Powerpoint template business review

When starting a new business venture, one of the first things to determine is how the company will make a profit. This is determined by your company's business model. The business strategy your organization uses can provide a competitive advantage and help you gain market share. Identifying which of the innovative business models will work best for your business plan will also intrigue investors to get them on board with financing your business. A business model is a plan of a company for how it will earn money. The business model is the basis for almost every aspect of the company, from the products and services to the marketing campaign and the activities and logistics. Understanding the revenue model and cost structure helps companies anticipate their revenue streams. There are many reasons to set up a business model, including attracting investors to provide financing and recruiting the best employees for the company. The company needs to regularly review its business model to take into account market fluctuations and changes within the company, so that the model will continue to help achieve its revenue targets. If not, it is important to change or add elements to the current business model to increase revenue. A business model is usually displayed on a tool called a business model canvas. This was first founded by Alexander Osterwalder, a Swiss business theorist. Each business model, depending on the canvas, should include: Unique Value Proposition: The core value your business provides to your target audience. This is one of the most important parts of the business model. It is essential to determine what you do and why it is different from your competitors. In addition, it is important to articulate the problems you solve with your offer and the needs that your products and services meet for the target group. Key partners: The people involved in the business, including suppliers and manufacturers without whom the company cannot function. This section should specify which resources are obtained from the partners and which function each partner performs. Knowing this information helps to reduce risks and plan for acquiring resources. Core activities: The tasks that need to be performed to deliver the main value proposition to the target market. This section may include information about the distribution channels and how the company interacts with customers. It should also provide an overview of the company's various revenue streams. Key resources: What you need to deliver your unique value proposition. This section may contain elements such as copyrights or patents human resources and physical warehouse space or an office. Cost structure: The costs inherent in your business model. This also applies to fixed costs such as rent in addition to variable costs such as such as It is crucial to find out which resources and activities are most expensive. This section can help companies determine whether they are cost-driven or value-driven. Customer relationships: the way your business interacts with customers throughout their journey. In this section, it's important to outline how your audience expects you to communicate with them, as well as the current interactions the company has set up. Looking at the cost of customer interactions is also important in this area. Channels: The way the company sells and delivers its products and services. In this section, you must specify how each audience segment should be reached, which channels are most cost-effective, and how channels can be integrated with customer journeys. Customer segments: the people for whom you create value with your business. This section identifies the target market and any secondary markets for the company. In this section, it's important to determine how customers are segmented and articulate their needs, desires, challenges, and behaviors. Revenue streams: The way the company makes money from its unique value proposition. This section looks at what the target market is willing to pay for your offer, how they prefer to pay and how each stream contributes to total business income. There are many different types of business models and hybrid models that companies can use to make a profit. The type of business model you use affects your organization's profitability, your competitiveness in the market, and whether you will attract investors. It's important to weigh the whethers and cons of different business models to understand which will appeal most to your target market as the company helps achieve its profit margin and revenue goals. The different types of business models include: Retailer: The company sells directly to the public from a physical or online store after purchasing products from a manufacturer, distributor or wholesaler. Retailers can only be brick-and-mortar, like many small businesses, or exclusively online, such as Amazon. They can also model a hybrid bricks-and-clicks where they have a physical store and an online store, like many clothing and shoe companies. Distributor: This company buys products from manufacturers and sells them to retailers. Car dealers are an example of distributors. Manufacturer: In this business model, the company makes the finished product with raw materials. It may sell directly to the public or sell it to a distributor or retailer. Manufacturers include 3M, General Electric and Ford Motors. Franchising: There are many different types of franchises. A franchisee uses the business model the parent company and pays these royalties to use its brand and processes. McDonald's and Arby's Arby's examples of franchises. Hidden revenue: This online model is offering a free app or service. The company then uses users' data to generate revenue. For example, Google