

A man with short grey hair is shown in profile on the left, looking towards the right. On the right, a white, futuristic robot head is visible, featuring a large circular sensor or camera lens. The background is a solid, bright yellow.

I built something!

...but who cares & will they pay
for it?

Dr. Josephine McMurray, MBA, PhD
Lazaridis School of Business & Economics
Wilfrid Laurier University
AGE-WELL + VHA Hackathon 2021
jmcmurray@wlu.ca | @Agewell_DRIVE

Agenda

Introduce the components of the business model canvas

Understanding value

Building a unique value proposition

Getting your product to your customers

How you will generate revenue



Aging Gracefully across Environments using Technology
to Support Wellness, Engagement, and Long Life










The logo for LAZARIDIS School of Business & Economics features the word "LAZARIDIS" in a bold, purple, sans-serif font. Below it, the words "School of Business & Economics" are written in a smaller, italicized, purple font. A thin yellow horizontal line is positioned between the two lines of text.

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The Business Model Canvas

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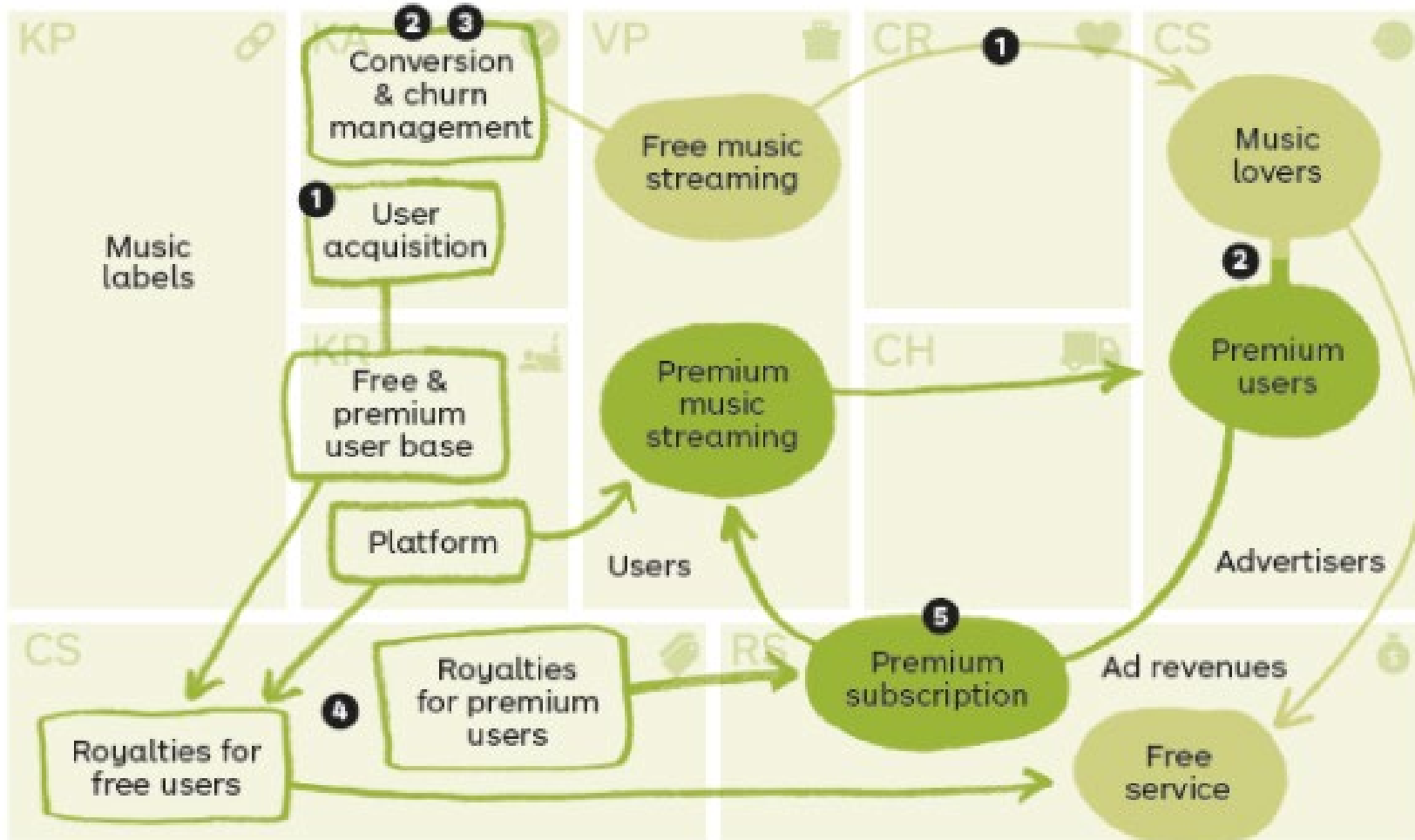
Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 		Revenue Streams 		

