

URL: <https://stvp.stanford.edu/clips/the-beauty-of-a-native-business-model>

Shopkick Co-Founder Cyriac Roeding discusses two schools of thought on business models. While some entrepreneurs may work hard to find a business model to layer on top of a solution, Roeding prefers to find business models that are automatically woven into the product or interaction, thus avoiding some of the constant worry over monetization.



Transcript

Quite interesting also is the question should a business model be put on top and you figure it out as you go along or not.. And there are two different schools of thoughts.. My believe is that a native natural business model that's sort of authentic and automatically built-in is really cool to have.. Where you don't have to think about, okay, and how are we going to monetize this now; where it's automatically part of it and it makes total sense.. It has to be part of it.. For example, when you walk into the store, you earn the points, right? The points have to be paid.. There is a margin, you earn money with it.. Every walk in is a revenue there.. Every purchase that you make at the store is worth something to the retailer as well and therefore that's an affiliate fee.. Think of taking online affiliate fees and bringing them to the offline world, which is 10x larger in terms of revenue..

So in other words, creating business models that are automatically natively woven in without having to think about what are we going to do next to make some money with it.. I am not saying the second one doesn't work.. What I am saying is I really prefer the former because it's so beautiful when it all fits together into one piece.. It's like design where things match.. And if you can find that, it's a real advantage.. It's great because then you don't have to worry about - how you're going to make money at something...