



Rubizmo

Master Class



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Master Class Module 3

Value Creation

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Overview of the Master Class

The building modules of the Master Class

1. Introduction of business model and Business Model Canvas
2. Value Proposition
3. Customer Segments, Customer Relationships, and Channels
4. Key Partners, Key Resources, and Key Activities



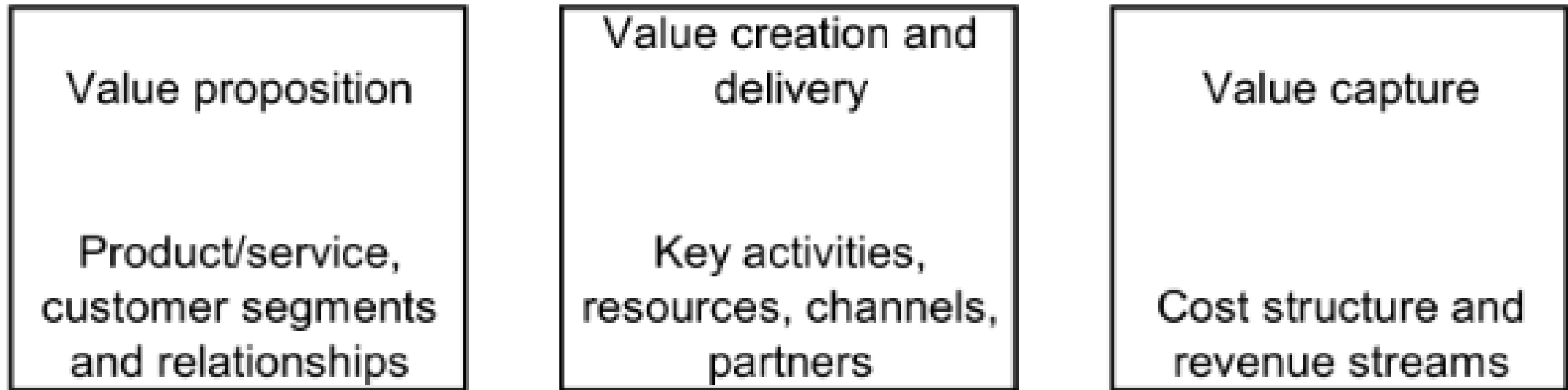
An additional and inspirational video



Inspirational Video

- ❑ Find the link in the “video description” called inspirational video if you are watching the video on YouTube.

Business Model Pillars



BM Pillars (Bocken *et al.*, 2014: 43)

When is a business model sustainable?

Created Value > Captured Value > Cost of Delivery



How can we better solve the problem?



How can we better capitalise on the problem?

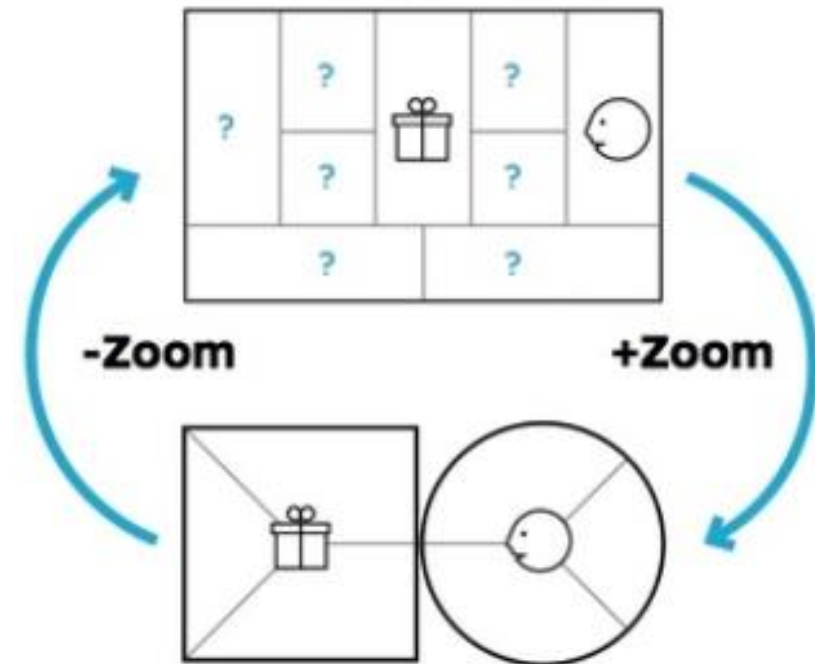


How can we be more efficient at solving the problem?



