

**BUSINESS**

**MODEL**

**FRAMEWORK**

THE BUSINESS PROPRIETOR  
The Contact details

The Business

The date

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## Business Model Building Blocks

The Customer Segments		
	Key Resources	
The Value Component		Key Activities
	Revenue Streams	
Distribution Channels		Key Partnerships
	Cost Structure	
Customer Relationship		

A Working document for your Business

## **THE CUSTOMER SEGMENTS**

**WHO ARE YOUR MOST IMPORTANT CUSTOMERS?:-**

(Mass market, Niche market, Segmented, Diversified or Multi – sided)

## **THE VALUE COMPONENT**

**WHAT VALUE DO YOU DELIVER TO THE CUSTOMER**

**Which customer problem are you solving?**

**Which customer needs are being satisfying?**

**Can you tailor for customer's needs?**

(Getting the job done, design, price, cost reduction, accessibility, convenience)

## **DISTRIBUTION CHANNEL**

### **HOW DO YOU REACH, COMMUNICATE, SELL, DELIVER AND PROVIDE AFTER SALE SERVICE**

(sales force, own shop, multiples, wholesale, retail, web sales)

## **CUSTOMER RELATIONSHIPS**

### **TYPES OF RELATIONSHIP WITH SPECIFIC CUSTOMER SEGMENTS**

Personal, self-service, automated service, customer comments

## **KEY RESOURCES**

### **THE RESOURCES REQUIRED TO MAKE THE BUSINESS WORK**

Physical, Intellectual, Human, Financial, Funding sources

## **REVENUE STREAMS**

### **HOW WILL CUSTOMERS PAY, CAN THERE BE A NUMBER OF INCOME STREAMS?**

Asset sale, Usage fee, Subscription fees, Lending/renting/leasing, Licensing, brokerage fees, advertising.

## **PRICING MECHANISMS**

Fixed – List price, Product, customer, volume dependent.

Dynamic – bargaining, yield management (stock & time of purchase), real-time-market (supply & demand), Auctions

## **COST STRUCTURE**

### **THE MOST IMPORTANT COSTS INCURRED IN THE BUSINESS**

Fixed costs including Repayments, Compliance costs, Variable costs, Economies of scale, Economies of scope, Stock costs, Cost-driven, Value-driven

Cost-control management

## **KEY ACTIVITIES**

### **PRODUCTION, PROBLEM SOLVING, PLATFORM/NETWORK. ONGOING-BUSINES MONITORING**

Innovating, designing, making, delivery, timing, complaints, returns

The key measures for assessing how the business is doing

The key actions and the timeframes for keeping on-top of the business.

## **KEY PARTNERSHIPS**

### **THE NETWORK OF SUPPLIERS AND PARTNERS THAT MAKE THE BUSINESS**

Strategic alliances between non-competitors,

Competitors and Coopetition

Joint ventures

Buyer-supplier relationship

Mentoring / networks