

Business Model Canvas

The Business Model Canvas functions as a practical business tool to design, test, implement, and manage business models over their lifecycle.

It allows you to describe any business model based on nine fundamental building blocks.

<p>KEY PARTNERS</p> <p>Who are our key partners? Who are our key suppliers? Which key resources are we acquiring from our partners? Which key activities do partners perform?</p>	<p>KEY ACTIVITIES</p> <p>What key activities do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?</p> <p>KEY RESOURCES</p> <p>What key resources do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?</p>	<p>VALUE PROPOSITIONS</p> <p>What value do we deliver to the customer? Which one of our customers' problems are we helping to solve? What bundles of products and services are we offering to each segment? Which customer needs are we satisfying? What is the minimum viable product?</p>	<p>CUSTOMER RELATIONSHIPS</p> <p>How do we get, keep, and grow customers? Which customer relationships have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p>CHANNELS</p> <p>Through which channels do our customer segments want to be reached? How do other companies reach them now? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p>	<p>CUSTOMER SEGMENTS</p> <p>For whom are we creating value? Who are our most important customers? What are the customer archetypes?</p>
<p>COST STRUCTURE</p> <p>What are the most important costs inherent to our business model? Which key resources are most expensive? Which key activities are most expensive?</p>		<p>REVENUE STREAMS</p> <p>For what value are our customers really willing to pay? For what do they currently pay? What is the revenue model? What are the pricing tactics?</p>		

Business Model Recommendations

- Technology & Product innovation is not sufficient alone. The *combination* between *technology, product innovation and business model* is what leads a startup to success and achieve competitive advantage. The product will not do it by itself. It's crucial to empower the product through the business model.
- Do not have a "me too" or "copy" strategy. Invent or reinvent the business model, which will give you a truly competitive advantage. Instead of focusing on a red ocean (full of competitors or already created solutions for existing needs) try to tap a blue ocean, which will result in a new set of opportunities.
- Take some risk and experiment to prove that your model will work.

How do we go beyond product and services and come up with innovative business models?**Success case:**

Nespresso changed the business model of espresso - selling coffee machines across households - in a +600/800% in the last couple of years. Nespresso turned out to be one of the fastest growing businesses in the Nestlé group average showing a significant growth of 30% p.a. since 2000. Which represents over 3 billion CHF annual revenue with one product line.

More details about this success business case you be found on the following [video](#) and Harvard Business Review [article](#) explained by Alexander Osterwalder.

What's the difference between improving an existing business model or inventing a new one?

1. **Improving existing business models:** Companies operate in a known environment, with existing customers and good understanding of the market. For this reasons, sales and prediction of growth are easier. When companies are looking to improve an existing business model they focus on executing.
2. **Developing new business models:** Inventing is usually done in an unknown environment. Predictions such as sales and growth forecasts are really difficult in the early stage as the company is in the "search" stage. The company will stand in the customer discovery & customer validation phase by designing, testing, experimenting, learning and pivoting until having product-market fit.

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BUSINESS MODEL CANVAS TEMPLATES^{3/4}

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The Business Model Canvas

Designed for: _____ Designed by: _____ Date: _____ Version: _____

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
	Key Resources		Channels	
Cost Structure			Revenue Streams	

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The Business Model Canvas

Designed for: _____ Designed by: _____ On: dd/mm/yyyy
Iteration # _____

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?	Key Activities What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?	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?	Customer Relationships Which types of Customer Relationships 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?	Customer Segments For whom are we creating value? Who are our most important customers?
	Key Resources What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?		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?	
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?			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?	

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Social Business Model Canvas



Key Resources <small>What resources will you need to run your activities? People, finance, access?</small>	Key Activities <small>What programme and non-programme activities will your organisation be carrying out?</small>	Type of Intervention <small>What is the format of your intervention? Is it a workshop? A service? A product?</small>	Segments <small>Beneficiary Customer</small>	Value Proposition <small>Social Value Proposition Impact Measures How will you show that you are creating social impact? Customer Value Proposition What do your customers want to get out of this initiative?</small>
Partners + Key Stakeholders <small>Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permissions?</small>		Channels <small>How are you reaching your beneficiaries and customers?</small>		
Cost Structure <small>What are your biggest expenditure areas? How do they change as you scale up?</small>		Surplus <small>Where do you plan to invest your profits?</small>	Revenue <small>Break down your revenue sources by %</small>	

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Social Business Model Canvas



Key Resources Kiva.org platform Brand Donor network	Key Activities Providing loans Collecting loan capital Screening MFIs Managing platform Managing risk	Type of Intervention Service	Segments Borrower Family of borrower Well-off individuals who are socially conscious Entrepreneurs in developing countries	Value Proposition Create jobs, reduce poverty # of entrepreneurs \$ lend \$ repaid # dependents Promote market based solutions to poverty Financial ability to start business
Partners + Key Stakeholders Local MFIs Payapl		Channels Kiva.org Local microfinance institutions	Customer Who are the people or organisation who will pay to address this issue?	
Cost Structure Repayment risk		Surplus Marketing platform development	Revenue Optional donations	

