

# Business Modelling Playbook

Combine design thinking and lean start-up principles to create new business models using this step by step process. This playbook is for individuals and companies with any level of experience to develop on existing business ideas.



Takes 1 week+ to complete



For individuals or teams



Can be worked on at the same time or separately



Can be done remotely or in-person

# Introduction

Welcome to the Business Modelling Playbook. It was created on the basis of solid academic research and real-world R&D projects. In this playbook, you will learn how to design business models using several design and analysis tools through a business model design approach created by InGAME

## **Who is this playbook for?**

This playbook is for both young and mature entrepreneurs and companies. The only prerequisite for you to use this playbook is that you need to have some business ideas.

## **About InGAME:**

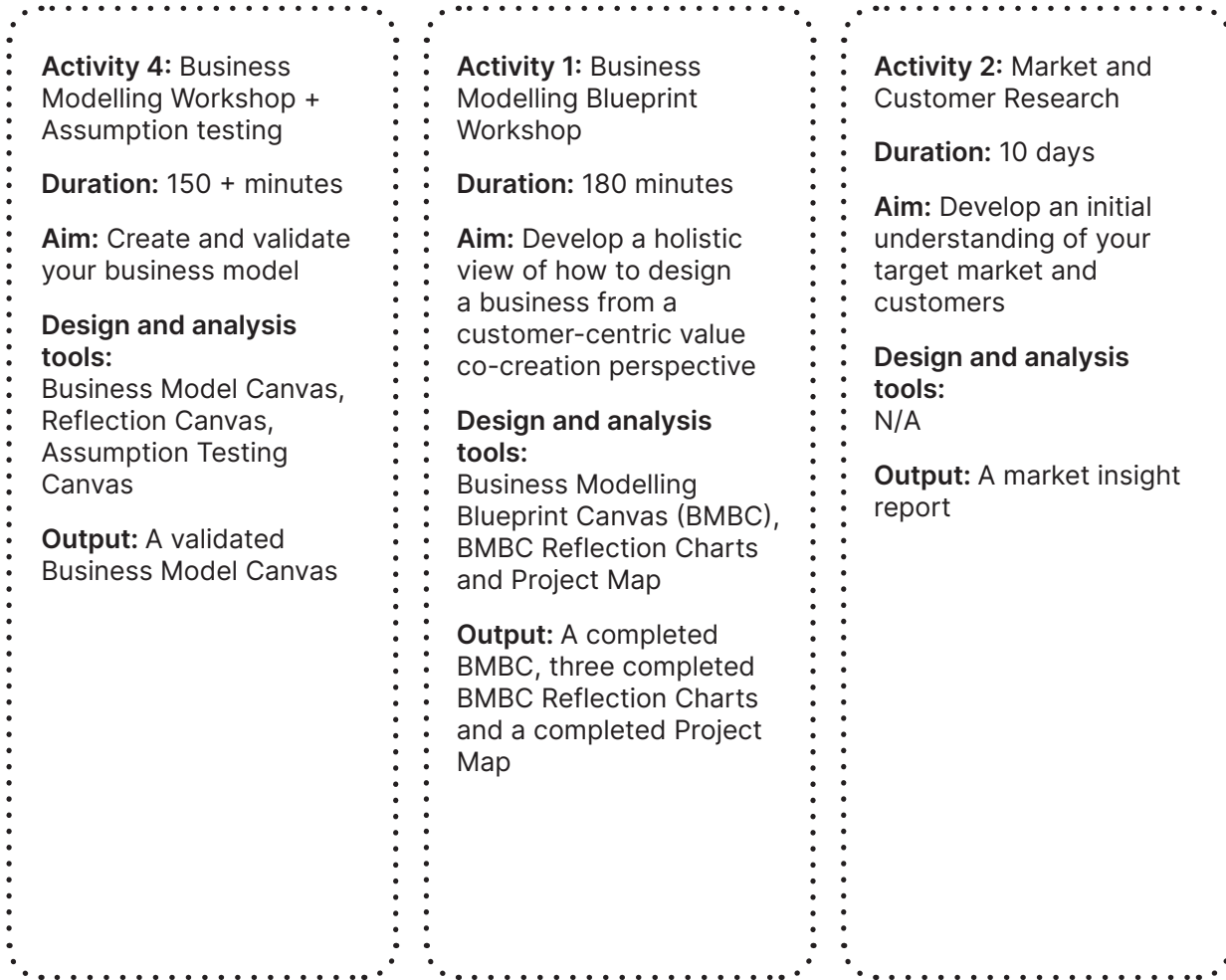
InGAME is the UK's dedicated Research and Development centre for the videogame and interactive media industries. Our mission is to increase the scale and value of companies through product, service and experience innovation. InGAME is funded by the UK Arts and Humanities Research Council (AHRC) via the Industrial Strategy Challenge Fund.

# What makes this playbook different?

- **New product development approach:** This playbook presents a business model design approach developed by InGAME through multiple collaborative R&D projects. The approach has four phases: plan, explore, understand and redesign (see the figure below). It combines design thinking and lean start-up methodology.
- **New design and analysis tools:** The business model design approach provides users with useful design and analysis tools and instructions on how to use these tools. Some of these tools were created based on InGAME's academic research findings and in response to industry needs. The other tools are popular business model design tools.



Design → Plan → Explore



Activity 1

# Business Modelling Blueprint Workshop

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	180 Minutes
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# What is this activity about?

The Business Modelling Blueprint (BMB) workshop allows you to develop a holistic view of how to design a business from a customer-centric value co-creation perspective.

At the workshop, you will use three design tools–Business Modelling Blueprint Canvas (BMBC), BMBC Reflection Charts and Project Map–to visualise and reflect on your thoughts and ideas about your business model.

These tools put the customer at the centre and front of the business and emphasise the value co-creation process. They allow you to discuss your thoughts and ideas with your team members (if applicable), identify areas where further exploration is needed to validate your initial ideas, and structure your business design process from a project management perspective.

# What is this activity about?

This activity gives you the opportunity to develop an in-depth understand of your customers (Exercise 1) and find product- market fit (Exercise 2) accordingly.

At the workshop, You will use four design and analysis tools: Empathy Map Canvas, Value Proposition Canvas, Reflection Canvas, Assumption Testing Canvas.

## **Exercise 1: Empathy Map Canvas**

- The Empathy Map Canvas enables you to develop a deep, shared understanding and empathy for your target customers.
- Note: You will need to collect data for assumption testing after the workshop and then use your findings to validate your Empathy Map Canvas.

## **Exercise 2: Value Proposition Canvas**

- The purpose of this exercise is to determine the value proposition(s) of your products/services.
- Note: You will need to collect data for assumption testing after the workshop and then use your findings to validate your Value Proposition Canvas.



# Instructions

1. The workshop will take you 180 minutes to complete.
2. The workshop have 3 steps: Prototype (90 minutes), Reflect (45 minutes) and Project Plan (45 minutes).
3. Each step provides you with a design tool and requires you to complete a task.
4. Synchronous collaboration between participants is recommended.
5. Discussion is allowed throughout the workshop





# Step 1 (Prototype) / Tool: Business Modelling Blueprint Canvas (BMBC)

The purpose of the BMBC tool is to help you create a blueprint that integrates key components of business model, product market strategy (i.e. the customer segmentation, value proposition and product/service building blocks), and organisational design (i.e. the organisational structure and business process building block). By using this tool, you can:

## The BMB tool has two dimensions.

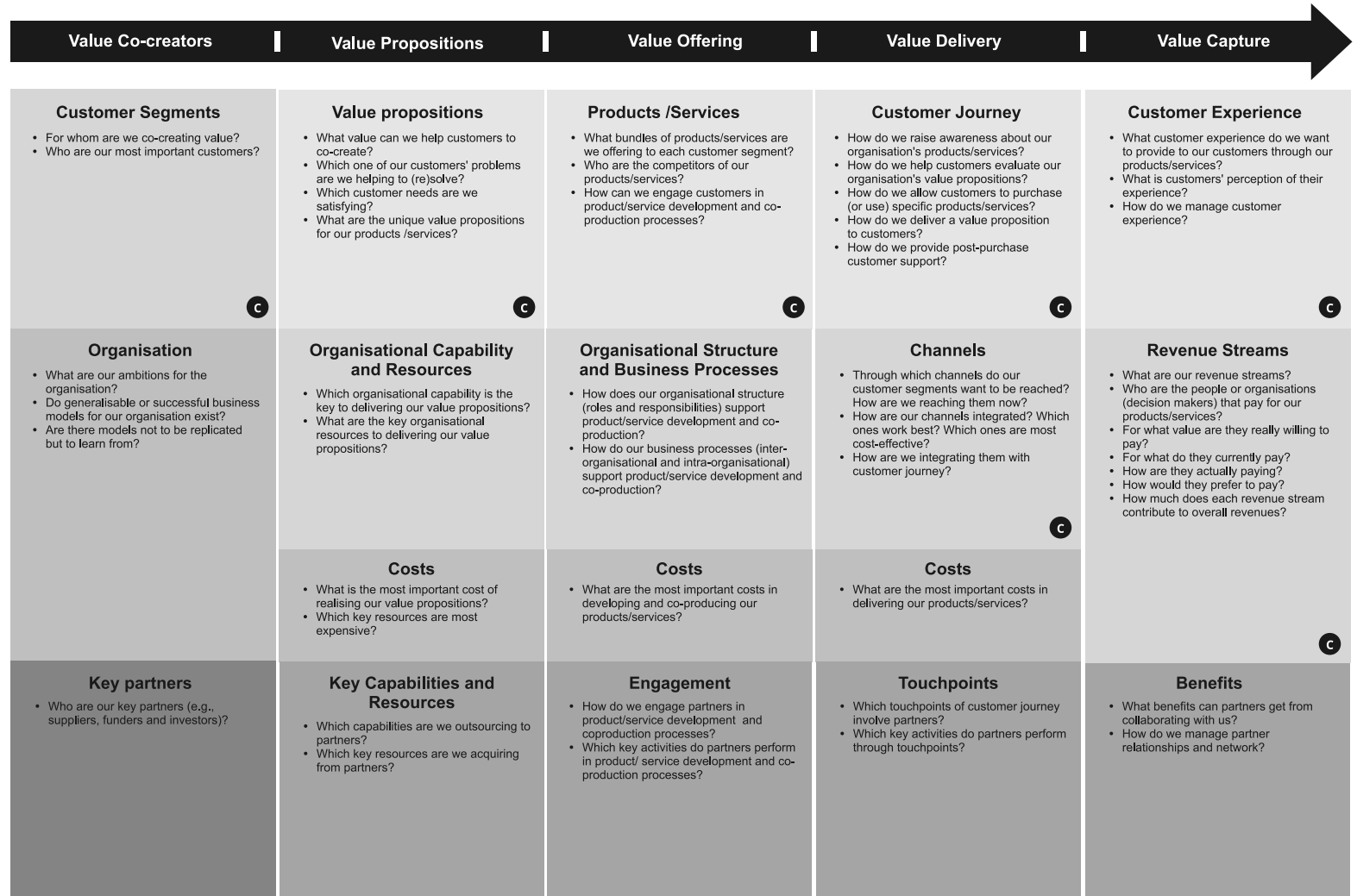
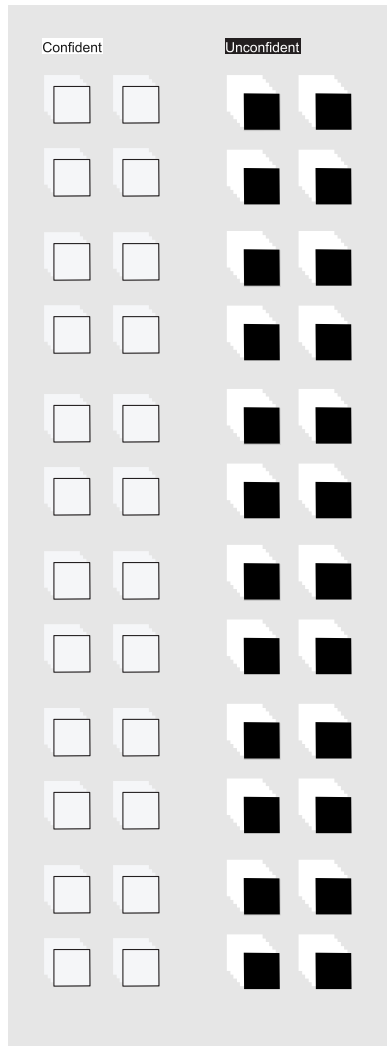
- **Horizontal dimension.** It describes the value co-creation process. For example, you need to identify customer segments, create value propositions, develop products and services, design customer journeys and ultimately provide customer experience.
- **Vertical dimension.** The vertical dimension indicates how value co-creators need to be considered and can be engaged in the value creation process. For example, when creating value propositions, you should consider what customer needs you want to meet, what organisational capabilities and resources you have, and which key capabilities and resources should be outsourced to key partners.

