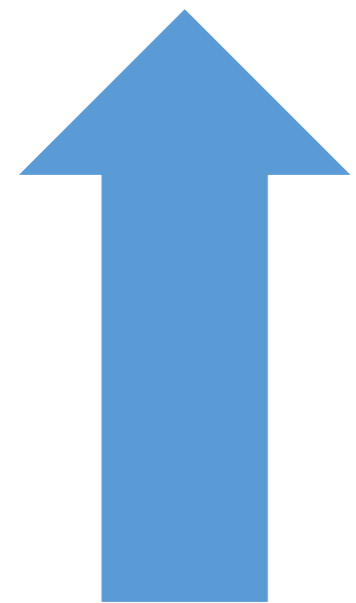


A business model describes the rationale of how an organization creates, delivers, and captures value

What is a business model?

- Although value is central, it is important to point out that the business model is conceptual, rather than a financial, model of a firm (Teece, 2010). As such, it is thought to describe **how** and **why** a firm provides a product or service on a competitive market by credibly presenting what it is that motivates the actors that are involved in the value creation, as well as the factors that enable the firm to capture value (Teece, 2010).





Business
model



Business
as usual

CREATE VALUE

Social

Environmental



- Business transformation = business transition

How do we build a business plan?

9 Building Blocks



CS

1 Customer Segments

An organization serves one or several Customer Segments.



VP

2 Value Propositions

It seeks to solve customer problems and satisfy customer needs with value propositions.



CH

3 Channels

Value propositions are delivered to customers through communication, distribution, and sales Channels.



CR

4 Customer Relationships

Customer relationships are established and maintained with each Customer Segment.

How do we build a business plan?

9 Building Blocks



R\$

5 Revenue Streams

Revenue streams result from value propositions successfully offered to customers.



KR

6 Key Resources

Key resources are the assets required to offer and deliver the previously described elements ...



KA

7 Key Activities

... by performing a number of Key Activities.



KP

8 Key Partnerships

Some activities are outsourced and some resources are acquired outside the enterprise.



C\$

9 Cost Structure

The business model elements result in the cost structure.

- “The Customer Segments Building Block defines the different groups of people or organizations an enterprise aims to reach and serve

Needs

- Dress
- Eat

Attract (Distribution channels)

