

Nuts & Bolts of New Ventures Business Models

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Importance of Choosing a Business Model

Choosing the right business model is crucial for the success of any company. It determines how a company creates, delivers, and captures value, laying the foundation for its operations and revenue generation.

A successful business must be willing to modify its model to adapt quickly to the market!



Definition of a Business Model

Framework for Operations

A business model outlines the structure and strategy a company will use to create and deliver value, detailing its products, target audience, revenue sources, and more.

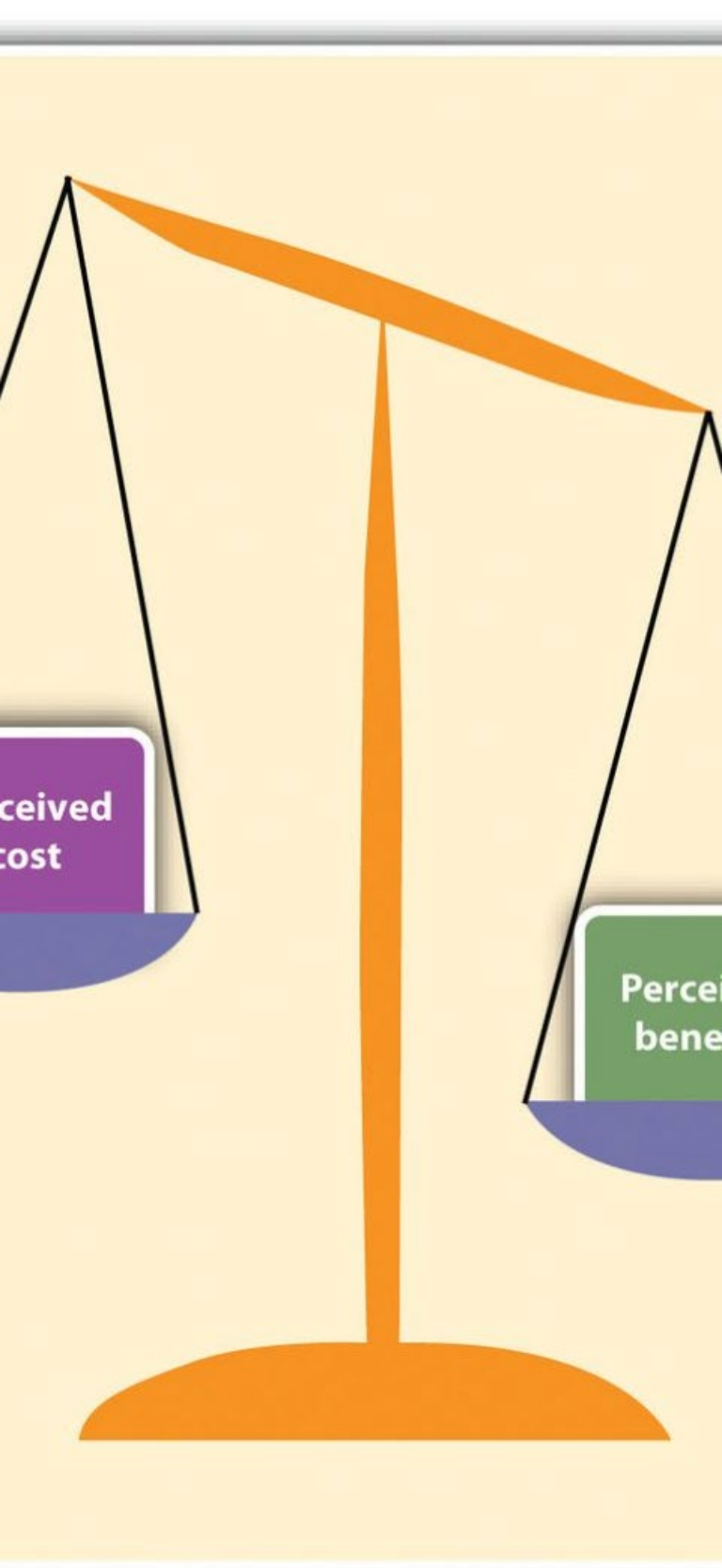
Revenue Generation Plan

It defines how the company will earn revenue, whether through direct sales, subscription models, advertising, freemium, or other means.

