Business Model and Evaluation: [Script for Multimodal Presentation]

Through the development of the business model canvas, we are able to evaluate the key processes, strategies, skills and decision-making methods that enabled for a validated and accurate business model.

**The effectiveness of your decision making and project management tools/strategies:**

The decision-making processes and project management strategies were highly effective overall, specifically towards understanding both the value propositions of our customers, as well as the market segment.

The business model canvas is separated into three major segments, desirability, feasibility and viability. We will analyse each of these segments and evalutate the effectiveness of the tools and processes used in their individual developemt.

Desirability:

The empathy mapping was used to develop a deeper understanding of the target market. Data from these were collected through a comparison of two customer empathy maps, one made by OneCard and one made by a potential customer.

This comparison validated several assumptions, specifically assumptions related to the value propositions, such as how customers will value a more efficient solution rather than a cost-effective solution and would rather a ‘trendier’ product rather than a formalised user interface.

These assumptions, both validified and refuted, provided for key pivot points as shown on the value proposition canvas, where the appropriate values were catered for, providing a clearer understanding of the value proposition segment.

These empathy maps proved to be a highly effective tool as it provided insight into which assumptions made were accurate and which ones were degrading the value proposition, which both improved the quality of the value proposition segment and tuned OneCard’s customer mindset by allowing for a deeper understanding in the customer demographic.

Feasibility:

A Co-Created app was utilised in order to identify the strengths and weaknesses in the key activities the business planned to undertake once the business came into operation. The data from this was collected through a customer survey that the users completed having used the simulation.

This survey validated and refuted several key assumptions within the key activities, specifically pointing out that weekly maintenance of the app is not frequent enough as it does not help to securely deliver on our customer values.

This allowed for dramatic changes in the structure of the business activities, as OneCard needed to plan for constant updates based off of customer feedback throughout each business day. This also highlighted the importance of having strong relationships with business partners, as having these updates would require a team of personnel dedicated to delivering customer values through each update.

As a whole, the co-creational tool proved to be highly effective in providing insight into the key activities segment, as well as it’s minor benefit in the key resources segment. These insights were pivotal in developing the feasibility segments, and lead to further developments in the business model as a result.

Viability:

A marketing canvas was used to create a predictable cost structure as well as progress towards a recurring revenue model, as they both eliminate the financial unknowns in the business model. The data from this was summarised within both the Revenue Streams and Cost Structure segments respectively.

The marketing canvas allowed OneCard to underline it’s business goals within the first year of operation and underlined how these goals would be accomplished, specifically providing insight into the pricing of each subscription in order to both break even and make a profit of 30 grand in the first year of sales.

This allowed for the development of a recurring revenue model, as It validated a subscription-based payment method as the most effective and safest way to achieve these goals. It also allowed for a predictable cost structure to be developed, as the most likely business costs were discovered using the marketing canvas.

As a whole, the marketing canvas proved to be highly effective in allowing for insight within the viability segments of the business canvas. However, this could be improved if the marketing canvas were given to a competitor and data was drawn from a comparison of two different marketing canvases.

**The risks and opportunities you encountered and recommendations to improve the business model:**

Throughout the development of the business model canvas, several risks and opportunities were encountered that benefitted the business model when resolved.

A financial risk that occurred through the development of the business model was in analysing the fixed business costs. There was no definitive way of ensuring that the consumers remained with OneCard. This affected both the cost structure and the revenue stream, as it created for uncertainty in the recurring revenue stream given that the consumer could stop paying for their subscription, meaning that OneCard will have to forfeit their stored information, free of charge. This problem was fixed by allowing for a membership reward system, which decreases the likely hood of a consumer leaving OneCard, which re-assured both the cost structure and the revenue stream models.

A compliance risk arose throughout the development of the break even analysis as a direct result of the COVID-19 protocols. This directly affected the Cost Structure, as these protocols provided uncertainty in predicting both the fixed and variable costs due to the limited number of workers allowed on site. With a variating number of licenses needing to be inducted, as restrictions ease and tighten, it was very difficult to be able to predict which subscriptions our customers would purchase thus affecting the variable and fixed costs. This risk has not yet been catered for, but a potential solution for this would be to change the revenue model to charge businesses per employee rather than a subscription-based model. This would mean OneCard forfeit’s their recurring revenue model, creating for more variable costs, however, these variable costs can be accounted for in the cost structure, making the cost structure more predictable.

A business opportunity presented through the development of the business model was in understanding the value propositions of our customers and specifically the trends that provide these values. This impacted the value propositions segment of the business model canvas, as pivoting the business model to cater for virtual touring, a current trend, allowed for stronger customer relationships through the development of more customer focused value propositions. One way for OneCard to capitalise on this business opportunity is to create a unique virtual assistant for the customers and then patent the physical and intellectual property, which will help to ensure a competitive advantage over the rest of the market.

Another business opportunity presented from the development of the business model was found through COVID-19 benefits from the government. The Australian Government has issued that South Australians wanting to build houses have a $25,000 dollar grant in order to maintain an industrial flow within the state. This benefits the Revenue Model as it means that the construction industry, specifically within the construction of housing, will boom throughout the COVID-19 period as more and more people start taking this grant. This means that more businesses will need to induct more employees in order to sustain the heavy consumer flow, thus providing OneCard with more product sales, hence boosting the revenue especially within the first year of business sales.

**Recommendations to improve the business model:**

The development of the business model has also shown how

The channels to which OneCard is marketed to its customers is very limited in the sense that there are very few places to both cost and time effectively market to target customers. This could be improved if more targeted marketing were used in consumer ‘hot spots’ it would prove much cheaper and quicker than alternative marketing. This could be achieved by appealing to a higher ratio of target customers through appealing to areas of their demographic, OneCard will be able to ensure that the marketing used is much more effective, thus eliminating both current and future business costs as well as ensuring a time efficient and customer focused approach towards targeting customers.

The Key Partners in which OneCard will attempt to associate themselves with are large corporations who will potentially disregard the business propositions OneCard will offer due to the small size and lack of resources that OneCard has. This could be improved through using smaller corporations, such as a local app developer, in order to create more likely and stronger business relationships. This could easily achieved by using local SA suppliers and developers, which will not only boost the relationships within OneCard, but will also present a localised business image to a majority of my initial customers.

**Evaluation of your skills of collaboration:**

Throughout the development of the business model it was essential to collaborate with both customers and other business developers.

One major area of collaboration within this development was the customer feedback received from the business tools and strategies used to promote the values customers can expect to see from OneCard. My ability to create the ideal simulations and present the customer values towards the customers was effective to a high degree, as the feedback received proved to benefit the business model almost every time. For example, the Co-Created business simulation proved to allow for direct customer feedback that I used in order to further develop the business model, alongside the potential customers aid. One area of communication I lacked in whilst using the Co-Created app was where I failed to provide a guide or tutorial to the potential customer, meaning that there was some difficulty in acquiring the customer feedback, as the customer did not know how to manipulate the simulation thus creating for a slight lack in consumer-business collaboration.

However, I managed to collaborate quite efficiently with peers in order to develop the business model. This was shown most prominently in the annotations of the business model canvas, where I collaborated with other students of the class in annotating each other’s business models, suggesting improvements and providing feedback on the specific segments. My ability to be able to both provide and receive feedback throughout this collaboration was effective in benefitting both my own and others business models. One area in which I could focus on would be my ability to understand the customer values behind each students business model, which would come from ensuring both they and I communicate any uncertainties or differences of thought within the development of the business model.