

Entrepreneurship and business creation

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1) A business model is a plan or blueprint of how an organization intends to create, deliver and capture value. The value creation can be economic, social, or other parameters (Bhide). A business model is usually created as part of a firm's overall strategy and contains the core aspects of business including the purpose, strategies, the products or services offered by the business, the structure of the organization and the operational processes and policies that the organization is going to follow. The purpose of a business model is to provide a high level picture of the organization in a comprehensive manner (Bhide). The *raison d'être* of a business model lies in the way it captures the processes that create value for customers and other stakeholders by which the business would operate. When building a business model, one has to consider the aspects of what the customers want, how they want the value to be delivered to them, how the business intends to make profits and the likely revenue streams and associated financials that the business employs to justify its existence (Zott, Amit and L. Massa.). In recent years, the role of a business model has been primarily to justify the funding that it receives from venture capitalists and other funders who might want to know how the business is going to generate adequate returns on capital invested. Hence, the business model is used to create a plan for the business on how it would go about its operations and generate returns for the investors and create value for all stakeholders (Linder and S. Cantrell).

2) The seven domains framework is very useful for entrepreneurs as it provides them with a model by which they can evaluate the viability of a particular venture. The seven domains that the framework lists are the macro market or the market attractiveness; macro industry or the industry attractiveness; micro segment or the target segment benefits and

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attractiveness; the micro industry or the sustainable advantage and the three factors associated with the team which are the mission, value chain and whether the key CSF's or critical success factors can be executed in an efficient manner (Mullins). The seven domains listed provide an opportunity for the entrepreneurs to evaluate whether the market is attractive for the investors; whether the industry that is sought to be entered is attractive in terms of profitability; whether the specific market segment that is being targeted is viable and would be financially remunerative; whether sustainable advantage can be achieved through pursuit of the intended strategy and whether the team one forms has adequate strengths and less weaknesses (Taylor). In this way, the seven domains model can be used as a predictor of success for a new venture by evaluating all the dimensions that are necessary for success in the marketplace. If I were a new entrepreneur, I would use the framework to make judgments about which industry to invest in and which product to launch as well as which segment to target. I would also pick the right team for my venture based on the framework.

References

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