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Project No.: 2014-1-UK01-KA202-001780



DIGA

Learning Programme

xx/xx/xxxx, place / presenter



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DIGA Learning Programme

5 key areas – 5 Modules

1. Enhancing Digital Awareness and Knowledge
2. The role and use of Digital Technologies and their benefits to Business
3. Making Digital Deliver for the start up and small business
4. **Enabling and Supporting the Development of an Entrepreneurial Digital Strategy**
5. Designing Integrated Digital Competence Entrepreneur Support/Programmes



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DIGA Module 4

Enabling and Supporting the Development of an
Entrepreneurial Digital Strategy



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Module 4 - Overview



This module will identify the benefits of an integrated digital strategy in enhancing business performance. It will provide learners with a clear and coherent framework for producing a digital strategy that supports enterprise objectives and stages of business development.

In this way, it seeks to bring together the practical learning to focus upon the creation of a digital strategy. By considering data handling, as well as performance management, this module will focus upon the need for a digital strategy and how to develop it.



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Module 4 - Objectives

On completion of this module ETE will be able to:

- Outline the benefits of an integrated digital strategy in enhancing business performance
- Explain how ICT tools can be used to process consumer, competitor and market information, building concepts and rules, generating and testing hypothesis and thinking creatively
- Articulate the need to develop a digital platform in business, and across business (consistent branding)
- Formulate integrated digital strategies that support entrepreneurs and deliver business benefits
- Identify their own personal learning and development needs in relation to strategy design and evaluation.



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Module 4 - Content

- Digitization in the business world
- ICT tools in the business process
- Developing a digital platform in business and across business
- Integrated Digital Strategies Formulation: Business Model Canvas
- Personal Development Plan





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Independent work from Module 3

- Share your business advice scenarios, your approach and what you could have done differently to promote greater digitization
- What digital tools could you suggest and how would they be useful?





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Digitization in the business world

DIGITIZATION IS REWRITING THE BUSINESS WORLD

Benefits:

- Enhancing interactions among customers, suppliers, stakeholders, and employees.
- Improving management decisions as algorithms crunch big data from social technologies or the Internet of Things.
- Enabling new business or operating models, such as peer-to-peer product innovation or customer service.



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ICT tools in the business process

ICT tools can be used to process consumer, competitor and market information, building concepts and rules, generating and testing hypothesis and thinking creatively.

- New pressure on prices and margins.
- Competitors emerge from unexpected places.
- Winner-takes-all dynamics.
- Plug-and-play business models.
- Software replaces labor in digital businesses.
- Converging global supply and demand.
- Relentlessly evolving business models—at higher velocity.



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Developing a digital platform in business and across business

- Who are the customers?
- How do these customers buy?
- What kind of products and services are offered by the company?
- Can you use the Internet to improve operations or reduce costs?
- Do our competitors operate online?
- Can the business afford to continue to work without digital technologies?



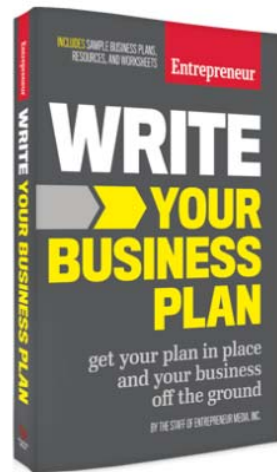
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Integrated Digital Strategies Formulation

Business Model Canvas



BEFORE

Just write your Business
plan and apply it



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Integrated Digital Strategies Formulation

Business Model Canvas

A PAIN OF THE TRADITIONAL BUSINESS PLAN



“Business Plan:
A document
investors make you write that
they don’t read.”