- Advertising
- Sales
- Regular customers

Relationships

- Trusted brand
- Good quality products
- Fidelity

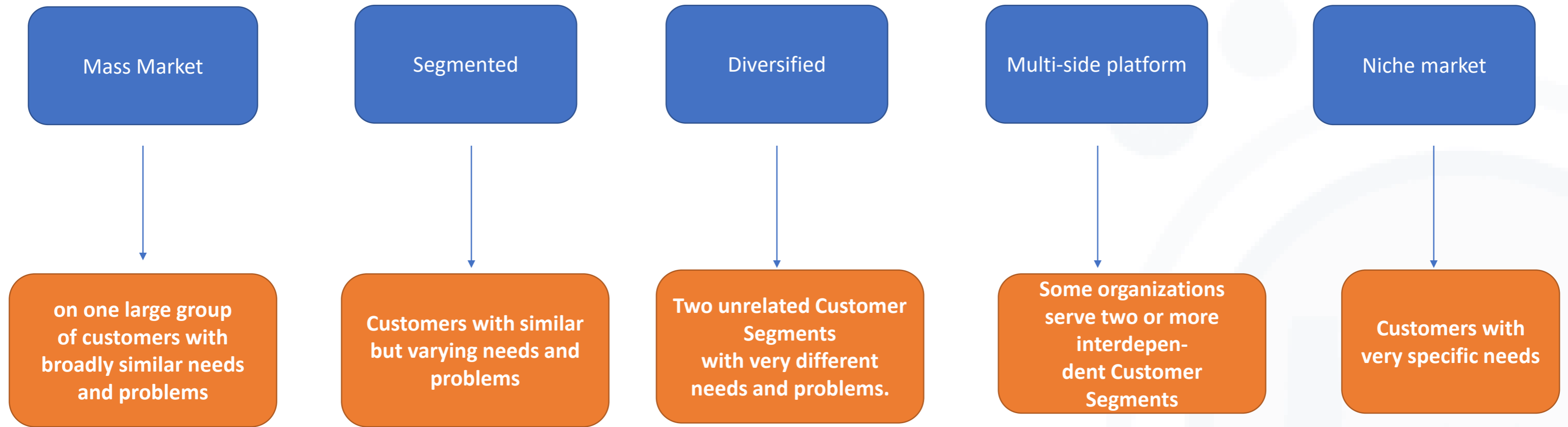
Profitability/Pricing

- Range of products
- Price of the products
- Customers' share

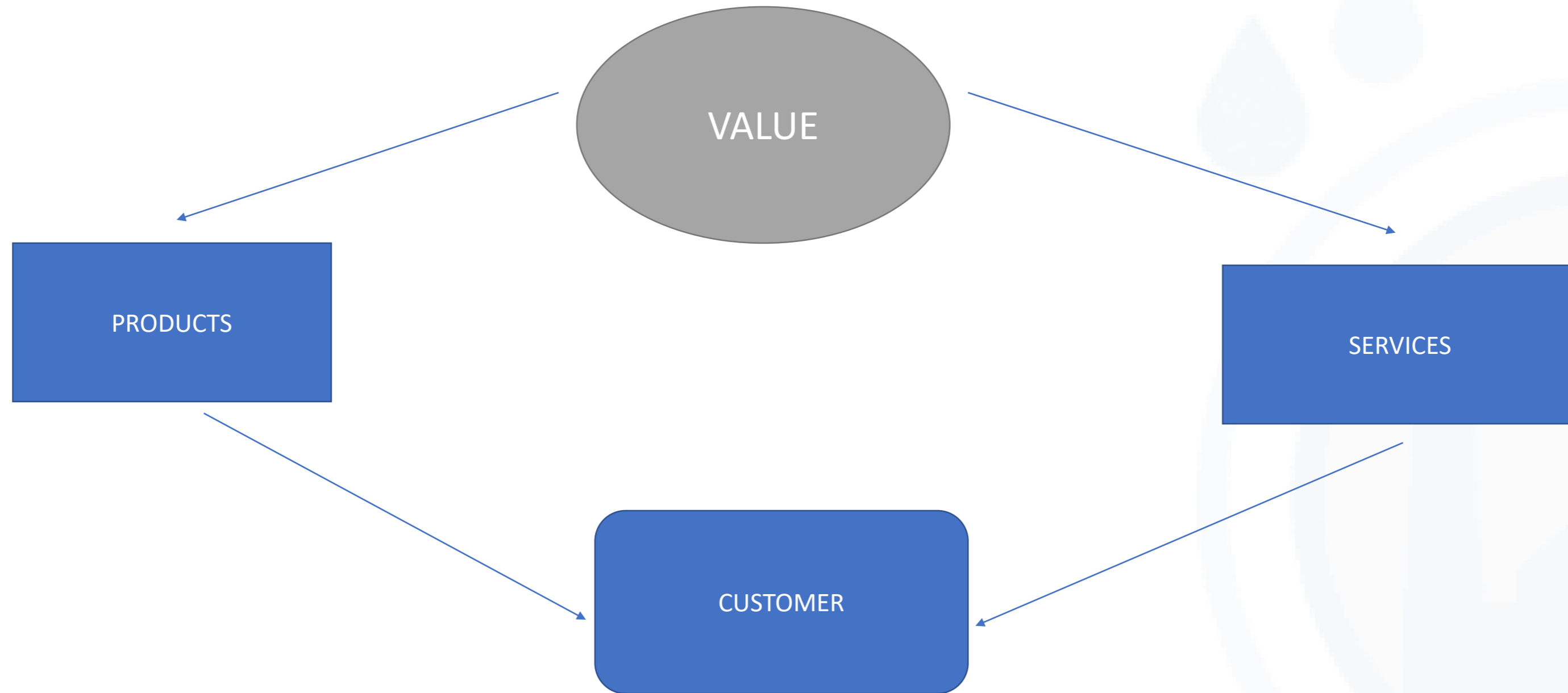
Pricing/Customer behaviour

- Higher-priced products
- Good quality products
- Customers' income/ purchasing power

