



EMISSION CHEATING

Car manufacturers became known to manipulate emissions tests even though they had communicated corporate values such as responsibility and sustainability. When the "defeat device" was detected companies faced multimillion dollar charges.

1

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CASE



NEW BRAND IDENTITY

Financial processes are getting even more complex due to technological advances, changes within the industry itself, and compliance with new legal or regulatory requirements. A leading financial service provider has shaped a new value proposition to simplify the increasing complexity and organize the existing processes efficiently.

3

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CASE



KEY CUSTOMERS

Industry analysis of the wholesaler market has identified hotels, restaurants, caterers and kiosks spending more than 100,000 annually as their most important customer segment. The range of products is being halved to cater for the above-mentioned clients. Savings made due to reduced costs for storage and logistics will be passed onto key customers in the form of lower prices on basic foodstuffs.

5

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CASE



FULFILLMENT PARTNERS

Online shops and content producers are working more and more with fulfillment partners for their distribution. Such partners not only take over the packaging and delivery of products, but also handle returned or exchanged items. They also offer additional services such as tracking and billing.

7

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CASE



TECHNICAL SERVICES

Technical services for diverse electrical household appliances from a single source could become a new business segment for telecommunication firms and cable providers with the technical expertise necessary to expand existing customer relationships.

9

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CASE



MOBILE PHONE LICENSES

Network operators spent 50 billion Euros on mobile phone licenses in 2000. It took four years subsequently to complete the base stations and enable data transfers at speeds of up to 384 KB per second. Ten years later, four of the six operators now use the coveted frequencies, serving more than 20 million regular users.

11

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FOOTBALL JERSEY ADVERTISING

Since the 60s, soccer clubs have been accepting jersey sponsorship from businesses. For major clubs, it was soon followed by touchline advertising, and subsequently by additional advertising rights in newer media formats such as television, newscasts and social media platforms. Sponsored presentation games have now become part of pre-season preparations.

13

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CASE



AUSTERITY MEASURES

High fuel costs and decreasing passenger numbers have minimized the profits of major European airlines. They are responding with cutbacks and tough austerity measures, lowering capacities and reducing the number of planes in operation. Stewards, pilots and ground staff are being laid off. According to management, an operating margin of a few percent would not be sufficient to secure business in the long term.

15

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DRY BAR STAR

To counter the price-dumping trend in the “cut-and-go” market, hairdresser salons of a kind yet unknown have suddenly appeared on the scene. In “Dry Bars”, well-heeled patriots sip sparkling wine to lounge music while the hair crew come up with individual blow-dry creations named after cocktails. Patrons enjoy the star treatment while it lasts.

4

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INFINITE VISION

An Indian eye care company is not only dedicated to providing premium eye care to its customers, but also pursues the mission of eliminating unnecessary blindness. It introduced a social freemium model to subsidise treatments of customers that could otherwise not afford it.

2

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CASE



POP-UP STORES

Pop-up stores advertise online on a small budget and on social networks, staging their offer as an event, doing away with expensive interiors. Novelty-value and a limited duration may lead in the best-case scenario to word-of-mouth propaganda and to an advertising impact that stretches beyond local boundaries. Online shops and technological businesses are now also applying this format for presenting products in tangible form.

8

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CASE



WHOLESALEERS

To create new business opportunities, wholesalers are testing new improvements in customer service. Improved customer support is intended to increase turnover. Analysts are quite sceptical about delivery services, fearing that it could lead to a fall in impulse buying.

6

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CASE



QUALITY ASSURANCE

Major aircraft manufacturers and their suppliers are struggling with various quality defects and technical problems with flagship aircrafts: Hairline cracks on wings, batteries burning or oil leaks. New lightweight materials, energy efficient engines and new technologies are making the process from development and production set-up to series manufacturing more complex. The introduction of newer models has been postponed due to such problems.

12

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CASE



JUNGLE CAMP CONTRACT

Contestants on Germany’s “Jungle Camp” reality show receive varying appearance fees according to their celebrity ratings, rumored to be between 15 and 150 thousand Euros. An “entertainment allowance” is paid in installments. Contestants who break any of the rules fear heavy penalties. Those who continue to work for the contracting channel after completing the show can hope to pick up a bonus.

10

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CASE



LICENSING COSTS

In 1944, the engineer and designer, Hans Hilfiker, designed a station clock for the Swiss Railway Company. A major technology company initially used the design without a license for their tablet computer. According to newspaper reports, both parties have now agreed on a licensing fee of 20 million Swiss Francs.