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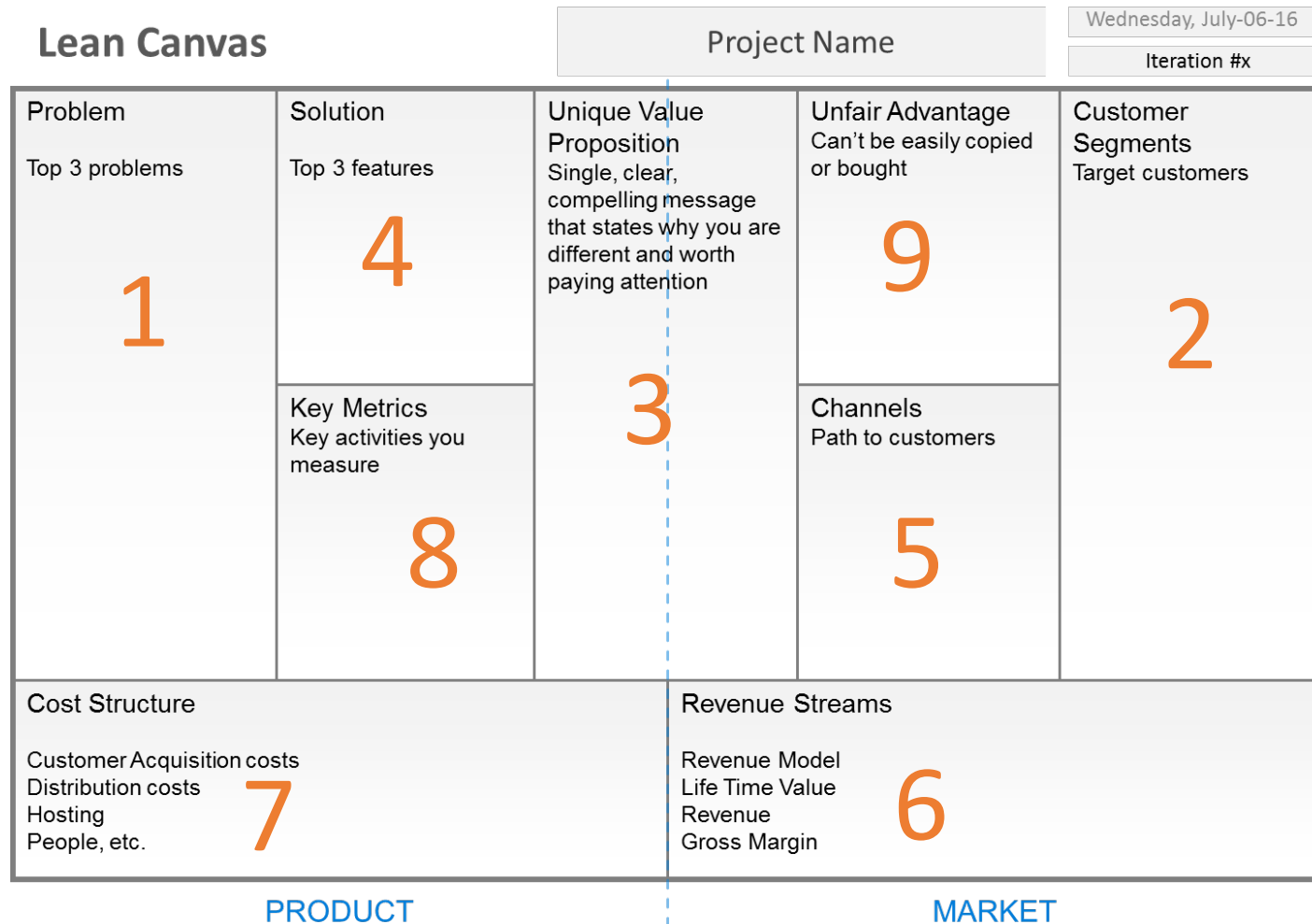
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The Lean Canvass





What is a
business model?

A business model describes the rationale of
how an organization creates, delivers &
captures value

What do we mean by value?

The direct or indirect ways that your product improves the lives of your users or buyers for which they are prepared to reimburse you

30 elements of value

- Users/customers weigh value against price
- New products must anticipate what buyers perceive is valuable

(Almquist, Senior & Bloch, 2016)

The Elements of Value Pyramid

Products and services deliver fundamental elements of value that address four kinds of needs: functional, emotional, life changing, and social impact. In general, the more elements provided, the greater customers' loyalty and the higher the company's sustained revenue growth.

