

BM.19

Pitch the new business model to the CEO

Complex activity

The aim of this activity is to pitch the new business model to the CEO and the Senior Management Team and get their approval to proceed to the ROADMAP phase.



INPUTS

- A relative scoring of each of the business model options and a recommendation as to which of the business model concepts you think the company should pursue, from the activity *BM.18 Integrate all the evaluations and make the final selection.*

OUTPUTS

- Completed pitch of the new business model concept.
- Decision from the CEO as to how to proceed.

These outputs are not used elsewhere but are necessary to allow you to proceed to the *BUILD ROADMAP* phase.

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Pitching the new business model will involve presenting a lot of information. This information should be provided to the CEO and the Senior Management Team well in advance of the pitch meeting so that they have time to review it and prepare questions. Guidance on what to include in your pitch is provided below.

HOW TO GO ABOUT IT

Key points to present in your business model pitch include:

- The business model options you have developed, including details of the operational level ideas that will support the implementation of the business model.
- The main economic, social and environmental benefits of each option.
- The economic costs in terms of the major initial investments required.
- The effort required to implement each business model option, presented using the Business Model Canvas and the rating scale described in the previous activity.
- The main risks associated with each option, including details of any experiments you have done to validate key assumptions.
- A summary covering all of the above which you can provide by showing the completed *Business Model Pitch template*.

→ Further information in the Metals Supplement

Template of Business Model Pitch

Business model name

Business model in a nutshell

Effort

Operations

Benefits

Costs

Business model pitch

Project _____

Date _____

Version _____

Business model name

Business model in a nutshell

Effort

What effort would be required to implement this business model based on the results of the Business Model Evaluation?

Operations

What details about the operational level will support the implementation of the business model?

Benefits

What are the main economic, social and environmental benefits?

Costs

What are the main economic costs in terms of the major initial investments required?

Used during activities

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LEARNING CASE STUDY OF BUSINESS MODEL PITCH

Business model name

Sustainable fish processing service for

fisherpeople

Business model in a nutshell

Instead of purchasing, processing and selling fish

we will offer a fish processing service targeted at

fisherpeople. Will use the enhanced relationship with

fisherpeople to ensure continued access to fish and

to encourage sustainable fishing practices.

Effort

- Create a membership network for fisherpeople
- Establish new peer-to-peer sales channel
- Introduce an enhanced accounting system

Operations

- Fisherpeople will have to pay an annual subscription to access the membership network
- Will then charge a set price per tonne of fish processed
- Fisherpeople retain ownership of fish and once processed can sell themselves or pay an additional fee for distribution, marketing and sales service
- Membership fees would be invested in energy saving and waste reduction measures - this would be reflected in lower processing costs in future years
- Membership fees would also support introduction of sustainable fishing practices through training, creation of a code of conduct, auditing etc. This would cover working conditions on fishing boats
- Peer-to-peer sales would involve fisher people encouraging their peers to join the membership network
- Greatly enhance accounting system would be required to manage sales, subscriptions, and payments to fisherpeople (when using the additional distribution, marketing and sales service)

Benefits

- Estimated gross profit of \$160,000 per year once fully implemented
- Enhances security of supply of fish for processing
- Incentive for fisherpeople to transition to sustainable fishing methods and improve working conditions on boats
- Member network fees can be invested in energy saving and waste reduction measures

Costs

- \$5,000 to establish membership network
- \$3,000 to establish peer-to-peer sales channel
- \$7,000 to introduce new accounting system

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LEARNING CASE STUDY OF BUSINESS MODEL PITCH

Business model name

Return&Reuse

Business model in a nutshell

Providing the repair and maintenance services as well as dismantling and reassembling the returned bikes.

Effort

- *Recovering bike parts and the skilled staff that perform the service activities*

Operations

- *Promoting the return and reuse scheme in order to guarantee that the customers will participate*
- *Maintaining a good customer relationship, which is mostly done by direct communication.*
- *Recovering aluminium parts of the bicycle.*
- *Communicating the sustainable aspect of the company and promoting the customer services through the sales forces in the shop as well as the media used for marketing or different associations*

Benefits

- *Lower raw material consumption and reduction of waste along the bicycle life cycle, contributing directly to the realisation of the new strategic goals to produce sustainable bicycles and reduce of metal waste along the bicycle life cycle by 75% in 5 years in cooperation with the value chain partners*
- *Makes the customers key partners of the company*
- *Raw material saving also implies reduced energy consumption.*

Costs

- *Additional labour costs, but brings economic benefits both to the company, due to cost saving through reuse of parts, and the customer, who can turn their end-of-use bike into money, as well as environmental benefits because of the reduced raw material consumption and waste disposal*

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Business model name

Bike Leasing

Business model in a nutshell

Bicycle life cycle service through the leasing

scheme

Effort

- *Being in line with the green procurement programmes*

Operations

Benefits

- *Contribute towards the requirement to reduce the waste generation along the bicycle life cycle through the leasing scheme.*
- *Reduce the emissions resulting from transport*
- *Reducing emissions and hazardous waste generation*

Costs

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Business model name

Design for Sustainability

Business model in a nutshell

Producing bicycles with an extended life time

Operations

Benefits

- *Reduced resource consumption and waste generation*
- *Higher durability of the bicycle and thus save money due to increased lifetime of the bicycle*
- *higher retail prices that are justified by using high quality materials to produce longer lifetime products.*

Costs

Effort