

Worksheet 1:

ASK YOURSELF:

DO YOU NEED TO RE-ASSESS YOUR BUSINESS MODEL?

QUESTION

Have you spent time analysing your business model?

RATIONALE/EXAMPLES

Ask yourself questions around the nine business model building blocks such as: Are you targeting the right consumer segments? Is your value proposition clear, could it be more differentiated? Could you employ additional revenue streams? Use our template (see section 4.3.4) to start to map out the structure of your business model.

YOUR IDEAS?

Have you failed to successfully gain grant funding or investment from a financial institution or investor?

Perhaps your business model fails key business model tests. As outlined in the *Harvard Business Review* an ineffective business model fails: "either the narrative test (the story doesn't make sense) or the numbers test (the P&L doesn't add up)"ⁱ.

Have major changes occurred in the structure of your creative industry sector or other wider changes (e.g. technological, legislation or political changes) that impact your sector?

Entry of new technologies can disrupt industries and lead companies to explore and apply new knowledge as part of their business modelⁱⁱ.

Have you recently entered a new phase of your businesses development (e.g. introduced new products or services, invested in additional resources, adopted a new revenue stream)?

A study of games companies shows they continue to adapt business models as they develop. For example, Dynamo Games started out focusing on producing games commissioned by publishers, but moved to also develop its own content and self-publish, which changed the business model. Changes mean it is connected directly with game players, rather than just publishers of games. This impacts its key activities, partners, customer relationships and revenue streamsⁱⁱⁱ.