Business aspects

ÅA/IT project course 6.11.2026


March: Business plan document
March: ICT Showroom
Dec: Business pitch
Nov: Pitching school
START

Business aspects - deliverables

- Business pitch **in December** @Boost Turku
  - The audience and panel should leave wanting to buy/use it

- Business plan DL **in March 2026**
  - Hand in complete, polished business plan document

Technical aspects vs Business aspects

- Technical presentations might focus on *architecture, integrations, features*

- Business presentations will focus on *the value of the solution*
  - Which problem are we solving?
  - Who experiences the problem?
  - Why the proposed solution is worth adopting or paying for?

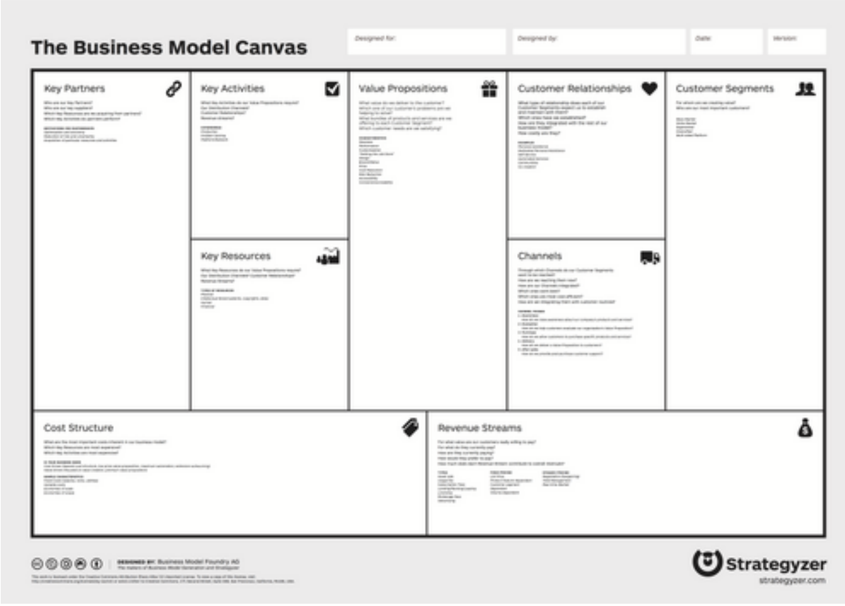
Business plan vs the Pitch?

- The pitch and the business plan = same story, different purpose
- Pitch aims to **convince**, the audience and panel should believe that your idea is good
  - … and that it somehow adds *value* – your value proposition
- Business plan aims to **substantiate**, prove to the reader that you can do this
  - Longer, carefully crafted more *formal document*
    - Professional layout and language
    - Detailed text and numbers
    - How will we make it work - *how will we put it into practice?*

The Business Canvas - a tool to help you with the deliverables

- The Canvas is used for *drafting, testing, exploring* business model ideas and components of your business model
  - Use this as foundation for both your business pitch and your business plan
  - How will our business work - *how will we create and deliver value?*
  - We have an interesting IT solution. But do we actually have a business?

  - The Canvas helps you direct attention to many different aspects of your *business model*



