

Business Models

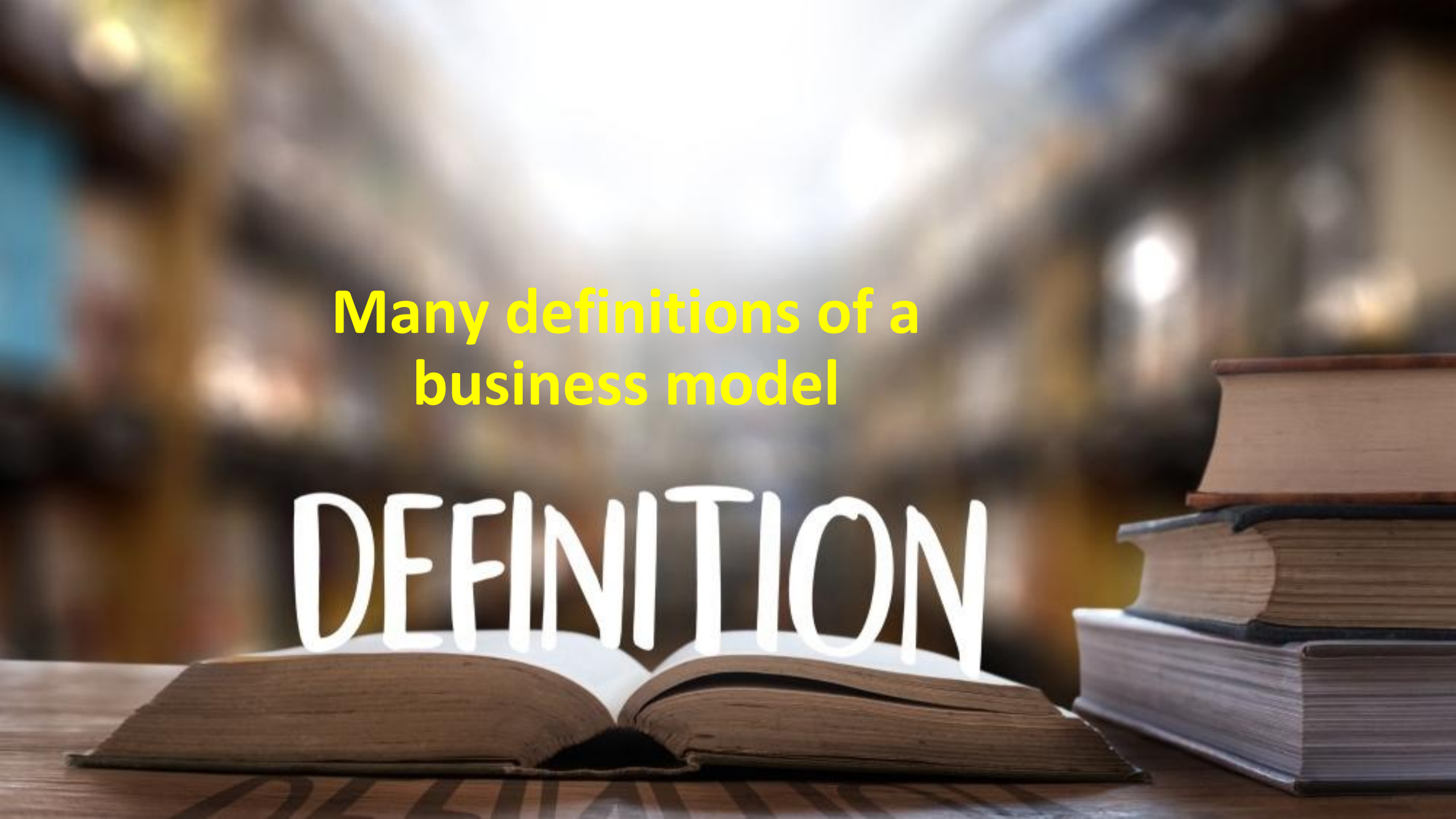
Chemicals Team session

December 04, 2019 | Siv - ABG



**Many definitions of a
business model**

DEFINITION



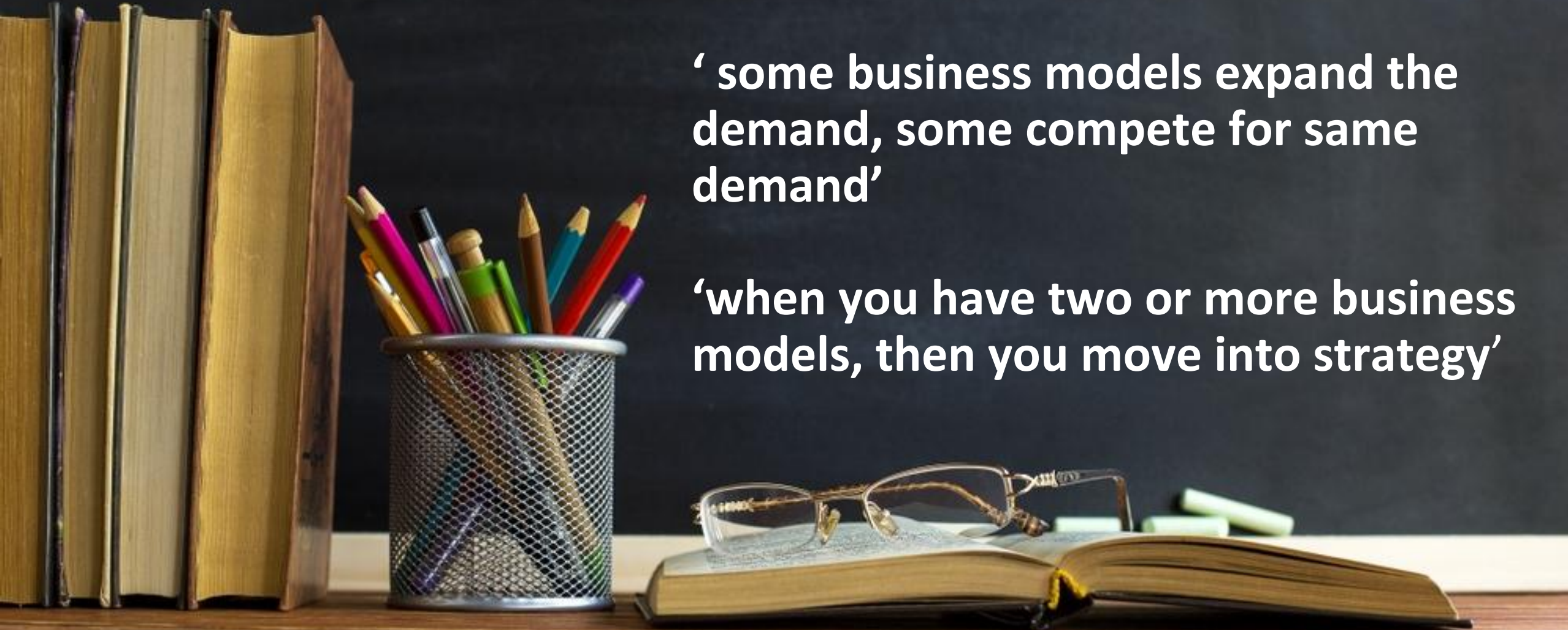
Various definitions

- Peter Drucker – ‘assumptions on what a company gets paid for’
- ‘Delivering a value proposition to the customer that makes sense for the value chain’
 - ‘How your business runs’
- ‘Creating, delivering and capturing value’

‘A better business model into an existing market creates disruption’

‘ some business models expand the demand, some compete for same demand’

‘when you have two or more business models, then you move into strategy’



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Book (1)

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The concept of the business model started with the arrival of computers and spread sheets, every business started simulating the variables.

Fundamental blocks of a business model

Making

- **options**

Selling

- **options**

Paying

- **options**

Every business model runs on an insight that creates value in the eco system.





In most businesses costs precede revenue, in some revenue precedes cost.

A good business model is built on a hypothesis (not hope), refined and revised as you go along.



REVISION!





EXAMPLES

Let's look at a few examples

Cricket

Test Match

- **country**

ODI

- **country**

T 20

- **clubs**

T 10, and 100 ball match

Bollywood

- Silver Jubilee
 - Theatres
 - Multiplexes
 - 15 days !
 - Music
- Overseas rights
- DVDs, Phone prints

Jet Engines

A silver twin-engine turboprop aircraft is shown from a high-angle, front-quarter perspective, flying over a rugged mountain range. The aircraft's wings are spread wide, and its two engines are clearly visible. The background consists of dark, rocky peaks under a clear sky.

- Product to service
- Pay per use

Types of business models

subscription

retailer

manufacturer

distributor

franchise

Agency based

E commerce

Brick and mortar

Omni channel

aggregator

Lo cost, lo touch

Online market place

advertising

freemium

Data monetisation

**All business models
fail on the story test
or the numbers test
or both.**



Summary