## How to use the BMB tool:

- Using stick notes on the left to answer all the questions on each component block of the BMBC (the icon “c” indicating that the customer can be involved in the design of the component).
- If you are confident in your answer (you know the answer is correct and you are confident in its delivery [if applicable]), please use the white sticky note.
- If you are not confident or unsure about your answer, please use the red sticky note.



This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.



Tool designer: Xinya You



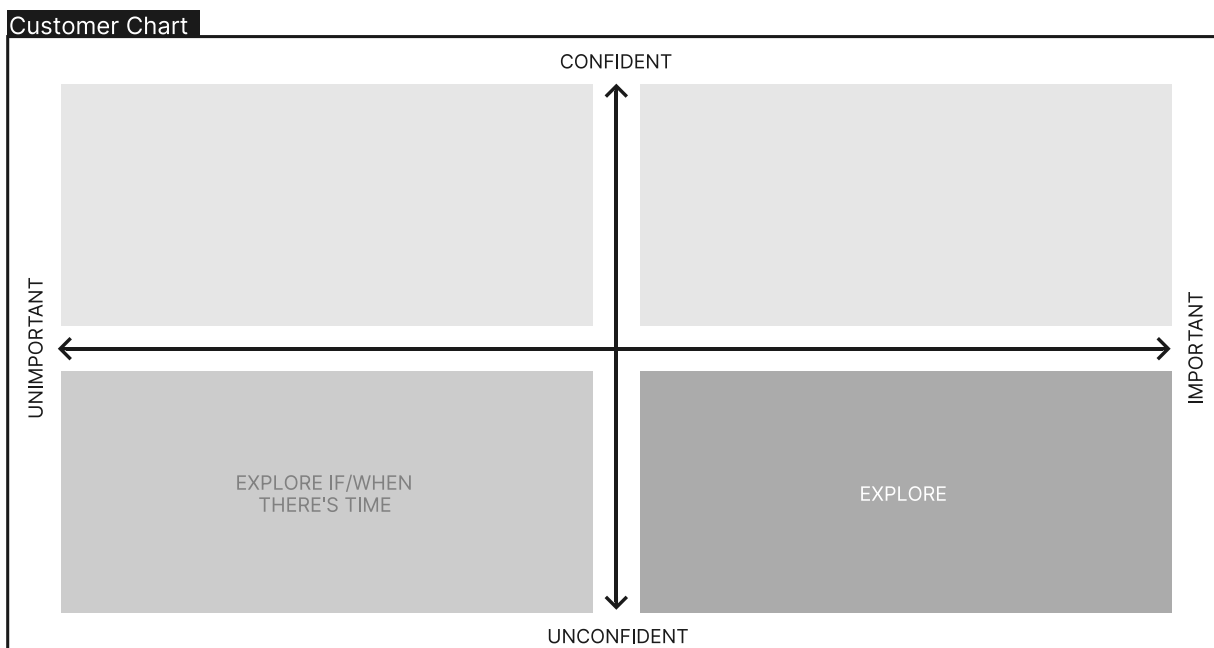
## Step 2 (Reflect) / Tool: BMBC Reflection Charts

The BMBC Reflection Charts will enable you to reorganise your answers by importance and confidence.

### How to play:

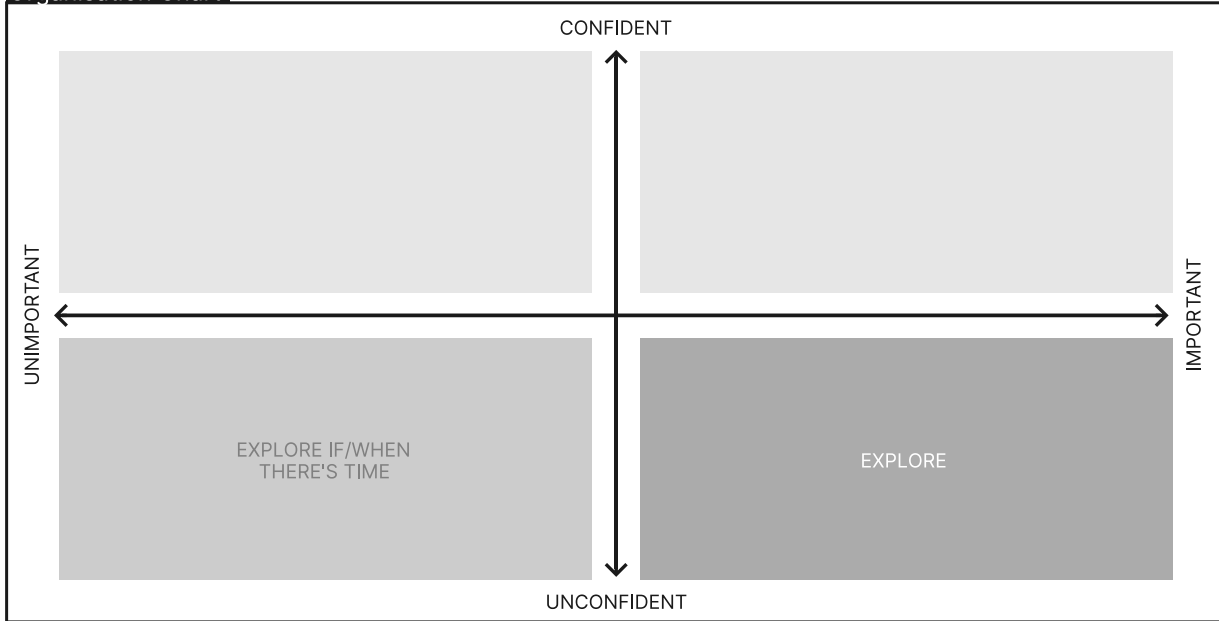
- Copy your sticky notes from the BMB tool and transfer them onto the reflection charts: (1) sticky notes on the first row → the Customer Chart; (2) sticky notes on the second row → the Organisation Chart; (3) sticky notes on the third → the Key Partner Chart
- The reflection charts have four quadrants: (1) confident and unimportant, (2) unconfident and important, (3) unconfident and unimportant, and (4) confident and important. Please use the quadrants to categorise your sticky notes. The ones on the unconfident and important quadrant will be explored during the project run.

This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.

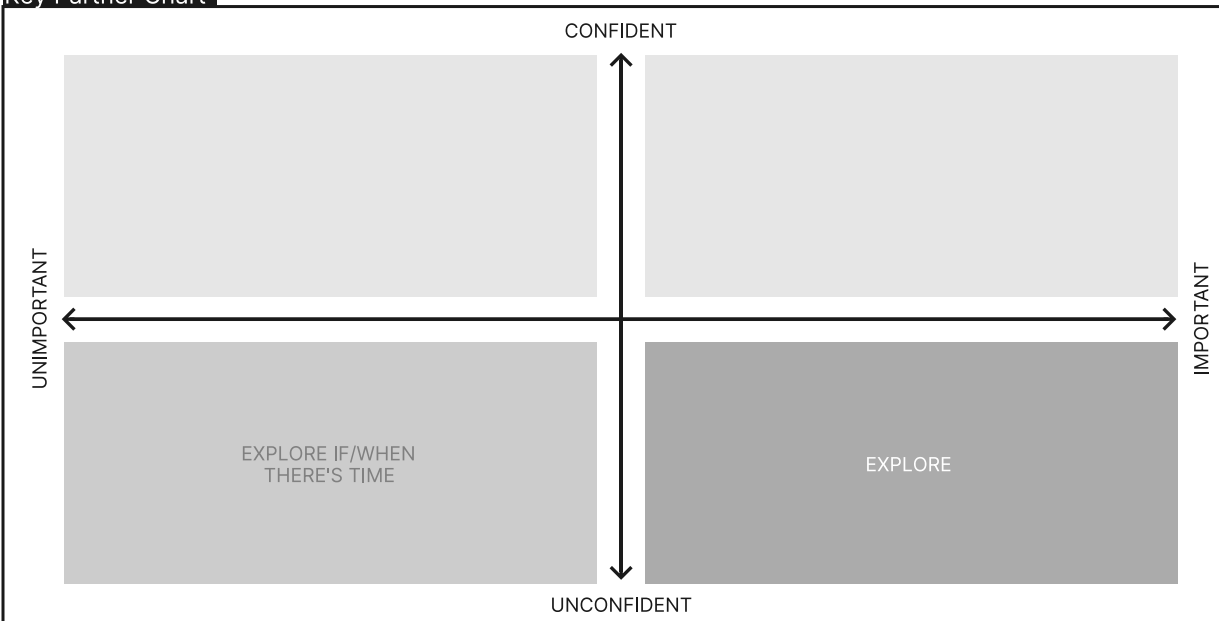


This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.

**Organisation Chart**



**Key Partner Chart**



Tool designer: Xinya You



## Step 3 (Plan) / Tool: Project Map

The project map tool allows you to reorganise your answers to be explored by time range. It also helps you to identify the challenges you could face, the actions you could take to solve the challenges, and the support InGAME could provide.

