

Vital Wave Consulting Field Teams

Latin America

Argentina
Brazil
Chile
Costa Rica
Dominican Republic
Mexico
Peru

Asia

India
China
Cambodia

Eastern Europe

Estonia
Uzbekistan
Ukraine

Africa

Egypt
South Africa
Nigeria
Kenya

Middle East

United Arab Emirates

United States

California (Headquarters)

Business Modeling Workshop

June 2, 2009

Brooke Partridge
CEO



**VITAL WAVE
CONSULTING™**

What is Sustainability?

1

Social

2

Environmental

3

Economic (Financial)

Why Do Business Modeling?

Integral part of the business case,
which helps secure funding & other
backing for innovative solutions

The Business Modeling Process

Business Model Development Steps

Value Proposition

- Target Segments and Customers
- Pain Points
- Value Proposition Definition
- High-level Distribution System, Marketing and Operational Strategies

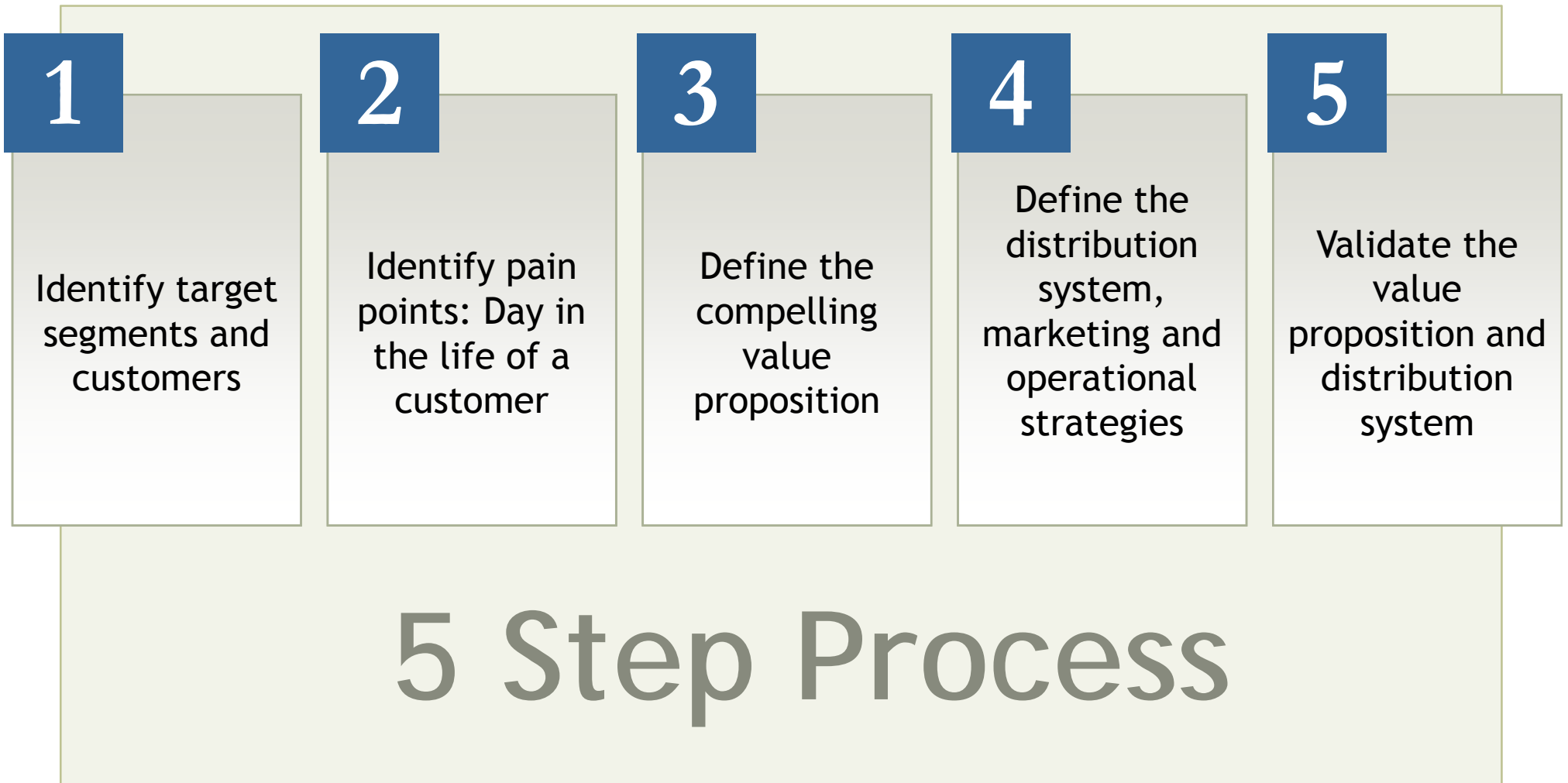
Business Model Feasibility

- Solution Technical Description and Management Feasibility
- Distribution System, Marketing and Operational Plan and Feasibility

Complete Business Case

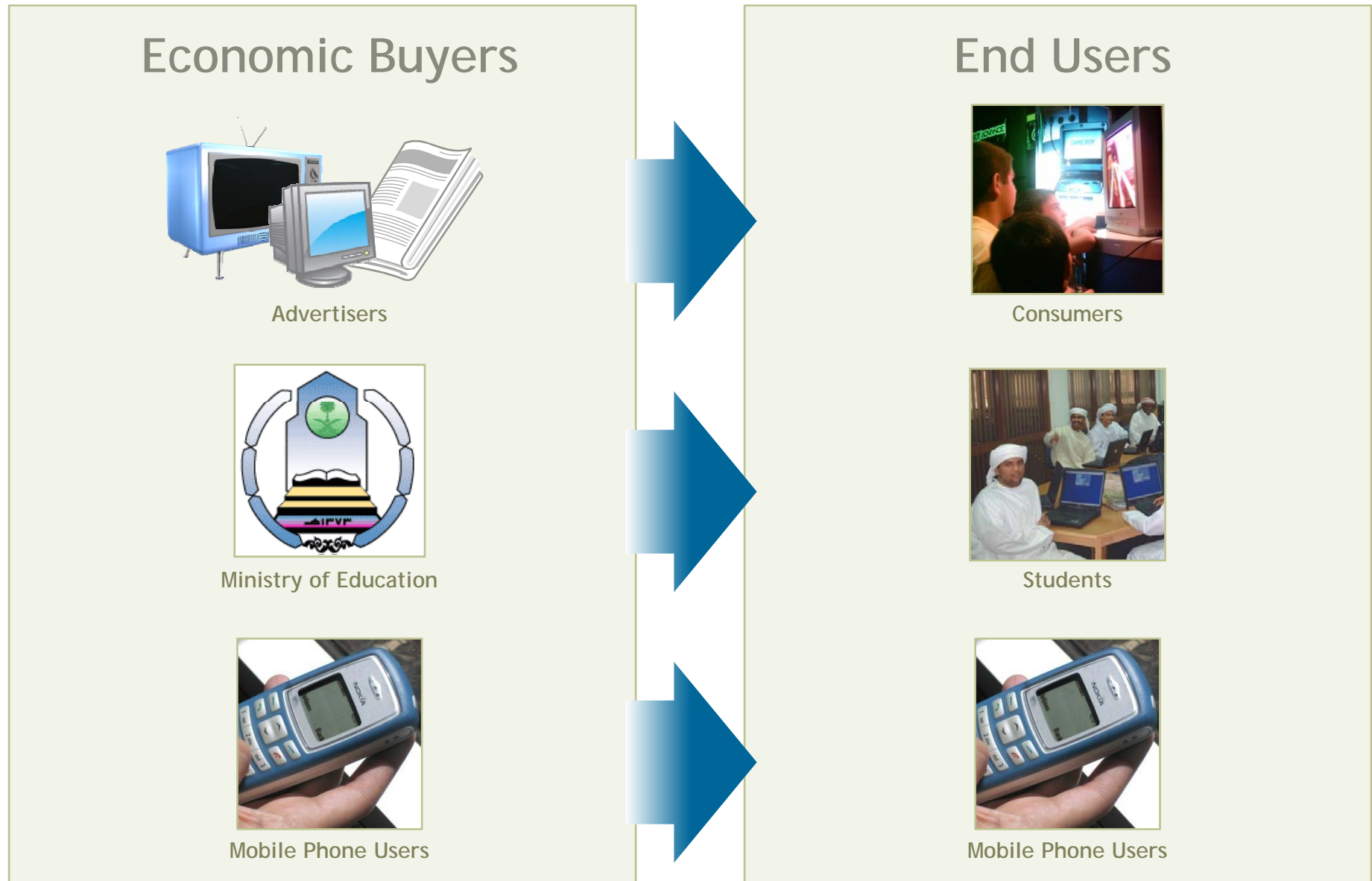
- All Business Model Components
- Market Characteristics and Opportunity
- Competitive and Industry Analysis
- Go-to-Market Strategies*
- Financial Plan
- Assumptions, Dependencies and Next Steps

