

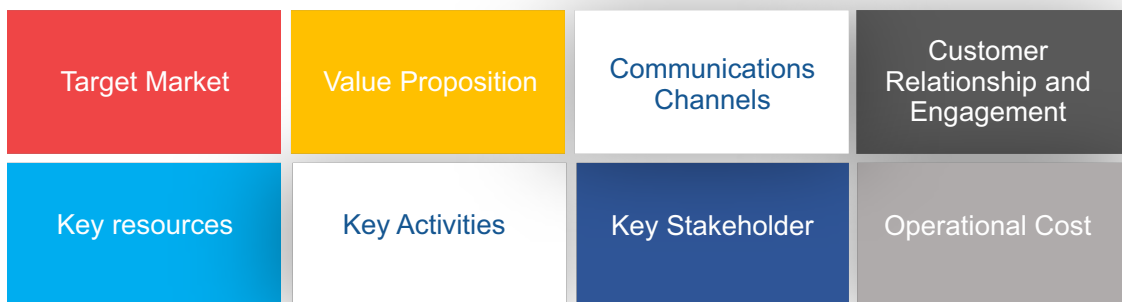
# How to Choose a Business Model

## What is a business model?

A business model is an outline of how a company intends to create, deliver and capture value from its target market, with its product and/or services.

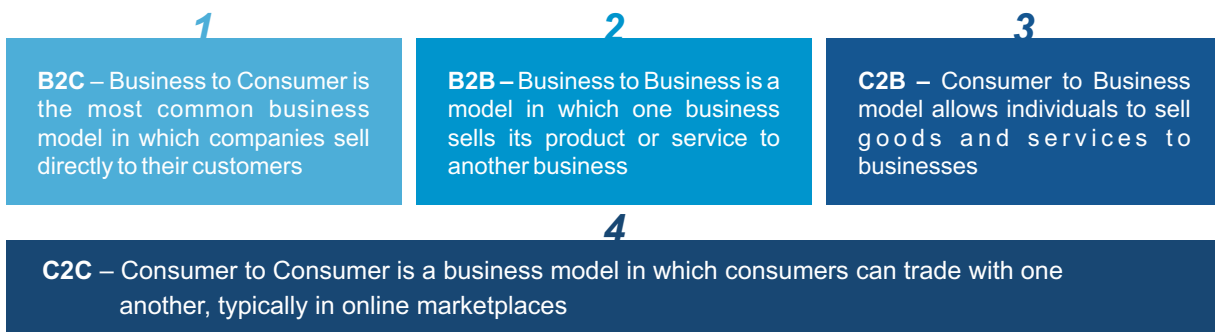
## Components of a business model

There are several components of a business model. However, at a minimum, a good business model should have the following key components:



## Types of business models

There are a various types of business models, which can be customized or changed based on the specific company or industry. The following are four traditional business models:



## How to select an appropriate business model for your business

In order to choose the right business model, here are some factors to consider:



**Customers:** your business model should align with your customers' needs and expectations, such as what they want and how they buy



**Value proposition:** determining the benefits that customers will derive from using your products or services will allow you to select the best business model to best suited to this value



**Market potential and competition:** spend some time analyzing the market to see how other businesses generate revenue



**Operational cost:** the costs incurred by your business as a result of its core activities, play a critical role in determining the business model for your startup



**Scalability:** determine your company's ability to handle and meet current and future market demands without compromising on quality, efficiency or profits.

The business model you choose depends on your business needs and stakeholders' values. In order to increase the likelihood of success for your venture, you should conduct extensive research and ensure that the model you choose is compatible with your business idea and target market