

CREATIVE SPARK

Higher Education Enterprise
Programme



Business Canvas

- Business Model
- Group workshop
- Presentation & Discussion



Thinking about how an organisation starts, changes or improves

How are organisations organised?

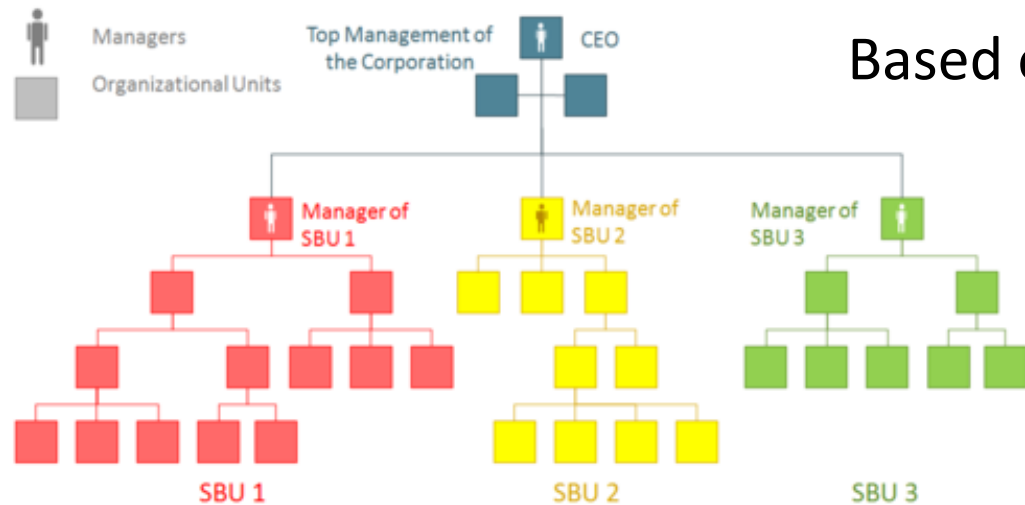
Most efficient method is.....

Business Model

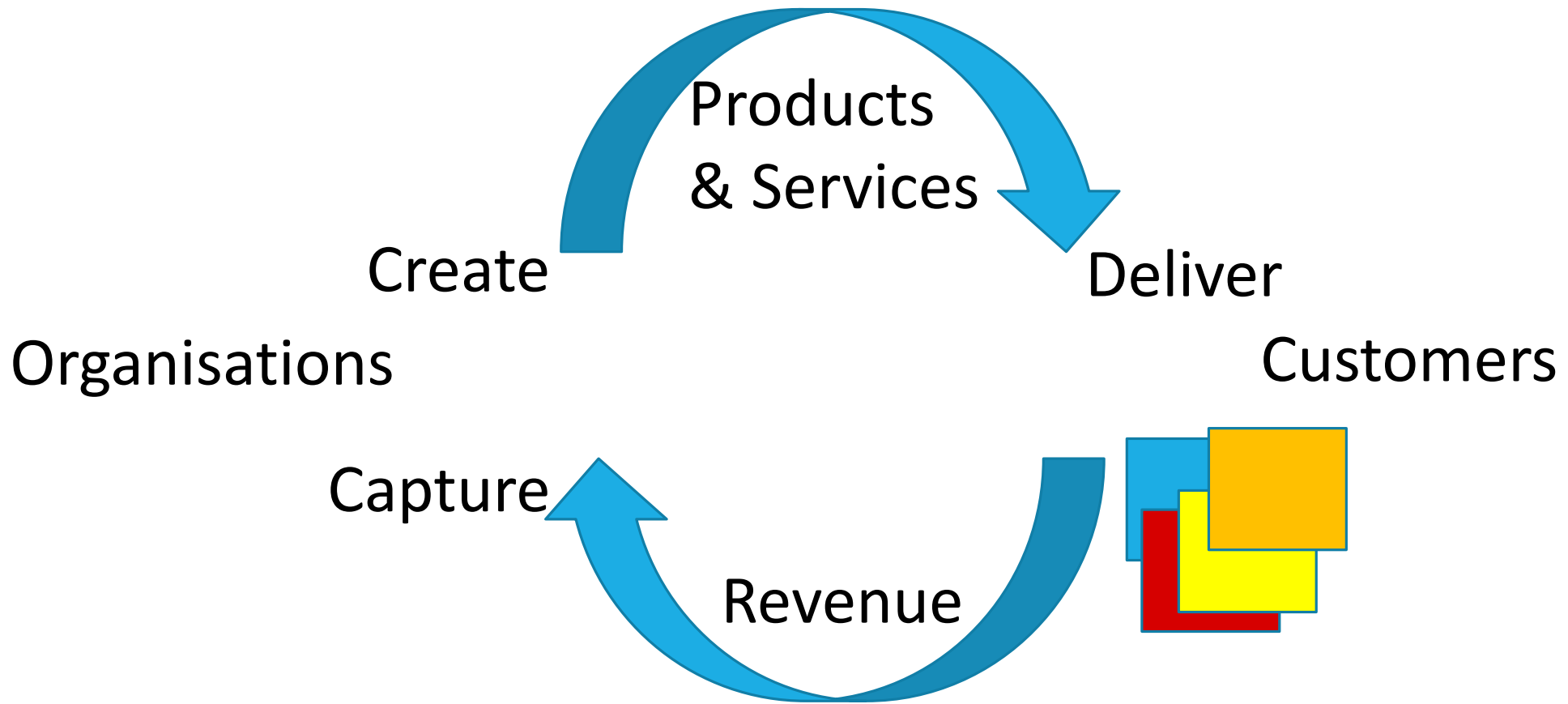


What is a business Model?

