

Business Models and Plans



A Foundation for Profitability

A course in five parts

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Business Models - Why Care?



- Guide for how to make money...
- Or at least reduce risk of loosing money
 - April 2000 - Oops... B2C...B2B...ASP?
 - Digital Demise
 - Napster
 - Various Recessions, Depressions

Business Models and Plans



Part I:

Mission and Vision

Goals, Strategy, Objectives and Tactics

Or How to Not Lose Money in 5 Easy Steps

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Agenda



- Mission
- Vision
- Goals
- Strategies
- Objectives
- Tactics
- Customer Identification
- Market Segmentation
- Market Integration
- Business Definition
- Value-Add Models
- Revenue Models
- Sales Models

Mission



- The overall purpose or charter of an organization or business
- The mission of a business is accomplished through multiple business strategies and may span many variations and changes in the goals required to achieve the mission
- example: I, Kubla Khan, am pre-destined to rule the world

Vision



- A very broad scheme for satisfying the mission of a business
- example: Use the skills of the horsemen from the Steps to overwhelm decadent and soft peoples

Goal



- A broad desired result or purpose to be achieved
- Goals have a longevity that may span many variations and changes in the objectives required to achieve the goal
- example: To conquer the known world

Strategy



- The plan or scheme designed to achieve a goal
- A strategy has a longevity that may span many different tactics exploited to meet objectives
- example: Terrorize the populace of each town

Objective



- The specific deliverable that implements part of a strategy and contribute towards achieving the desired goal
- Objectives may vary over time as they are adjusted to meet the needs of the strategy and respond to the tactics of the competition
- example: Conquer the town in the next valley

Tactic



- A scheme or plan intended to meet a specific objective
- Tactics change based on previous successes and failures
- example: We will pillage and burn this town

Taxonomy of Strategy



- Mission: The overall purpose or charter of an organization or business
- Vision: A very broad scheme for satisfying the mission of a business
- Goal: A broad desired result or purpose to be achieved
- Strategy: The plan or scheme designed to achieve a goal
- Objective: The specific deliverable that implements part of a strategy
- Tactic: A scheme or plan intended to meet a specific objective

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Part II:

Customers, Markets and Solutions

Or How to Make Money in 3 Not So Easy Steps

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Who Are Your Customers?



Customer Analysis:

- Target Customer
- Ideal Customer
- Customer Segmentation

Where Are Your Customers?



Market Segmentation:

- Regional
- Target Industry
- Solution Industry
- Product or Service or Both?

How Do You Reach Your Customers?



Market Integration:

- Horizontal Integration
- Vertical Integration
- In-fill Integration
- Business Webs
- Koretsu

What Business Are You In?



- Chips & Dips
- Boards & Boxes
- Platform Software
- Solution Software
- Integration Service
- Support Service
- Systems Solution

How Do You Add Value?



- Reseller
- Value-added Reseller
- Systems Integrator
- Host
- Service Provider
- Product Designer
- Product Manufacturer

How Do You Make Money?



Revenue Models:

- Sell Product
- License Product
- Lease Product
- Subscription to Product
- Advertising (Free Product)
- Service Product

How Do You Sell?



Sales Models:

- Direct Sales
- Indirect Resellers
- Integrators
- Wholesale
- Online Sales
- Mail-Order