SOCIAL IMPACT



Self-transcendence

LIFE CHANGING



Provides hope



Self-actualization



Motivation



Heirloom



Affiliation/belonging

EMOTIONAL



Reduces anxiety



Rewards me



Nostalgia



Design/aesthetics



Badge value



Wellness



Therapeutic value



Fun/entertainment



Attractiveness



Provides access

FUNCTIONAL



Saves time



Simplifies



Makes money



Reduces risk



Organizes



Integrates



Connects



Reduces effort



Avoids hassles



Reduces cost



Quality



Variety



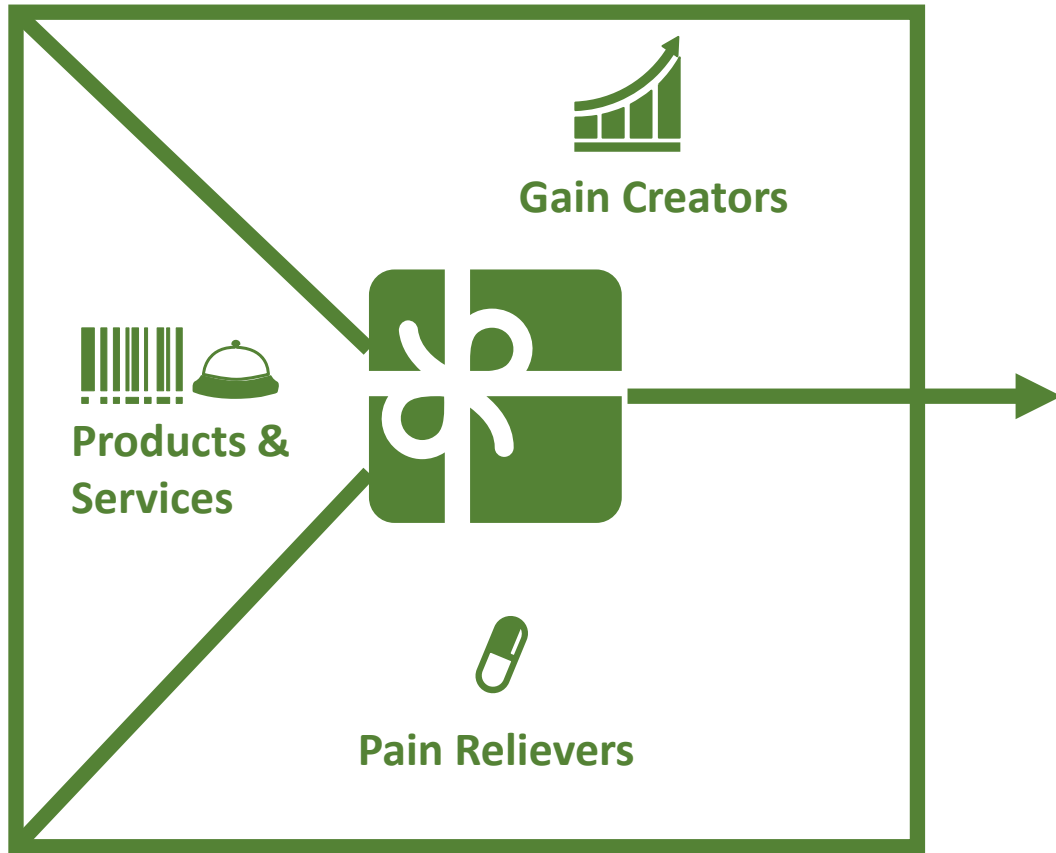
Sensory appeal



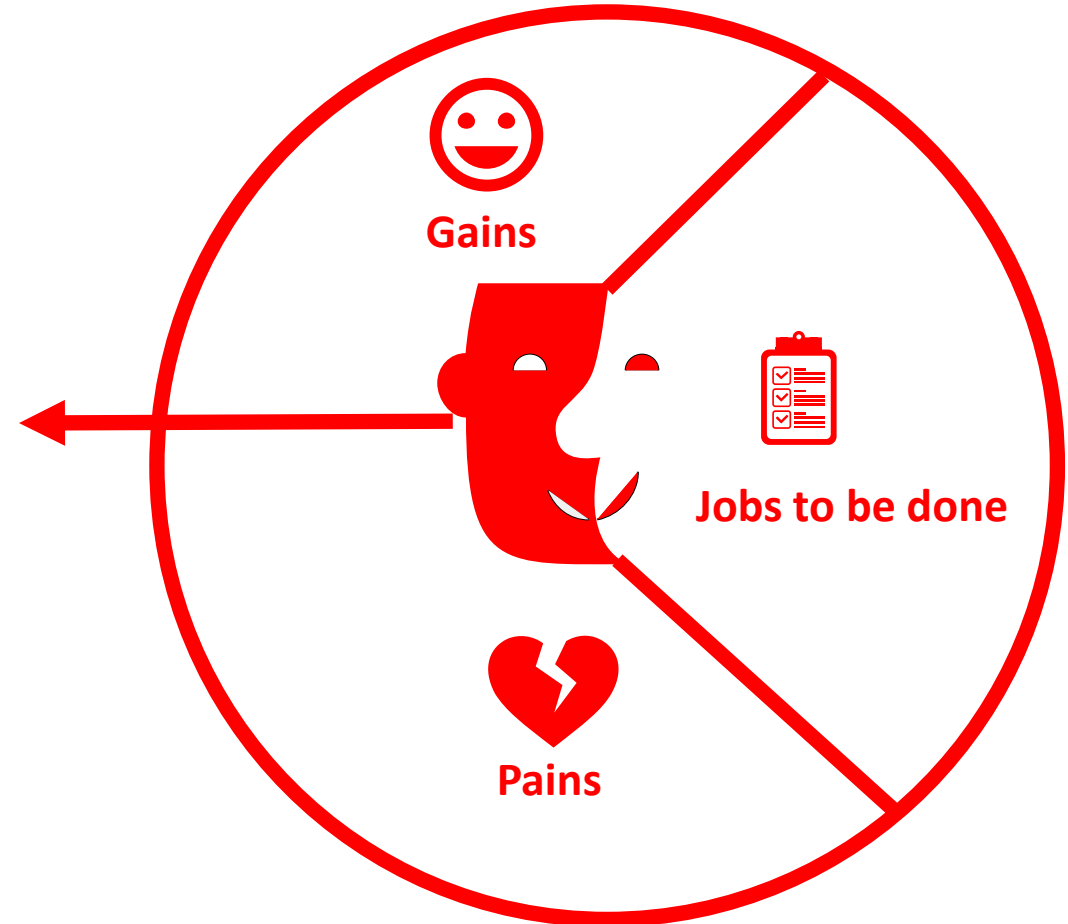
Informs

Value Proposition Canvas

Value Proposition



Client Profile





A unique value
proposition is a
promise

Your unique value proposition [UVP] explains...

