

RECESSIONARY GROWTH SEMINAR

DURBAN 15 Nov 2010, Protea Hotel, Umhlanga Ridge
CAPE TOWN 16 Nov 2010, Premier Hotel, Cape Manor, Sea Point
JOHANNESBURG 18 Nov 2010, Premier Hotel, OR Tambo

INFORMATION PACK

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KEYNOTE SPEAKER



GREG FISHER

Greg Fisher is one of *Entrepreneur* magazine's key contributors and is a highly sought-after presenter and lecturer. Fisher has an MBA cum laude and is a qualified Chartered Accountant. He is currently a research associate and lecturer at the University of Washington in Seattle, USA, where he is completing his PhD in Technology Entrepreneurship and Strategy. Fisher is also a visiting lecturer at the Gordon Institute of Business Science and the business school of the University of Pretoria, where he lectures on the MBA and executive education programmes in the areas of strategy and entrepreneurship. Fisher is an expert on business modeling for a competitive advantage through positioning and differentiation.



SEMINAR AGENDA

Registration	07:00 - 08:00
Session 1	
Welcome & Speaker Introduction	MC 08:00 - 08:05
Keynote Speaker Address	Greg Fisher 08:05 - 09:30
Coffee/Tea Break	09:30 - 10:00
Session 2	
Q&A & Workshop	Greg Fisher 10:00 - 11:30
Sponsor Message	First National Bank 11:30 - 11:45
Closure of Seminar	MC 11:45 - 11:55
Networking Opportunity	12:00 - 12:30

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THE RECESSION REINVENTION EXERCISE

This is an exercise to assist you in using the recession as an opportunity to reinvent or renew your business. The exercise will take you through a series of steps to help you better understand your current business model and to aid you in identifying areas where you can change your business for the better. You will be guided through the process of planning for change but in the end it is up to you whether you actually implement those changes.

STEP 1 – MAPPING YOUR CURRENT BUSINESS MODEL

The first step in the exercise is to map your current business model. If you currently own or manage a business then you should work through the 9 business model building blocks on the business model canvas. As you focus on each building block, record the key elements of your business that underlie each building block. The idea is to capture the current state of affairs in your business. Therefore you should aim to be realistic and honest as possible as you record the key elements of your business on the business model canvas.

Instructions:

- Each block on the business model canvas below contains a question or instruction to guide you in recording the key elements of your business in the appropriate space.
- Answer each question as thoroughly as possible.
- Once you have inserted detail in each of the nine blocks on the business model canvas, take a step back and review your overall business model to see whether it is capturing the current operations.

a) Business Model Canvas

<p>KEY PARTNERS</p> <p>Describe the network of suppliers and partners that make the business model work.</p>	<p>KEY ACTIVITIES</p> <p>What are the most important activities that the company must do to make the business model work?</p>	<p>VALUE PROPOSITION</p> <p>What do you provide to customers? Describe the bundle of products and/or services that provide value to customers.</p>	<p>CUSTOMER RELATIONSHIPS</p> <p>How do you foster and maintain relationships with customers.</p>	<p>CUSTOMER SEGMENTS</p> <p>Which groups of customers do you currently serve? Briefly describe each different customer group.</p>
	<p>KEY RESOURCES</p> <p>What assets do you have under your control for delivering on your value proposition?</p>		<p>CHANNELS</p> <p>How do you currently deliver products or services to customers?</p>	
<p>COST STRUCTURE</p> <p>What are the major categories of costs that you incur to make your business model work? Describe each major cost category.</p>		<p>REVENUE STRUCTURE</p> <p>How do you generate revenue from each customer grouping? Describe your different revenue streams.</p>		

