

Business Model Design in 8 Steps

UNDERSTAND



Step 1: Introduction & Goal



Bridge from Value Proposition to Model: Link your validated value proposition to a viable business plan that attracts customers and investors.

Why design a business model now? After validating your value proposition (the solution customers want), you must figure out how to deliver and capture value sustainably.

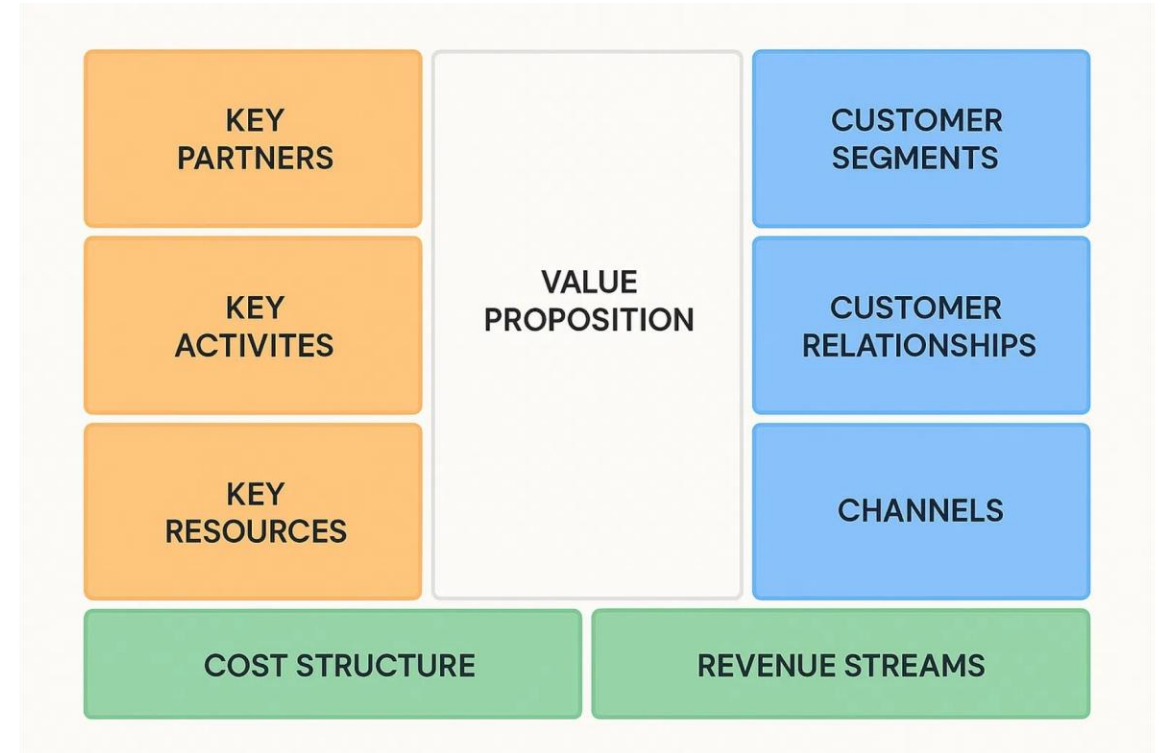
Business Model Design maps how all the pieces fit together – from customers and channels to operations and finances – so your startup can grow and profit.

Unlike static plans, this approach treats each part of your model as a hypothesis to test, encouraging experimentation over elaborate planning.

Founder Insight

"The hardest part of the business model is understanding how to capture margins. We addressed this by seeking input from people who'd done it before – we got seasoned experts on our advisory board and worked with them to create a powerful strategy."

— Founder of Unbound Potential



Pro Tip

Think of your business model as a system, not a document. Use tools like the BMC to sketch your model on one page – it brings clarity and reveals gaps. Be ready to iterate quickly: "no business plan survives first contact with customers."

Step 2: Customer Segments & Value Delivery

Identify target customers and outline how you will reach and serve them.

Define Your Customer Segments

- Identify primary customer segments with concrete personas
- Be specific (e.g., "Corporate HR Helen" vs "Freelancer Frank")
- Clarify the value proposition for each segment

Choose Your Channels

- Marketing channels (social media, email, partnerships)
- Sales/distribution channels (online platform, retail, direct sales)
- Map the customer journey from awareness to after-care

Founder Insight

"We learned that you can't just build it and wait for customers to come. If you need to present it to the customer, you need to go to them. You need to go to trade fairs, go out there and demonstrate it on site, even support them through a testing phase."

