

# Business Challenge 2025

## Program Guide

EIT Digital Master School Kick-Off 2025  
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# Business Challenge tasks

## Task 1, Introduction to Business Challenge

Welcome to the Business Challenge part of the EIT Master School Kick-Off. We are glad you will participate in the Challenge and gain new knowledge, skills, and competencies that will benefit your studies and your entire life.

The tasks assigned to you are designed to develop your professional skills, both by providing you with new knowledge and by facilitating your work in groups and presenting results.

The exercise you will undergo is designed to foster a sense of community, lay a foundation for the spirit of innovation and entrepreneurship, broaden your entrepreneurial mindset, and inspire your creativity and teamwork.

Most of the participants come from different backgrounds (cultural, educational, and geographical). Additionally, your team will face challenges due to the limitations of time and resources in successfully solving the business challenge case. This is meant to be by design, emulating the real business world, where you do not have the luxury of time, resources, or working with people similar to you.

This Business Challenge will improve your teamwork, creativity, time management, and business modeling skills. The judges at the end of the Business Challenge are not looking for your technical skills or abilities. They are looking for your passion in convincing them about your out-of-the-box creative thinking in solving the case. Prepare your professional pitch well for the solution your team is proposing.

Do not worry too much about the technical details of your solution; your team should focus on building a proper business model for the case. Utilize all available tools and skills, such as your former knowledge, the internet, hints, and coaches.

So, gather your team's ideas and passion, and let's build a great experience and memorable pitch that will convince you and others of your innovative solution.

Please consider elaborating on the Persona Map before starting with Canvas. Although this is not officially required, it can help set up customer segments, etc.

Go, TEAM!

Watch for TIME!

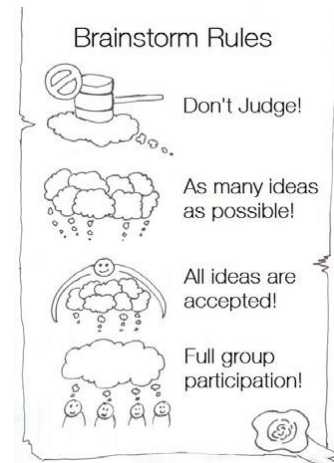
Enjoy the CHALLENGE!

## Task 2, Brainstorming and organizing

Please select three business cases that align with your priorities. We will try our best to assign students to instances according to their priority. However, since there are six people, some students may have to work on cases of their second and third priorities. Several groups may work on the same case.

Take a thorough look at the business case presented to you. First, read the case individually quickly, then collectively as a team. Take a few moments to imagine the solution and the possibilities of the company's situation in the future.

You will receive the contact information of other students assigned to your group, as well as a mentor who will guide you through the challenge. You are highly suggested to start working already before you come to Romania, since the time schedule in the kick-off meeting is tough. It is up to each group to decide how to allocate tasks – all students work on all parts, or each student takes a specific question (e.g., mainly works on customer segmentation only).



During the brainstorming session, you are looking for the most radical, wild, stupid, and absurd ideas for a possible solution. Forget logic (at least at the beginning): delay judgment or criticism. Go for the quantity of ideas or potential solutions for the challenge. Encourage yourself and your team to piggyback on each other's ideas by co-creating the likely solution. Ensure that you stay focused during the brainstorming session and avoid getting your team sidetracked or immediately splitting into different tasks. This can be done later on during the Challenge. Finally, make sure to watch for the time limitations of each session. Once some main headlines emerge from the brainstorming session, proceed to organize them according to your skills and knowledge. You start by assigning roles and tasks to each other.

A tool you will use to solve the Business Challenge is the Business Model Canvas. The Business Model Canvas proved to be a common language among entrepreneurs, financial communities, designers, technical professionals, and suppliers. Please be sure that you upload the final presentation to the link sent (it is enough that one person from your group uploads it under his/her profile).

NOW, remember there is no "I" in TEAM, and Together Everyone Achieves More!

### Task 3, Value Proposition, Customer Segment & Revenue Model

A business model describes the rationale for how a company creates, delivers, and captures value. To do so, the concept and solution must be simple, understandable, relevant, and meaningful. A business model is built on nine different blocks; next, we will discuss each of them separately.