16

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CASE



EUROPA NETWORK

As soon as it was announced that major European telecommunication companies were considering a possible fusion of their telephone networks, share prices started to rise. Investors are speculating on a merger of networks into one major infrastructure corporation. Such a corporation could attempt to get subsidies for a fiber optic network and compete with businesses in less fragmented markets such as China and the USA.

14

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CASE

You managed to rapidly grow and consolidate your business.

- How does this affect your company?
- What would sustainable growth look like?
- How can you take your vision and mission to the next level?

1



A strong competitor with extensive financial backing enters the market with your very same business model.

- How would you deal with such competition?
- How does this influence your business model?

3



The yellow press wants to report about your business.

- How would you brief them and sell your story?
- Which picture should accompany the report?

5



Who are your main competitors? And who might take your position in the future?

- How do you differentiate against established players?
- How do you differentiate against new players?
- How would established players react to your offering?

7



After great initial success, public interest in your business decreases and everyday problems start to eat up large amounts of time.

- How do you keep your staff motivated?
- How do you deal with an increasing amount of business hiccups?

9



Your best friend becomes managing director of your main competitor.

- How could both companies collaborate?
- Do you see any potential for co-innovation?

11



A company makes you an offer for an acquisition.

- How do you react?
- If you were willing to sell, which parts of your company are most valuable and how could you emphasize their significance?

13



One of the world's largest companies gives you a call: they intend to purchase a large amount of your product and a customized version of your services.

- How can this key customer affect your business model?
- Which modifications of your original offer would you be able and willing to provide?

15



An investor likes your business model and grants you 3.000.000 Euro.

- How can you upscale your business?
- How would you evolve your business model?

4



Stakeholders publicly doubt that you are serious with your mission and vision.

- How do you prove your vision and mission are the top directives for your entrepreneurial decisions?
- What would you refuse for example in order to comply with your own values?

2



What's will your company look like in 5 years?

- Which bets do you place on future trends?
- Which are the most relevant trends to be dealt with?
- How do you plan to sustain and develop your business?

8



You wish to expand your business and enter foreign markets.

- Will you have to adjust your business model in response to local needs?

6



Your trusted IT developer defects to your main competitor, taking a substantial amount of ideas with him.

- How do you react? Which steps do you take?

12



Try walking in your competitor's shoes!

- Consider how your main competitors perceive your company and what you offer the customer.

10



Bottlenecks in the supply chain are causing significant delays in the delivery of your product. Customers are complaining and orders are in decline.

- How can you reestablish and strengthen trust among your customers?
- How do you proceed from the initial transaction stage to enduring sustainable customer relations?

16



Your main investor makes an unannounced visit to your offices – requiring to be informed on daily business practice.

- Explain your key activities and the main tasks of each employee.
- What is the main reason to host each activity inhouse?

14



Get familiar with the most important rules for creative teamwork and brainstorming.

Your tasks as the moderator

1. During the session, read out the relevant facilitation card to your team before moving on. The questions listed on each moderation card will help you to come up with new ideas.
2. Set a time limit for each step of the business modeling session and keep an eye on the time! Remind your team now and again about the agreed timeframe for each step.
3. A short handbook "How to Model New Business: Business Innovation Kit" provides background information and more detailed instructions. It is available on Amazon or through the UXBerlin website.

1

FACILITATION CARDS

MODERATION



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Collect your ideas that do not fit elsewhere and park open issues for follow-up discussion.

Further ideas

Should other ideas emerge during the following session, which do not relate to any specific components of the business model, you also collect such ideas. Make sure to use a different color of sticky notes in order to distinguish between the initial idea and concept and any further ideas.

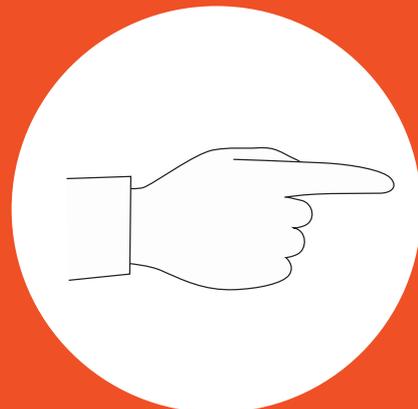
Open Issues

During the session, outstanding questions and discussions could emerge, which cannot be resolved immediately. Park such questions on sticky notes in the "Ideas and Open Issues" section.

3

FACILITATION CARDS

VALUES



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Get familiar with the most important rules for creative teamwork and brainstorming.

Brainstorming rules

- Encourage your team to come up with ideas that are over-the-top or seem even far-fetched – but stay focused.
- Don't discard ideas too early: Quantity prevails above quality in the idea-collecting phase.
- Put each idea on a separate sticky note! Participants handwriting should be legible, the content compact and self-explanatory so that it's clearly comprehensible when you return to it.
- Invite team members to work alone and collect their own ideas on sticky notes. Follow up by reading out all contributions and sticking them in the idea pool.
- Build on the ideas of other team members to generate and develop further ideas.
- Each word counts equally. No hierarchy should exist among the participants during the session.

2

FACILITATION CARDS

MODERATION



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Review values and agree upon the normative foundations of your business.

Understand the purpose of your endeavour

Establish common ground of fundamental values and assumptions to work on with your team. This should include a purpose beyond economic success criteria. The initiator of the session or a group of participants may present the fundamental business attributes (e.g. sustainable, social, queer, (non-)profit... or values such as integrity, stewardship or respect for the individual).

Briefly discuss and agree upon

- What is the purpose of the whole endeavor?
- Formulate a preliminary vision and mission statement.
- Does normative differentiation lead to new potentials for innovation?

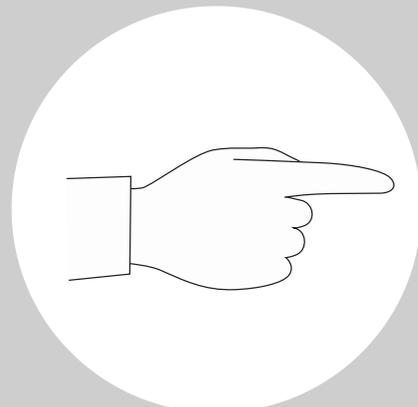
Why?

Entrepreneurial activity inevitably pursues beyond the pursuit of profit. Shared values like transparency, privacy, health or sustainability are explicitly formulated and specified, or implicit in the course and effects of business activity. Due to its global impact the normative foundation needs to be common ground among the founders of a new business.

4

FACILITATION CARDS

IDEAS & OPEN ISSUES



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Describe the value and benefit your proposal generates and who will profit or be affected.

What have you got to offer the customer?

- Give a brief summary of the customer needs: Which customer problem can your proposal solve?
- Which customer ideals and wishes are you addressing with your proposal?
- Describe how the customer will experience the benefit of your product or service.
- What would they tell their friends about the benefits of your product or service?
- What are you promising to consumers or corporate clients? How will you achieve it and why in such a way?
- What kind of developments could your proposal trigger on the part of the customer?
- Which other stakeholder groups share the values you propose?

5

FACILITATION CARDS

STAKEHOLDER SEGMENTS



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Explain how you will fulfill your value proposition for the customer and what you expect in return.

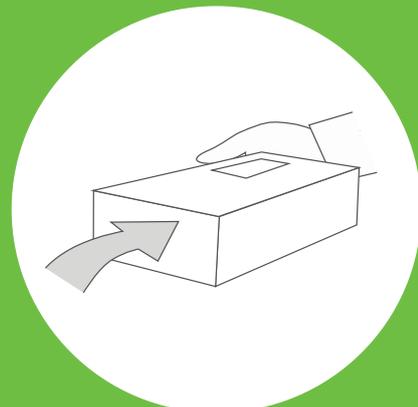
- 1. How will your product enter the world of the customer?**
- 2. How will the customer navigate from one touchpoint to the next on a timeline?**
- 3. How will other stakeholders come into contact with it?**

- Where will the customer encounter your offer? How can you make such encounters a unique experience for the customer?
- How will customers *become aware* of your products or services?
- How can they get *informed*?
- How can they *acquire* your service or product?
- Why and how will they *use* it for the *start up*?
- How will they *use* it in their everyday lives?
- How can they *modify* it?
- How can they *dispose* of it?
- How can you offer your customer support in navigating through the touchpoints?
- How can you encourage long-term loyalty for your offer?

7

FACILITATION CARDS

DISTRIBUTION



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Describe the value and benefit your proposal generates and who will profit or be affected.

Which groups of people will benefit from the value you're creating?

- Describe your target group: Who will use your service or product?
- Who are the potential pilot users or early adopters?
- How do your customers live and work?
- Which values and attitudes do they have?
- What's important in their lives? What excites them?
- How many potential customer segments are there?
- Which private customers and which business customers do you wish to reach?

Who else is positively or negatively affected by your business activities?

- Map all relevant stakeholders on the dimensions (such as impact, interest or degree of being affected).

6

FACILITATION CARDS

VALUE PROPOSITION



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Explain how you will fulfill your value proposition for the customer and what you expect in return.

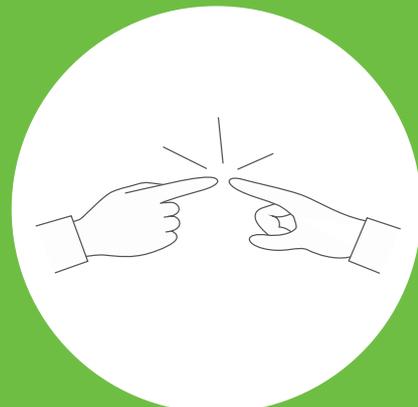
How will you supply your customer with the product or service?

- Which distribution channels will you use to make your offer accessible to the customer?
- Who should distribute your products or services?
- Which material and immaterial incentives could you offer for a more successful distribution or attraction of customers?

8

FACILITATION CARDS

TOUCHPOINTS



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Explain how you will fulfill your value proposition for the customer and what you expect in return.

What are the ways in which you will generate revenue and how will you determine the price for your product or service?

- Which types of revenue do you wish to obtain and through which channels? Think about: sales/direct sales, wholesales, voluntary payments, non-monetary, freemium, commission, advertising, licensing, renting, leasing, service charge, subscription, transaction fee, revenue sharing, barter.
- Which price model will you use? Think about: fixed price, base price, feature dependent price, volume dependent price, performance dependent price, run-time dependent price, demand based price, order dependent price, yield management, time dependent price, real time pricing, auction, negotiated, channel dependent price, segment dependent price.

9

FACILITATION CARDS

CAPABILITIES



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Think about the skills, activities and resources you need to perform everything you've come up with to now.

Who are your most important business partners?

- Identify all the organizations and individuals whose technology or resources you're reliant on in order to develop and market your offer.
- Describe your current business relationship with these partners (e.g. for supply, distribution or solutions). Which dependencies exist?
- How can you identify and reach indirect partners such as scientists, consultants or trade associations?
- How can you convince them of the advantages of a co-operation?
- Which types of co-operations with potential competitors could make sense?

11

FACILITATION CARDS

COST STRUCTURE



UXBerlin

Think about the skills, activities and resources you need to perform everything you've come up with to now.

Which skills and resources do you need in order to fulfill your value proposition?

- What do you need to do to move your project forward? List the human, intellectual, technical and financial capabilities required to build and deliver your product or service.
- Describe the capabilities and skills that you're lacking at the moment – particularly in terms of the team. Which capabilities do you rely on individually and as a team?
- Which material resources and which organizational processes do you require?

10

FACILITATION CARDS

REVENUE MODEL



UXBerlin

Think about the skills, activities and resources you need to perform everything you've come up with to now.

What are the main cost drivers?

- What are the main investments in initially developing your value proposition?
- How much will it cost to produce, distribute and deliver?
- Describe the fixed costs of your business: Estimate how much money you will need to operate your business for 12 months (e.g. salaries).
- Describe the variable costs of your business: Imagine you double your customer base – which additional costs will you incur?

12

FACILITATION CARDS

PARTNERS



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Consider and describe additional business model components that are critical for your success (examples below).

Branding: How do you want your business to be perceived? How do you create and maintain your brand, how do you ensure recognition using a suitable logo and corporate design?

Competitive Differentiation: What is the relevant market? Who are your main competitors, and how do you position yourself against them? How can you make your product and service offerings unique and superior to those of the competition?

Organizational Form: How do you balance control and empowerment? How to combine flexibility with basic (anarchic, hierarchical, divisional, matrix, or networked) forms of organization?

Information Flows: How should information move from one point within your business to another? Consider external and internal, horizontal and vertical (upward and downward) flows. Visualize critical flows and bottlenecks on a map.

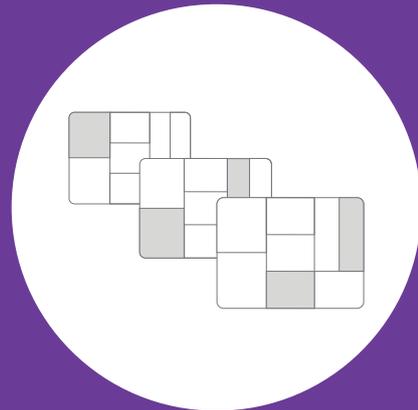
Legalities: Starting with a deal among the co-founders consider the legal form of the company, trade mark and property rights, standard contracts with clients, employment documents, tax issues, security and privacy policies, terms and conditions.

Capital Structure: How do you finance operations and growth? How do you balance debt (costs of capital such as bank loans or bonds) and equity (from investments and retained earnings)?

13

FACILITATION CARDS

REFINEMENT SHEETS



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Consider the risks involved. Describe your competitive strategy and the opportunities for growth.

Draw up your business idea

This exercise will challenge you to question and re-think some aspects of the business model you have just sketched out. Each challenger card illustrates a scenario that will help you to adjust your business model in response to common market dynamics.

Cards marked with **"O" (Optimization)** will help you refine your ideas with the use of scenarios

Cards marked with **"I" (Ideation)** will help you generate new ideas

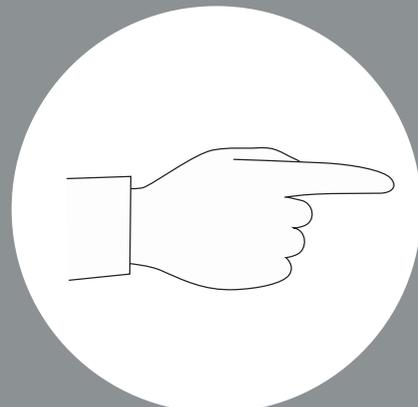
Procedure:

1. Choose the cards with the scenarios that are relevant to your business model. You can skip the rest.
2. Choose a card, read the scenario out loud and discuss the outlined challenge with your team. What are the solutions proposed for your business model?
3. Develop your business model further in relation to the scenarios outlined. Work on all the various components of the idea pool simultaneously.
4. Think about how your enterprise can grow in the course of time and how best to protect it against potential competitors in the market place.

15

FACILITATION CARDS

NEXT STEPS



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Combine your ideas and draw up a coherent business model.

Refine your business idea

Now that you have collected many ideas, it is time to organize them and develop a coherent business model.

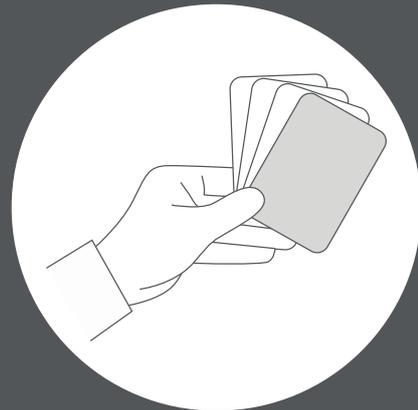
Refinement procedure:

1. Take a closer look at all the ideas in the idea pool as a team. Label the best ideas with sticky dots.
2. Discuss which ideas go well together and which ones can be ruled out.
3. Use the Refinement Sheets with the relevant ideas to develop business models, which are coherent and can stand-alone. Start with one component (e.g. an attractive segment of private or business customers or by simply choosing a value proposition). Then copy all the ideas that fit well together and that you wish to pursue onto a framework sheet. You could also form smaller groups for this purpose.
4. Discuss and compare the refinement sheets. Which ones could be complementary, and which are mutually exclusive? In the field provided on the sheet, evaluate and rate the various business models. Which strategic options do you favor? Which ideas could make sense in the future?

14

FACILITATION CARDS

MORE COMPONENTS



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Analyze your current state of progress and plan out the next steps.

Assess the maturity levels of your ideas

At the end of the session, you should have collected enough ideas on all components to develop at least one business model. Choose one, which you'd like to work on immediately. Then evaluate the maturity levels of your ideas for each component individually.

1. The ideas are worded in a relatively vague manner or you're uncertain whether you've taken all possible alternatives sufficiently into account. With the aid of research and in-depth creative exercises, you can put your ideas into specific terms.
2. The ideas are straightforward and worded clearly. You are certain you have taken all the relevant options into consideration. Describe how you plan to implement your ideas and analyze the assumptions contained.
3. The ideas are so well defined that they can be implemented straight away and the assumptions contained are verifiable.

Decide for each component which team member will take over the responsibility for the next steps. Helpful follow-up activities can be found in the handbook. "How to Model New Business: Business Innovation Kit" provides background information and more detailed instructions. It is available on Amazon or through the UXBerlin website.

16

FACILITATION CARDS

CHALLENGES



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