Key Resources

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

Physical

- Capital Intensive for instance,
  - Manufacturing Facilities, Equipment, Buildings, Vehicles, Machines
  - Distribution Network

- Large retailers such as Wall-Mart and Amazon rely (not only) on physical resources. Tesla would be another example.
Types of Key Resources

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

- Let's consider
  - Nike and Sony (rely on their brand)
  - Microsoft and SAP (Software and Intellectual Properties)
  - Qualcomm (patented microchip designs)

- Remember Google buying Motorola’s patent portfolio ($4 billion) and Nortel selling its portfolio for $4.5 billion?
Types of Key Resources

**Human**

- Crucial in Knowledge-Intensive/Creative Businesses
  - Qualified Employees
    - R&D
    - Sales force
    - Advisors
  - Pharmaceuticals (research and sales force)
  - Apple and Google (development)
Types of Key Resources

Financial

- Financial Resources or Guarantees
  - Line of Credit
  - Loans

- Compare traditional banks, Ericsson, ABB and IBM.
What is/are key resources of 23andMe?

23andMe Business Model

1. Direct To consumer Genetics
   - Revenues from consumers for genetic reports, tools and research

2. Research Services
   - Pharma/Biotech Companies
     - Fees for services
     - Outcome based deals
   - Research & Development
     - Potential revenues from developing & marketing innovative therapies

3. Drug Discovery

www.revenuesandprofits.com

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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 10 min.
What is your company’s key resource?

A. Physical
B. Intellectual
C. Human
D. Financial