

Teams' activities for week 9 Week 9. KEY RESOURCES & COSTS

Home task for teams:

- Define your key resources and costs following the steps below. Note your initial hypothesis regarding the amount of expenses and the cost structure. Do you need to review your operating model?
- Talk to your customers about their expectations and preferences. Contact your potential suppliers. Then discuss the options – what to produce yourself and what to outsource? Which are the quality and value of the inputs to your product in your hypothesis?
- Update Business Model Canvas – sections 'Key Resources', 'Cost Structure'. Did anything change in other sections of canvas after you define the key resources and cost structure? Did you change your initial hypothesis?
- Prepare a presentation of the outputs.

Step 1. Define all types of resources in detail that you will need in your startup in the short-run and expected in the long-run. Try to describe their application and assume the sources and the suppliers. Highlight the most valuable, rare, or expensive resources. Fill out the 'Key Resources' section of your canvas.

Step 2. Calculate the cost of the resources. Classify costs by categories and summarize. For financial projections define the total and production costs (COGS – Costs of goods sold). Roll up all the costs from partners, resources and activities in a spreadsheet by time (the template and the example you can find [here](#)). Show the cost structure (in \$ or %) by main fields of activity – R&D, production, marketing & sales, overhead etc. (which are relevant for your project). Fill out the 'Cost Structure' section of your canvas.

Online video material from Steve Blank and others:

1. Mission Model Canvas: Key Resources. Available at: https://www.youtube.com/watch?v=nhooT19I-yQ&ab_channel=CuriosityClub
2. Mission Model Canvas: Mission Budget. Available at: https://www.youtube.com/watch?v=KTtGs7up8Ak&ab_channel=CuriosityClub
3. Key resources, key partners and cost structure. Available at: <https://www.media.barclays.co.uk/serve/182589-3238267.mp4?dnt=1>

Articles and notes:

4. 5 Essential Resources For A Successful Business Model. Gary Fox. Available at: <https://www.garyfox.co/business-model/key-resources/>

5. How To Minimize Costs and Maximize Value. Gary Fox. Available at: <https://www.garyfox.co/cost-structure/>

6. Key resources, key partners and cost structure. Available at: <https://labs.uk.barclays/learning-and-insights/running-your-business/strategy-and-planning/key-resources-key-partners-and-cost-structure/>