

# WM9J8-15 Business Model Generation

23/24

**Department**

WMG

**Level**

Taught Postgraduate Level

**Module leader**

Ali Ahmad

**Credit value**

15

**Module duration**

4 weeks

**Assessment**

Multiple

**Study location**

University of Warwick main campus, Coventry

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## Description

### Introductory description

This module will provide students with the skills and knowledge to develop and refine a comprehensive business model that can effectively deliver value to customers and generate sustainable revenue streams. New business models have emerged in markets such as travel, accommodation, manufacturing and computing, with examples like Netflix, Uber, AirBnB, Zoom, Alibaba, TikTok, WeChat and many others showcasing the use of new channels to market, innovation and means of solving customer 'problems'. On this module, students will learn how a well designed business model can be a key driver of a company's success and competitive advantage by considering:

1. **Revenue Generation:** Business models provide a roadmap for generating revenue. By understanding how a company creates and delivers value to customers, the business model can identify the best sources of revenue and how to capture that value.
2. **Profitability:** Business models help companies determine how to optimize their cost structure to achieve profitability. By identifying key costs and developing strategies to reduce them, companies can generate a profit and remain financially sustainable.
3. **Competitive Advantage:** A well-designed business model can give a company a competitive advantage over its competitors. By identifying unique value propositions and developing strategies to differentiate from the competition, a company can attract and retain customers.

4. Scalability: Business models help companies identify opportunities for growth and scalability. By understanding the revenue and cost structure, companies can identify the most effective ways to scale the business and increase revenue without sacrificing profitability.
5. Innovation: Business models can also drive innovation. By identifying gaps in the market or unmet customer needs, companies can develop new products and services that align with their business model and drive growth.

## Module aims

A business model is a framework that describes how a business creates, delivers, and captures value. It outlines the key elements of a business, such as its products or services, target market, revenue streams, and cost structure. In this module, students will learn how to develop and refine a business model by:

1. Identifying customer needs: Students will learn how to identify customer needs and preferences by conducting market research, analyzing customer feedback, and observing market trends.
2. Designing value propositions: Students will learn how to develop value propositions that meet the needs and preferences of customers. This involves identifying the unique features and benefits of a product or service and communicating them effectively to customers.
3. Defining revenue streams: Students will learn how to identify and develop revenue streams that align with the value proposition and customer needs. This includes developing pricing strategies, analyzing revenue models, and forecasting revenue projections.
4. Understanding cost structure: Students will learn how to analyze the cost structure of a business and develop strategies to reduce costs while maintaining the value proposition. This involves identifying fixed and variable costs, conducting cost-benefit analyses, and developing cost-reduction strategies.
5. Analyzing competition: Students will learn how to analyze the competitive landscape and develop strategies to differentiate the business from competitors. This includes conducting competitive analyses, identifying competitive advantages, and developing strategies to overcome barriers to entry.

## Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

What is a business model and why is it important.

The core types of business models.

The process of Business Model Design and supporting tools and viewpoints.

Synthesizing the elements of the model

Evaluation of Business Models

Business Model Canvas and the Lean Business Model Canvas

The Minimum Viable Proposition (MVP) and Pivots

## Learning outcomes

By the end of the module, students should be able to:

- Identify, describe and synthesise the key elements of a business model
- Appraise and analyse the business model generation process
- Compare and contrast different business models as a part of a new venturing team identifying the competitive advantage of each
- Synthesise new business models as a part of a new venturing team using innovation or enhance existing business models
- Evaluate and test business model designs as a part of a new venturing team and pivot to better designs

## Indicative reading list

Business Model Generation – Alexander Osterwalder & Yves Pigneur, Published by John Wiley and Sons, ISBN 978-0470-87641-1

Running Lean – Iterate from Plan A to a plan that works – Ash Maurya Published by O'Reilly ISBN 978-1-449-30517-8

Sprint – How to solve Big Problems and test new ideas in 5 days – Jake Knapp – Bantam Press – ISBN 9780593076118

The Service Innovation Handbook – Lucy Kimbell – BIS Publishers – ISBN 9789063693534

Business Models Made Easy – Don Debelak Entrepreneur Press ISBN 1-59918-041-3

Seizing the White Space – Business Model Innovation for growth and Renewal, Mark W Johnson Harvard Business Press ISBN 978-1-4221-2481-9

The Lean Startup: How Constant Innovation Creates Radically Successful Businesses Eric Ries.