A business model describes the rationale of how an organisation **CREATES** value for itself while, **DELIVERING** and **CAPTUREING** value for its customers



Based on functions and responsibilities



Business Canvas – Tool to create and analyse business models for the purposes of:

- Creating new business models
- Analysing and updating your existing business model

9 Building blocks – describe any business from a two man start up to a multinational

Customer Segments

- Value Proposition
- Channels
- Customer Relationships
- Revenue Streams
- Key Resources
- Key Activities
- Key Partners
- Cost Structure



Customer Segments

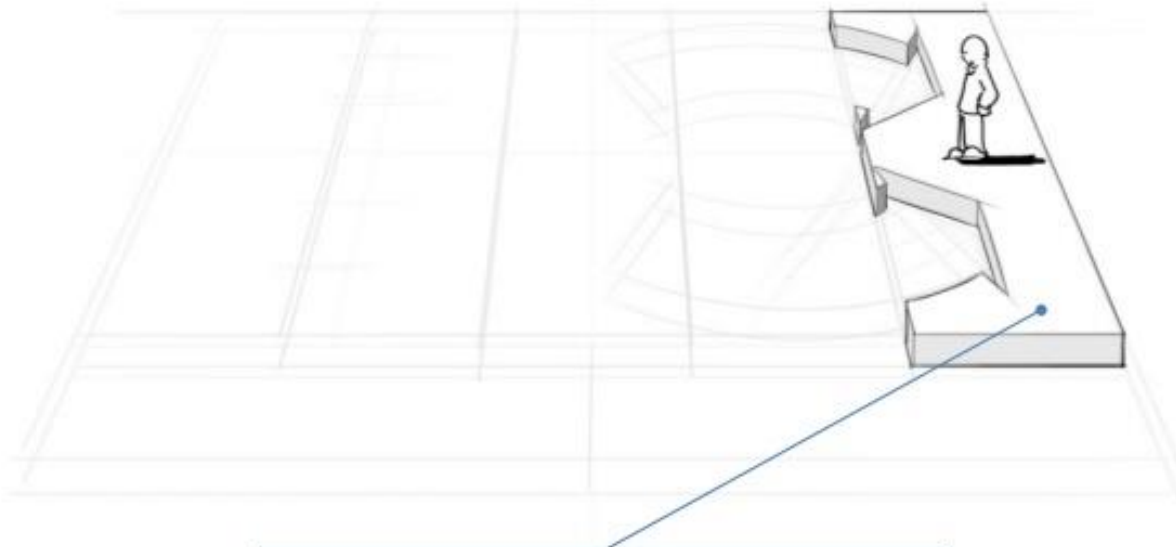
Customers do not exist to buy...
organisations exist for them

Who are they?

Why would they buy?

- Mass market
- Niche
- Segmented
- Diversified
- Multisided Platforms

- Geographical
- Social
- Demographic



which customers and users are you serving?
which jobs do they really want to get done?

drawings by JAM

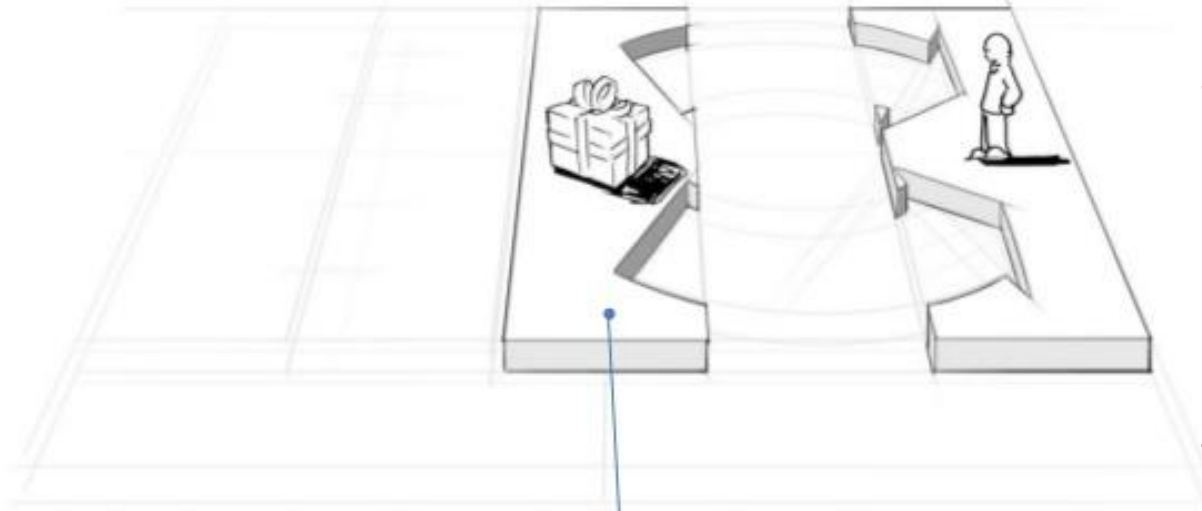
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Value Proposition

