BUSINESS REPORT
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INTRODUCTION

Business models have been there for the past few years hence making it to become more popular even though some perform better than the others. Whenever an idea of new business comes up, they all need new models which are meant to determine the success of any kind of business. That is why one needs to understand the true meaning of business model so as to help in wise decision making process when coming up with a business model. A business model can be seen or defined to be a conceptual tool that has a set of objects in it, the concepts and their relationship with the objective so as to show the business strategy of a given firm or company. It attracts different aspects of businesses which includes the economics, entrepreneurship, finance, computer science, marketing, operations and the management or the strategy and that is why it determines the profits to be made from any kind of innovation in the business since a mediocre innovation with a great business model may generate a lot of profit rather than a great innovation with a mediocre business model. It is because of this reason that, this essay critically assesses the relationship between the business models, theories, techniques, the practical benefits and application of such models.
FIVE PHASES OF REVOLUTION

The idea of the business model started some years ago by going through the five phases of revolution. The first phase was meant to define the term ‘Business Model’ itself with its classifications while in the second phase, their was need for the completion of the business model definition which was incomplete in the first phase as those concerned tried to look for the elements that were part of it. Nevertheless, in the third phase, the details of that description of the components were fully available while in the fourth phases, this is where the components were being modelled conceptually which led to the proposition of the business model in the form of reference models. Finally, in the final phase, the reference models were seen to be applied in the management and the Information System applications.

After the five phase's completion, a debate emerged about its role in most of the companies or the firms which led to the distinction between the business models and the business process model since they appeared to have difference meaning a bit. The business process model was seen to be a way in which the business was being implemented in processes while the business model was observed to be a way of creating and commercializing value from the new technology or innovation. This concept of the business model was made to observe the market segment by describing it on how the firms came up with its competitive strategies through its products or services or even the innovation in the firm, estimating the cost structure and profit potential by looking on its offers and the production cost, the difference between the firm and the other firms by the nature of its value proposition and finally how the firm
integrated its own value chain as compared with the other firms in the industry’s value networks. The only challenge the business model seems to face is its availability in the academic usage. This is because most of the academic formulations of such kind of business models focuses on the taxonomic issues in coming up with the appropriate components of the business model hence giving little by way of empirical support for their propositions.

INCORPORATION OF BUSINESS THEORY

With the business models being the key thing in the success of the business, there are some few business theories that need to be incorporated in the components of the business models for the success to be felt and this should be based on the theory that are meant to the firm. For instance, the first theory should be the organizational focus. Here, one needs to observe on the mission of the organization not forgetting its purpose and vision. The mission has got their component which needs to be followed in order for any firm to achieve its goals and mission. One needs to consider the purpose of the organization since it’s the only thing that defines the fundamental reasons on why there is need to put up the organization in a given location and the impact its going to create to the community at large. Then the core beliefs and assumptions should also be stated so as to display the perceptions of the social value, the need for the organization, which consumers are the main target and what contributions it’s going to make in the society. Another thing to be looked upon is the firm to state the kind of work being or to be performed and who
are the beneficially since this is the only way to attract customers, employees and the community at large. Having considered the firms target, then there is need to consider the firms vision by trying to observe on what the firm is trying to accomplish when carrying out its purpose. There is need for the assessment on the progress towards the vision achievements and those standards used to attain the organizational vision and finally the values that reflect success also needs to be looked upon.

**STRATEGIC THINKING**

Strategic thinking in the organizational focus is the core thing for the firm to succeed by achieving its goals and success. All that is needed is the analyzing of all the mission elements for the logic, reasonableness and consistency. Critical implicit or explicit assumptions that influence the decision made in the firm should be analyzed. Reason for analysing is it is because, at least there will be something to show whether the mission elements have been considered or not. The examination and identifications of these elements is part and parcel to strategic thinking.

