



Presented to:



Starting a Business

How to design a venture that matters

18 NOVEMBER 2020

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Discussion Topics



The Purpose and Evolution of Business



**Defining Your Why and What
(Customers, Value Proposition and Business Model)**



**Moving Into Action: A Roadmap for Your Business +
Practical Success Factors**



The Purpose and Evolution of Business

What is Business?

business

biz.nis

The activity of buying and selling goods and services.



- Delivers valuable goods and services
- Generates revenue
- Shapes our societies
- Is a powerful mechanism for change
- Is an “organism”
- Creates meaning for people involved

Source: Cambridge Dictionary

Key Trends



DIGITALIZATION

WHAT IT MEANS

- The rise of the customer
- New business model options
- Industries are evolving
- “Ecosystem is the new organization”
- Global market and opportunities
- Lower friction to operate



SUSTAINABILITY

- New pressures and responsibilities
- New opportunities
- New business as usual

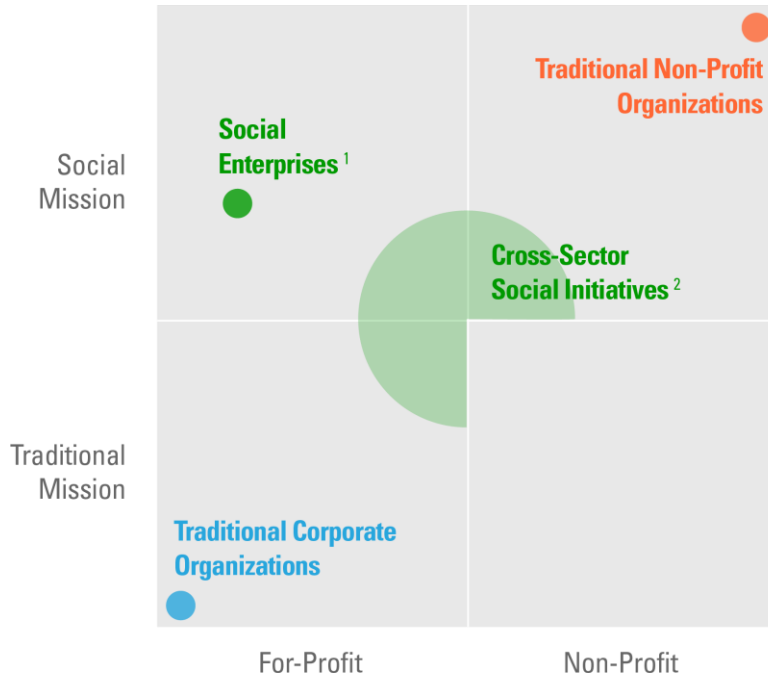


PURPOSE

- *From Profit to Purpose + Profit*
- *From Shareholder to Stakeholder*
- More fulfilling work
- Shifting the paradigm to *value*

It is an ideal time to start a business!

Purpose and Profit Co-Exist.



¹ A **social enterprise** is an organization that applies commercial strategies to maximize improvements in human and environmental well-being—this may include maximizing social impact alongside profits for external shareholders. Source: [Wikipedia](#).

² **Cross-sector social initiatives** may also include governmental organizations.

Source: S2E Transformation

BRT Redefines the Purpose of a Corporation

Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans'

AUG 19, 2019

Updated Statement Moves Away from Shareholder Primacy, Includes Commitment to All Stakeholders

WASHINGTON – Business Roundtable today announced the release of a new Statement on the Purpose of a Corporation signed by 181 CEOs who commit to lead their companies for the benefit of all stakeholders – customers, employees, suppliers, communities and shareholders.

Mark Carney: We Need a Sustainable Financial System

Fifty Shades of Green

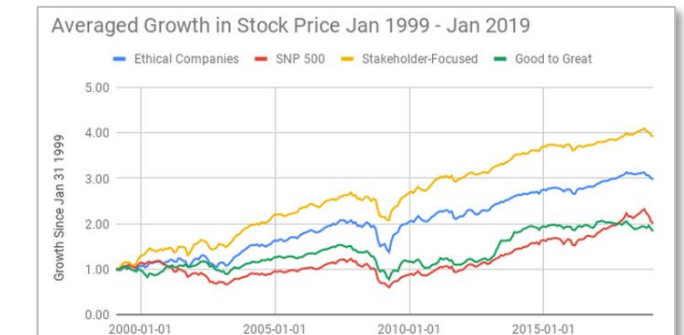
The world needs a new, sustainable financial system to stop runaway climate change

Mark Carney



Source: IMF

Torrey Project: Ethics + Stakeholder Focus = Greater Long-Run Shareholder Profits



Larry Fink's 2020 Letter to CEOs (BlackRock)

The importance of serving stakeholders and embracing purpose is becoming increasingly central to the way that companies understand their role in society. **As I have written in past letters, a company cannot achieve long-term profits without embracing purpose and considering the needs of a broad range of stakeholders.** A pharmaceutical company that hikes prices ruthlessly, a mining company that shortchanges safety, a bank that fails to respect its clients – these companies may maximize returns in the short term. But, as we have seen again and again, these actions that damage society will catch up with a company and destroy shareholder value. By contrast, a strong sense of purpose and a commitment to stakeholders helps a company connect more deeply to its customers and adjust to the changing demands of society. **Ultimately, purpose is the engine of long-term profitability.**