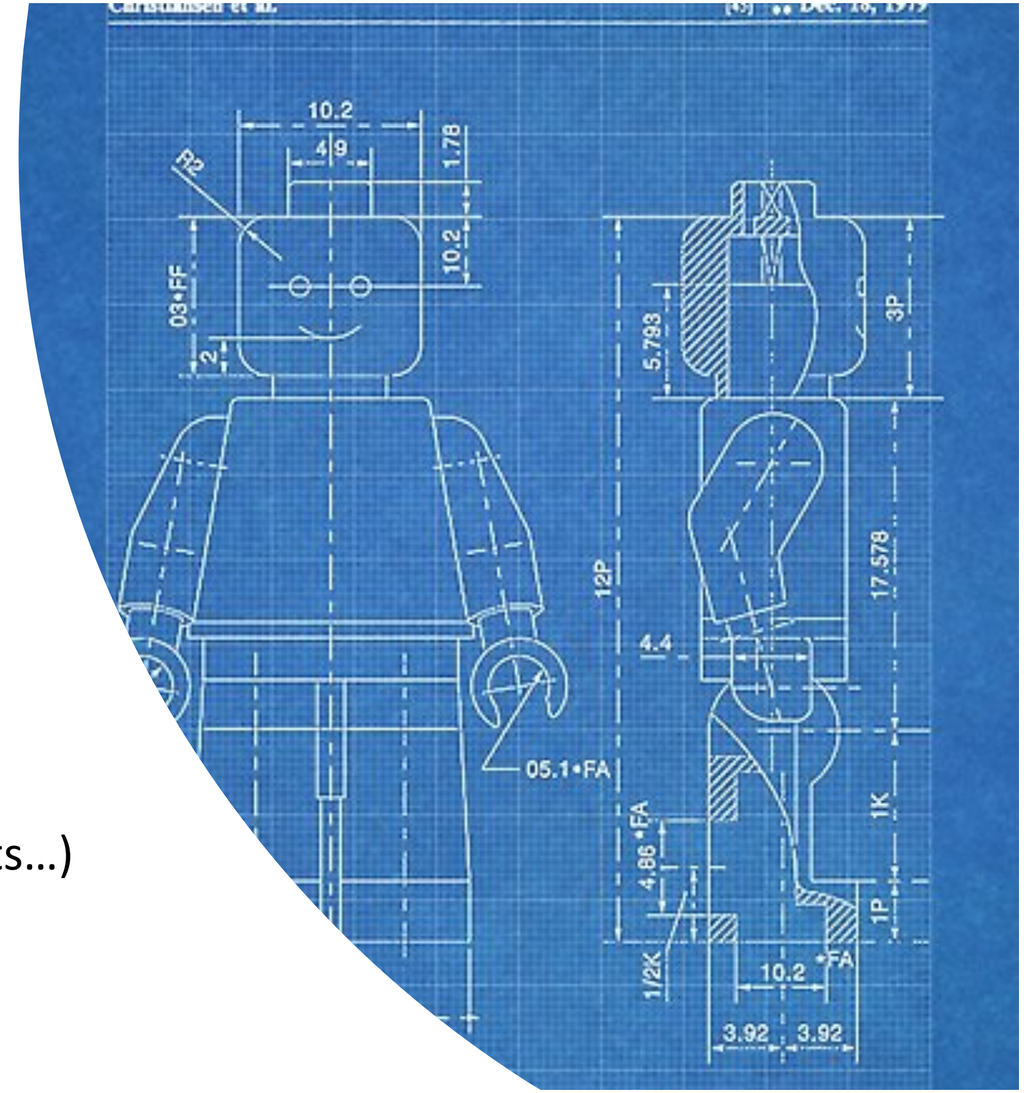
Why a business plan?

- Blueprint / roadmap

- A CV/resumé for your company

- To get and stay organized

- Communication
  - Professionals (attorneys, accountants…)
  - Potential partners
  - Sales
  - Family



How?

- *Write in language that the reader will understand*
  - If you are an engineer, be mindful of technical terms
  - If you are a business person, be mindful of business lingo
  - Etc.
- Forward-looking – 1 to 3 years
- Be specific
  - Measurable milestones, performance expectations etc.

The business plan document – suggested outline (also check templates and guidance provided on Abacus!)

1. Executive summary
2. Company profile
   - Who we are, team skills and strengths
   - Location and [legal form]
3. Market analysis
   - Customer analysis
   - Industry analysis
   - Competitive analysis

…continued

The business plan document

4. Products and marketing
5. Operational processes and milestones
   - What will you be doing / achieving in next 1-3 years
   - Management and staff
6. Finances
   - Revenue model – how do you make money
7. Appendices

Useful e-books in ÅA library catalogue

- Grit (2016): Making a business plan. https://abo.finna.fi/Record/abo_electronic_aa.991353824060597 2
- Craft (2020): Business Plans Handbook, vol 47. https://abo.finna.fi/Record/abo_electronic_aa.991350515990597 2
- Ekanem (2017): Writing a business plan. A practical guide. https://abo.finna.fi/Record/abo_electronic_aa.991353278680597 2
- Osterwalder et al. (2010): Business Model Generation - a handbook for visionaries, game changers and challengers. [the CANVAS book!] https://abo.finna.fi/Record/abo_electronic_aa.991346793290597 2?sid=3320515062

Start working on business aspects with *The Business Model Canvas*

- A visual tool
- Helps you bring thoughts out of your head and on paper
  - Identify your assumptions and investigate them!
- Helps you reach a shared understanding within your group
- Helps you communicate your project to others
- Outlines the main building blocks of your business model (=how you intend to make money)

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

Social & Environmental Cost	Social & Environmental Benefit
	

How to use the Canvas

- Best when done as a group exercise
- Use white board or large paper + post it-notes (or use an online canvas)
- Start by brainstorming, worry about “where it goes” later
- Not a one-time-job; return to your canvas several times during the project, revise, change, switch things around… as your project and understanding develops

- For ideas how to discuss the different blocks:
- https://www.alexandercowan.com/business-model-canvas-templates/

Get started with the Canvas!