System thinking should be the final thing in the organizational focus. The assumptions and the core believes against the current realities should be evaluated. The impact on the evaluation should be assessed has it goes hand in hand with its operations. The second theory that needs to be observed is the external environment which focuses on the society and its well organized structures, the markets, the customers, technology and the
industry competitive structure. Under the society and its organizational structure, some factors needs to be observed. Factors such as the social nature, the economic and the political stability are the ones which need to be keenly observed. The products and services should be part and parcel of its destination. Demographic factors such as the population and growth, age profile, education, the income, ethnic mix, employment and occupation are among those factors which influence the sale and the use of the products and services. Social lifestyle of the people in the society and its influence in the sales and the use of products and services is another key factor. The lifestyle includes such things as homes and vehicle ownerships, conception and recreation patterns, attitudes and values.

**ECONOMIC FACTOR**

The economic factors such as the interest rate, availability of credit or financing, exchange rates, stock market performance, economic growth and many more can either influence through the motivation or even break the ability for the production of the products and services. Not only the economic factor but also the political factor such as the type of government, market regulation, government regulation, government stability, political parties, environmental issues, taxes, unions, workman's compensation and many factors can also impact the sale and the use of the product among the community members. Under the social, economic and political factors, strategic thinking is part and parcel of it since they need to be analyzed so as to determine the kind of the explicit and implicit
that influences the firm’s expectations and the decisions made. This is to find out whether some or none of the factors were considered during the planning of the model. System thinking is also able to evaluate the assumptions made as compared to the current realities the organization faces to determine whether they are becoming obsolete or invalid and the impact they face during their operations.

MARKET FACTOR

In the market sector, factors such as the products and services offered by a given company or firm should be made known to the target people. This should be made of be done through the description of the products and services, the customers and the prospective customers within the target markets, where the products and services are going to be distributed and sold that is whether it is through direct means or through the distributors, how the products and services are advertised and promoted, how they are being prices and finally the uniqueness of the product it produces and the reason why the customers or clients prefer the product.

Market Segment

With the above in mind about the market segment, then there is need for strategic thinking which involves analyzing so as to determine the expectation factors needed and the decisions made to woo the target market in order to get to defeat the other competitors. Customers are another group that is considered to be very important in any business.
Without customers, then there is no business that can continue in this world and that is why customers and their factors need to be observed and considered first. Here, there is need to know the kind or person who buys a given product in each of the market segment, where the offer is made and where to find the purchasers. However, there is need for the provision of the critical values or values so as to attract more customers to purchase towards your given product and services to as to be able to compete with the other competitors in the market. The group that uses a given product should also be identified and there location not forgetting the ultimate users and the values provided to them.

CUSTOMER CONSIDERATION

With the customer consideration, strategic thinking analyses the customer’s behaviour and there factors. System thinking also evaluates the assumption against the current realities the firm is likely to undergo through. Innovation through technology is another thing or factor that needs an attention also in the business sector. The latest technology that influences the design and manufacture or the construction of a given product should be identified. It is this same technology that influences the distribution and sales of a given product, the use, the demand and the characteristics and attributes a given product must posses.
COMPETITIVE STRUCTURE

Industry competitive structure should look upon the suppliers and the critical role in the firm’s organization. Major competitors that influence the outcome of the firm’s success should be noted first. The new entries in the market that might bring the influence needed in the business should also be observed and the substitutes that are likely to impact the market. Then prioritizing the threats by components in the market operations and the action to be taken to neutralize the threats posed should be considered also. However in the system thinking, one needs to analyze the structural components. The third theory is the competitive advantage and the core competencies. Here, the competencies needed to meet the wants and services of the customer should be noted down. The success of these competences can be achieved through the provision of the quality, characteristics products and services provided.

