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Forget innovating around a new revenue model

Every day, a new startup talks about disrupting an established category with a new business model. In turn, Boardrooms at well established, successful companies explode in turmoil, thinking they need to chase the unicorn.

This is pure bull-stuff.

Let's distinguish between the revenue model which is largely economic and financial, versus the Operation model which is customer facing and deliverables focused.

The difference between Uber and a taxi is operational, they both collect a fee for transport. The difference between Airbnb and a hotel is the inventory access and accommodation, not that you pay a fee for a night of sleep, with or with extras like WiFi, a pool or gym. Google and Facebook sell your eyeballs (and data) to advertisers just like TV networks and print publications have for decades.

Money is still being made the old fashion way at the cash register, but everything about the cash register and how to interact with it is different.

In America, [260 million people](#), 81%, have a mobile phone. [62% of smartphone users](#) have made a purchase online using their mobile device in the last 6 months. Services like Uber could not exist without mobile phones.

Over half of all American households subscribe to Amazon Prime. Netflix has 118 million subscribers and Spotify has 70 million people who pay for music. The Internet continues its relentless march in changing expectations and behavior across all generation, all around the world.

The Operations model is built around taking a business model and transforming it to operate more efficiently and enjoyably. After downloading the app and bypassing the long line at Starbucks, Chick fil A, or Dominos, you know this is the new way of the world. Same with shopping millions of items at Amazon and getting it the next day, or using a banking app like Venmo or Zelle to send money to your kid in college.

What these upstarts share in common is the ability to reconfigure well known business capabilities to create new efficiencies, realize supply chain optimization, and eliminate frictions between the departments that need to work together.

Rather than chasing the unicorn, established business should reassess their value creation and capabilities using Business Architecture and other techniques. Failure to leverage “moat” advantages like brand, pricing, distribution, and logistics will undermine other improvements in customer interactions and experience.

Let’s explore what options exist for your business. Send me an [email](#) or [schedule a free consultation](#).

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