- Right half of canvas - customer facing
- Left half of canvas - what you need to provide the right half

- Start with *Value proposition* and *Customer segments*
- Continue with *Channels, Customer relationships* and *Revenue streams*

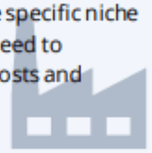
Key Partners

Identify your company's key partners. This can consist of important suppliers in your supply chain. What **key resources** does the company receive from these partners? What **key activities** are performed by these partners? Think about why your company works with these key partners and the motivations behind them.



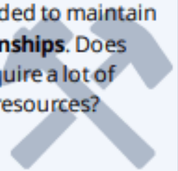
Key Activities

What specific key activities are necessary to deliver your **value proposition**? What activities set your company apart from others? Consider how your company's unique differences in its **revenue streams**, distribution **channels**, or **customer relationships**. Do you need to procure specific niche resources? Do you need to streamline to keep costs and prices low?



Key Resources

What specific key resources or assets are necessary to deliver your **value proposition**? Consider what resources your distribution **channels** and **revenue streams** may require to function. Additionally, think about what resources are needed to maintain **customer relationships**. Does your company require a lot of capital or human resources?



Value Propositions

Identify the core value the company provides to customers. What exactly is the company trying to give to customers? What problem is your company trying to solve and what needs are your company satisfying? How do you offer something different that satisfies the demands of your **customer segments** (e.g. price, quality, design, status)?

1



Customer Relationships

What type of relationship do you have with your customers? How do you interact with customers and how does this differ amongst **customer segments**? Do you communicate frequently with your customers? How much support does your company provide?

2



Channels

How do you deliver your **value proposition**? How do you reach your **customer segments**? What channels are used? Consider your supply, distribution, marketing, and communication channels. Are they well-integrated and cost efficient? Are they utilized effectively?

2



Customer Segments

Identify who is your **value proposition** targets. Who are you creating value for? Who are your most important customers? What are they like? What do they need? What do they enjoy? What is the customer market like? Are you targeting a small niche community or a mass market?

1



Cost Structure

Identify the key costs in your company's business model. What are the major drivers of costs? How do your **key activities** and **key resources** contribute to the cost structure? How do your costs relate to your **revenue streams**? Are you properly utilizing economies of scale? What proportion of costs are fixed and variable? Is your company focused on cost optimization or value?



Revenue Streams

Identify the ways your **value proposition** generates money for your business. Does your company have multiple methods of generating revenue? What is the pricing strategy for the products offered by your company? Through what channels do your customers pay? Does your company offer multiple forms of payment?

