Business Model Canvas

(more than a box to check)

COSTS / COMPANY FOCUS

VALUE / CUSTOMER FOCUS

The Business Model Canvas

Key Partners 🔗

Who are our Key Partners?
Who are our key suppliers?
Which Key Resources are we acquiring from partners?
Which Key Activities do partners perform?

MOTIVATIONS FOR PARTNERSHIPS
Optimization and economy
Reduction of risk and uncertainty
Acquisition of particular resources and activities

Key Activities ☑

What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

CATEGORIES
Production
Problem Solving
Platform/Network

Key Resources 🏭

What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

TYPES OF RESOURCES
Physical
Intellectual (brand patents, copyrights, data)
Human
Financial

Value Propositions 🎁

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?

CHARACTERISTICS
Newness
Performance
Customization
"Getting the Job Done"
Design
Brand/Status
Price
Cost Reduction
Risk Reduction
Accessibility
Convenience/Usability

Customer Relationships ❤

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?

EXAMPLES
Personal assistance
Dedicated Personal Assistance
Self-Service
Automated Services
Communities
Co-creation

Channels 🚚

Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?
How are our Channels integrated?
Which ones work best?
Which ones are most cost-efficient?
How are we integrating them with customer routines?

CHANNEL PHASES
1. Awareness
   How do we raise awareness about our company's products and services?
2. Evaluation
   How do we help customers evaluate our organization's Value Proposition?
3. Purchase
   How do we allow customers to purchase specific products and services?
4. Delivery
   How do we deliver a Value Proposition to customers?
5. After sales
   How do we provide post-purchase customer support?

Customer Segments 👥

For whom are we creating value?
Who are our most important customers?

Mass Market
Niche Market
Segmented
Diversified
Multi-sided Platform

Cost Structure 🏷

What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
Which Key Activities are most expensive?

IS YOUR BUSINESS MORE
Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)
Value Driven (focused on value creation, premium value proposition)

SAMPLE CHARACTERISTICS
Fixed Costs (salaries, rents, utilities)
Variable costs
Economies of scale
Economies of scope

Revenue Streams 💰

For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each Revenue Stream contribute to overall revenues?

TYPES
Asset sale
Usage fee
Subscription Fees
Lending/Renting/Leasing
Licensing
Brokerage fees
Advertising

FIXED PRICING
List Price
Product feature dependent
Customer segment dependent
Volume dependent

DYNAMIC PRICING
Negotiation (bargaining)
Yield Management
Real-time-Market

Value Propositions

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 w~~e offering to each~~ Customer Seg~~ment?~~

Which custom~~er needs are we~~ satisfying?

Characteristi~~cs~~

Newness
Performance
Customization
"Getting the j~~ob done"~~
Design
Brand/Status
Price
Cost (reduction)
Risk (reduction)
Accessibility
Convenience/usability

1. Value prop defined for each significant customer segment
2. Quantify Value ($$, time, other)
3. Must be relative to competing solutions (consider goodness factor)

Customer Segments

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Designed for: Designed by: Date: Version:

Value Propositions

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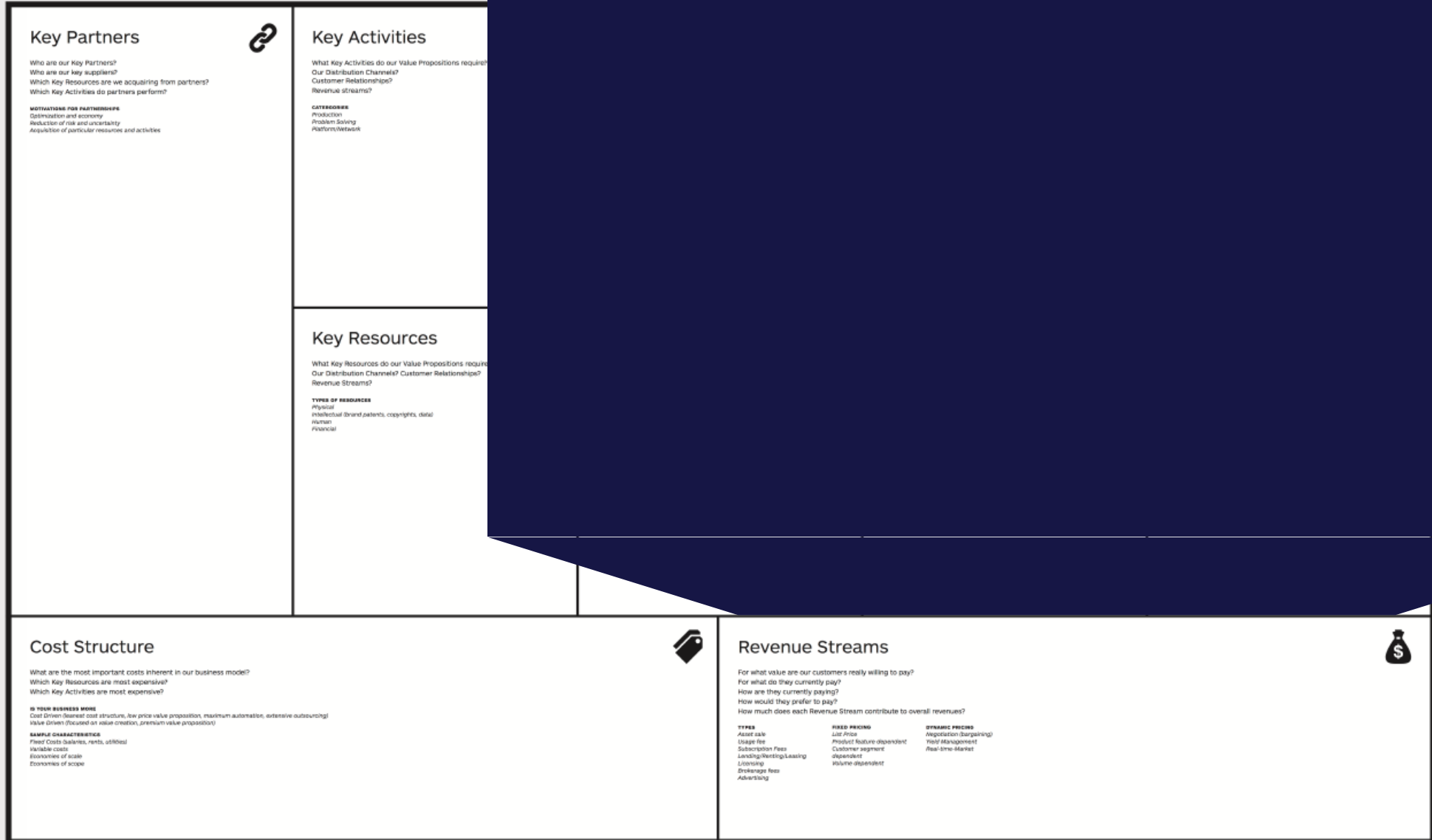*Multi-sided Platform*

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Licensing		
Brokerage fees		
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Variable costs
Economies of scale
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The Business Model Canvas

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Licensing	Volume dependent	
Brokerage fees		
Advertising		

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Revenue is how your customer rewards you for the value that you create.

- Reflective of the value provided
- (Ideally) Quantifiable

How do you estimate revenue?

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Asset sale
(bargaining)
Usage fee
Subscription fees
Lending/Renting/Leasing
Licensing
Brokerage fees
Advertising

