

Entrepreneurship – Session 6 (October 29)

How do entrepreneurs structure business opportunities?

Prof. Dr. Nicola Breugst

Technical University of Munich

TUM Entrepreneurship Research Institute

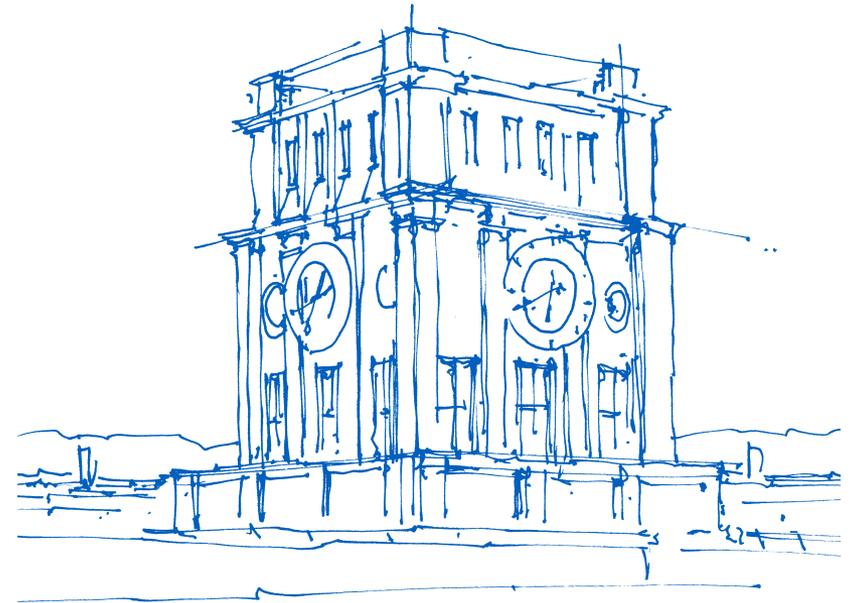
Professorship of Entrepreneurial Behavior

Munich, Winter Semester 2025/2026

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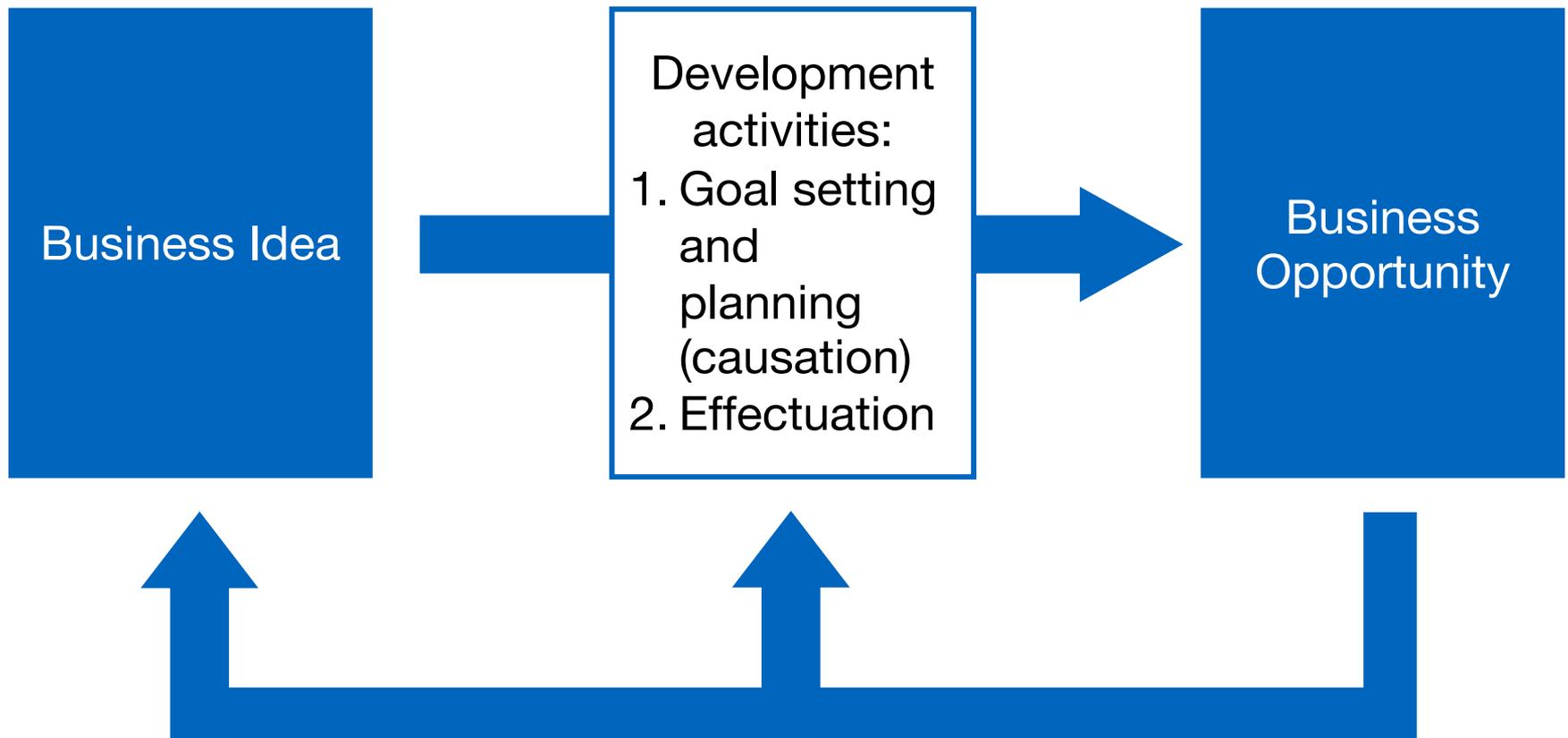


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Summary – Opportunity Development



Based on Dimov (2007)