Steve Blank



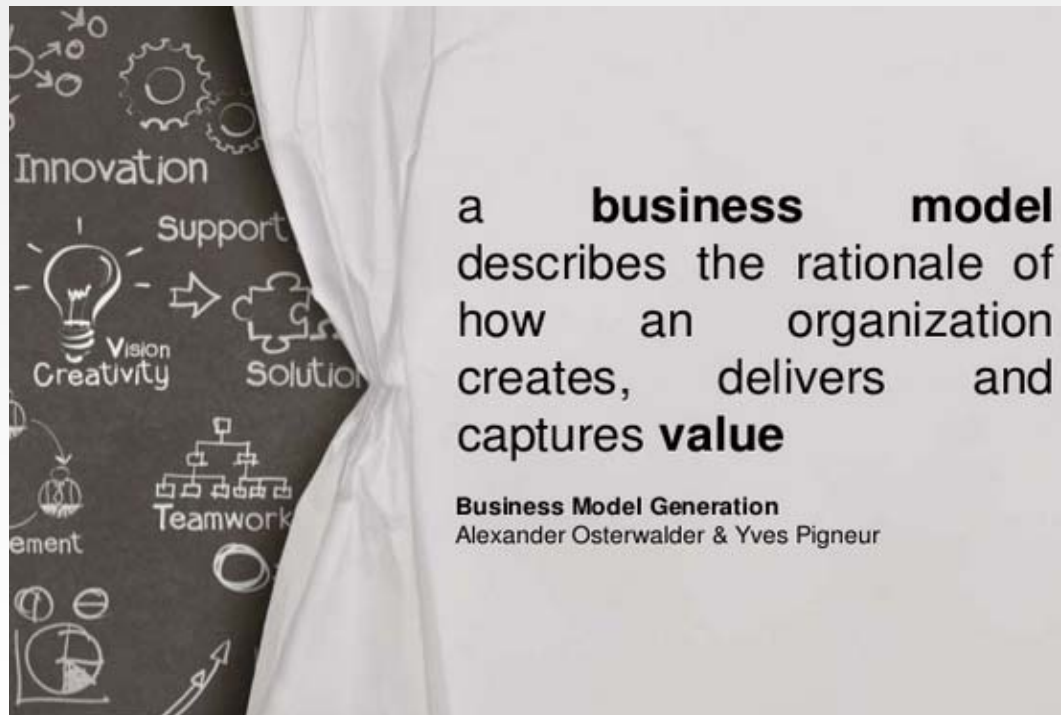
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Integrated Digital Strategies Formulation

Business Model Canvas





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Integrated Digital Strategies Formulation

Business Model Canvas: How?

The Business Model Canvas

Designed for: _____ Designed by: _____ Date: _____ Version: _____

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
HOW			Channels	
		Key Resources		
Cost Structure			Revenue Streams	

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Integrated Digital Strategies Formulation

Business Model Canvas: How?

Key Resources



What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

TYPES OF RESOURCES

Physical

Intellectual (brand patents, copyrights, data)

Human

Financial



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Integrated Digital Strategies Formulation

Business Model Canvas: How?

Key Activities

What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

CATERGORIES

Production
Problem Solving
Platform/Network



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Integrated Digital Strategies Formulation

Business Model Canvas: How?

Key Partners



Who are our Key Partners?
Who are our key suppliers?
Which Key Resources are we acquiring from partners?
Which Key Activities do partners perform?

MOTIVATIONS FOR PARTNERSHIPS

Optimization and economy
Reduction of risk and uncertainty
Acquisition of particular resources and activities



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Integrated Digital Strategies Formulation

Business Model Canvas: How?

Activity 1

Specialization and knowledge of all the factors that influence the business performance.

Objective (for activities 1 to 4):

- To develop a Business Model Canvas by creating one.
- To think about the concepts needed to create the model.



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Integrated Digital Strategies Formulation

Business Model Canvas: How?

Activity 1

- Individually or in small groups, choose a small business – one that you are familiar with or agree on a new business idea – to build a Business Model canvas for.
- First of all, we are going to think about the Key Activities, Key Resources and Key Partners blocks of the business model and apply it to a small business.
 1. Write your ideas about these concepts on post-its and stick them on the model.
 2. What digital technologies do you use in these areas?
 3. How could digital technologies improve your business performance in these areas?



