Business Model Innovation Framework

INNOSIGHT
unlocking new market growth

Customer driven

Customer Value Proposition

- Target Customer (consumer)
- Job-to-be-done (deep consumer problem to solve or need to fulfill)
- The Offering (product and/or service, plus experience in purchase and use) that satisfies the customer's "Job-to-be-done" at a given price

Company driven

Profit Model

- Revenue Model: (P*Q) (market size, target volume, transaction size, purchase frequency, ancillary sales)
- Margin Model (how much each transaction should net to cover cost structure)
- Cost drivers (both direct and overhead) in support of price and margin targets
- Resource Velocity to support target volume (lead times, throughput, inventory turns, utilization)

Key Resources

The critical resources and their combination that uniquely drive the value proposition to the customer and support the envisioned profit model

- People
- Technology, Products
- Equipment
- Information/IP
- Channel
- Partnerships
- Brand

Key Processes

Define the ways of working together to make delivery of the customer value proposition repeatable and scaleable while ensuring adherence to the profit model

- Processes (R&D, design, product development, sourcing, manufacturing, hiring and training, IT)
- Rules and metrics (margin requirements for investment, credit terms, supplier terms)
- Norms (opportunity size for investment, approach to customers and channel)

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