### How to use the tool:

- Copy your sticky notes from **the unconfident and important quadrants on the Reflection Charts and transfer them onto the Project Map:**
  - a. Customer Chart → Customers row, Organisation Chart → Organisation row, Key Partner Chart → Key Partner Row
  - b. Reorganise those sticky notes by the time ranges of exploration.
- Use sticky notes to answer the “challenges”, “actions” and “opportunities) questions.



This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.


Project Schedule	Month - Month (X months)	Month - Month (X months)	Month - Month (X months)
Customer			
Organisation			
Key Partners			
What <b>challenges</b> could you face?			
What <b>actions</b> can you take to solve the challenges?			
What <b>opportunities</b> (e.g., funding, activities, events) can you explore to address these challenges?			



Activity 2

# Market & Customer Research

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	10 Days
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# What is this activity about?

This activity aims to create a market and customer research report that will provide you and your key stakeholders with the information necessary to understand your target market, identify opportunities and challenges, and navigate the development of your products, services and business model.

You could explore the following topics in the report to help you build an initial understanding of your market environment: e.g., current market trends, market segments, competition, examples of pricing and popular business models.

Useful resource: Learn more about how to do market and customer research from Business Gateway

<https://www.bgateway.com/resources/market-and-customer-research>



# Key themes of your research

1. Ensure your research covers all of the following themes.
2. Understand the size and potential of your target market.
3. Explore current industry, market and technology trends.
4. Identify the typical risks of commercialising your ideas.
5. Identify potential user groups and user scenarios.
6. Identify what potential your product/service has to help people solve a
7. problem or enhance their current experience.
8. Identify your competitors and differentiate your products/services
9. from theirs.
10. Explore examples of popular business models and pricing models.
11. Other topics of interest to you.

**Key information sources:** The market and customer research relies primarily on secondary data, including industry reports, media news, practitioners' blogs, research papers and competitors' websites.

**Output:** You need to write a market insight report to present your research findings. Your report should be 5,000-10,000 words to include sufficient detail and present in-depth findings. You may need up to 10 days to conduct your research and complete your report.

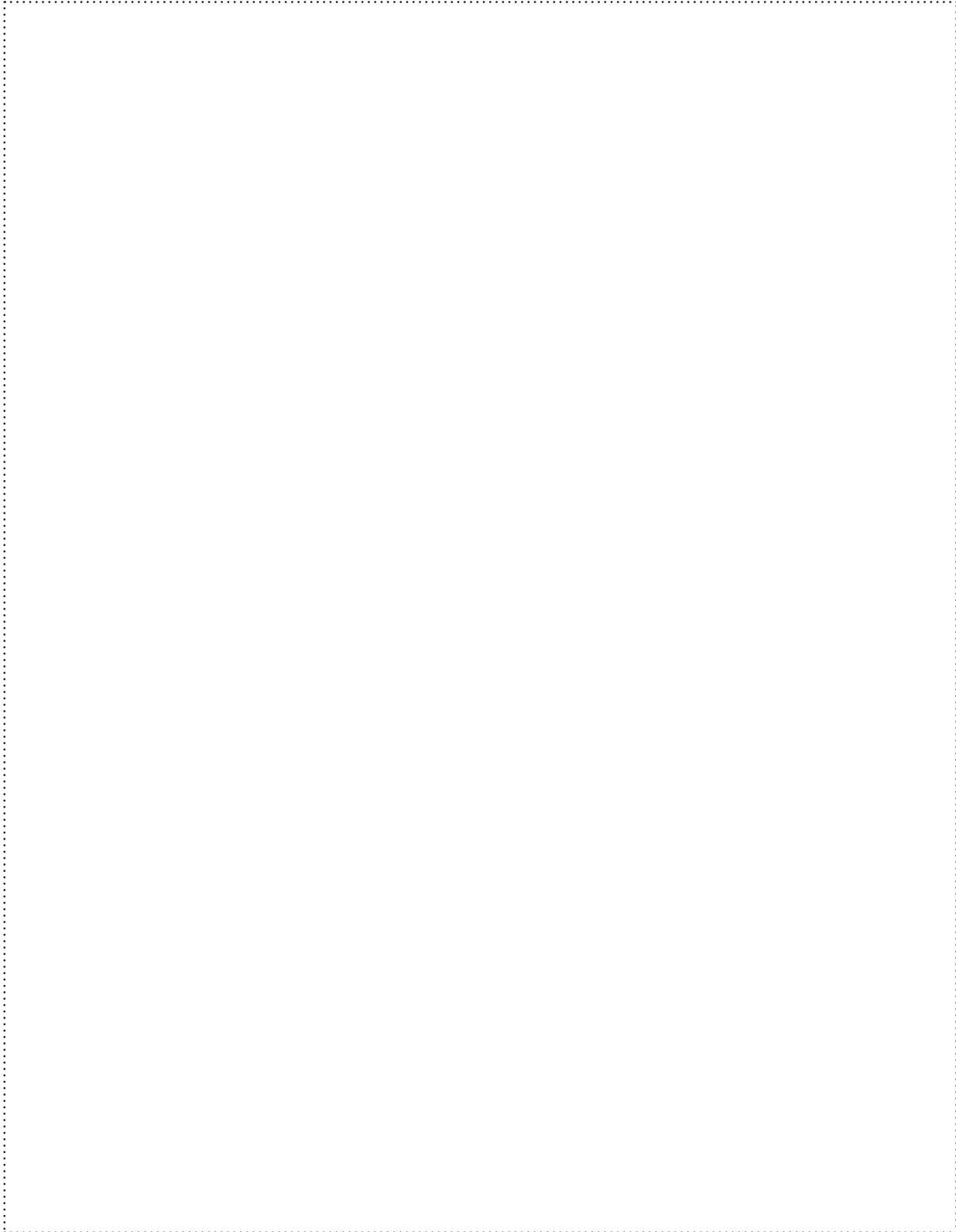
**Note:** if you have the time and resources, you can conduct large-scale customer/client surveys to validate your target market and business idea, and get an initial understanding of your target clients/customers.



