



The Business Model and the Business Plan

How does financial analysis relate to business?

Το επιχειρηματικό μοντέλο και το επιχειρηματικό σχέδιο

Πώς σχετίζεται η χρηματοοικονομική ανάλυση με την επιχείρηση;



ΓΕΩΠΟΝΙΚΟ ΠΑΝΕΠΙΣΤΗΜΙΟ ΑΘΗΝΩΝ

Learning Objectives

01

Explain the meaning of the term *business model* and how a business model can be used in starting and growing a new venture.

02

Explain the meaning of the term *business plan* and the purpose and form of a business plan.

03

Describe the preferred content and format for a business plan.

04

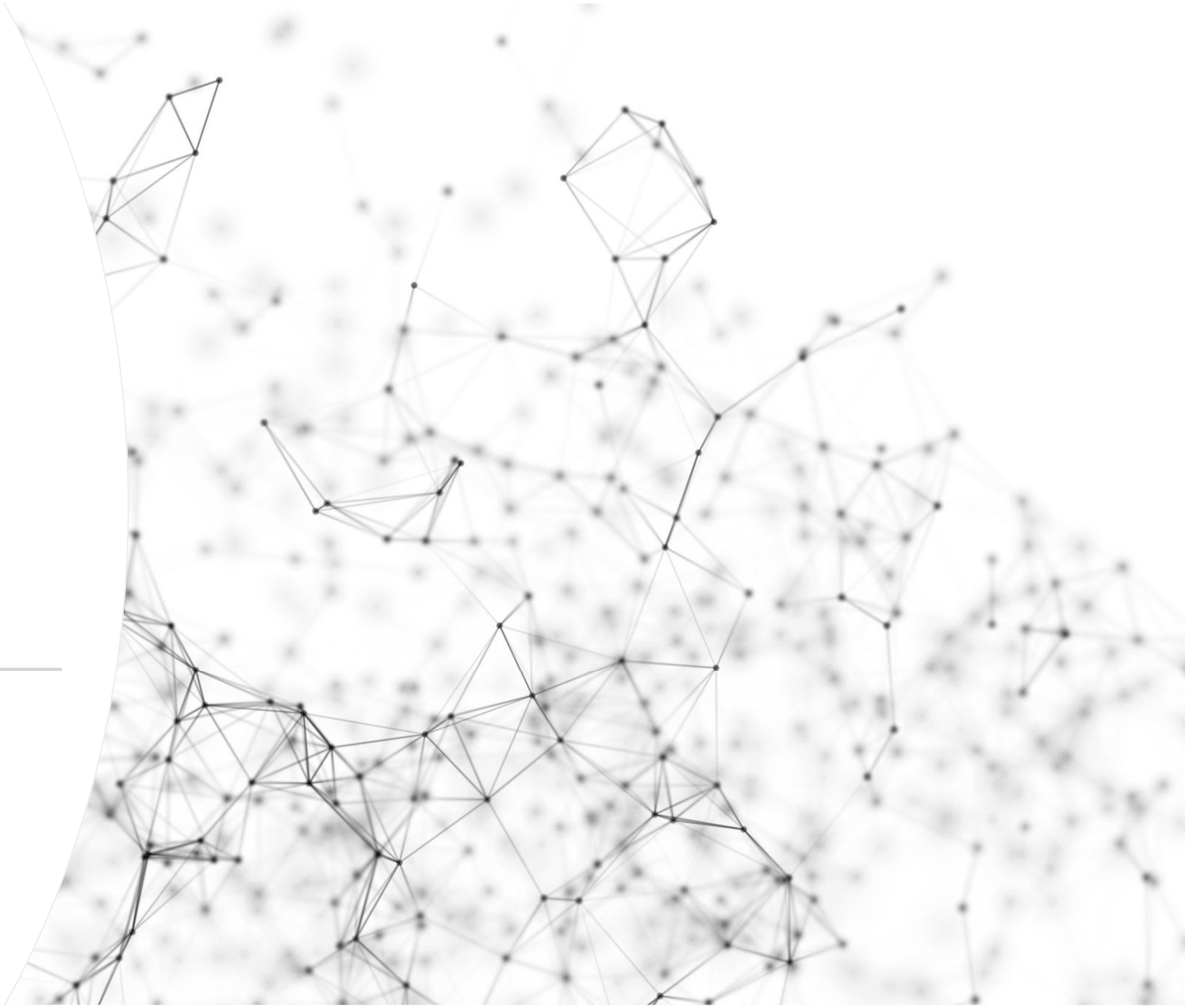
Offer practical advice for writing a business plan.

05

Explain how to present a business plan to prospective investors.



The Business Model



What Is a Business Model?

