

MARIBE

D7.6 Tools and guidelines for evaluation and innovating business models

WP7 Business model mapping and assessment

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About MARIBE

MARIBE is a Horizon 2020 project that aims to unlock the potential of multi-use of space in the offshore economy (also referred to as Blue Economy). This forms part of the long-term Blue Growth (BG) strategy to support sustainable growth in the marine and maritime sectors as a whole; something which is at the heart of the Integrated Maritime Policy, the EU Innovation Union, and the Europe 2020 strategy for smart, sustainable growth.

Within the Blue Economy, there are new and emerging sectors comprising technologies that are early stage and novel. These are referred to as Blue Growth sectors and they have developed independently for the most part without pursuing cooperation opportunities

with other sectors. MARIBE investigates cooperation opportunities (partnerships, joint ventures etc.) for companies within the four key BG sectors in order to develop these companies and their sectors and to promote the multi-use of space in the offshore economy.

The sectors are Marine Renewable Energy, Aquaculture, Marine Biotechnology and Seabed Mining. MARIBE links and cross-cuts with the Transatlantic Ocean Research Alliance and the Galway Statement by reviewing the three European basins (Atlantic, Mediterranean, and Baltic) as well as the Caribbean Basin.

About MARIBE

Project coordinator



MARIBE project partners



Document information

Acknowledgement

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Business Model Understanding

This document contains visual tools to understanding business models and the context in which companies operate.

Examples of how to use these tools can be found in deliverable D7.2 *Case studies for specific business models (Part A)*.



Tools to understanding

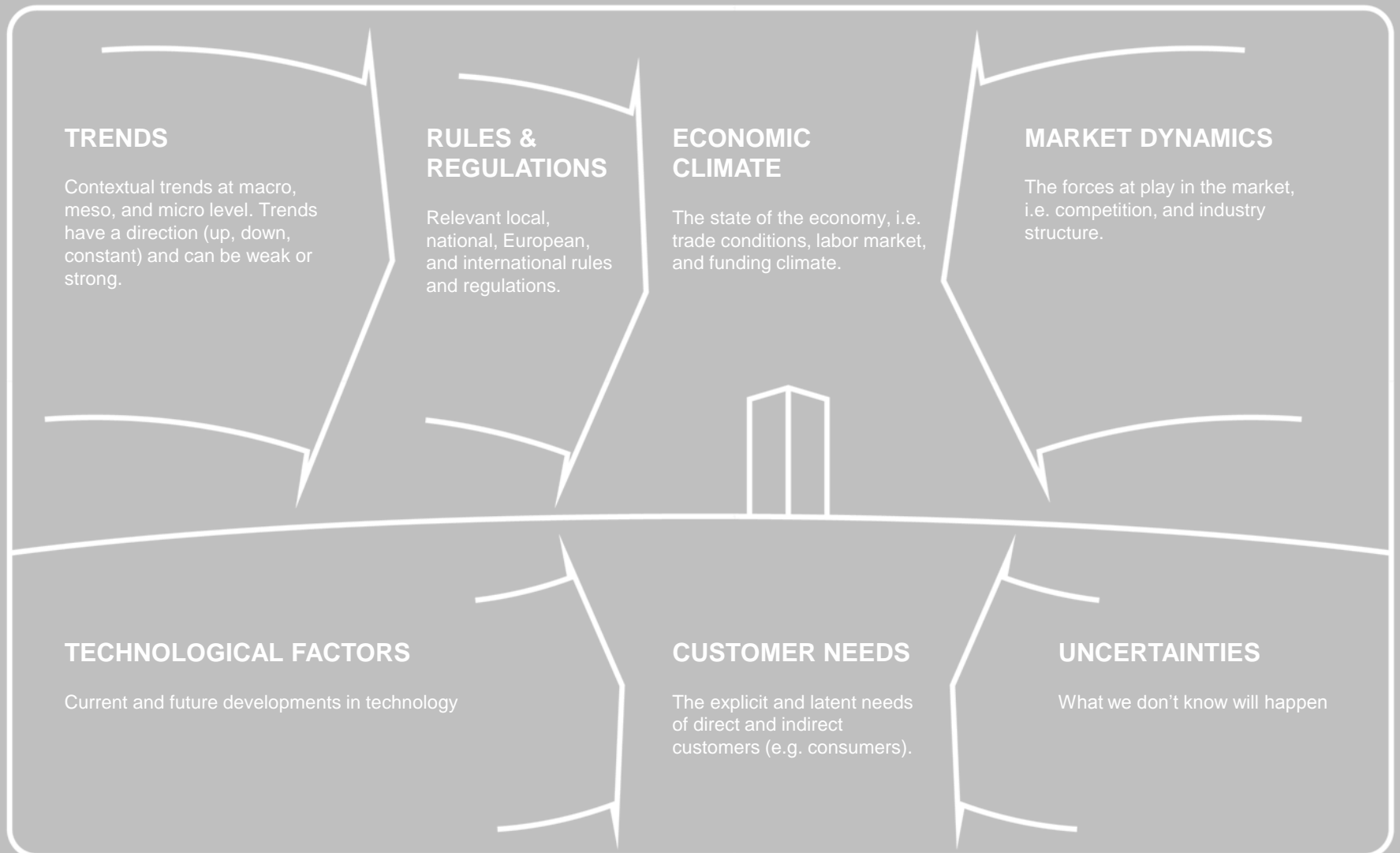
Tool	Explanation
Context Map	The Context Map is used to understand the overall context in which a company is operating. It shows what is happening in the world in terms of trends, technology, rules & regulations, economic climate, market dynamics, and customer needs.
Business Model Canvas	The Business Model Canvas (see deliverable D7.1 for a brief introduction) is used to understand how a company creates, delivers, and captures value. It shows the customers, value propositions, revenue streams, customers relationships, channels, key activities, key resources, key partners, and cost structure of a company.
Business Model Mechanics	The Business Model Mechanics are seven questions to assess how well a business model is designed. It shows how well the nine building blocks are interconnected towards driving business results.
Investment Readiness Level	The Investment Readiness Level is a tool from Steve Blank. It is the business equivalent of the Technology Readiness Level (TRL), providing investors clear insight in where is company is in terms of its customer development lifecycle. It is used to assess if the company has subsequently achieved problem-solution fit, product-market fit, and if the company is ready to scale.