# Key findings of your research

**Key theme 1:** Understand the size and potential of your target market.

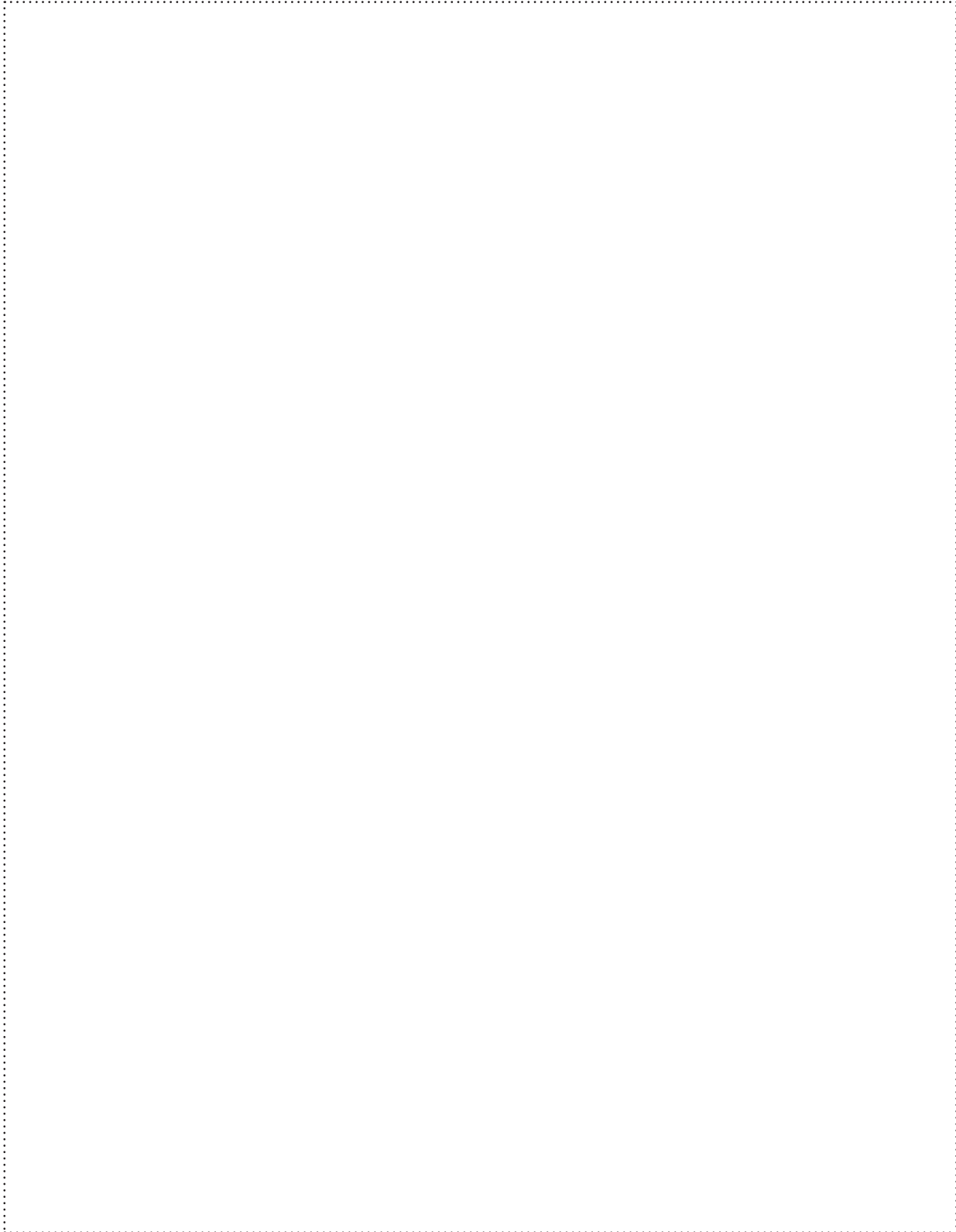
## Key Findings



# Key findings of your research

**Key theme 2:** Explore current industry, market and technology trends.

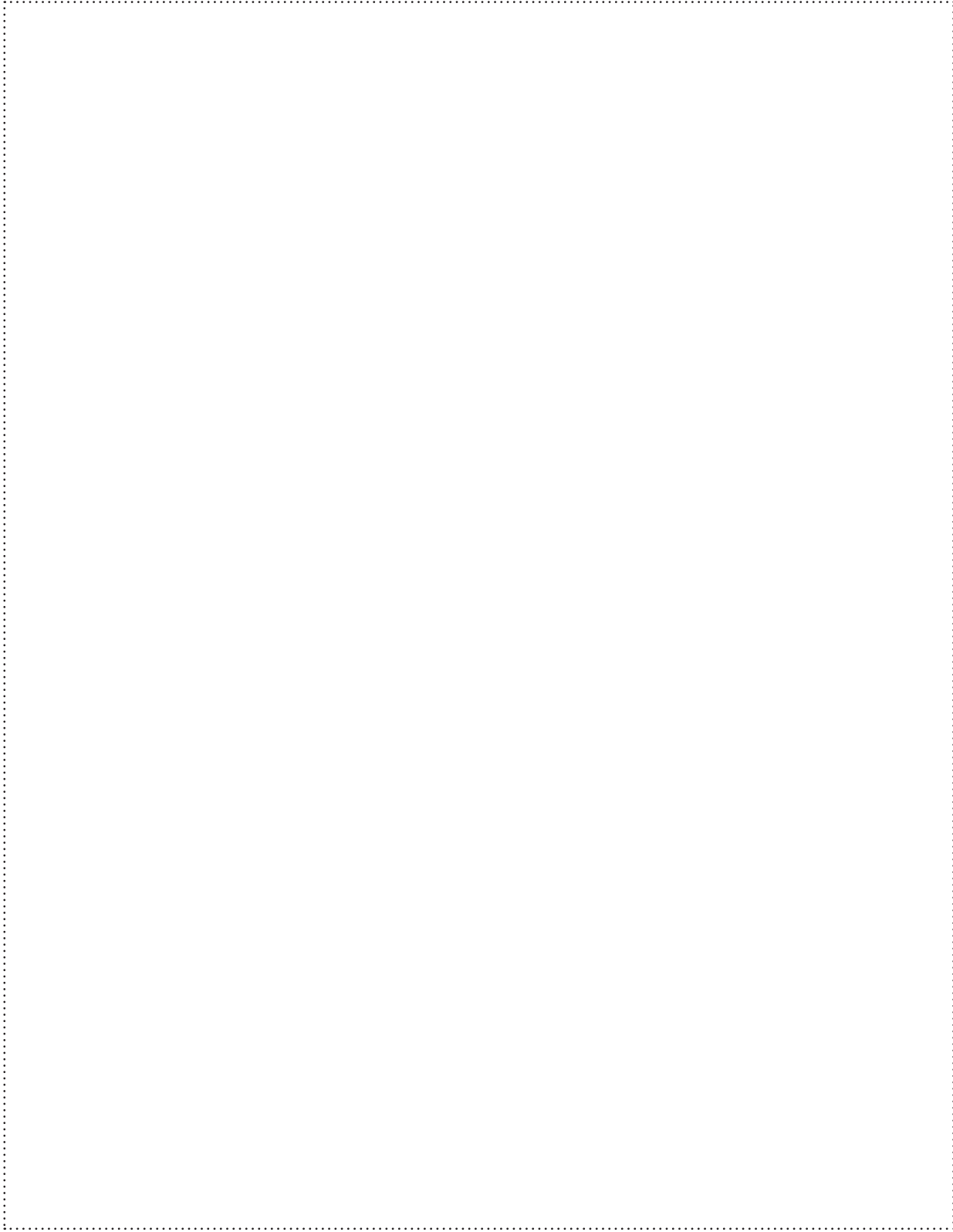
## Key Findings



# Key findings of your research

**Key theme 3:** Identify the risks of commercialising your ideas.

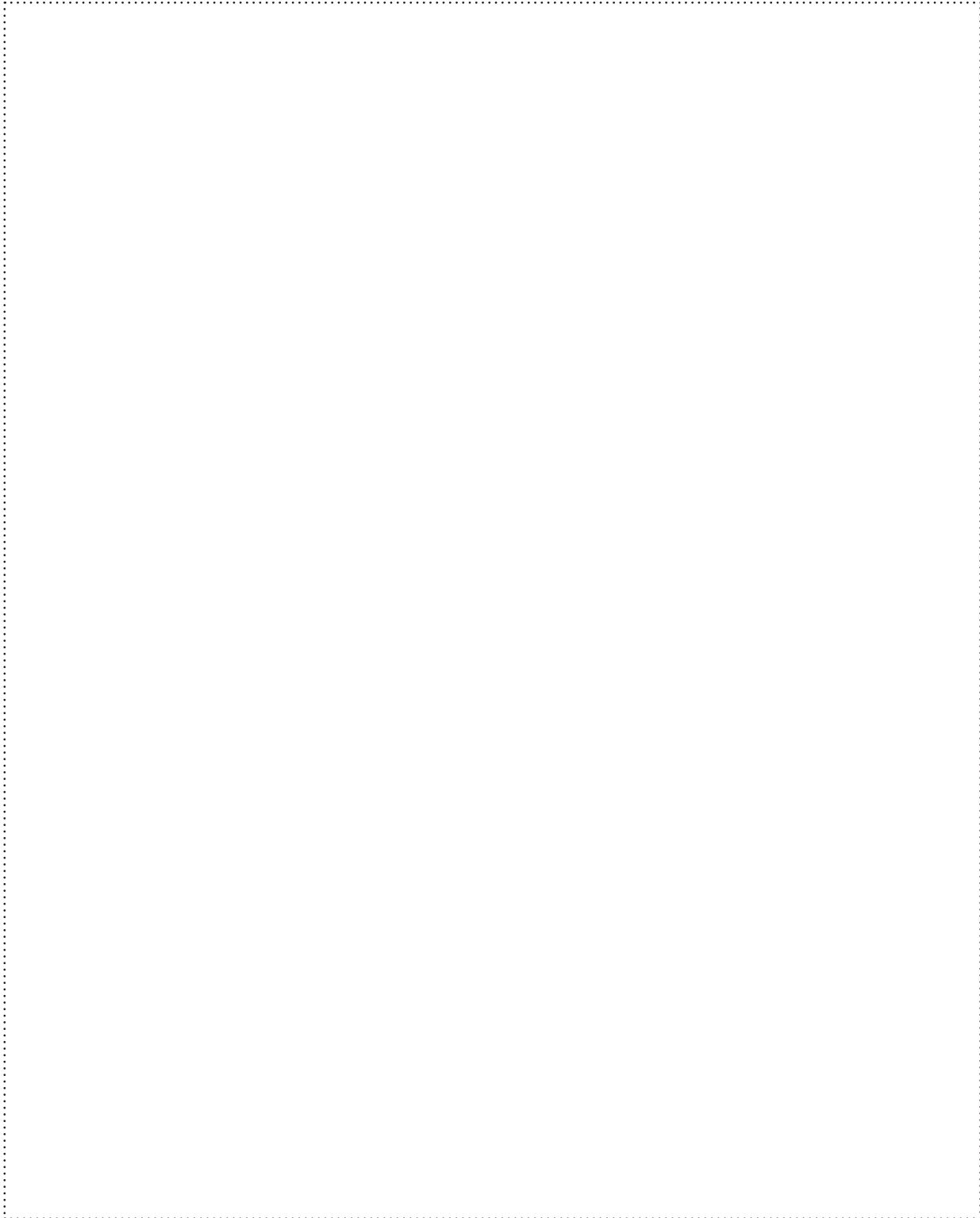
## Key Findings



# Key findings of your research

**Key theme 5:** Identify what potential your product/service has to help people solve a problem or enhance their current experience.

