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| **MGMT20143** |
| **Business Model Deconstruction** |
| **WhiteHawk** |
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# Executive Summary

The paper highlights the business model canvas of WhiteHawk using nine building blocks. This report has explained that there is a key interrelationship across nine building blocks. The nine-building blocks include customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partners, and cost structure. Every successful business requires some critical success factors to achieve sustainable success in the market. The paper has identified some factors which might impact the success of the business model of an organization. The business model of WhiteHawk needs some changes. Therefore the paper provides some recommendations for the business model.

Table of Contents

[Executive Summary 2](#_Toc16190282)

[Introduction 4](#_Toc16190283)

[Business Description and Industry overview of WhiteHawk 4](#_Toc16190284)

[Deconstruction of the business model using the nine building blocks 4](#_Toc16190285)

[Identifying the key interrelationship that exists across the nine building blocks 8](#_Toc16190286)

[Identifying and discussing the critical success factors of the business 8](#_Toc16190287)

[Evaluation of factors that might impact the success of the business model 9](#_Toc16190288)

[The requirement of Changes and Recommendation for business model 9](#_Toc16190289)

[Conclusion 9](#_Toc16190290)

[Reference List 10](#_Toc16190291)

# Introduction

This study is about business model destruction of WhiteHawk, Australia. It will provide a brief description of the organization along with the industry overview. It will evaluate the analysis of the business model canvas of WhiteHawk along with key interrelationship that exists across the nine building blocks. This paper will identify the success factors which contribute to business sustainability. These factors are presented in the business model and capture values for the target customers of the organization. There are several factors which might impact the business model. These factors will be discussed in this study. The recommendation section will highlight some changes which are needed to be made in the present business model of WhiteHawk.

# Business Description and Industry overview of WhiteHawk

WhiteHawk Australia is an internet-based cybersecurity market place. In this type of organization, customers can take advice on their cybersecurity needs . The company started its journey in the year 2015. The location of the company is in Perth, Western Australia, Australia. The founders of the organizations are Kevin Goodale, Luis Cruz-Rivera, and Terry Roberts. The team members include the Chief Data Scientist, Sarah Messer and the CIO & Director of Product Development and Services, Antonio Crespo . It is a private company with having 11-50 employees.

This company provides cybersecurity to its clients like business organization, educational institutions, and financial institutions. WhiteHawk is the first online Cyber Security Exchange . They help business organizations to understand cyber risk. They provide tailor-made and affordable solutions. WhiteHawk helps the organizations to be updated about cyber trends. WhiteHawk has $86.4K in estimated revenue annually.

# Deconstruction of the business model using the nine building blocks

According to Antikainen & Valkokari, (2016), the business model canvas is considered a daunting task for any new start-up. There are various aspects to consider when a new business is started. The concept of nine building blocks in business model was derived by Osterwalder &Pigneur. The nine-building blocks include customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partners, and cost structure (Osterwalder & Pigneur, 2010). The deconstruction of the business model refers to the core level of business strategy maintenance. It also defines the process of creating an association. It delivers customer value. The followings description is the deconstruction of the business model of WhiteHawk using nine building blocks.

1. **Customer Segments**

The customers are the target audience of WhiteHawk that they plan to offer value with their services. The customer segment of WhiteHawk is the business organization, educational institutions and financial institutions of Australia. They mainly target companies who need cybersecurity for data protection. The income level of the customer must be high.

1. **Value Propositions**

WhiteHawk uses value proposition to explain how the customer segments value from their unique offer and differentiate their service from their competitors. WhiteHawk is an online cybersecurity provider. The customers need not any physical intervention for the service, therefore, this unique feature offers value to the customer segments.

1. **Channels**

WhiteHawk uses mainly digital channels for delivering the value proposition to its customer segments. These channels include Display advertising, Pay-Per-Click advertising, Email Marketing, Blogging, Content Marketing channels, and Social Media Websites.

1. **Customer Relationships**

WhiteHawk sends regular updates to their customers about any new cyber trend or important news regarding cybersecurity. They organize marketing campaigns to aware people about data theft. This helps them to keep a good relationship with customer segments.

**Revenue Streams**

Dudin, Kucuri, Fedorova, Dzusova, & Namitulina, (2015) stated that revenue from each target customer is achieved from the value proposition. Selling cybersecurity solution is the only revenue source for WhiteHawk. In 2016, they had US$ 219,488 in revenue and 2017, US$ 86,437 revenue from their consulting business.

**Key Resources**

Key resources are considered as the organizational assets which allow an organization to run the business effectively (Giessmann & Legner, Designing business models for cloud platforms, 2016). The employees, managing directors, information security analysts, suppliers, vendors, and software are the key resources of WhiteHawk.

