

# Activity: Explore Revenue Models

In order to build a venture that can scale over time, you'll want a plan for how to make money long-term. With a little creativity, your revenue model can benefit both you and your end customer. This activity will push you to think more creatively about how you might make money. When revenue models are thoughtfully designed, they can actually help you design a better experience for your user, ensure that your incentives are aligned with your customers', and that your offering will be available / accessible to those who need it in order to make impact. This paves the way for long-term growth, and scaling up without constantly having to pursue external funding.

## 1. Introduction to revenue models:

- Browse the [Business Model Navigator](#) to familiarize yourself with a variety of models. Jot down any that seem particularly interesting for your chosen challenge.
- Explore potential revenue models: choose from these 2 links depending on whether you would plan on [selling to other businesses](#) (B2B) or [selling to your end consumers](#) (B2C) (download the PDFs in order to read them clearly). Follow the flow chart and see where you end up. Take note of assumptions or decisions that you're unsure of, and based on those, see which other business models you might explore.
- Research more on the business model you ended up with. What do you see as the pros, cons, and risks? Does it feel appropriate for an environmental solution? Compare your selected model with classmates and discuss.

## 2. Business model madlib:

1. Fill in the blanks for your project:
  - “[Person paying] will pay us \$[ ] for every [service, time period, etc.]”
2. Try to fill it out 3 times, in 3 distinctly different ways (not just different pricing, but different revenue models: e.g. explore different payers, or charging for different aspects of the product or service). Start with your ‘safe’ idea for how you’ll make money, and then push yourself to go increasingly wild. You can refer back to the business model resources above for inspiration, if helpful.
3. Then, consider your costs. You probably won’t feel sure about the numbers, but just take a guess (and jot down your assumptions):
  - “To deliver this, it will cost us \$[ ] per [service, time period, etc.]”
4. Now, critique in pairs. What new opportunities can your partner see that you might have missed?