This is Service Design Thinking – Marc Stickdorn BIS Publishers, ISBN 978-90-6369-256-8

From Zero to One – Peter Thiel – Crown Business – ISBN 978-0804139298

Recommended are

The Lean Startup,

Crossing the Chasm,

Angel (the book).

Other Resources below: A couple Paul Graham essays below plus a startups site, and the Kawasaki pitch template.

- [www.paulgraham.com/top](http://www.paulgraham.com/top)
- [www.paulgraham.com/ds](http://www.paulgraham.com/ds)
- [www.fakegrimlock.com](http://www.fakegrimlock.com)
- [guykawasaki.com/the-only-10-slides-you-need-in-your-pitch](http://guykawasaki.com/the-only-10-slides-you-need-in-your-pitch)
- <https://www.youtube.com/channel/UCxIJJaCMEptJjxmmQgGFsnCg>
- <https://www.startupschool.org>

## Interdisciplinary

Synthesis of ideas from different disciplines to design and evaluate solutions across a wide range of markets.

## International

Consider and factor in differences in markets, legal environments, social and cultural norms and their impact on the Business Model design.

## Subject specific skills

The 'Design Thinking' approach to problem solving; business idea generation & evaluation; the "Lean Sprint" as a project delivery tool; business model design; competitor evaluation; Empathy Mapping; and, effective pitching of business ideas.

## Transferable skills

Communication – through presentations embedded in the module, and direction setting for the team work

Dependability – reliability in contribution during the module, Teamwork – ability to work as part of a lean sprint team

Organization – Act as Sprint Master co-ordinator and allocating work for the team

Adaptability – play different team roles in the syndicate for the class

Leadership – Leading the team in different tasks

Technology Literacy – evaluating the technology readiness for the business model designed

Market Analysis

Idea evaluation methods

User centered design

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## Study

### Study time

Type	Required	Optional
Lectures	8 sessions of 1 hour (5%)	
Seminars	22 sessions of 1 hour (15%)	
Practical classes	(0%)	
Supervised practical classes	(0%)	2 sessions of 2 hours
Fieldwork	(0%)	1 session of 2 hours
Online learning (independent)	20 sessions of 1 hour (13%)	
Private study	40 hours (27%)	
Assessment	60 hours (40%)	
Total	150 hours	

### Private study description

Independent reading of the additional lecture material and viewing of recommended videos to support the practical exercises undertaken in seminars and in-class workshops.

## Costs

No further costs have been identified for this module.

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## Assessment

You do not need to pass all assessment components to pass the module.

### Assessment group A1

	<b>Weighting</b>	<b>Study time</b>
Group Assignment with Inter-connected Requirements for Student Teams	60%	40 hours
Working in teams of 4-5, demonstrate the application of the appropriate tools and methodology to a business opportunity of their own identification to design a viable business model. Class examples, workshop ideas not to be used. Emphasis on use of diagrams, tables, illustrations to develop the design and present the solution(s). The set question will have 4 outputs, where each member will be expected to take ownership of a particular sub-part of the set question.		
In module Presentation	30%	10 hours
A team presentation of the results from their in class workshops. plus minimum of 15 minutes of questions from a panel regarding their presentation.		
Module Quiz	10%	10 hours
An upto 30-minute quiz comprising of 35 questions (multiple choice and true-false) based on the associated textbook and the module's syllabus.		

### Assessment group R1

	<b>Weighting</b>	<b>Study time</b>
Reassessment Report	100%	
An individual written Assignment Report that demonstrates the application of the appropriate tools and methodology to a business opportunity of their own identification. A demonstration and critical assessment of the design of a viable business model. Class examples, workshop, or previous submission ideas not to be used again. Emphasis on use of diagrams, tables, illustrations to develop the design and present the solution(s).		

### Feedback on assessment

In-module assessment feedback in-class verbally during the week, and marks will be appended on

final feedback templates.

Feedback report (specific and general) on assigned post module work as per standard WMG PMA feedback template.

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## **Availability**

There is currently no information about the courses for which this module is core or optional.