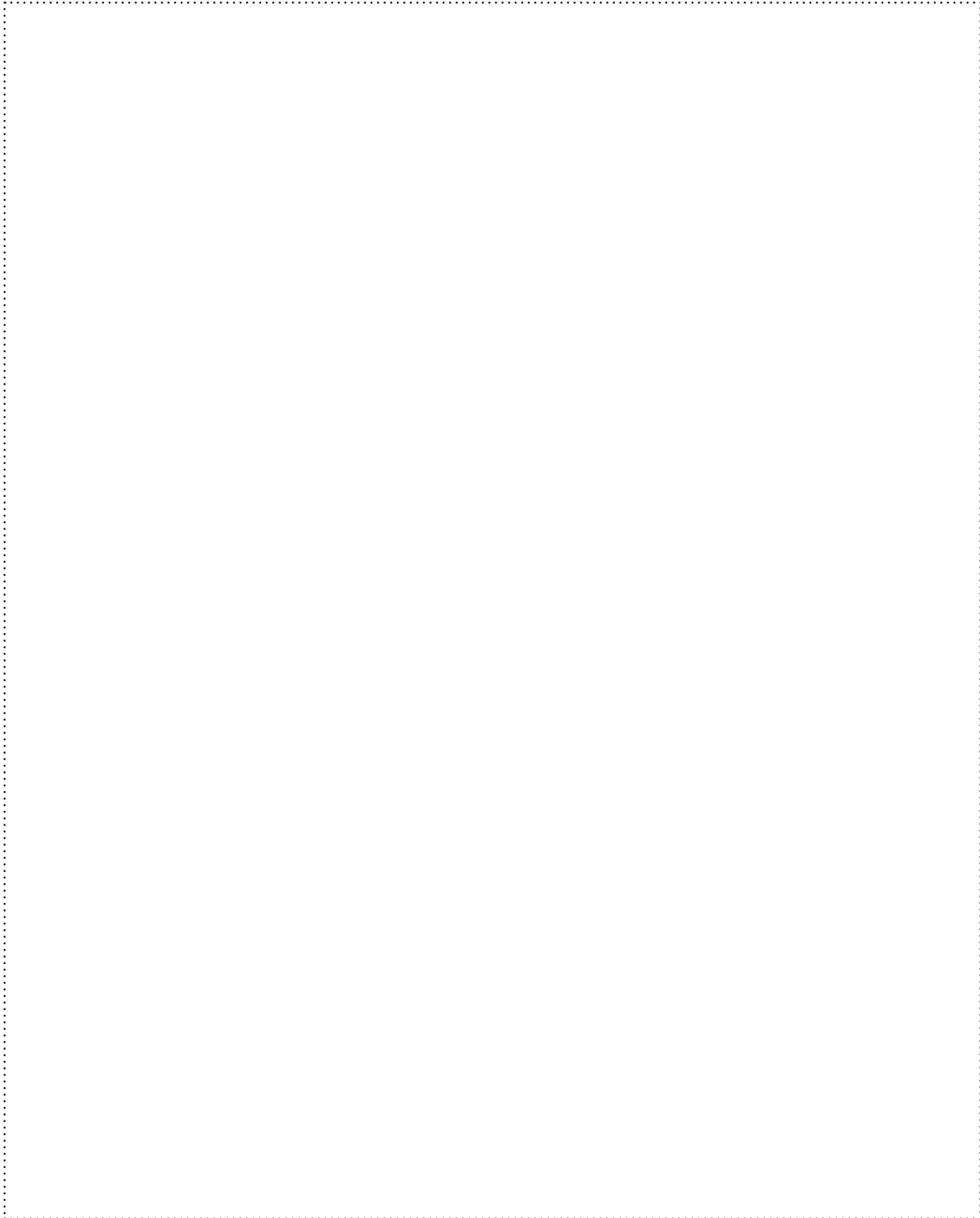
## Key Findings



# Key findings of your research

**Key theme 6:** Identify your competitors and differentiate your products/services from theirs.

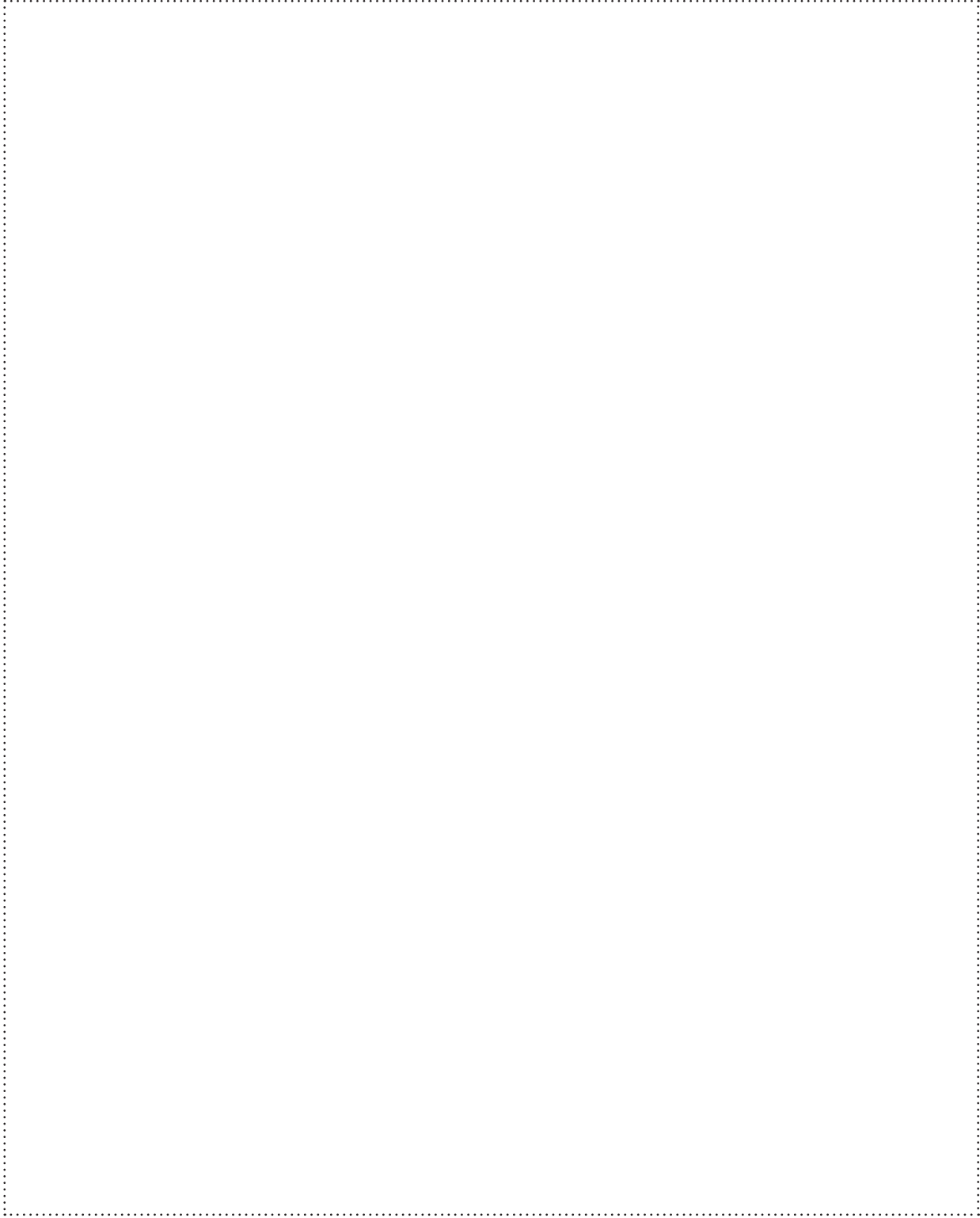
## Key Findings



# Key findings of your research

**Key theme 7:** Explore examples of popular business models and pricing models.

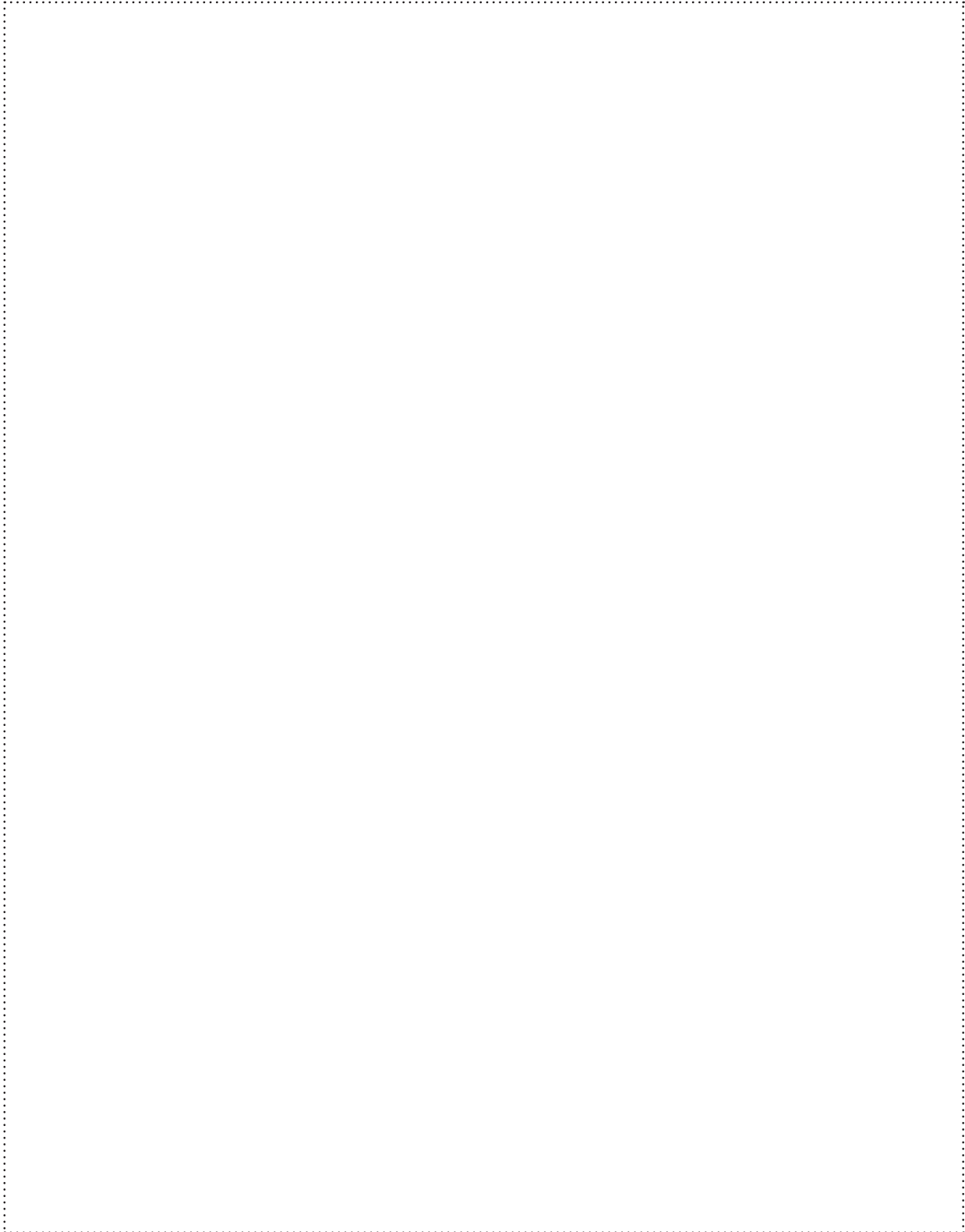
## Key Findings



# Key findings of your research

**Key theme 8:** Other topics of interest to you.

## Key Findings





Activity 3

# Customer Discovery Workshop & Assumption Testing

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	180+ Minutes
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# What is this activity about?

1. Exercise 1 has 4 steps: prototype, reflect, collect data and refine.
2. At this workshop, you will complete Step 1 and 2 (90 minutes).
3. Step 3 and 4 need to be completed after this workshop.
4. Each step provides you with a design tool and requires you to complete a task.
5. Synchronous collaboration between participants is recommended.
6. Discussion is allowed throughout the workshop.



# Exercise 1: Empathy Map Canvas

## Step 1: Prototype

### Introduction:

The Empathy Map Canvas consists of 7 numbered sections, indicating the expected sequence of activities. You have 60 minutes to complete this canvas: 8 minutes for each section. Please use coloured sticky notes to answer all the questions on the canvas. Each participant should choose a colour. Answers like “I don’t know much about ...” are acceptable. You can also use sticky notes to write down reflective questions and thoughts on the canvas.

### How to Play:

- **Section 1-2:** Define WHO is the subject of the Empathy Map (i.e. your target customers) and understand what the subjects need to DO (i.e. something that your product/service can help in the future). The answers need to respond to an observable behaviour and be used to frame the GOAL of the map.
- **Section 3-6:** Once you have clarified the goal, move clockwise along the canvas, until you have covered Seeing, Saying, Doing, and Hearing. This gives you a chance to imagine what the current customer experience might be like. The experience should be observable. (Your product/service is not yet on the market. When doing this exercise, it is useful to consider potential direct and indirect competitors.)
- **Section 7:** Now focus on imagining what it’s like to be inside the customer’s head (THINK and FEEL), which can be speculated or inferred but never observed.



This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.