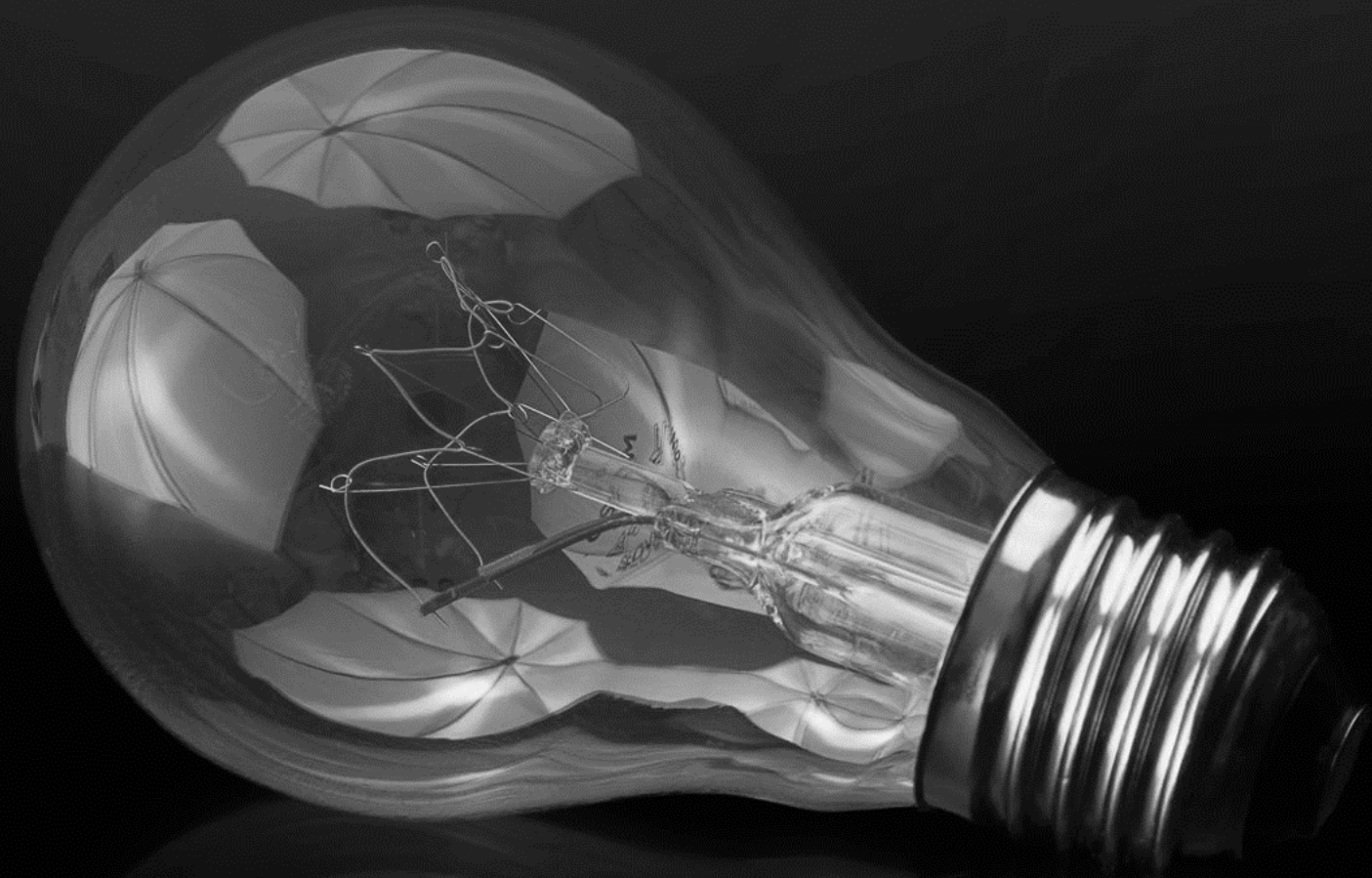
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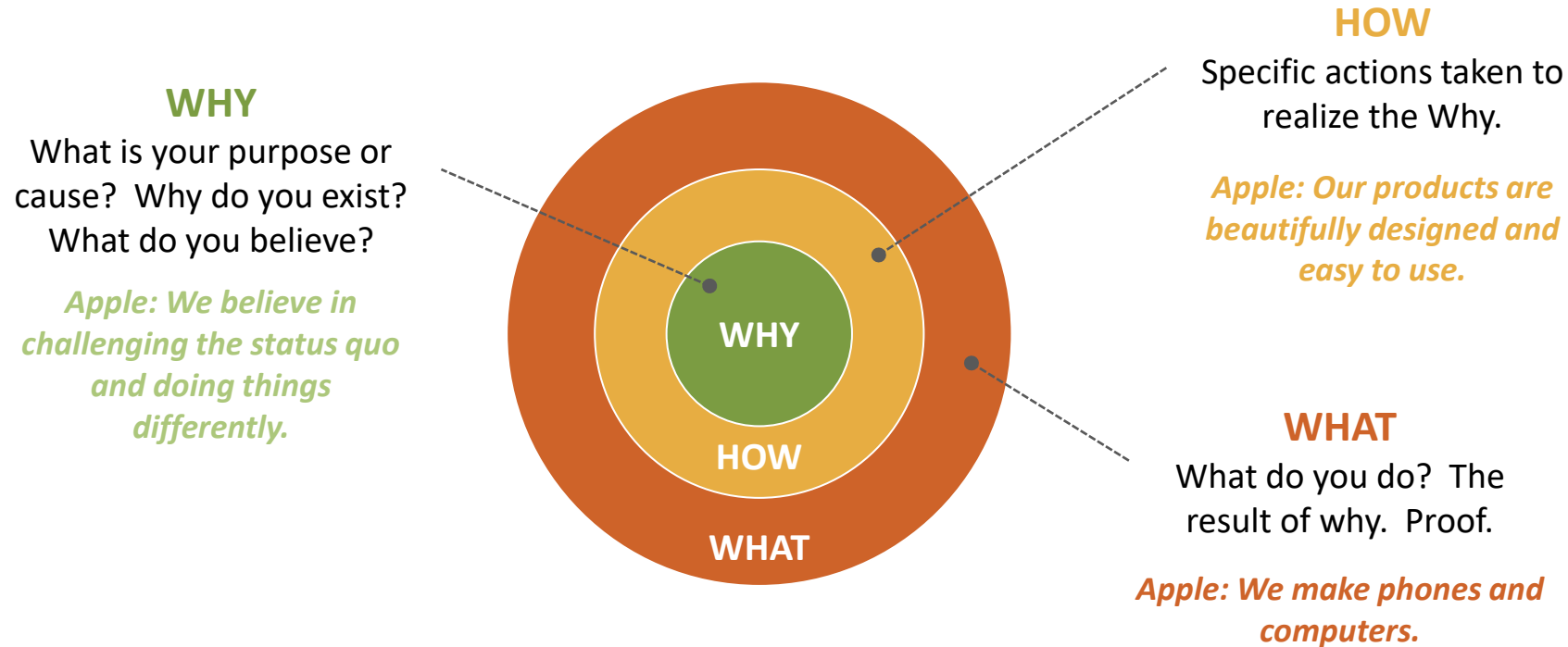


Defining Your Why and What



What are some of your favorite companies? Why?