Its not about your IDEA or PRODUCT

Its about solving a problem or need for someone who will give you money

Customer do not care about your technology or how clever you are...



what are you offering them? what is that getting done for them? do they care?

drawings by JAM

Problems

Needs

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Value Proposition

What value do we deliver to customers?

Which one of our customers problems are we helping to solve?

Which customer needs are we satisfying?

What bundles of products and services are we offering to each customer segment?

Newness

Performance

Customisation

Getting the job done

Design

Brand/ status

Cost reduction

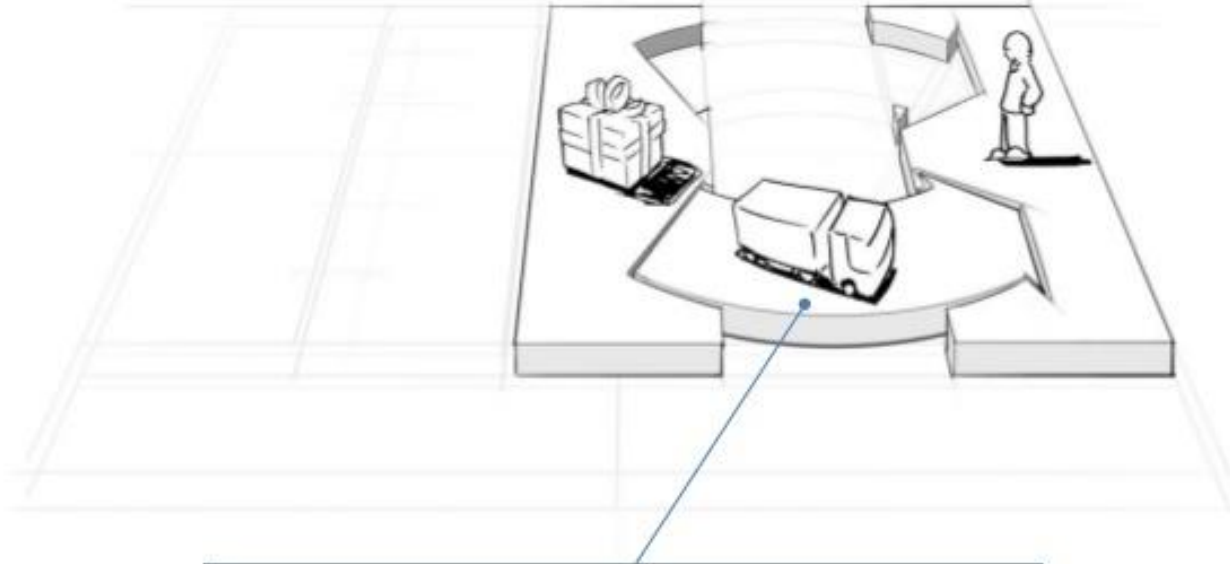
Risk reduction

Accessibility

Convenience / Usability



Channels



how does each customer segment want to be reached?
through which interaction points?

drawings by JAM

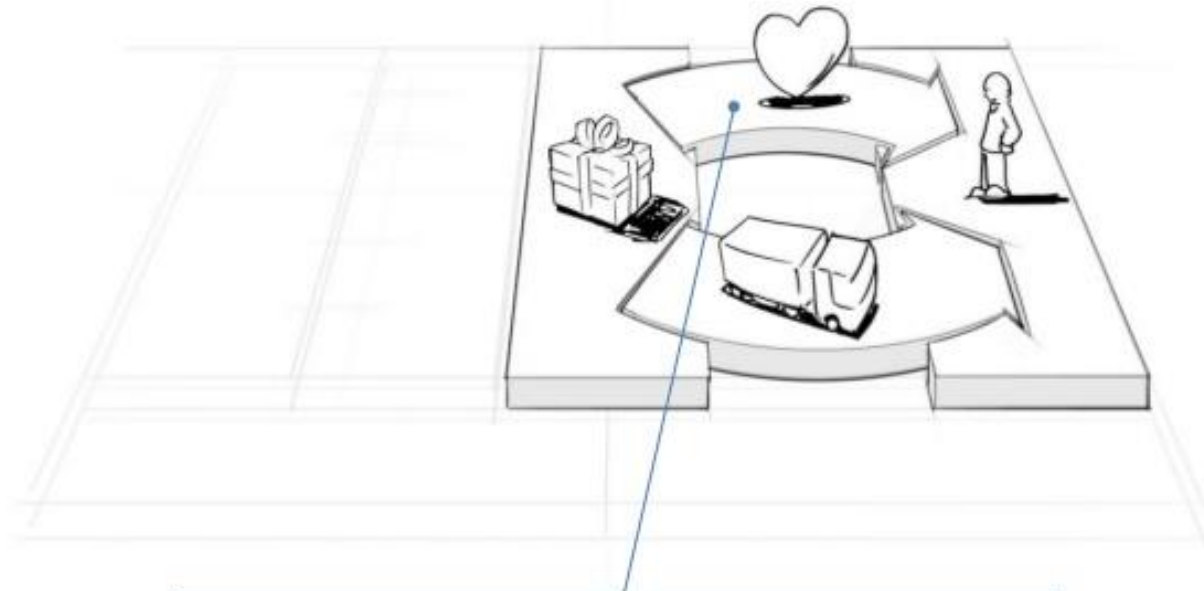
How does the product get from the organisation to the customer?