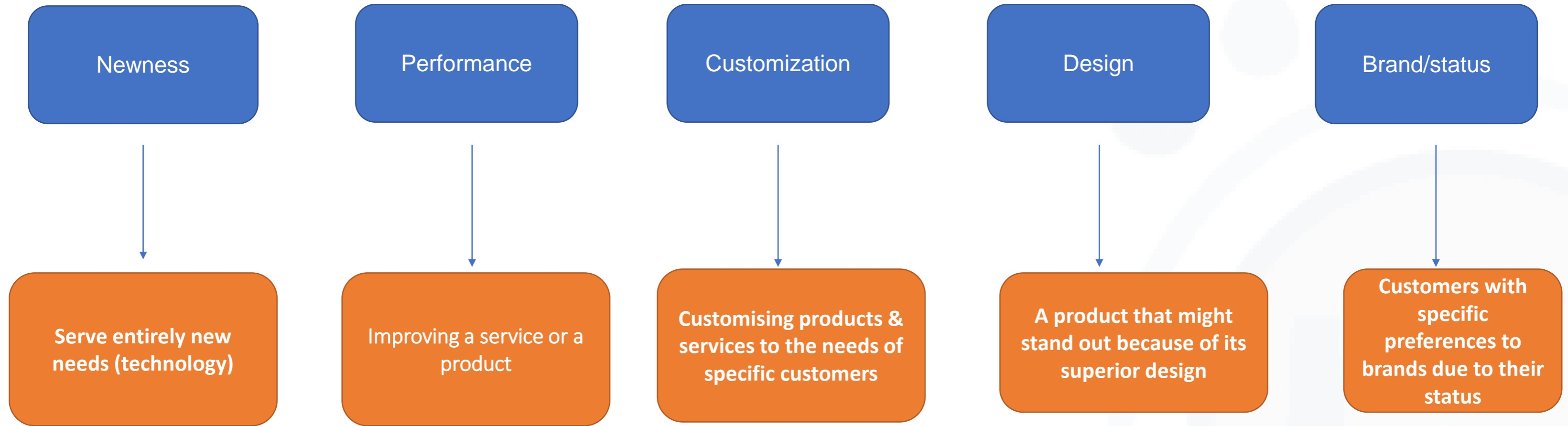
customer segments



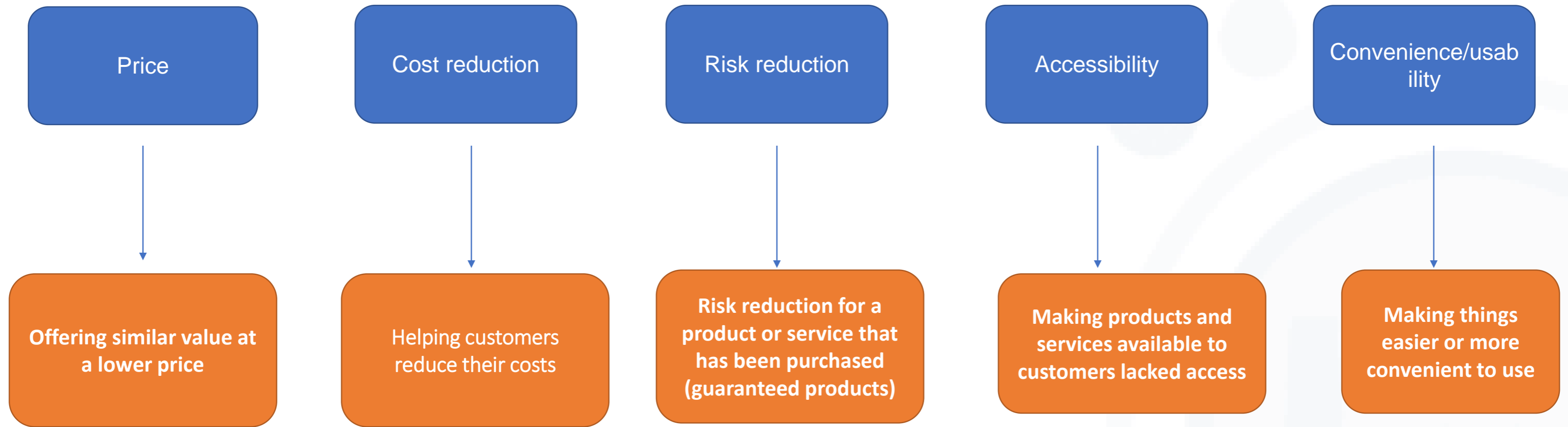
Value proposition



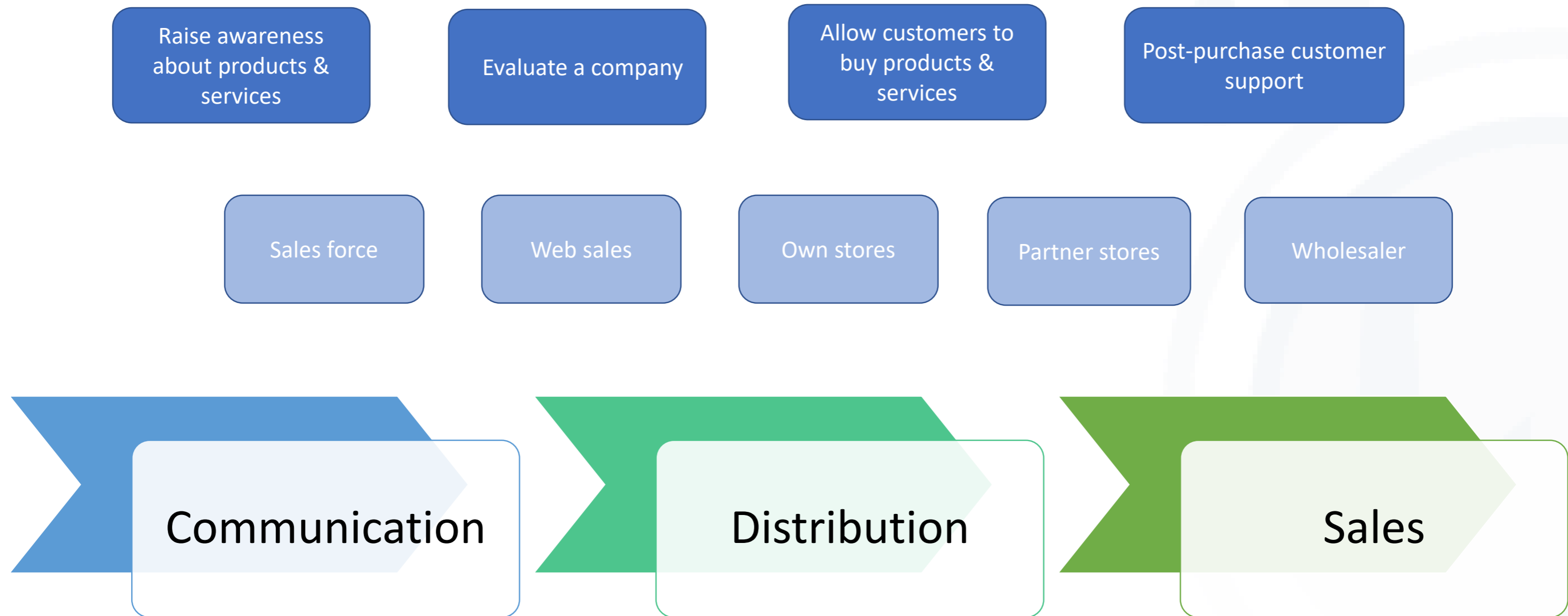
customer segments



customer segments



Communication & distribution channels

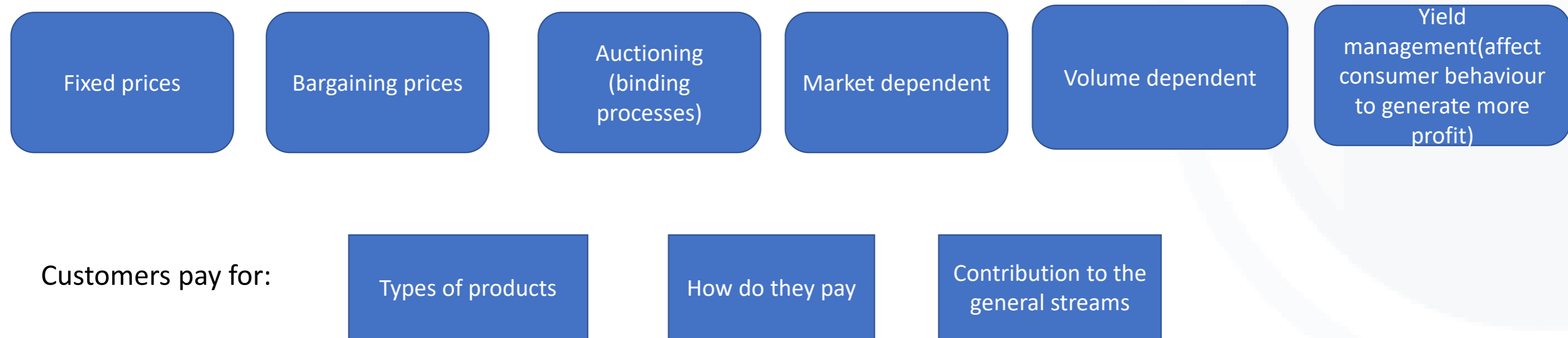




Revenue streams

How can companies generate cash?

- The Revenue Streams Building Block represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings);
- For what value is each Customer Segment truly willing to pay?
- Pricing mechanisms:



Revenue streams

How cash can be generated?