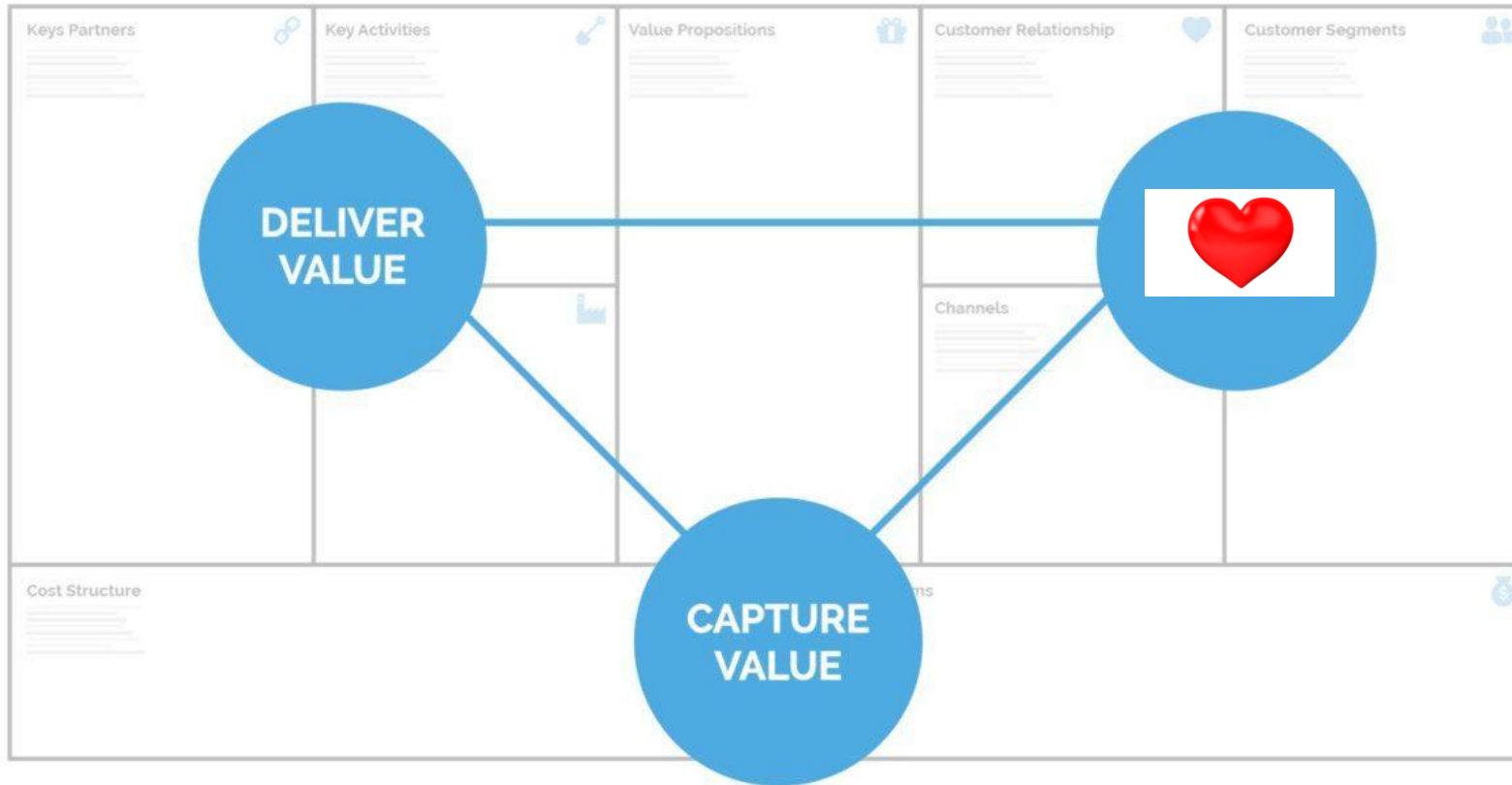
businessmodelanalyst.com

Create Value for both Customers and Business

