

A woman with curly hair is smiling and talking to another woman in a professional setting. The background is a gradient of orange and purple.

04.

# **THE RIGHT BUSINESS MODEL**

# MONETISING YOUR IDEAS/HOBBIES

## Ways to generate money in your business:

- The sale of your product and services;
- Subscription fees;
- Event/Attendance fees;
- Commission;
- Referral/Affiliate fees;
- Monthly retainers;
- Franchising your services.



**WAYS TO  
GENERATE  
MONEY IN  
YOUR  
BUSINESS**

# MONETISING YOUR IDEAS/HOBBIES



**THE AIM IS TO CREATE A  
MONEY GENERATING  
MACHINE**

1. Product is free, revenue is from advertisers (Facebook)
2. Freemium model - people pay for upgrade (Canva)
3. Price based on product costs plus margin (Most consumer products/services)
4. Price based on average value to the customer (New drugs/medical supplies)
5. Price with recurring low subscription payments (Netflix)
6. Tiered pricing based on volume on customer scope (Zoom)
7. Revenue is a percentage of every transaction (Etsy)
8. Low product price, but support is extra (Ikea)
9. Low entry price, with priced features additional (wix.com)
10. Low price base, money made on disposables (Inkjet Printers/cartridges)

# **TASK: COMPLETE THE BELOW BUSINESS CLARIFICATION STATEMENT**

## **BUSINESS MODEL:**

## **REVENUE STREAMS:**

My business will generate/generates revenue in the following ways...

# EXAMPLES

## Free



Quora

## Freemium



miro



## Open Source



## On-Demand



NETFLIX

## E-Commerce



ASOS



## Advertising

Google



Quora

## Subscriptions

ZATTOO



## Peer-to-Peer



mintos

Uber

## Hidden Revenue



Google

# THE MARKETING MIX



The marketing mix has been defined as the "set of marketing tools that businesses use to pursue their marketing objectives in the target market. These set of actions or tactics are more commonly known as the "7 P's".

# MARKETING MIX TEMPLATE

**PRODUCT**  
Describe the 'Unique Selling Proposition' that clearly states the features & benefits that make your work unique.

**PLACE**  
Where is your work available to people & how does it get there?

**PRICE**  
What are the returns you receive for your work?

**PHYSICAL ENVIRONMENT**  
What impression does your workplace give to your audience, suppliers and staff?

**PROCESS**  
What are the procedures that your company uses to deliver your work?

**PEOPLE**  
Who of your staff or representatives are involved?

**PROMOTION**  
What are your means to make your audience aware of your work?

# FINDING THE RIGHT BUSINESS MODEL

## THE STEPS YOU NEED TO TAKE...

**Step 1: Ensure you have a valid idea first!**

**Step 2: Identify how you can generate the most revenue.**

**Step 3: Ensure you have the right systems and processes to meet demand!**

**Step 4: Establish your position in the market.**

# **SESSION NOTES**

04.

# THE RIGHT BUSINESS MODEL

## ADDITIONAL LEARNING



LOOK UP/RESEARCH:

- CONSIDER HOW YOUR COMPETITORS OPERATE AND WHAT SEEMS RIGHT FOR YOUR CUSTOMERS' NEEDS;
- IDENTIFY A MODEL THAT IS FLEXIBLE ENOUGH FOR YOU TO INNOVATE/RE-MODEL AND IS CAPABLE OF SERVING A GROWING AUDIENCE;
- WHAT ARE POTENTIAL LIMITATIONS OF YOUR PREFERRED BUSINESS MODEL AND HOW CAN YOU OVERCOME THEM?