- How your product solves customers' problems or improves their situation (relevancy),
- Delivers specific benefits (quantified value),
- Tells your ideal customer why they should buy from you and not from the competition (unique differentiation)

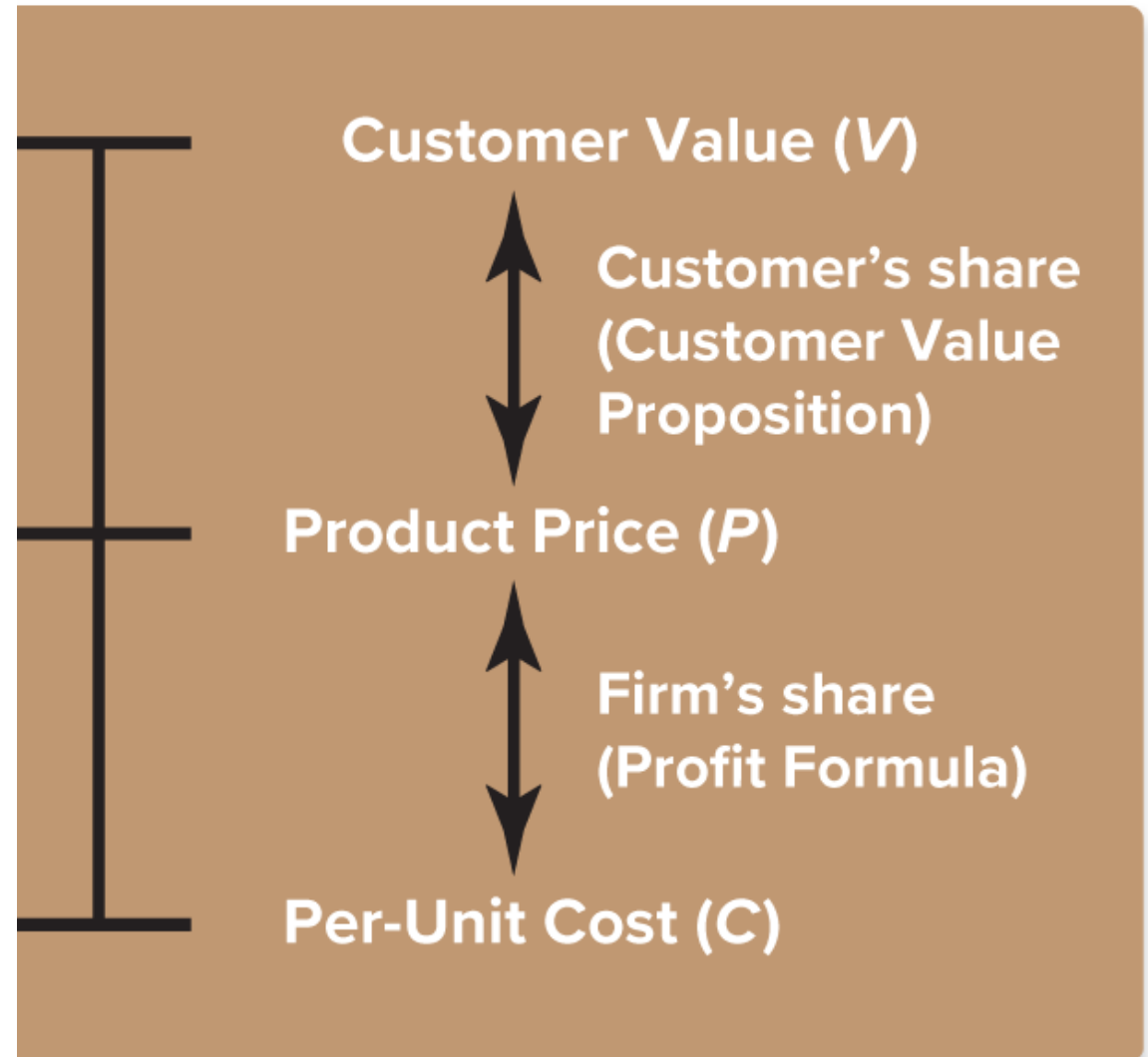
You should be able to write a UVP

Our product and/or service
helps customer segment
who want to
job to be done/problem to be solved
by verb: i.e. decreasing a customer pain
and verb: i.e. increasing a customer gain
(unlike a competitors solution)

$$\frac{\text{Value}}{\text{Price}} = \text{Motivation to Purchase}$$

Value Proposition + Profit Formula = Business Model

- The value a company promises to deliver to customers should they choose to buy their product
- Differentiating features
 - Price: Direct or indirect
 - Features: Tangible or intangible
 - Experience: Availability, reliability, intensity
- Along with its profit formula, the value proposition = the “business model”
- Execution of the business model is critical to an organization’s survival and success



The “market” drives your business model

Clearly understand the market you
will be “selling into”

The questions you must ask and answer ...or guess at!

Total market

What is the total size and growth of your market and what is the growth i.e. prevalence of disease/condition, \$\$ spent on treatment/care

Can the market be segmented i.e. severity of disease, location of service delivery, geography, demographic, psychographic

What are the costs of current solutions and gaps?

Market segmentation

What are the key factors that can be used to divide your total market into distinct segments with common needs/interests/priorities?

What is the size and growth of that market?

What are the unique needs of each segment?

What does each segment value?

What is their willingness/ability to pay for that value?

Who makes decisions about solutions?

Who pays for solutions?

Target market

Which market segment will gain the most value i.e. be most motivated to purchase a solution/willing to pay?