Understand your context and business model

This section includes the Context Map and the Business Model Canvas.

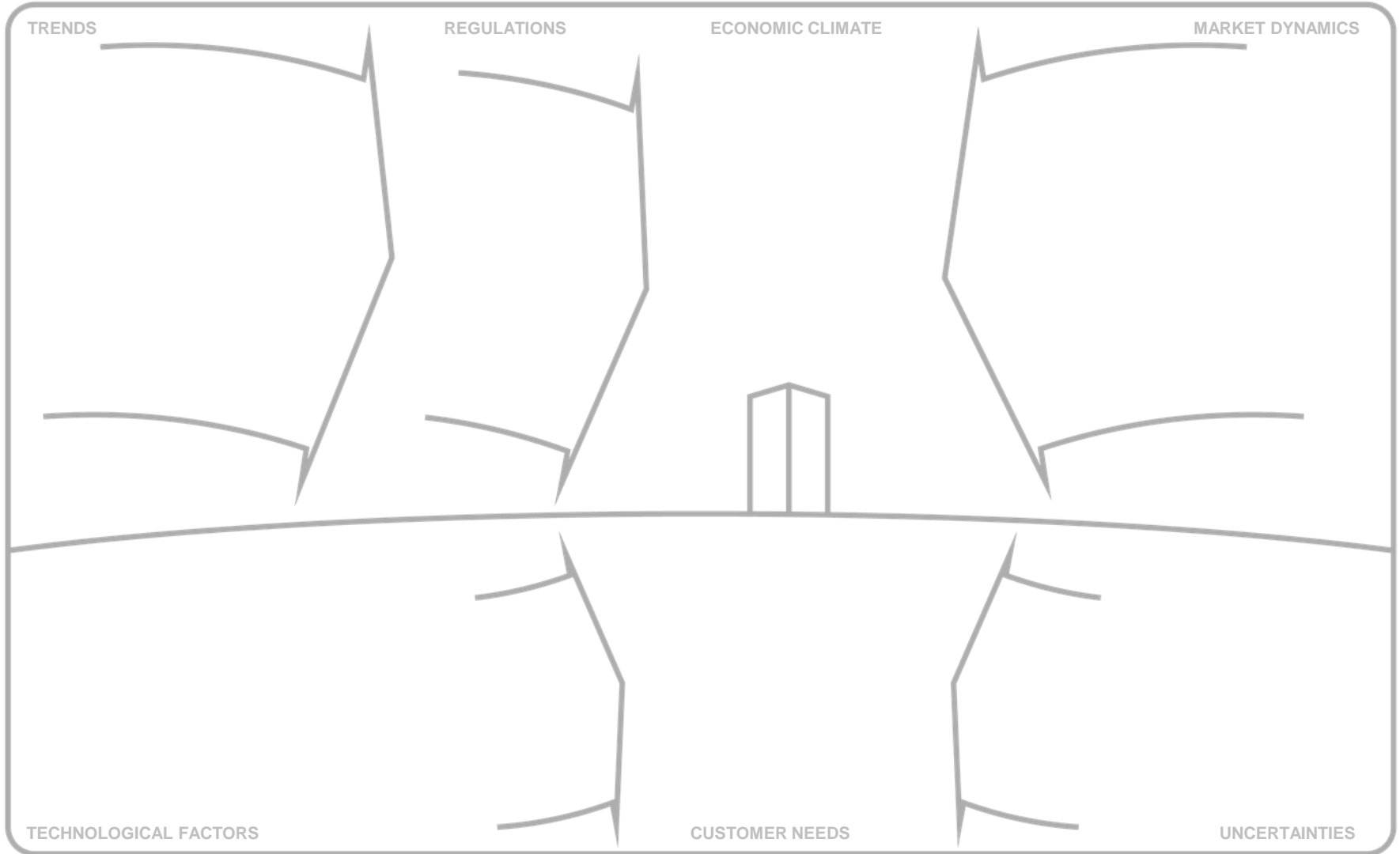


The context map explained



Map your context

1. describe using post-its 2. what are opportunities and threats?



Adapted from The Grove (www.grove.com)

The Business Model Canvas explained



Using the Business Model Canvas

KEY PARTNERSHIPS Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?	KEY ACTIVITIES What Key Activities do our Value Propositions require? Our distribution Channels? Customer Relationships? Revenue Streams?	VALUE PROPOSITIONS What value do we deliver to the customer? Which one of the 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?	CUSTOMER RELATIONSHIPS 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 rest of our business model?	CUSTOMER SEGMENTS For whom are we creating value? Who are our most important customers?
	KEY RESOURCES What Key Resources do our Value Propositions require? Our distribution Channels? Customer Relationships? Revenue Streams?		CHANNELS 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 the best? Which ones are most cost-efficient? How are we integrating them with customer routines?	
COST STRUCTURE What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?			REVENUE STREAMS For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How much would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?	

Map your business model

1. describe with post-its 2. what is weak? what is strong?

KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITIONS	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS
	KEY RESOURCES		CHANNELS	
COST STRUCTURE			REVENUE STREAMS	

Business model description

write a little story based on the post-its on your canvas

VALUE PROPOSITIONS (VP)



CUSTOMER RELATIONSHIPS (CR)



CUSTOMER SEGMENTS (CS)



CHANNELS (CH)







REVENUE STREAMS (RS)



Business model description

Write a little story based on the post-its on your canvas

KEY PARTNERS (KP) 	KEY ACTIVITIES (KA) 
	KEY RESOURCES (KR) 
COST STRUCTURE (CS) 	

Assess your business model mechanics and investment readiness

This section includes the Business Model Mechanics and the Investment Readiness Level tool.



Business Model Mechanics explained