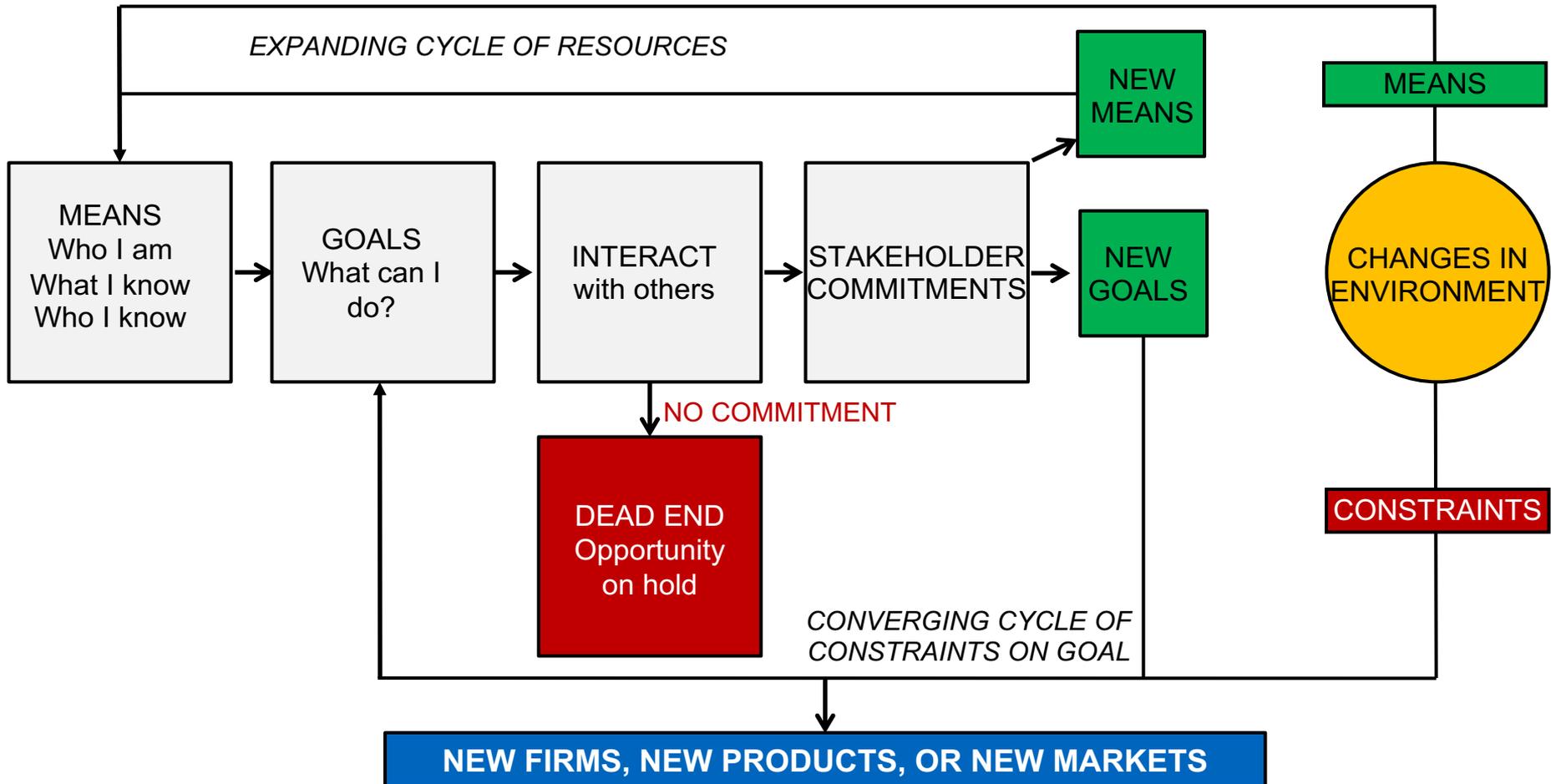
Effectuation in a nutshell.



**START
WITH YOUR
DESIRED OUTCOME.**

**START
WITH YOUR
RESOURCES.**

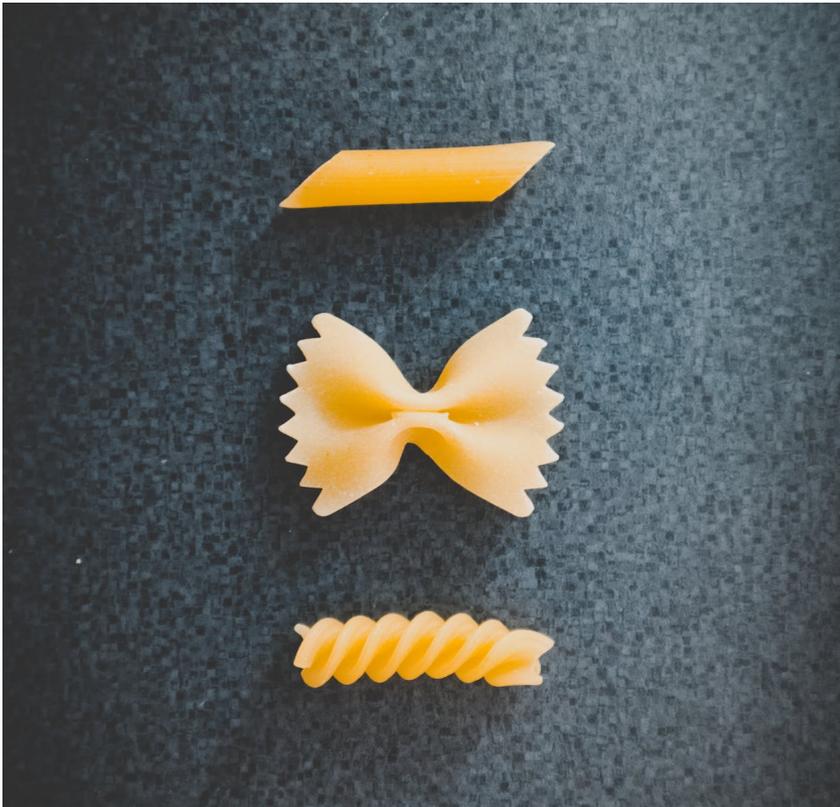
Summary – Opportunity Development



Sarasvathy (2001)

Thought experiment – Passion for pasta!

Causation



Effectuation



Example – Multiple Choice Question

Considering the effectuation framework (Sarasvathy, 2001) and according to the explanations in the lecture, the recent trend of upcycling is consistent with the...

- a) ...start with your resources principle.
- b) ...affordable loss principle.
- c) ...form partnerships principle.
- d) ...leverage surprise principle.

Course overview

#	DATE	TOPIC
1	Oct 14	Introduction
2	Oct 15	Who is the “entrepreneur”?
3	Oct 21	How do entrepreneurs recognize opportunities?
4	Oct 22	How do entrepreneurs develop opportunities?
5	Oct 28	Guest lecture by Csilla Spiller (Beautechful)
6	Oct 29	How do entrepreneurs structure business opportunities?
7	Nov 04	How do entrepreneurs gain and allocate resources?
8	Nov 05	How do entrepreneurs manage their teams?
9	Nov 11	Putting content into play: Interactive workshop. <i>Please bring a computer. (Session during student assembly, no new content.)</i>
10	Nov 12	Guest lecture by Leonhard Teichert (Circular Republic)
11	Nov 18	Guest lecture by Stefan Schenk (PeterPark)
12	Nov 19	How do entrepreneurs enter their markets and how do they grow their ventures?
13	Nov 25	Guest lecture by Inga vom Holtz (UnternehmerTUM Funding for Innovators)
14	Nov 26	Q & A Session
	Dec 12	Exam

Lots of great ideas are around us, but ...

... to turn your ideas into promising opportunities, you need to clarify many questions, such as:

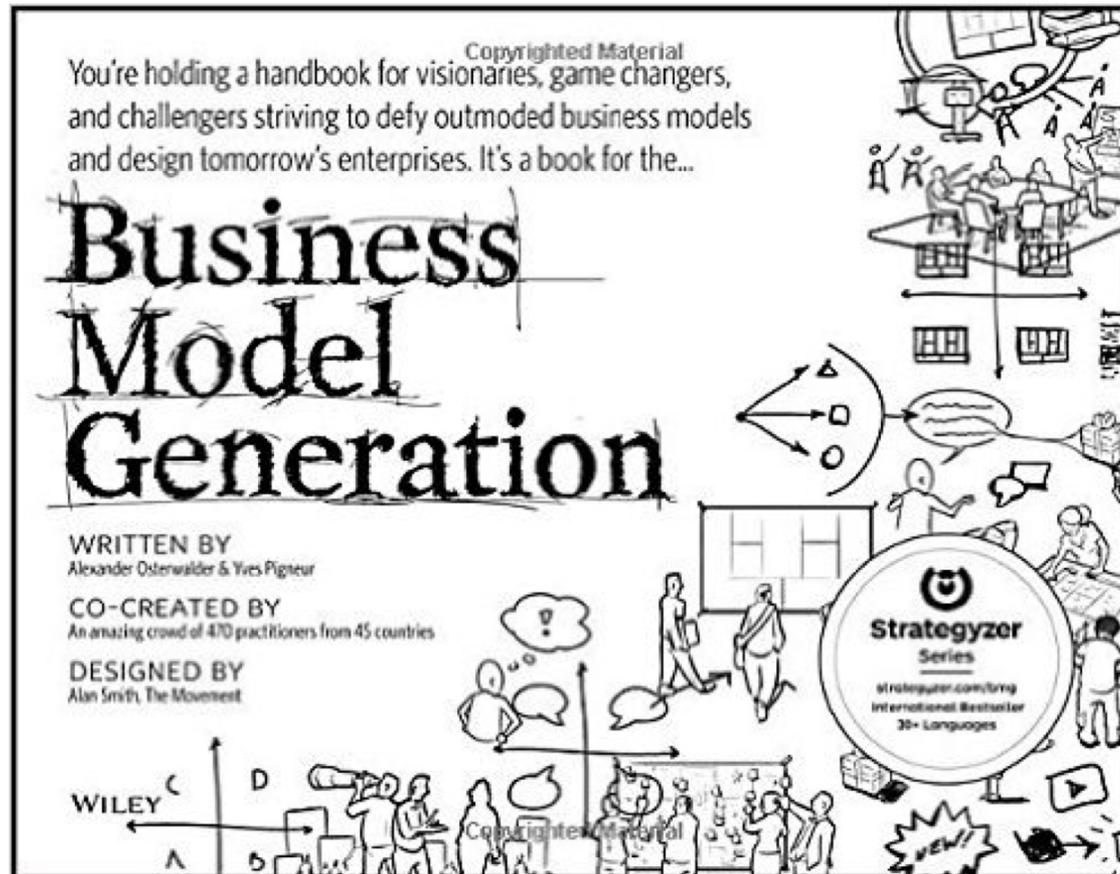
- Who is the customer?
- What is the customer's benefit and how can it be measured?
- How do you monetize your offering?
- What steps do you need to take to make the idea work? Who and what do you need?

Or, more abstractly:

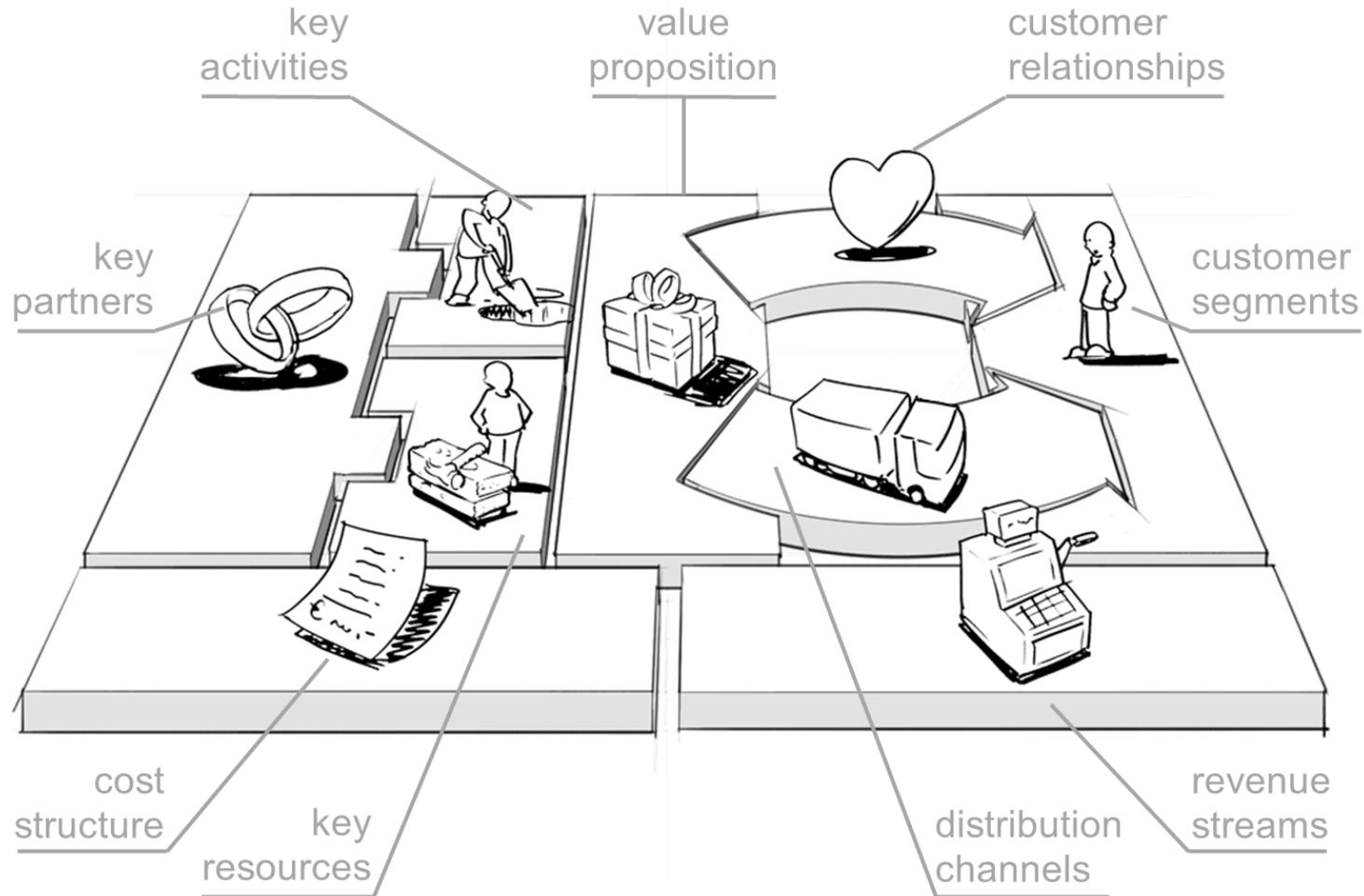
“What is the underlying economic logic that explains how we can deliver value to customers at an appropriate cost?”

(Magretta, 2002)