Understand the value from the perspective of:

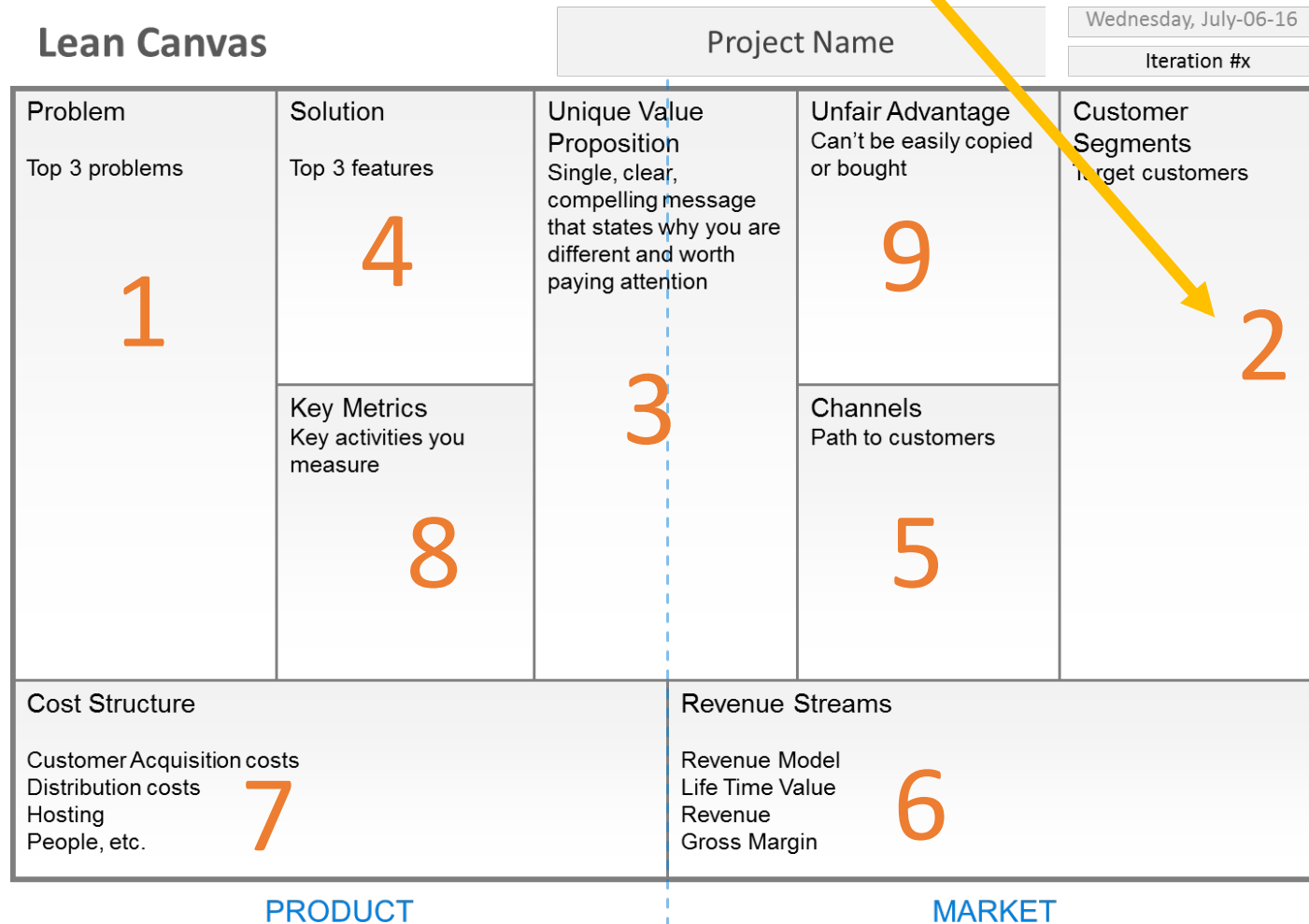
1. The user (may or may not be the decision maker/payer)
2. The customer (who pays for the solution)
3. Stakeholders (who influences the decision i.e. physicians, family)
4. An investor (who will support the development of the solution)
5. The innovator (provider of intellectual capital and labour to develop the solution)

The Competitive Landscape

- Industry Analysis
- Number of established companies currently selling into your market who are or could be competitors
- Competitive offerings (products/services)
- Effectiveness of those offerings
- Pricing models
- Market penetration (% market by sales, volume)