Physical vs Virtual
So, how is it sold?

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Customer Relationships

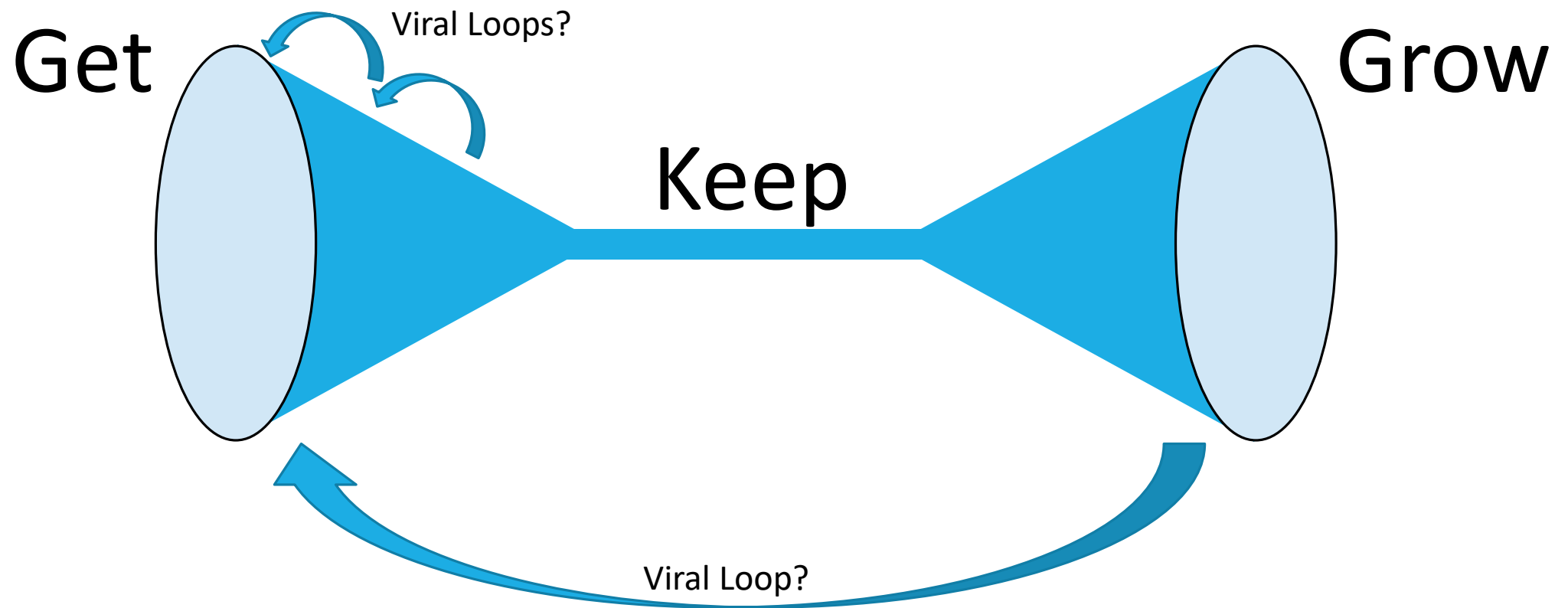
How does a organisation GET, KEEP and GROW customers?



