

# Business Models: Strategic Imperative for Interconnected World

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# 4 ways of being connected with customers

1. Ask customers to refer other customers and ask them to engage with you about your offerings – modest effects
2. Engage with customers to (continue to) provide services as a “SOLUTION” but to do so at SCALE – can be substantial wins
3. Build brokerage – that is build value by connecting your customers with other customers – MATCHMAKING – creates new value that enhances existing business
4. Leverage connections, adding value by creating consumption lead services – MULTISIDED PLATFORM – when it works it produces exponential growth and profits


# The business model

- The business model is not just about how you configure internally, it is about how you engage with customers from a strategic view
- ***A business model identifies the customer, how value is delivered to the customer and how that value is monetized. It is equally relevant to all organisations, including professional service firms and not-for profit enterprises.***
- In the digital world, engaging with customers has become a key way to create and extract value.
- There is nothing special about asking customers to connect with you, you have to do MORE
- Digital scalable solutions, market places and multisided-triadic business models are the way forward

Visit [www.businessmodelzoo.com](http://www.businessmodelzoo.com) to find out more about business models and see more than 100 exemplars

# www.businessmodelzoo.com

**Learn how there are only  
four elemental business model categories**

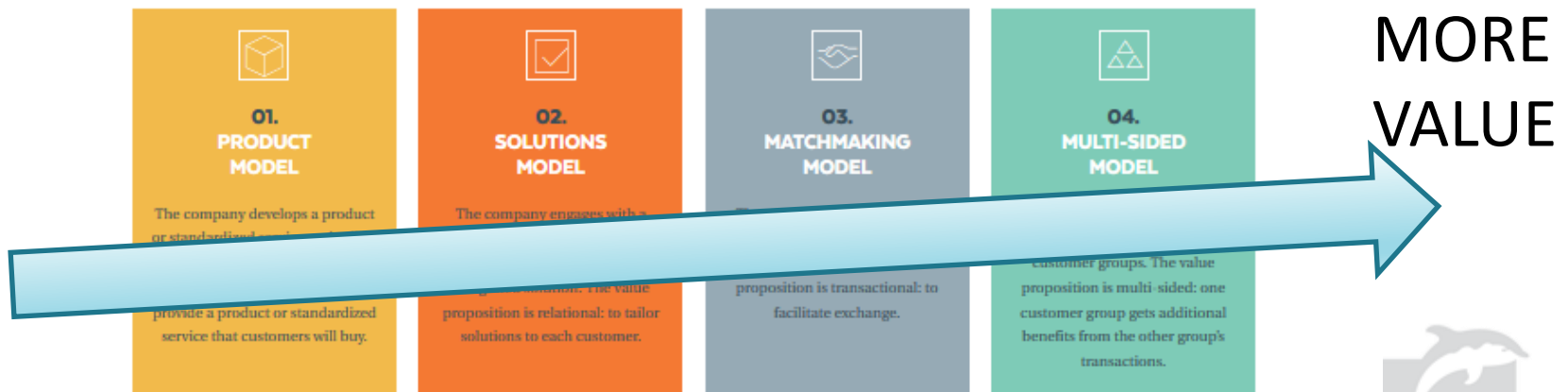


**FIND OUT MORE**

The Business Model Zoo™ identifies four elemental business model pathways for developing a business: product, solutions, matchmaking, multi-sided. Each pathway describes an ideal model of how a firm can engage with its customer, deliver value, and monetize the result. It is the differences in customer engagement that are key to understanding the differences between the four business model pathways.

Almost all economically sustainable business models – whether for profit or not-for-profit – fit into one of these categories. We have a Zoo™ of exemplar business model cases that includes some of the “Future Fifty” high potential enterprises to show how our categories are enacted in the real world.