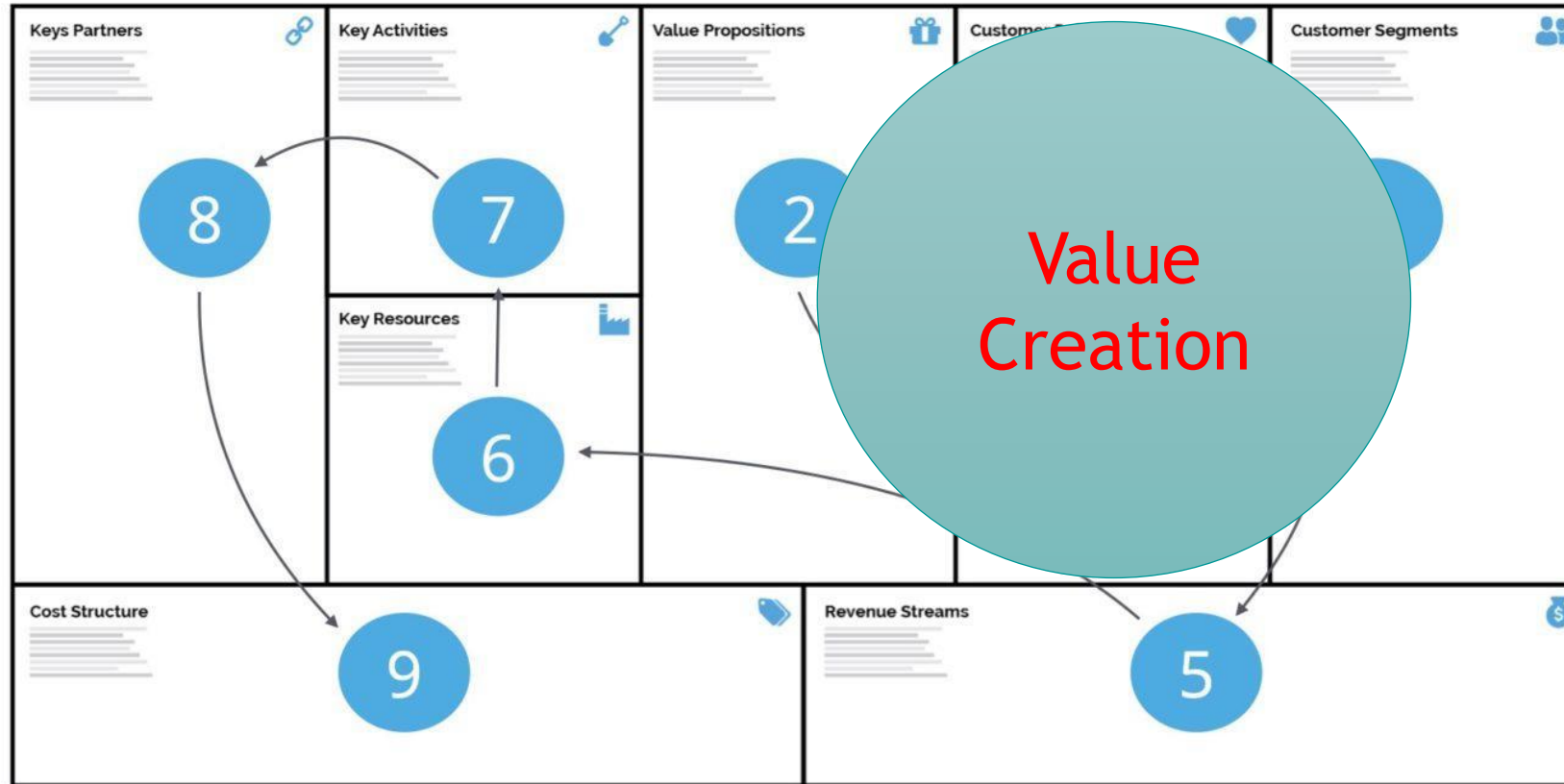


<https://www.strategyzer.com/blog/posts/2014/9/29/value-proposition-design>

