

Creating Successful Business Models

16 contact hours / 2 ECTS

16 - 20 July 2018

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Business plans rarely survive first contact with customers. As the boxer Mike Tyson once said about his opponents' prefight strategies: "Everybody has a plan until they get punched in the mouth."

- Steve Blank, Serial Entrepreneur

"No one besides venture capitalists and the late Soviet Union requires five-year plans to forecast complete unknowns. These plans are generally fiction, and dreaming them up is almost always a waste of time."

- Steve Blank, Serial Entrepreneur

Steve Blank's words about Business Plans might be a bit harsh and, as he duly notes, venture capitalists do expect a fully developed business plan with financial projections. When trying to launch a new business idea, depending on its degree of innovativeness notably, things may be more or less difficult to forecast. In order to reduce the uncertainty, certain principles such as effectuation or lean startup have been developed. These techniques lie on the co-development of the business model with various stakeholders, future clients in particular. A business model is an integrated array of distinctive choices specifying a new venture's unique customer value proposition and how it will configure activities to deliver that value and earn sustainable profit. This course is about creating successful business models.

Course content

Based on theory, discussion of real-life cases and various in-class exercises, this course will cover the following topics:

- Introduction to entrepreneurship under conditions of uncertainty: effectuation principles and lean startup.
- Business model canvas.
- Value proposition design.
- Advanced issues in business modeling (hybrid models, innovating, ...).

Learning objectives

At the end of this course, students should be able to:

- Explain the principles of effectuation and lean startup.

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- Describe the components and functioning of a business model.
- Develop a value proposition.
- Identify the main sources of failed business models.

Assessment

- Active participation during course (individual grade): 20%
- In-class case studies discussion (team grade): 30%
- Final exam (individual grade): 50%

Bibliography

Osterwalder, A., Pigneur, Y. 2010. Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers. John Wiley & Sons.

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Ries, E. 2011. The Lean Startup: How Constant Innovation Creates Radically Successful Businesses. Crown Business.

Johnson, M. W., Lafley, A.G. 2010. Seizing the White Space: Business Model Innovation for Growth and Renewal. Harvard Business Press.