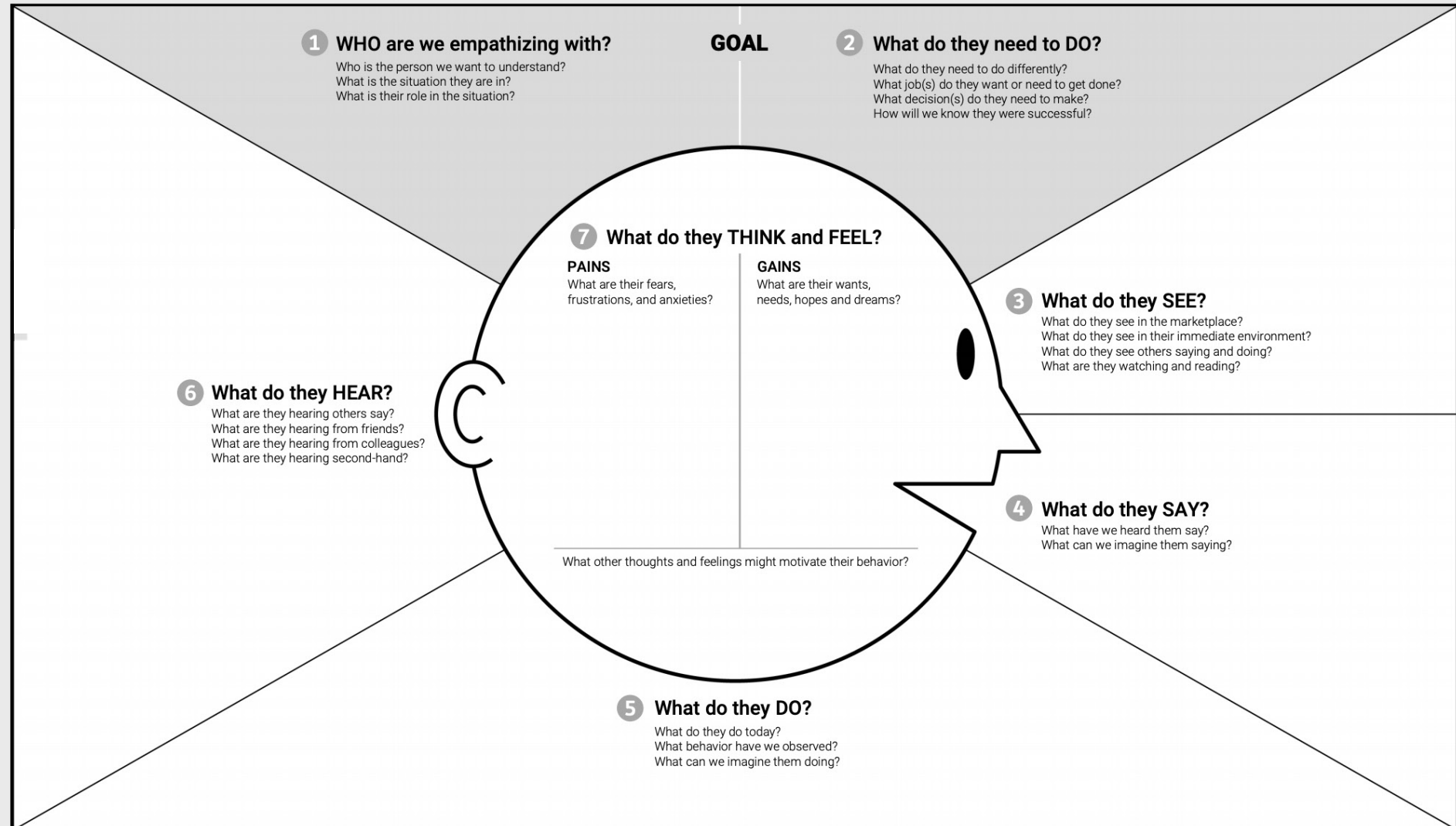
# Empathy Map Canvas

Designed for:

Designed by:

Date:

Version:



Last updated on 16 July 2017. Download a copy of this canvas at <http://gamestorming.com/empathy-map/>

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# Exercise 1: Empathy Map Canvas

## Step 2: Reflect

### Introduction:

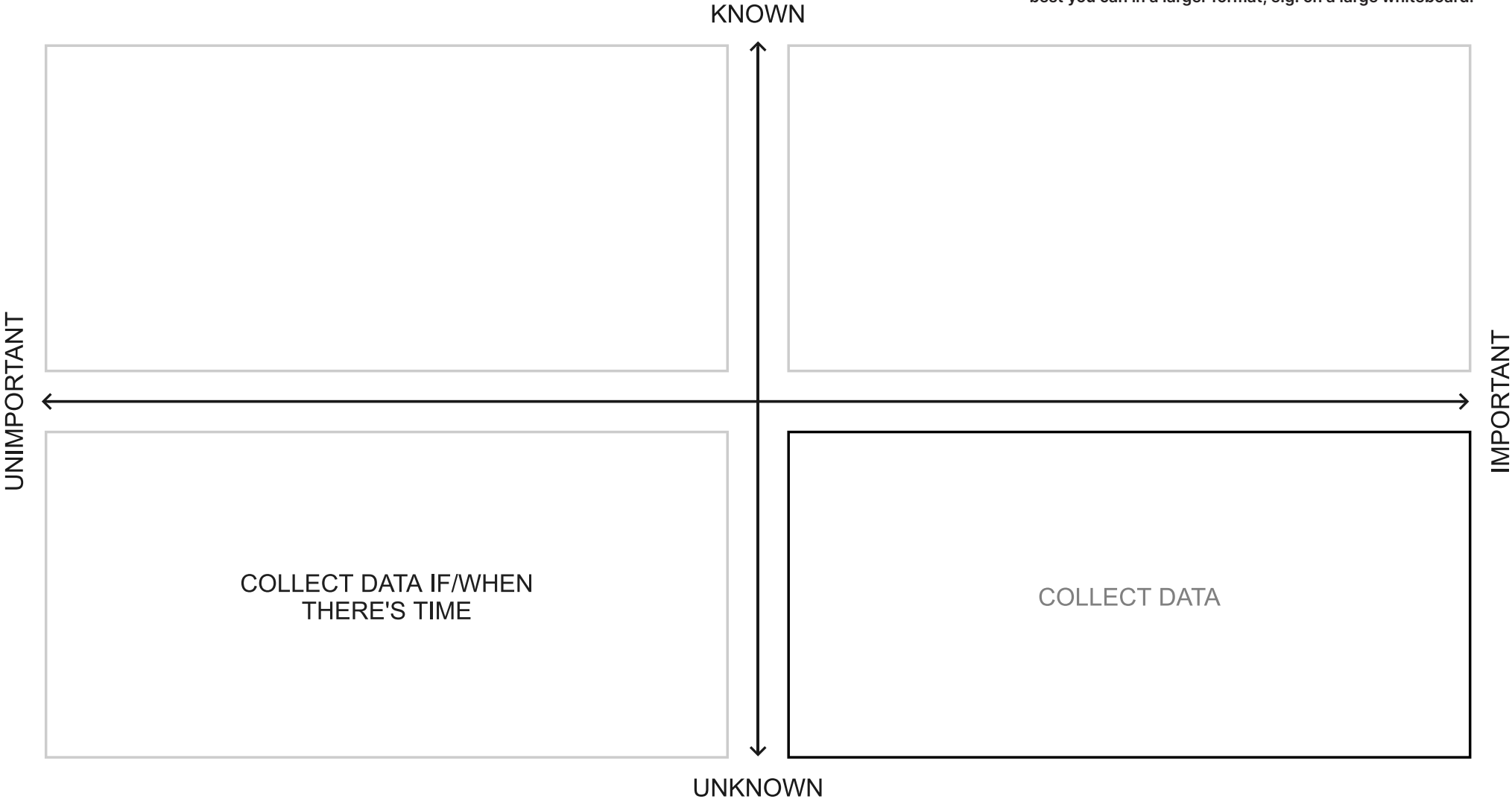
The Empathy Map Canvas you created for the first time is not perfect and you need to challenge some of your ideas on it. For example, do you really know what they need to do differently? The reflection canvas can help you improve your understanding of your customers. You have 30 minutes to complete this canvas.

### How to Play:

Simply copy the sticky notes from the Empathy Map Canvas and transfer them onto wherever you think appropriate on the reflection canvas. When moving the sticky note, ask yourself two questions: (1) Do I really know this? (2) Is it really important to know this for developing my new product/service/business model? You can split a sticky note into several notes and place them in different quadrants as needed. You can also use sticky notes to write down your reflective questions and thoughts on the canvas. The sticky notes put on the bottom right quadrant of the canvas will be further explored in the next stage.



This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.



Tool designer: Xinya You



# Exercise 1: Empathy Map Canvas

## Step 3: Collect Data

### Introduction:

The data collection note board can help you identify and capture customer-related assumptions, and then test them. Your research method(s) is/are customer interviews, focus groups and/or questionnaires.

### How to Play:

Please use the information on the bottom right quadrant of the reflection canvas to formulate key assumptions, draw up interview/focus group/questionnaire questions and present your findings.

Assumptions	Survey questions	Findings
A	I	F



# Exercise 1: Empathy Map Canvas

## Step 4: Refine

### Introduction:

A refined Empathy Map Canvas can be created based on your key findings from the data collection note board.

### How to Play:

Copy sticky notes from the original Empathy Map Canvas and paste them onto this new one. Update the information on them with your findings.

**Empathy Map Canvas**

Designed for: \_\_\_\_\_ Designed by: \_\_\_\_\_ Date: \_\_\_\_\_ Version: \_\_\_\_\_

**1 WHO are we empathizing with?**  
Who is the person we want to understand?  
What is the situation they are in?  
What is their role in the situation?

**GOAL**

**2 What do they need to DO?**  
What do they need to do differently?  
What job(s) do they want or need to get done?  
What decision(s) do they need to make?  
How will we know they were successful?

**3 What do they SEE?**  
What do they see in the marketplace?  
What do they see in their immediate environment?  
What do they see others saying and doing?  
What are they watching and reading?

**4 What do they SAY?**  
What have we heard them say?  
What can we imagine them saying?

**5 What do they DO?**  
What do they do today?  
What behavior have we observed?  
What can we imagine them doing?

**6 What do they HEAR?**  
What are they hearing others say?  
What are they hearing from friends?  
What are they hearing from colleagues?  
What are they hearing second-hand?

**7 What do they THINK and FEEL?**  
**PAINS**  
What are their fears, frustrations, and anxieties?  
**GAINS**  
What are their wants, needs, hopes and dreams?

What other thoughts and feelings might motivate their behavior?

Last updated on 16 July 2017. Download a copy of this canvas at <http://gamestorming.com/empathy-map/> © 2017 Dave Gray, xplane.com

This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.





# Instructions for Exercise 2

1. Exercise 2 has 4 steps: prototype, reflect, collect data and refine.
2. At this workshop, you will complete Step 1 and 2 (90 minutes).
3. Step 3 and 4 need to be completed after this workshop.
4. Each step provides you with a design tool and requires you to complete a task.
5. Synchronous collaboration between participants is recommended.
6. Discussion is allowed throughout the workshop.



# Exercise 2: Value Proposition Canvas

## Step 1: Prototype

### Introduction:

The canvas is composed of a Customer Profile Map (right) and a Value Map (left). You have 10 minutes to complete the Customer Profile Map (right) by transferring key information from your completed Empathy Map Canvas onto it, and 50 minutes to finish the Value Map (left).

### How to Play:

- **Customer Profile Map:** Start with the Customer Profile Map on the right-hand side by transferring the key information from section 1, 2 and 7 of the completed Empathy Map onto it. Copy and paste – section 1 to the Customer Segment, section 2 to Customer job(s), section 7 to Gains and Pains. Don't forget the Customer Segment at the top of the map!
- **Value Map:** Use the Value Map on the left to design the value proposition(s) of your products. The map is composed of Products & Services, Pain Relievers and Gain Creators, which relate back to your Customer Profile Map. Please use the same coloured sticky notes you used in the first exercise to write down your ideas, reflective questions and thoughts on this canvas. (1) Your Products & Services provide Customer Jobs – write down your product/service features here. (2) Why are these features valuable to your customers? Your Pain Relievers and Gain Creators can answer this question – your Pain Relievers alleviate Customer Pains by removing one or more current frustrations; and your Gain Creators ensure their Gains by offering them something new. (3) After you complete the Products & Services, Pain Relievers and Gain Creators, please create a Value Proposition for your product/service.

### Notes:

A value proposition is a simple statement of product/service value that summarises why a customer should choose your product/service. A value proposition is different from a selling point—it is your promise to the audience with whom you want to build relationships.