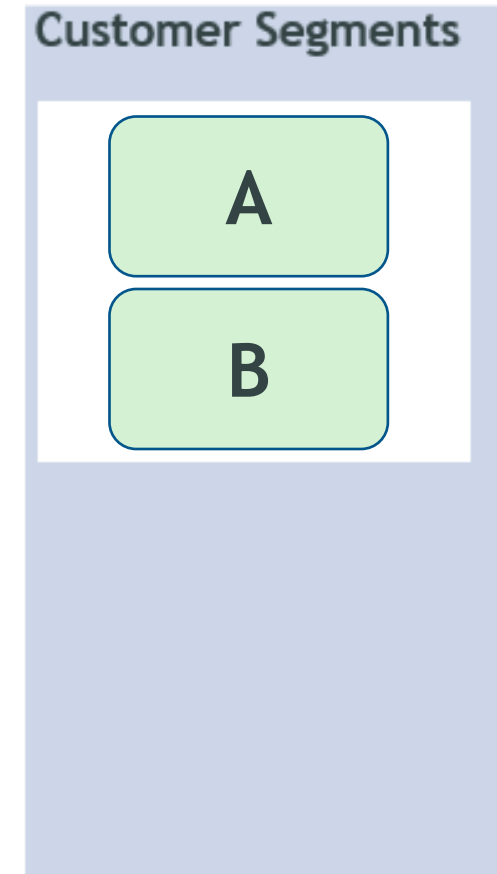
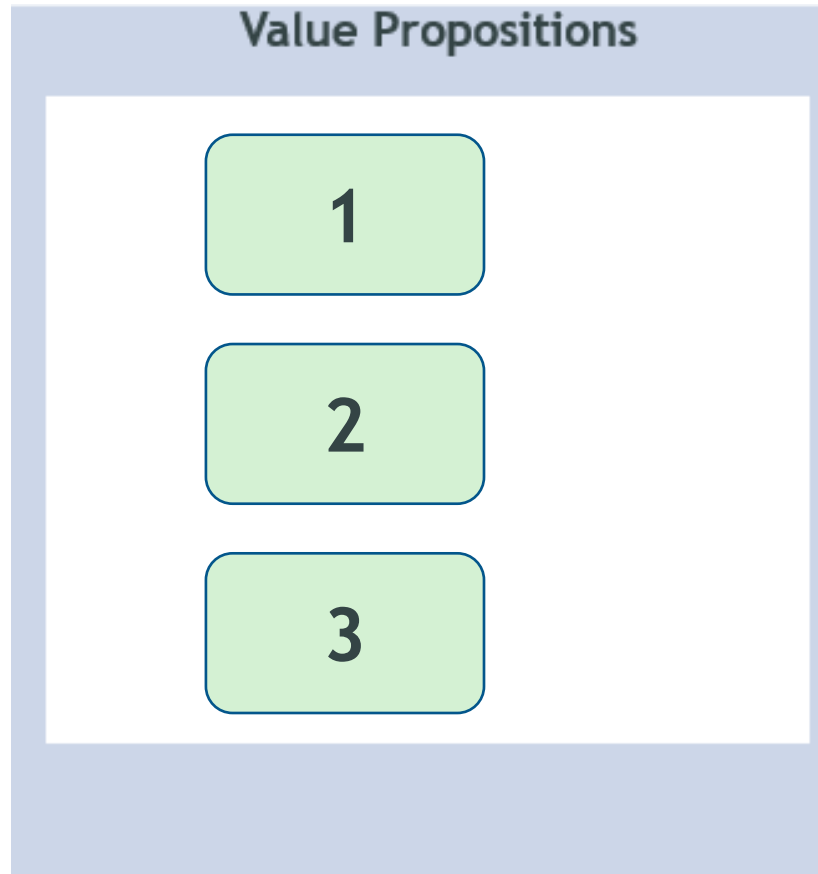
What is a Business Model?

