

Exercise Business Model and Value Chains

Objectives:

- Understand the Business Model of a Software Product.
- Understand Value Chain Analysis and Software Supply Networks.
- Be able to Analyze the Business Case of a small Product Company.

You are a software product manager that is responsible for a product in a start-up company.

- Your real-world product
- A tentative product that is interesting enough for you to bring it to the market

Tasks:

1. Define the business model of your product.
 - What are the names and types of your goods and services?
 - Business model archetype: what kind of company are you?
 - What is your revenue model for your goods and services? Define for each revenue stream: compensator, effect, causality, rating and charging model, pricing, and timing.
2. Define the value chain for your product with the software supply network (SSN) approach. Base the value chain on your business model.
 - Define the product context: what do you provide to your customers in terms of design, components, assemblies, system or services? What do you need from your suppliers?
 - Define the software supply network (SSN):
 - i. Which customers do you serve? How do you serve them?
 - ii. Which suppliers do you need? How do they serve you?
3. Define an e3value model with your company in the middle. Base your e3value model on the software supply network.
 - Which customers do you serve? What are the value exchanges with your customers?
 - Which suppliers do you need? What are the value exchanges with your suppliers?
4. Perform an economic analysis of your product over the next 3-5 years.
 - Quantitatively evaluate your e3value model
 - Provide a tabular overview of your product economics.
 - Assess your needs for investments, the break-even point, return of investment that can be achieved, and the scalability of your business.
 - Reflect on how you can improve the attractiveness of your business. Redefine the value chain if necessary.
5. Reflect on:
 - Compare the SSN with the e3value approach? What are the differences, what are the similarities? How do you recommend to define the value chain of a software product?