Fixed Pricing
List price

Dynamic Pricing
Negotiation

Yield Management
Real time market

1. Customer value divided by the "goodness factor".
2. Verify that you CAN extract your revenue.
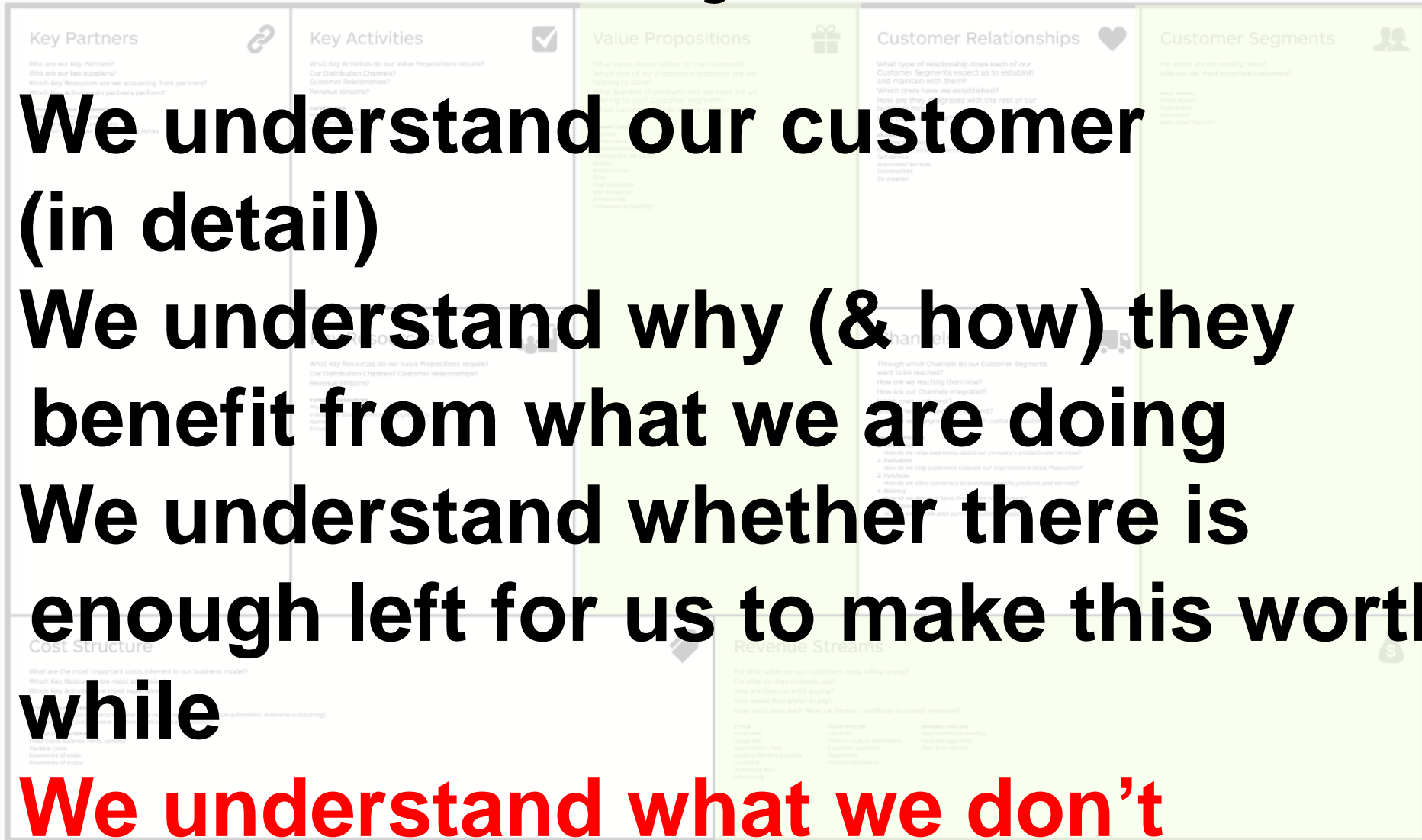3. **DO NOT get hung up on the details!**

What do we know, just from this?