Value Delivery Method

It informs how the company will deliver value to customers, whether it's through physical products, digital services, or a combination of both.





A Well-Defined Business Model

1 Clear Strategic Direction

A well-defined business model offers a clear strategic roadmap, helping align the company's efforts toward its goals and objectives.

2 Efficient Resource Allocation

It assists in efficient allocation of resources, ensuring that money, time, and talent are appropriately utilized to drive growth and profitability.

3 Value Proposition Clarity

With a clear business model, the company can better articulate its value proposition, making it easier to attract customers and partners.

Factors to Consider When Choosing a Business Model

1

Market Analysis

Understanding market dynamics, consumer behavior, and industry trends is essential.

2

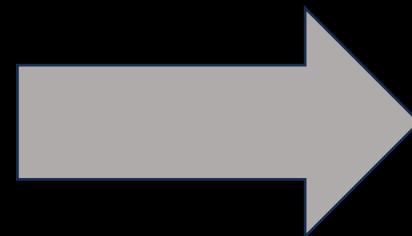
Competition Assessment

Evaluating the strengths and weaknesses of existing players in the market for differentiation.

3

Target Audience

Identifying the needs, preferences, and characteristics of the target customer base to tailor the model.



Revenue Stream Viability





Common Pitfalls to Avoid When Selecting a Business Model

Overcomplicating the Model

Overly intricate business models can create confusion and hinder implementation, leading to operational inefficiency.

