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## *Sperre ROV Technology – Business Model Canvas*

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### **Introduction**

Using Business Model Canvas, we aim to analyze Sperre AS, a norwegian company specialized in production of customized ROV systems for marine industries - with offshore and inshore use, underwater lighting and video-systems since 1993.

The Business Model Canvas is a shared language for describing, visualizing, assessing and changing business models. It describes the rationale of how an organization creates, delivers and captures value.

#### **1. Customer segment**

An organization must aim to reach and serve a customer segment with common needs and common behaviours.

The company's target audience is based on B2B, 90% of the customer coming from the Norwegian market and 10% from other countries such as China, Canada, Australia, Chile, Scotland, Croatia and Turkey. One of their main goal is to expand on international markets. To fulfill every customer's order, Sperre delivers products and services suited to niches like aquaculture, oil and gas industry and scientific research.

#### **2. Value propositions**

A value proposition creates value for the customers, making them chose one company or another.

Sperre promises to deliver efficiency, high quality and 100% reliability. Being a small team they are well organized and this is the reason why they are able to offer fast solutions to every customer's needs. As a result of their efficiency, there is no risk of losing money from a potential downtime. Also, what makes them different from other competitors is that every product comes with 12 months warranty and is customized according to the customer's request.

To create value for their customers, they not only deliver ROV systems, they also assure after-market maintenance and technical assistance.

#### **3. Channels**

An organization uses different direct and indirect channels to reach the Customer Segment and to offer value.

Sperre is a well known company in Norway and due to this fact, usually customers find them easily. Their marketing process is provided by AKVA Group, so the awareness is raised by this company.

Usually, their organization's value proposition is evaluated by more than 40% of the clients, through feedback forms sent on email.

Purchase and delivery processes are made through direct orders, shipping being customers responsibility. After-sales services consist of maintenance and set-up support.

#### **4. Customer Relationship**

The overall customer experience is deeply influenced by the kind of relationship a company establishes.

Sperre does not offer any loyalty programs, but they are concerned about retaining existing customers.

They keep in touch with the customers by asking feedback about quality of products and services. Feedback is used to improve companys' processes and performances.

Their relationship with customers is based on human interaction. The customer can communicate with a real customer representative to receive support during sales.

#### **5. Revenue Streams**

Companies must find out how much are their customers willing to pay for the value they are receiving.

The most frequent revenue stream is selling ownership rights for a physical product. The highest revenues come from selling and sometimes renting ROV systems. They have predefined prices based on static variables and they are not willing to negotiate, even if the customers are loyal. The net cleaners have become the most profitable products, bringing them a profit growth of 5 million nok. 90% of earnings are received from selling (mostly fishfarming equipment) and the remaining 10% from maintenance. In 2018 they achieved a turnover of 97.935 mil. nok. One of their goals is to double their revenues.

#### **6. Key Resources**

Enterprises need resources to reach markets, maintain relationships, create and offer value.

As every other company, Sperre requires human resources. Without people, the business can't achieve any performance at all. They have 21 employees, recruited online and trained if necessary. To keep them motivated, employees receive a series of advantages: compensation for lunch, compensation for overtime and a percentage of salary (4,8%) for a sizeable pension. Parties or team-buildings are organized, such that people come together and socialize.

After years of research for creating the ideal product, they successfully develop intellectual properties such as licenses.

Sperre has physical assets including machines, systems, vehicles and manufacturing facilities that help them perform to high standards.

#### **7. Key Activities**

To successfully operate, reach new clients and cover all their requests, a company must have a number of activities that make the business model work.

Sperre are divided in departments such as electronics, sales and purchasing, workshop, accounting, software, research.

Each department has a key role in the process of client satisfaction. Sperre's main activities are designing, production, selling and renting of products for marine industries and research. The machines and their components are designed and produced by the company's employees. Also, they offer after-market maintenance and software development.

As a particular case, they joined 2 shows broadcasted by National Geographic, which spread all over the World awareness about the company's products and services.

## 8. Key Partners

To reduce risks and to acquire resources, companies create partnerships and alliances with other companies.

AKVA Group is the only partner that Sperre works with. They help the company promoting their products with marketing investments. To double their revenues, they intend to increase the number of partners by externalizing. They recruit employees themselves on the norwegian online recruiting website, without other partnerships.

## 9. Cost Structure

When creating and delivering value, generating revenue and fulfilling the customer's requests companies need to calculate all associated costs.

Sperre, a business that falls in between the cost-driven and value-driven classes, focuses on minimizing costs wherever possible and delivering high-quality products to its clients. Their biggest costs are fixed costs, like rent, salaries and physical manufacturing facilities. Regarding variable costs, the company considers that these are not, in fact, costs but they see them as an investments (raw materials, utility costs).

## Group report

We started to work on categories in group because in this way we thought that we might have a wider perspective on the concepts. After a while, the time pressure made us separate and work in pairs on each element.

Our team's name comes from "Study Hard All Night", a not so sarcastic name, considering that our efficiency grew while we got closer to the deadline. Each member worked on the tasks, but also had an extra responsibility.

Andrei: was the grammar nazi, a very important element in writing a correct report;

Ionut: remembered us about the time frame, the zoom out perspective;

Cristi: the presentation powerpoint and sorting the details;

Mihaela: writing and checking the structure of the report;

Cristina: writing and alarming the team.