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BHL-Europe

First overview of the business plan for long-term sustainability

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[1] OJ L 79, 24.3.2005, p. 1.

1   Document History

1.1   Contributors

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1.2   Revision History

Revision Date	Author	Version	Change Reference & Summary
	Henning Scholz	0.1	First draft

1.3   Reviewers

This document requires the following reviews and approvals.

Name	Position	Date	Version

1.4   Distribution

This document has been distributed to:

Group	Date of issue	Version
Reviewer and BHL-Europe consortium		0.1

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3 Thoughts

3.0 Thoughts

3.0.1 Introduction

In M24 (April 2011), BHLE need to deliver a document called "First overview of the business plan for long-term sustainability". This document is the first outcome of the Task 1.4 – Business plan with the following sub-tasks:

1.4.1 – Investigate services that help the sustainability of project results

1.4.2 – Identify related networks or organisations interested in the implementation of project results

1.4.3 – Develop a business plan for long term sustainability with WP2 and WP3 (the final version also takes into account D3.8 and D4.3)

We have never definied what we need and want to be in this document. Therefore, the first two questions we have to answer is what information is expected by the EC for such documents and what do we need to make it a useful document for us. We have to set the requirements to not overkill and produce this document efficiently.

Several European Projects are currently working on their business plans, like Europeana or IMPACT. We can take their process and progress as an example what we want for us.

The most important questions for me to be answered by this document are:
1) How we are going to maintain the BHLE services developed in the project beyond April 2012 when the EC funding will terminate?
   a. What services may help the sustainability of project results?
   b. What networks or organisations may be interested in the implementation of project results?
   → Global BHL, Europeana, CETAF, BHL-Europe II
   → For the GRIB we have a solution as we will have a contract with the VZG for at least five years, maybe even longer (incl. maintenance and updates)
2) What is the BHLE goal after the official project termination?
   a. Do we want to update (quantity, quality) the content from our BHL-Europe consortium content providers or do we want to maintain what we have?
   b. Do we want to further extend our network of content providers or do we want do maintain what we have?
   c. Do we want to further extend the functionalities and performance of our system or do we want to maintain what we have?
   d. Do we want/need to continue contributing content to Europeana beyond the end of the project and how are we going to realise this, who is responsible for maintaining the connection and who is funding the content update and integration of new content?
   e. Do we want to continue BHL-Europe in a new project or do we rely on commitments of partner (or CETAF) institutions to support BHL-Europe tasks?
   f. Do we want to continue to exist on our own as an individual partner of GlobalBHL (maintaining our project governance, network, service, products or

> do we as BHL-Europe want to disappear under the GlobalBHL umbrella (merging the project outcomes with GlobalBHL)?

3) What is the customer (content provider, user) perspective on the future of the BHL-Europe services?

    a. Are you able to pay staff members for the update of your data and for the upload of new data out of your scanning project?

    b. Is the value of BHL-Europe as an aggregator (e.g. preservation and archive, metadata enhancement, textmining) large enough to justify additional costs to be paid to the aggregator? – example: 0,05€ pro seite, 15€ pro buch, 10,000 books = 150,000 €

    c. Can you imagine as a new content provider to pay for support to make a first connection to the BHLE system (e.g. data mapping, training)

    d. Are users willing to pay for a scan-on-demand service of public domain literature?

    e. Are users willing to pay for apps to read BHLE literature on your mobile device?

To answer the questions and set the base for the first draft of this document, three levels of brainstorming are useful:

1) SWOT analysis
2) Value proposition / Business Model
3) Table of Content of the document

3.0.2 SWOT Analysis

The abbreviation SWOT stands for **S**trengths – **W**eaknesses – **O**pportunities – **T**hreats. Strengths and Weaknesses refer to the project itself. It is the analysis of the situation within BHL-Europe and our characteristics. The Strengths and Weaknesses are the results of our own performance. Opportunities and Threats refer to the environment, it is the environmental scan we have to do. We have to understand the market, new trends, political factors, the economic climate, technological innovations, our competitors, our customer needs, the structure and behaviour of our users. We have to take changes into account for our own strategy. So Strengths and Weaknesses are the internal issues or factors, whereas Opportunities and Threats are the external issues or factors. Strenghts and Opportunities represent the positive factors, whereas Weaknesses and Threats are the negative factors. Therefore, a SWOT matrix is often used to illustrate the relationship.

	Positive	*Negative*
Internal Factors	**Strenght**	**Weakness**
External Factors	**Opportunity**	**Threat**

BHL-Europe need to understand what are the advantages and disadvantages deciding for a certain path. If we want to decide to either maintain the organisational and governance structure of the project beyond the end of the project or transfer our project into the CETAF secretariat / BHL Global secretariat, we have to understand the Strengths, Weaknesses,

Opportunities and Threats of the alternative models. We have to ask the following questions, for example:

- Analysis 1: What are the strengths for us with regards to our partners, if we continue on our own?

- Analysis 2: What are the strengths for us with regards to our partners, if we disappear under the GlobalBHL umbrella?

Like this, we can make a SWOT analysis of various criteria for every alternative, e.g.:

Criteria	Strengths	Weaknesses	Opportunities	Threats
Partner				
Content				
System maintenance				
System improvements				
Quality Control				
Staff expertise				
Governance				
Funding				
Marketing				
Networking				
…				

We first have to decide if this is a way to proceed. Then we have to identify criteria we need to take into account. Then we can make groups for every alternative solution we identify to make the analysis (BHL-Europe, GlobalBHL, CETAF).

3.0.3 Value proposition / Business Model

A business model describes the rationale of how an organisation creates, delivers and captures value.