2



The Lean Canvas

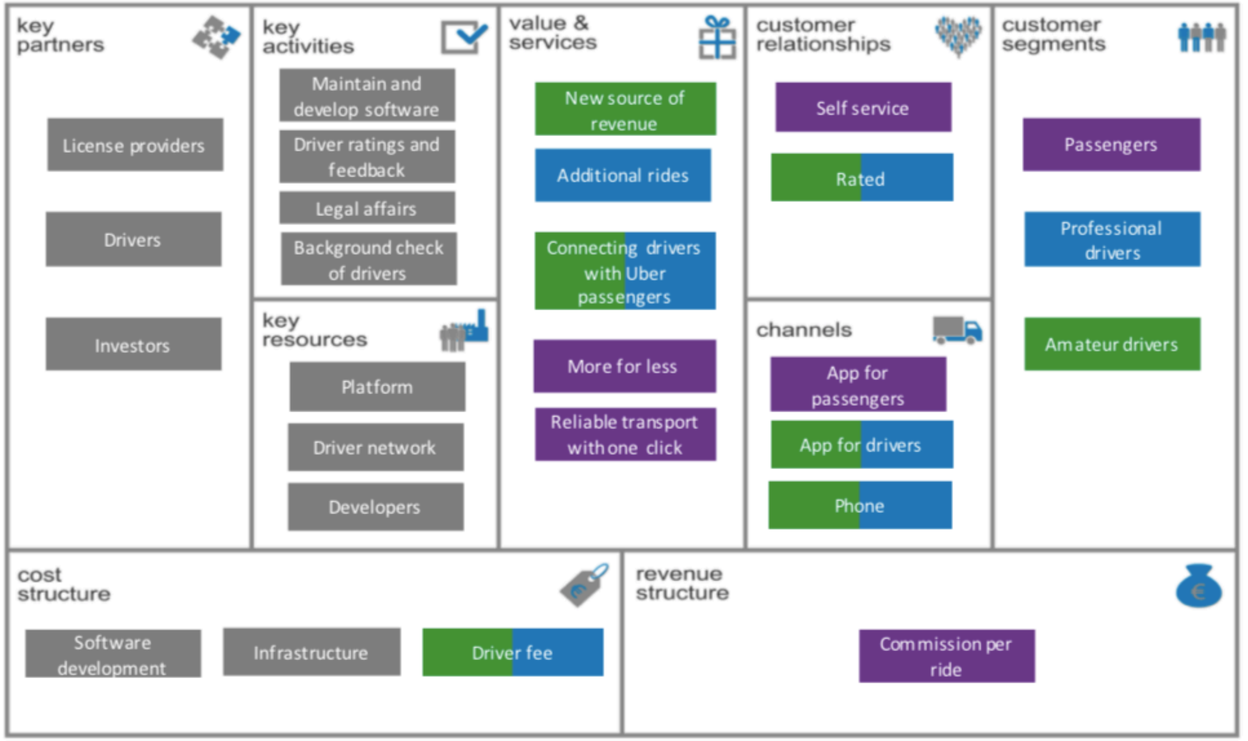


Lean Canvas is adapted from Business Model Canvas and is licensed under the Creative Commons Attribution-Share Alike 3.0 Un-ported License.

Example canvases (slides 14-23)

business model canvas

name Uber



date _____

Business Model Canvas from Strategyzer.com. The Business Model Canvas is licensed under the Creative Commons Attributon-Share Alike 3.0 Unported License.

BUSINESS MAKEOVER

NETFLIX BUSINESS MODEL

GARYFOX.CO

KEY PARTNERS

- Investors
- Media Producers
- Film Maker Guilds
- Cinemas, Theaters
- TV Networks
- Amazon AWS
- Consumer Electronic Companies
- Regulators

KEY ACTIVITIES

- Technology R&D
- Content licensing
- Content production
- Content distribution
- Data anlaytics
- Sales and marketing

KEY RESOURCES

- Brand
- Apps/website
- Platform
- Employees
- Film Makers/Producers
- Prizes/Awards

VALUE PROPOSITIONS

- 24/7 On Demand Entertainment
- View high-definition shows and movies
- Stream content
- Unlimited access
- Netflix Orginal
- 30 Day free trial
- No commercials

CUSTOMER RELATIONSHIPS

- Self service
- On-demand
- Ease of use

CHANNELS

- Any Device
- Netflix App
- Word of mouth
- Online advertising
- Offline advertising
- Social Media

CUSTOMER SEGMENTS

Micro-segmentation

- 2000 preference clusters

Usage

- usage segmentation

Geographical

- content/languages

COST STRUCTURE

- Production
- Research and Development
- Licensing
- Infrastructure - AWS
- Marketing
- Payment Processing Fees
- General/Admin

REVENUE STREAMS

- Subscription Model
- Product Placement
- DVD Rental
- Future Model - licensing Netflix owned content

Netflix Business Model: www.garyfox.co/netflix-business-model/

GARYFOX.CO

AIRBNB BUSINESS MODEL

NOW GO INNOVATE GARYFOX.CO

KEY PARTNERS

- Hosts
- Hotels
- Experience providers
- Corporate travel partners
- Travel managers
- Investors/ Venture Capitalists
- Lobbyists
- Photographers
- Maps
- Cloud hosting - AWS

KEY ACTIVITIES

- Platform and technology development
- Sales and marketing
- Maintaining trust and brand reputation
- Customer service/ experiences
- Partner management

KEY RESOURCES

- Airbn platform and mobile app
- Platform architecture
- Patents
- Brand
- Employees

VALUE PROPOSITIONS

HOSTS
- Income generation
- Ease of listing
- Calendar, booking system
- Access to photographers

GUESTS
- Low cost accoimodation
- Variety of choices/ locations
- Variety of prices/budgets
- Unique options

HOTELS
- Access to guests
- Booking system

EXPERIENCE PROVIDERS
- Income from guests
- Platform/system

CUSTOMER RELATIONSHIPS

- Self-service
- Own the relationship
- Trust through verification
- Tailored
- Manage bad behaviour and risks

CHANNELS

- Digital ad campaigns
- Social media
- Word of mouth
- PR - media coverage
- App store