Asset sale

- Ownership rights
- Products

Usage fee

- Fee for a particular use
- Charge for use numbers

Subscription fees

- Fees for having access to products/services

Lending/Renting/Leasing

- Use of a product/service for a specific duration under a specific fee

Licensing

- Use of intellectual property under a fee
- Allows users to generate revenue from manufacturing or commercialisation of a service/product (music licensing)

Brokerage fees

- Gain revenue from acting as an intermediate between two different actors/parties

Advertising

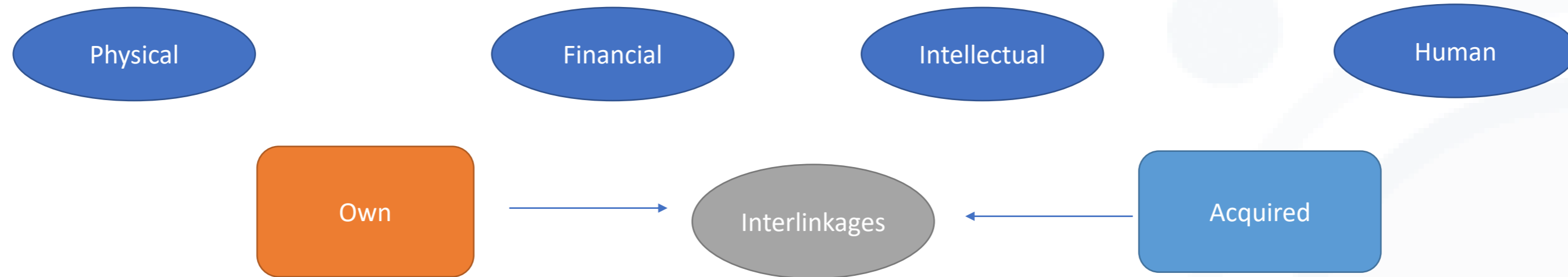
- Brand
- Product/service

Pricing mechanisms:

Pricing Mechanisms

Fixed Menu Pricing Predefined prices are based on static variables		Dynamic Pricing Prices change based on market conditions	
<i>List price</i>	Fixed prices for individual products, services, or other Value Propositions	<i>Negotiation (bargaining)</i>	Price negotiated between two or more partners depending on negotiation power and/or negotiation skills
<i>Product feature dependent</i>	Price depends on the number or quality of Value Proposition features	<i>Yield management</i>	Price depends on inventory and time of purchase (normally used for perishable resources such as hotel rooms or airline seats)
<i>Customer segment dependent</i>	Price depends on the type and characteristic of a Customer Segment	<i>Real-time-market</i>	Price is established dynamically based on supply and demand
<i>Volume dependent</i>	Price as a function of the quantity purchased	<i>Auctions</i>	Price determined by outcome of competitive bidding

- Key resources: important assets required to make a business model work



Physical assets

- manufacturing facilities, buildings, vehicles, machines,
- systems, point-of-sales systems, and distribution
- networks

Intellectual

- brands, proprietary
- knowledge, patents and copyrights, partnerships,
- and customer databases

Human

- knowledge-intensive and creative industries
- Scientists, experts, experienced personnel, highly educated

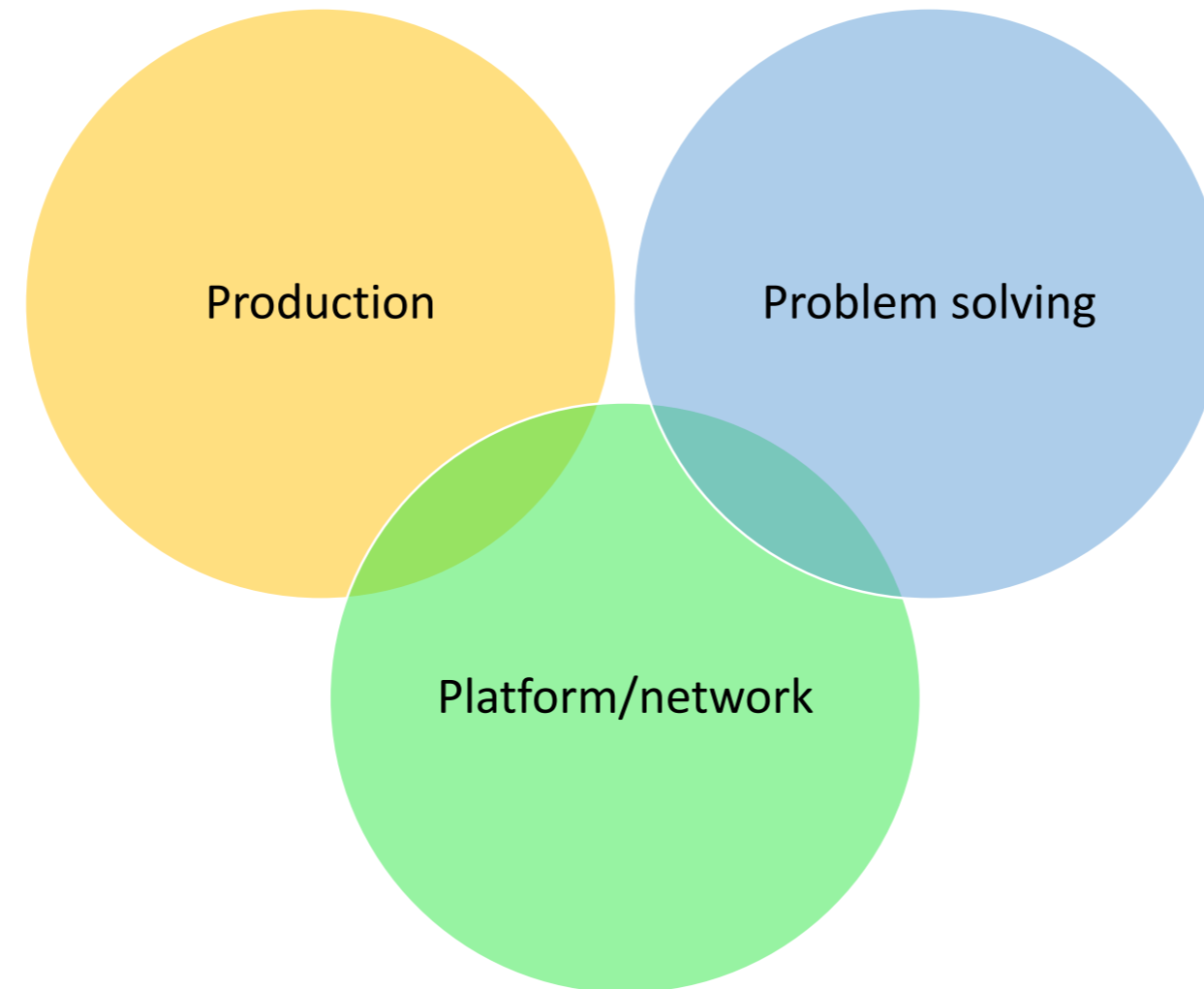
Financial

- financial resources
- and/or financial guarantees, such as cash, lines of
- credit, or a stock option pool for hiring key employees