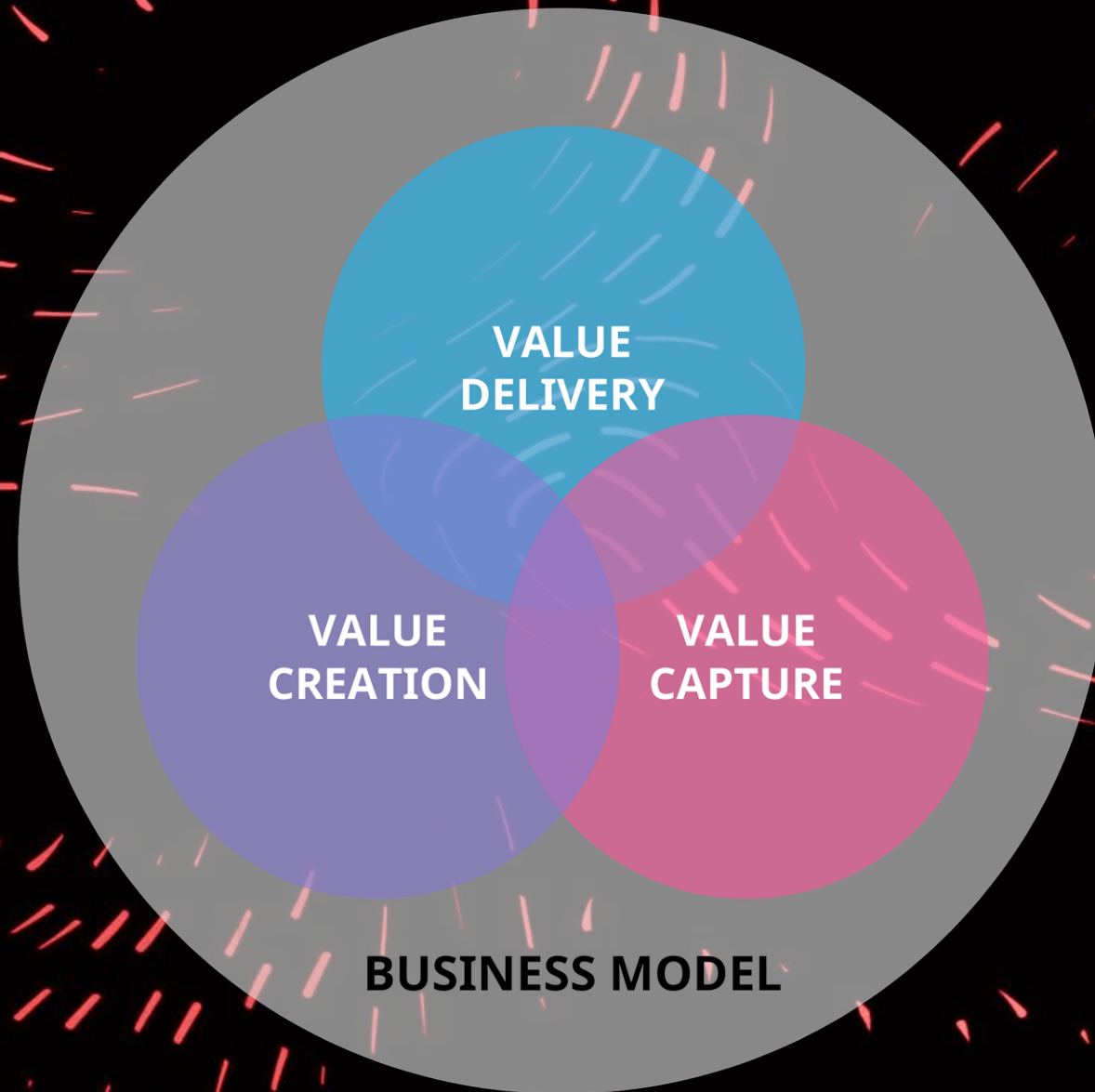
Ignoring Market Dynamics

Failing to adapt to market shifts & evolving consumer behaviors can render a business model obsolete or unsustainable.

Lack of Flexibility

Rigid, inflexible models may struggle to adapt to changing business environments, limiting the company's ability to innovate and grow.

Goal = Harmony





REAL WORLD EXAMPLES

New Models Changing the World

Amazon has almost no *stores*.

Uber owns almost no *cars*.

Facebook creates no *content*.

Alibaba has no *inventory*.

Airbnb owns no *real estate*.

Netflix is not a *TV channel*.

Bitcoin has no *physical coins*.

Internet is changing *the game*.

Jared Oker

Examples of Business Models

Subscription

Companies like Netflix and Spotify thrive on subscription-based revenue models, offering seamless access to their services for a recurring fee.

Freemium

Businesses use freemium models, like Dropbox and LinkedIn, offering basic services for free while charging for premium features.

Marketplace

Marketplace models, exemplified by eBay and Etsy, connect buyers and sellers, generating revenue through transactions and advertisements.

Advertising

Revenue is generated through advertisements displayed to the audience.

Direct Sales

OEM

Reseller / Partner



Companies with Different Business Models

1

Amazon

Amazon's diverse business model encompasses e-commerce, cloud services, and media, showcasing the benefits of a multi-faceted approach.

2

Uber

Uber's disruptive platform-based model revolutionized the transportation industry, demonstrating the power of innovation in business models.

3

Airbnb

Airbnb's peer-to-peer marketplace model challenged traditional hospitality, illustrating the potential for unique business model concepts.





Case Study 1: Netflix's Business Model

Content Selection

Netflix's personalized recommendations, original content, and user-friendly interface set it apart.

Subscription Model

Success attributed to offering diverse subscription plans catering to different user segments.

Global Reach

Netflix's strategy to expand internationally and adapt to diverse markets resulted in exponential growth.

Case Study 2: Google's Business Model

225B+

Annual Ad Revenue

Google's diverse advertising platforms contribute to over \$225 billion in annual revenue.

84%

Market Share

Google's dominance in the search engine industry with over 83.49% market share globally.

Case Study 3: Medical Device or Biotech

Regulatory Compliance

Stringent regulations and approval processes impact the business model.

Research & Development

Heavy investment in R&D influences the revenue generation and market approach.

Market Access

Strategies for entering and penetrating the healthcare market require careful consideration.

Key Takeaways and Final Thoughts

1

Adaptability is Key

Successful business models should be agile and adaptable to changing market conditions and emerging opportunities.

