



# Activity: Classifying business models

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Managing Innovation

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Business models offer a framework for creating and delivering value. There are many different types – for example:

- *Product or service provider* – offers an end-product or service
- *Ownership of key assets and renting them out* – examples would be car parks, luggage and goods storage businesses
- *Finance provider* – offers access to money and services around that
- *Systems integrator* – pulls together components on behalf of an end customer. Examples would be building contractors, software service providers or computer builders like Dell
- *Platform provider* – offers a platform across which others can add value. Examples would be of smart phones and the various apps which run across them, but another could be Intel, whose chipsets enable others to offer computing functions
- *Network provider* – offers access to various kinds of network service. Examples would be a mobile phone or broadband company
- *Skills provider* – sells or rents access to human resources and knowledge. Examples would be recruitment agencies, professional consultancies and contract services
- *Outsourcer* – offers to take over responsibility for management and delivery of key activities. Examples would be payroll management, IT services or financial transaction processing

Try and find examples of manufacturing or service businesses and explore the core business model which they are using. Is it one of the generic types listed above or something else? Can you think of other examples of this business model in action? How do they deliver value to their customer?