



UNIVERSITY OF TRIESTE – DISPES A.Y. 2024 – 2025

BLOCK 2 Management of Innovation

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BUSINESS MODEL INNOVATION

- The business model is a consistent framework through the which business ideas are converted into economic value by firms. A business model:
 - 1. Identifies a market segment
 - 2. Articulates the value of the proposed offering
 - 3. Focus on the key attributes of the offering (characteristics of the offering and main benefits for consumers)
 - 4. Defines the value system to deliver that offering
 - 5. Creates a way for getting paid
 - 6. Establishes the value network and the external conditions needed to sustain the model

1. Identify a market segment

- Is it possible to segment the market?
- Who's the client / who is the user? Is it a B2B or a B2C one?
- Are there underserved needs?
- Is there any market potential?

2. Value drivers

 The main and most important benefits provided to the client / user and the main reason why customers choose "the" company and not a competitor

VALUE DRIVERS





PERFORMANCE

Improving existing product or service performance



DESIGN

A product may stand out for superior design/aesthetic



Users could value a specific brand and/or be "proud" to show others they belong to a certain "community"



NEWNESS

The product or service satisfies entirely new needs not perceived before by the user

GETTING THE JOB DONE

Offering "solutions" to users instead of single products and services.

VALUE DRIVERS





Offering products, services or solutions

services or solutions that help clients to reduce their costs









Reduce the uncertainty and the risks consumers incur when they buy "complex" products



SUSTAINABILITY

Making products good for the firm, the society, and the environment

3. Key attributes

- It is the list of benefits provided to user
- Such benefits are also the main source of the differentiation strategies of the firm

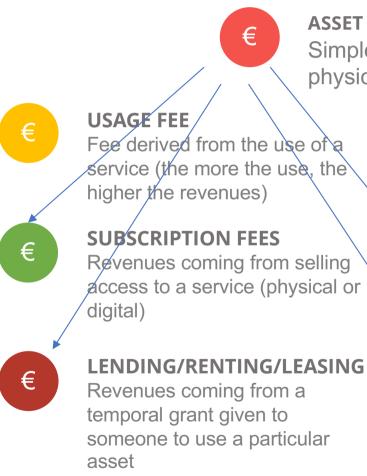
4. Value system

- It corresponds to the suppliers (and sub-suppliers) of the company and to the distributors and clients
- Strategy alignment and consistency is needed to create and preserve the competitive advantage (i.e., a "cheap" supplier could be counterproductive for the pursue of a "differentiation" strategy)

5. Ways of getting paid

- It corresponds to the "revenue model" of the firm, that is the model used by the firm for generating revenues
- A firm could (at the same time) sell products, provide access to the product (leasing); provide financial services; provide maintenance services; sell spare parts; etc.
- All the above are different revenue streams

REVENUE STREAMS



ASSET SALE Simple selling of physical products

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LICENSING

Giving customers permission to use protected intellectual property in exchange for licensing fees

BROKERAGE FEES

Revenue Stream derives from intermediation services performed on behalf of two or more parties (credit cards, real estate agents)

ADVERTISING

Revenue Stream results from fees for advertising a particular product, service, or brand

6a. Value network

- All the external parties, other than suppliers and clients, that could significantly impact on the success/failure of a business venture that are not regulated by business relationships (for example: influencers; investors; scholars; journalists; general public; communities; public bodies; other companies; etc.)
- The value network can be "activated" by a firm but can be controlled just in part

6b. External conditions

It refers to the external (to the firm) conditions - such as norms, rules, standards, degree of technological development, infrastructures, etc. - that are relevant to determine the success/failure of a business venture, on which the company has no direct control and poor influence.