Software Economics

Key Resources
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Describes the most important assets (resources) required to make a business model work.
Types of Key Resources

Physical
- Capital Intensive
  - Manufacturing Facilities, Buildings, Vehicles, Machines
  - Systems
  - Distribution Network

- Compare Wall-Mart with Amazon
Types of Key Resources

Intellectual Property
- Difficult to develop but key
  - Brands
  - Patents, Copyrights
  - Partnerships
  - Customer Database

- Let's consider
  - Nike and Sony (**brand**)
  - Microsoft and SAP (**Software and Intellectual Properties**)
  - Qualcomm (**patented microchip designs**)
Types of Key Resources

Human
- Crucial in Knowledge-Intensive/Creative Businesses
  - Qualified Employees
    - R&D
    - Sales force
    - Advisors
- Compare Pharmaceuticals with Apple or Google
Types of Key Resources

Financial

- Financial Resources or Guarantees
  - Line of Credit
  - Loans

- Compare traditional banks, Ericsson, ABB and IBM.
Exercise

What are the key resources of your selected company require to offer its value proposition, channels and relationships?

- Physical
- Intellectual
- Human
- Financial or
- Mix?

About 20 min.