- **Business model** – A structured analysis of how a firm plans to create, deliver, and capture value, focusing on the financial outcomes of strategic decisions and activities that will determine profits and cash flows
 - Μια δομημένη ανάλυση του τρόπου με τον οποίο μια επιχείρηση σχεδιάζει να δημιουργήσει, να παραδώσει και να συλλάβει αξία, εστιάζοντας στα οικονομικά αποτελέσματα των στρατηγικών αποφάσεων και δραστηριοτήτων που θα καθορίσουν τα κέρδη και τις ταμειακές ροές.
- Developing a business model can provide the best evidence as to whether a business concept can be translated into a viable, profitable business, while at the same time addressing some of the risks of starting a new business.
- Η ανάπτυξη ενός επιχειρηματικού μοντέλου μπορεί να παράσχει τα καλύτερα στοιχεία για το κατά πόσον μια επιχειρηματική ιδέα μπορεί να μετατραπεί σε μια βιώσιμη, κερδοφόρα επιχείρηση, ενώ ταυτόχρονα μπορεί να αντιμετωπίσει ορισμένους από τους κινδύνους της έναρξης μιας νέας επιχείρησης.
- E-commerce has given rise to new business models.



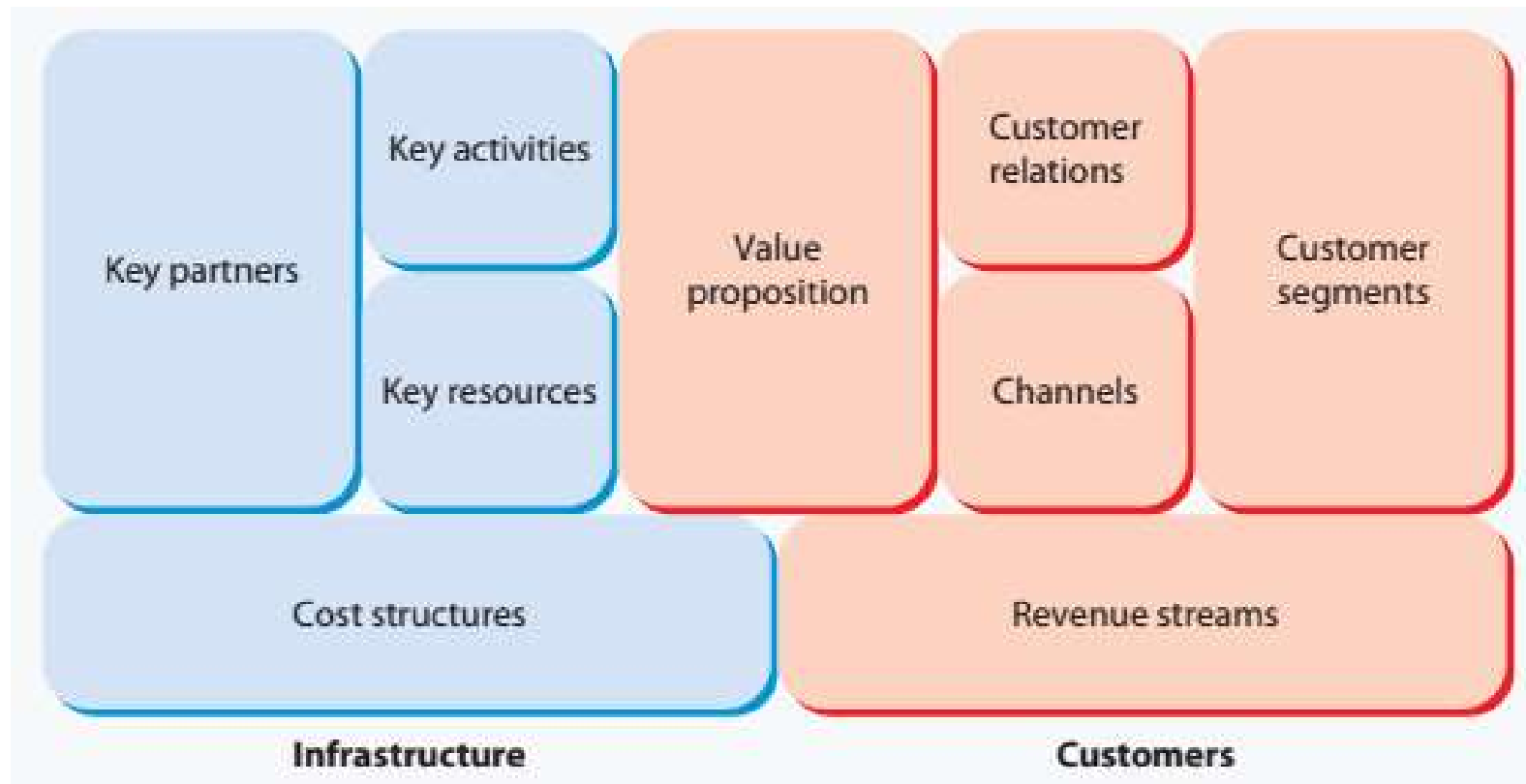
Creating a Business Model

- **Business Model Canvas** – A strategic tool that focuses on a firm's core characteristics and allows an entrepreneur to test new ideas before time
- **Επιχειρηματικό Μοντέλο Canvas** - Ένα στρατηγικό εργαλείο που επικεντρώνεται στα βασικά χαρακτηριστικά μιας επιχείρησης και επιτρέπει σε έναν επιχειρηματία να δοκιμάσει νέες ιδέες