— Founder of Auxivo

Pro Tip

Be specific and customer-centric. Prioritize your beachhead segment – the group most likely to be early adopters. Test your channels early with small campaigns to see what feedback you get.

CUSTOMER JOURNEY



Customer Segment & Channel Mapping

Segment	Key Channel(s)	Relationship Approach
Segment 1	Channel type	Approach
Segment 2	Channel type	Approach

Step 3: Key Resources, Activities & Partnerships

Building Blocks Behind the Scenes

The Operational Core of Your Business

This step focuses on the operational foundation needed to deliver your value proposition:

Key Activities: Mission-critical tasks your company must excel at (product development, manufacturing, marketing)

Key Resources: Assets and capabilities needed (physical, human, financial, intellectual)

Key Partnerships: External parties you need to work with (suppliers, distributors, strategic alliances)

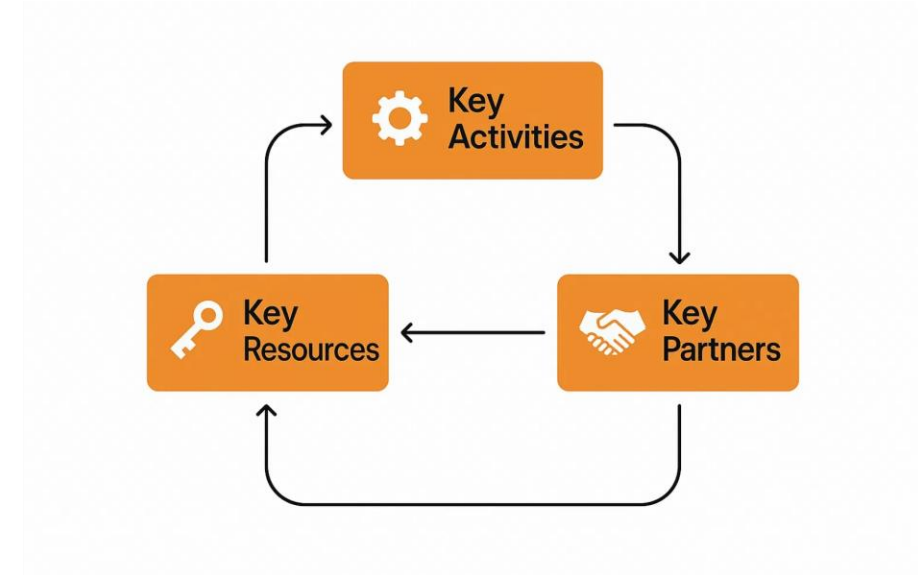
Focus on what's truly key - which elements, if missing, would cause your business to fail?

Founder Insight

*"Don't try to **reinvent** the wheel alone. We looked at a smaller direct competitor who had gone through the same phase. We tried to understand what they ended up with and the reasoning behind it. For us, it was very interesting to see how they were manufacturing the device and distributing it to the clinics..."*

— Founder of MYNERVA

1 2 3 4 5 6 7 8



Pro Tip

Map your ecosystem with your company at the center and links to key partners. Focus on your core competencies and find partners for non-core functions. Leverage existing platforms where possible and consider corporate venturing opportunities for resources and mentorship.

Your Turn

Identify your top 3 key activities, resources, and partnerships. Which ones are most critical to delivering your value proposition?

Step 4: Revenue Models & Pricing

Define how your business will generate revenue and establish appropriate pricing strategy aligned with value delivery and customer willingness-to-pay.

Common Revenue Models

- Subscription:** Recurring revenue from periodic payments
- One-time Purchase:** Single payment for product or service
- Transaction Fee:** Commission on each transaction
- Freemium:** Basic features free, premium features paid
- Licensing:** Payment for rights to use IP or technology

Pricing Strategies

- Value-based:** Price based on perceived customer value
- Tiered:** Multiple price points for different feature sets
- Cost-plus:** Production cost plus markup
- Dynamic:** Prices that change with demand or usage

REVENUE MODELS FOR STARTUPS



Pro Tip

Think in terms of value capture. If your solution saves a customer CHF1000 a year, charging CHF100-CHF200/year is reasonable. Test pricing assumptions early with potential customers. Simplify pricing to avoid confusion. Consider recurring revenue models where possible, as investors typically value these higher.

Revenue Stream Planner

Stream	Who Pays	Frequency	Price

Step 5: Cost Structure & Financial Planning



Map out your cost structure and outline financial planning including burn rate, CAPEX vs OPEX planning, and when to bring in financial expertise.

