STRATEGY BUSINESS MODEL FRAMEWORK

1. Market Potential/Cost Structure of the Business

2. Pricing & Advertising Potential

3. Barriers to Entry/First Mover Advantages

4. Alliances

5. Sustainability
1. Market Potential/Cost Structure

A. *Target inefficiencies in off-line value chain*

B. *Scalability (MC and FC)*

C. *Appeal of low-service levels in the industry*
2. Pricing and Advertising Potential

A. Price Discrimination

B. Customer Data

C. Versioning & Targeting

D. Legal Issues
3. Barriers to Entry

A. Network Externalities (Direct and Indirect)

B. Switching Cost/Lock-In

C. Scarce Assets—Legal, Reputational, Strategic

D. Channel Conflict
4. Alliances/Partnerships/Acquisitions

   A. Complementarities

   B. Merge, Ally or go it Alone Decisions

5. Sustainability

   A. Potential Competitors

   B. Potential New Markets