Defining the Value Proposition



Defining the Value Proposition

Step 1: Identify Target Segments & Customers



Defining the Value Proposition

Step 2: Identify Customer Pain Points

Developed Countries



Developing Countries



Defining the Value Proposition

Step 3: Define the Compelling Value Proposition



Defining the Value Proposition

Step 3: Define the Compelling Value Proposition



Exercise

Assess the Value Proposition

Economic Buyer



District Health Clinic

- Lack of funding
- Lack of qualified health care workers
- Increasing patient burden
- Lack of medical supplies and efficient administrative systems

Who are the customers?

What are their pain points?

End User



Patients

- Maintaining health of the family
- Paying household expenses
- Providing education to children
- Dealing with uncertainties (e.g., drought, accidents)

Exercise

Assess the Value Proposition

Solution: An electrical generator that can power a three-room building for 6 hours

Economic Buyer



District Health Clinic

How does the solution help address their pain points?

???????

What are the tradeoffs?

???????

What is the elevator pitch?

???????

End User



Patients

???????

???????

The Business Modeling Process

Business Model Development Steps

Value Proposition

Business Model Feasibility

Complete Business Case

1

Identify target segments and customers

2

Identify pain points: Day in the life of a customer

3

Define the compelling value proposition

4

Define the distribution system, marketing and operational strategies

5

Validate the value proposition and distribution system

Building Business Cases for HTC Projects

Secondary Research Best Practices

1. Use alternative data approaches and proxies when specific data points are tough to find
2. Ensure that there's a customer need and market opportunity before moving on to other aspects of the business case
3. Consider a wide variety of resources in your secondary research
4. Be persistent!!

Building Business Cases for HTC Projects

Secondary Research Resources

Business Case Development Resources

Customer and Market Needs

- Development Community Publications
- Academic Community
- International Industry Associations
- Country Ministries and Regulatory Bodies
- Household and Enterprise Surveys
- National Statistics Sources
- Other Statistics Aggregators

Market Environment

- International Trade Databases
- Country Ministries and Regulatory Bodies
- Regional Economic Communities and Customs Unions
- Local Industrial and Business Development Resources
- Doing Business Databases
- Competitive Filings, Company Information Databases, and Competitors' Websites
- International and Local News Publications

Functional Strategies and Partnerships

- International and Local News Publications
- Competitors' Websites
- International and Local News Publications
- Local Business and Market Research Publications
- Country Ministries and Regulatory Bodies
- Local Industrial and Business Development Resources

Thank you



VITAL WAVE
CONSULTING™

Good Pricing Decisions Depend on Understanding your Markets

$$\text{Net Utility} = \sum U_i - \text{Perceived Price}$$

Compare to all substitutes, direct competitors and the option to do nothing

- Social status
- Increased income
- Decreased costs
- Family value
- Better health
- Relative weighting and dynamics between them

- Relative pricing (% of income)
- Payment terms (cash flow)

Utility reflects differing

- Income levels
- Cultural and social norms
- Perceived scarcity