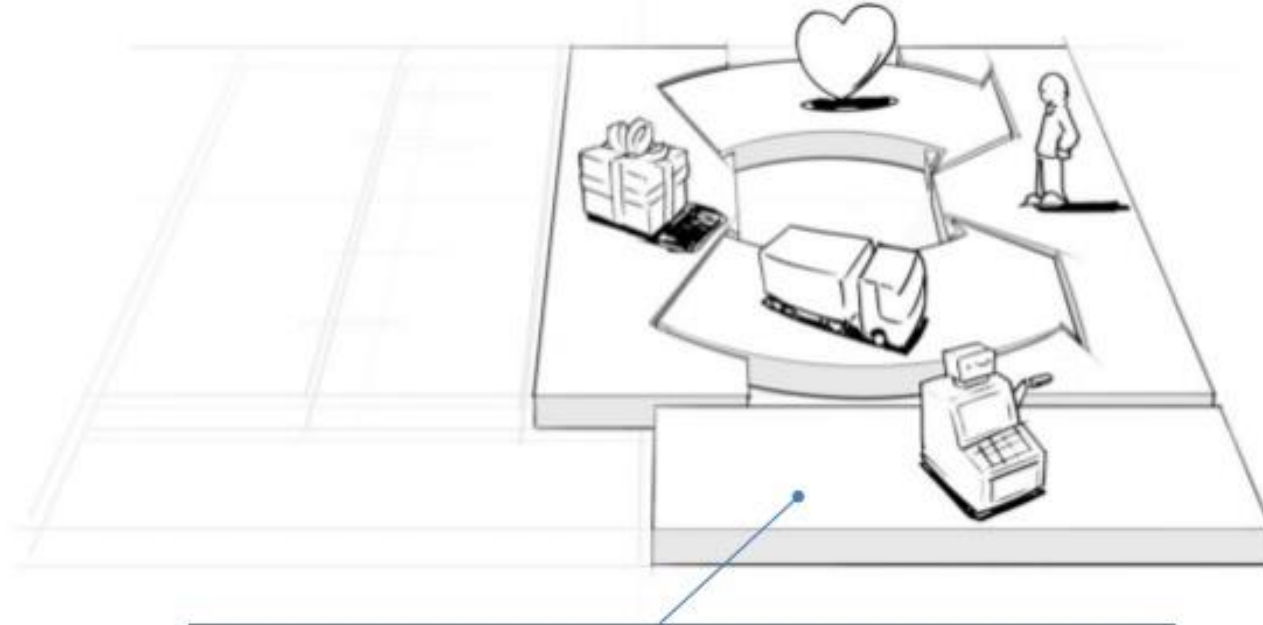
what relationships are you establishing with each segment?
personal? automated? acquisitive? retentive?

drawings by JAM

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Revenue Streams



what are customers really willing to pay for? how?
are you generating transactional or recurring revenues?

drawings by JAM

How does the company make money from each customer segment?

What is the mechanism by which an organisation can capture income?

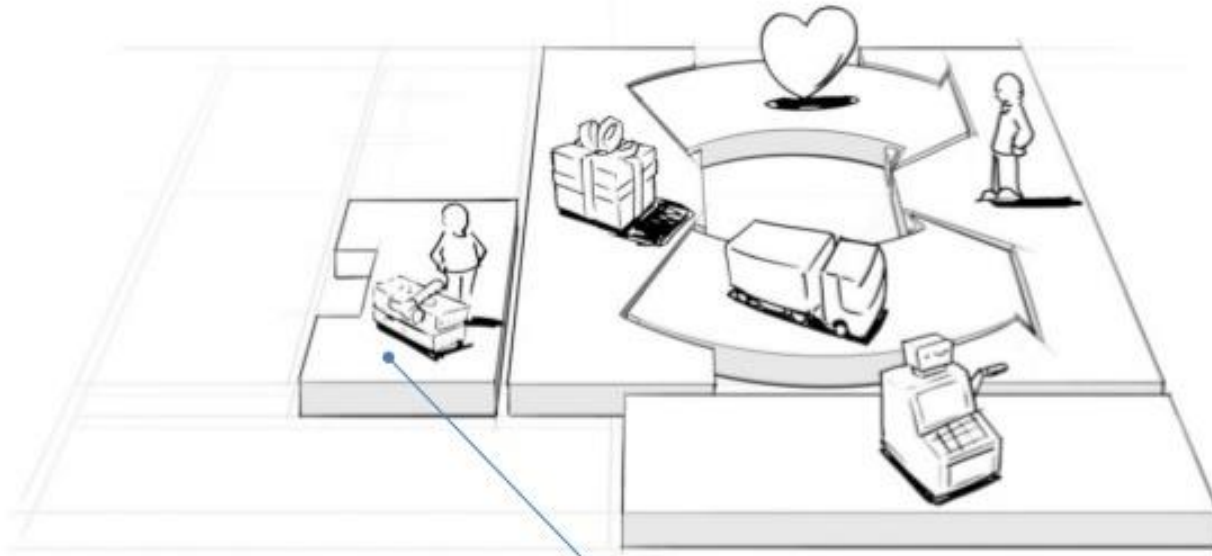
What value is the customer paying for?

