

Source Map

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The Business Model

Definition: A **Business Model** is a brief outline of five or so **Elements** of the most german aspects that define a business's: purpose, function, challenges, growth potential and exit strategy. Each Element of a Business Model can be one or two sentences.

Elements of a Business Model

1. What market needs do the product/service satisfy and who will buy it at what price?
2. What will it cost to setup, produce, manage, market and distribute the product/service created and used in what marketplace?
3. What market competition, technology, licensing barriers exist to establish and sustain the business?
4. How much will it cost and how long will it take to finance, start up, produce, manage, market and distribute the product/service?
5. How many potential customers are in the product's market segment and what is the best/worst-case scenario for the product/service's concept life-span?
5. What is the exit strategy and debt-retirement strategy of the business?

Once you have established a Business Philosophy, use it to determine any Business Model's degree of suitability for achieving your Business Goals.