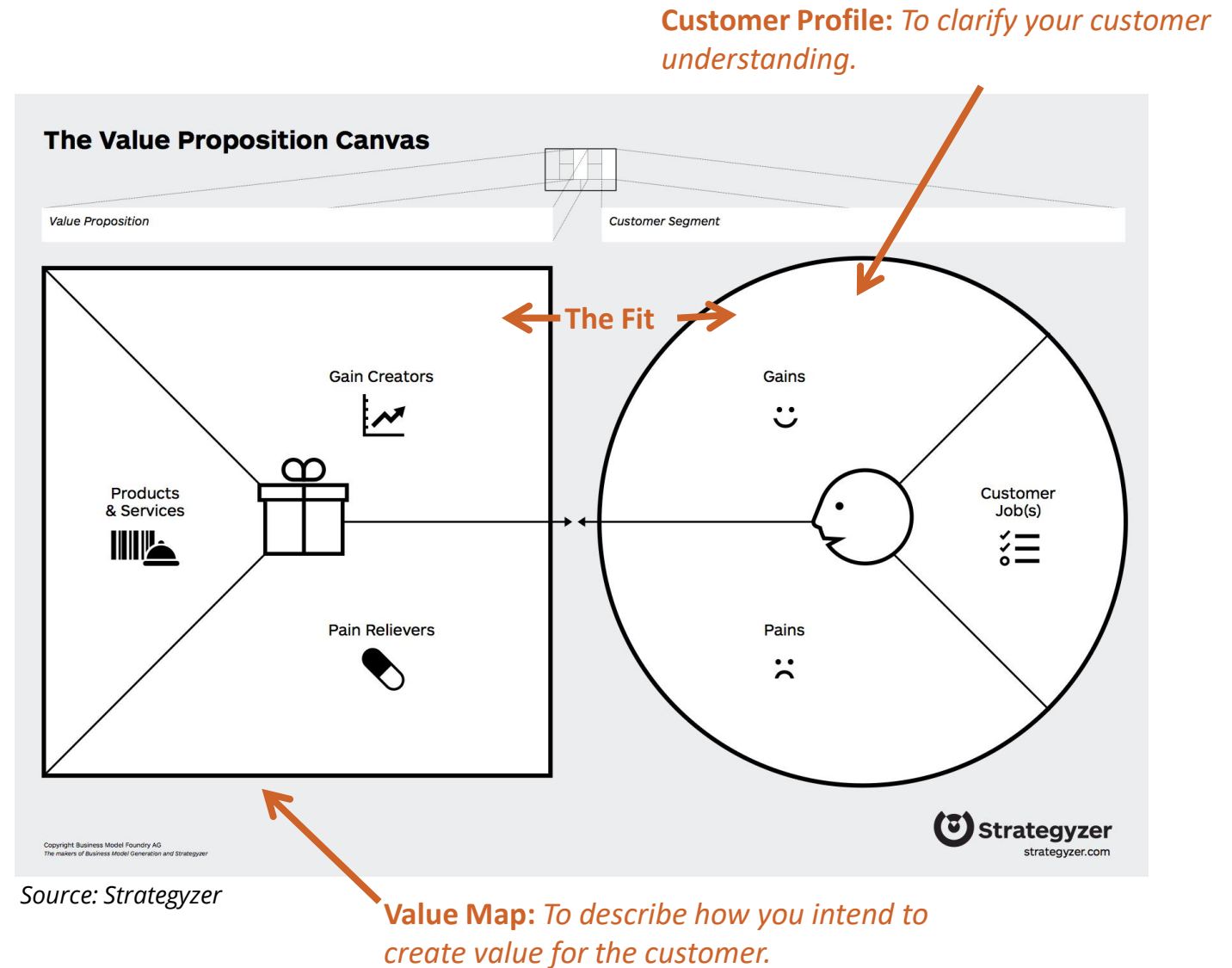
Start With Why.



Source: The Golden Circle concept by Simon Sinek

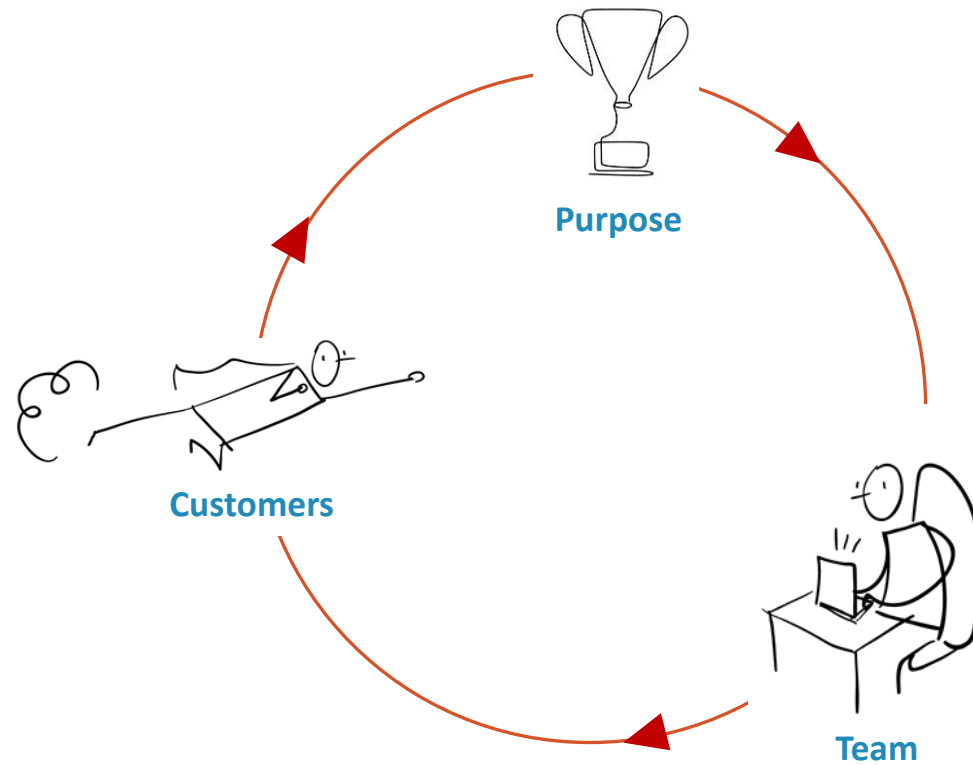
The Value Proposition Canvas

Focus on the customer. Relentlessly.



Source: Strategyzer

Why Customer Focus?