CUSTOMER SEGMENTS

GUESTS
- business travel guests
- leisure travel guests

HOSTS
- Room unit/condo/house
- House owners

* Country/city/suburban/ city

EXPERIENCE PROVIDERS
- Specialists

* Tour companies

PHOTOGRAPHERS
- Freelance photographers

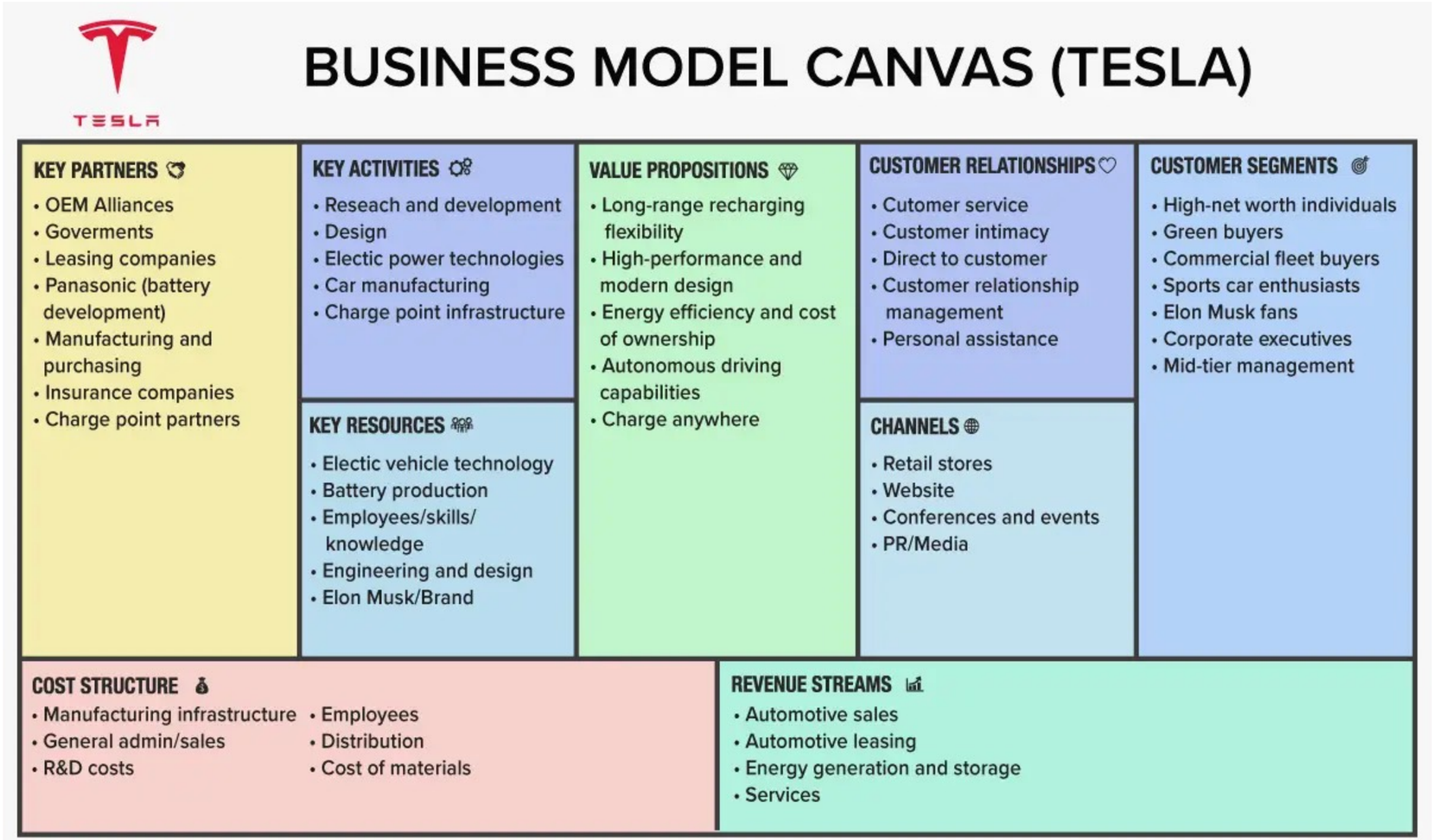
HOTELS
- Independent hotels
- Hotel groups

COST STRUCTURE

- Cost of acquisition
- Weighted average cost of capital
- R&D platform
- Payment processing
- Payroll/contractors
- Infrastructure
- Legal/insurance
- Lobbying/PR
- Customer support

REVENUE STREAMS

- Service fee per transaction
- Hosts commission charge
- Hotel commission charge
- Experience commission charge



https://www.garyfox.co/tesla-business-model/

GARYFOX.CO

Automotive

Key Partners

-other automotive firms that we can partner with and share engineering technology and can help lower R&D costs

-key raw materials and manufacturing equipment suppliers that help us utilize economies of scale and automation

-automobile dealerships that stock our cars and act as a primary channel with customers

Key Activities

-extensive safety testing to ensure reputation and safety of drivers

-automation and streamlining to lower costs and prices for customers

-R&D to increase drive quality and improve gas mileage

Key Resources

-human capital in engineers for R&D

-capital resources in manufacturing equipment

-raw materials (steel, rubber, plastic, aluminum, etc.)

