

THE BUSINESS MODEL ENVIRONMENT - WHAT ARE THE KEY TREND DRIVERS?

← THE INNOVATION

← THE BUSINESS CASE

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| <p>RISKS Assess the risks associated with different aspects of the innovation project</p> <p>KEY RISK AREAS:</p> <p>Intellectual Property Competition Customer adoption and diffusion Technical or technological Costs/revenue streams Skills and experience</p> | <p>UNIQUE FEATURES Describe what your innovation project is likely to produce</p> <p>KEY QUESTIONS:</p> <p>What will your innovation project produce (a new product, service, process, material, method, application? Etc). Why do you believe your project will produce something highly innovative?</p> | <p>VALUE PROPOSITION Explain why customers would prioritise your product/service/process/material over your competitors</p> <p>KEY QUESTIONS:</p> <p>Which customer and/or user problem will your innovation help to solve? What will it take for your customers/users to experience the benefits of your innovation? How does your business model differ to those used by your competitors and how does it benefit your customers more? What new characteristics does your innovation offer? For example: accessibility, complementary, convenient, cost reduction, customization, ease of use, efficiency, etc?</p> | <p>CHANNELS Identify the most effective channels to distribute and inform others of your innovation</p> <p>KEY QUESTIONS:</p> <p>How are you likely to distribute your new product or service? What is your strategy for getting the innovation into the market place and exploiting its potential?</p> | <p>MARKET POTENTIAL Identify the trend or challenge which is driving the innovation. This trend or challenge will be creating a new market or re-shaping an existing market and it should be providing you with a sustainable business opportunity. Describe which economic, social, environmental, cultural and/or political drivers are most influential in creating the opportunity</p> <p>KEY QUESTIONS: What is the.....</p> <p>Estimated value of the accessible market? Estimated growth of the accessible market? Estimated market share you might reasonably expect to win over the next 3 - 5 years? Characteristic(s) of the market(s) you are going to approach?</p> <p>How can you create a defensible positioning within the target market(s)?</p> |
| <p>PROJECT PLAN Develop a project plan</p> <p>KEY QUESTIONS:</p> <p>What is your R&D strategy? What are the major milestones and key activities needed to complete the project on time? Have you broken down the project into well defined work packages? What is your timeframe for getting the innovation to market? What contingencies are in place to ensure the project progresses on time?</p> | <p>TECHNICAL FEASIBILITY Explain why you believe it is technically feasible to produce the idea as a product, service, process, material, method, application, etc</p> <p>KEY QUESTIONS:</p> <p>Why is it technically feasible to produce the idea as a product/service, etc? Are there functional requirements and design features the market will demand of your idea and can these be achieved? Do you have the technical capability required to complete the development of your idea into a commercially viable product/service/process etc? Are there industry standards or technical parameters within which you will need to work? Have you researched other methods/solutions to this problem? (both technical and non-technical). Does the idea comply with the requirements set by law and regulations?</p> | <p>THE TEAM Describe your plan for acquiring the skills and knowledge your business will need to deliver the project</p> <p>KEY QUESTIONS:</p> <p>What experience is there in key business areas among the employees of your company? For example: finance/operations, marketing/sales, product/service development. Are their senior people within your business who have experience of bringing a major innovation successfully to market? Is there sufficient capacity in the business to keep the project moving to its conclusion within the agreed timescale for the project?</p> | <p>COMPETITORS Identify who your competitors are or will potentially be</p> <p>KEY QUESTIONS:</p> <p>Who else is operating in your market space? Which of the major players in the market could be considered as your direct, indirect or replacement competitors? What competing products or solutions are being developed or are already on the market? What is the commercial state-of-the-art available today in this sector?</p> | <p>CUSTOMER SEGMENTS Identify and understand your customers</p> <p>KEY QUESTIONS:</p> <p>Who are your customers? Who will use your innovation? (users may be different to customers) What are the nature(s) of different target customer segments? Have you defined customers/user profiles by both characteristics and buying behaviours? Have you visited potential customers/users to align your innovation to their business problems or challenges?</p> |
| <p>IPR Identify your position in terms of IPR for your innovation and outline your anticipated approach</p> <p>KEY QUESTIONS:</p> <p>What is the patent or copyright situation for your project? Which forms of IP protection are you likely to choose initially to protect your innovation? Will you need licences from third parties? Do you need to use a confidentiality agreement signed in the ideas phase?</p> | <p>PRODUCTION PROCESS Establish whether it is possible to scale up the production process to the levels needed to provide a growth trajectory for your business</p> <p>KEY QUESTIONS:</p> <p>Can you map out the full production process? How is it commercially viable to produce the idea on a large scale?</p> | <p>Which key external partners will you need to work with to successfully execute this project? What changes will you need to make to your business processes or systems to accommodate the innovation project? What prior experience is there of patenting or copyrighting?</p> | <p>CUSTOMER RELATIONS Identify how you will help people find out about your innovation</p> <p>KEY QUESTIONS:</p> <p>How are you planning to disseminate the results of your project? How will you maximise impact using channels such as press releases, conferences, scientific publications, workshops, newsletters etc? How will your activities pave the way for future market entry? Are there any conditions for dissemination of results by partners?</p> | <p>CUSTOMER SEGMENTS Identify and understand your customers</p> <p>KEY QUESTIONS:</p> <p>Who are your customers? Who will use your innovation? (users may be different to customers) What are the nature(s) of different target customer segments? Have you defined customers/user profiles by both characteristics and buying behaviours? Have you visited potential customers/users to align your innovation to their business problems or challenges?</p> |
| <p>COST STRUCTURE Work out the cost structure for your innovation project</p> <p>KEY QUESTIONS:</p> <p>What is the estimated total cost of the project? What amount/level of internal or external funding do you need? What financial investment has been made in the project so far? Do you have a breakdown of costs associated with the project? Have you estimated the relationship of the cost-by-unit price to that of the selling price for your dominant customer segment? If you are seeking external investment, how are you likely to acquire the match funding? How much follow-on financing may be needed to bring your innovation to market? How are you likely to finance the remainder of the project?</p> | | <p>REVENUE STREAMS Identify a selection of potential revenue streams and assess their long term viability</p> <p>KEY QUESTIONS:</p> <p>How will you make money from your innovation? Have you set a selling price for your new product/service/process and do you know how this compares with your main competitors? Have you calculated the Return on Investment your business might expect from this project? What form(s) of revenue stream will you be using? For example: digital, asset sale, commission, dynamic pricing, fixed prices, e-commerce, licencing, etc?</p> | | |

THE BUSINESS MODEL ENVIRONMENT - WHAT ARE THE STRONGEST INDUSTRY FORCES?

THE BUSINESS MODEL ENVIRONMENT - WHAT ARE THE KEY MARKET FORCES?

THE BUSINESS MODEL ENVIRONMENT - WHAT ARE THE MACRO-ECONOMIC FORCES?

Adapted by Dr. Lorraine Morley (2014) from the Osterwalder /Pigneur Business Model Canvas (2010)