

**The Core Components of a Business Model---Michael H. Morris, Ph.D., University of Florida**

<p><b>Component one:</b>  <u>How do we create value?</u> (select 1 from each set) <span style="float: right;"><i>(factors related to the offering)</i></span></p> <ul style="list-style-type: none"> <li>• offering: primarily products/primarily services/heavy mix</li> <li>• offering: standardized/some customization/high customization</li> <li>• offering: broad line/medium breadth/narrow line</li> <li>• offering: deep lines/medium depth/shallow lines</li> <li>• offering: access to product/ product itself/ product bundled with other firm's product/service</li> <li>• offering: internal manufacturing or service delivery/ outsourcing/ licensing/ reselling/ value added reselling (make clear what will be outsourced and what will be done internally)</li> <li>• offering: direct distribution/indirect distribution (if indirect: single or multi-channel)</li> </ul>	
<p><b>Component two:</b>  <u>Who do we create value for?</u> (select 1 from each set) <span style="float: right;"><i>(market factors)</i></span></p> <ul style="list-style-type: none"> <li>• type of organization: b-to-b/b-to-c/ both/other</li> <li>• local/regional/national/international</li> <li>• where customer is in value chain: upstream supplier/ downstream supplier/ government/ institutional/ wholesaler/ retailer/ service provider/ final consumer</li> <li>• broad or general market/niche market</li> <li>• transactional/relational</li> </ul>	
<p><b>Component three:</b>  <u>What is our source of competence/advantage?</u> (select 1 or more) <span style="float: right;"><i>(internal capability factors)</i></span></p> <ul style="list-style-type: none"> <li>• production/operating systems</li> <li>• selling/marketing</li> <li>• information management/mining/info. packaging</li> <li>• technology/R&amp;D/creative or innovative capability/intellectual</li> <li>• financial transactions/arbitrage</li> <li>• supply chain management</li> <li>• networking/resource leveraging</li> </ul>	
<p><b>Component four:</b>  <u>How do we differentiate ourselves?</u> (select 1 or more) <span style="float: right;"><i>(competitive strategy factors)</i></span></p> <ul style="list-style-type: none"> <li>• image of operational excellence/consistency/dependability</li> <li>• product or service quality/selection/features/availability</li> <li>• innovation leadership</li> <li>• low cost/efficiency</li> <li>• intimate customer relationship/experience</li> </ul>	
<p><b>Component five:</b>  <u>How do we make money?</u> (decide for each set) <span style="float: right;"><i>(economic factors)</i></span></p> <ul style="list-style-type: none"> <li>• revenue sources: single or multiple and how do you charge</li> <li>• operating leverage: high/med/low</li> <li>• volumes: high/med/low</li> <li>• margins: high/med/low</li> </ul>	
<p><b>Component six:</b>  <u>What are our time, scope and size ambitions?</u> (select 1) <span style="float: right;"><i>(personal/investor factors)</i></span></p> <ul style="list-style-type: none"> <li>• subsistence model</li> <li>• income model</li> <li>• growth model</li> <li>• speculative model</li> </ul>	