-trade/car show timeslots and panels to market vehicles

Value Propositions

To provide affordable and stylish cars with great efficiency and safety to everyday people who need to travel or commute often.

Customer Relationships

-excellent customer and maintenance services

-dealerships that are customer-focused to help with vehicle inquiries and purchases

-customer service call center for quick inquiries and maintenance appointments

Channels

-global distribution channels with our key partners

-paid advertisement on multiple media channels as well as influencer advertisement

-car shows

-dealerships for automotive sales

Customer Segments

-customers looking for an affordable vehicle with great fuel efficiency

-customers looking for stylish vehicles with good performance

-customers concerned with automobile safety

-primarily middle-class families who need a four-door sedan for everyday use

-mass market

Cost Structure

-primary costs are relating to R&D to innovate in fuel efficiency metrics, car specifications, and features as well manufacturing costs from raw materials

-secondary costs arise from marketing on multiple platforms as well as continuous automation of manufacturing processes

-sourcing through key partners allows us to save on raw materials costs and our large scale of production and mass-market customer segment allows us to utilize economies of scale

Revenue Streams

-primary revenue stream comes from sale of vehicles

-secondary revenue streams include maintenance and specialized vehicle modifications and parts

-customers can pay up-front or through financing

Amazon

Key Partners

-shipping companies such as UPS, FedEx, and DHL which provide shipping services for Amazon's fulfillment process to ensure timely arrival of products

-major retail companies such as Nike, Best Buy, and Calvin Klein who want to increase their sales by selling on Amazon, consequently increasing Amazon's market presence as well

Key Activities

-quick fulfillment processes

-just-in-time delivery and shipping systems allowing for Amazon Prime to deliver orders within 1-2 days

-R&D to streamline and improve efficiency of fulfillment centers and other projects (e.g. Amazon Grab & Go stores) to lower costs

Key Resources

-shipping services

-warehouses and fulfillment centers

-servers for AWS and cloud services

Value Propositions

Ecommerce:
To provide an online shopping platform that offers and quickly delivers any item, to any person, anywhere, at any time.

Amazon Web Services:
To provide cloud services, infrastructure, and data storage to business clients in an agile, flexible, scalable, and secure form.

Customer Relationships

-best-in-class fulfillment systems allowing customers to receive their orders within 1-2 days

-"customer first" service mindset regardless of customer segment

-online/phone communication channels and built-in support channels on Amazon hardware

Channels

-global distribution channels through shipping partners and fully streamlined fulfillment centers

-enormous online marketing and advertising platforms

-fulfillment for other retailers indirectly advertises Amazon

-online/phone customer service

Customer Segments

Business Clients:
-operate as retailers on Amazon's websites

-require cloud services and infrastructure

-advertise on Amazon

Retail Clients:
-purchase products listed on Amazon

-purchase Amazon's subscription services (Prime)

Cost Structure

-cost-optimization strategy

-well scaled and efficient fulfillment center and process allows for optimized costs

-large investment and fixed costs from expanding Amazon Prime to international markets and building new fulfillment centers – capital investment is a key strategy for Amazon

-comparatively lower costs for managing and upkeeping AWS servers

-variable costs from stocking products that are 'fulfilled' (sold) by Amazon

Revenue Streams

-low margin revenue streams from retail ecommerce sales and fulfillment

-ecommerce and fulfillment are low-margin due to costs related to warehousing and upkeeping fulfillment centers

-high margin revenue streams from AWS, advertising, and subscription services

-low upkeep and variable costs allow AWS, advertising, and subscription services to be the primary profit driver for Amazon, despite being a significantly smaller revenue stream

[thefacebook]

2004

PROBLEM

- Harvard university's online network is very limited in functionality and not fun
- Students want a solution to communicate online

SOLUTION

Online communication for Harvard students with the possibility to connect with friends (share photos, interests), chat and other stuff

UNIQUE VALUE PROPOSITION

Harvard students-oriented communication platform (then other colleges)

UNFAIR ADVANTAGE

- Person to person interaction
- Friends' activities push other friends to use the network
- Invention of a new website type - social network with social features

CUSTOMER SEGMENTS

- College students
- Students of other colleges and universities

EXISTING ALTERNATIVES

- MySpace
- Hi5
- Friendster

KEY METRICS

DAU/MAU
North star metric

HIGH-LEVEL CONCEPT

Friendster for college students

CHANNELS

Referral among Harvard students society
- Cross-friends of Harvard students in other colleges

EARLY ADOPTERS

Harvard university students

COST STRUCTURE

Hosting
Development
Payroll

REVENUE STREAMS

- Investment
- Advertising revenue

amazon

1994

PROBLEM

- Lack of online bookstores
- Hard to select books in offline stores (no rating, recommendations, hard to find a book, etc.)