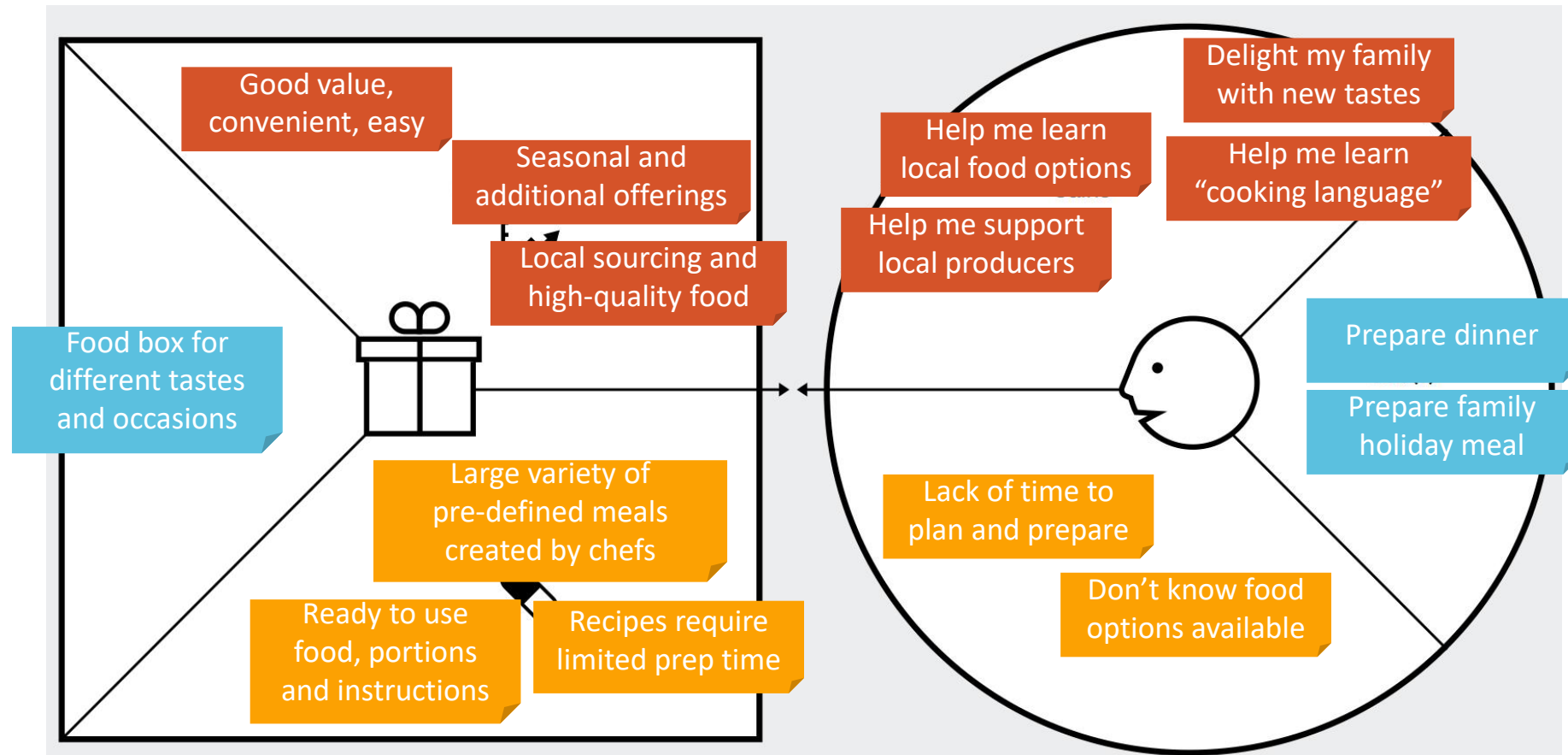


An Example



* Note: The author has no internal knowledge about, affiliation with or stake in GodtLevert – just a happy customer!

The Value Proposition Canvas: An Example



* Note: The author has no internal knowledge about, affiliation with or stake in Godt Levert.

Canvas Source: Strategyzer

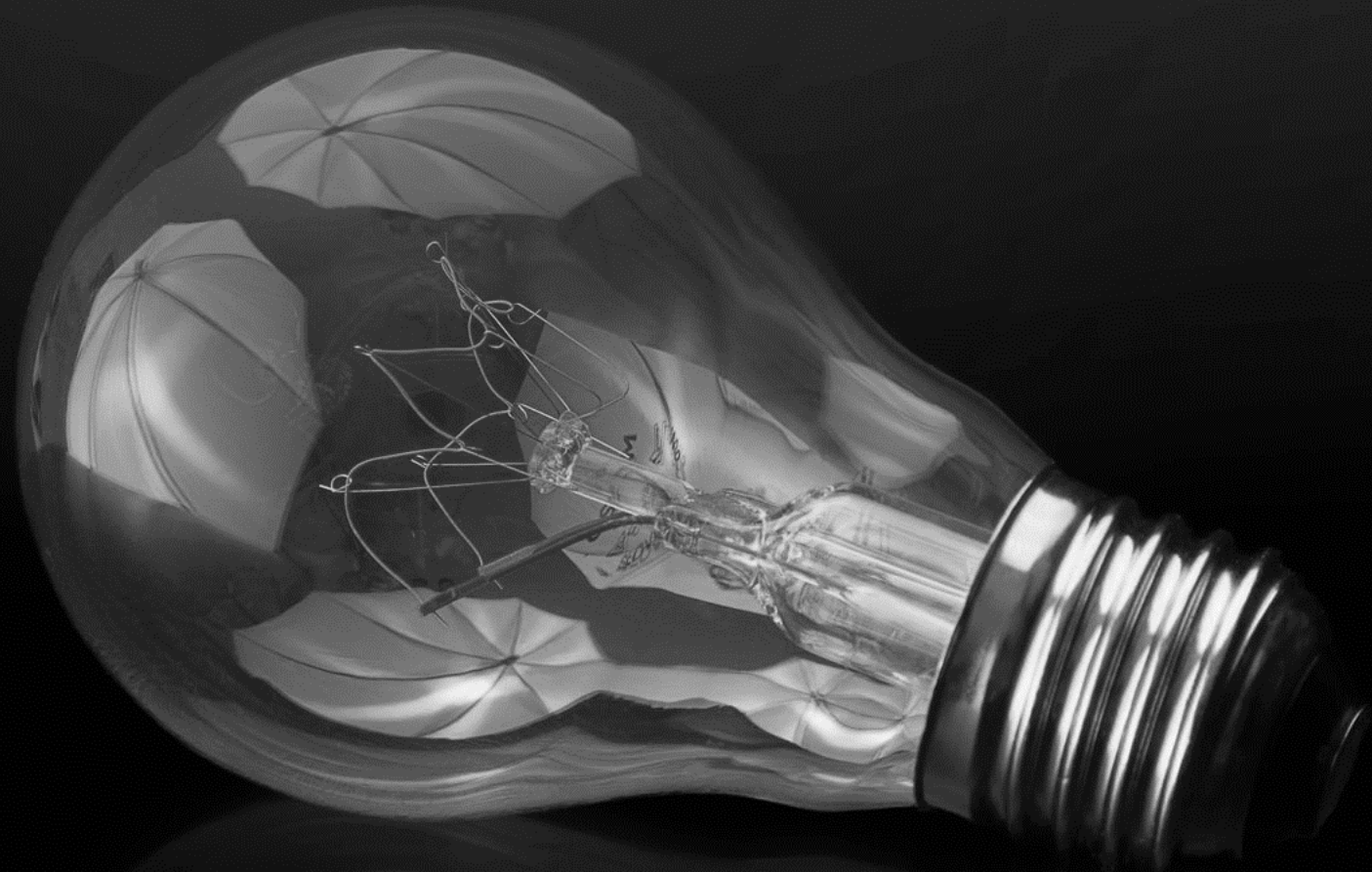
What's a Purple Cow?