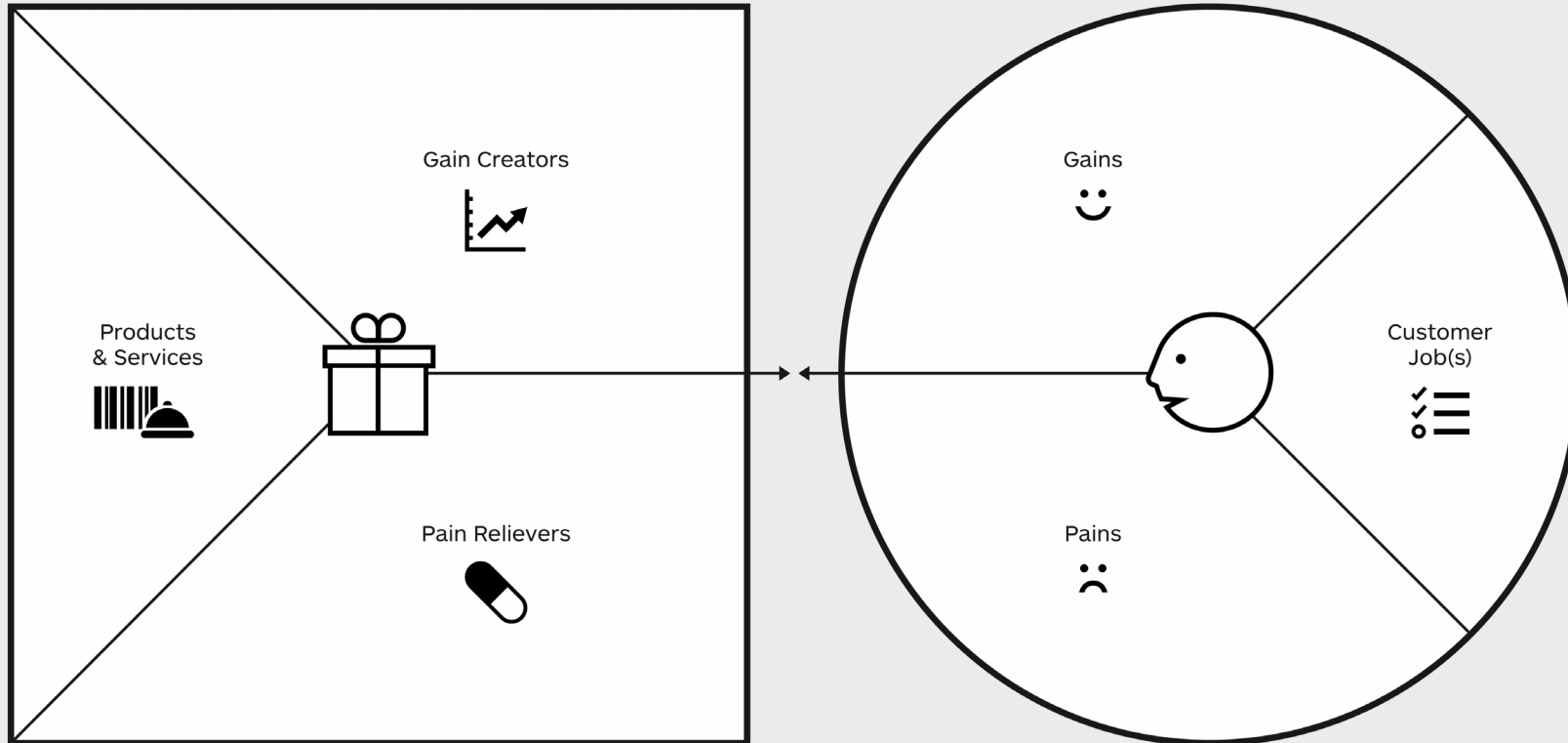


This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.

## The Value Proposition Canvas

Value Proposition

Customer Segment



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strategyzer.com



# Exercise 2: Value Proposition Canvas

## Step 2: Reflect

### Introduction:

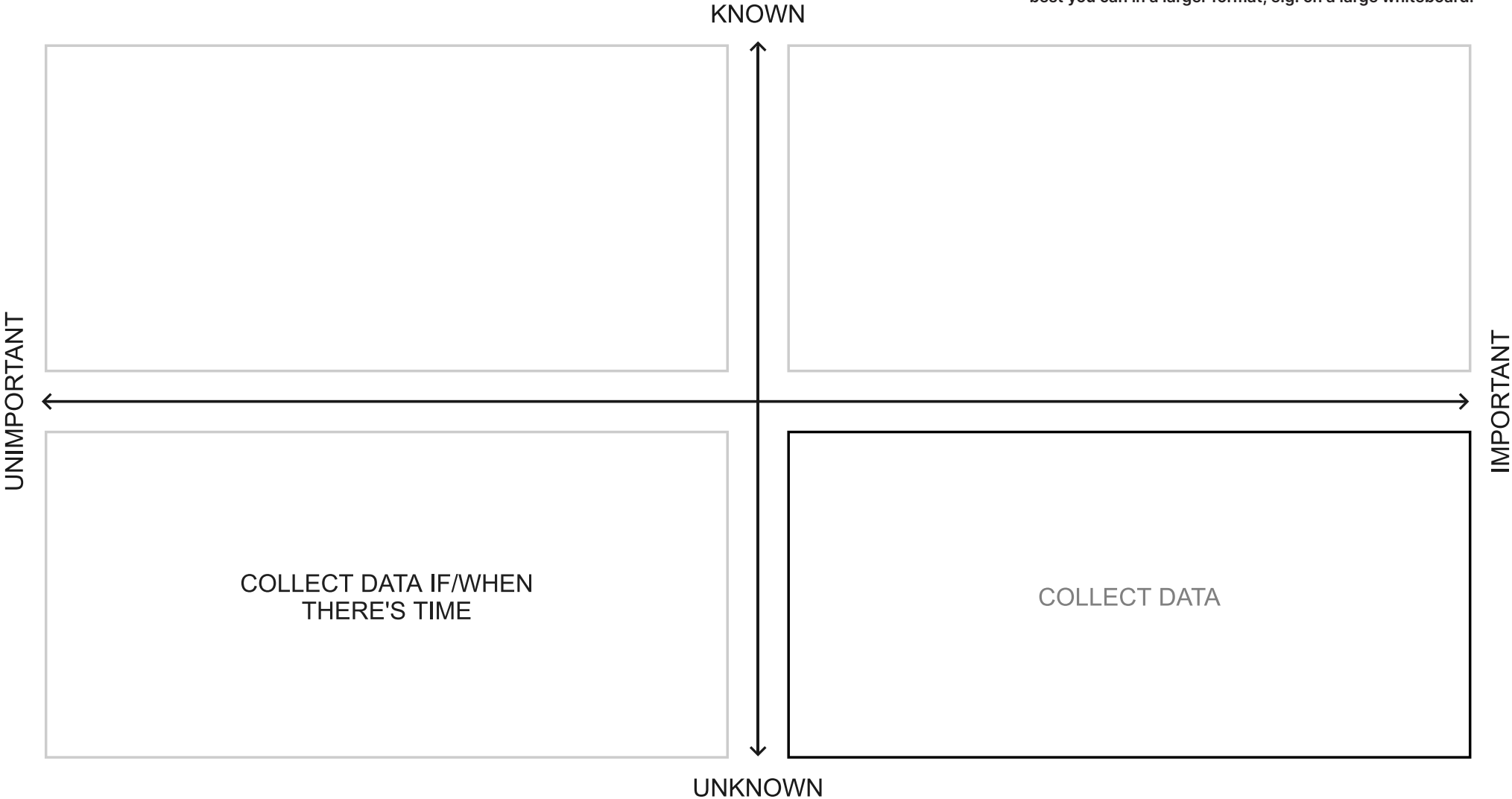
The Value Proposition Canvas you created for the first time is not perfect and you need to challenge some of your ideas on it. For example, are your product/service features really what your target customers want? The reflection canvas can help you refine your ideas. You have 30 minutes to complete this canvas.

### How to play:

Copy the sticky notes from the Value Proposition Canvas and transfer them onto wherever you think appropriate on the reflection canvas. When moving the sticky note, ask yourself two questions: (1) Do I really know this? (2) Is it really important to know this for developing my new product/service/business model? You can split a sticky note into several notes and place them in different quadrants as needed. You can also write down your reflective questions and thoughts on the canvas. The sticky notes put on the bottom right quadrant of the canvas will be further explored in the next stage.



This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.



Tool designer: Xinya You



# Exercise 2: Value Proposition Canvas

## Step 3: Collect Data

### Introduction:

The data collection note board can help you identify and capture customer-related assumptions, and then test them. Your research method(s) is/are customer interviews, focus groups and/or questionnaires.

### How to Play:

Please use the information on the bottom right quadrant of the reflection canvas to formulate key assumptions, draw up interview/focus group/questionnaire questions and present your findings.