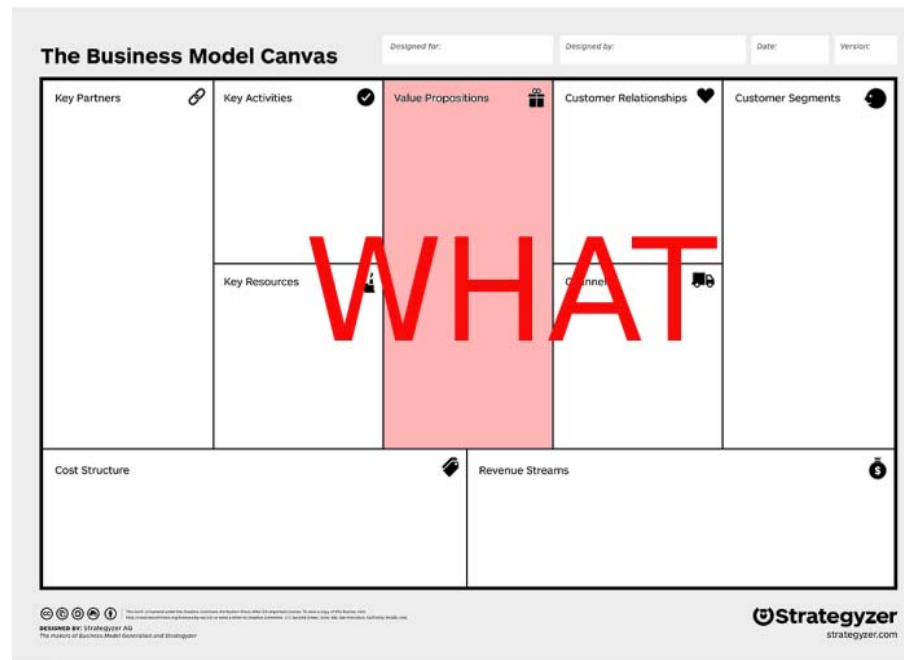
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Integrated Digital Strategies Formulation

Business Model Canvas: What?





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Integrated Digital Strategies Formulation

Business Model Canvas: What?

Value Propositions



What value do we deliver to the customer?
Which one of our customer's problems are we helping to solve?
What bundles of products and services are we offering to each Customer Segment?
Which customer needs are we satisfying?

CHARACTERISTICS

Newness
Performance
Customization
"Getting the Job Done"
Design
Brand/Status
Price
Cost Reduction
Risk Reduction
Accessibility
Convenience/Usability



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Integrated Digital Strategies Formulation

Business Model Canvas: What?

Customer Segments



For whom are we creating value?
Who are our most important customers?

Mass Market
Niche Market
Segmented
Diversified
Multi-sided Platform



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Integrated Digital Strategies Formulation

Business Model Canvas: What?

Activity 2

Understanding the requirements of potential customers and shaping the value proposition.

- We are going to think about the Value Proposition and Customer Segment blocks of the business model.
 1. Write your ideas about these concepts on post-its and stick them on the model.
 2. What digital technologies do you use in these areas?
 3. How could digital technologies improve your business performance in these areas?



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Integrated Digital Strategies Formulation

Business Model Canvas: Who?

The Business Model Canvas						Designed for: _____	Designed by: _____	Date: _____	Version: _____			
Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments		<h1>WHO</h1>						
	Key Resources		Channels									
Cost Structure		Revenue Streams										
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<small>DESIGNED BY: Strategyzer AG The Business Model Canvas (BMC) Generation and Strategizer</small>										 strategyzer.com		



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Integrated Digital Strategies Formulation

Business Model Canvas: Who?

Customer Segments



For whom are we creating value?
Who are our most important customers?

Mass Market
Niche Market
Segmented
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Integrated Digital Strategies Formulation

Business Model Canvas: Who?

Channels



Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?
How are our Channels integrated?
Which ones work best?
Which ones are most cost-efficient?
How are we integrating them with customer routines?

CHANNEL PHASES

- 1. Awareness**
How do we raise awareness about our company's products and services?
- 2. Evaluation**
How do we help customers evaluate our organization's Value Proposition?
- 3. Purchase**
How do we allow customers to purchase specific products and services?
- 4. Delivery**
How do we deliver a Value Proposition to customers?
- 5. After sales**
How do we provide post-purchase customer support?



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Integrated Digital Strategies Formulation

Business Model Canvas: Who?

Customer Relationships

What type of relationship does each of our Customer Segments expect us to establish and maintain with them?

Which ones have we established?

How are they integrated with the rest of our business model?

How costly are they?

EXAMPLES

Personal assistance
Dedicated Personal Assistance
Self-Service
Automated Services
Communities
Co-creation



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Integrated Digital Strategies Formulation

Business Model Canvas: Who?

Activity 3

To identify the specific needs of customers and the necessary applications for a successful relationship.