Value Proposition:

The task here is to develop and define your value position for the business challenge case you are working on. A well-defined value proposition describes a bundle of products and services that create value for all stakeholders, including customers, end-users, and partners.

A well-designed value proposition distinguishes a company's offering from those of its competitors. Typically, the role of the proposition is to solve the customer's problem, provide a financial return to investors, and convey a promise to stakeholders about the value that the entrepreneurs intend to deliver to them. Remember, you cannot solve all of the problems at once; try to focus your value proposition and solution on 2-3 key, relevant issues for your target segment. Some promises in value propositions cover newness, performance, customization, risk reduction, accessibility, convenience, and delivering the job that others failed to do.



Customer Segment:

A customer segment is a group of customers with everyday needs who display similar behavior, share identical cultural attributes, or have common interests. Your value proposition must create something special and unique for the segment you intend to serve.

The segment you serve should be profitable, reachable, and substantial. It should have growth potential. You could choose to work on the mass-market segment, a niche specialized segment, or a totally new invented segment.

The segment you serve should be identifiable, measurable (in terms of quantity or value), and often recognizable in specific geographic areas.

Now, within your team, do a quick market research on the market. Who are the current competitors? What do they offer? How can you distinguish your offering (value proposition)? What values will distinguish you in the market and in front of the potential investors? What segment will you concentrate on? Why? How interesting is this segment? What is the potential growth for this segment?

Finally, decide on a robust value proposition and customer segment, and let us move forward with the business model!



Revenue Model (Streams):

Typically, the Revenue Model (stream) outlines the cash a company generates from various customer segments. These different streams of revenue describe for which value each customer segment is genuinely willing to pay! The revenue streams, depending on the other segments, may employ different pricing mechanisms. Some pricing options include a fixed price list, auction, market-dependent, volume-dependent, and yield-dependent pricing based on inventory.

When setting up the different revenue streams, you need to think of:

- For what do customers currently pay?
- How are customers currently paying?
- How would customers prefer to pay?
- How much would each revenue stream contribute to total revenues?

Usually, there are many ways to generate revenue streams:

- Asset sale: Selling ownership rights of products or services
- Usage fees: Fees for using the service offered, such as phone services, hotels
- Subscription fees: Fees for gaining access to the service, annual fees, gym, and mobile subscription
- Lending/renting/leasing/sharing fees: Temporary rights to use the product or service
- Licensing fees: Permission to use protected intellectual property in exchange for licensing fees
- Brokerage fees: Intermediary fees between supply and demand or sellers and buyers
- Advertising fees: This type of fee is diminishing

- Mark-up model: Buy a product or service at a price and sell it at a higher marked-up price
- Freemium model: Services or products are offered free of charge for standard services, while charging for premium services

The revenue model and its streams should be aligned with the buying behaviors of the targeted customer segment. Therefore, when inquiring about customers' acceptance of your value proposition, ensure that you gather information about the preferred method of payment for the target segment.

Finally, please note that different segments may prefer other means of payment; consequently, you could have more than one revenue stream for your model.

#### Task 4, Customer Relations & Channels



Customer Relations:

In this task, you and your team will define the types of relationships that you intend to have with different customer segments that you have chosen to target. Remember, you may target more than one segment in your offerings. The intention of the customer relationship task is to explain how you intend to acquire new customers, retain and engage with current customers, and boost sales through the current customer base.

Usually, for this task, you and your team should define how intimate your proposed solution will be with the proposed customer segment. Are you going to offer personal assistance to your customers? Or is your service will be self-service? Or automated service? Are you going to inspire community building, or are you going to provide a platform for the co-creation of content and services?



Channels:

In the Channels task, your team is to define the channels that you will use to raise awareness about your product or services. In addition, these channels will help your targeted customers to learn and appreciate more your value proposition. Finally, the channel that you will choose should be aligned with your customers' wishes for

Purchasing, delivering, and returning the products and services. One common mistake is that some companies forget to provide a parallel channel for after-sales and return items services and policies.

Depending on your model and resources, you may choose to own the channel or outsource it. This depends on your strategy and resources. Your task is to determine the best channel that is most effective and meaningful for your business model and target segment.