1. We understand our customer (in detail)
2. We understand why (& how) they benefit from what we are doing
3. We understand whether there is enough left for us to make this worth while
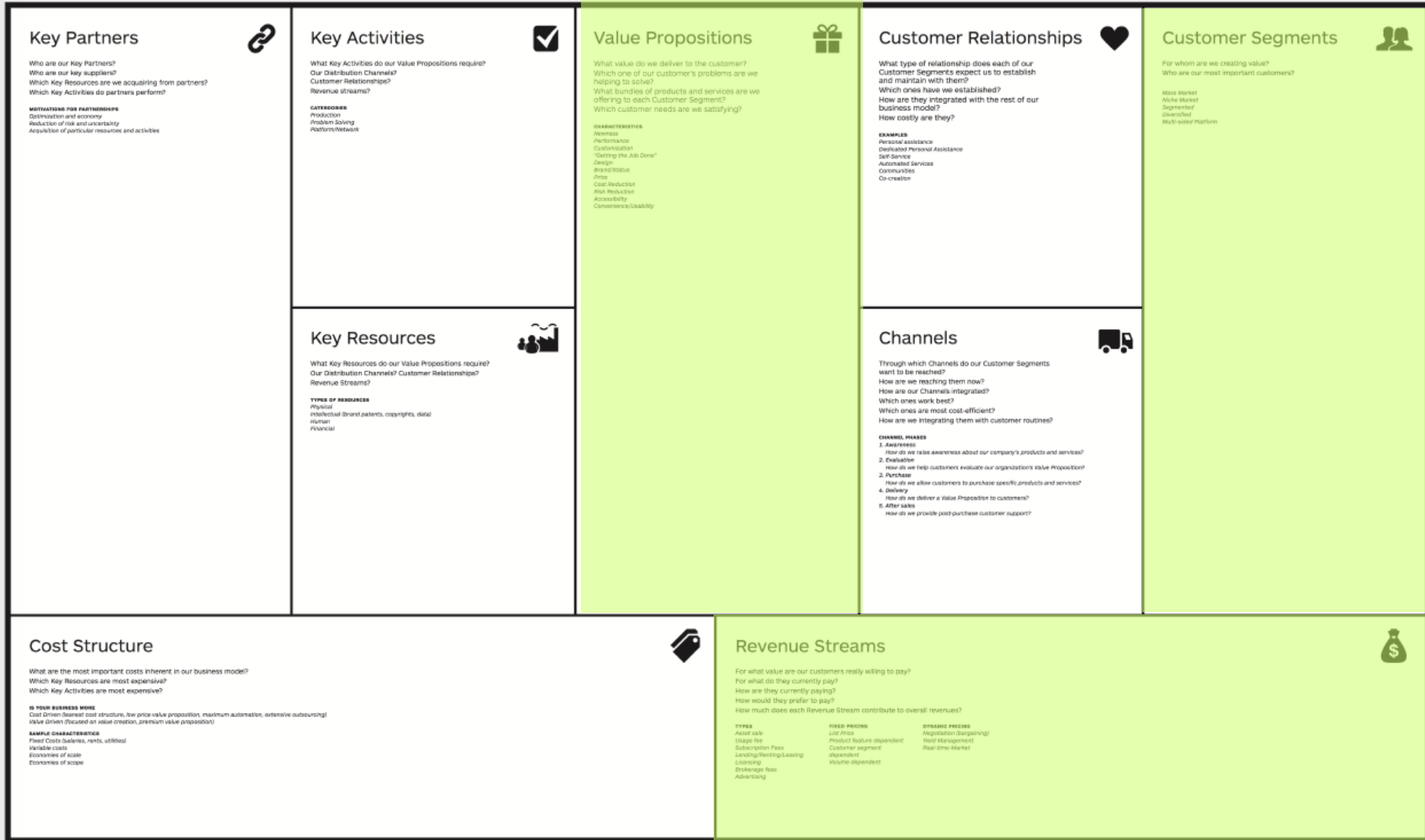4. **We understand what we don't understand!**