Assumptions	Survey questions	Findings
A	I	F



# Exercise 2: Value Proposition Canvas

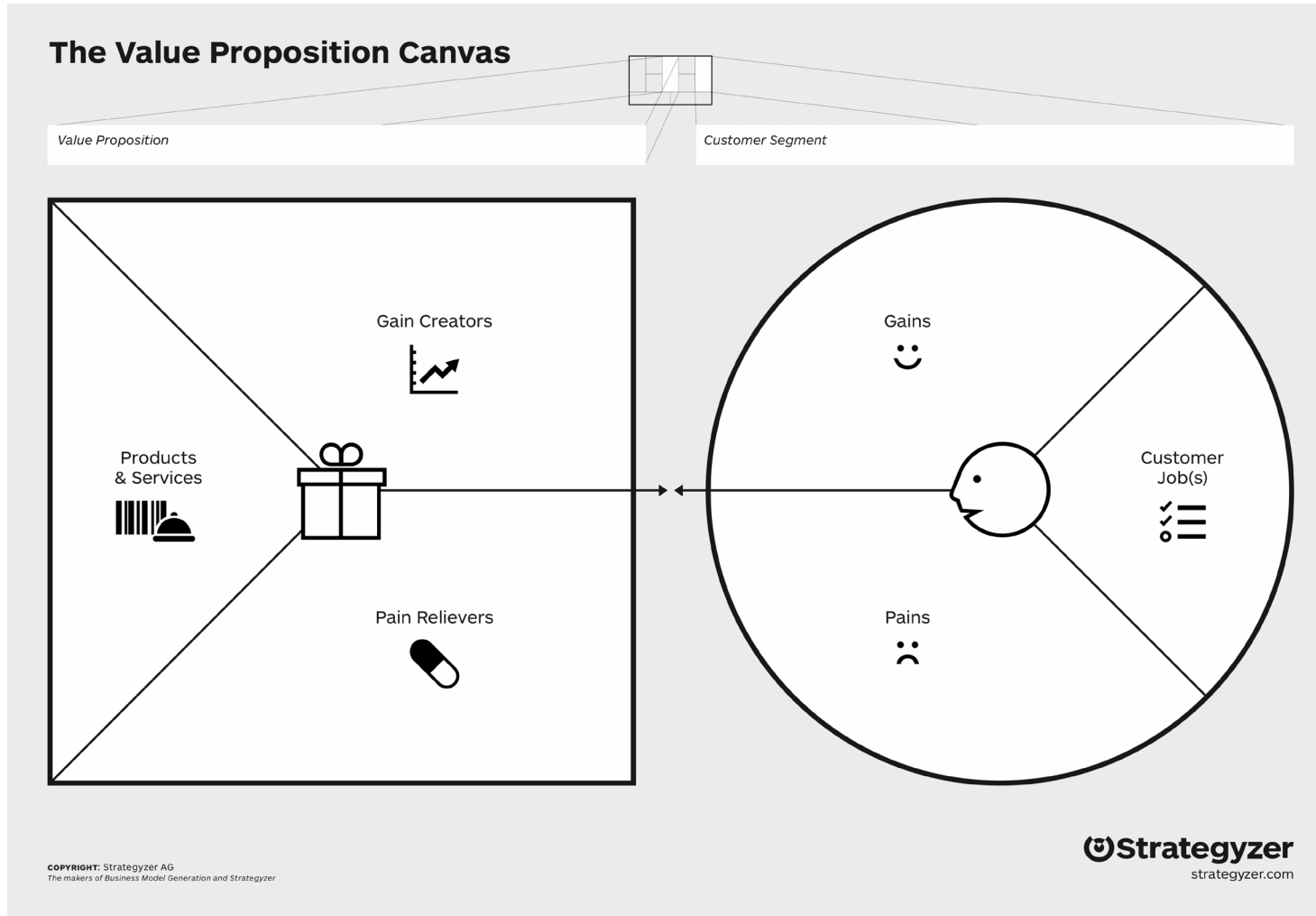
## Step 4: Refine

### Introduction:

A refined Value Proposition Canvas can be created based on your key findings from the data collection note board.

### How to Play:

Copy sticky notes from the original Value Proposition Canvas and paste them onto this new one. Update the information on them with your findings.



This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.



Activity 4

# Customer Discovery Workshop & Assumption Testing

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	150+ Minutes
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# What is this activity about?

This activity provides you with an exercise to use your outputs of the Customer Discovery Workshop to design and validate a business model prototype.

At the workshop, You will use three design and analysis tools: Business Model Canvas, Reflection Canvas, Assumption Testing Canvas.

## **Exercise: Business Model Canvas**

- The Business Model Canvas can help you design and iterate your business model.
- Note: You will need to collect data for assumption testing, after the workshop and then use your findings to validate your Business Model Canvas.



# Instructions:

1. The exercise has 4 steps: prototype, reflect, collect data and refine.
2. At this workshop, you will complete Step 1 and 2 (150 minutes).
3. Step 3 and 4 need to be completed after this workshop.
4. Each step provides you with a design tool and requires you to complete a task.
5. Synchronous collaboration between participants is recommended.
6. Discussion is allowed throughout the workshop.



# Exercise : Business Model Canvas

## Step 1: Prototype

### Introduction:

The Business Model Canvas has 9 building blocks, and you have 13 minutes to complete each block. As you can see, the canvas provides questions, instructions, and/or examples on each block that can help you design, iterate and evolve your business model. Please use the coloured sticky notes next to the upper left corner of the canvas to answer all the questions on the canvas. Each participant should choose a colour. Answers like “I don’t know much about ...” are acceptable. You can also use sticky notes to write down reflective questions and thoughts on the canvas.

### How to play:

- Start by transferring key information from the complete Value Proposition Canvas onto the Customer Segments and the Value Propositions building blocks. Copy and paste – the sticky notes on the Customer Profile Map to the Customer Segments block and the sticky notes on the Value Map to the Value Propositions block.
- Complete the other 7 building blocks. There is no fixed sequence to fill in these blocks. However, if you are creating a new business model, please completed the blocks on the left side of the canvas about value co-creation (Key Partners, Key Activities, Key Resources and Cost Structure), and then complete those blocks on the right side about value delivery and capture (Customer Relationships, Channels and Revenue Streams). It is easier to start with the blocks where you have more deterministic information. To help you control your time, please complete one block before proceeding to the next.












# The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

<h3>Key Partners</h3>  <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p><b>MOTIVATIONS FOR PARTNERSHIPS</b> Optimization and economy Reduction of risk and uncertainty Acquisition of particular resources and activities</p>	<h3>Key Activities</h3>  <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p><b>CATEGORIES</b> Production Problem Solving Platform/Network</p>	<h3>Value Propositions</h3>  <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p><b>CHARACTERISTICS</b> Newness Performance Customization "Getting the Job Done" Design Brand/Status Price Cost Reduction Risk Reduction Accessibility Convenience/Usability</p>	<h3>Customer Relationships</h3>  <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p><b>EXAMPLES</b> Personal assistance Dedicated Personal Assistance Self-service Automated Services Communities Co-creation</p>	<h3>Customer Segments</h3>  <p>For whom are we creating value? Who are our most important customers?</p> <p>Mass Market Niche Market Segmented Diversified Multi-sided Platform</p>																							
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This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.



DESIGNED BY: Business Model Foundry AG  
The makers of Business Model Generation and Strategizer

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# Exercise : Business Model Canvas

## Step 2: Reflect

### Introduction:

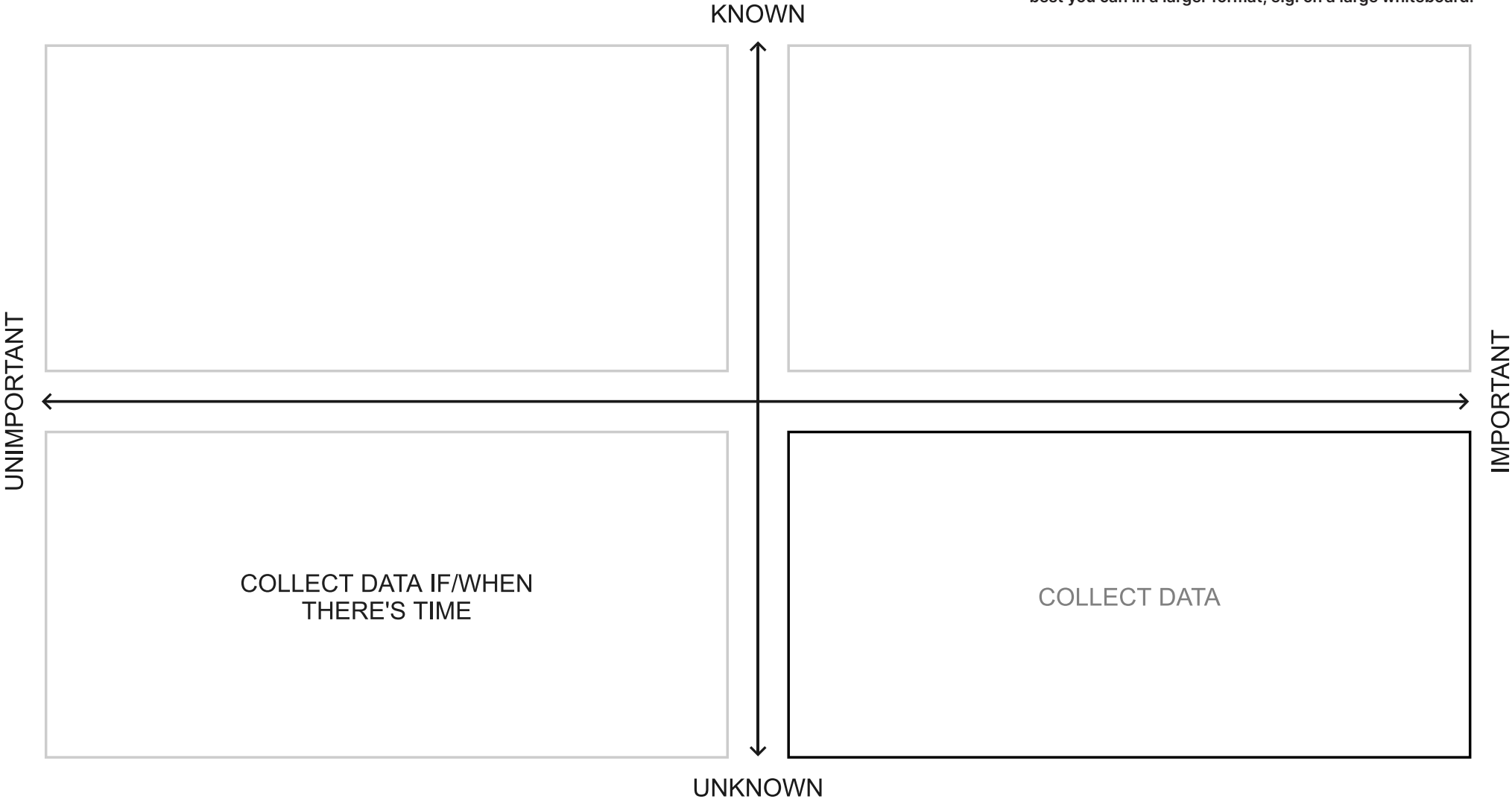
The Business Model Canvas you created for the first time is not perfect. The reflection canvas can help you challenge some of your ideas and make adjustments. You have 30 minutes to complete this canvas.

### How to play:

Simply copy the sticky notes from the Business Model Canvas and transfer them onto wherever you think appropriate on the reflection canvas. When moving the sticky note, ask yourself two questions: (1) Do I really know this? (2) Is it really important to know this for developing my new product/service/business model? You can split a sticky note into several notes and place them in different quadrants as needed. You can also use sticky notes to write down your reflective questions and thoughts on the canvas. The sticky notes put on the bottom right quadrant of the canvas will be further explored in the next stage



This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.



Tool designer: Xinya You



# Exercise: Business Model Canvas

## Step 3: Collect Data

### Introduction:

The data collection note board can help you identify and capture customer-related assumptions, and then test them. Your research method(s) is/are customer interviews, focus groups and/or questionnaires.

### How to Play:

Please use the information on the bottom right quadrant of the reflection canvas to formulate key assumptions, draw up interview/focus group/questionnaire questions and present your findings.

Assumptions	Survey questions	Findings
A	I	F



# Exercise: Business Model Canvas Step 3: Collect Data

The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

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**strategyzer**  
strategyzer.com

**Introduction:**  
A refined Business Model Canvas can be created based on your key findings from the data collection note board.

**How to Play:**  
Copy sticky notes from the original Business Model Canvas and paste them onto this new one. Update the information on them with your findings.

This is an example format for laying out the tool, please try to replicate it as best you can in a larger format, e.g. on a large whiteboard.





# Summary

The playbook provides entrepreneurs and companies with a new approach and several new design and analysis tools to plan their new product development.

The creation of this playbook is the result of a joint effort by the InGAME project team.

- **Leading researcher:** Dr Xinya You (University of Dundee)
- **Braintrust:** Dr Chris Lowthorpe (Abertay University)
- **Project producer:** Katja Steel Kusáková (Abertay University)

With this playbook we hope to make it easier for more entrepreneurs and companies to plan their new product development. We hope you will find this playbook useful.

