Core Business Model Influencers

Your core business model is impacted from many elements. These impacts are either pressures or enhancers that affect the viability of a core business model. These impacts or "influencers" are used to develop, build, improve, or even destroy a core business model in an organization. An influencer is an organization entity, industry aspect, or operating environment that affects the performance of the core business model.

Influencers are part of a core business model viability but they are not themselves, a business model. A core business model operates within a circle of influencing elements and requires influencers to be a viable business. But if one influencing element is overbearing, then a influencer could shut down a viable business model.

Three main influencers of a core business model:

- **Environment**—industry, geography, governments (regulations), and competitors

- **Operation**—resources, execution, ownership, and leadership

- **Innovation**—technology, methods, and procedures

An **Environment** influencer is the composite of external forces that affect and define the performance of a core business model. An organization conducts operations within an environment that consist of an industry, geography or location, government or governing entity, and competitors. Anyone of these elements will shape and determine a successful core business model.

Operation is at the heart of an organization. Operation is when an organization brings to bear resources, functions, strategy, execution, and efficiency to serve its customers profitably. The organization uses assets (whether tangible or intangible) to fulfill its core business model, and assets are utilized to execute a strategy.

Innovation is the company's ability to utilize technology, methods, or procedures to improve its operation. A new technology, process method, or updated procedure can drive innovation and discover a new way of developing products, improving business process, or enabling pioneering operations. These innovations can drive new business models, start new ventures, or even revamp existing companies.

There has not been a single improvement project that has been successful with considering and organization's environment, operation or innovation. Consider these aspects as your critical success or risk factors. Next and almost as important aspect to the core business model is business influencers and is critical to any business improvement project.

Further explore core business model influencers in "Do The Right Thing in Business Improvement".