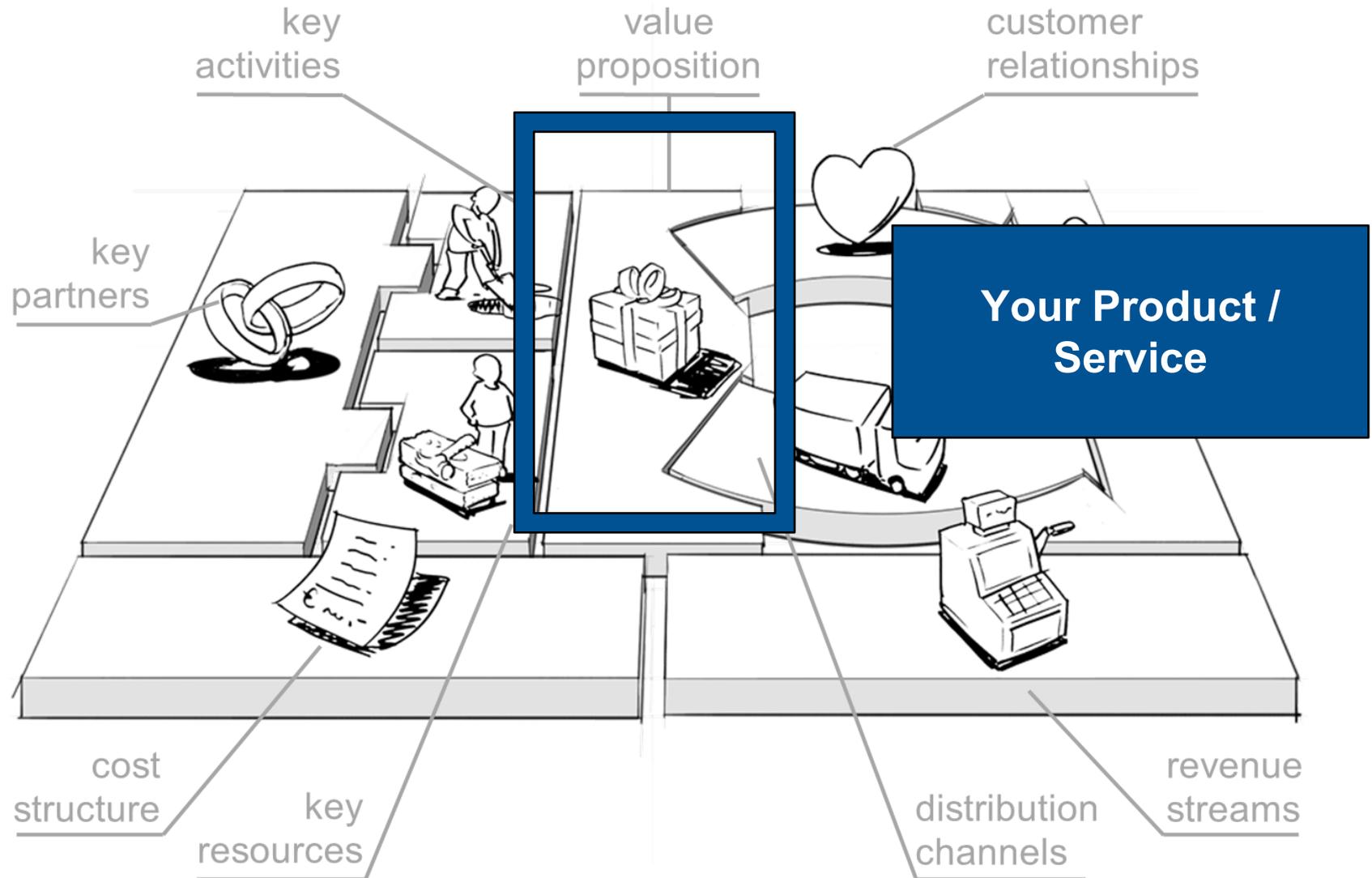
Your 'solution' is not just your product – but your business model is.