Value Propositions:
It seeks to solve customer problems and satisfy customer needs with value propositions.

What value do we deliver to the customer?
Which one of our customer's problems are we helping to solve
What bundles of products and services are we offering to each customer segment
Which customer needs are we satisfying?
>   - Characteristics: newness, performance, customisation, getting the job done, design, brand/status, price, cost reduction, risk reduction, accessibility, convenience/usability

Examples for specific questions relevant for us:

1) I can retrieve my enriched data from BHL-Europe. This saves me significant costs and time over enriching my data myself.
2) I can re-use and adapt BHL-Europe source code to meet my own needs. I also have free access to a number of state-of-the-art and useful tools and services for things such as content ingestion or content and digitisation management, as well as OCR and Taxonomic Intelligence.
3) BHL-Europe acts as a think tank and as incubator for new technologies and applications that my organisation can benefit from, without the risk of developing them in house.
4) BHL-Europe gives me a cost-effective way to multiply the impact of my editorial activities and build a presence with users, the professional community, other organisations and with my ministry.
5) I have access to an important up-to-date and cost-effective pool of information and network of collaboration. This helps me start up or benchmark offering online access to my digital holdings, following best practice approaches.
6) BHL-Europe offers cost-effective solutions to backup, store, curate and/or migrate your valuable data using the sustainable preservation and archive system.

→ BHLE examples:
- Value proposition for content providers: give visibility, help with services (e.g. data enrichment, longterm preservation), create revenue???, knowledge sharing, open source code,
- Value proposition for users: trusted source, easy access, re-use, in my workflow, multilinguality, persistant ID (do we propose different value for our different target users?)
- Content is accessible ten times faster when using BHLE as opposed to go through CP sites
- Content is of higher quality compared to competitors

Customer Segments:
An organisation serves one or several customer segments.
For whom are we creating value?
Who are our most important customers?
    - Mass market, niche market, segmented, diversified, multi-sided platform

→ BHLE examples for customers: end users (various groups), content providers

Channels:
Value propositions are delivered to customers through communication, distribution, and sales channels.
Through which channels do our customer segments want to be reached?
How are we reaching them now?
How are our channels integrated?
Which ones work best?
Which ones are most cost-efficient?
How are we integrating them with customer routines?
Channel phases:
1) Awareness (how do we raise awareness about our products and services);
2) Evaluation (how do we help customers evaluate our organisations value proposition);

3) Purchase (how do we allow customers to purchase specific products and services);
4) Delivery (how do we deliver a value proposition to customers);
5) After sales (how do we provide post-purchase customer support)

Customer Relationships:

Customer relationships are established and maintained with each customer segment.
What type of relationship does each of our customer segments expect us to establish and maintain with them?
Which one have we established?
How are they integrated with the rest of our business model?
How costly are they?

Examples: personal assistance, dedicated personal assistance, self-service, automated services, communities, co-creation

Revenue Streams:

Revenue streams result from value propositions successfully offered to customers.
For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each revenue stream contribute to overall revenues?

Types: asset sale, usage fee, subscription fee, lending/renting/leasing, licensing, brokerage fees, advertising
Fixed pricing: list price, product feature dependent, customer segment dependent, volume dependent
Dynamic pricing: negotiation, yield management, realt-time-market

Key Partners:

Some activities are outsourced and some resources are acquired outside the enterprise.
Who are our key partners?
Who are our key suppliers?
Which key resources are we acquiring from partners
Which key activities do partners perform?

Motivation for partnerships: optimisation and economy, reductioin of risk and uncertainty, acquisition of particular resources and activities

Key Resources:

Key resources are the assets required to offer and deliver the previously described elements.
What key resources do our value propositions require?
Our distribution channels?
Customer relationships?
Revenue streams?

Types of resources: physical, intellectual (brand patents, copyright, data), human, financial

Key Activities:

Key resources performing a number of key activities.
What key activities do our value propositions require?

Our distribution channels?
Customer relationships?
Revenue streams?

Categories: production, problem solving, platform/network

Cost Structure:
The business model elements result in the cost structure.
What are the most important costs inherent in our business model?
Which key resources are most expensive?
Which key activities are most expensive?

Is your business more cost driven or value driven.
Sample characteristics: fixed costs (salaries, rents, utilities), variable costs, economies of scale, economies of scope

3.0.4 Table of content of the document (for discussion)

We have to think about what to include in this first overview document and start brainstorming about the components that may be important for our business plan. This brainstorming revolves around the following questions/areas:

- Organisational Background
  - What is the management structure we need to implement?
- Business Model
  - Value proposition: A Value proposition is a description of the customer problem, the solution that addresses the problem, and the value of this solution from the customer's perspective
  - Vision statement: A Vision statement defines the purpose or broader goal for being in existence or in the business and can remain the same for decades if crafted well. What aspirations does BHLE have for the world in which it operates and has some influence over? Example from a different field: A world without poverty
  - Mission statement: A Mission statement is more specific to what the enterprise can achieve itself. What can BHLE do or contribute to fulfill those aspirations? Example from a different field: job training for the homeless and unemployed
- Market and competitors
  - Do we know the market and our competitors?
  - Do we know future developments we have to take into account?
- Business Development Plan
  - We need to identify marketing objectives, marketing strategy, customer service strategy, customer service objectives, partners and content strategy
- Operational Plan
  - For what time interval we need to plan?
  - Who are the persons, infrastructure we need?
- Financial Plan
  - What is the budget needed for the proposed operational service?
  - Income/revenue and costs analysis
- Proposals for new projects
  - Do we have ideas for new/follow up projetcs?
- Risk Analysis
  - Do we know our risks?
  - How to manage the risks we have identified?