

# Deliverable G- Business Models

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## Intro

Aside from the technical building aspects of every product, comes the business side of things that help your company function. Building the product is only half of the work, after that your company must address business models and aspects that get your built product out to the public. Companies use a business model to address certain aspects of their business that fall under what, who, how and how much. We will be addressing these points as well as all other business models that will best suit our teams product.

1.

The Bricks and Clicks business model would work well to commercialize our skating aid. Having a physical store where potential clients could actually see and feel the aid would help them to test out its strength and comfortability for themselves. Before purchasing, the user needs to feel confident about the product and a store with skating aids to test out would help them do so. In addition, there will be opportunities to test out the aid via skating development programs that we hope to partner with. Those who have seen the product used or tested it there can go online to our website and purchase their own. Having an online connection is important for us because although there are a lot of families with a person with disabilities, our demographic is small in comparison to the entire population. In order to reach every family, we would have to have a lot of stores throughout the country. Instead, we can have a few stores in more densely populated areas and have the online purchase as a backup so that your address doesn't prevent you from being able to purchase the product and learning to skate.

2.

## What

Value Propositions: We will be giving accessibility to people with disabilities and providing risk of injury reduction to the user and the attendant. We will provide users with a means to be integrated into equal participation with their peers.

## Who

Customer segments: We are creating value for people with disabilities who want to learn to skate without fear of injury. We are also creating value for companies or organizations that could use our product such as hospitals and hockey teams for people with developmental disabilities (Capital City Condors).

Customer Relationship: We will build customer relationships by providing tutorials for people to learn to skate with their skating aid and opportunities to test out the aids. We will also form a community by sharing stories through social media.

Channels: We will be distributing our product to customers in multiple ways to assure that we target every customer possible who would be interested in our product. First we will have our product in local retail stores to target everyday shoppers, as well as an online store that will help

adapt to the mass increase of online shoppers. Also to contribute to our social image that will eventually help us gain more sales, we will be donating units to multiple charities or ice rink facilities that will use our product and help advertise for us.

## **How**

Key Partners: In order for our business to function, we will have to create relationships and partner with suppliers that will help us get our name out and advertise our product. Advertising companies such as online and TV commercial companies will allow potential customers to see our product for the first time at a quick glance that will catch their eye and hopefully lead them to visiting a store and buying our product. We will also partner with clubs for people with disabilities and Non-Profit organizations who can use our product and spread the word.

Key Activities: Our business needs a reliable manufacturer that will be able to produce mass amounts of our product on a consistent basis. This will allow our business to continue to provide stock to stores so that our product can continue to be sold without delay.

Key Resources: Resources that will be key for our business to function, are material suppliers that are able to keep up with our constant demand for materials to produce our product. Also online platforms that will be able to advertise our product will need to be maintained daily and kept at a sufficient quality.

## **How Much**

Cost Structure: With manufacturing and producing our product, comes many expenses that will have to be taken into account when we set our pricing for the product. In order to make profit, there will have to be considerable gaps between manufacturing costs, wholesale price, and customer pricing. For example in our case, we have a \$100 limit to be able to build this product, then if we wholesale to companies at a price of \$200 who will sell our product at \$300-\$600, this will allow us to make a good profit on every unit sold.

Revenue Streams: Customers are currently paying up to \$1000 for a viable skating aid. Our goal is to be able to sell the product for a price between \$300 and \$600.

3. Some of the core assumptions we have made in developing our business model include:

- Partners and suppliers will see the need for our product the way we do. If partners and suppliers see the need for our product, it will be easy to get our product in stores
- People will see the benefit to coming in stores to purchase the product. If people believe that seeing the product first-hand is beneficial then they will be willing to drive to a store that sells our product.
- Sales will keep up with the production of the product with the use of a factory. If the product is selling in stores then it will be worth the cost to run a factory to produce our product
- Our website will be commonly known to draw sales from people who live far away. If our website spreads to out of town customers through ads or social media, then they will check out the website to look into purchasing our product.