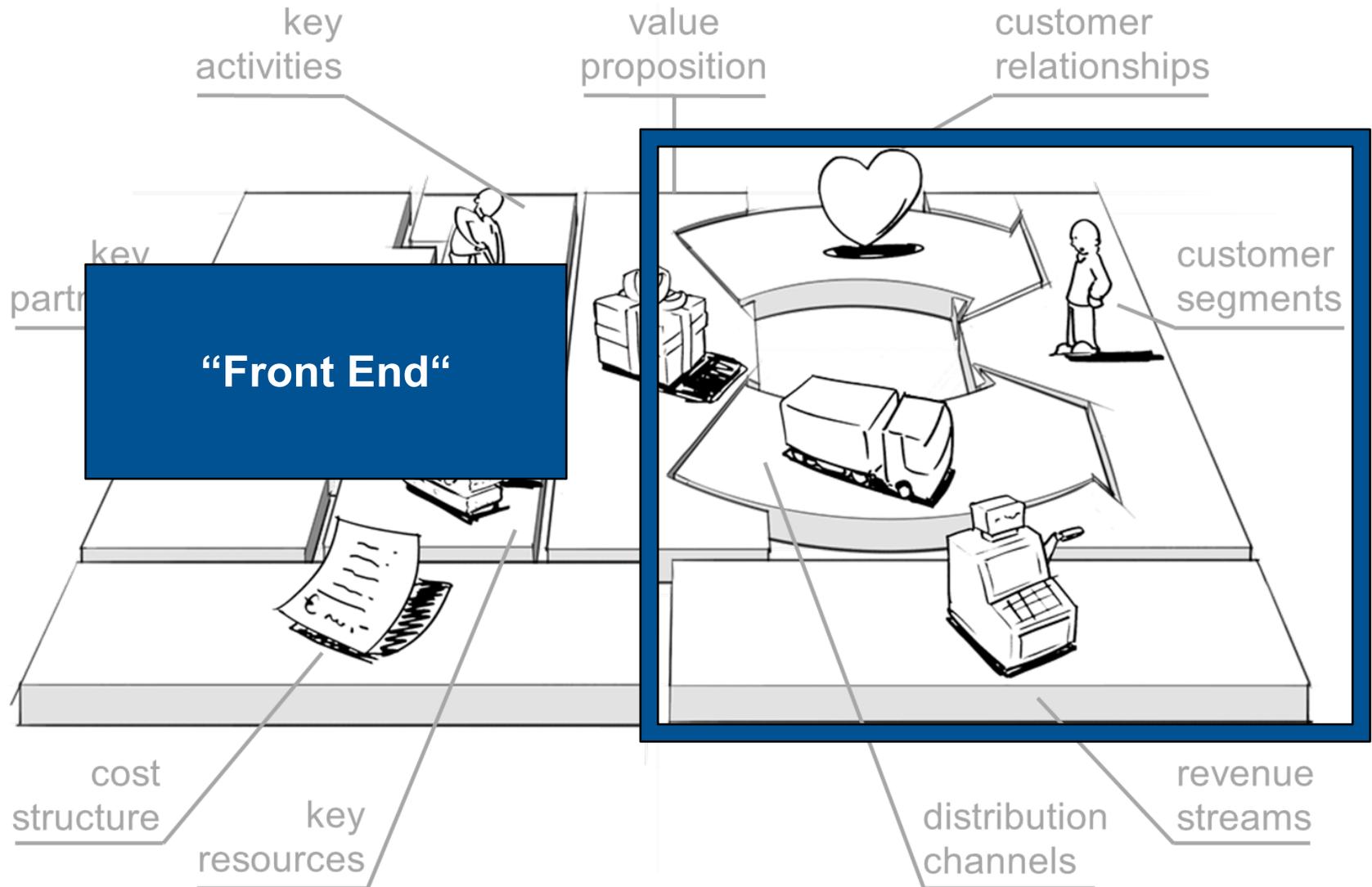
Business Model Canvas



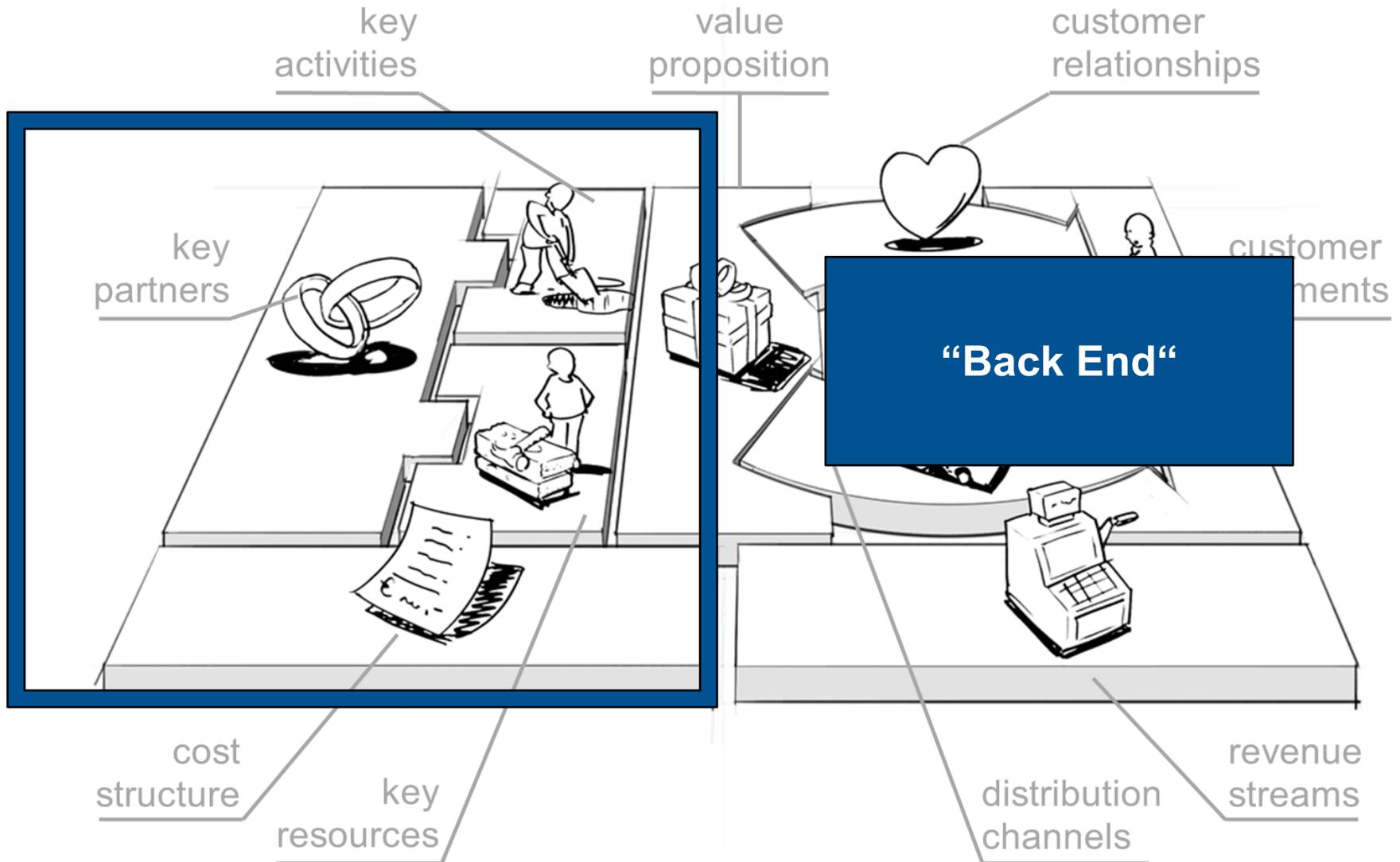
Business Model Canvas



Business Model Canvas



Business Model Canvas



Business Model Canvas – Value Proposition

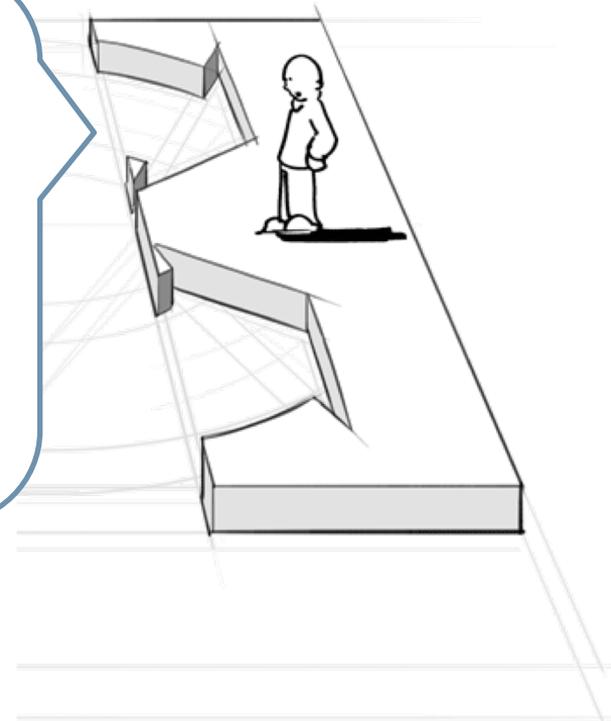


- How are we different from our competitors?
- What value do we deliver to the customer?
- Which of our customer's problems are we helping to solve?
- Which customer needs are we satisfying?
- What bundles of products and services are we offering to each customer segment?

Examples: Newness, Performance, Customization, “Getting the job done,” Design, Brand / Status, Price, Cost Reduction, Risk Reduction, Accessibility, Convenience / Usability

Business Model Canvas – Customer Segments

- For whom are we creating value?
- Who are our most important customers?

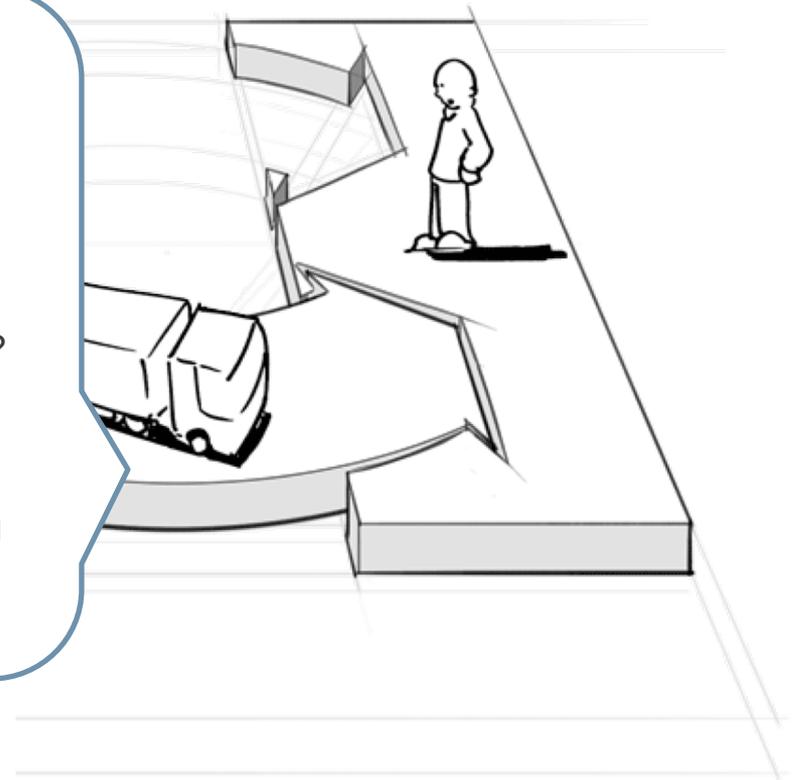


Examples: Mass Market, Niche Market, Segmented, Diversified, Multi-sided Platform

Business Model Canvas – Distribution Channels

How to get your offering to the customer?

- Through which Channels do our Customer Segments want to be reached?
- Which ones are most cost-efficient?
- Which ones work best?
- How are our Channels integrated?
- How are we integrating them with customer routines?

