

Destroy and Rebuild Your Business Model

(Workshop presented by Nancy Dering Mock, August 26-27, 2010)

- Library business model is not driven by finance, but by customers.
- Not all customers are equal...where do you draw the line?

Business Models: 9 Segments

1. Customer Segments:

- For whom are we creating value?
- Who are our most important customers?

2. Value Proposition:

- What do our customers want, need or desire?
- What value do we deliver to the customer
- Which of our customer's needs are we satisfying?
- What services are we offering to each customer segment?

3. Channels:

- How are we reaching our customer segments now?
- Which ones work best?
- Which ones are most costly?
- Which are most cost-efficient?

4. Customer Relationships:

- What type of relationship do each of our customer segments expect us to establish and maintain with them?
- What is changing in the minds and expectations of our customers?
- What type of relationship do we actually have with them?

5. Revenue Streams:

- What are our primary sources of revenue?
- Do we know what value/return on investment the sources of revenue expect?
- For what are customers currently paying?
- Do we know what they would be willing to pay for?
- Have we fully explored other sources of revenue? Have we pushed ourselves far enough?

6. Key Resources

- What resources do our value propositions require?
- What physical, intellectual, human and financial resources are necessary?
- What resources are necessary to maintain our channels, our customer relationships and our revenue streams?

7. Key Activities

- What key activities do our value propositions require?

- What key activities do our channels require?
- What problem-solving activities are critical to solving systems, operations and customer-service problems?

8. Key Partners

- Who are our key partners?
- Who are our key suppliers?
- With whom do we have strategic alliances?
- With whom do we subcontract?
- For whom are WE a key supplier?

9. Cost Structure

- What are the most important costs in our business model?
- Which key resources are most expensive
- Which key activities are most expensive

Thinking through the Change Process:

1. Do you have the support for a new model?
2. Do you have the talent to design and run a new model?
3. How will you involve key constituencies in rebuilding and implementing the new model?
4. How will you assure that key people will come along with enthusiasm, commitment and creativity?

THE BUSINESS MODEL CANVAS
Adapted from "Business Model Generation" by Osterwalder and Pigneur

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| <p>8. Key Partners</p> <ol style="list-style-type: none"> Who are our key partners? Who are our key suppliers? With whom do we have strategic alliances? With whom do we subcontract? For whom are we a key supplier? | <p>7. Key Activities</p> <ol style="list-style-type: none"> What key activities do our value propositions require? What key activities do our Channels require? What problem-solving activities are critical to solving systems, operations and customer-service problems? | <p>2. Value Proposition</p> <ol style="list-style-type: none"> What value do we deliver to the customer? Which one of our customer's needs are we satisfying? What services are we offering to each Customer Segment? | <p>4. Customer Relationships</p> <ol style="list-style-type: none"> What type of relationship does each of our Customer Segments expect us to establish and maintain with them? What is changing in the minds and expectations of our customers? What type of relationship do we actually have with them? | <p>1. Customer Segments</p> <ol style="list-style-type: none"> For whom are we creating value? Who are our most important customers? |
| <p>6. Key Resources</p> <ol style="list-style-type: none"> What resources do our value propositions require? What physical, intellectual, human and financial resources are necessary? What resources are necessary to maintain our channels, our customer relationships and our revenue streams? | <p>3. Channels</p> <ol style="list-style-type: none"> How are we reaching our Customer Segments now? Which ones work best? Which ones are cost-efficient? | <p>5. Revenue Streams</p> <ol style="list-style-type: none"> What are our primary sources of revenue? Do we know what value/return on investment these sources expect? For what are customers currently paying? Do we know what they would be willing to pay for? Have we fully explored other sources of revenue? Have we pushed ourselves far enough? | <p>9. Cost Structure</p> <ol style="list-style-type: none"> What are the most important costs in our business model? Which key resources are most expensive? Which key activities are most expensive? | |