

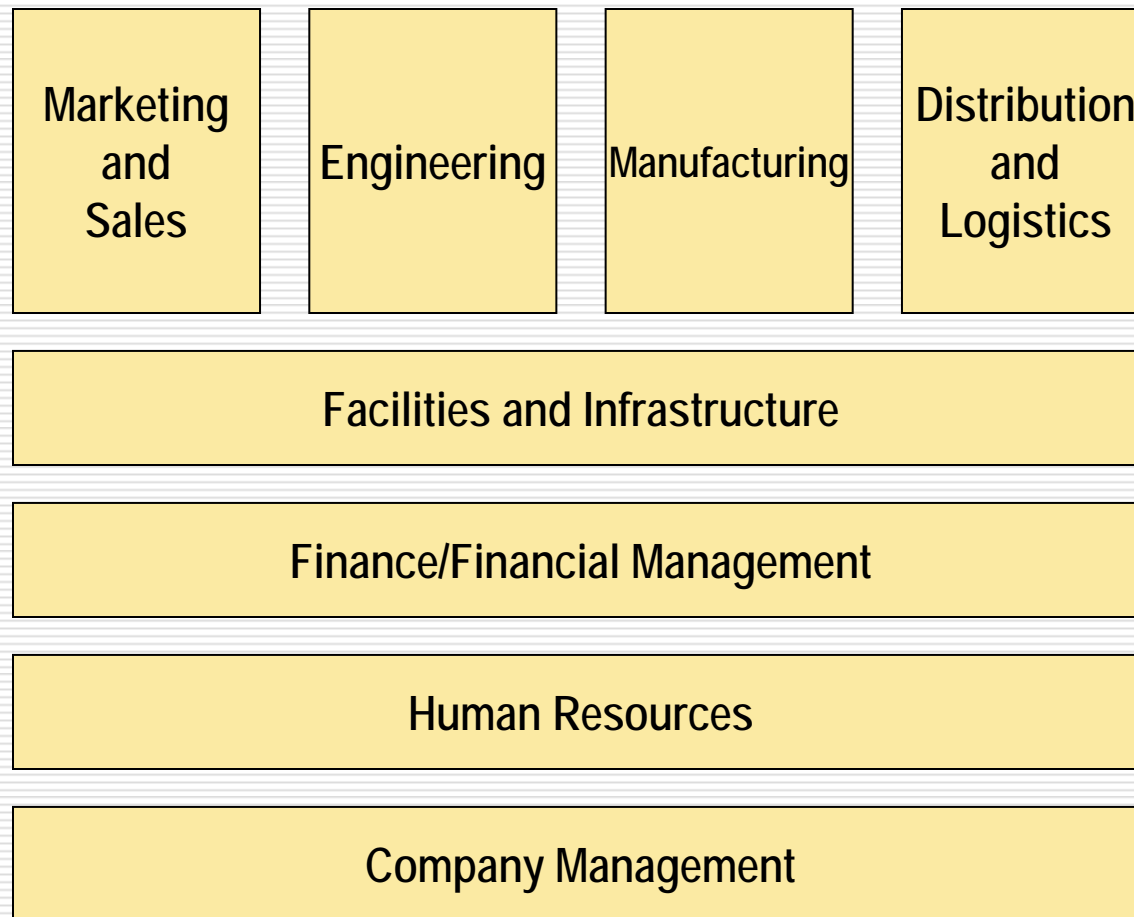
*Business Model
&
Examples*

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Agenda

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

Conceptual Business Model

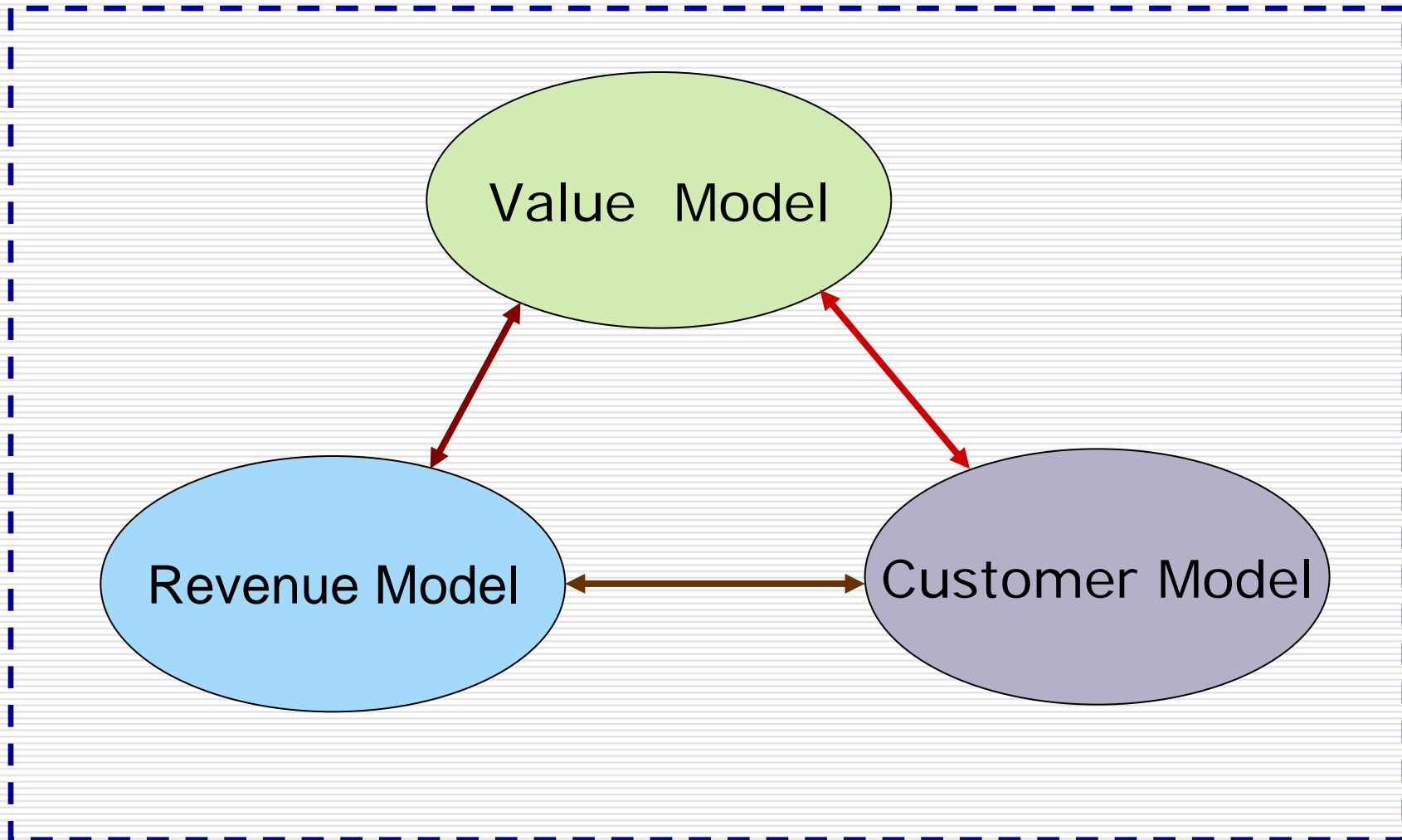


- Marketing and Sales
 - Market Analysis
 - Market Planning
 - Market Development
 - Negotiations and "deal making"
 - Product Management
- Engineering
 - Design Engineering
 - Process Engineering
 - Quality Engineering
 - Research and Development
- Manufacturing
 - Fabrication
 - Assembly
 - Repair 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



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 !!!