Revenue model

Pricing

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Key Resources



which resources underpin your business model?
which assets are essential?

drawings by JAM

What does the organisation need:

Finance

Physical plant

Intellectual property

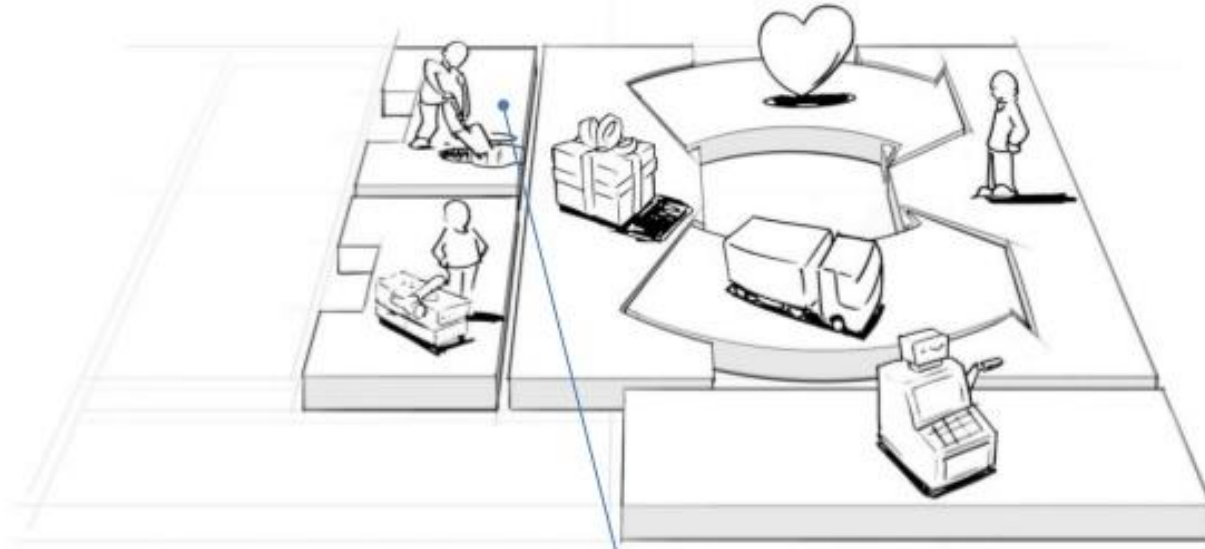
Customer lists

Human Capital

How you keep them

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Key Activities



which activities do you need to perform well in your business model? what is crucial?

drawings by JAM

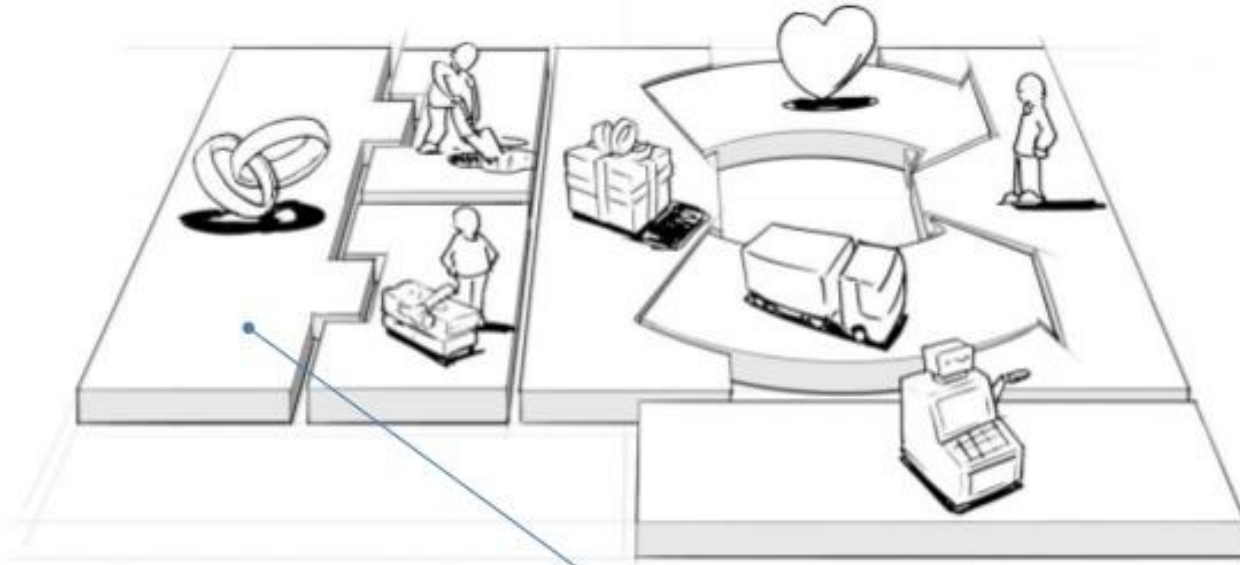
Who are the KEY partners, suppliers needed to make the organisation model work?

What activities are they going to perform and when?

Whats the structre of the relationship?

