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 capturing 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
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
It's not about your IDEA or PRODUCT

It's 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?

Problems

Needs
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 the product get from the organisation to the customer?

Physical vs Virtual
So, how is it sold?

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

How does an organisation GET, KEEP and GROW customers?

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

drawings by JAM
Get -> Viral Loops? -> Keep -> Viral Loop? -> Grow
Revenue Streams

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

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

What does the organisation need:
- Finance
- Physical plant
- Intellectual property
- Customer lists
- Human Capital
- How you keep them

Which resources underpin your business model?
Which assets are essential?
Who are the KEY partners, suppliers needed to make the organisation model work?

What activities are they going to perform and when?

What's the structure of the relationship?
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?

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

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
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
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
- Investing
- Merger & Acquisition
- Exit strategies