The final theory is the big picture of the firm. This comprises all that had been mentioned before from the first theory to the last theory that is the mission, the social, economic and political assumptions, the market assumption, the customer assumption, technology, the industry structure and the core competencies. Nevertheless, strategic thinking needs to observe the logic, reasonableness and consistency. It should also be able to reconcile any inconsistencies, while in the system thinking, identification and putting together those assumptions that are critical to the firms operations and they should be looked upon against the current behaviour patterns and through comparing the results. The firm should be in the know how on any changes in the current market trend.
TECHNIQUES TO BE APPLIED

Description of the Value Provided
Having look upon all that is needed above, some techniques needs to be applied for the completion of the firm’s success with its models. One of them is the description of the value provided. Here, the organization has to look through the products and services from the point of view that is from the customers’ perspective. The main products should be those that are attractive to woo the customers’ wants and needs or the urge for the customer wanting to ask for more. There is need for the business model to show in some way the powerful benefits those customers or the clients who buy products from them will receive such as through saving their time and money, provision of convenience or even improving their business efficiencies. It is the responsibility for the business to determine which group needs a certain product with the highest number so as to avoid the inconveniences in case they come to ask for the product needed. Their financial abilities should also be put into consideration. Those kind of the customers are the ones who need to be targeted when it comes to the marketing strategies because the stronger value proposition you bring to the marketplace or to the community, compared to your competition, the more likely it is you will be able to attract and retain more customers.

Revenue Streams
The second technique should be the revenue streams whereby businesses should be able to generate their sales in terms of selling both the products and services in more than one way. That is why when a
business person comes with the business model so as to guide him or her in achieving his or her organizational goals, they must be prepared to have a more creative in thinking by coming up with ways in which the company will be able to generate and get access to all the revenues.

**Concern of Profitability**

Another technique is the favourable factors whereby profitability is concerned with both the owner of the business being able to generate both the revenues and also from even controlling the costs. When coming up with a business model, it should be able to show the specific factors about the business you are dealing with so as to determine the whether it will be in a position to produce the high profit margin needed. Those factors that need to be considered or favoured are those that are producing lower cost that the industries average. Scalability is another factor that needs to be looked upon whereby it has the capability of rapidly increasing the sales volume without correspondingly large increase in marketing or staff costs.

**Growth and Change**

Growth and change is another technique that should be considered because as the business continues to grow, the already created business model before keeps on expiring and it needs some changes due to the new discoveries being made especially in the revenue opportunities and it has to respond to the competitive threats. When it comes to annual planning, the business model made before should be reviewed to ensure that it remains in tune with the current changes or industry conditions.
Faulty Business Modelling

The final technique should be the faulty business modelling. Here, those business models that are seen to drag behind any kind of business or that turn out to be failures, they often have the fundamental flow of not being based on a sound understanding of the customer behaviour. The price of the business owner intended to change for those products and services are suppose to go hand in hand with the customers perceived values of what they are offering. Those customers who are used to your business or May we call them potential customers will view your business as a technological innovation as an interesting novelty rather than something they consider to be having a serious need for. A more realistic business model should be able to identify the best customers’ for the business and it should also be able to gather the kind of information that is needed for it to be the best by bringing the benefits needed to the business.

CONCLUSION

In conclusion, despite the effort of finding the true meaning of the business models by the academic and the managers, the word has remained to be a challenge hence being defined in different ways even though the definitions tends to look alike or have the same meaning of all the definitions whether in the academic perception or managerial perception. Throughout the essay, we have been able to see one of the definitions of the business models that has been provided, the phases it went through that is from the first phase where it lacked the complete meaning of the business model to the implementation side of the
business model which is the fifth one, not leaving behind the concept of the business models that enable the business to succeed. The theories used are meant to boost the success of the business. These theories are such as the organizational focus and also the external environments are part of the making of the business models. Techniques also have added value in making it possible to construct the business model. Among this techniques are such as the description of the value provided and the faulty business modelling techniques. With the above procedures followed, one will be capable to design the needed business model so as to make the business achieve its objectives and goals. When implemented, the best business model should be able to perform better than others on the key measures of the financial performance. This business models should be able to flow smoothly through the organization. With that in mind, more profits will be seen generating in the organization as long as the organization keeps on moving with the trend of the innovations in the market.