Carnegie Mellon University in Qatar
15390 - Spring 2018

Project Handout

Checkpoint II

Out: January 22, 2018

Due: March 18, 2018
Checkpoint II [25 Points]

This checkpoint involves: (1) designing a business model, (2) using your business model and market research findings from Checkpoint I to conduct revenue projections and sensitivity analysis, and (3) selecting a beachhead market to pursue your idea developed in Checkpoint I.

A. Design a business model for the idea you came up with in Checkpoint I. Explain your business model in detail. Note: you can use any of the business models we discussed in class, a hybrid of multiple of them, or a completely novel one.

B. Use your business model alongside your market research findings to develop a mathematical model for performing revenue projections. Afterwards, use your mathematical model to do revenue projections over five years. State your methodology and any assumption you make very clearly.

C. Conduct and report on at least two sensitivity studies using your mathematical model.

D. Develop metrics (e.g., affordability, accessibility, scale-out, etc.) to select your beachhead market. Subsequently, build one or more matrices and apply a weighted ranking technique (similar to the one we discussed in class) to rank your market segments and, accordingly, select your beachhead one. Note: you can use the metrics we developed in class and/or come with completely new ones based on your idea and target market.