Business Model & Examples

Presented by: Hassan Faghani
Agenda

- Introduction a comprehensive Business Model
- Examples
  1) Linux
  2) Xerox copier
  3) Google.Com
Conceptual Business Model

- Marketing and Sales
  - Market Analysis
  - Market Planning
  - Market Development
  - Negotiations and "deal making"
  - Product Management
- Engineering
  - Design Engineering
  - Process Engineering
  - Quality Engineering
  - Research and Development
- Manufacturing
  - Fabrication
  - Assembly
  - Repair and Rework
- Distribution and Logistics
  - Shipping and Receiving
  - Product Support
- Facilities and Infrastructure
  - Health and Safety
  - Procurement
  - Plant Engineering
  - Legal Services
  - Equipment Infrastructure
- Finance/Financial Management
  - General Accounting
  - Financial Planning and Management
  - Financial Standards Accounting
  - Cash Management
  - Financial Analysis
- Human Resources
  - Staffing
  - Compensation and Benefits
  - Training and Development
  - Communications
- Company Management
  - Strategic and Tactical Planning
  - Business Operations Management
  - Business Direction
  - Business Relationships
Questions to Business model

- Who are the company’s target customer?
- What value does company provide to their customers?
- How does company achieve money?
Conceptual Business Model

- Value Model
- Revenue Model
- Customer Model
Characteristics of a good *Business Models*

- They offer a unique value.
- Winning Business models are hard to imitate.
- Successful Business models are grounded in reality.

*Effective business models are rich and detailed and the components reinforced each other.*
open source business model *(e.g. Linux)* (cont...)

What *value* does create?

- More security
- More customized interface
- Low cost
open source business model *(e.g. Linux)*

**How do open source companies make money?**

- open source business does not make money directly from its products.
- cuts down on essential research and development costs.
- generate revenue from the 'Product Halo'. (systems integration, support, tutorials and documentation )
**Xerox copier business model**

- **Value?**
  Significant higher speed.

- **Customer?**
  Offices, you & me!!

- **Revenue?**
  Leased the equipment to the customer at a relatively low cost and then charged a per copy fee for copies in excess of 2000 copies per month.
Google.com (cont...)  

Who are the *customer* of Google?

- End user
- Business user
Google. COM

What *value* does Google provide to their customers?

- Search Technology.
- Allow customers to search for the digital information they need.
Google. COM (cont...)

How does Google achieve profitability?

- Internet Advertising Revenue.
- Traditional pricing methods.
- Limited auction pricing methods.
- Pay per search for corporate clients.
Thanks !!!