

Business model evolution. Portfolio map. ②

<https://www.strategyzer.com/blog/business-model-evolution-using-the-portfolio-map>

In the Explore portfolio, even if it's a search (iterative) process, we see the following four stages:

1. **Ideation:** New ideas for value propositions and business models around a market opportunity, technology, product or service.
 2. **Discovery:** First evidence of desirability and viability; information about the market and your potential customers by testing your new idea out in the marketplace; using light sprints to determine: is there something here?
 3. **Validation:** Confirmation of desirability and viability with strong evidence and first evidence of feasibility; using a sprint to build a technical MVPs (minimum viable product); determine: can we build this?
 4. **Confirmation:** Proceed with your business idea or pivot; investing in customer acquisition costs, marketing and more robust MVPs; determine: can we do this at scale?
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In the Exploit portfolio, or the map of an existing business, we see the following six steps:

1. **Transfer / Launch:** The launch of a compelling value proposition and business model (customer focus).
2. **Sustaining Innovation:** A product or service has been developed to address an unmet customer job, and the company must scale to meet demand (market/scale focus).
3. **Efficiency:** Generate additional profitability by focusing on reducing costs, increasing productivity or redesigning a product/service (shareholder focus).
4. **Mature Business:** Well-established, with a loyal customer base, a competitive field and stable growth.
5. **Declining Business:** Characterized by declining profitability, obsolescence, reduced customer base and may no longer make sense to produce or distribute the value proposition.
6. **Renovation:** Before the business dies, can we shift our company model and focus on a new product, service or business model to survive and grow.