Rules For Business Models

Jeff Jarvis - author of *What Would Google Do?*, Harper Collins, 2009 - is an associate professor of journalism and director of the interactive journalism program at the City University of New York. Recently, he has outlined a list of the rules for a successful business model. Although Jarvis has developed these rules for the news media, they are general enough to apply to other businesses. The rules for business models in this difficult and competitive economic environment are as follows:

- **Tradition is not a business model** - The past is no longer a reliable guide to future success.

- **“Should” is not a business model** - You can say that people “should” pay for your product, but they will only if they find value in it.

- **“I want to” is not a business model** - My entrepreneurial students often start with what they want to do. I tell them, no one cares what they “want” to do.

- **Virtue is not a business model** - Just because you do good deeds does not mean you deserve to be paid for what you do.

- **Business models are not made of entitlements and emotions** - They are based of impersonal economic theories.

- **Begging is not a business model** – It is lazy to think that receiving grants from private foundations can solve business problems. There is not enough private money available.

- **There is no free lunch** - Government money comes with strings attached.

- **No one cares what you spent** - Arguing that news costs a lot is irrelevant to the market.

- **The only thing that matters to the market is value** - What is your service worth to the public?
• **Value is determined by need** - What problem do you solve?

• **Some readers are not worth saving** - One newspaper killed its Stock Market tables. It saved $1 million, but lost 12 subscriptions. That means it had been paying $83,000 a year to maintain those 12 readers.

• **Disruption is the law of the market** - If others can do what you do cheaper, better, and faster, they will.

• **Disrupt yourself** - Find your weaknesses before your rivals discover them. Find weaknesses of your rivals as well.

• **The bottom line matters more than the top line** - Plan for profitability over revenue and sustainability over size.

Source: