

GUIDELINES FOR BRINGING INNOVATION TO YOUR BUSINESS MODEL

REIMAGINE YOUR BUSINESS



Innovation for Business Recovery

COVID-19 has presented various challenges for businesses. These challenges are opportunities for innovation and creativity. You can adapt your existing business model creatively to meet the current needs of the market or re-invent the entire business model to create an entirely new business.

An improved or new business model should be integrated into your Business Recovery Plan. The innovation of your business model requires that you have a dedicated team working on the new business model and the characteristics of your innovation team should be that they accept the following challenges while implementing the business continuity plan:

- (i) resistance to change,
- (ii) decision-making limits,
- (iii) the limitation of your team members to be creative thinkers.

Therefore the composition of the innovation team is the key to getting innovative ideas for your business recovery plan.

Other questions to consider are:

- What are the key lessons learnt during the Covid19-crisis?
- Do they help you to review your business model?
- Which business segment can you improve upon?
- In which area can you innovate?

Tips: Use Design Thinking along with SCAMPER to generate new possibilities for your business.

- What are your future plans?
- How can you keep your staff engaged in defining different scenarios for your business model?
- How can you convert the identified new business model into your business recovery plan?



The tool to assist in the brainstorming session on reimagining your business model is the Business Model Canvas (BMC), the template can be downloaded from www.strategyzer.com. BMC can be used to represent the actual business model of your business. The BMC consists of nine building blocks namely: (1) Customer segments, (2) Value Propositions, (3) Customer Channels, (4) Customer Relationship, (5) Revenue Streams (6) Key resources (7) Key activities (8) Key Partnerships (9) Cost Structure.

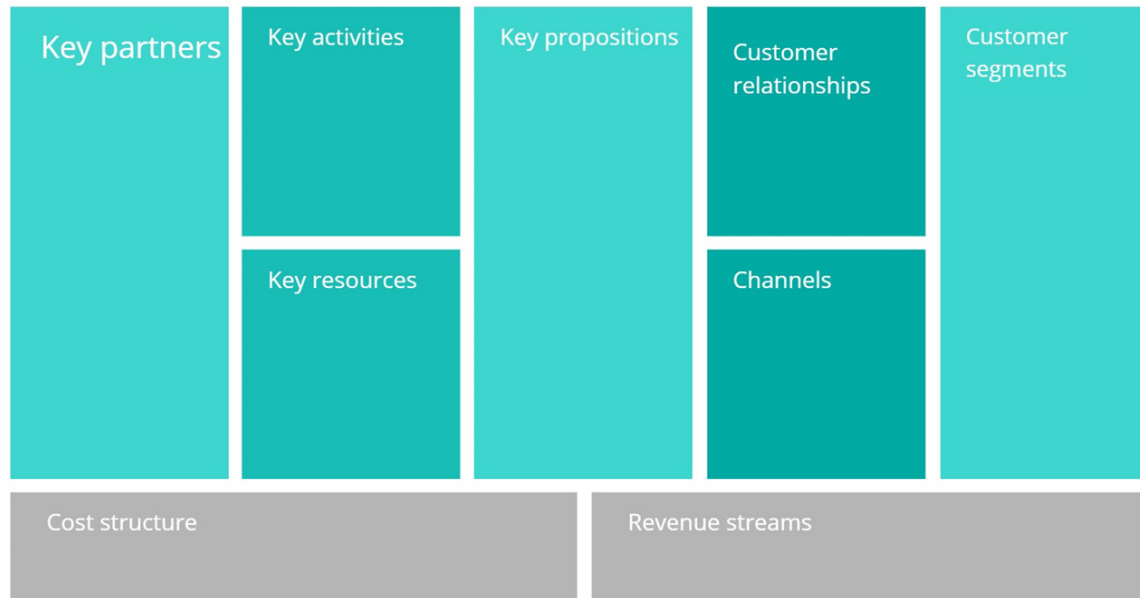
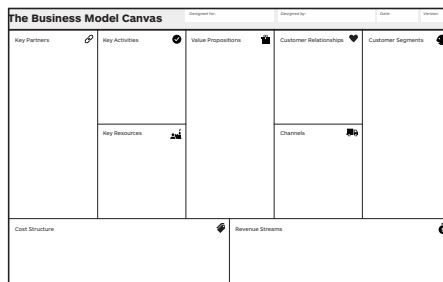


Figure 2 - Business Model Canvas (Source: www.strategyzer.com)



The Worksheet is annexed and can be downloaded

The process for Reimagining your business model by your team is as follows:

1. Map your business model using the Business Model Canvas.
2. Using empathy, identify the business building block where you are facing problems.
3. Define the problems as linked to the value propositions in your actual business model.
4. Ideate to create the maximum number of possible business models (use SCAMPER) - (Up to 10 if possible).
5. Use a set of criteria to prioritise the best business models (select at least 3 business models) - Priority Matrix - Impact v/s Feasible.
6. Test the best models with a sample customer on paper prior to implementation.



1. Map your business model using the BMC

Using the BMC template at www.miro.com, your team can map your actual business model as shown below:

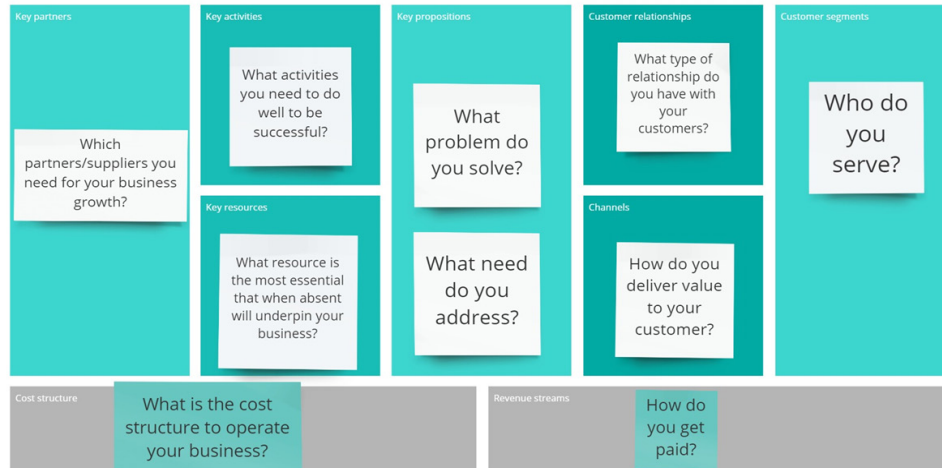


Figure 3 - BMC - Key Questions for each business building block (Source: strategyzer.com)

An example of the business model of a small retail store XYZ is as shown below:

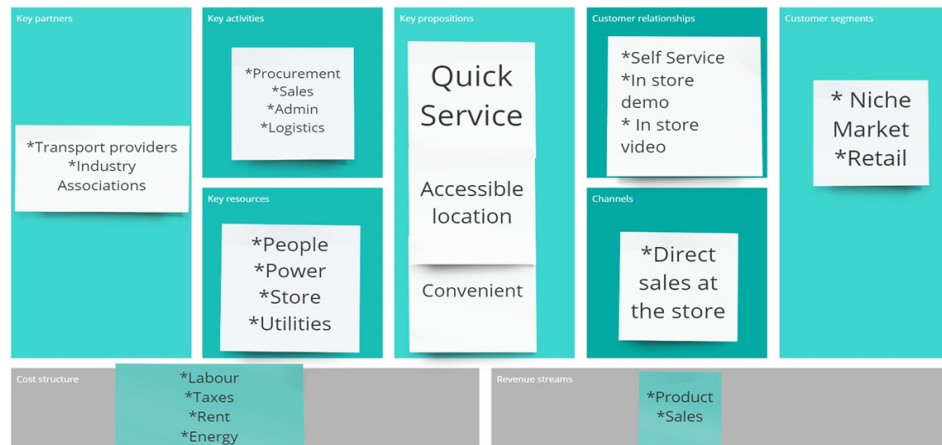
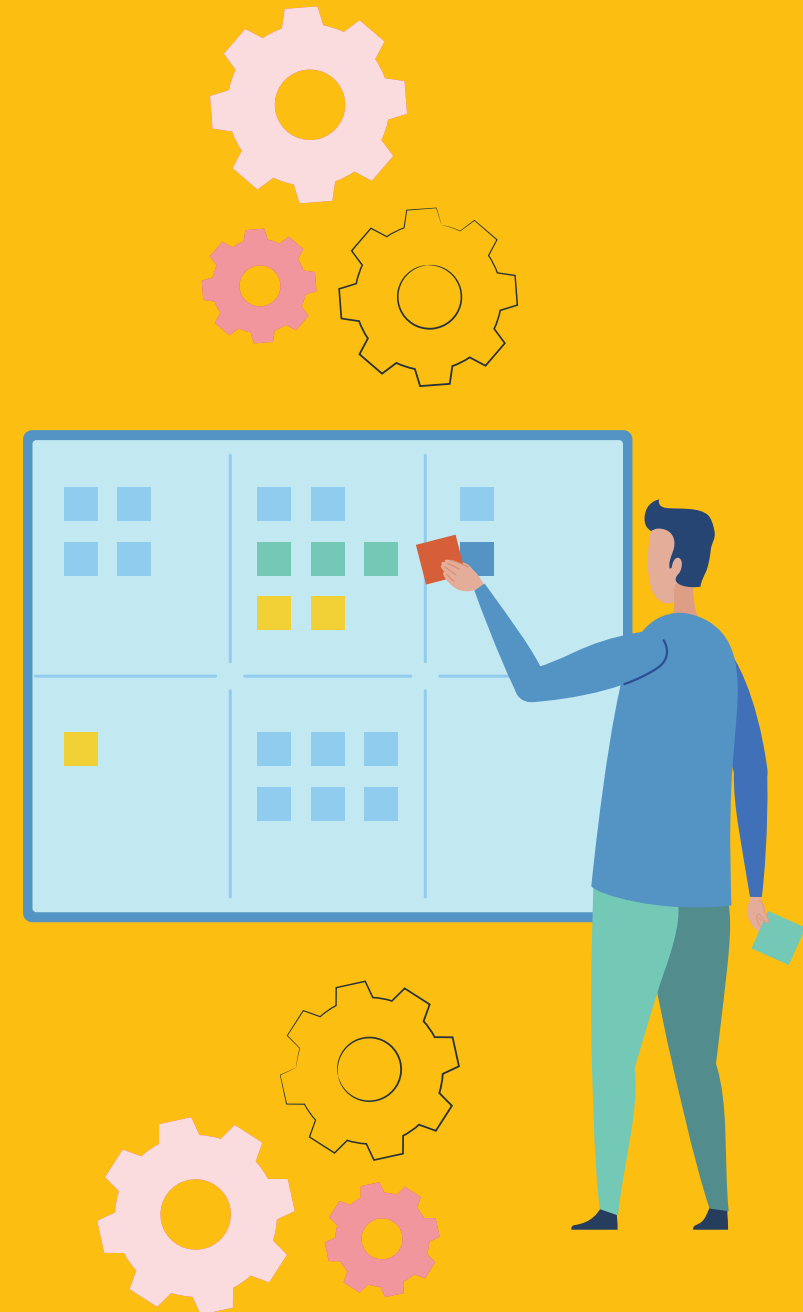


Figure 4 - Example of Business Model Canvas for Store XYZ



2. Using empathy, identify the business building block where you are facing problems

When viewed from the customer perspective in a crisis period such as COVID-19, and by using empathy we can see business segments where there are pains and gains for the customers.

For instance, for store XYZ, the pains are:

- (1) Customers have restricted access to the store.
- (2) They are not willing to queue up at the store for long hours.

The gains are:

- (1) XYZ provides quick service
- (2) the location is within reach.

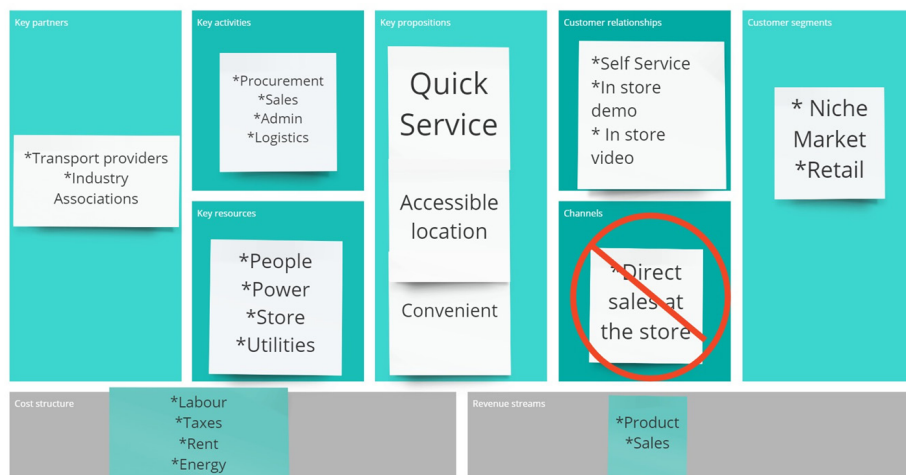


Figure 5 - Example of a pain point for Store XYZ



3. Define the problems as linked to the value propositions in your actual business model

The key problem related to the BMC of XYZ company is:

Customers need a way to procure their favourite products and accessories from XYZ so that they can avoid being physically present at the store and enjoy a quick service delivery of their products and accessories.

