

BUSINESS LOGIC MODEL

Overview of the Model

Business Logic is one way of looking at a business to get a feel for what the business is trying to do and how it is trying to do it, as a business (rather than as a performance system, social system, or other framework). It can also help you see, from a manager's perspective, whether it logically hangs together, or whether some of the business' major premises are at war with each other.

- **EXTERNAL LOGIC** – First check the External Environment for opportunities and threats the organization faces, due to forces in its own industry and general trends in the world around it. Then identify the business logic operating in the organization today. The six other parts of business logic are:
- **ECONOMIC LOGIC** – How the organization makes a profit and achieves growth.
- **STRATEGY LOGIC** – The purpose of the organization, the direction it is moving in, and its plans for getting there. It includes the organization's culture.
- **CUSTOMER LOGIC** – How the organization creates and keeps customers.
- **PRODUCT LOGIC** – How the organization's products or services appeal to the customer: how they are differentiated and the company's image with its customers.
- **PROCESS LOGIC** – How the organization creates, produces, and delivers its product/service.
- **INTERNAL LOGIC** – The organization's infrastructure: how it organizes itself to accomplish its work.

Each of these logics can be broken down into several general strategies that are further defined and described in expanded versions of this model. The expanded version includes measures.