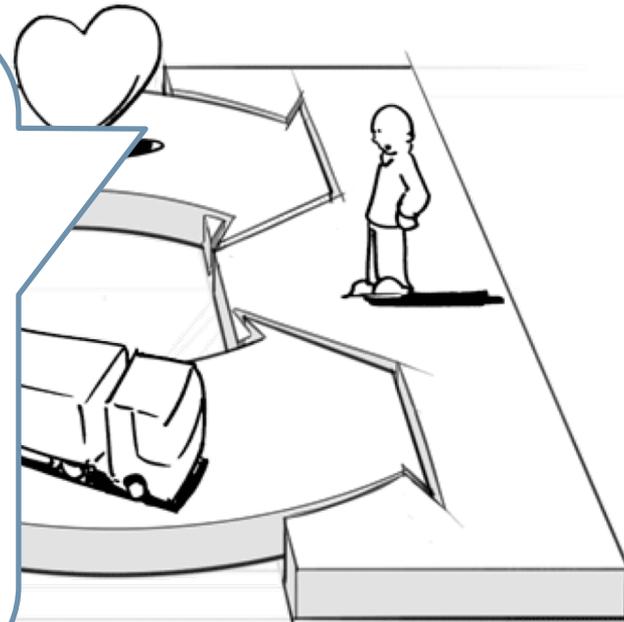


Examples: Own Sales Force, Web Sales, Own Stores, Partner Stores, Retail & Wholesale

Business Model Canvas – Customer Relationships

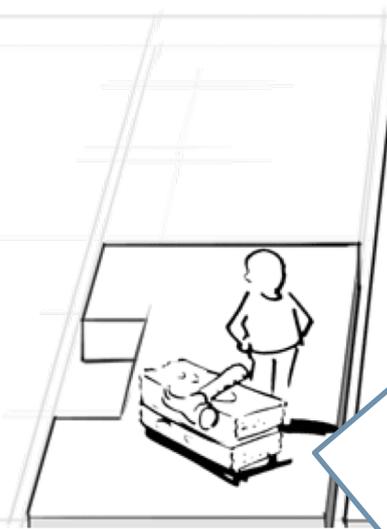
How to keep customers and which customers to keep?

- What type of relationships do each of our customer segments expect us to establish and maintain with them?
- How are these relationships integrated with the rest of our business model?
- How costly are these relationships?



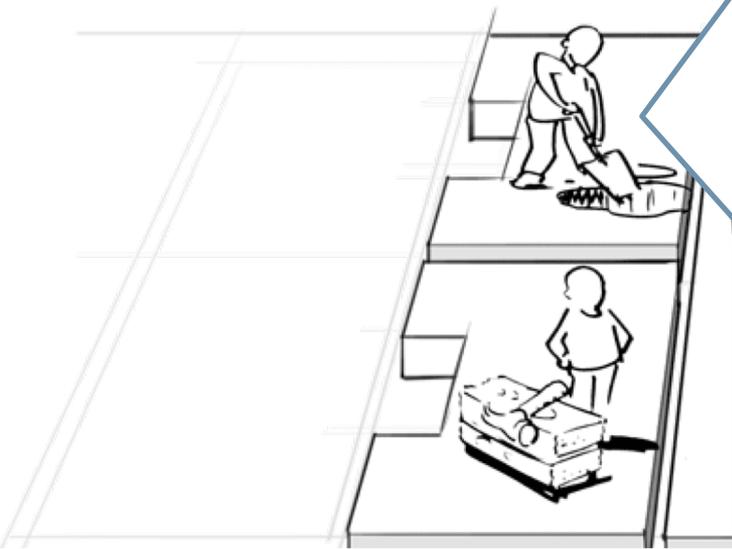
Examples: Personal Assistance, Self-Service, Automated Services, Communities, Co-creation

Business Model Canvas – Key Resources

- 
- 
- What key resources do our value propositions require?
 - What key resources do our distribution channels require?
 - What key resources do our customer relationships require?
 - What key resources do our revenue streams require?

Types: Physical, Intellectual (brand patents, copyright, data), Human, Financial

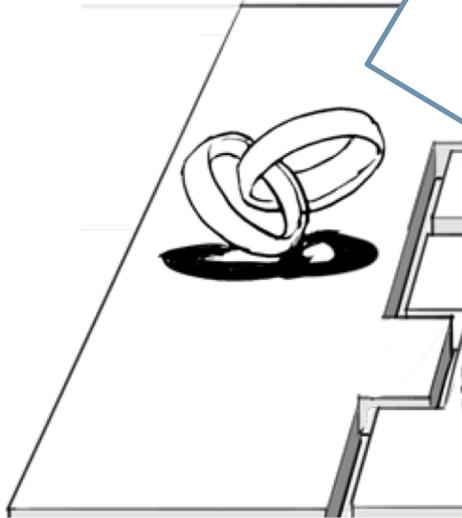
Business Model Canvas – Key Activities



- What key activities do our value propositions require? What are the most critical activities for delivering our value proposition?
- What key activities do our distribution channels require?
- What key activities do our customer relationships require?
- What key activities do our revenue streams require?
- Are there any activities that can be outsourced to partners to increase efficiency?
- How do our key activities align with our overall business strategy?

Categories: Production, Problem Solving, Platform / Network

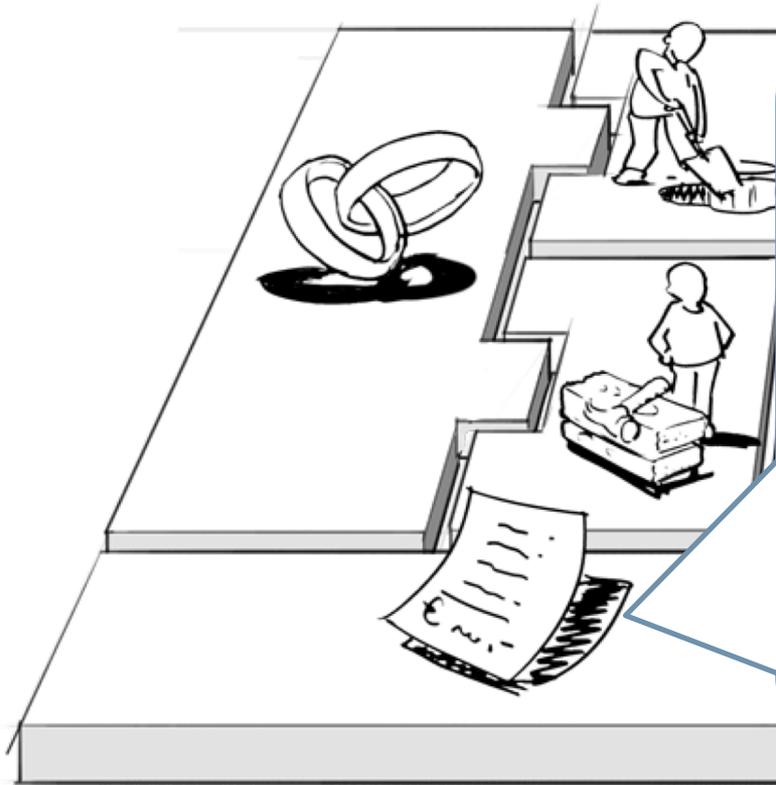
Business Model Canvas – Key Partners



- Who are our key partners? Who are our key suppliers?
- Which key resources are we acquiring from our partners?
- Which key activities are our partners performing?
- What motivates our key partners to collaborate with us?
- What risks do we face with our key partners, and how can we mitigate them?
- Are there any strategic partnerships we should consider pursuing?