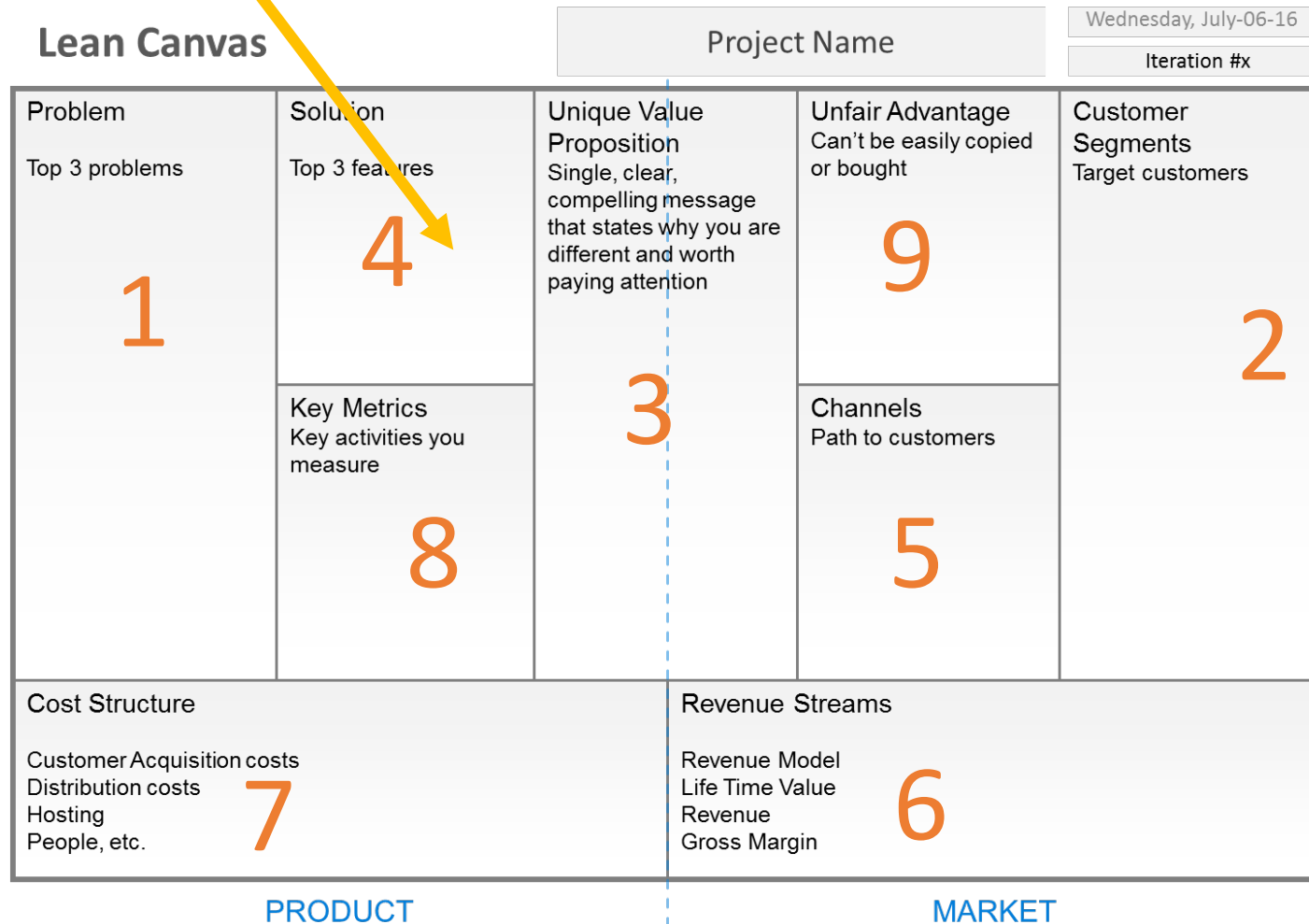
On your Lean Canvass

- Brainstorm Customer Segments and size your market



On your Lean Canvass

- Insert your Solution



Identifying your product/market focus
and accompanying value proposition
are the foundation for development of
an innovative concept that can be
sustained