4. Ideate to create the maximum number of possible business models (use SCAMPER) - (Up to 10 if possible)

With the problem clearly defined, XYZ team has to ideate to create different business models. Changing one business model building block can result in an entirely new business model. SCAMPER can be used as a tool for generating maximum ideas.



Figure 6 - SCAMPER

(Source: <https://www.superfastbusiness.com/business/541-scamper-business-idea-creation-made-simple/>)



5. Use a set of criteria to prioritise the best business models (select at least 3 business models) - Priority Matrix - Impact v/s Feasibility

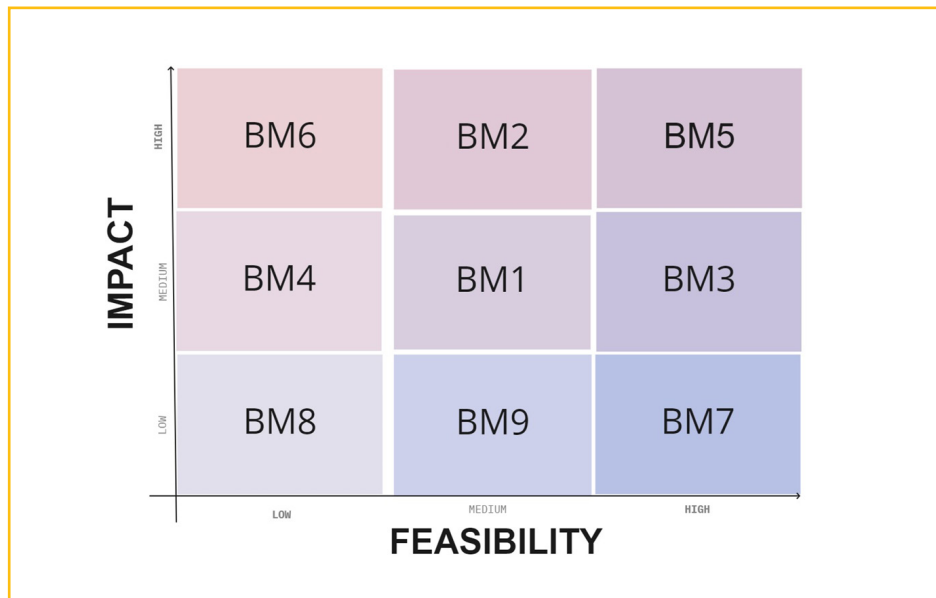


Figure 7 - Priority Matrix for choosing the best BM with highest Feasibility and highest Impact

Highest Feasibility



Highest Impact



6. Test the Best Model

The one with high feasibility and high impact - BM5 in the case of store XYZ, which included a digital platform to enable its customers to do online shopping and benefit from home delivery of products and accessories. The idea was first tested with a few customers on paper. Implementation required investment of resources as per the business model canvas.

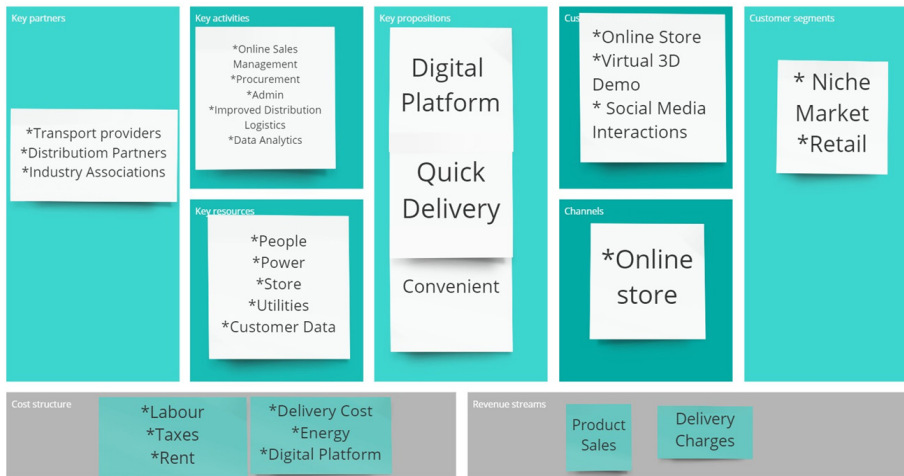


Figure 8 - The best BM, BM5, for the XYZ company

Your Business Recovery Plan

Finally, your business recovery plan will consist of the improved business model using the BMC or the best BMC resulting from internal brainstorming. A Gantt chart is a tool which can be used to translate your new BMC into an actionable plan.