- We are going to think about the Channels and Customer Relationship blocks of the business model.
 1. Write your ideas about these concepts on post-its and stick them on the model.
 2. What digital technologies do you use in these areas?
 3. How could digital technologies improve your business performance in these areas?



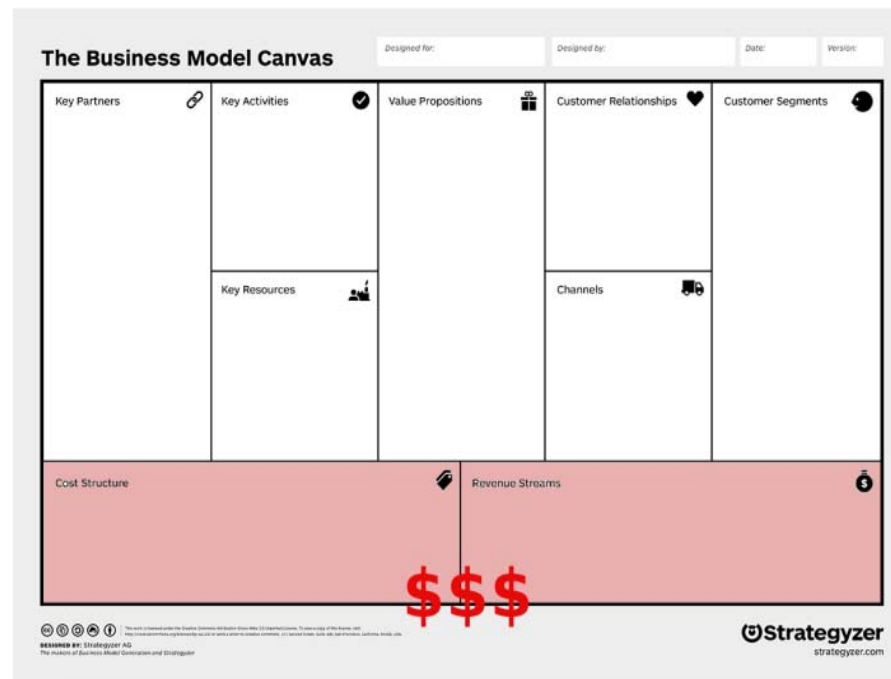
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Integrated Digital Strategies Formulation

Business Model Canvas: Benefits





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Business Model Canvas: Benefits

Cost Structure

What are the most important costs inherent in our business model?

Which Key Resources are most expensive?

Which Key Activities are most expensive?

IS YOUR BUSINESS MORE

Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)

Value Driven (focused on value creation, premium value proposition)

SAMPLE CHARACTERISTICS

Fixed Costs (salaries, rents, utilities)

Variable costs

Economies of scale

Economies of scope



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Business Model Canvas: Benefits

Revenue Streams

For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each Revenue Stream contribute to overall revenues?

TYPES

Asset sale
Usage fee
Subscription Fees
Lending/Renting/Leasing
Licensing
Brokerage fees
Advertising

FIXED PRICING

List Price
Product feature dependent
Customer segment
dependent
Volume dependent

DYNAMIC PRICING

Negotiation (bargaining)
Yield Management
Real-time-Market



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Integrated Digital Strategies Formulation

Business Model Canvas: Benefits

Activity 4

Evaluation of revenue and costs and how they contribute to business success.

We are going to think about the Cost Structure and Revenue Streams blocks.

1. Write your ideas about these concepts on post-its and stick them on the model.
2. What digital technologies do you use in these areas?
3. How could digital technologies improve your business performance in these areas?



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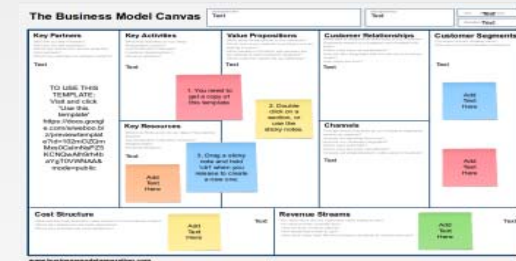
Activity 5

Share our Business Model Canvas with others.

- 1) Open your Google Drive account.
- 2) Go to the page

<https://drive.google.com/previewtemplate%3Fid%3D102mOZQmMxs0CsImNsPZ5KCNQwAlh9rh4baYgTOVWNAA?ddrp=1#>

- 3) Push “use this template”
- 4) This is going to create a copy on your Google Drive that can be shared.