and Facebook sell ads based on their user data, but the service to users is free. Freemium: This is one of the most common online business models. The basic service is offered free of charge to customers with additional packages that they can purchase for add-on services. The basic service has specific limitations and limitations, so many customers need to purchase additional services to meet their needs. In the freemium model, the free services act as a marketing tool for the paid services offered by the company. Examples include LinkedIn, YouTube and Dropbox. Aggregator: A recent development, this business model brings several service providers to sell their offerings to consumers under one brand. The service providers earn their income by commissioning the aggregator. Uber, Lyft and AirBnb are aggregators. This is sometimes referred to as the peer-to-peer business model. Online marketplace: This is a version of the aggregator model; the main difference, however, is that the providers sell their goods and services under their own brand. In an online marketplace, several vendors offer similar products at competitive prices. The marketplace earns commission on every item sold through its platform. Examples include Alibaba and Amazon. Subscription: This business model is designed for sectors where customer acquisition costs are high. A subscription model allows the company to generate recurring revenue through consistent repeat purchases. Netflix is an example of the subscription business model. Affiliate marketing: By promoting a partner's product, the affiliate earns a commission every time a sale is successfully referred. Lifewire is an example of the affiliate model. Multilevel marketing: This is a pyramid structure business network where a company earns a commission every time a sale is done or if the recruits are making a sale. Direct sales is a big part of this business model. Examples include Avon, Tupperware and The Pampered Chef. Crowdsourcing: This model is based on large masses of users to provide value for each other. This business model is usually combined with others to provide different revenue streams for users and for the company. YouTube and Wikipedia are examples of crowdsourcing. Nickle and dime: The main offer is provided to customers at a very low price. Anything extra is offered in relation to the main product is sold at Cost. For example, budget airlines price their seats low, but charge extra for luggage or seat selection. Negative business cycle: The company can offer competitively low prices by asking for payment before the product or service is delivered to the Amazon is an example of this model. Low touch: Companies can offer low prices by removing specific services that others in the industry can offer. IKEA is a low-touch model, as customers have to get their own products out of the warehouse and assemble them after purchase. Razor blades: A high-margin product is sold slightly below cost price with the aim of increasing sales of a low-margin product, such as ink and printers or razor blades and razor blades. Reverse razor-razorblades: This is the opposite of the razor blade, where the low-margin product is sold below cost to encourage volume sales of the high-margin item, such as Kindle and other e-readers. Product to service: Instead of selling the product, companies sell the service the product needs to perform. For example, ZipCar and similar companies do not sell cars, only the ability to drive when needed. Keep in mind that your business doesn't have to be limited to one business model. Many companies use a combination of business models and business model innovation to make money. It all depends on your customers and the value you offer them. To find out if the new business model works, it is important to look at the gross profit of the company, which is the revenue minus the cost of goods. Compared to industry standards, this will show the efficiency of the business model. In addition, it is wise to look at cash flow or net income, which is gross profit minus operating costs. This is a clear indication of the profit the company makes. High gross profit shows that the company uses the right business model to sell its unique value proposition to its target market through the best channels. If gross profit is below industry standards, it is important to look at how it can be improved. Ways to increase gross profit metrics include raising the prices of products and services or lowering the cost of costs. The business model canvas that was first developed by Alexander Osterwalder is the go-to tool for creating a successful business model for your business. One page describes all the important information you need to determine how your business will be profitable. If an entrepreneur is looking to start selling children's clothing in a store and online, for example, the business model canvas may include: Unique value proposition: Carefully curated designer clothing for fashionable children Main partners:

Clothing suppliers and manufacturers, angel investors and e-commerce site partner Main activities: Supply-chain brand exploration and building, community-building activities and web platform development Key resources : Financing, sales staff and physical space with a large storage space and shipping label equipment Cost drivers: Stock, personnel matters, fixed expenses utilities) and online platform cost Customer Relationships: Building the brand community online through social media and providing high-touch sales support in-store and online channels: Social media, online store, print advertising, boutique location Customer segments: Parents of high income children and affinity for fashion Income streams: In-store purchases, online purchases and affiliate links links