Key activities

- Key activities: actions that company needs to do to successfully develop its business model

Designing/ Producing/
Delivering a product or service

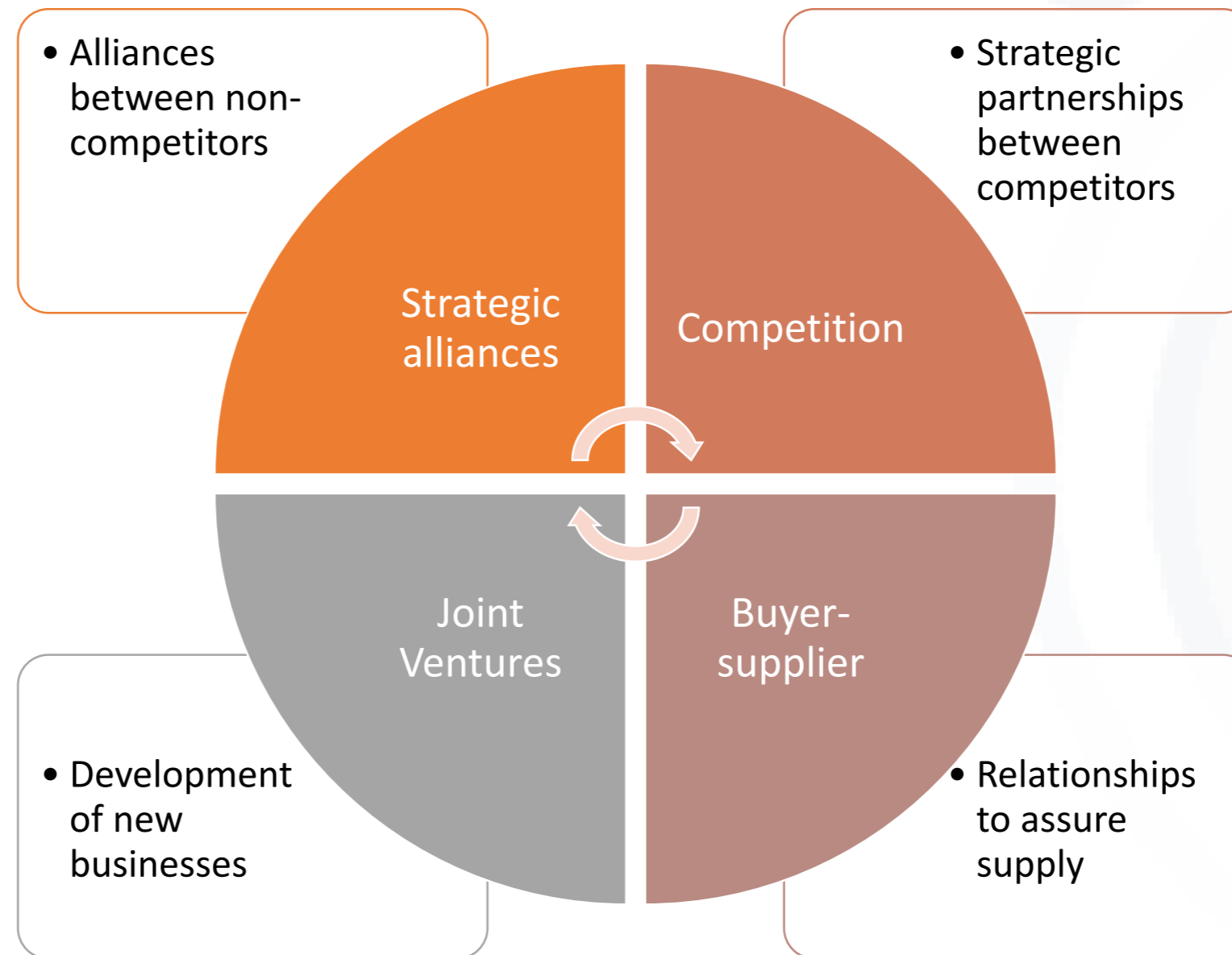


New solutions to continuous customers' problems (knowledge management and continuous training processes)

