Business Modelling and Development
EIT Digital Doctoral School, Budapest

Fall Semester, 2015/2016 academic year

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Department	University of Pécs, Faculty of Business, Department of Business Information Systems
Office hours	ask for appointment
Course type	PhD core course
Contact hours	2+2 at every other week
Time, room	EIT ICT Labs CLC Budapest
Web source	see later

Course Rationale

This course is part of the I&E Doctoral Program. The preceding "Opportunity Recognition" component (a one-week intensive study experience) – and probably a Raising I&E Awareness introductory course - have both preset attitude and basic techniques of an entrepreneurial view to students making clear the difference between research and a small business. While participants of the Opportunity Recognition component are engaged in the early stage of new venture process (idea generation for a feasible business, product or service connected to their discipline, financing and marketing the would-be venture, etc.) this BMD course goes forward with more steps: building working models around your idea. The Business Modelling and Development component is delivered along a normal 8-15 weeks long semester program. The basic role is to commercialize potential business ideas and to turn an idea into real business. Participants have to recognize differences between market-driven and technology-push - based business ideas and should go on a step-by-step development process to finalize the course with a detailed and well-documented Business Plan.

Course Objectives

The course content and hands-on practicum sessions should serve detailed understanding of a small business structure, role of resources, market analysis, pricing, supply chain and financing. This complex is frequently called a "business model" – which, either existing explicitly or not, makes a basic difference between a product idea and a marketable product (or service). Every business is working on a business model – the way it generates revenue and profit for owners could be described as a "model" – however categorization and explanation of success or failure is rather complicated and can't be easily described or quantified.

Doctoral students normally work on their ICT-related research topic, collecting information on broader sense and doing research in narrow details of a specific problem – these are doctoral studies about. The objective of the BMD course is to open another view presenting entry barriers of a market and practicing techniques to start and develop a realistic business model.

Learning Outcomes: Knowledge and Skills

The course should transfer students powerful and practical business model-development techniques, enhancing their planning and managerial skills, giving basic entrepreneurial competences to design and operate a small firm, either brand new or a "renovated" old one. Students will have expertise to observe and learn from company business stories, cases - either with success or even with a failure.
Student teams will have some simple or more complex planning documents by the end of the course (an elevator pitch, a OnePager, a Business Case, a segmented Business Plan, etc.) ready for support presentation for different audiences (to family, to partners, to investors, etc.).

After the Business Modelling and Development component, candidates will

- have the ability to discover innovation potential of their research to such a point that it can be considered a feasible business with a marketable product;
- be able to create a strategy and a complex **business plan** for a new venture in their discipline;
- be able to evaluate the business opportunities in the field of ICT high-tech products and services, including legal and regulatory issues in their discipline;
- be able to evaluate market potential for a new venture, service or product;
- have an understanding of related business functions within a company;
- be able to understand role and value of intangible (knowledge) assets in a firm;
- learn value and management of intellectual property, including legal issues;
- be able to create and maintain brand(s) and manage brand(s);
- have stronger skills in organizing team work;
- have stronger presentation skills to disseminate their ideas on a new venture or about a business concept; and will
- be able to negotiate about resources (like funding) with potential investors and partners.

Teaching method

A blended teaching method is applied. Short lectures, case discussions and hands-on practical work will be mixed to have a realistic atmosphere of business planning.
Students will work with a realistic business idea in **small groups** and learn to refine the idea to such a point that it can be seriously considered as a basis for creating a business. Practical assignments have to be worked out individually and also in teamwork from week to week. The result of this process will be documented in a **detailed Business Plan** covering the elements of a marketable business model.

The course starts with some basic lectures and case discussions (see Scheduling). After these classes student teams will start to develop a business model for a high-tech small business. The basic business idea has to be relevant to students' former research results. Idea generation is followed by a simple but structured process used at many trainings worldwide ("Business Model Canvas"). Customer, market, operations and financing issues are discussed and planned step by step. At mid of the semester a simple "elevator pitch" (OnePager) presentation is evaluated in class. By the closing all teams should have a formal Business Plan and a textual Business Case ready for public presentation.

