



BUSINESS MODEL CANVAS

BUDU PUMP BOOSTER

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1.0 BUSINESS MODEL CANVAS

The Business Model Canvas (BMC) is a strategic management tool to quickly and easily define and communicate a business idea or concept. It is a one page document which works through the fundamental elements of a business or product, structuring an idea in a coherent way. It is also a visual chart with elements describing a firm or product's value proposition, infrastructure, customers, and finances. It assists firms in aligning their activities by illustrating potential trade-offs.

There are many advantages of Business Model Canvas, such as easy to understand. It is because the canvas on just a single page and is very visual. Other than that, it is flexible. It is quick and easy to make changes to the model and sketch out different ideas. It also shows connections. The single page graphical nature of the canvas shows how the different parts of the model interrelate to each other. This can be difficult to ascertain from a traditional business plan.

Formal descriptions of the business become the building block for its activities. With this business model design template, an enterprise can easily describe its business model. For the infrastructure, there are three elements in it which are key activities, key resources and key partners. For offering, there is a value proposition and for customers there are also three elements, customer segments, channels and customer relationships. Last but not least, there are two elements in finances which are cost structure and revenue streams.

1.1. Key Activities

The key activities are the most important strategic things you must do to make the business model work. Key activities should be directly related to the value proposition. These key activities can typically be broken down into three broad categories:

- **Production:** it refers to delivering products and will typically do this to either a high quality or a high quantity.
- **Problem Solving:** Consultancies and other service organizations often have to come up with new solutions to individual customer problems.
- **Problem/Network:** Networks, software platforms can function as a platform. For example, a key activity for Facebook is updating the platform.

Key activities for my business are sales, marketing and production. This Budu Pump Booster product involves in sales, marketing and production. This product is

worth to invest in since it can help in budu production. Other key activities are technology design and feedback of the customers. This product is in line with today's technology. We can find out the effectiveness of this product by getting feedback from customers.

1.2. Key Resources

This building block describes your most important strategic assets that are required to make your business model work. Broadly speaking resources can fall into one of four categories.

- **Physical**: such as buildings, vehicles, machines and distribution networks.
- **Intellectual**: such as brands, specialist knowledge, patents and copyrights, partnerships and customers database.
- **Human**: sometimes your people will be your most key resource, this is particularly true in creative and knowledge intensive industries.
- **Financial**: such as lines of credit, cash balance and others.

The key resources for my company are the raw materials itself such as fiberglass, plastic fittings, mild steel pipe and switch.

1.3. Key Partners

Key partners are the relationships that you have with the other business, government, or non-consumer entities that help your business model work. These can be the relationships that your company has with your suppliers, your manufacturers, business partners and so on. These partnerships that you will undoubtedly create will be forces that help your business succeed in areas that would be inefficient for you to do yourself. There are four types of partnerships:

- **Strategic alliances between non-competitors**: This means that you and a company that you have no direct competition with, industry wise, will partner together in ways that will benefit the both of you.
- **Competition**: this is the strategic partnership between competitors. This one is a little wacky, it means that companies who may be directly competing will still work together to generate awareness for their shared industry to compete for.

- **Joint ventures to develop new businesses:** Here you may join your company with another to create an entirely different entity, which may be more profitable for both of you than if you were to operate separately.
- **Buyer-supplier relationships:** Specifically, building reliable relationships with a buyer or supplier. You need to incorporate the characteristics of trust, quality, and commitment between two entities.

The key partners for my business are single proprietorship and raw materials and manufacturing suppliers that help utilize the company economics scale.

1.4. Value Proportions

Value proportions are the collection of products and services a business offers to meet the needs of its customers. A company's value proposition is what distinguishes it from its competitors. The value proposition provides value through various elements such as newness, performance, customization, design, price, cost reduction and so on. The value of propositions may be:

- **Quantitative:** Price and efficiency
- **Qualitative:** Overall customer experience and outcome

The value proportions of my company are simple and great design, affordable price, convenient to use and higher quality.

1.5. Customers Segments

Customer segments define the groups of people or organizations you aim to reach or serve. Every company needs profitable customers in order to survive. There are different types of customer segment include:

- **Mass market:** Focuses on a large group of customers without really distinguishing between different types of customers, and aims to satisfy a set of broadly similar needs and problems.
- **Niche market:** Quite opposite from a mass market, focusing on a very specific group of customers.
- **Segmented market:** Have multiple different groups of customers with different sets of needs and problems.
- **Diversified market:** Similar to a segmented except that it utilizes entirely different sets of value propositions to cater to unrelated customer segments rather than just slightly altering the product.
- **Multi-sided market:** It serves interdependent customer segments.

The customers segments of my company are customers that are looking for a product that can help in any liquid production, customers that are looking for a product that save times and human energy for their production and customers that are looking for practical and durable water pump.

1.6. Channels

A company can deliver its value proposition to its targeted customers through efficient channels. Effective channels will distribute a company's value propositions in ways that are fast, efficient and cost-effective. An organization can reach its clients through its own channels (store fronts), partners channel (major distributors), or a combination of both.

The channels that my company use are online marketing and advertising such as media social (Facebook, Instagram, etc), online and phone customers services, face to face customers service and direct sales.

1.7. Customers Relationships

Customers' relationship describes the type of relationship a company established with its specific customer segments. Customer relationships are driven by customer acquisition, customer retention, and boosting sales, in other words you need to get, keep and grow your customer relationships.

There are six categories of Customer Relationships:

- Personal Assistance
- Dedicated Personal Assistance
- Self-Service
- Automated Services
- Communities
- Co-Creation

For my company, the customers relationships are "Always by your side, at your service", expanding the services and as needed customers.

1.8. Cost Structure

Cost structure describes the most important monetary consequences while operating under different business models. The characteristics of cost structures include:

- **Fixed Costs:** Costs that are unchanged across different applications.