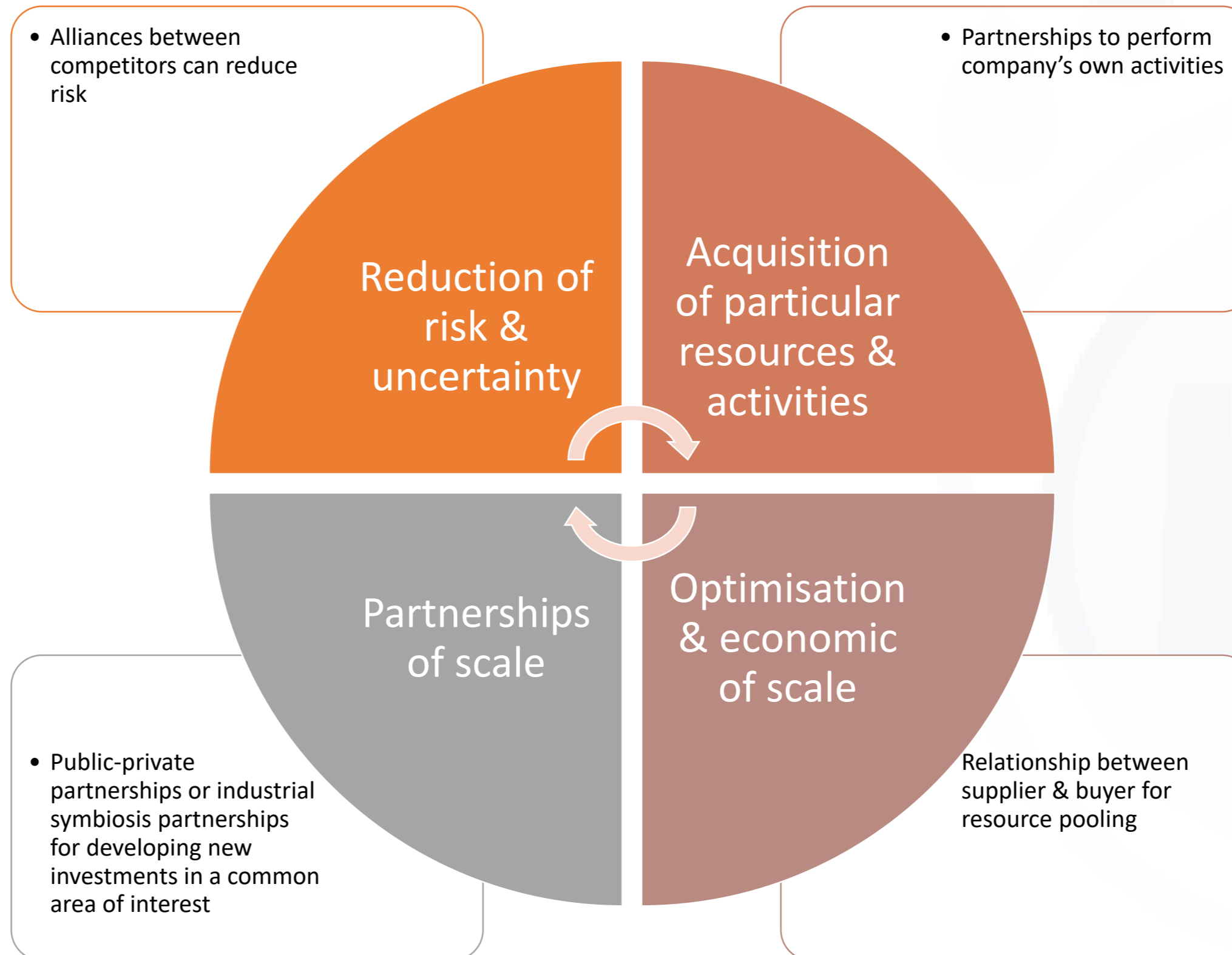
A designed platform as key activity of business operation

Key partnerships

- Companies create alliances to optimize their business models, reduce risk, or acquire resources.



What is the purpose of key partnerships?