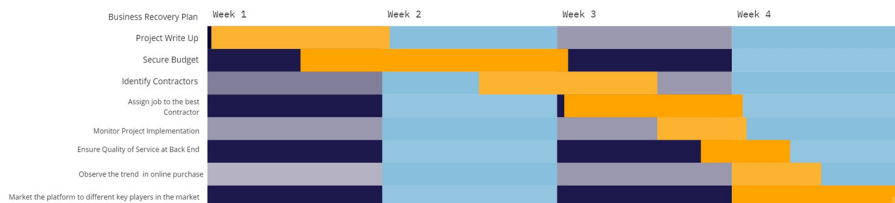


Figure 9 - Gantt Chart for the Business Recovery Plan

Highest Feasibility



Highest Impact



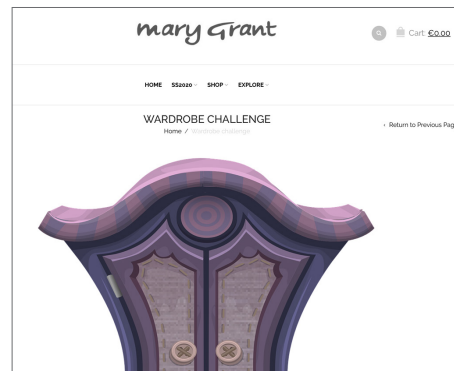
The following case studies give examples of innovation in a few small enterprises

Case 1: Ecommerce

Mary Grant, a fashion designer, had to close her stores. Three weeks into lockdown, she had moved 50 percent of her regular combined revenue from the physical retail stores into ecommerce. She has run an online “wardrobe challenge,” which has seen an increase in website traffic of over 1,200 percent.

Figure 10 - Mary Grant

(source: <https://www.entrepreneur.com/article/349066>)



Case 2: Sanitizer

Brewdog, a multinational brewery has transformed its distillery in a bid to help with the shortage of hand sanitisers, by creating a new one for giveaways to those in need. This gives a multiplier effect on its brand name and visibility while building trust and connecting with its customers.

Figure 11 - Brewdog

(Source: Twitter)



The following case studies give examples of innovation in a few small enterprises

Case 3: Virtual Birthday Party

Ricky Fox, co-owner at Captain Fantastic, is one of the UK's top children's-party entertainment companies. Their team went from doing 200 physical kids parties a month to absolutely zero. Within a week, the team switched everything online and launched virtual birthday parties, playdates and live shows. Their online following has grown from 3,000 followers to over 50,000 within a few days of launch, and their online events have already reached over three million people.

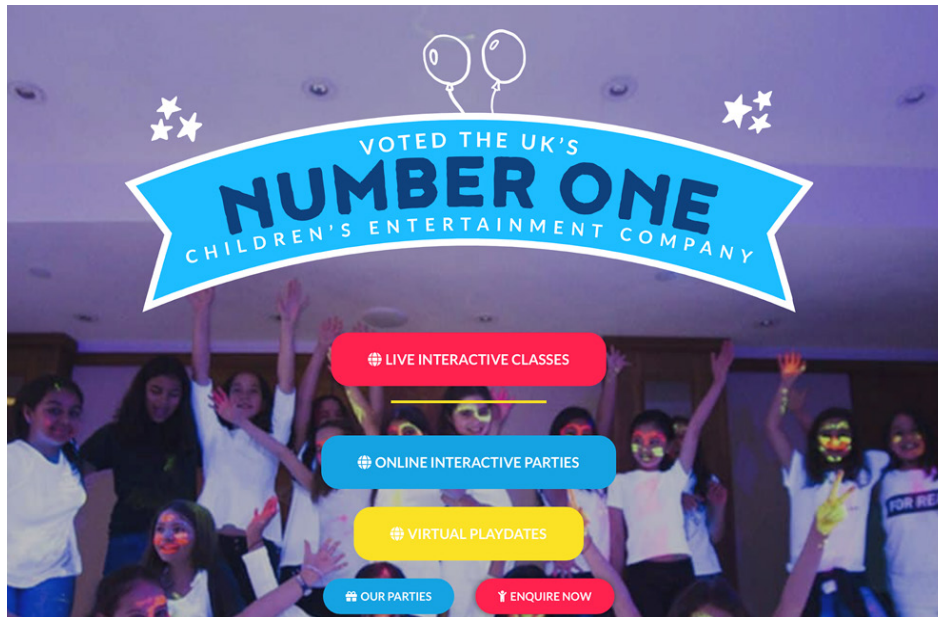


Figure 12 - Virtual Birthday Parties

(Source: <https://www.entrepreneur.com/article/349066>)



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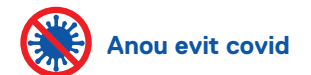
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