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Business Model Canvas

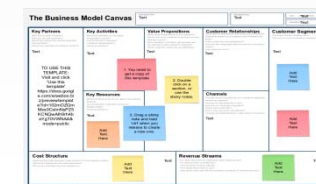
Activity 5

The Business Model Canvas

Designed by: Text
Created by: Text
Iteration: Text

<p>Key Partners Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p>Text</p> <p>TO USE THIS TEMPLATE: Visit and click "Use this template" https://docs.google.com/a/weboobiz/previewtemplate?id=102mOZQmMxs0CslmNsPZ5KCNQwAih9rh4baYgT0VWNAA&mode=public</p>	<p>Key Activities What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p>Text</p> <p>1. You need to get a copy of this template</p>	<p>Value Propositions What value do we deliver to the customer? What problem do we solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p>Text</p> <p>2. Double click on a section, or use the sticky notes.</p>	<p>Customer Relationships Through which Channels do our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p>Text</p>	<p>Customer Segments For whom are we creating value? Who are our most important customers?</p> <p>Text</p> <p>Add Text Here</p>
<p>Key Resources What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p>Text</p> <p>Add Text Here</p>	<p>Channels Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p> <p>Text</p> <p>Add Text Here</p>	<p>Cost Structure What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p>Text</p> <p>Add Text Here</p>	<p>Revenue Streams For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p>Text</p> <p>Add Text Here</p>	<p>Text</p> <p>Add Text Here</p>

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Integrated Digital Strategies Formulation

Business Model Canvas

Case Study

Analysis of the Amazon Business Model.

You can see it in:

<http://www.digitalbusinessmodelguru.com/2013/07/analysis-of-amazon-business-model.html>



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Integrated Digital Strategies Formulation

Business Model Canvas

Activity 6 a

Evaluate your Business Model Canvas and your use of digital technologies in each of the 9 blocks of the business model.

- List all the advantages that applying this model to a small business provides.



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Integrated Digital Strategies Formulation

Business Model Canvas

Activity 6 a

- Consider how digital technologies are used across the different blocks of the Business Model Canvas – do they
 1. Enhance interactions with customers, suppliers, stakeholders and employees? How?
 2. Improve the quality of management decisions?
 3. Provide access to greater, more accurate, up to date information?
 4. Enable new ways of working?



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Integrated Digital Strategies Formulation

Business Model Canvas

Activity 6 b

- Prepare an integrated digital strategy and action plan for the small business:

Aim - describe how you want to improve business performance, for example, by increasing sales income.

Objective – describe how you expect to achieve this aim, for example, by reaching a greater number of potential customers; building stronger relationships with existing customers

Digital activities – what digital activities and tools can be adopted and applied to help achieve this? What are the advantages and disadvantages of the different tools? What is your preferred way forward?

Actions – what do you need to do? Buy software? Learn new skills? Undertake training? Get expert advice?

When does this need to be done? Who is responsible for this action?

Business Model Canvas – which aspects of the business model do these objectives and activities relate too? Are there any gaps? Why? Can they be filled?



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Best Practices

Business Model Canvas Intro & Best Practices

<https://speakerdeck.com/ideasenabled/business-model-canvas-intro-and-best-practices>

Business Model Canvas, Innovation, and Lean Startup Best Practices in Large Organizations: Peer Group Meeting Feb 10

<http://blog.strategyzer.com/posts/2015/1/9/business-model-canvas-and-leanstartup-in-large-organizations>

5 Best Practices for Small Business Data Collection

<https://www.gocanvas.com/content/blog/post/5-best-practices-for-small-business-data-collection>



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Independent work

Having analyzed your completed Business Model Canvas:

1. Identify 5 digital skills necessary for the success of the business
2. Suggest how an entrepreneur can acquire these skills

We will discuss this at the beginning of Module 5.





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Personal Development Plan

When considering your Personal Development Plan, think about:

- the status of your competitors and if they use digital strategies.
- assessing your own capacity to see if your company is better than your competitors or not, and if you need digital strategies.

GOOGLE

Observe the strategies of your competitors, copy and adapt, and create new strategies.

Thank you

Any Questions?



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