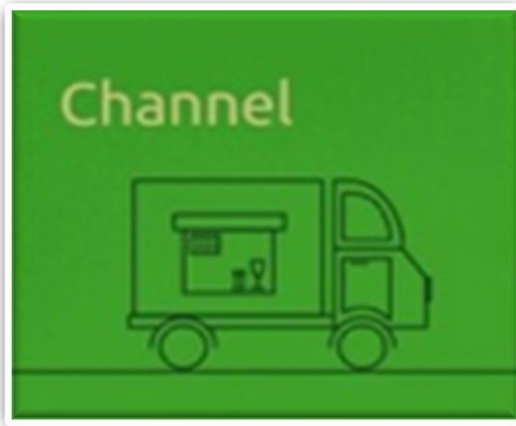


Business Model Process



Value Creation

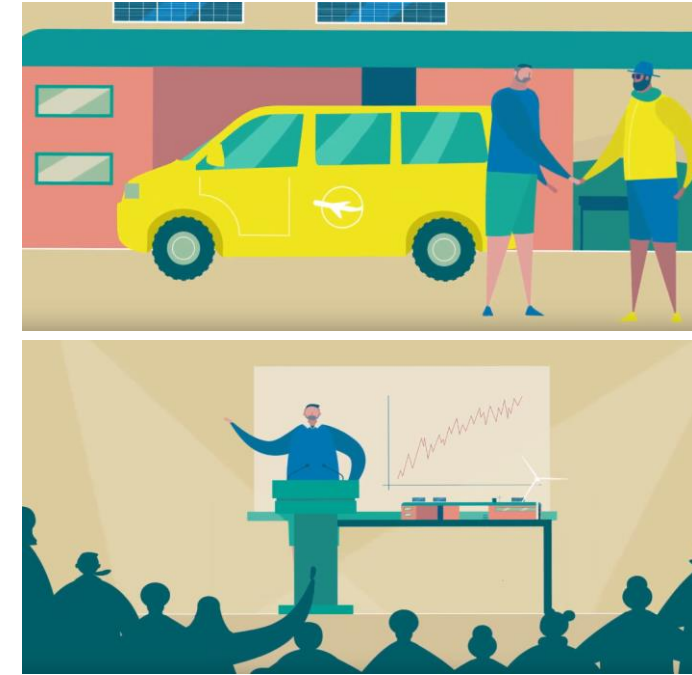




Virere, Spain

Combining rural tourism with environmental education

- Vehicles
- The company teaches courses externally and joint different networks
- Is proposing to replicate its business model in a refugee area.



Virere

Find the link in the “video description” Called Virere if you are watching the video on YouTube.