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Key Partners



which partners and suppliers leverage your model?
who do you need to rely on?

drawings by JAM

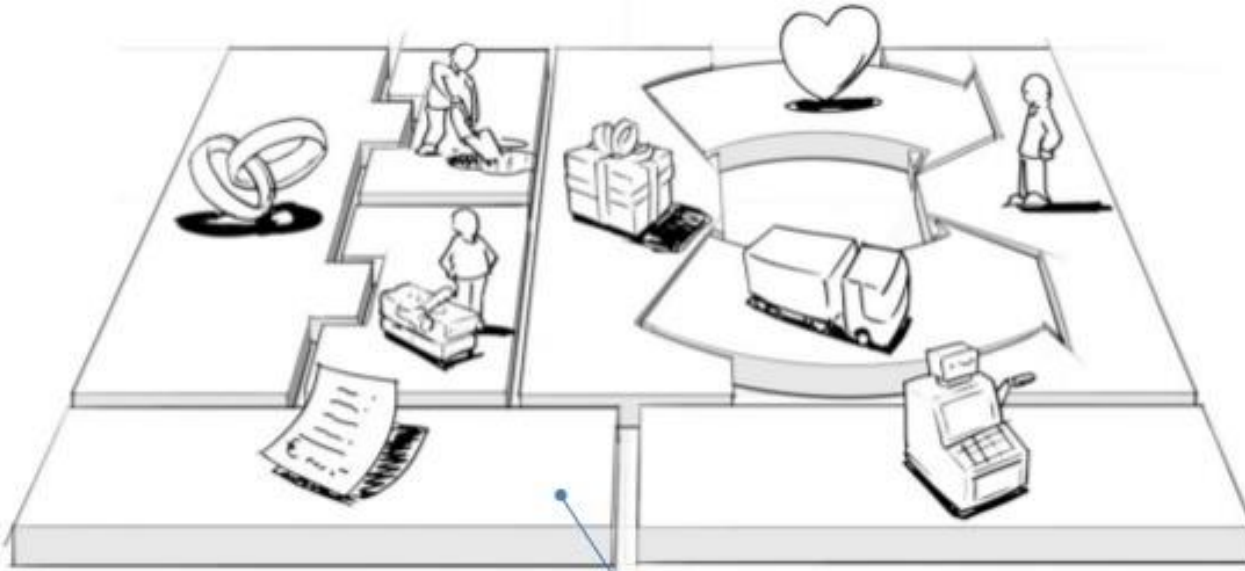
What are the most important things the company must DO to make the organisation work?

Production
Problem solving
Managing supply chains

What are the key activities that the organisation need to be expert at?

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Cost Structure



what is the resulting cost structure?
which key elements drive your costs?

drawings by JAM

What are the costs and expenses needed to operate the organisation?

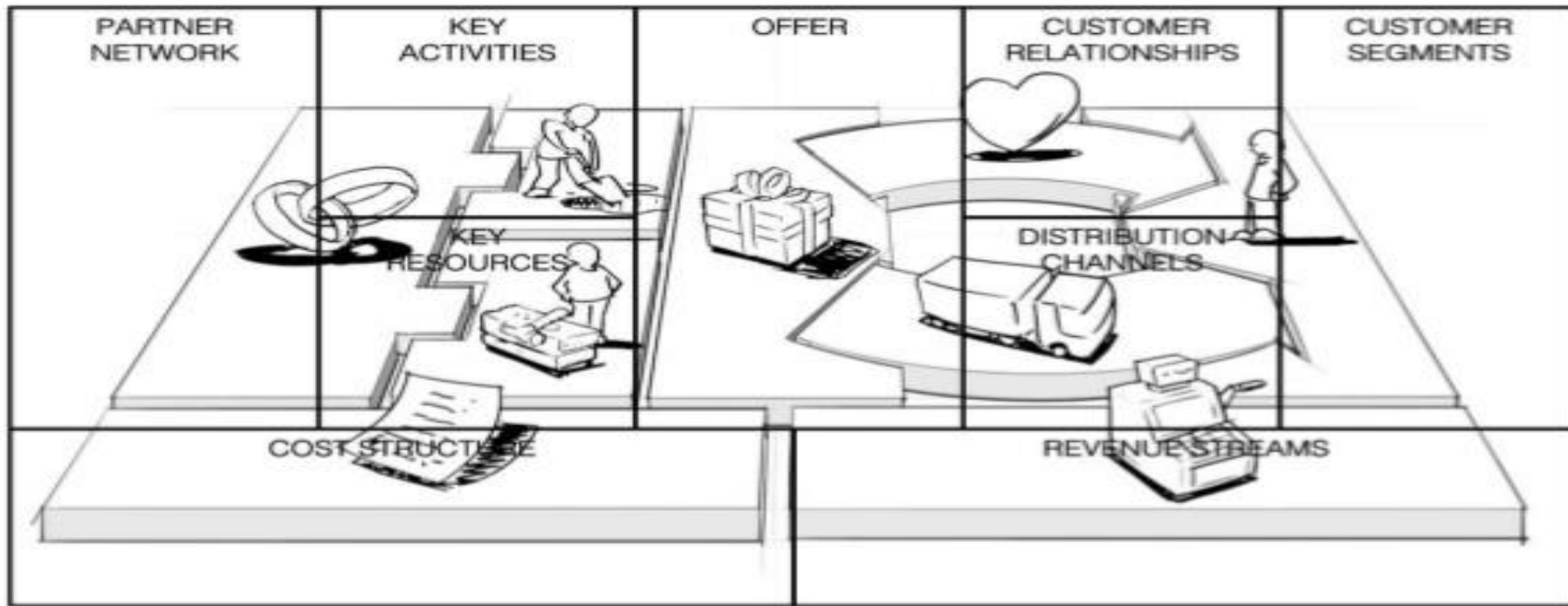
What are the most important costs?
What are the most expensive resources?