STEP 2 – SWOT ASSESSMENT IN YOUR BUSINESS MODEL

a) Assessing Strengths & Weaknesses

VALUE PROPOSITION ASSESSMENT	STRENGTHS					WEAKNESS					IMPORTANCE TO THE BUSINESS MODEL	
Our value propositions are well aligned with customer needs	5	4	3	2	1	-1	-2	-3	-4	-5	Our value propositions and customer needs are misaligned	
There are strong synergies between our different products and services	5	4	3	2	1	-1	-2	-3	-4	-5	There are no synergies between our different products and services	
Our customers are very satisfied	5	4	3	2	1	-1	-2	-3	-4	-5	We have frequent complaints	
Our value proposition is unique	5	4	3	2	1	-1	-2	-3	-4	-5	There are many other organisations providing a similar value proposition	
COST/REVENUE ASSESSMENT	STRENGTHS					WEAKNESS					IMPORTANCE TO THE BUSINESS MODEL	
We benefit from strong margins	5	4	3	2	1	-1	-2	-3	-4	-5	Our margins are poor	
Our revenues are predictable	5	4	3	2	1	-1	-2	-3	-4	-5	Our revenues are unpredictable	
We have recurring revenue streams and frequent repeat purchases	5	4	3	2	1	-1	-2	-3	-4	-5	Our revenues are transactional with few repeat purchases	
Our revenue streams are diversified	5	4	3	2	1	-1	-2	-3	-4	-5	We depend on a single revenue stream	
We collect revenues before we incur expenses	5	4	3	2	1	-1	-2	-3	-4	-5	We incur expenses before we collect revenue	
Our pricing mechanisms capture customers willingness to pay	5	4	3	2	1	-1	-2	-3	-4	-5	Our pricing mechanisms leave money on the table	
Our costs are predictable	5	4	3	2	1	-1	-2	-3	-4	-5	Our costs are unpredictable	
Our operations are cost efficient	5	4	3	2	1	-1	-2	-3	-4	-5	Our operations are cost-inefficient	
We benefit from economies of scale	5	4	3	2	1	-1	-2	-3	-4	-5	We don't enjoy any economies of scale	
INFRASTRUCTURE ASSESSMENT	STRENGTHS					WEAKNESS					IMPORTANCE TO THE BUSINESS MODEL	
Our key resources are difficult for customers to replicate	5	4	3	2	1	-1	-2	-3	-4	-5	Our key resources are easily replicated	
Resource needs are predictable	5	4	3	2	1	-1	-2	-3	-4	-5	Resource needs are unpredictable	
We deploy the right resources at the right time	5	4	3	2	1	-1	-2	-3	-4	-5	We have trouble deploying the right resources at the right time	
We efficiently and effectively execute key activities	5	4	3	2	1	-1	-2	-3	-4	-5	We are inefficient and/or ineffective in the execution of key activities	
Our key activities are difficult to copy	5	4	3	2	1	-1	-2	-3	-4	-5	Our key activities are easily copied	
We have the right balance between internal and outsourced activities	5	4	3	2	1	-1	-2	-3	-4	-5	We execute too many or too few activities ourselves	
We have productive partnerships with other organisations	5	4	3	2	1	-1	-2	-3	-4	-5	We have no partnerships or our partnerships are unproductive	
We have partnerships with world-class organisations	5	4	3	2	1	-1	-2	-3	-4	-5	The performance and/or reputation of our partners is weak	
We have a good relationship with our strategic partners	5	4	3	2	1	-1	-2	-3	-4	-5	Our relationship with strategic partners is strained	
CUSTOMER INTERFACE ASSESSMENT	STRENGTHS					WEAKNESS					IMPORTANCE TO THE BUSINESS MODEL	
Our customer churn rates are low	5	4	3	2	1	-1	-2	-3	-4	-5	Customer churn rates are high	
Our customer base is well segmented	5	4	3	2	1	-1	-2	-3	-4	-5	Our customer base is unsegmented	
We truly understand our customers	5	4	3	2	1	-1	-2	-3	-4	-5	We don't really understand the needs and preferences of our customers	
We are continuously acquiring new customers	5	4	3	2	1	-1	-2	-3	-4	-5	We are failing to acquire new customers	
Our channels are efficient	5	4	3	2	1	-1	-2	-3	-4	-5	Our channels are inefficient	
Our channels are effective	5	4	3	2	1	-1	-2	-3	-4	-5	Our channels are ineffective	
Customers can easily see and access our channels	5	4	3	2	1	-1	-2	-3	-4	-5	Prospects fail to notice and access our channels	
Our channels are strongly integrated	5	4	3	2	1	-1	-2	-3	-4	-5	Our channels are poorly integrated	
Our channels can be used across multiple products and services (economies of scope)	5	4	3	2	1	-1	-2	-3	-4	-5	Our channels can't be used across multiple products and services (limited economies of scope)	
Our channels are well matched to our customer segments	5	4	3	2	1	-1	-2	-3	-4	-5	Our channels are poorly matched to our customer segments	
We have strong customer relationships	5	4	3	2	1	-1	-2	-3	-4	-5	We have weak customer relationships	
The quality of the customer relationships matches the customer segments we serve	5	4	3	2	1	-1	-2	-3	-4	-5	The quality of the customer relationships is inappropriate for the customer segments we serve	
Relationships create switching costs	5	4	3	2	1	-1	-2	-3	-4	-5	Customer switching costs are low	
Our brand is strong	5	4	3	2	1	-1	-2	-3	-4	-5	Our brand is weak	

b) Assessing Threats

1 = strongly agree • 5 = strongly disagree

VALUE PROPOSITION THREATS	THREATS				
Substitute products and services are available	1	2	3	4	5
Competitors are threatening to offer better price or value	1	2	3	4	5
Our offering is likely to become obsolete in the medium term (next three years)	1	2	3	4	5
COST/REVENUE THREATS	THREATS				
Our margins are threatened by competitors or by technology	1	2	3	4	5
We depend excessively on one revenue stream	1	2	3	4	5
Some revenue streams are likely to disappear	1	2	3	4	5
Significant costs are likely to become unpredictable?	1	2	3	4	5
Some of our costs are likely to grow more quickly than revenues	1	2	3	4	5
INFRASTRUCTURE THREATS	THREATS				
We could face disruption in the supply of certain resources	1	2	3	4	5
The quality of our resources are threatened	1	2	3	4	5
Key activities are likely to be disrupted	1	2	3	4	5
We are in danger of losing key partners	1	2	3	4	5
Our partners may collaborate with competitors	1	2	3	4	5
We are too dependent on certain partners	1	2	3	4	5
CUSTOMER INTERFACE THREATS	THREATS				
The market could soon be saturated	1	2	3	4	5
Customers are likely to defect	1	2	3	4	5
Our channels are in danger of becoming irrelevant to customers	1	2	3	4	5
Our customer relationships are deteriorating	1	2	3	4	5