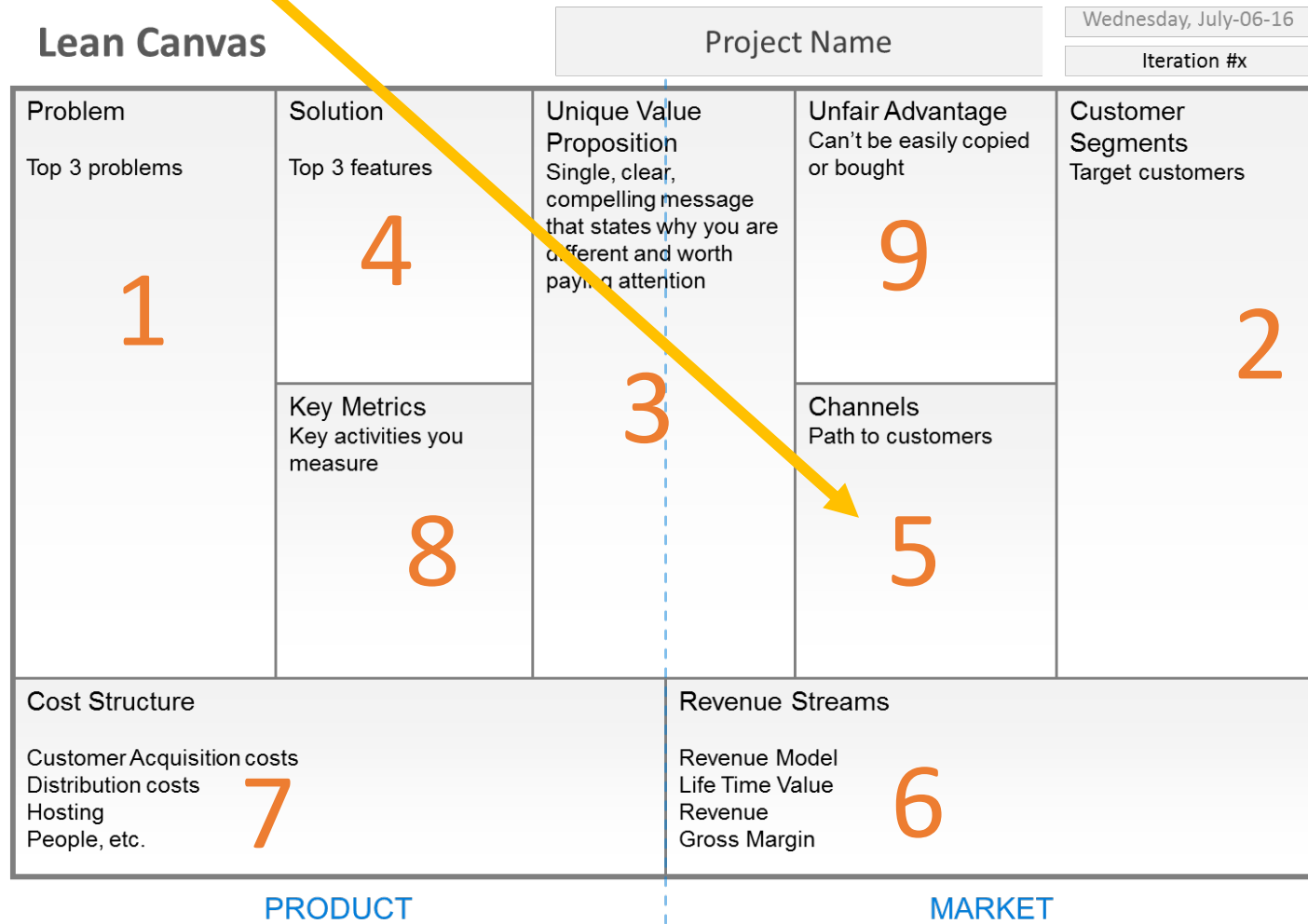
Reaching your target market

Building channels/pathways to your customer/user

- Professional endorsements/recommendations
- Service providers
- Complementary partners
- Retailers
- Support groups
- Research participants
- Social media/blog readers
- PR/sponsorship of events
- Marketing – advertising, content marketing, sales force

On your Lean Canvass

- Insert your Channel/Distribution plan



It seemed like a good idea but...?

Identifying revenue possibilities

- Who is the customer...may be different from the user
- Where are people currently spending their money on alternatives
- Think about pricing models
 - Cost-based
 - Competitor-based pricing
 - Value-based pricing
 - Fixed vs variable [\$30 per program, hourly billing]
- Unit costing
 - By transaction - pay as you use
 - By period - subscription
 - Tiered – freemium and pro

Factors that impact a revenue model

Factor	Explanation
Revenue stream	How is revenue generated and its frequency
Price	How much the business can charge for its product or services (skimming, freemium, penetration)
Margin structure	Profit from sales minus costs of producing and delivering product
Sales investment	Mechanism for getting the innovation in customer's hands
Customer training	Extent to which specialized training is required to use the innovation
Competitive differentiation	Degree to which the innovation is unique
IP	Type of IP protection to suit business model
Other barriers to entry	Factors that could slow adoptions i.e. high switching costs, brand, customer loyalty, access to distribution channels
Clinical/regulatory	Complexity, access and duration of clinical evaluation i.e. trials, regulatory pathways
Financial requirements	Level of investment required i.e. high capital costs, long development/pre-market cycle
Culture/geography	Extent to which customer needs & environment is the same across geography/culture