What key activities are the most expensive?

Accounting Question:
Fixed costs? Variable Costs?
Economies of scale

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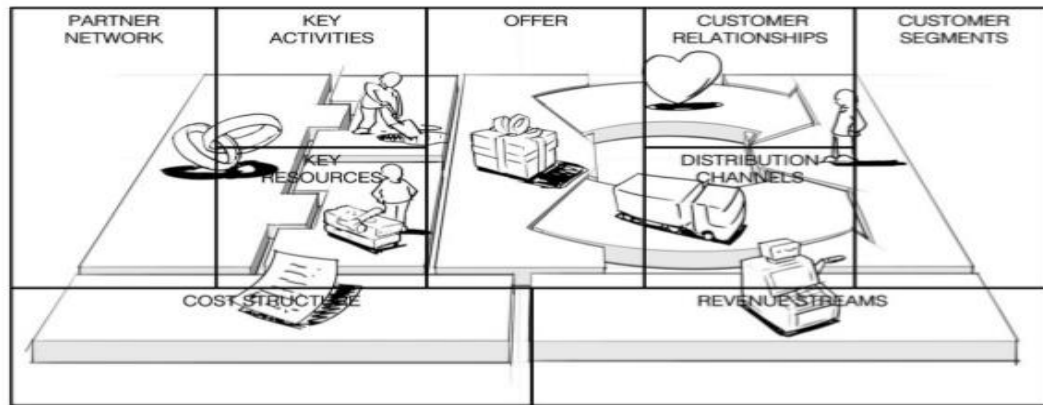
Business Model Canvas



drawings by JAM

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Business Model Canvas



drawings by JAM



Example: Apple iPod/iTunes Business Model



① PLOT THE
CANVAS
ON A
POSTER

② PUT THE
POSTER ON
THE WALL

③ SKETCH OUT
YOUR BUSINESS
MODEL

Group Work 1

- Assemble in teams and choose a company
- Create a canvas
- Write key words on sticky notes
- Place sticky notes on canvas
- Present your canvas

Discussion



Group Work 2 – session

Use the Business Canvas to Investigate GTU / Keele Creative Sparks project – especially “finding and running Projects.”

- Assemble in teams
- Create a canvas
- Write key words on sticky notes
- Place sticky notes on canvas
- Present your canvas – 10 minutes

Discussion



Then what....?

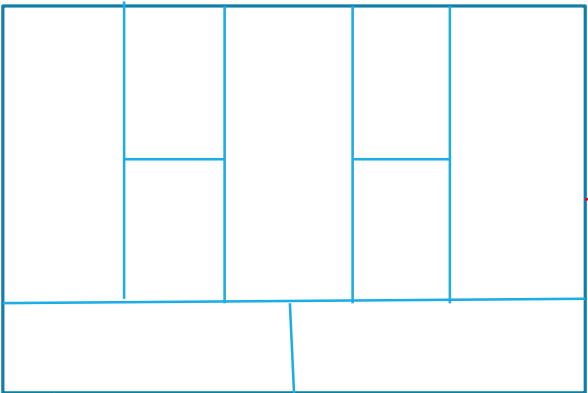
You need to validate your model assumptions with the customers until you get it right

Usually leads to:

Business Plan



Business Plan



Exec Summary

The Team

- Profiles of leadership
- Why we are a winning team

Business Model

- Vision, mission, values
- How model works
- Value Proposition
- Target markets
- Marketing plan
- Key resources and activities

Financial analysis

- Breakeven
- Sales
- Capital spend
- Operating costs
- Funding requirements

External environment

- The economy
- Market analysis
- Competitor Analysis
- Advantage models

Implementations

- Projects
- Milestones
- Roadmap

Risk Analysis

- Limiting factors and obstacles
- Critical success factors
- Specific risks and solutions

Conclusion

Annexes

Financial Spreadsheets

Environmental Analysis

Implementation Plan

SWOT & Uncertainty analysis



The Business Model Canvas, is a strategic management and entrepreneurial tool. It allows you to describe, design, challenge, invent and pivot your business model



Other uses

- Strategizing
- Dashboard
- Understanding competition
- Portfolio business model
- Innovation
- New idea template
- Understanding customers
- Alignment
- Strategy Diffusion and co-creation
- Shared language across functions
- Alignment – value: infrastructure
- Investinh
- Merger & Acquisition
- Exit strategies