**Key Activities**

Providing a cybersecurity solution is the key activity of WhiteHawk. A better solution for any cyber attack ensures the key earnings for the organization.

**Key Partners**

Key partnerships can be obtained through networking with the people which can help with the success of the business (Hsu, Wiklund, & Cotton, 2017). The key partners of WhiteHawk are IT organizations, Australian investors, Software companies, and customers.

**Cost Structure**

The cost structure of WhiteHawk includes all costs associated with the business. These are software maintenance cost, employee management cost, license fee, registration fee, and advertisement cost (Ju, Kim, & Ahn, 2016).

The following business canvas model is the business canvas model of WhiteHawk:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Key Partners**   * IT organizations * Australian investors * Software companies * Customers | **Key Activities**   * Provides cyber security solution | **Value Propositions**   * **gift-icon-gift-box-symbol-vector-23405113.jpg**Provides online cyber security solution | | **Customer Relationship**   * Sends regular updates regarding new cyber trends * Organizes marketing campaigns | **Customer Segments**   * Business organization * Educational institutions * Financial institutions of Australia |
| **Key Resources**   * Employees * Managing directors * Information security analysts * Suppliers * Vendors * Software | **il_fullxfull.1683015329_jf5l.jpgChannels**   * Display advertising * Pay-Per-Click advertising * Email Marketing * Blogging * Content Marketing channels * Social Media Websites |
| **Cost Structure**   * Software maintenance cost * Employee management cost * Licence fee * Registration fee * Advertisement cost | | | **Revenue Streams**   * **dollar-icon-vector-5.jpg**Sells cyber security solution | | |

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| **Business Model Canvas** |

**Figure 1: Business Canvas Model of WhiteHawk**

**Source:** (Osterwalder & Pigneur, 2010)

# Identifying the key interrelationship that exists across the nine building blocks

There is a strong interrelationship exists across the nine building blocks (Kohler, 2016). Each factor is dependent upon other factors. The business model canvas of WhiteHawk projects the nine buildings blocks in a good manner. The management of **key resources** and maintaining good relationships with the **key partners** ensure effective **key activities.** The cybersecurity solution is dependent on the **customer segments** and a good **customer relationship** is a major role in it. Organizational goals and the effective requirements for implementations are associated with market scenario assessment. The **revenue streams** and **cost structure** play important roles in business as these two factors are interrelated (Plenter, Fielt, Hoffen, Chasin, & Rosemann, 2017).  The **marketing channels** helps in getting more customers for a business. This also provides **a value proposition** to the WhiteHawk.

# Identifying and discussing the critical success factors of the business

The business process of WhiteHawk is quite different than other cybersecurity solution provider. There are four critical success factors for the WhiteHawk. These are the followings.

* The entire business process is based on an online platform. This process is contributing to the need of the customer. WhiteHawk is customer-driven based on customer value. They have done proper research and customer survey in the market to know the need of the customers. This has helped WhiteHawk to achieve sustainable success in this competitive market.
* WhiteHawk puts together a group of people whose talents, experience, knowledge, skills, and personalities mesh together. Assembling the right team is the key success factor of WhiteHawk.
* The third critical success factor of WhiteHawk is quality service. They provide quality service to their customers along with customer support whenever needed.
* The most critical success factor of WhiteHawk is customer loyalty. The reason behind their sustainability in the market is the huge customer base of them. Their revenue is generated from the selling of their services. The more they sell to their loyal customers, the more revenue they earn.

# Evaluation of factors that might impact the success of the business model

There are some factors present in the organization that might impact the success of the business model of WhiteHawk. The first factor is the marketing channels for revenue generation. The channels are mainly digital. Thus the revenue generation might be limited if the customers are not aware of the services (Taran, Boer, & Lindgren, 2015). The investors might not access digital marketing channels and prefer traditional channels like newspapers and televisions. The second factor that might impact the success of the business model is a source of revenue. The organization’s revenue is solely dependent on the selling of their products. There is no other source of revenue streams. The third factor is limited to cybersecurity solutions.

# The requirement of Changes and Recommendation for business model

A change is required in the cost structure in the business model of WhiteHawk to generate more profit. The organization should implement other revenue streams apart from selling their products. The marketing channels should introduce other types of channels for delivering the value proposition to their customers (Toro-Jarrín, Ponce-Jaramillo, & Güemes-Castorena, 2016). The product should include variations with different price. WhiteHawk should act on better value creation by using different marketing channels to draw the attention of new customer segments.

# Conclusion

In conclusion, it can be said the paper analyzed every concern related the business canvas model of WhiteHawk. The business model canvas showed the nine building blocks are interrelated with each other. It has been found that there are some critical success factors of the business. The study identified some risks that might hamper the revenue of the WhiteHawk. Thus, using different marketing channels and adding another source of revenue generation will be helpful.

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