Benefits include

- A customer focus
- The highlighting of important interconnections (διασυνδέσεων) in the model
- The facilitation of communications among team members regarding your value proposition
- Flexibility (ευελιξία)
- Simplicity (απλότητα)

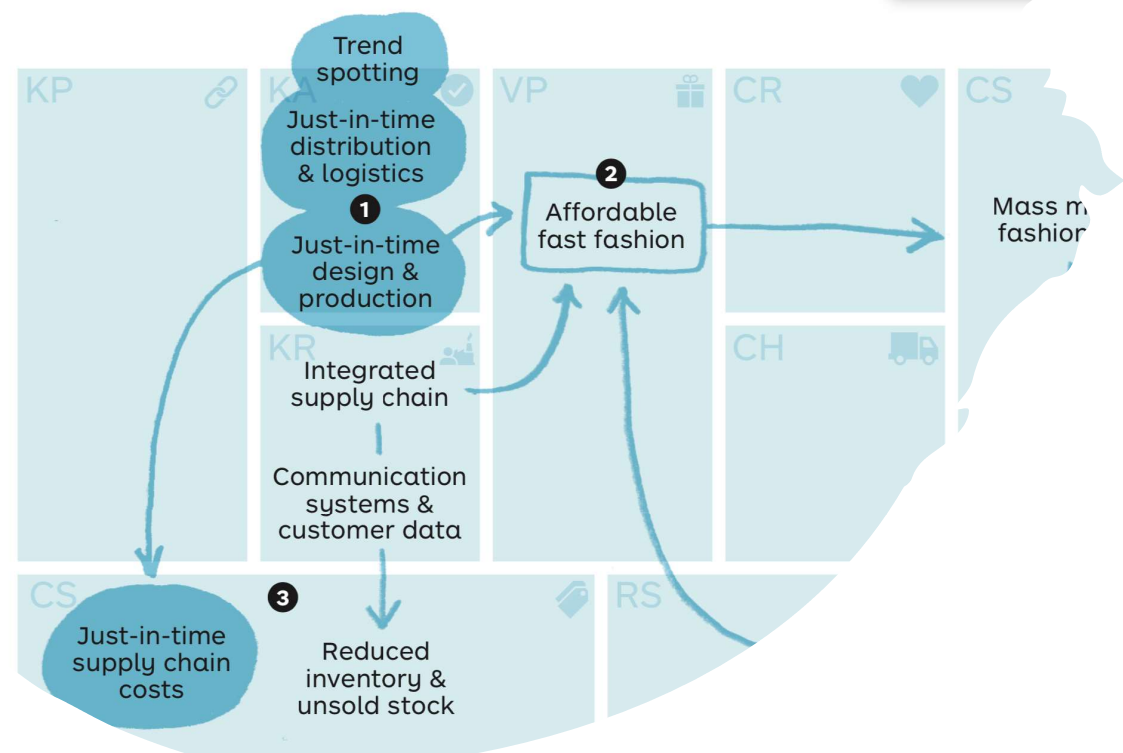
The Business Model Canvas



Creating a Business Model

- The elements of the business model canvas that focus on the customer include:
 - **Value proposition** – A statement of how a company creates value, which provides the basis for the firm’s competitive advantage
 - Customer relations: refers to how you will acquire, keep, and grow your customer base
 - Customer segments: describes who your customers will be
 - Channels: explains how your product will be sold
 - **Revenue streams** – A component of the business model that identifies the nature and types of a company’s sources of revenue





- Zara's value proposition focuses on keeping up with fast-changing fashion trends. Its activity configuration allows it to spot trends and launch new pieces in less than three weeks. Competitors show two collections per year and take over nine months to get items to stores.

- Η πρόταση αξίας της Zara επικεντρώνεται στο να συμβαδίζει με τις ταχέως μεταβαλλόμενες τάσεις της μόδας. Η διαμόρφωση της δραστηριότητάς αυτής του επιτρέπει να εντοπίζει τις τάσεις και να λανσάρει νέα κομμάτια σε λιγότερο από τρεις εβδομάδες. Οι ανταγωνιστές παρουσιάζουν δύο συλλογές το χρόνο και χρειάζονται πάνω από εννέα μήνες για να φτάσουν τα κομμάτια στα καταστήματα.