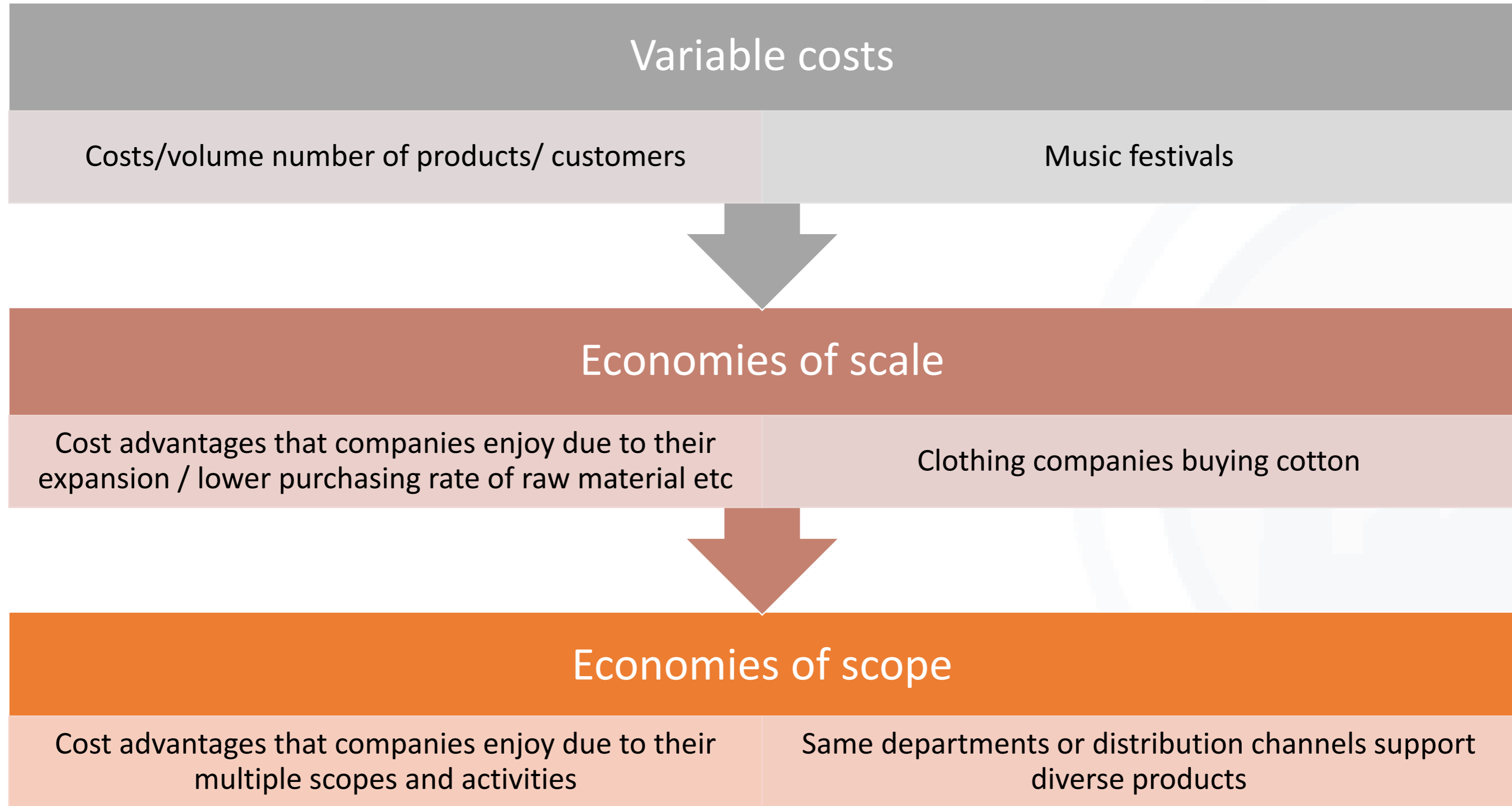


Value driven

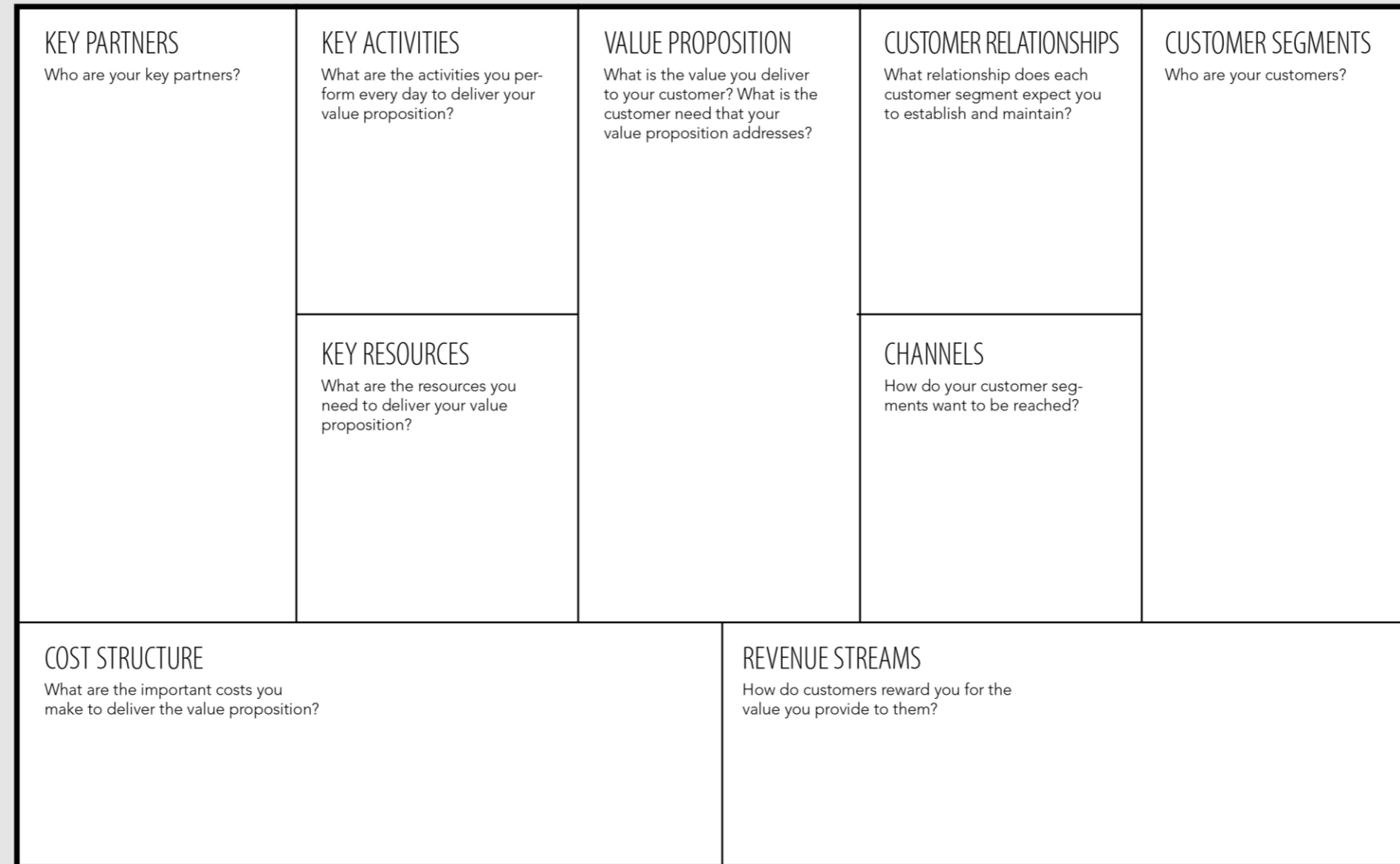
Cost-driven

Value driven	Cost driven
<ul style="list-style-type: none"> • High-degree of personalised services • Focus on value creation with cost considerations 	<ul style="list-style-type: none"> • Low price value proposition • Automation • Outsourcing