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"…your scientists were so preoccupied with whether they could that they did not stop to think about whether they should…"
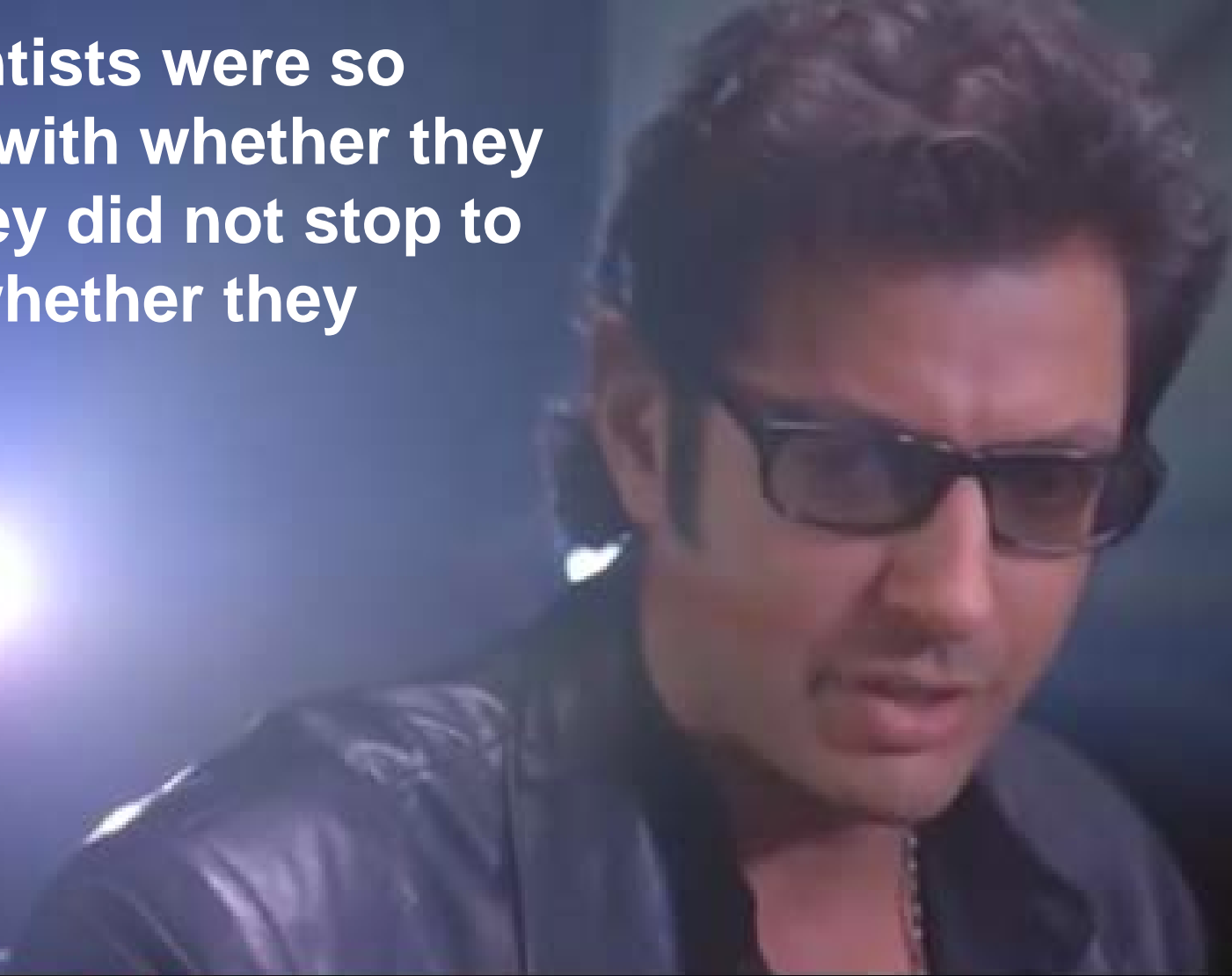
Cost Struc...

What are the mo...
Which Key Reso...
Which Key Activ...

Is your busines...
- **Cost Driver...**

Leanest cost str...

- **Value Drive...**

Focused on valu...

Sample Charac...
Fixed costs (s...
Variable costs...
Economies of...
Economies of...

Channels

Through which char...
Segments want to b...
How are we reachin...
How are our chann...
Which ones work be...
Which ones are mos...
How are we integrat...
routines?

Channel phases:
- **Awareness**

How do we raise awa...

- **Evaluation**

How do we help custo...
organization's Value...

- **Purchase**

How do we allow customers to purchase specific products and services?

- **Delivery**

How do we deliver a Value Proposition to customers?

- **After sales**

How do we provide post purchase customer support?

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Dedicated personal assistance
Self Service
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...ivities

...tivities do your
...quire?
...nels?
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Version:

...r Segments

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Subscription Fees | Customer segment | Real-time-Market
Lending/Renting/Leasing | dependent |
Licensing | Volume dependent |
Brokerage fees |
Advertising |

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Can I make a profit?

