

**BUSINESS PLANS & BUSINESS MODELS
FOR SUPPLY CHAIN MANAGEMENT**
Academic year 2019-2020
Course Syllabus

Course Description:

Nowadays, companies require doing more than creating a brilliant new product or service. It is essential to find innovative ways of organizing the internal logic of the firm. Successful managers implement changes that go beyond mere adjustments of the value proposition or the revenue model; they reshape the whole organization in order to optimize its value creation and value capturing capabilities. The goal of the course “Business Plan & Business Models” is to provide the students the theoretical foundation and the tools to analyze business models and to entice their creativity in finding new ways of doing business.

Course Objectives:

- To understand the concept of business model and its current application in business.
- To learn about the different ways a business model can be represented.
- To become aware of the importance of the business patterns.
- To become able in preparing an appropriate business plan.

Course Preparation

Reading before the class is essential for the success of the course; in particular content marked with a triple asterisk. There will be activities to develop during class that also will count for the final grade. Students are expected to show their imagination in the design of a future business model so it is essential a respectful teaching environment where everyone is free to express themselves.

Course Outline

Session	Topic
1	<p>Introduction to Business Models.</p> <ul style="list-style-type: none"> • Baden-Fuller, C. and Morgan, M.S., 2010. Business models as models. Long range planning, 43(2-3), pp.156-171. • Casadesus-Masanell, R. Ricart, JE. 2010. From strategy to business model and onto tactics. Special Issue on Business Models, Long Range Planning 43(2): 195-215. *** • DaSilva, C.M. and Trkman, P., 2014. Business model: What it is and what it is not. Long range planning, 47(6), pp.379-389. • Osterwalder, A. and Pigneur, Y., 2010. Business model generation: a handbook for visionaries, game changers, and challengers. John Wiley & Sons.*** <p>If you cannot get the book, there is a short summary of the business model canvas a the Scholarvox service :</p> <p>http://www.scholarvox.com/reader/docid/88857154/page/8?searchterm=%22business%20model%22</p> <ul style="list-style-type: none"> • Ovans, A. 2005. What is a business model? Harvard Business Review. *** • Brea-Solís, H., Casadesus-Masanell, R. and Grifell-Tatjé, E., 2015. Business Model Evaluation: Quantifying Walmart's Sources of Advantage. Strategic Entrepreneurship Journal, 9(1), pp.12-33.
2	<p>Case study: Reinventing Best-Buy by John R. Wells, Gabriel Ellsworth (QUIZ)</p>
3	<p>How to Prepare a Business Plan</p> <ul style="list-style-type: none"> • Abrams, R.M., 2003. The successful business plan: secrets & strategies. The Planning Shop. • Luecke, R., 2005. Writing a Business Plan, the Basics in <i>Entrepreneur's toolkit: tools and techniques to launch and grow your new business</i>. Harvard Business Press.***
4	<p>Business Models, Patterns and Ecosystems.</p> <ul style="list-style-type: none"> • Osterwalder, A. and Pigneur, Y., 2010. Business model generation: a handbook for visionaries, game changers, and challengers. John Wiley & Sons.*** • Frankenberger, K., Weiblen, T., Csik, M. and Gassmann, O., 2013. The 4I-framework of business model innovation: A structured view on process phases and challenges. International Journal of Product Development, 18(3-4), pp.249-273. • Brandenburger, A.M. and Nalebuff, B.J., 2002. Use game theory to shape strategy. Strategy: critical perspectives on business and management, 4, p.260. • Jacobides, M.G., Cennamo, C. and Gawer, A., 2018. Towards a theory of ecosystems. Strategic Management Journal.
5	<p>Case study: Jumia Nigeria: from Retail to Marketplace by Ramon Casadesus-Masanell, Namrata Arora (QUIZ)</p>
6	<p>Presentations.</p>

Grading

Grades will be distributed as follows:

- **Final report (40%).** You will **work in groups of four people** and elaborate a business plan draft which should include a business model canvas. Each group should choose a business project from the list provided below. No more than three groups could pick the same business project which should be validated by me (first come first served basis). The deadline for forming the groups and choosing the business project is **February 7th**. This business plan should contain: executive summary, company description, industrial analysis and trends, target market, management organization and financial report. The whole project, including tables **should not exceed 30 pages long**. The final version of the business plan should be delivered before **Friday 17th of April midnight**.

Evaluation criteria: Your business plan and canvas will be evaluated using five criteria:

1. **Originality.** How creative is your business idea. Are you planning a business that has been done before or there is something original?
 2. **Feasibility.** You could have an original business idea but it might be not feasible. Here, the evaluation will be on how likely is that your idea can be put into action.
 3. **Attractiveness:** Is it clear that there will be a demand for the product or service that you are planning to sell? Is your business plan written in a way that will attract the interest of potential investors?
 4. **Rigorousness:** Did you follow the business plan framework. If a potential investor reads your plan, would (s)he has the impression that you know well the business sector?
 5. **Appearance:** Does your business plan look professional or it seems written by high school student?
- A draft of the business plan containing the executive summary, Company description and the business model canvas should be delivered **at least two weeks before the final class (March 30th)** to me and to an “evaluator group” . The evaluator group, which is another team in the classroom, should prepare a two pages long report to be delivered to me and to the evaluated team the last day of classes. This small report should contain a small summary explaining the business idea, the strengths and weaknesses of the business plan and specific recommendations for improvement. This two-page long

document will be evaluated (a small public assessment is expected from the evaluator group after the pitch). **(10% of the final grade).**