SOLUTION

Build an online bookstore with millions of titles

UNIQUE VALUE PROPOSITION

Buy books using a PC from home/office (without visiting several local stores to find a particular book)

UNFAIR ADVANTAGE

- Lower price (less employees, less rent payment and other costs)
- no competition for online booksellers

CUSTOMER SEGMENTS

Book readers

EXISTING ALTERNATIVES

- Interloc (future Alibris)
- Local booksellers
- Barnes & Noble

KEY METRICS

- Website traffic
- CAC
- ROI (sales conversion rate, revenue per visitor, percentage of shopping cart abandoned rate, etc.)

HIGH-LEVEL CONCEPT

Earth's biggest bookstore (company's original tagline)

CHANNELS

Affiliates
Resellers

EARLY ADOPTERS

- Customers searching for rare and specialized books
- Internet users looking for bookselling services

COST STRUCTURE

Hosting
Website development
Operational costs (rent cost, storage, facilities, delivery)
Payroll

REVENUE STREAMS

Direct sales

AirBed&Breakfast

2008

PROBLEM

- Hard to find cheap/affordable accomodation options when travelling
- Staying in hotels travellers cannot get authentic experiences of a location
- It's not easy for a homeowner to monetize vacant areas on a day-by-day basis
- Uncultivated home sharing culture

EXISTING ALTERNATIVES

Booking.com
Hotels.com

SOLUTION

- An online service where travelers can rent an affordable local apartment, and homeowners can earn extra money by renting out vacant areas on a day-by-day basis

KEY METRICS

- Number of views-to-bookings per host
- Number of hosts applied
- NPS
- DAU/MAU

UNIQUE VALUE PROPOSITION

- Travelers can get authentic experience of local area
- Extra monetization of vacant areas for homeowners

HIGH-LEVEL CONCEPT

Everyone can become a host
Sharing economy

UNFAIR ADVANTAGE

- Any homeowner can rent out space
- Trust building: bi-directional rating system of hosts and visitors
- Insurance by default for hosts

CHANNELS

- Referrals
- Recommen-dations
- Advertising (both online and offline)

CUSTOMER SEGMENTS

- Travellers looking for an adequate accommodation experience for a low price
- People having some accomodation options to become a host

