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# BUSINESS MODEL REVIEW

## Executive Summary

To examine the business model of a company is to formally identify the processes that contribute to the performance of the company. The process of examination need not lead to change, but it will establish a common understanding of the purpose of activities that otherwise take place on a more ad-hoc basis such as “because it’s common sense” or “because that’s the way we always do things”.

Examining the business model closely, and comparing it to that of competitors – and indeed businesses in completely different industries – may yield opportunities for differentiating the business offerings, and prompt the development of innovative products and services. Since the beginning of the 1990’s we have seen an explosion in the variety of new business models, many of these enabled by the IT technology then emerging.

The term, ‘business model’ is contemporary with the companies of the ‘Dot Com’ era., although it has outlived many of them. Hundreds of companies failed, some spectacularly following the “stock market correction” of April 2000 [Thornton and Marche, 2003], but lessons can be learned from their experiments, and *some* of the surviving companies achieved meteoric growth as a result of their new approaches. In this document, a representative sample of present-day business models are reviewed, their key components are identified, and their applicability to the market for aero engines and supporting services is discussed.