Create remarkable products and services.

Find the white space.

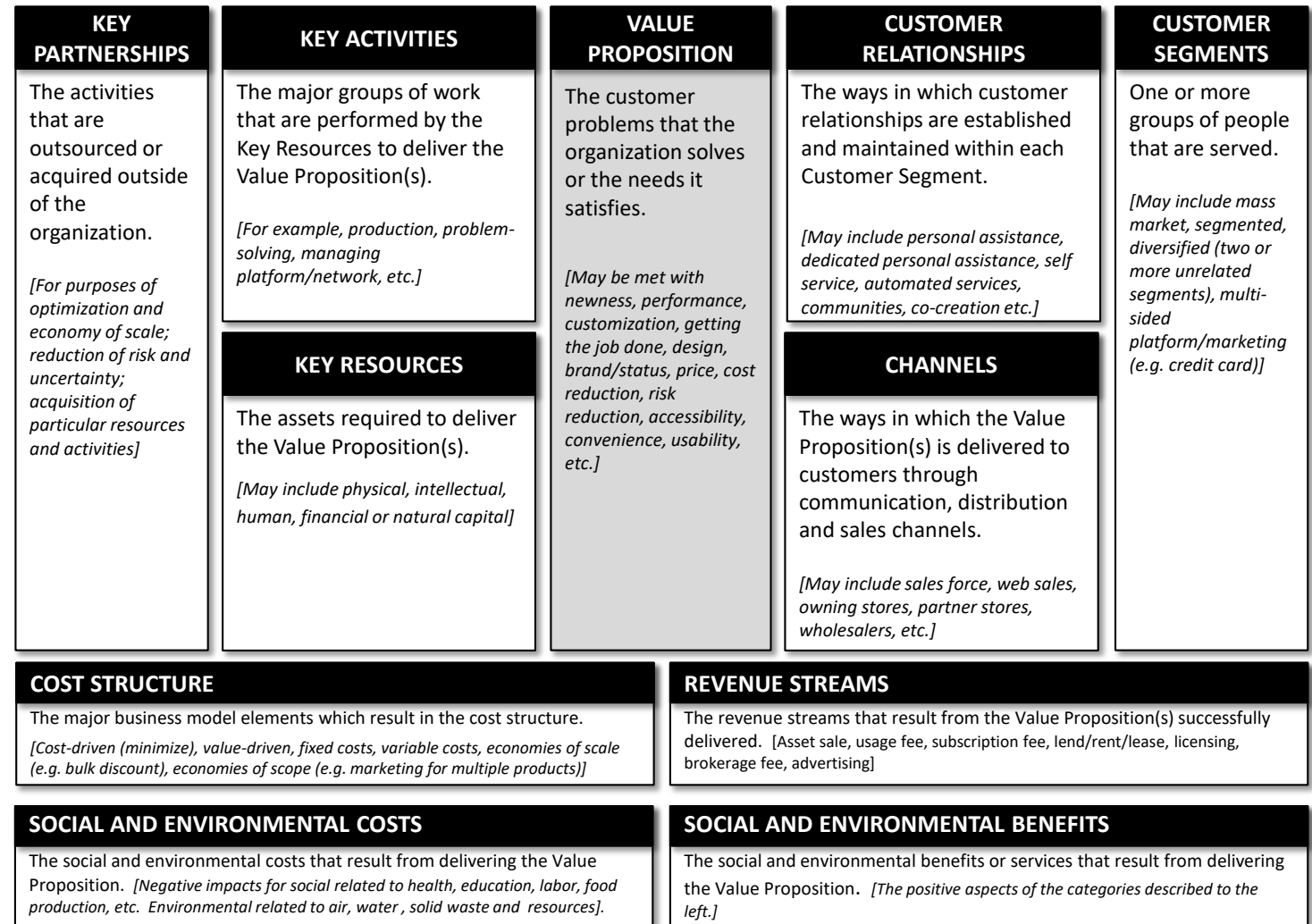
Source: Purple Cow, Transform Your Business by Being Remarkable book by Seth Godin



What customers are you serving?
What products or services are you offering?
(current or potential business)

