



Creating a Business Model

# **THE INNOVATION LAB**

# WHAT IS A BUSINESS MODEL?

A business model is a tool to help you plan for the successful operation of your innovation, identifying sources of revenue, intended customer base(s), key activities, resources, details of financing, and more.



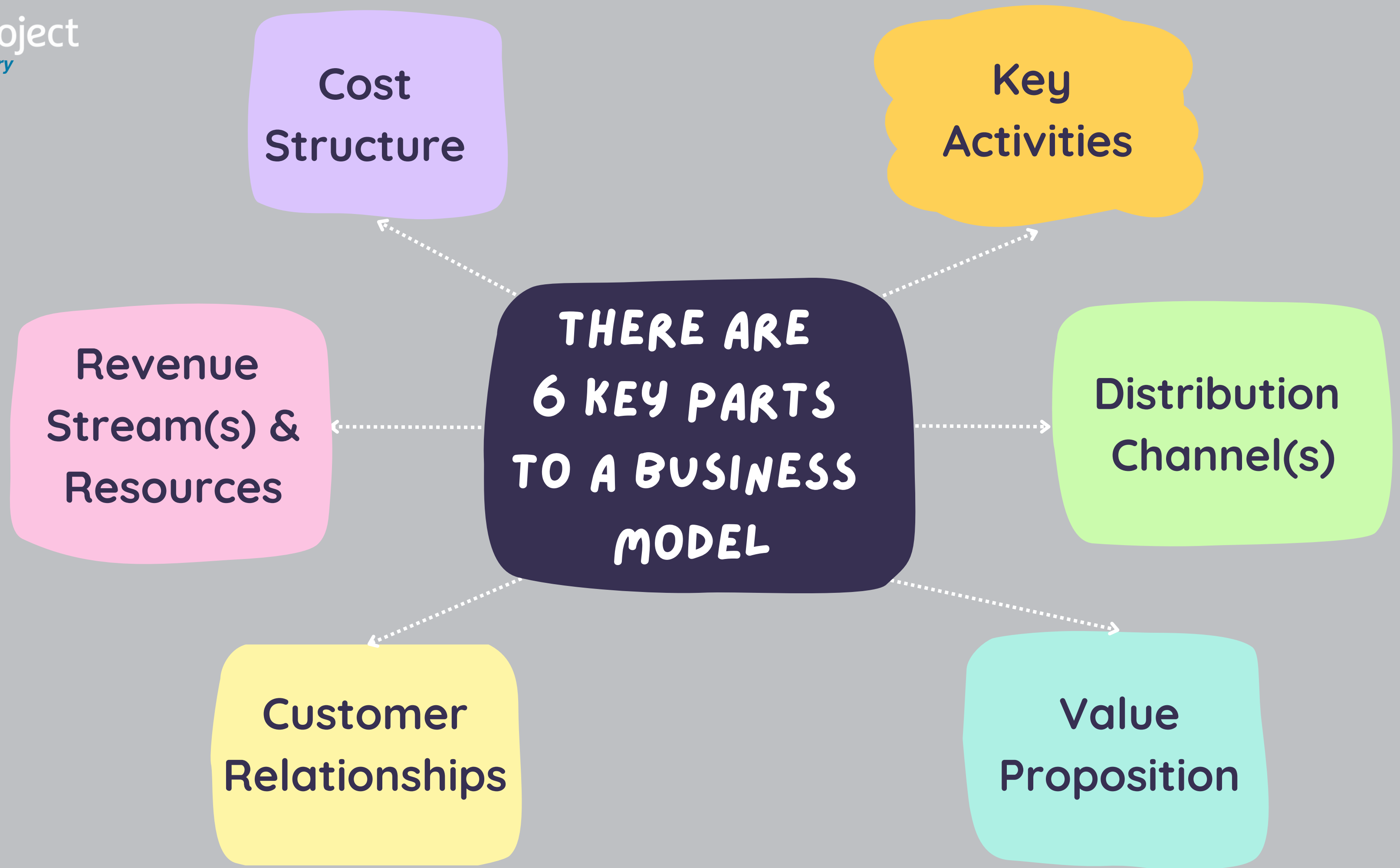
By creating a business model for your innovation, you can differentiate yourself from competitors and stand out from the crowd.

A business model can help you to effectively illustrate your innovation's unique value proposition and demonstrate how it explores an unaddressed challenge area or opportunity in the early years landscape.

A business model can also help you to stay ahead in the dynamic and rapidly changing market by supporting you to recognize and responsively adapt your innovation to stay relevant, efficient, and effective in meeting its intended purpose.

# WHY YOU SHOULD CREATE A BUSINESS MODEL





# KEY PARTS EXPLAINED

**Key Activities:** What is your innovation? What does it do? What are the key functions and activities that the innovation performs?

**Distribution Channels:** How do users become aware that your innovation exist? How do you market it?

**Value Proposition:** Why is your innovation wanted by your identified user? What is different about your innovation from other products, services, and innovations out there in the world?

**Customer Relationships:** Who uses your innovation? What are their thoughts and feelings about your innovation? What type of relationships exist between you and your users? How do you communicate with your users? Are they responsive?

**Revenue Stream(s) & Resources:** What are the inputs required to make your innovation work? Who are they sourced from? Where does your revenue come from? How reliable and consistent is this?

**Cost Structure:** What are the most significant costs of your innovation? Who carries responsibility for covering these costs? Can you estimate the costs?



# INNOVATION BUSINESS MODEL PT 1

## **Key Activities:**

What is your innovation? What does it do? What are the key functions and activities that the innovation performs?

## **Distribution Channels:**

How do users become aware that your innovation exist? How do you market it?

## **Value Proposition:**

Why is your innovation wanted by your identified user? What is different about your innovation from other products, services, and innovations out there in the world?

# INNOVATION BUSINESS MODEL PT 2

## Customer Relationships:

Who uses your innovation? What are their thoughts and feelings about your innovation? What type of relationships exist between you and your users? How do you communicate with your users? Are they responsive?

## Revenue Streams & Resources:

What are the inputs required to make your innovation work? Who are they sourced from? Where does your revenue come from? How reliable and consistent is this?

## Cost Structure:

What are the most significant costs of your innovation? Who carries responsibility for covering these costs? Can you estimate the costs?

  **CONGRATS!** 

You have completed your innovation business model.