Assessment scheme

Attendance at lecture time and practical classwork sessions is a controlled requirement. Students are responsible to study distributed materials before class to be able to participate actively in discussions. Not attending more than 30% of sessions will have an AF (Administrative Fail) marking.
The assessment scheme is the following:

10% goes for active, relevant, critical participation in discussions, during case presentations (based on "bonus cards" given by the tutor)
10% goes for an individual report on a short, relevant (business + ICT) research article
10% goes for the Elevator Pitch document and first business presentation of the team (self-distributed marking, due by the 3rd session)
30% goes for the mid-term Business Case document and presentation (self-distributed marking, due by the 6th session)
40% goes for the Business Model Canvas + a simple Business Plan documentation (self-distributed marking, due by the final presentation, last session)

Grading scale: 0-50% Fail; 51-65% Pass; 66-75% Satisfactory; 76-85% Good; more: Excellent

Scheduling

Sessions will have a week classroom work and a week personal-team activities as follows.
For classroom sessions two (90+90 mins) modules are planned:

A/ "Lecture time" which includes presentation and case discussion
B/ "Practicum time" which includes hands-on individual and team-work with tutoring assistance, also team presentations and visitors are scheduled for this time window.

Week	Topics	Session content and assignments
1 / 2 10th Sept	A/ Introduction to Business Modelling.	Business organization and business processes. Research and entrepreneurship. The ICT industry and market.
	B/ Develop an initial Canvas	Course scheduling and requirements, teaching and learning methods to follow. Team formation. Initial Canvas building.
3 / 4 24th Sept	A/ The business environment	Basic business models. ICT impact on business. Competition, cooperation and co-ompetition. Customer segments
	B/ Market analysis, customers, channels and revenues	**Canvas building**: market competition, customer insights, value proposition, key resources, activities, channels

5 / 6 8th Oct	A/ Business models, patterns B/ Document initial business idea and revenue model	Unbundled Pattern (Osterwalder). The Long Tail idea. Multisided Patterns. Open business models. Customer value. **Canvas building**: Value proposition, initial model; product marketability, storytelling. The Elevator Pitch (OnePager) document. **Visitor presentation.**
7 / 8 22nd Oct	A/ Product development **B/ Midterm team presentations: the business model**	Customer relationships. Channels to deliver value to customers. Naming and pricing your product / service. Developing a brand. IPR problems in ICT. **Teams** hand over their initial documentation and have a live presentation to class and visitors. Q &A session.
9 / 10 5th Nov	A/ Financing a startup B/ Financial planning	Key resources. Phases of development. Financing models. Revenue streams. Financing success (growth) and failure. **Canvas building:** Cost structure. Return on investment. Pre-money phase financing solutions. Business Plan: cash-flow analysis, break-even point. **Visitor presentation.**
11/12 19th Nov	A/ Strategy building B/ Organizational and human planning	Vision, mission, strategy and policy. Organization and human capital management. Knowledge management of an ICT startup. Blue Ocean strategy. **Canvas building:** Key (human) resources. Partnerships. Growth strategies: regional and foreign markets.
13/14 3rd Dec	A/ Success and failure: valuing your company **B/ "Dragons' Den" final team presentations: Business Plan**	Market-readiness: complex evaluation of a firm. Inside and outside evaluation: SWOT, PEST, Balanced Scorecard in ICT. A Business Case and the Business Plan: different presentation solutions. Models of growth. **Teams** hand over their final BMD "canvas" documentation, the **Business Plan** with quantitative data. Live presentation to class and visitors: product, market, financing, strategy. Q &A session.

Basic reference material:

Osterwalder, Y. Pigneur: Business Model Generation, *Wiley, 2010*

Further references, cases and other materials will be distributed in time.