With your team, decide on the customer relationship model. According to your model, this somewhat forces you to choose how close you should be to your customers or how automated your customer relations should be. Furthermore, your team should also determine the best and most effective channels to reach your customers, tailored to the targeted customer segment.

## Task 5, Key Activities & Key Resources



Key Activities:

This block outlines the most critical operations that your team or venture will undertake to solve the problem and provide a valuable solution to all stakeholders. Here, you will describe the key activities needed to be done in order to fulfil our valueproposition and our promise to the customers. Think also about the key activitiesrequired by the channel members?!! What kind of activities required for the targeted customer segment and customer relation? Here you will be taking the input of your production and apply certain process to produce output. All processes should create added value for the final output, product, service, or offering.

Some of the activities covered, for example, include the production of a product or service, from design to manufacturing and delivery to customers, as well as managing the supply chain of inputs and outputs, material management, and human resource management. Other activities also encompass problem-solving tasks, such as devising new solutions, managing knowledge, and continually training and developing processes and human resources.

Finally, an essential part of the Key Activities block is platform building and networking. As a team, you should create a platform and develop it. This platform can be used to

communicate with various stakeholders, or it can be used to develop further solutions along with different stakeholders.

Remember to keep the Key Activities simple and present it, as a workflow without over complicating your processes otherwise you will lose your audience.



Key Resources:

Here you describe the most important assets to make the business model works. Remember these assets can be owned, leased, or shared. To determine the needed resources, think of your value proposition and work out a list of resources needed to achieve your value proposition to the targeted segment. Think of the resources needed to maintain your relations with the targeted segment! Think of the required resources to maintain your relations with the different channels needed to reach your customers!

Some the resources could be physical such as manufacturing/assembling facilities, offices, vehicles, and distribution networkers. Other resources could be intellectual resources such as propriety knowledge, patents, copyrights, customer and market data, and brands. Human and financial resources also are part of the key resources required to produce the promised propositions and deliver them to the targeted customers.

## Task 6, Key Partners



Key Partners:

Nowadays, it is rare for a company or venture to operate independently without entering into a specific partnership. In this section, you need to consider the network of suppliers and other partners that will enable your business model to function effectively. Typically, you would enter into a partnership with others to optimize your business model, mitigate risk and uncertainty, and access additional resources.

Building a strong alliance, network, and partnership with various stakeholders can provide your venture with flexibility, capability, and capacity to deliver the promised value propositions to the targeted segment. Some of the partnership agreements come in the form of strategic alliances between non-competitors, co-opetition between competing companies, joint ventures by sharing resources to form a new company, and

Buyer-supplier partnership agreement to secure reliable supplies and gain a competitive advantage over rivals.

When building a partnership with other stakeholders, it is essential to consider the resources required to acquire these partners and the activities necessary to maintain the partnership. Along with your team members, decide on who the key partners are to be considered. What kind of partnership agreement is needed? Who are the key suppliers? How can you ensure mutual benefits when collaborating with anyone?

Remember, as you might be focusing on a narrow segment in the market and have limited resources, partnering always comes into the picture as a good alternative to deliver the promised value to the targeted segment.

## Task 7, Cost Structure



Cost Structure:

You can discuss the cost structure only after identifying and describing your value proposition, customer segment, channels, customer relations, key partnerships, key resources, and key activities. All of these previously mentioned parts of the business model would incur costs on your venture. Costs are what keep your operation alive by paying for the purchase of materials and services, compensating personnel and managers, renting or utilizing various services, and maintaining your facilities. It is essential to understand the most critical factors that drive your costs. Is your model cost-driven or value-driven?

If your model is cost-driven, then your focus will be on minimizing costs by lowering prices, maximizing production to achieve economies of scale, and maximizing automation of production and services. You will also try to extensively use outsourcing to drive down the cost of your operations.

On the other side, if your model is value driven, then you do not care much about cost. You would probably pay more attention to personalized relationships, focus on premium quality, and go after a niche market, offer high prices as your customers or segment will not be price sensitive. Here you focus on high premium value creation offers and value propositions to satisfy the needs of price insensitive segment.

