

# UNIT 2. BUSINESS MODEL CANVAS

## LESSON 2. BUSINESS MODEL CANVAS IN ACTION!

Prof.ssa Silvia Franco

### CASE STUDY- NESPRESSO....WHAT ELSE?

Nespresso, a unit company owned by Nestlé, is a great example of a powerful business model.

**Nespresso is the first brand ever that made coffee to a status symbol.**

The company is based in Switzerland, established in 1986. Part of the Nestlé Group. The brand name **is made up of** the words Nestlé + Espresso.

Nespresso machines brew coffee from single capsules (or pods), which are pre-portioned single use containers of **ground coffee** and flavorings. Since 2000 Nespresso has sold more than 20 billion capsules...

Nestle holds **patents** to protect its market company (both for its coffee machine and for the capsules).

Nestlé uses its two most famous coffee related brand (Nescafé and Nespresso) separately:

- Nescafé focuses on instant coffee and its sold to consumers through mass market retailers;
- Nespresso concentrate on grand cru coffee experience and sell directly through its boutique and on line .

#### **VOCABULARY:**

TO MAKE UP OF= essere composto da

TO DELIVER VALUE= creare valore (per il clienti)

GROUND COFFEE= caffè macinato

STREAM= canali

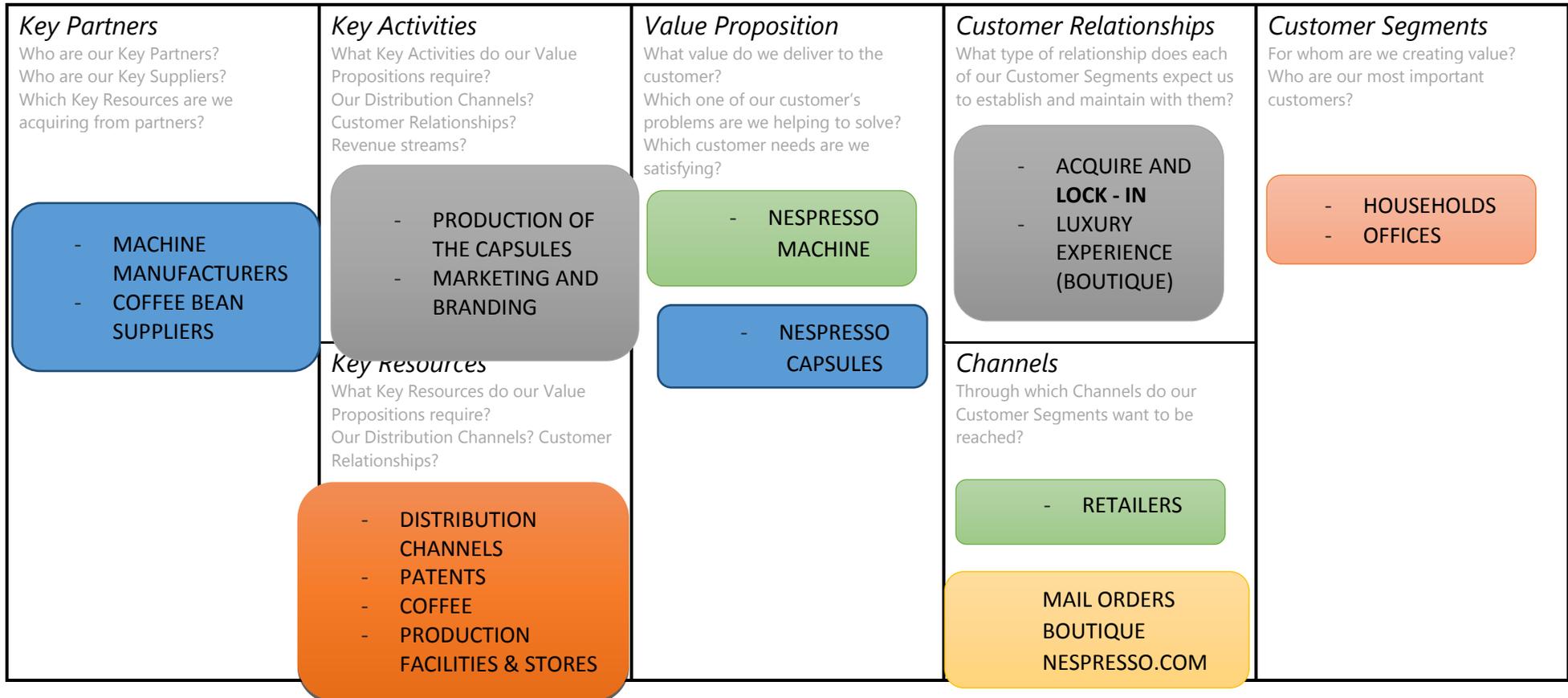
PATENTS= brevetti

COMPANY'S TURNOVER= il giro d'affari dell'azienda

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### *Cost Structure*

What are the most important costs inherent in our business model?

Which Key Resources are most expensive?

Which Key Activities are most expensive?

- PRODUCTION COSTS
- DISTRIBUTION COSTS
- MARKETING AND BRANDING (testimonials,

### *Revenue Streams*

For what value are our customers really willing to pay?

For what do they currently pay?

How are they currently paying?

How would they prefer to pay?

How much does each Revenue Stream contribute to overall revenues?

- NESPRESSO MACHINE (1x): 4% of the **company's turnover**
- 
- Repetitive capsules sale: 92% of the **company's turnover**

**Activity 2.** For each of the building block, could you identify some key words? Play a “guess game” with your classmate.

**Rule of the game:** describe a building block through keywords: ask your classmate to guess what it is?