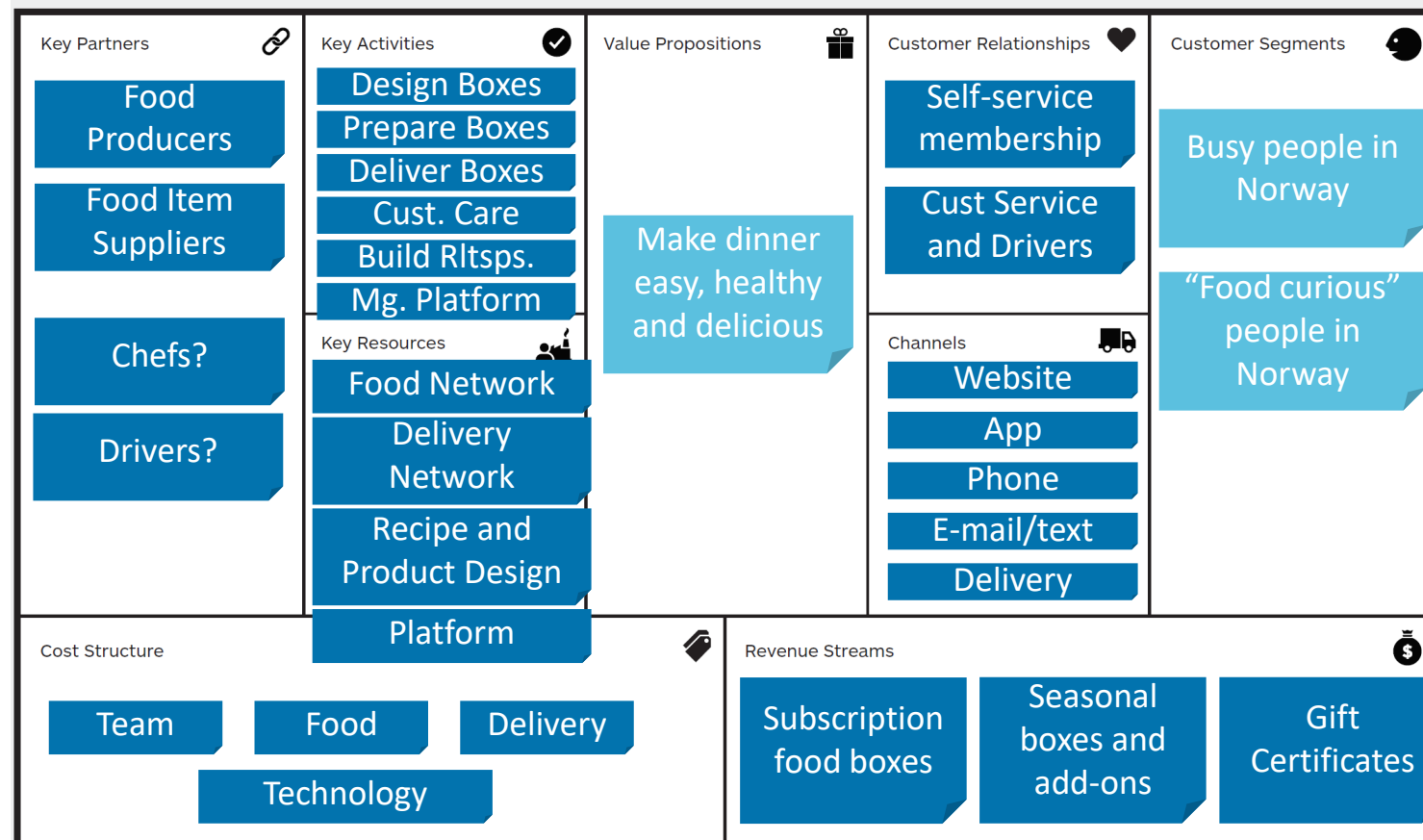
The Business Model Canvas

Design your business with intention. But keep innovating.



Source: Strategyzer

The Business Model Canvas: An Example



* Note: The author has no internal knowledge about, affiliation with or stake in GodtLevert.

Canvas Source: Strategyzer

Business Model Patterns



Product Model – Offers products and/or services or solutions (may be subscription based)



Free/Freemium Model – Provides free basic service, pay for premium



Long Tail Model – Offers many products, even if purchased in low volumes



Platform Model – Facilitates interaction between different groups


















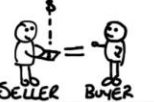




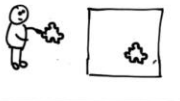


Open Model – Collaborates with partners in the ecosystem to create value

Source: Adapted from Business Model Generation book (Osterwalder et al.); all possible patterns not shown

See more patterns at: <https://www.thegeniusworks.com/wp-content/uploads/2017/06/St-Gallen-Business-Model-Innovation-Paper.pdf>

Business Model Archetypes

ASSET \ ARCHETYPE	FINANCIAL	PHYSICAL	INTANGIBLE	HUMAN
CREATOR	entrepreneur Virgin RICHARD BRANSON 	manufacturer  BMW	inventor ARM 	human creator ?
DISTRIBUTOR	financial trader Goldman Sachs 	wholesale/retail  WALMART	IP trader 	human distributor Zettas 
LANDLORD	financial landlord bank of america lender interest allianz premium insurer   	physical landlord Marriott  	intellectual landlord Microsoft publisher McDonald's brand manager facebook attractor   	contractor accenture  
BROKER	financial broker e*Trade SELLER BUYER 	physical broker alibaba SELLER BUYER  	IP broker SELLER BUYER 	HR broker MORGAN MCKINLEY  

Increasing value...



Source: Do Some Business Models Perform Better than Others? A Study of the 1000 Largest US Firms
<http://ccs.mit.edu/papers/pdf/wp226.pdf>

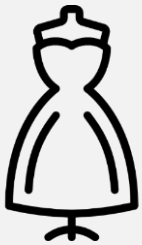
How to Do Good

Operate Sustainably
and Ethically

Do Good as a
Byproduct

Do Good as a
Product

AN EXAMPLE: A DRESS STORE



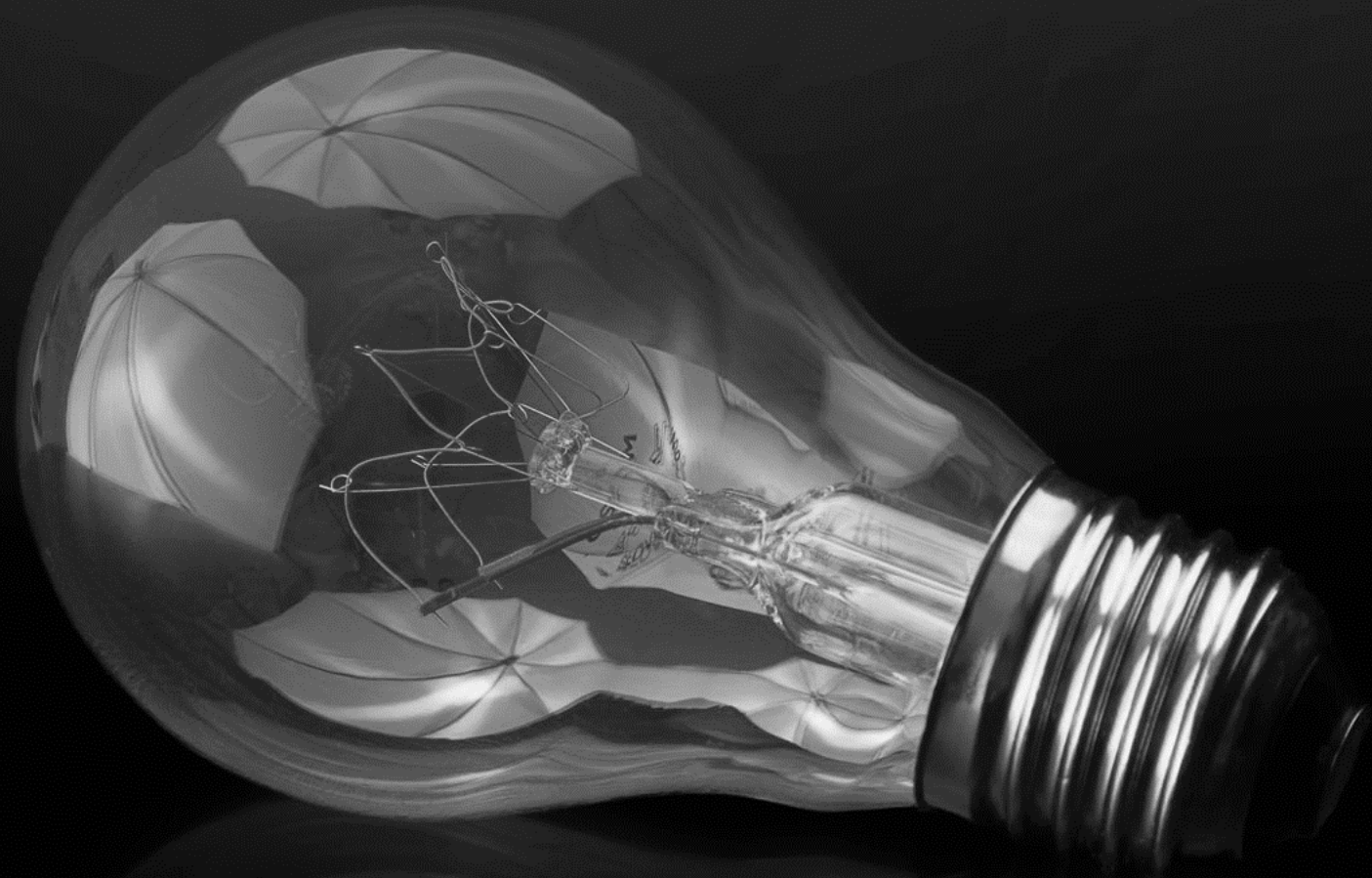
*Create dresses from
sustainable material, fair
employment practices, etc.*