- **In-class presentation (15%).** The last day of classes you will have to present your business idea to the class. Each presentation should not last more than **10 minutes**. Your presentation will be assessed by me (10%) and by your colleagues (5%). It is expected that the evaluator group actively ask questions about the business model implemented.
- **In class participation. (10%).** Between 15% to 0% of the students will get the maximum points; 80% to 100% will get 5% and between 15% to 0% of the grade will get 5% or less. Every class counts. This rule will be detailed the first day of classes.
- **Activity during the class. (5%).** There will be an activity to do in groups. I will explain the activity the same day of the third session. **The evaluation will come entirely from your peers.**
- **Quizzes (20%).** At the beginning of each case study session, you will have a quiz about the case study. There will be two quizzes. **If you arrive late to class, you do not have the right to take the quiz. The quiz starts at one minute after the beginning of the class.**

Case Study Material

Both cases are available at the following page.

TBD

*Each student must register on Harvard Business Publishing website **only once.***

After that, you could download the case study document.

Additional material

Additional material will be posted in K2.

List of potential projects

FOOD BUSINESS - Project 1. Challenge the concept of food business. Design an innovative business model that transform the way food is served to customers. Try to incorporate as many different elements patterns as possible. Be precise on where you want to stablish your business, how much money you need to operate and what kind of cuisine you are going to serve. It is not enough focusing only on the type of food you are going to serve; you should go beyond current trends (healthy, vegan, Asian) and propose something that incorporate innovations in the channels and revenue stream of the food business.

Examples:

Ghetto Gastro: <https://ghettogastro.com> Several articles written about this company.

Les Ateliers des Chefs. You teach the customer how to make their own meal.

<https://www.atelierdeschefs.fr/>

SUSTAINABLE PRODUCTS - Project 2. Create sustainable products. Elaborate a project whose core is a product that uses recycled materials. For this project you need to research about current recycling technologies and propose a new product using these technologies. Important; although the project is fictitious it should be based on existing well documented technologies. The core of your work will be in the value proposition but I expect that you work as well in detailing the key resources and the channels used to deliver the final product.

Examples:

Karst recycled stone paper: <https://karststonepaper.com>

Le Green Griot <http://legreengriot.com/>

BOTTOM OF THE PYRAMID - Project 3. Create a company that provides services/products low income households. The objective of your project is to focus on the bottom of the pyramid; people with low resources. Your goal is to create a product /service that caters people with low resources and at the same time generates profits for the company. Your business idea should be beneficial to your customer as well as your company. Be creative, the product/service is completely free as long as it targets customers with low resources.

Examples:

Pensium. www.pensium.es Spanish enterprise that helps old people to pay their nursing home by providing reverse mortgages secured on the residential property.

https://elpais.com/economia/2019/09/19/actualidad/1568911958_220775.html article in Spanish.

Reliance Jio. <https://www.jio.com/> . Indian company that offers telecommunication products and services at very affordable prices.

MATURE INDUSTRY - Project 4. Design a business model that innovates in a mature industry. Mature industries are those whose average return is low and competition is quite hard from major incumbents. The idea is that in order to survive in this kind of hostile context; the entrepreneurs must come up with very original ideas that could touch any business model component. For this project there are only three industries available: bookstores, travel agencies and news media. Go beyond the simple ideas such as combining a cafeteria with a bookstore; here the emphasis is on creativity.

Examples:

Round table books: books that sells children's books which talk about diversity. <https://bookclub.booksmadebetter.com/roundtable/>

Tripconnection.fr It is a French travel agency that links future travelers with local experts in the destinations they plan to visit.

SOCIAL ENTREPRENEURSHIP - Project 5. Create a company that earns money while at the same time tackles a social issue. The idea is that a company could be profitable and altruistic simultaneously. The challenge is to find the right balance the company should be profitable while avoiding look "exploitative" against the people that it is trying to help. The commitment with the society should be credible. The term that has been used to describe this type of companies is "Social Entrepreneurship".

Examples:

TOMS One-for-one: a shoe maker that donates a pair of shoes for every pair sold. <https://www.toms.fr/one-for-one/>

Group Vitaminet. A French corporation devoted to occupational integration of people who has been excluded from the job market. <http://www.groupevitaminet.com/>

ARTIFICIAL INTELLIGENCE - Project 6. A company that incorporates the use of Artificial Intelligence (AI) to satisfy a customer need (a customer could be a company). The project should be based on existing technology and it should emphasize how much efficiency or savings are gained by using AI in the production process. An estimate of the total costs of implementing the AI system should be provided and a comparison between two business models; one with AI and the other without it should be included in the final document.

Examples:

AB Tasty: a french company specialized in using AI to improve digital marketing and customer experience in the digital world. <https://www.abtasty.com/>

BenevolentAI : British company who uses AI to do research on the medical field, in particular about the efficacy of some drug treatments. <https://benevolent.ai/>

ROBOTICS - Project 7. A company that uses robotics (with or without artificial intelligence) to satisfy a customer need (a customer could be a company). The project should be based on existing technology and it should emphasize how much efficiency or savings are gained by using robotics in the "production" process. An estimate of the total costs of implementing the robotic system should be provided and a comparison between two business models; one with robotics and the other without it should be included in the final document.

Examples:

FFRobotics, Abundant Robotics