Bio-on, Italy

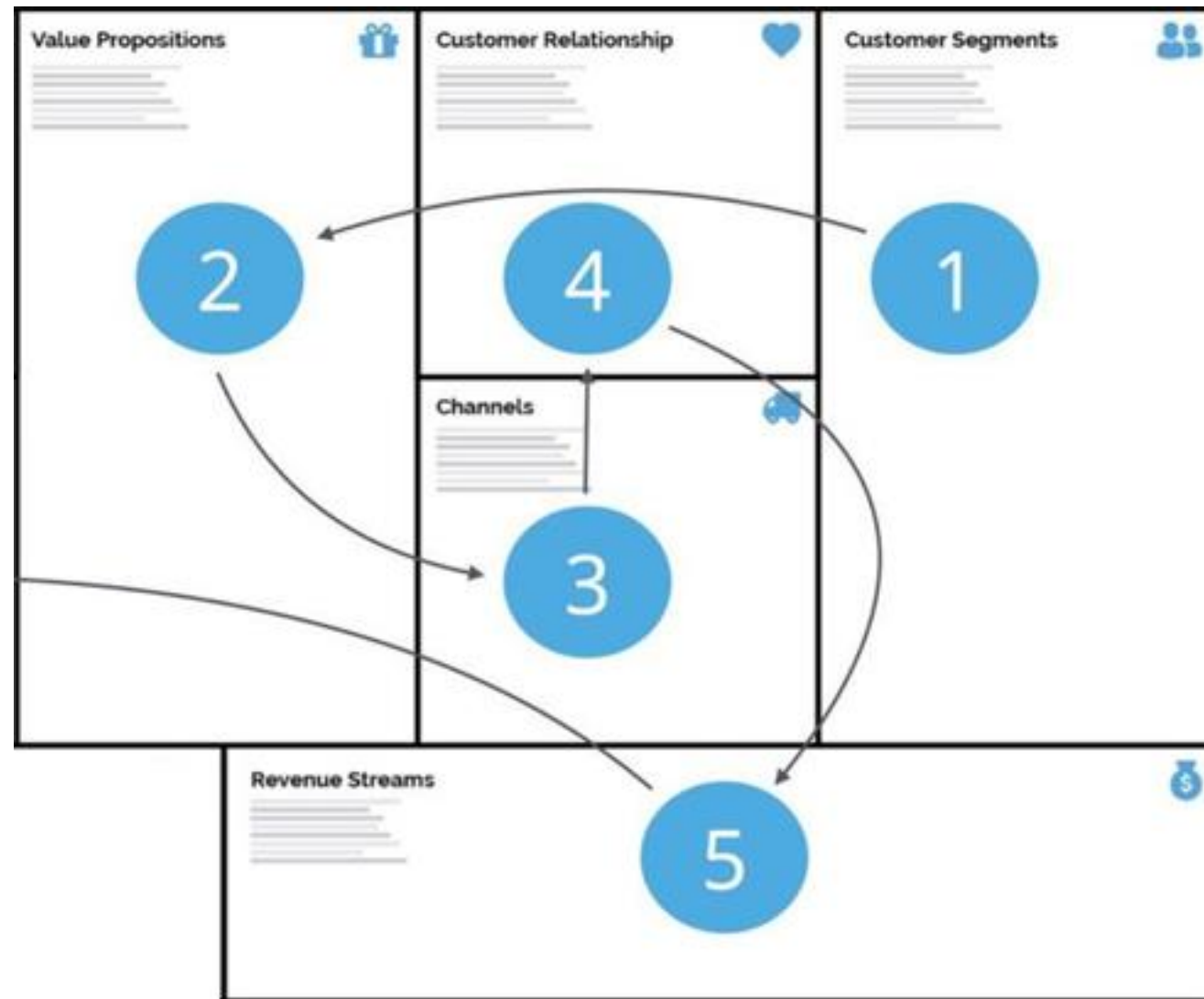
Organic plastic

- The company is licensing out its technology to customers and meanwhile, defines production standards and identifies new areas of application to maintain its innovation.



Bio-on

Find the link in the “video description” Called Bio-on if you are watching the video on YouTube.



Value Creation

➤ Please go to the Rubizmo Virtual Library and read the case **Panier Local**.

➤ Here is the direct link:

<https://rubizmo.eu/virtual-library/online-market-for-local-products>

❑ Find the link in the “video description” Called Panier Local if you are watching the video on YouTube.

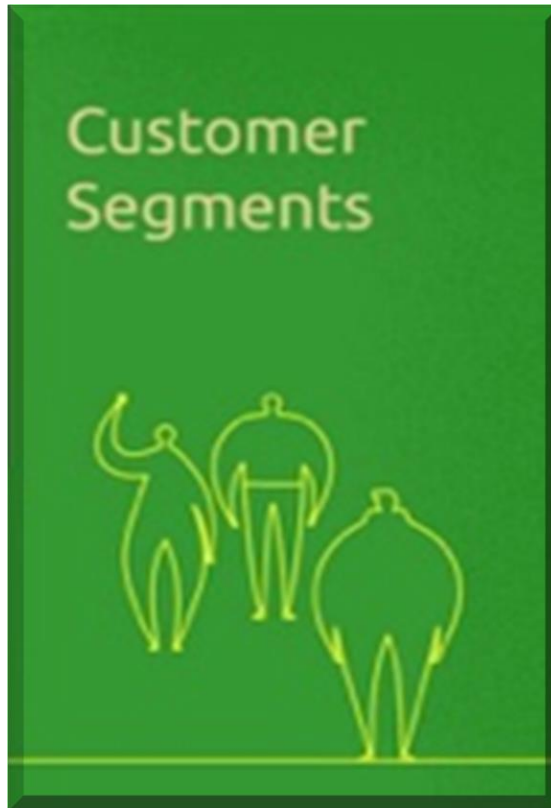
Panier Local

From farm to plate via the internet



Panier Local

Customer Segments



To meet the needs and interests of customers a company should divide them into similar groups

- ❖ Geography,
- ❖ Social characteristics, and
- ❖ Demographics (age, gender, profession, interests, etc.)

Ansoff Matrix



- **Market penetration:** Increasing the sales of existing products to the existing market.
- **Product Development:** Introducing new products to the existing market.
- **Market development:** Entering a new market using existing products.
- **Diversification:** Entering new markets by introducing new products.