4. Validation Board

Track Pivots	Start	1st Pivot	2nd Pivot	3rd Pivot	4th Pivot
Customer Hypothesis	People with disabilities not able to balance and skate safely	Client seeks easily transportable skating aid	User wants a skating aid that is comfortable when they fall	Customer wants ankle guards to block the users feet from sliding out	Client seeks self-sufficiency
Problem Hypothesis	Customer is not able to skate on their own without fear of injury to themselves or attendant	Customer is not able to transport the aid easily from home to the rink	Product has a bar across the middle to stop them from falling	Product has bars that go across the bottom	Customer has an attendant to help push and direct them along the ice
Solution Hypothesis	Create a product that is able to assist them in any direction they may fall	Product is foldable to fit in vehicles and has wheels for transportation	Skateboard-shaped seat with a cushion that provides comfort to the user	Has bars that adjust to different heights for more/less developed skaters	Client is able to steer on their own

Core Assumptions:

- Partners and suppliers will see the need for our product. If partners and suppliers see the need for our product, it will be easy to get our product in stores.
- People will see the benefit to coming in stores to purchase the product. If people believe that seeing the product first-hand is beneficial then they will be willing to drive to a store that sells our product.
- Sales will keep up with the production of the product with the use of a factory. If the product is selling in stores then it will be worth the cost to run a factory to produce our product.
- Our website will be commonly known to draw sales from people who live far away. If our website spreads to out of town customers through ads or social media, then they will check out the website to look into purchasing our product.
- Partners such as clubs for people with disabilities will be willing to advertise our product.
- The product is light enough that people of all sizes and ages will be able to transport our product easily. Other products in this market are light so the weight of the product is a huge factor of our product and if it is too heavy it can prevent customers from purchasing our product. We need to match/exceed in this department in order for the other benefits to be noticeable

Riskiest Assumption: The product is light enough that people of all sizes and ages will be able to transport our product easily.

Method: The product will be tested with clients of different ages to test for overall effortless and ease during transportation including folding the aid, lifting it into a vehicle and bringing the aid from the vehicle to the rink.

Minimum Success Criterion: Clients of different ages are able to fold the product and transport it from a place to other (vehicle to rink) easily and without getting hurt, but the older ones are able to lift it into a vehicle.

Invalidated:

- How much strength by age of the client is needed to lift the product.
- How health client benefit from not lifting heavy product.
- Clients will prefer other design or system for transportation of the product.
- Clients speedness for the tasks of folding, lifting and transportation.

Validated:

- Our client David showed us his prototypes and mentioned the importance of the weight in them. He also described how his wife was not able to lift the prototype, and how that influenced in some changes from the first one to the second one. In his feedback, he showed interest to know what materials we were planning to use, and reminded us weight was one of his requirements.
- With our second prototype we will be able to test the new materials and if clients are really capable of complete the tasks of folding, lifting and transportation. Testing with different ages will provide us with valuable information about the constraints per age of our clients. David's wife could be one of our testers, so then we can compare how different it was from trying to lift her husband's prototype.

**Conclusion:**

We have decided to go with the Bricks and Clicks business model, as there are benefits to the marketing of our product so that it is able to be seen/tested in stores, as well as purchased online. Selling our product in stores is the best way for customers to fully understand the value of our product, but that isn't always easy for some customers. This is why we also believe we need a website. We also need a way for our model to be manufactured quickly which is why we think the Bricks and clicks model is the most beneficial. Our product is designed for people who have trouble balancing while skating. We are providing a product to this market group that will protect them in any direction they may fall. To do this we need suppliers and partners to spread the word of our product through advertisements. We also need an efficient way to manufacture this product. We believe that production in a factory is efficient which is another reason why the Bricks and Clicks business model works for us. We need our product to be within a certain budget in order to maximize sales so we have to take into consideration that we are merely manufacturing the product and then wholesaling to other suppliers. We believe the market value for our product is \$300-\$600 so wholesaling at \$200 is reasonable. This is why \$100 is an ideal budget for our product. For this business model to work we have to assume that possible partners and suppliers will see the need for our product, people will see the benefit

to testing our product in stores, sales will keep up with the production rate of the factory, our website will draw sales from out of town customers, partners will be willing to advertise our product, and our product will be light enough to draw people to our product.