Understanding Your Costs

Fixed Costs: Expenses that don't change with sales volume (salaries, rent, licenses, insurance)

Variable Costs: Costs that scale with output (COGS, transaction fees, commissions)

CAPEX vs OPEX: One-time investments vs ongoing operational costs

Financial Planning Essentials

- Create simple budget and financial forecast
- Know your burn rate and runway
- Consider when to bring in financial expertise

Founder Insight

"We hadn't done structured financial forecasting before, so we brought in an external CFO-as-a-service early on. They helped us set up a framework from the beginning – short term budgets, mid and long term forecasts. Having our budgeting, finance forecasting, and accounting workflow set up from day one definitely paid off for us."

— Founder of Unbound Potential

Cost Analysis Template

Fixed vs Variable:

Top 3 Cost Drivers:

CAPEX vs OPEX:

Runway (months):

Pro Tip

Get financially organized early. Track every expense from day one. Know your unit economics (cost per unit vs revenue per unit). Plan for scale and set aside a contingency buffer. Consider professional help for credibility with investors.

Step 6: Channels & Market Expansion

Plan your go-to-market strategy for growth, define scaling sales channels, and outline market expansion strategies.

Go-to-Market Strategy

- **Direct Sales:** In-house sales team, high control but resource-intensive
- **Partner Network:** Resellers, distributors, or integrators
- **Digital Marketing:** Online acquisition through content, SEO, ads

Market Expansion Planning

- **Home Market:** Establish strong foundation first
- **Adjacent Markets:** Expand to similar markets with minimal adaptation
- **International:** Consider cultural, regulatory, and logistical factors

Pro Tip

Start with a focused beachhead market and prove your model before expanding. For international expansion, find local partners who understand the market nuances.



Market Expansion Roadmap

Phase	Target Market	Channel Strategy
Initial		
Growth		

Step 7: Validation & Iteration



Continually test business model assumptions and iterate based on evidence.

The Build-Measure-Learn Cycle

- **Build:** Create minimum viable products (MVPs) to test key assumptions
- **Measure:** Collect data on customer behavior and feedback
- **Learn:** Analyze results and decide whether to persevere or pivot

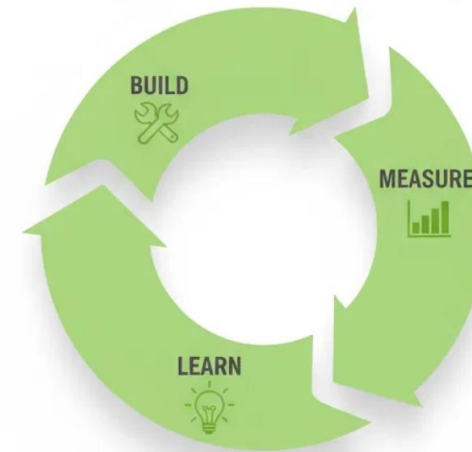
Key Validation Methods

- **Customer Interviews:** Direct feedback on value proposition
- **Prototype Testing:** Early product validation
- **A/B Testing:** Compare alternatives with real users

Pro Tip

Identify the riskiest assumptions in your business model and test those first. Use quantitative metrics where possible, but don't ignore qualitative feedback.

BUILD-MEASURE-LEARN CYCLE LEAN STARTUP



Assumption Testing Template

Assumption	Test Method	Success Metric

Step 8: Team & Governance

Define team structure, roles, and governance model including founding team roles, cap table planning, and governance practices.

Team Structure

- **Founding Team:** Define clear roles and responsibilities
- **Core Competencies:** Identify skills needed for execution
- **Hiring Plan:** Prioritize key positions for growth

Governance & Ownership

- **Cap Table:** Equity distribution among founders and investors
- **Decision Making:** Establish clear processes for key decisions
- **Advisory Board:** Recruit experienced advisors for guidance

Pro Tip

Have difficult conversations about equity and roles early. Document agreements formally. Consider vesting schedules to align long-term incentives. Build a diverse team with complementary skills and perspectives.



Team & Governance Planner

Role	Key Responsibilities	Skills Required
CEO		
CTO		
COO		

Next Steps



Complete Your BMD

Use this template to create your complete Business Model Design document.
Focus on validating key assumptions with real customers.



Iterate & Refine

Remember that your business model will evolve.

Return to this framework regularly to update and refine as you learn from the market.



Seek Feedback

Share your business model with mentors, advisors, and potential investors to get valuable feedback and identify blind spots.

Additional Resources

Let's Bring Your Idea to Life

Your journey from scientific discovery to
startup success starts now