*With the purchase of any
dress, give away one to
someone in need*

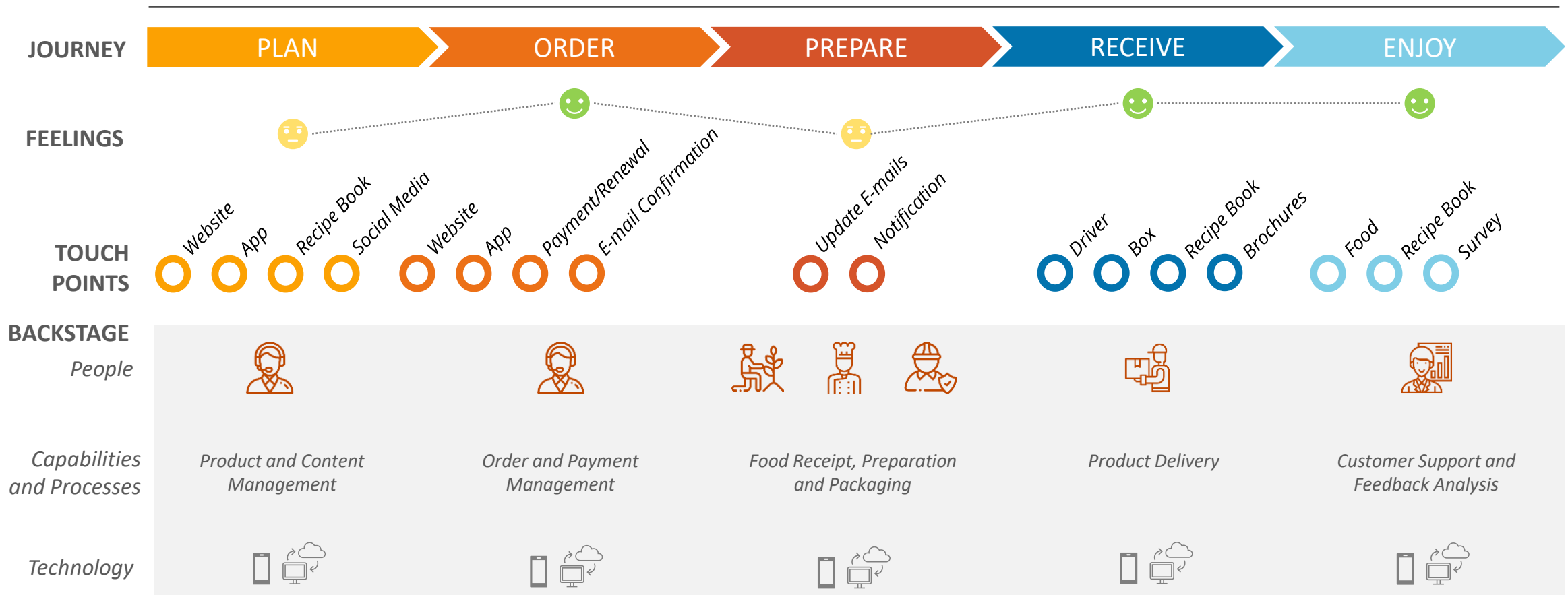


*Create an organization that
matches those who have
dresses to those who
need them*



Which business model pattern is most applicable?
(current or potential business)

The Customer Journey Brings It Together.