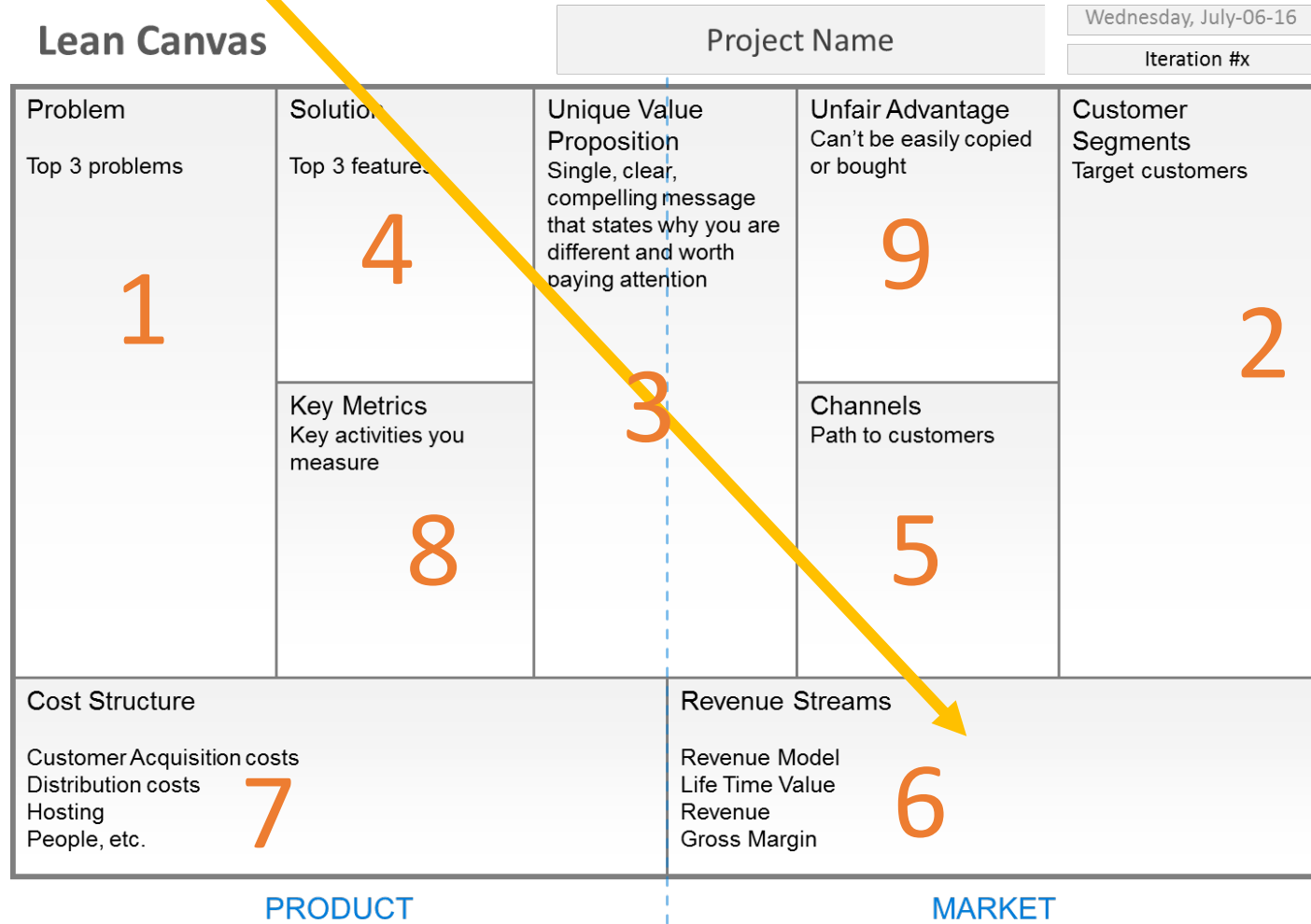
Revenue Models/Streams

- Physician order/prescription – government funded, insurance funded, combined
- Physician/Professional sell – consumer, insurance
- Direct to consumer (OTC)
- Institutional
 - Capital equipment
 - Institutional consumable (one time, re-usable or disposable)
 - Intermediaries i.e. buying groups

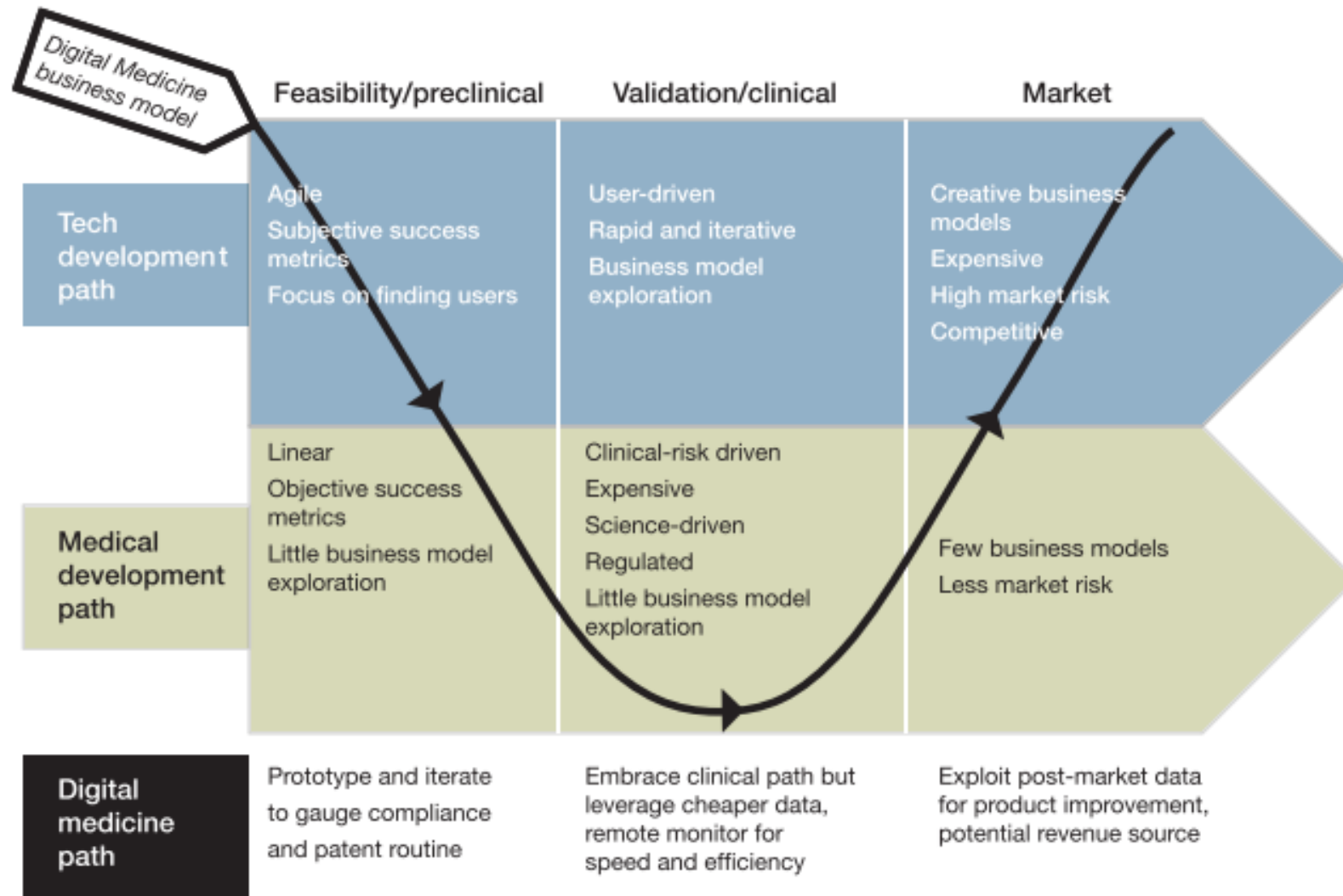
Each of these options will impact and be impacted by Business Model factors

On your Lean Canvass

- Insert your Revenue Stream



Digital medicine technology pathway



email: jmcmurray@wlu.ca

drive
Developi systems



drive-health-ecosystems.ca

@AgeWell_DRIVE