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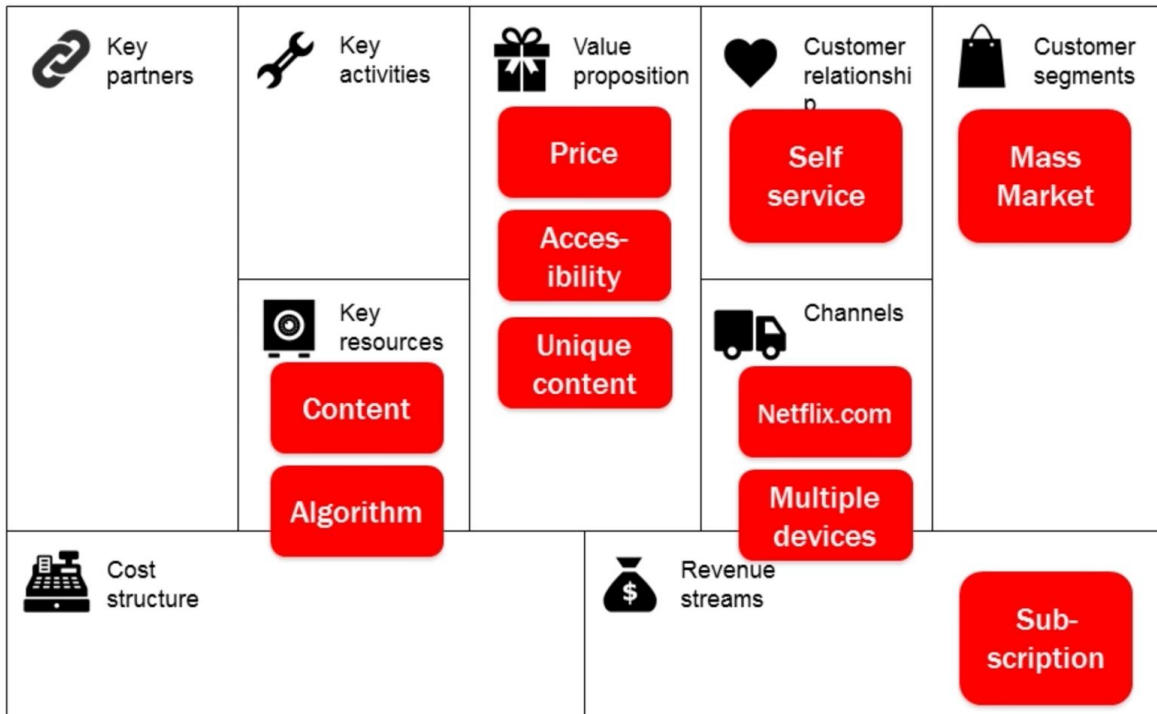
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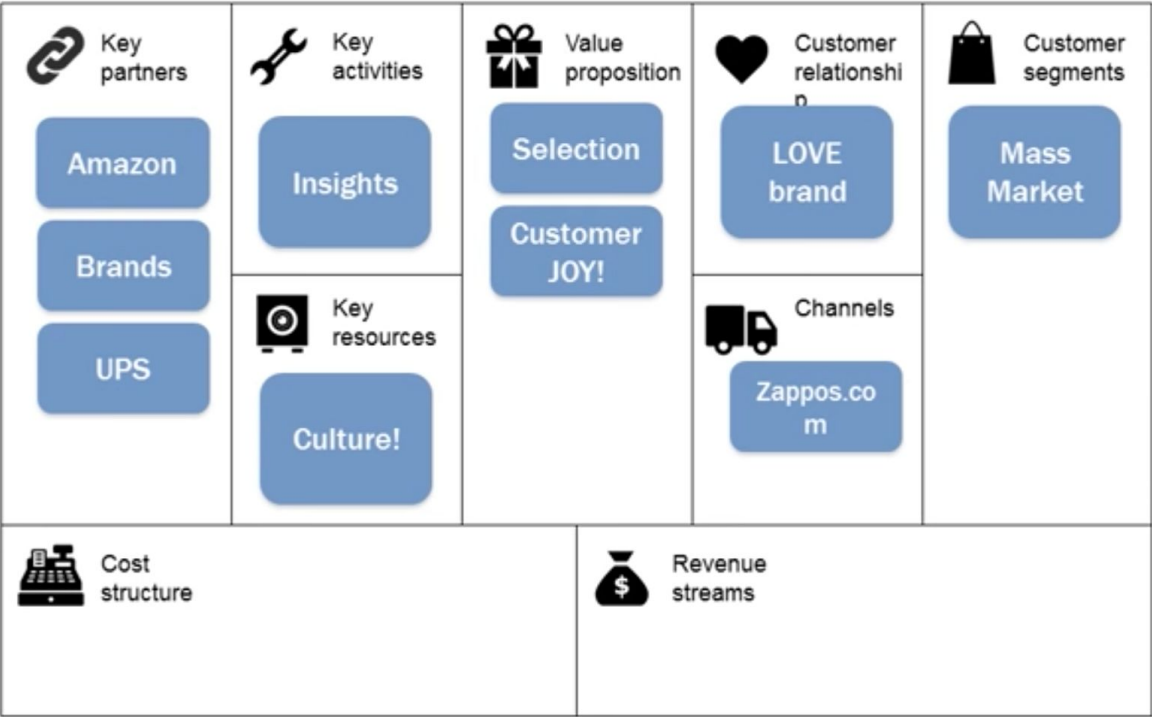
10X BUSINESS MODEL CANVAS EXAMPLES



10X Business Model Netflix



10X Business Model Zappos



10X Business Model Stellar