Zara customer relationships consist of:

- Zara has a transactional relationship (συναλλακτική σχέση) with its customers since the company does not build long-term, personalized services for its customers but simply supports transactional services (συναλλακτικές υπηρεσίες);
- Self-service (αυτοεξυπηρέτηση) is also one of the Zara customer relationships, since shoppers are allowed to choose through the available retail catalog (εμπορικό κατάλογο) and purchase items without the need for significant assistance;
- Customer service it's one of the most important sectors (τομείς) of the business structure and helps customers with any complaints they may have;
- The Zara social media platforms and brand identity (ταυτότητα του εμπορικού σήματος) offers loyal customers a sense of community (μια αίσθηση κοινότητας) when they purchase Zara products.





BUSINESS MODEL CANVAS

ZARA

CUSTOMER SEGMENTS

For who are we creating value?

CUSTOMER SEGMENTS

MEN


WOMEN

CHILDREN

[MAN](#)
[GIRL](#)
[BOY](#)
[BABY GIRL](#)
[BABY BOY](#)
[MINI](#)
 ...
[WOMAN](#)
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Zara channels consist of:

- Retail stores (εμπορικά καταστήματα)
- Online stores (Website)

Zara revenue streams consist of:

- Sales from retail outlets and e-commerce stores



Creating a Business Model

- Common revenue models:
 - Volume or unit-based revenue (Έσοδα με βάση τον όγκο ή τη μονάδα)
 - Customers pay a fixed price per unit in exchange for a product or service
 - Subscription/membership revenue model (Μοντέλο εσόδων από συνδρομές/μέλη)
 - Companies make money from recurring subscriptions (typically monthly, quarterly, bi-annually, or annually)
 - Advertising-based revenue model (Μοντέλο εσόδων με βάση τη διαφήμιση)
 - Companies make money by selling ad spaces
 - Licensing revenue model (Μοντέλο εσόδων από αδειοδότηση)
 - The rights to use a product or service are provided to a third party in exchange for a fee

Creating a Business Model

- Revenue streams (Ροές εσόδων)
 - Single stream: Revenues come from a single product or service
 - Multiple streams: Revenues realized from a combination of multiple products and services
 - Independent streams: Revenues come from selling one or more products or services to generate revenues from other products or services
 - Loss leader: One or several revenue streams sold at a loss to create sales in a profitable revenue stream



Examples of Questions to Ask When Forecasting Revenue Streams

Who are your most likely customers?

How are they different from the general population?

What events will trigger the need or desire for your type of product or service?

When will these events occur? Can they be predicted?

How will customers make decisions on whether to buy your product or service?

What will be the key decision factors?

How will your product or service compare to that of the competition on these key factors?

Will these differences be meaningful to the customer?

Are these differences known to the customer?

How can your product or service be exposed to your most likely potential customers?

Creating a Business Model

- The elements of the Business Model Canvas that focus on the company's infrastructure
 - Key partners: To make things happen and acquire the key resources
 - Key activities: Relate directly to the firm's value proposition
 - **Key resources** - A component of the business model that provides estimates of the inputs required for a particular product or service in order to achieve positive profits and cash flows
 - **Cost structures** - A component of the business model that provides a framework for estimating a firm's cost of goods sold and operating expenses (το κόστος πωληθέντων και τα λειτουργικά έξοδα μιας επιχείρησης)

Zara key partners consist of:

- Manufacturers (Κατασκευαστές)
- Suppliers (Προμηθευτές)





Zara key activities consist of:

- Product design and development
- Manufacturing
- Product delivery and shipping
(Παράδοση και αποστολή προϊόντων)
- Maintenance of headquarters, retail outlets, and online platform
(Συντήρηση των κεντρικών γραφείων, των καταστημάτων λιανικής πώλησης και της διαδικτυακής πλατφόρμας)
- Advertising and market
- Product development and design
- Monitoring the newest and most popular fashion trends through the use of information technology like social media

Zara key resources consist of:

- Revolutionary fast fashion business model
- Extremely short lead time (σύντομο χρόνο παράδοσης) and ability to quickly copy the latest trend
- Cheaply off-shored labor costs and cost-friendly clothing material
- Intellectual property (Πνευματική ιδιοκτησία)
- Dedicated staff
- Very low advertising costs of only 0.3% of total revenue.





Zara cost structure consists of:

- Physical and e-commerce store maintenance costs;
- Operating expenses, such as facility maintenance, employee wages, legal fees, IT costs, etc.; (Λειτουργικά έξοδα, όπως συντήρηση εγκαταστάσεων, μισθοί εργαζομένων, νομικές αμοιβές, δαπάνες πληροφορικής κ.λ.π.)
- Marketing and advertising costs;
- Research and Development.