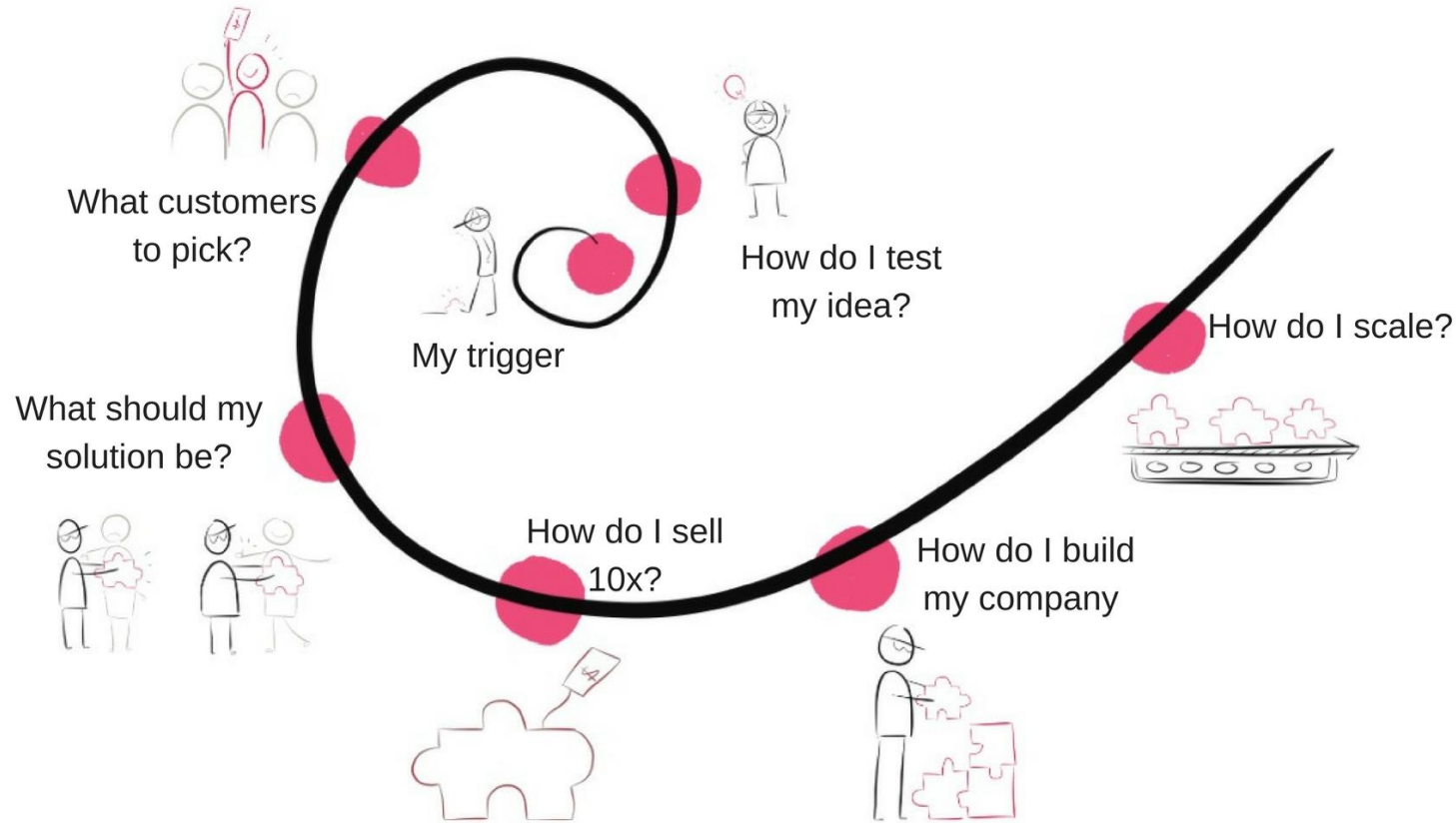


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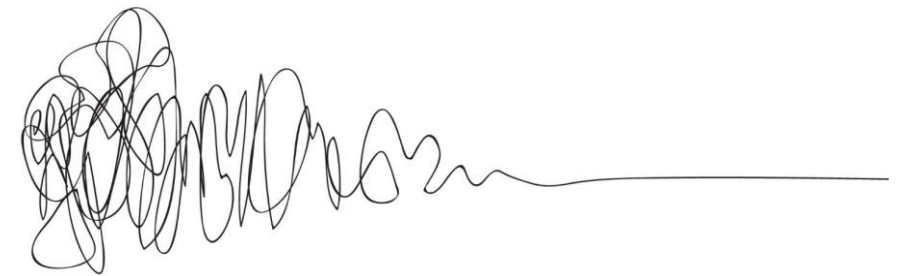


Moving Into Action

Path from Idea to Operation + Scale



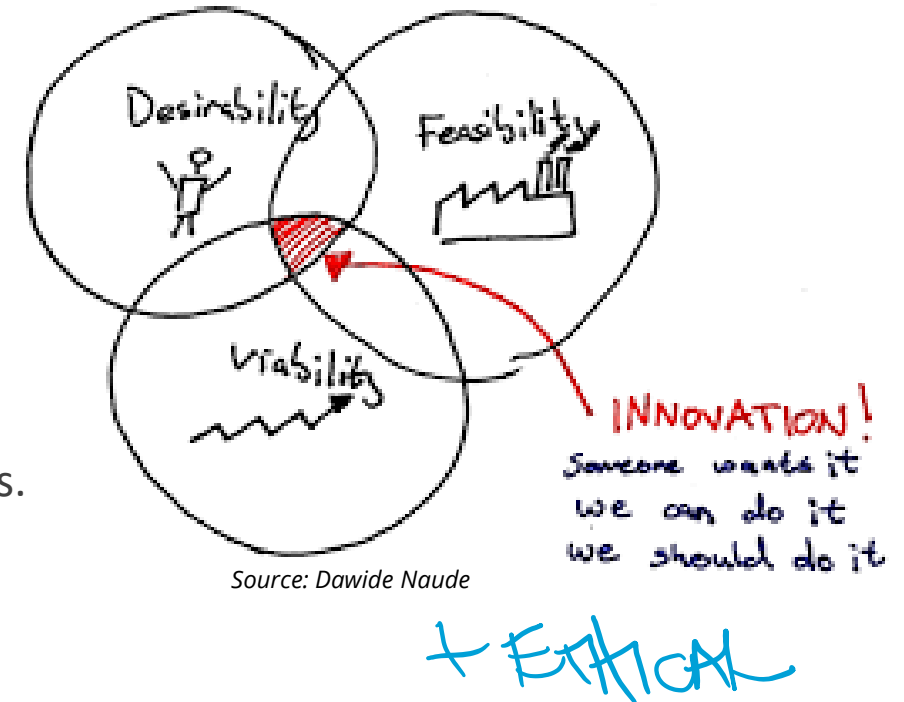
Iterate and innovate continuously...



Source: Denis Oakley

Practical Success Factors

- Create a clear vision and fall in love with your idea.
- Focus on the customer. Relentlessly.
- Create remarkable products and services.
- Design your business with intention.
- Practical matters: remember that you have to make money.
- Remember that it's about doing the thing *and* running the business.
- Keep iterating and innovating. Embrace the mindset and journey.
- Maintain your business blueprint.
- Learn how to execute strategy effectively.
- Do good.



Innovation Nation.

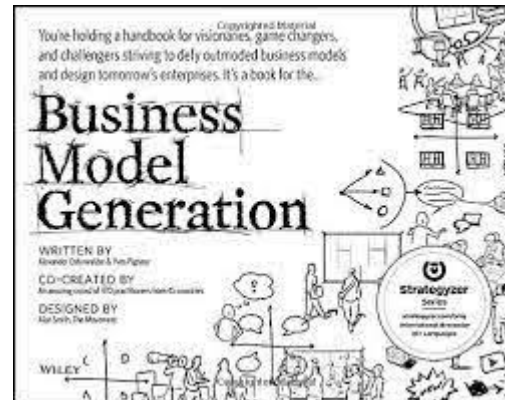


A Few Great Resources

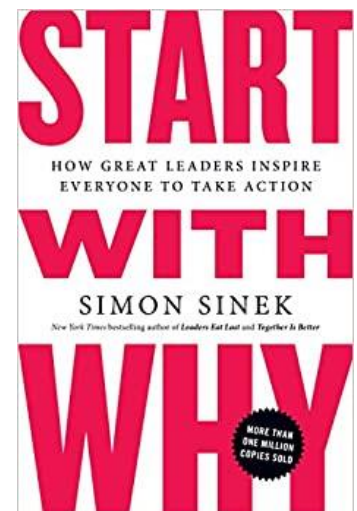
Value Proposition Design



Business Model Generation



Start With Why



Seth Godin (Blog + Books)



Disciplined Entrepreneurship

