

Business Models



Booklet | 001
Category | 002

 **VeintiunoDiez**
GROWING MONEY ON TREES

SN0003

Introductory Booklet*

This booklet, like all that have the number 001, is the first in a series and serves as an entry point for the category. It provides a comprehensive introduction to the key concepts and themes that will be unfolded throughout the subsequent booklets in this branch of the tree. This introductory booklet serves as a foundation, laying the groundwork for deeper exploration and understanding of the subject matter in the future chapters.





■ The process of thinking Businesses

The business model stands as the cornerstone of any enterprise. It acts as the blueprint, the strategic roadmap, and the lens through which a company perceives and interacts with the world. More than just a financial plan, it represents every aspect of the nature of how a business operates, creates value, and captures a market. In essence, it is a path to sustainability defined as **The Process of Thinking Businesses**.

Understanding the business model, therefore, is equivalent to understanding the thought process of a

business itself. At its core, a business model is a story, a narrative that outlines key factors and maps the journey from a concept to a profitable business.

A business model answers the fundamental question: "Why does this business exist?" And the answer to this matter it defines the value the company aims to create for its customers, a component known as **The Value Proposition**; that becomes the guiding light, attracting the right audience and differentiating the company from competitors.

The components of a Business Model

There are numerous ways to establish the elements that compose the pattern of a business. In fact, there isn't a one-size-fits-all model. The specific components and their relative importance will vary depending on which approach the analysis focuses on.

The key is to understand the framework, analyze the individual situation, and identify components that represent the specifics of the business.

For example, the classic method examines four main components: who, what, how, and why. Who is the customer, what is offered, how it's delivered, and why is it profitable.

A more advanced alternative would consider the following nine essential factors: value proposition, customer segments, channels, customer relationships,

key activities, key resources, key partnerships, cost structure, and revenue streams.

Another map-based approach arranges elements in a grid form, categorizing components by functional or domain area and their actions: business administration, new developments, relationship management, sales, finance, and accounting, all of which are ordered by function, control, and execution.

These components interact with and influence each other. A strong business model has components aligned and working together seamlessly to create, deliver, and capture value effectively.

Remember, a business model is a living, breathing scheme and its components too, so be sure to monitor the temperature on the market, keeping track of the changes.

The requirements of a successful Business Model

While the core components of a business model provide a solid foundation, delving deeper into requirements helps refine and solidify its effectiveness, building a scalable business model.

In the same way, as we saw with the components, the requirements will vary according to the approach taken. While the specifics may vary, these three fundamental requirements appear consistent to create a scalable business.

Viability | Refers to the ability of something to be successful and can be profitable.

Feasibility | Refers to the practical possibility, the day-to-day logic to be achievable.

Sustainability | Refers to the ability to be maintained in the long term without depleting resources.

Key differences| Viability focuses on success rate, feasibility on practical execution, and sustainability on long-term impact. Viability and feasibility are often considered in the short to medium term, while sustainability is a long-term perspective.

The Evolving Nature of Business Models

The business landscape is undergoing a fundamental shift. Static, one-dimensional business models are a thing of the past. In today's dynamic and interconnected world, successful models have evolved into thriving ecosystems, adapting and responding to change in real-time.

The key drivers of this evolution are technological advancements (IA, big data, automation), agile customer expectations, globalized competition and the only constant in time, Change.

Understanding the business model as a dynamic ecosystem is crucial for navigating the complexities of the modern business scenery. By embracing continuous adaptation, collaboration, and data-driven decision making, businesses can build models that are not just sustainable but thrive in times of disruption and change.

Think businesses as a living organism, continuously evolving and adapting to its environment. Assess your current business model, identify its strengths and

weaknesses, and explore how you can incorporate the principles of dynamism. This is the future of the successful business model, and the tools are within your reach.

Our advice is,

Inspire business models in the wisdom of Nature

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