<https://www.strategyzer.com/blog/leading-innovation-managing-uncertainty>

Customer Segments

Panier Local

Customer Segments

- Both individual producers and producer groups:
 - Collective catering
 - Groups of farmers selling to individuals
 - Food producers or processors selling to local professionals

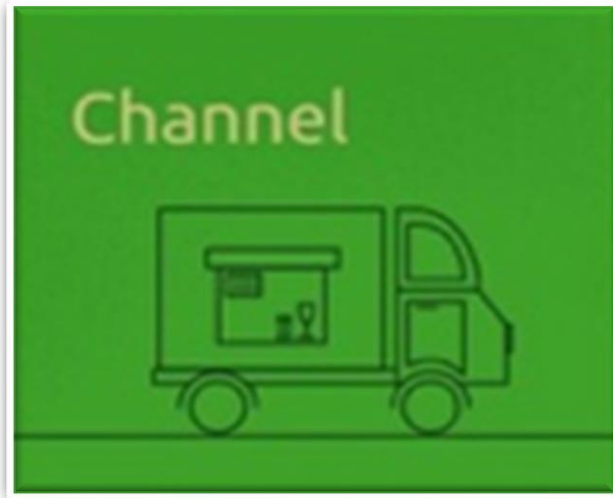
A group of people with common goals and interests have similar behaviors and needs

Panier Local

Value Propositions

- Connecting producers of locally sourced food to end consumers through a collective internet tool (**with attractive prices and services to all types of users**).
- Combining the **knowledge of various specialists** to develop platform services to help producers manage their business through product offers, discounts, etc.

Channels



- ❖ Physically,
- ❖ Digitally (web, mobile, etc.),
- ❖ Directly or indirectly

Internet

Shows low cost and can reach a wide range of customers

We can control the sales price per product

Channels

Panier Local

Channels

- Access the software via the web for producers
- Word of mouth
- Participating in local and professional agricultural events to increase visibility.

The company has gathered many specialists with different knowledge to support its customers.

Balancing different types of channels improves the customer experience and ensures higher returns on sales.

Customer Relationships



- ❖ Customer acquisition
- ❖ Customer retention
- ❖ Customer growth

- To successfully expand sales, we need to know our customer segments well, including their preferences, social wants, and fears.

Customer Relationships

Panier Local

Customer Relationships

- Panier Local supports producers in their daily use of the software and provides services online to its customers such as adaptative and evolving maintenance, personal assistance package, etc.
- They listen to their customers in order to further adapt the platform to their needs.

Revenue Streams



- A company can set revenue streams for each segment of the customer
- Each stream has its own pricing mechanisms and life cycle.

➤ Single-payment transactions

➤ Recurring revenue from ongoing payments

Revenue Streams

Panier Local

Revenue Structure

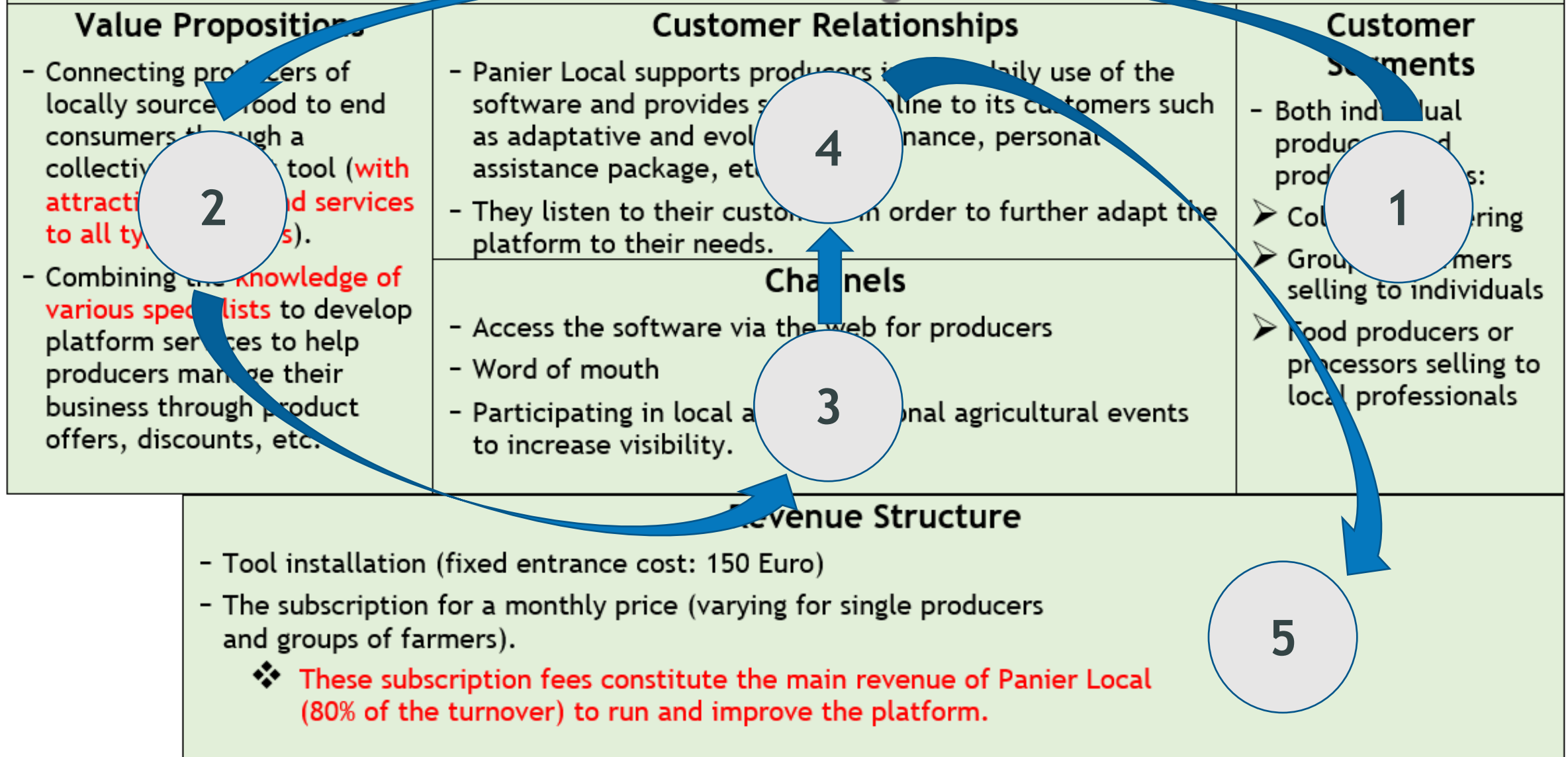
- Tool installation (fixed entrance cost: 150 Euro)
- The subscription for a monthly price (varying for single producers and groups of farmers).

