



## New Opportunities for the Development of Education at the Technical University of Liberec

Specific objective A2: Development in the field of distance learning, online learning and blended learning

NPO\_TUL\_MSMT-16598/2022



### Textile sales strategy Business plan II

Ing. Roman knizek, Ph.D., MBA



# Business model Canvas I

This is a business model design template, which was introduced in 2010 in Amsterdam. The business model describes the overall setup of a company, project or product regarding nine main areas or “building blocks”.

**In the centre of the model is the value created for customers.** It describes the resources, activities, and partnerships needed to deliver this value.

At the bottom part is the financial dimension of the business model describing the areas and methods of customer payment for the value provided.

At the top part are the costs associated with the running of the business model.

## Business model Canvas II

The main advantages of this approach include the emphasis on value creation and the interconnectedness of financial flows with the individual elements of the model, especially the way of generating income – which means clearly defining which activities help the company make money. Thanks to the Canvas business model, it is possible to get a complete overview of all elements of the currently set system in one place. The practical advantage is the possibility to discuss and present the business model using a single sheet of paper.

## Customer segments



This part describes one or more groups on which the model will be oriented. Customers represent a source of income in the business model and each model must contain at least one customer.

Specific institutions or representatives of individual groups can be described as customers who have a common need to which our offer responds.

# Value propositions

The value proposition is a specific output to customer segments that is available to them thanks to the functioning of a specific business model. It helps the customer solve their problem or meet their specific needs.

Different customer segments perceive the value propositions differently. In some cases, its quantification is possible, but mostly we talk about qualitative values:

Newness

Performance

Customization

# Value propositions II

Reliability “Getting the job done”

Design

Brand /Status

Price

Cost reduction

Risk reduction

Accessibility

## Distribution channels

The channels in the business model describe the method of communication and contact with the customer and the form we deliver our value propositions. In the business model's channels, we can describe how to raise awareness of products and services among customer segments, communication with the customers and their support, form and method of customers getting our value proposition (purchase of product, provision of service...) and provision of after-sales service.

## Distribution channels II

When designing the channels, it is important to consider which distribution channels a particular customer segment prefers and can use, and which channels are suitable for the distribution of our value propositions (e.g., information and news can be provided through the channel of printed newspapers and magazines, electronically in the form of web articles or via downloading to mobile devices).





## Relationships

Relationships in the business model include forms of communication with the customer and services offered, thanks to which the customer communicates with the value proposition provider before, during and after the provision of a specific value proposition. This includes specific elements of the business and the method of customer segment acquisitions.

*Personal Assistance* - forms of sales consultation and advice

## Relationships II

**Self-service** - the customer has all the means at their disposal to acquire the value proposition at any time

**Communities** - creating and supporting communities around products, brands; active communication and providing benefits to community members

**Co - creation** - involvement of customer segments in the creation and adjustments of value propositions and strengthening the relationship with customers

# Sources of income

Sources of income describe the ways and means by which customers pay for the provision of value propositions. As with the channels, with sources of income you need to consider whether a specific customer segment will be able to use them and which payment methods it will prefer (e.g., a payment by SMS is a convenient and fast means of payment for smaller amounts, but it is not a suitable channel when customers do not have mobile phones or do not use them for payment purposes).



# Key activities

This part of the business model describes a set of activities that must be performed in order to make it possible to deliver our value proposition to customers through channels and to make it possible to maintain established relationships. Key activities may include production, coordination, network maintenance and other activities.

## **Most common examples of key activities:**

**Production** - production of tangible products or intangible products (information, software...)

**Problem solving** - a typical value proposition of consulting companies

**Network or platform maintenance** - in the case of setting up a business model as a platform connecting more customer segments, a key activity is the maintenance and development of the platform

# Key resources

Key resources are the assets needed to run a business model. They can be tangible and intangible resources, financial resources and knowledge capital.

Typical key resources include:

Physical resources - production facilities and equipment, raw materials, infrastructure and warehouses

Intellectual resources - patents, licenses, copyrights, brands, know-how

Human resources - especially in terms of creativity and experience

Financial resources - cash, bank guarantees and loans

# Key partnerships

Some business models establish key partnerships to increase efficiency, to optimize costs or to ensure its operation. Through key partnerships, it is possible to obtain resources and business activities or a part of a value proposition. Some types of key partnerships allow access to specific resources (such as technology), key supply chain partnerships then allow for risk reduction within supplies.

Four basic types of partnerships:

Strategic alliances of entities that are not competitors to each other

Strategic alliances of competitors

Partnerships to create new businesses

Partnerships between suppliers and customers

Key partnerships can be permanent or temporary. The element of key partnerships can play a significant role in the business model, but there are also many business models which operate without any key partnerships.

## Cost structure

This is the building block of the business model which covers all the costs associated with running a business. This includes the costs of creating our value proposition – costs of securing key resources, costs of performing key activities, costs of establishing and maintaining key partnerships, costs related to the creation and operation of channels as well as the creation of customer segment relationships. Some business models include here also the costs of receiving payments (e.g. rental of payment terminals, etc.)

## Cost structure

This is the building block of the business model which covers all the costs associated with running a business. This includes the costs of creating our value proposition – costs of securing key resources, costs of performing key activities, costs of establishing and maintaining key partnerships, costs related to the creation and operation of channels as well as the creation of customer segment relationships. Some business models include here also the costs of receiving payments (e.g. rental of payment terminals, etc.)





# Thank you for your attention

Roman Knizek

[roman.knizek@tul.cz](mailto:roman.knizek@tul.cz)