



## Business Models and Business Plan

- A business model **outlines how a company creates, delivers, and captures value, while a business plan is a detailed roadmap that explains how the business model will be implemented, including strategies, operations, and financial projections.**
- Key Elements of a Business Model:

**Value Proposition:** What unique value does the business offer to its customers?

**Target Market:** Who are the target customers?

**Revenue Streams:** How will the business generate income?

**Cost Structure:** What are the costs associated with running the business?

**Key Activities:** What are the essential activities the business needs to perform?

**Key Resources:** What resources are essential for the business to operate?

**Key Partnerships:** Who are the key partners and suppliers?

**Customer Relationships:** How will the business interact with its customers?

**Distribution Channels:** How will the business reach its customers?



## Business Plan

- A business plan is a **strategic document outlining a company's goals, strategies, and timeline for achieving them, serving as a roadmap for growth and a tool for securing funding.**

- **Key Components of a Business Plan:**

### **Executive Summary:**

A concise overview of the business concept, **mission, vision, market opportunities, products/services, and financial projections.**

### **Company Description:**

Details about the company's structure, mission, and operations.

### **Market Analysis:**

A detailed assessment of the industry, target market, and competitive landscape.

### **Products and Services:**

Description of the products or services offered, including pricing, benefits, and production processes.



### **Marketing and Sales Strategy:**

Outlines how the company plans to **attract and retain customers, including advertising, distribution channels, and sales strategies.**

### **Financial Projections:**

Includes financial statements, balance sheets, and other relevant financial information, including funding requests if applicable.

### **Organizational Structure:**

Describes the company's management team, key personnel, and organizational chart.



## Types of Business Models

### **Freemium:**

Offers a **basic version of a product or service for free**, while charging for premium features or access. **Example:** Spotify (free music streaming with ads, premium for ad-free access). **Udemy, Courseera.**

### **Subscription:**

Customers pay a recurring fee for ongoing access to a product or service.

**Example:** Netflix (monthly subscription for streaming content).

### **Affiliate:**

Earn revenue by promoting and selling other companies' products or services, typically on a commission basis. **Example:** Bloggers and YouTubers using Amazon Associates.

### **Franchise:**

A business model where an entrepreneur (franchisee) operates a business under the brand and system of an established company (franchisor). **Example:** McDonald's (franchise owners run outlets following McDonald's standards).

### **Dropshipping:**

Sell products online without holding inventory, with suppliers handling shipping directly to customers. **Example:** Indiamart, TradeIndia, Meesho

**Marketplace:**

Facilitate transactions between buyers and sellers, acting as a platform for connecting them. **Example:** Airbnb (connects property owners with travelers).

**On-demand:**

Provide services or products on demand, often through apps or platforms. **Example:** Uber (ride-sharing), Zomato (food delivery).

**Advertising:**

Generate revenue by displaying advertisements, often on a platform or website. **Example:** Google, Facebook, YouTube.

**Crowdsourcing:**

Leverage the collective efforts and ideas of a large group of people to achieve a specific task or goal. **Example:** Wikipedia (user-generated content), Kickstarter.