Revenue per customer: $10

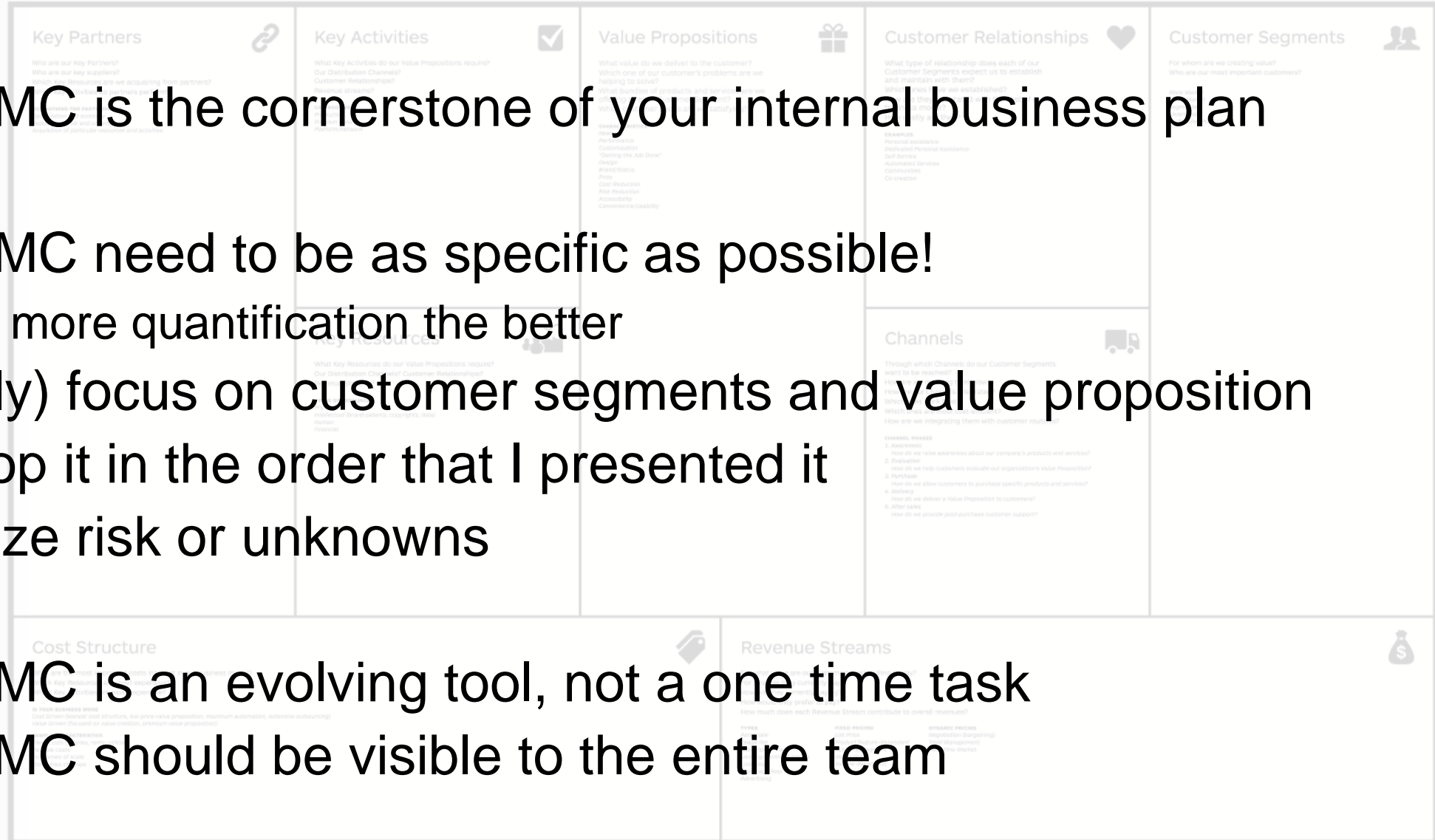Direct cost (cost to deliver value): $3

Fixed cost (Overhead) $2

Margin: $5

$5 x 10,000,000 customers = $50 M

Can I justify the investment and can this be a self supporting concern?

How do you use the Business Model Canvas

- The BMC is the cornerstone of your internal business plan

- The BMC need to be as specific as possible!
  - The more quantification the better
- (Initially) focus on customer segments and value proposition
- Develop it in the order that I presented it
- Prioritize risk or unknowns

- The BMC is an evolving tool, not a one time task
- The BMC should be visible to the entire team

Wanna try?