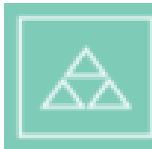
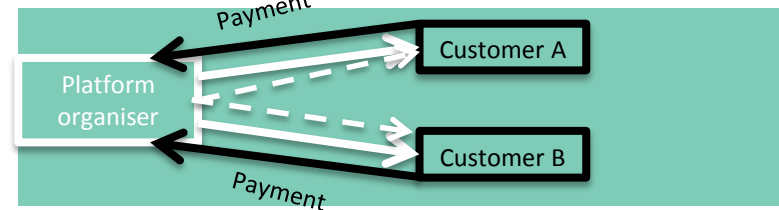
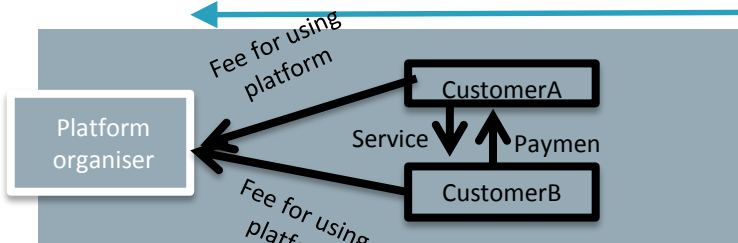
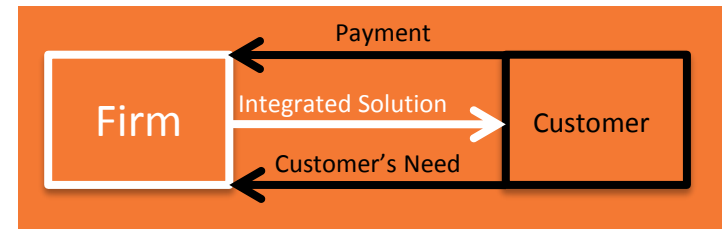
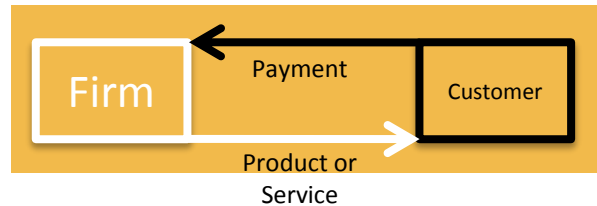
## The 4 Business Model Categories



# www.businessmodelzoo.com

Dyadic – Transactional  
Product  
*McDonalds*

Dyadic – Relational  
Servitized  
*Haircut -*



Triadic – Transactional  
Match-maker  
*Airbnb for accommodation*

Dyadic – Relational  
Multi-sided Triadic  
*Advertising supported web-game*

## Entry by

Software houses, document management and other outsource partners that assist efficiency

Niche firms that pick off profitable business

Software and media companies that extract value from your customers because they are contacting them directly

## Potential challenges from

Companies that offer digital and traditional complete solutions to your clients with you as mere outsource provider of legal service – **happening now**

Law firms that leverage customer trust to offer market place services and so gain supremacy – **will happen soon**

Firms that create value from “multisided” transactions (such as Credit Karma in retail) – **on the horizon**

# Business model analysis

- Frames risk – opportunities for current services
  - Customer identification risks and opportunities
  - Customer sequencing risk and opportunities
  - Customer engagement & trust risk and opportunities
- Identifies new opportunities
  - Scalable solutions, Match-making services and Multisided possibilities
- Challenges execution
  - Firm Delivery Risk
  - Timing risks
  - Technology risks
  - Competitor risk

## Business Model Zoo – Risk Analysis

1. Efficiency is not effectiveness
2. Customers can be engaged differently yielding different final value and profits
3. Money can be collected in different ways from different sources
4. Be entrepreneurial - more value exists in the system in the form of novel services that leverage connectivity
5. Digital Technology enters into how we engage, how we compete and how we think about the business
6. Lead from the front

## Traditional Risk Analysis

1. Efficiency is the problem
2. Pay people less, or outsource to others who cost less
3. Risk management is about risk aversion not opportunity creation
4. Partners are not to be trusted



# Process for Rejuvenation

- Strategic change requires commitment from top
- Team must identify the opportunities and risks
  - Customer engagement in existing businesses
  - Scalable solutions as opposed to high cost solutions
  - New services that leverage our customers
  - New revenue streams
- Team must build new capabilities and competencies to create efficiency
- Team must create pathways and optimise timings that allow risk to be minimized and returns maximised
- Team must identify how to maintain momentum in adversity

# Our approach

The Cass Business Model Team does leading edge research that is globally recognised (100,000+ downloads by academics and practitioners of our writings)

- Free BusinessModelZoo.com content
- Engagement with sectors about business model opportunities (e.g. RIBA event for 100 directors)
- Consulting for individual firms – that assists transformation outlined above including business model opportunities
- We build on our authority as experts on strategy and change – Cass number one for MBA strategy according to FT-2017