Costs can usually be characterized as:

- Fixed costs: Constant costs independent of volume produced or sold, such as rent and personnel costs.
- Variable costs: These proportional costs will increase as the volume of production increases, such as raw materials and electricity.
- Economies of scale: Cost advantages from mass production as output expands and average cost per unit drops.
- Economies of scope: Cost advantages obtained due to the enormous scope of products and services. For example, offering many products through the same channel.

It is vital to understand the basics of the costs incurred and put a projection in place for the next 2-3 years of your venture. After obtaining these costs, please calculate the payback period for various investments based on projected sales and expenses.

### Task 8, Finalizing the building blocks of the Business Model

Once the nine building blocks previously mentioned have been established and thoroughly covered from all angles, it is time to assemble your business model. This step ensures that all of your different nine blocks click together and form a coherent whole.

Make sure to lay out the big picture and look at it from a distance, as you and your team might discover some flaws or loopholes in your model.

### Task 9, Validate your Business Model

It is a good idea now to ask for validation and feedback from the available coaches assigned to your team about their opinion and feedback about your business model. Make sure to ask for the negative and positive feedback, as you can still tweak and amend your model.

If the positive feedback is unique and substantial, make sure to document it in order to use it during your pitch.

## Task 10, Creating your pitch based on your proposed business model

A pitch is where all your efforts and ideas are condensed into a few sentences that create curiosity and raise awareness about your product or service. In the pitch, you are not just selling the product or solution to potential customers or investors. You are raising awareness, getting the audience excited enough to ask you more questions, and setting an appointment with your team afterward to carry on further discussions.

In the pitch, your goal is typically to provide a general introduction to the problem and solution, and try to stimulate interest among potential partners, suppliers, and buyers. Finally, a pitch usually ends with a CALL FOR ACTION. This is where you would primarily request funding, investment, partnership, suppliers, and/or validation, depending on the event for which you are pitching.

General notes on pitch structure and pitching:

- Your speech is limited to three minutes; no second more! It is up to your group to decide how many people will present the idea. Usually, a group gets a better impression if there are more than one presenter, not just one.
- Start your pitch with a slogan or tagline and end your pitch with the same tagline
- The tagline should be simple, remarkable, and easy to remember
- Next, define the problem: who has it? How many? How important?
- After the problem comes to the solution, present it in simple terms; don't overcomplicate things
- Talk about the VALUE your offer or solution will create for end-users
- Talk about your business model in general, revenue model, who pays, and how much. How often? Discuss patterns of behavior
- Mention any traction or positive feedback obtained, for example, from coaches and customers
- End with the same tagline as in the beginning, along with contact information
- Thank the audience and ask questions

Ensure that you have rehearsed and practiced your pitch thoroughly. You could never have enough practice for pitching, along with keeping an eye on good timing. You can practice pitching to the rest of your team.

Other tips for your final pitch:

- Avoid long PowerPoints with full text.
- Usually, there are not more than six slides, use a darker background
- Don't try to put too much text on slides
- Use pictures and inspirational words or symbols
- Maintain eye contact with your audience
- Speak slowly and use short sentences
- Avoid complexity; keep it simple
- Be descriptive and connect emotionally
- Keep your hands open and show to the audience, NOT in your pockets or behind your back
- Don't look at the screen or monitor, don't use paper to read your speech
- Never turn your back on your audience
- Show enthusiasm, SMILE
- You can use jokes, but don't overuse them
- Remember to breathe 😊
- You can take some water with you, if it helps better

## Guiding criteria for judging the pitches

The above points about pitching are for your reference. Ultimately, the jury will determine the best pitch based on these four criteria.

1. Showtime: Make sure you use storytelling in your pitch. The Business Model Canvas is just a working document, and presenting it as such could be perceived as totally dull, especially if all teams would pitch that way
2. The problem and solution must be apparent: The audience should know what problem you are tackling and how your solutions work. Also, make clear how significant the impact of the problem is
3. Sustainability: It is good to show a healthy ambition and think big as long as the overall business plan seems to be feasible
4. Originality: This is how your pitch sets itself apart. Content, layout, delivery, and humor are some aspects to consider.

Each group will present its solutions. Eight parallel sessions will allow all the groups to show. One group from each session, having gained the highest scores from the jury, will present in the final. One of the teams will be announced as the winner of the EIT Digital Business Challenge 2025.