Cost structure



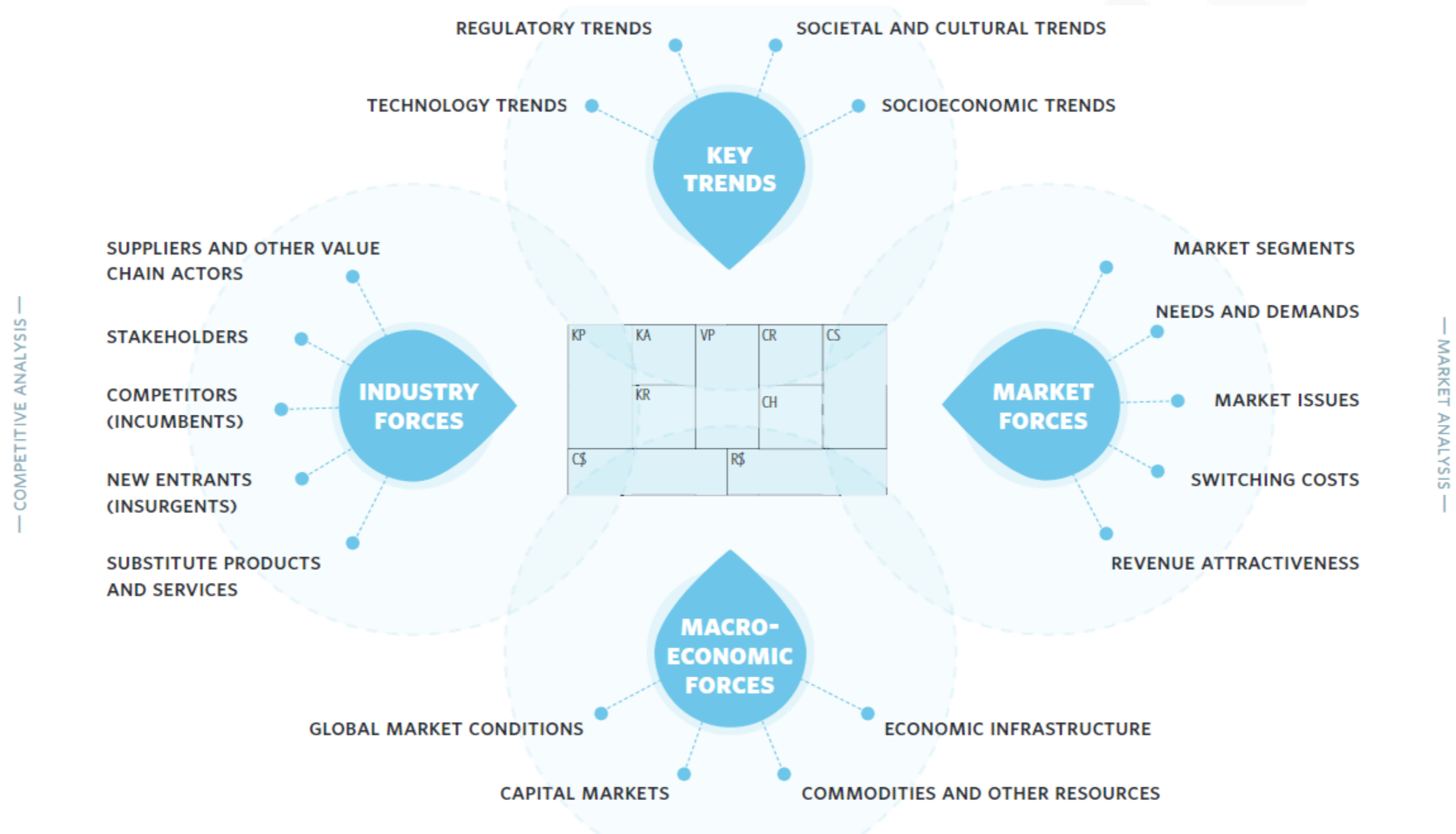
BUSINESS MODEL CANVAS

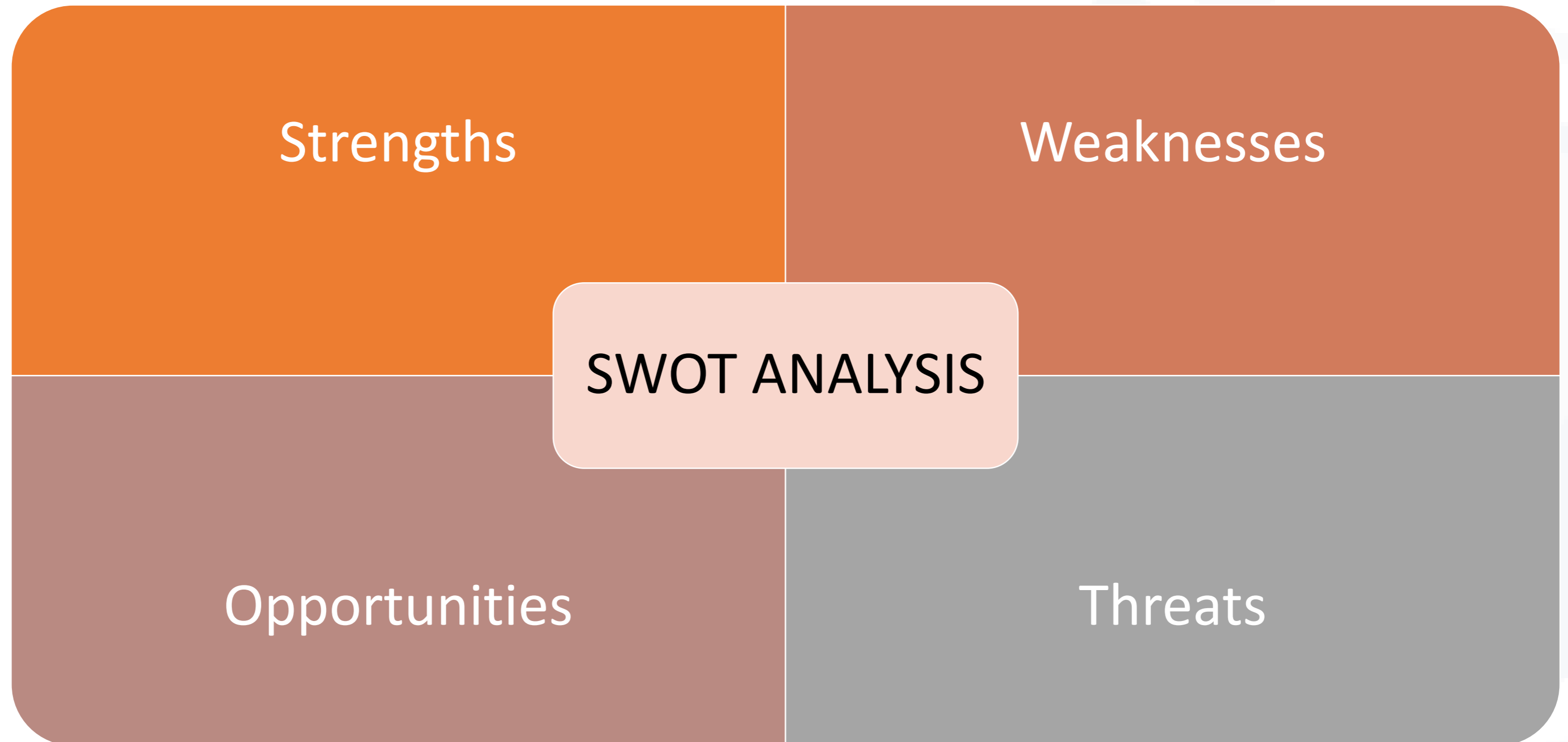


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External factors





Different parts of a business model

- *Value offering*, which describes customer value, customer relations, and market-segmenting (e.g., Teece, 2010)
- *Resources and activities*, which describes how production of the value offering is done through the management of production factors and activities (Amit and Zott, 2001; Zott and Amit, 2010)
- *Value capture*, which describes the fiscal flows and economical aspects of relations to main stakeholders, such as employees, suppliers, owners, and customers (Morris et al., 2005). It also describes other types of intangible values that different stakeholders capture through engaging in the value offer (Haque, 2011).
- *Long-term competitiveness*, which describes the economic durability (Magretta, 2002) and ecological sustainability (Stubbs and Cocklin, 2008) of the business model.