**Evaluating your business model**

Use the following checklist/survey/analysis to determine areas of strength or weakness with your current business model.

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| **Positives** | **Negatives** |
| **Value Proposition Assessment** |
| Our value propositions are well aligned to our customer needs | Our value propositions and customer needs are unaligned |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Our value propositions have strong network effects | Our value propositions have no network effects |
| 5 4 3 2 1 | 1 2 3 4 5 |
| There are strong synergies between our products and services | There are no synergies between our products and services |
| 5 4 3 2 1 | 1 2 3 4 5 |

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| **Cost/Revenue Assessment** |
| We benefit from strong margins | Our margins are poor |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Our revenues are predictable | Our revenues are unpredictable |
| 5 4 3 2 1 | 1 2 3 4 5 |
| We have recurring revenue streams and frequent repeat purchased | Our revenues are transactional with few repeat purchases |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Our revenue streams are diversifies | We depend on a single revenue stream |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Our revenue streams are sustainable | Our revenue sustainability is questionable |
| 5 4 3 2 1 | 1 2 3 4 5 |
| We collect revenues before we incur expenses | We incur high costs before we collect revenues |
| 5 4 3 2 1 | 1 2 3 4 5 |
| We charge for what customers are really willing to pay for  | We fail to charge for things that customers are illing to pay for |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Our pricing mechanisms capture full willingness to pay | Our pricing mechanisms leave money on the tabl |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Our costs are predictable | Our costs are unpredictable |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Our cost structure is correctly matched to our business model | Our costs structure and business model are poorly matched |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Our operations are cost-effiecient | Our operations are cost-inefficitent |
| 5 4 3 2 1 | 1 2 3 4 5 |
| We benefit from economies of scale | We enjoy no economies of scale |
| 5 4 3 2 1 | 1 2 3 4 5 |

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| **Infrastructure Assessment** |
| Our key resources are difficult for competitors to replicate | Our key resources are easily replicated |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Resources needs are predictable | Resource needs are unpredictable |
| 5 4 3 2 1 | 1 2 3 4 5 |
| We deploy key resources at the right time and the right amount | We have trouble deploying the right resources at the right time |
| 5 4 3 2 1 | 1 2 3 4 5 |
| We efficiently execute all activities | Key activity execution is inefficient |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Our key activities are difficult to copy | Our key activities are easily copied |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Execution quality is high | Execution quality is low |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Balance of in-house vs outsorced is ideal | We execute too many or too few activities ourselves |
| 5 4 3 2 1 | 1 2 3 4 5 |

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| **Customer interface Assessment** |
| Customer base is well segmented | Customer base is unsegmented |
| 5 4 3 2 1 | 1 2 3 4 5 |
| We are continuously acquiring new customers | We are failing to acquire new customers |
| 5 4 3 2 1 | 1 2 3 4 5 |
| OOur channels are very efficient | Our channels are inefficient |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Our channels are effective | Our channels are ineffective |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Customers can see our channels easily | Customers fail to notice our channels |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Channels are strongly integrated | Channels are poorly integrated |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Channels provide economies of scope | Channels provide no economies of scope |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Channels are well matched to customer segments | Channels are poorly matched to customer segments |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Strong customer relationships | Weak customer relationships |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Relationship quality correctly matches customer segments | Relationship quality is pporly matched to customer segments |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Relationships bund customers through high switching costs | Customers switching costs are lowO |
| 5 4 3 2 1 | 1 2 3 4 5 |
| Our brand is strong | Our brand is weak |
| 5 4 3 2 1 | 1 2 3 4 5 |

***Assessing Threats and Opportunities***

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| **Threats Analysis** | **Opportunity Analysis** |
| **Value Proposition** |
| * Are substitute products and services available?
* Are competitors threatening to offer better price or value?
 | * Could we generate recurring revenues by converting products to services?
* Could we better integrate our products or services?
* Which additional customer needs ould we satisfy?
* What complements to or extensions of our value propositions are possible?
* What other jobs could we do on behalf of our customers?
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| **Cost/Revenue** |
| * Are our margins threatened by competitors or technology?
* Do we depend excessively on one or more revenue streams?
* Which revenue streams are likely to disappear in the future?
* Which costs threaten to become unpredictable?
* Which costs threaten to grow more quickly than the revenues they support?
 | * Can we replace one time transactions with recurring revenues?
* What other elements would customers be willing to pau for?
* What other revenue streams could we add or create?
* Can we increase prices?
* Where can we reduce costs?
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| **Infrastructure** |
| * Could we face a disruption in the supply of certain resources?
* Is the quality of our resources threatened in any way?
* What key activities might be disrupted?
* Is the quality of our activities threatened in any way?
* Are we in danger of losing any partners?
* Might our partners collaborate with competitors?
 | * Could we use less costly resources to achieve the same result?
* Which key resources could be better sources from partners?
* which key resources are under-exploited?
* Do we have unused intellectual property of value to others?
* Could we standardise some key activities?
* How could we improve efficiency in general?
* Would IT support books efficiency?
* Are there outsourcing opportunities?
* Could greater collaboration with partners help us focus on our core business?
* Could partners complement our value proposition?
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| **Customer Interface** |
| * Could our market be saturated soon?
* Are competitors threatening our market share?
* How quickly will competition in our market intensify?
* Do competitors threaten our channels?
* Are our channels in danger of becoming irrelevant to customers?
* Are any of our customer relationships in danger of deteriorating?
 | * How can we benefit from a growing market?
* Could we serve new customer segments?
* Could we better serve our customers through finer segmentation?
* How could we improve channel efficiency or effectiveness
* Could we integrate our channels better?
* Could we increase margins by directly serving customers?
* Could we better align channels with customer segments?
* Is there potential to improve customer follow up?
* How could we tighten our relationships with customers?
* Could we improve with personalisation?
* How could we increase switching costs?
* Have we identified and ‘fired’ unprofitable customers?
* Do we need to automate some relationships?
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