



Module III Business

Business model
creation
Course

Topic 2
Business models aspects- The
business model canvas

Lesson 4: Cost structure



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IN THIS LESSON, WE WILL LEARN...



The meaning and the importance of
cost structure



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1. What is the Cost structure

The Cost Structure is that structural element of the Business Model that describes all the types of costs incurred to make the business model work.



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2. Cost structure

Cost Structure And Operational Scalability

The cost structure is one of the building blocks of a business model. It represents how companies spend most of their resources to keep generating demand for their products and services. The cost structure together with revenue streams, help assess the operational scalability of an organization.



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3. Cost structure

The cost structure includes the basic costs of all those processes which are important for handling and maintaining the business model.



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3. Cost structure categories

Fixed assets (eg equipment)

Initial costs (eg costs for product certification, costs for patent filing).

Advertising and Promotion Expenses (e.g. expenses for visiting an exhibition, costs for setting up a corporation image).

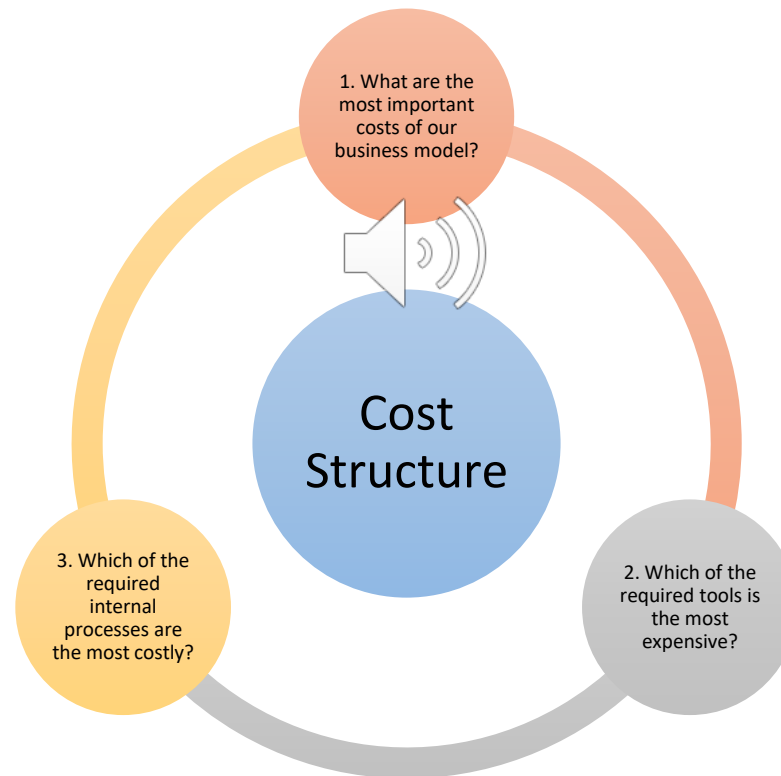
Operating costs (eg costs staff, rents).



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3. Cost structure





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