Motivations: Optimization and Economy of Scale, Reduction of risk and uncertainty, Acquisition of particular resources and activities

Business Model Canvas – Cost Structure



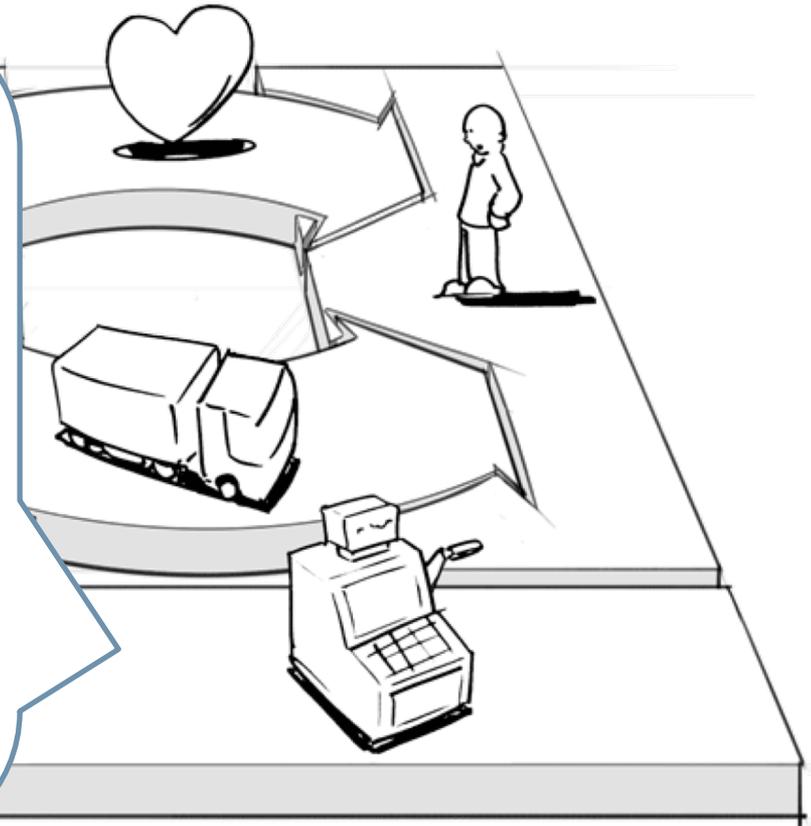
- What are the most important costs inherent in our business model (including production and non-production costs)?
- What is the investment period for our major costs?
- What fixed and variable costs do we have?
- Are there any opportunities to reduce costs without compromising quality?
- How do changes in our business model impact our cost structure?
- What are the potential risks associated with our cost structure?

Is your business more: Cost driven, Value driven

Characteristics: Fixed Costs, Variable Costs, Economies of Scale, Economies of Scope

Business Model Canvas – Revenue Streams

- What values are our customers willing to pay for? What are they currently paying for?
- How are they currently paying? How would they prefer to pay?
- How large is each revenue stream? What are the most profitable revenue streams?
- Are there opportunities to diversify our revenue streams?
- What trends could impact our revenue streams in the future?

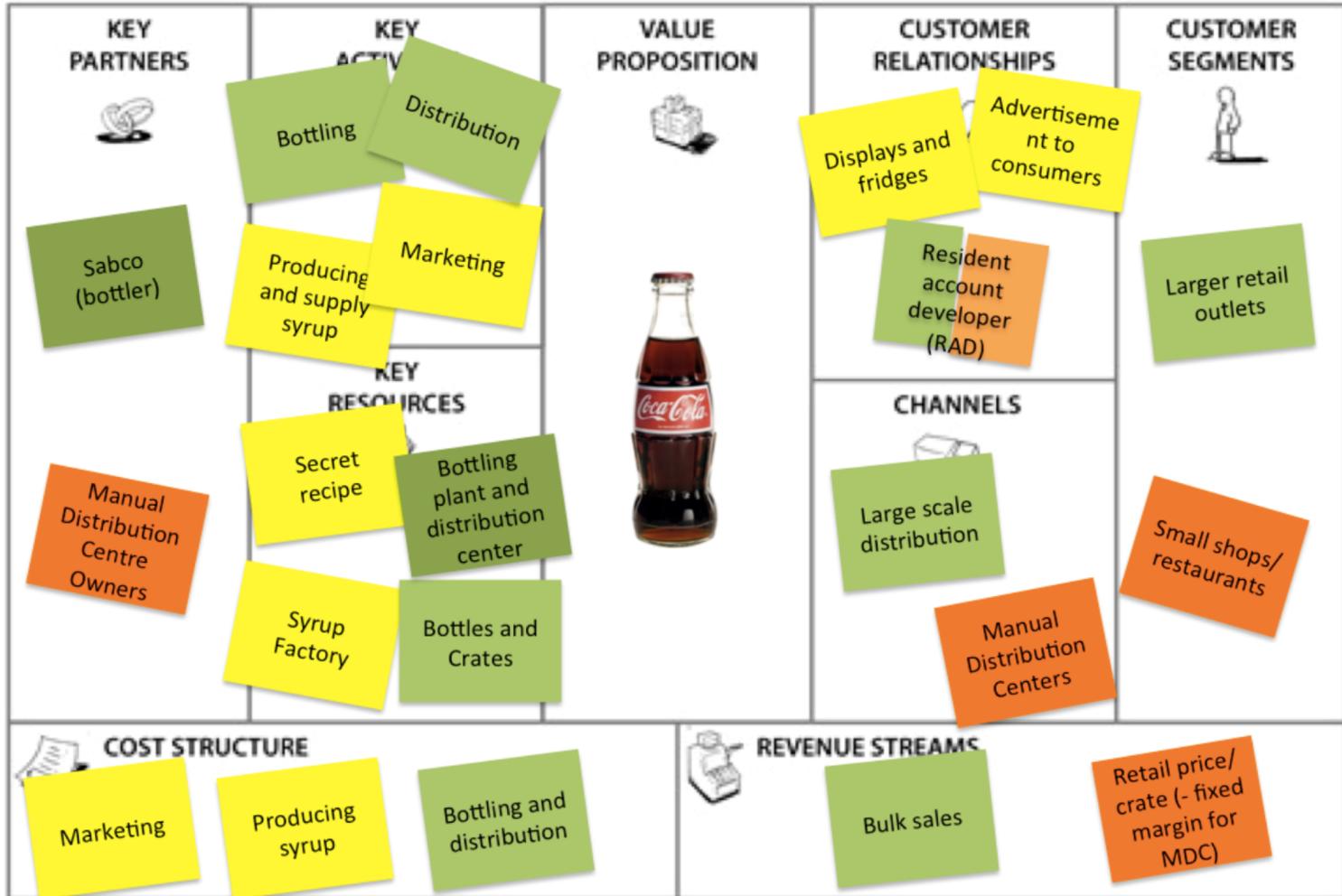


Types: Sales, Subscriptions, Rent, Licensing, Brokerage fees, Advertising

Fixed Pricing: List price, Product features, Customer segment dependent, Volume dependent

Dynamic Pricing: Negotiation, Yield Management, Real-time-Market

Example: *Coca-Cola*



<https://valuechaingeneration.files.wordpress.com/2012/11/screen-shot-2012-11-13-at-10-15-02-pm.png>

But what if your users are not your customers?

Multi-sided business model

You still create value for and capture the value from users. However, customers monetize the value (resulting in a multi-actor model).

Users

Value is captured in a derivative currency (e.g., user attention, data, user-generated content).