2

Customer-Centric Approach

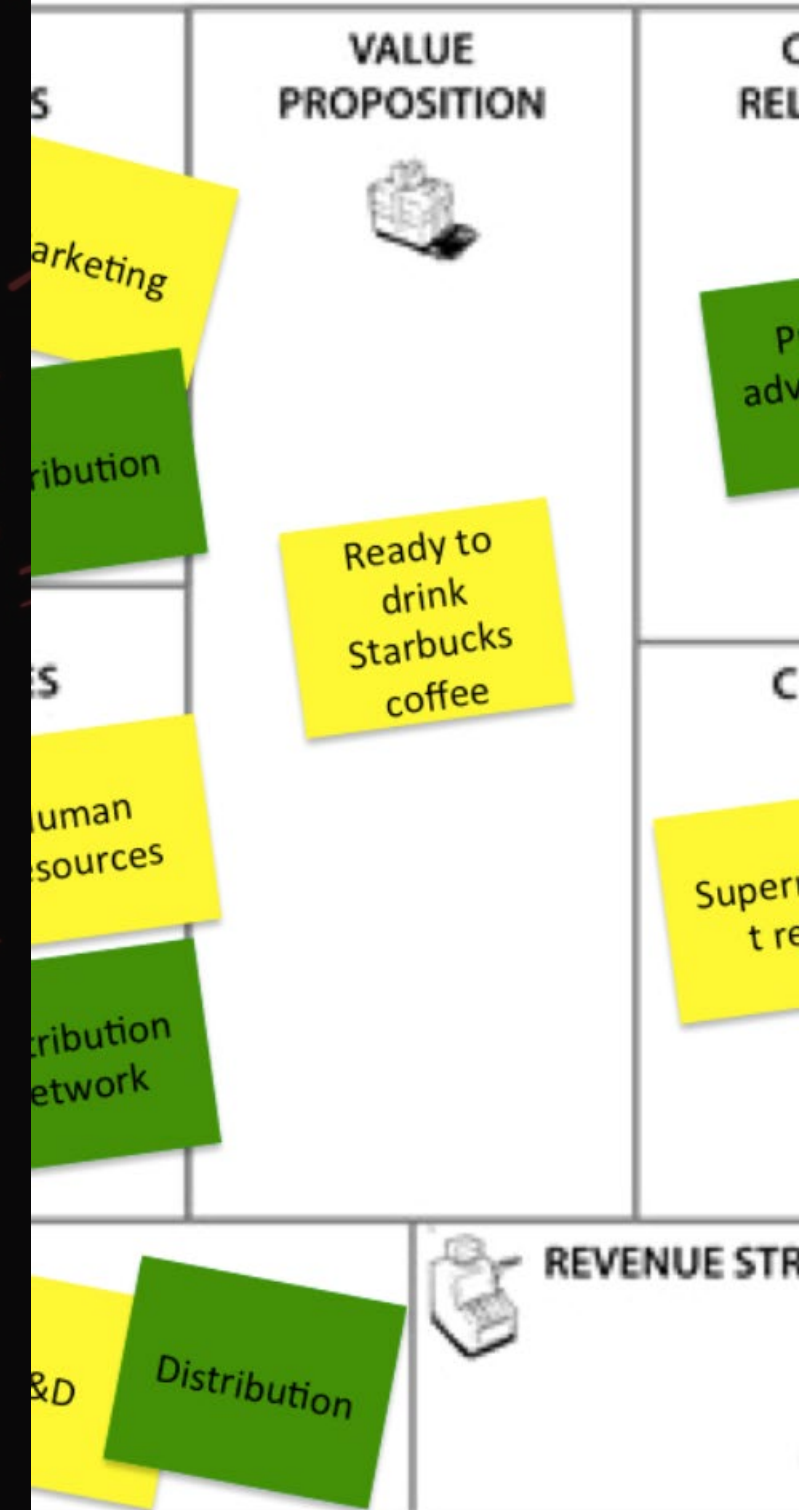
Aligning the business model with customer needs and delivering exceptional value is paramount for sustainable success.

3

Innovate Continuously

Continuous innovation is essential to keep the business model relevant and competitive in dynamic industries.

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Thank You

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