Single Payment

Recurring Payment

- ❖ These subscription fees constitute the main revenue of Panier Local (80% of the turnover) to run and improve the platform.

Panier Local's BMC - Right Hand Side



Home Task

➤ Please go to the Rubizmo Virtual Library and read the case **Värpinge Golfbana och Gårdsbutik**.

➤ Here is the direct link:

<https://rubizmo.eu/virtual-library/multifunctional-agriculture---v-rpinge>

➤ Read the case, and in a group of 3-4 persons (or individually if you prefer) design its BMC (only right-hand side), then discuss how has the company created value.

❑ Find the link in the “video description” if you are watching the video on YouTube.

Värpinge Golfbana och Gårdsbutik's BMC – Right Hand Side

Value Propositions

- To be part of or support a process change by strengthening social sustainability
- To be a part of the marginal supply of environmentally friendly organic golf course in Southern Sweden
- Adapt to local customers's characteristics (creating a social atmosphere by designing the organic golf course)
- Production of customers' interests (local foods, organic vegetables, and heirloom grains)
- Providing a space for active presence of customers through a CSA network where they learn about agriculture
- Providing an enriched local ecosystem by maintaining grazing, and establishing agroforestry

Customer Relationships

- Communication through social media (Facebook)
- Direct contact through mobile phone
- Direct face-to-face meeting
- Storytelling about the holistic and dynamic approach of the business

Channels

- Customers reach the farm by bus, car, and bicycle
- Vegetable boxes delivered to the customers' delivery point

Customer Segments

- Neighbors
- Local golfers
- Local public
- CSA network
- Farmers who buy seeds
- Those who buy wind energy

Revenue Streams

- Golf course (golfers) creates the highest revenue stream
- Boxes of organic vegetables and selling the local foods
- Selling the seeds
- Selling the surplus wind energy

Three Ways to Create Value

Creating New Value

- Creating something from scratch.
- Developing a new product
- Entering another segment of the market

Creating More Value

- Work with what we already have.
- For instance, the greater efficiency of processes

Creating Better Value

- Focus on improving what already exists.
- Focus on quality, quantity or more power behind what we already have.

<https://blog.apruve.com/5-things-to-consider-when-creating-value-creation-strategies>

References

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- <https://www.youtube.com/watch?v=dc2QBcqqtK4>
- <https://www.youtube.com/watch?v=IP0cUBWTgpY>



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We appreciate your listening

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