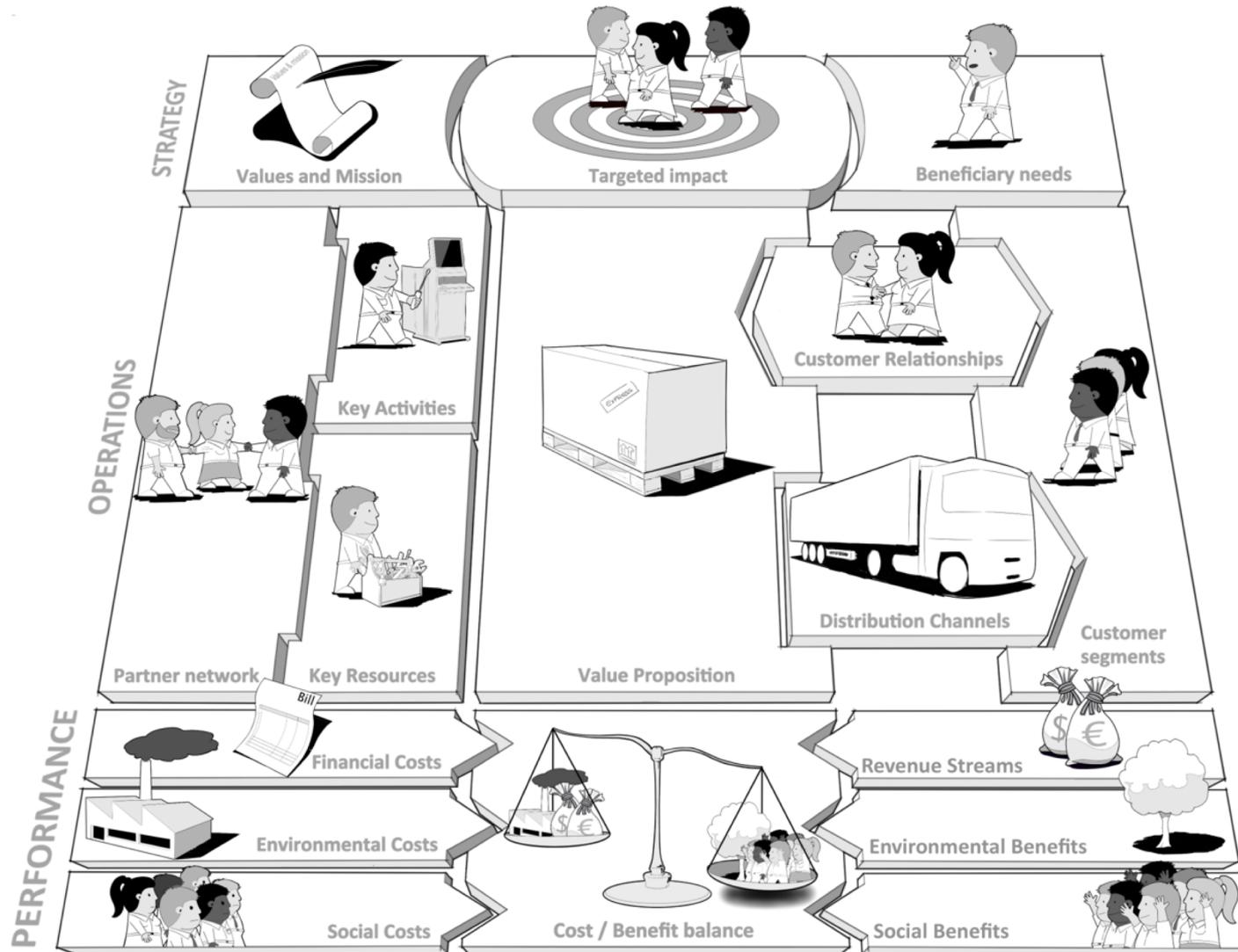
Customers

Customers pay on secondary market for derivative currency.

Example:



Including elements of sustainability



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EssentialTech -
<http://essentialtech.epfl.ch>

Example: FLiXBUS

axel springer 
LEADERS CONNECTED
NOAH16
Berlin

8 - 9 June 2016

Tempodrom

Travel & Tourism

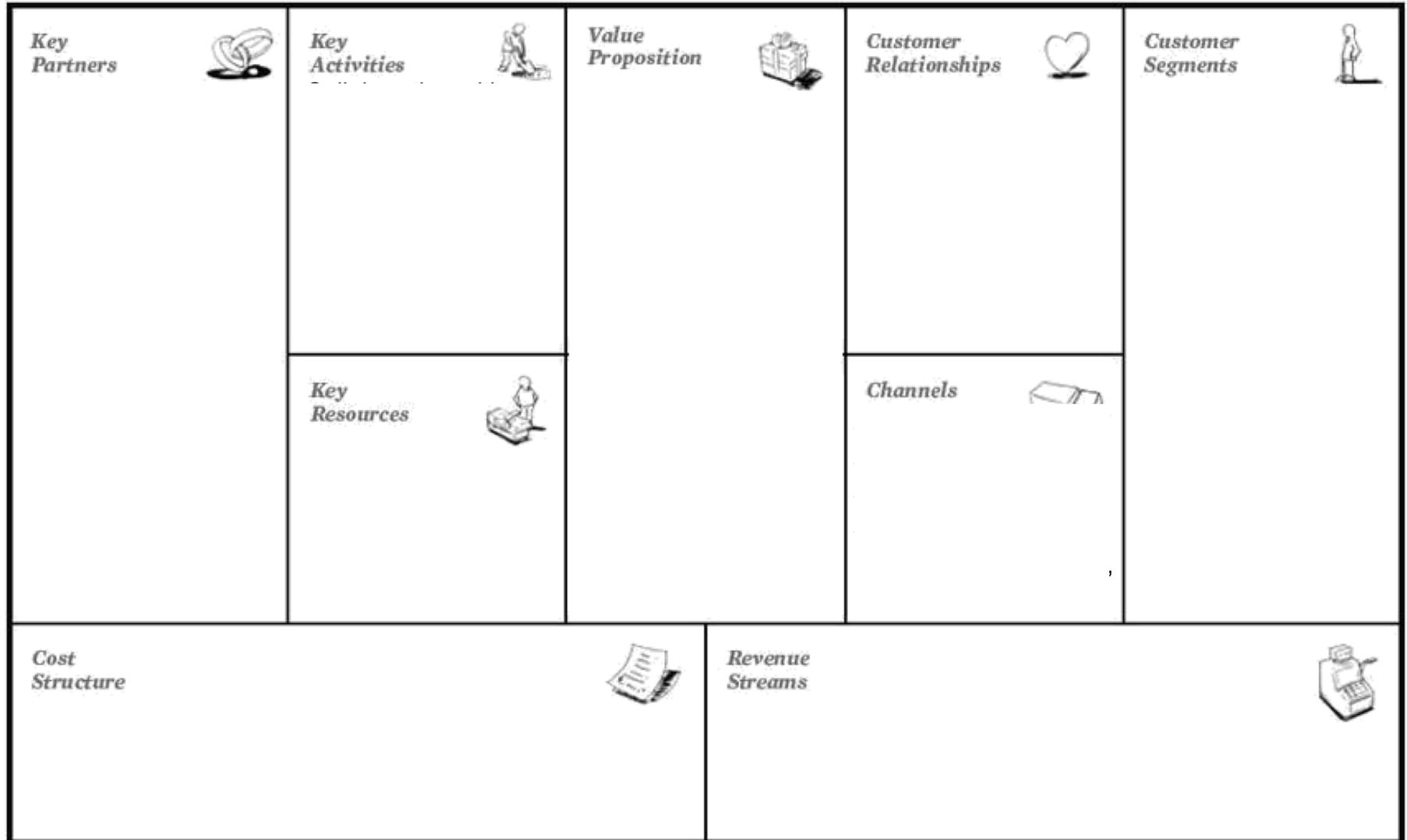
Jochen Engert

Founder & Managing Director
FlixBus



FLiXBUS

Example: FLIXBUS



References from the class

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