EARLY ADOPTERS

People ready to share their residence and earn money as hosts

COST STRUCTURE

Development
Hosting
Marketing
Payroll
Insurance
Photography

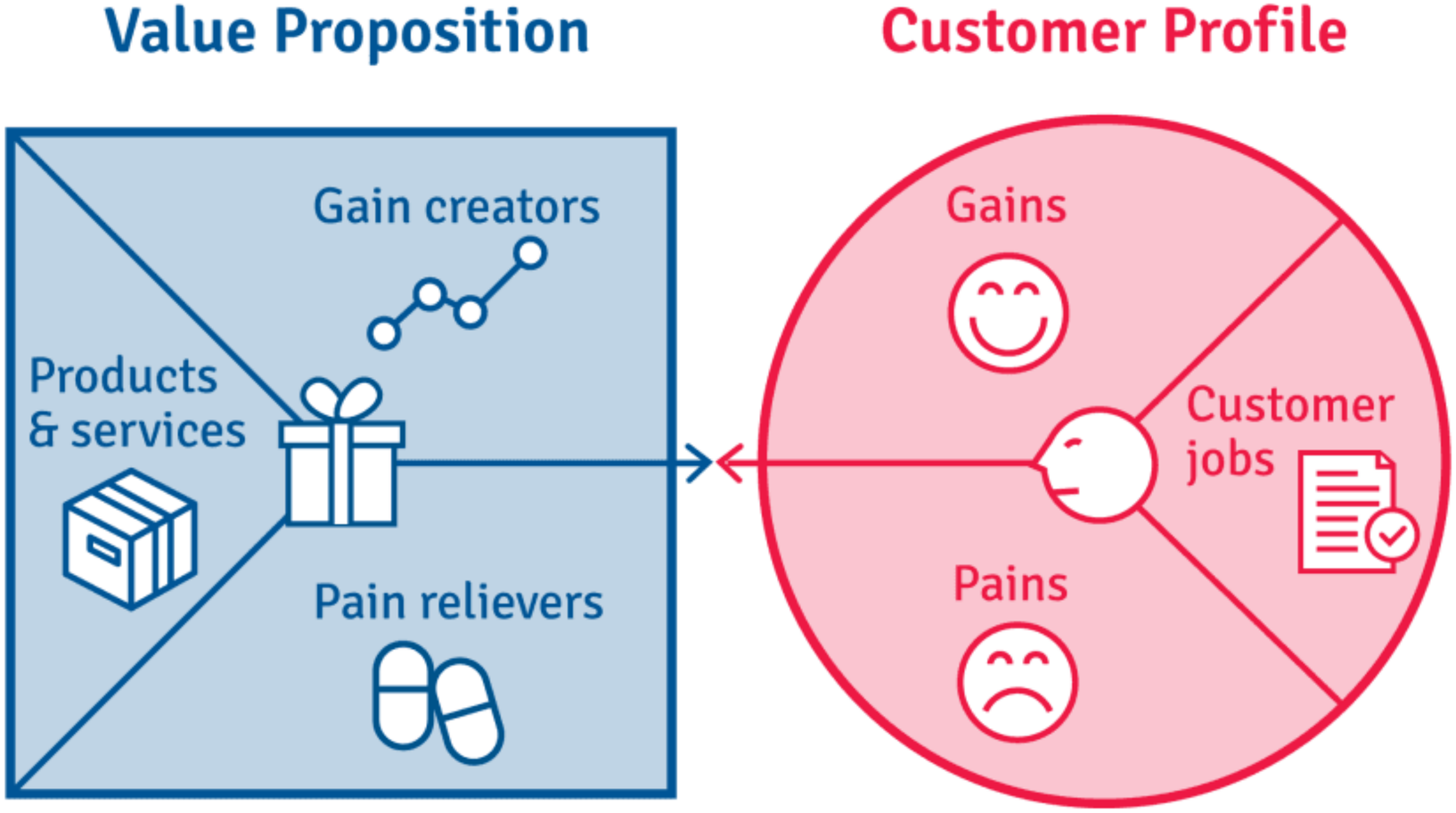
REVENUE STREAMS

Fees for travellers

Many other tools to help you figure out business aspects – check www.businessmakeover.eu

- Customer Analysis
- Business Model Cards
- PESTLE Analysis (scan your environment)
- Pricing Strategy Cards
- Return on Investment Calculator
- …And many more

Other tools, examples



The Value Proposition Canvas

Value Map

The Value (Proposition) Map describes the features of a specific Value Proposition in your business model in a more structured and detailed way. It breaks your value proposition down into products and services, pain relievers, and gain creators.

Gain Creators describe how your products and services create customer gains.

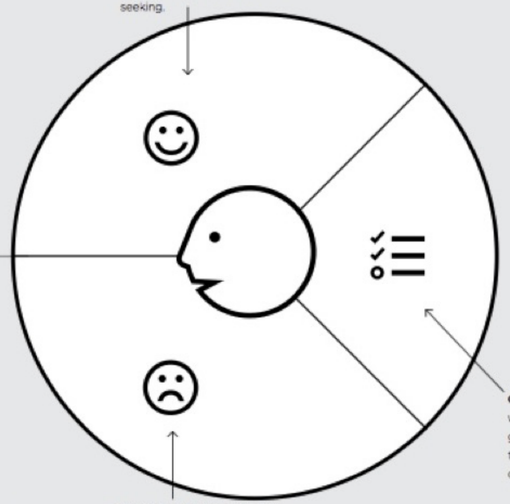
A list of all the **Products and Services** a value proposition is built around.



Pain Relievers describe how your products and services alleviate customer pains.

Fit

Gains describe the outcomes customers want to achieve or the concrete benefits they are seeking.



Pains describe bad outcomes, risks, and obstacles related to customer jobs.

Customer Profile

The Customer (Segment) Profile describes a specific Customer Segment in your business model in a more structured and detailed way. It breaks the customer down into that customer's jobs, pains, and gains.

Customer Jobs describe what customers are trying to get done in their work and in their lives expressed in their own words.

You achieve **Fit** when your value map meets your customer profile — when your products and services produce pain relievers and gain creators that match one or more jobs, pains, and gains that are important to your customer.

As you continue, remember!

- Use the Canvas to help you prepare for the pitch
- Start preparing the business plan document in time - in January!
  - Your work with the canvas helps you with the business plan
- Think *beyond* the course and *bigger!*
  - How might your project grow in the next 2-3 years?
  - What kinds of money flow do you need to support future salary costs etc?
  - Don’t think ‘student project’, think ‘start up’
    - In a **student project** you will likely have no revenue streams, and very low costs
    - In a **start up** you need to project *realistic costs* regarding equipment, salaries, services and more
    - In a **start up** you need to figure out how to find enough *revenue* to keep your company afloat!

- Online Canvas tool or download Canvas template:
  - https://businessmakeover.eu/tools/business-model-canvas