SWITCHING COSTS

How difficult and/or costly it is for your customers to switch to another company's offering?

RECURRING REVENUES

Does every sale in your business represent a new effort? Does it result in follow-up sales and revenues?

EARN BEFORE YOU SPEND

Do you earn money before you spend it? Do you generate revenues before you incur the costs of producing and delivering your value proposition to customers?

GAME CHANGING COST STRUCTURE

Is your cost structure substantially different or better than that of your competitors?

GETTING OTHERS TO DO THE WORK

How much does your business model get customers or third parties to create value for you (for free)?

SCALABILITY

How rapidly and easily can you grow your business model without hitting roadblocks (e.g. infrastructure, customer support, etc.?)

PROTECTION FROM COMPETITION

How much does your business model protect you from the competition?

Business model mechanics

1. determine and justify your score 2. what can you improve?

SWITCHING COSTS

0	1	2	3	4	5	6	7	8	9	10
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JUSTIFY YOUR SCORE!

RECURRING REVENUES

0	1	2	3	4	5	6	7	8	9	10
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EARN BEFORE YOU SPEND

0	1	2	3	4	5	6	7	8	9	10
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GAME CHANGING COST STRUCTURE

0	1	2	3	4	5	6	7	8	9	10
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GETTING OTHERS TO DO THE WORK

0	1	2	3	4	5	6	7	8	9	10
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SCALABILITY

0	1	2	3	4	5	6	7	8	9	10
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PROTECTION FROM COMPETITION

0	1	2	3	4	5	6	7	8	9	10
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Investment Readiness Level explained

IDENTIFY AND VALIDATE METRICS THAT MATTER	9
VALIDATE VALUE DELIVERY (LEFT SIDE BUSINESS MODEL CANVAS)	8
PROTOTYPE HIGH FIDELITY MINIMUM VIABLE PRODUCT	7
VALIDATE REVENUE MODEL (RIGHT SIDE BUSINESS MODEL CANVAS)	6
VALIDATE PRODUCT MARKET FIT	5
PROTOTYPE LOW FIDELITY MINIMUM VIABLE PRODUCT	4
PROBLEM/SOLUTION VALIDATION	3
MARKET SIZE/ COMPETITIVE ANALYSIS	2
COMPLETE FIRST PASS BUSINESS MODEL CANVAS	1

Investment Readiness Level

1. explain why your IRL is at this level. 2. what is the proof?

