[](https://www.knowitallninja.com/)Business Models

# Task 1

What is a “business model”?

A business model is the method which an enterprise uses to identify its sources of revenue. In other words, it is how a business is planning to make money.

# Task 2

(a) Below are listed five types of enterprises. Match each type with its definition.

**Goods enterprise**

**B2B enterprise**

**Bricks & Clicks & Flips Enterprise**

**Social Enterprise**

**E-Commerce enterprise**

Enterprise which operates fully online

Enterprise which sells physical or digital products

Enterprise which prioritises social goals over shareholder profits

Enterprise which sells to other businesses

Enterprise which offers in store, online and catalogue sales

(b) Digital products are products which exist only online, they do not have a physical presence. Can you provide three examples of digital products?

1 Online courses

2 E-books

3 App subscriptions

(c) Social enterprises usually choose one social goal which they prioritise over profits. Can you provide three examples of such goals?

1 Create employment for homeless or disabled people

2 Provide Fairtrade products that help producers in the developing world

3 Provide affordable training courses to former drug addicts to help them find jobs

# Task 3

Marianne is considering setting up an e-commerce business. What advantages will her business have over a traditional, physical business?

Firstly, Marianne’s business will be able to sell its products and/or services worldwide, because the Internet is a huge marketplace. Secondly, her business will save on premises and employees, because it will not have to rent an office space and employ staff members to manage and maintain the office. Thirdly, Marianne will be able to sell 24/7 because the sales process in her business will be mostly automated.

# Task 4

Below are a series of statements related to different business models. Identify which are true and which are false.

**True False**

✓

1. Services are tangible.

✓

2. B2C businesses usually have fewer buyers than B2B businesses.

✓

3. Food wholesale business is an example of a B2B business.

4. Social enterprises do not make any profit.

✓

5. Bricks & Clicks & Flips businesses take advantage of different customer groups.

✓