c) Assessing Opportunities

1 = strongly agree • 5 = strongly disagree

VALUE PROPOSITION OPPORTUNITIES	OPPORTUNITIES				
We could generate recurring revenues by converting products into services	1	2	3	4	5
We could expand our market reach by converting services into products	1	2	3	4	5
We could better integrate our products and services	1	2	3	4	5
We could eliminate elements of our offering to make it simpler and more valuable	1	2	3	4	5
COST/REVENUE OPPORTUNITIES	OPPORTUNITIES				
We can replace one-time transaction revenues with recurring revenues	1	2	3	4	5
We have cross selling opportunities that we are not leveraging	1	2	3	4	5
We can increase prices	1	2	3	4	5
We can reduce costs	1	2	3	4	5
We can collect revenue before we incur costs	1	2	3	4	5
INFRASTRUCTURE OPPORTUNITIES	OPPORTUNITIES				
We could use less costly resources to achieve the same result	1	2	3	4	5
We have key resources that are under-exploited	1	2	3	4	5
We could access key resources from partners that will add significant value to what we do	1	2	3	4	5
We could standardise some key activities	1	2	3	4	5
Collaboration with key partners will enable us to focus more effectively on our key business	1	2	3	4	5
There are cross selling opportunities with partners	1	2	3	4	5
Partner relationships could significantly add to our value proposition	1	2	3	4	5
CUSTOMER INTERFACE OPPORTUNITIES	OPPORTUNITIES				
There are new customer segments emerging that are likely to be interested in our products or services	1	2	3	4	5
We can better serve our customers through finer segmentation	1	2	3	4	5
We could find new complimentary channels	1	2	3	4	5
We could better align channels with customer segments	1	2	3	4	5
We could increase margins and/or improve the customer experience by directly serving customers	1	2	3	4	5
There is the potential to improve customer follow up	1	2	3	4	5
We could create a community of customers centred around our product or service	1	2	3	4	5
We could make more of an effort to interact with and listen to customers	1	2	3	4	5
We have groups of unprofitable customers that could be "fired" to improve profitability	1	2	3	4	5
We can increase switching costs	1	2	3	4	5
We could automate some elements of relationship management	1	2	3	4	5

d) Key Strengths, Weaknesses, Opportunities & Threats

Review your responses to the questions pertaining to key strengths, weaknesses, opportunities and threats. As you review your responses identify the three most valuable strengths and opportunities and three most critical weaknesses and threats. Provide a brief explanation as to why each is valuable or critical

3 MOST VALUABLE STRENGTHS	EXPLANATION	3 MOST CRITICAL WEAKNESSES	EXPLANATION
1.		1.	
2.		2.	
3.		3.	
3 MOST VALUABLE OPPORTUNITIES	EXPLANATION	3 MOST CRITICAL THREATS	EXPLANATION
1.		1.	
2.		2.	
3.		3.	

STEP 3 – REVIEW THE REINVENTION TACTICS

The seminar presentation focused on some of the tactics that entrepreneurs and managers can focus on to reinvent their business in times of recession. These reinvention tactics were organised according to the building blocks of the business model canvas (as outlined below). Work through the reinvention tactics and highlight those that are particularly relevant to your business.

a) Business Model Canvas – Reinvention Tactics

KEY PARTNERS <ul style="list-style-type: none"> • Define your dream list • Take a chance • Build trust 	KEY ACTIVITIES <ul style="list-style-type: none"> • Access (cheap) talent • Nurture people • Do what you do best, let others do the rest 	VALUE PROPOSITION <ul style="list-style-type: none"> • Solve a problem • Simplify and eliminate • Define a meaningful point of differentiation 	CUSTOMER RELATIONSHIPS <ul style="list-style-type: none"> • Nurture a customer community • Engender two way interaction • Listen, listen, listen 	CUSTOMER SEGMENTS <ul style="list-style-type: none"> • Niche yourself • Know your niche • Foster fans
	KEY RESOURCES <ul style="list-style-type: none"> • Leverage your base • Utilise capacity • Build for the future 		CHANNELS <ul style="list-style-type: none"> • Engineer a channel segment match • Create customer experiences • Make sure its cost effective and reliable 	
COST STRUCTURE <ul style="list-style-type: none"> • Prune (but make it secondary) • Match cost to value • Manage your customer base (move away from unprofitable clients with few prospects for a turnaround) 			REVENUE STRUCTURE <ul style="list-style-type: none"> • Get creative (not in accounting but in looking for new sources of revenue) • Experiment • Build annuities 	

b) What can you do to build on your strengths and seize your opportunities?

ACTION	IMMEDIATE NEXT STEP	TIMEFRAME

c) What can you do to eliminate your weaknesses and avoid the threats to your business?

ACTION	IMMEDIATE NEXT STEP	TIMEFRAME



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