

E4S

BCM

WELCOME BACK

Putting everything together into the:

BUSINESS CANVAS MODEL





the material of the following slides is taken or adapted from:

<https://strategyzer.com/>

HIGHLY RECOMMENDED!

+ all the things we have already discussed (with references therein)

BUSINESS CANVAS



9 AREAS TO BE FILLED IN WITH STICKERS

<p>Key Partners</p> <p>Who are our key partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p><small>Key Partners are the entities that help the business model to perform. They can be suppliers, distributors, partners, or even competitors. They can be internal or external to the organization.</small></p>	<p>Key Activities</p> <p>What Key Activities must our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p><small>Key Activities are the most important actions that the business must perform to make its business model work. They can be production, distribution, or customer relationship management.</small></p>	<p>Value Propositions</p> <p>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?</p> <p><small>Value Propositions are the set of benefits and services that the business offers to its customers. They can be products, services, or experiences.</small></p>	<p>Customer Relationships</p> <p>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?</p> <p><small>Customer Relationships are the ways in which the business interacts with its customers. They can be personal, impersonal, or automated.</small></p>	<p>Customer Segments</p> <p>For whom are we creating value? Who are our most important customers?</p> <p><small>Customer Segments are the groups of people or organizations that the business aims to serve. They can be individuals, businesses, or governments.</small></p>
<p>TWO MISSING ELEMENTS: WHICH ONES?</p>				
<p>Key Resources</p> <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p><small>Key Resources are the most important assets that the business needs to make its business model work. They can be physical, intellectual, or human.</small></p>		<p>Channels</p> <p>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?</p> <p><small>Channels are the ways in which the business reaches its customers. They can be direct, indirect, or hybrid.</small></p>		
<p>Cost Structure</p> <p>What are the most important costs in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p><small>Cost Structure is the set of costs that the business incurs to make its business model work. It can be fixed, variable, or semi-variable.</small></p>	<p>Revenue Streams</p> <p>What value are our customers willing to pay for? For what value are they willing to pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p><small>Revenue Streams are the ways in which the business generates revenue. They can be one-time, recurring, or subscription-based.</small></p>			

BUSINESS CANVAS: TIME?



9 AREAS TO BE FILLED IN WITH STICKERS

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?

*Examples of key partners:
Distribution channels
Logistics providers
Suppliers of raw materials*

Key Activities



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

*Examples of key activities:
Production
Distribution
Logistics*

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?

*Examples of value propositions:
New product
New service
New business model
New distribution channel
New pricing
New packaging
New quality
New speed
New convenience
New reliability
New security
New flexibility
New scalability
New sustainability*

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 of customer relationships:
Personal assistance
Self-serve
Automated services
Communities
Co-creation*

Customer Segments



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

*Examples of customer segments:
Individuals
Groups of individuals
Organizations
Markets
Geographies*

TIME!
NOW? AFTER 6 MONTHS? IN 5 YEAR TIME?
COMPETITION

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?

*Examples of cost structure:
Cost of Goods Sold (COGS)
Fixed Costs (e.g., rent, salaries, depreciation, amortization, interest, insurance, etc.)
Variable Costs (e.g., raw materials, packaging, shipping, etc.)*

*Examples of cost structure:
Fixed Costs (e.g., rent, salaries, depreciation, amortization, interest, insurance, etc.)
Variable Costs (e.g., raw materials, packaging, shipping, etc.)*



Revenue Streams

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

*Examples of revenue streams:
One-time
Recurring
Usage-based
Subscription
Licensing
Advertising
Affiliate*

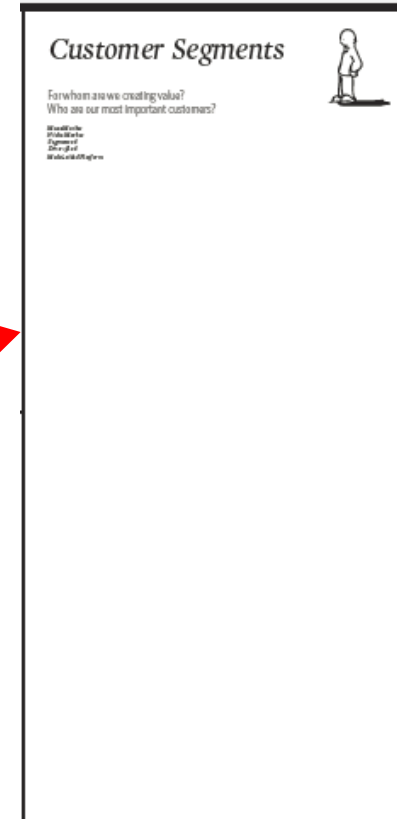
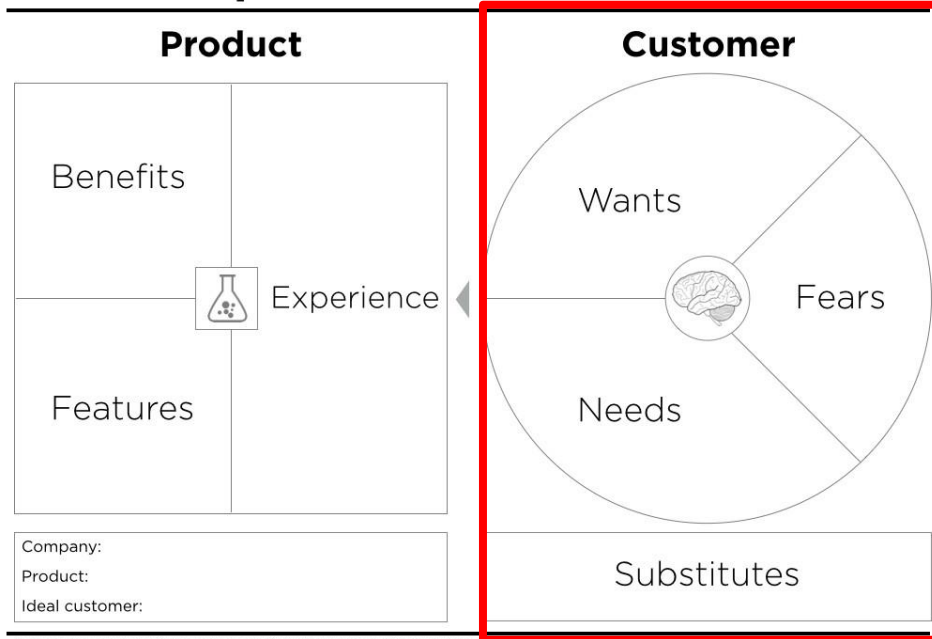
*Examples of revenue streams:
One-time
Recurring
Usage-based
Subscription
Licensing
Advertising
Affiliate*

*Examples of revenue streams:
One-time
Recurring
Usage-based
Subscription
Licensing
Advertising
Affiliate*





by people v



Most of the times, your first target are ...?

Name your first 3 customers (real names) and/or

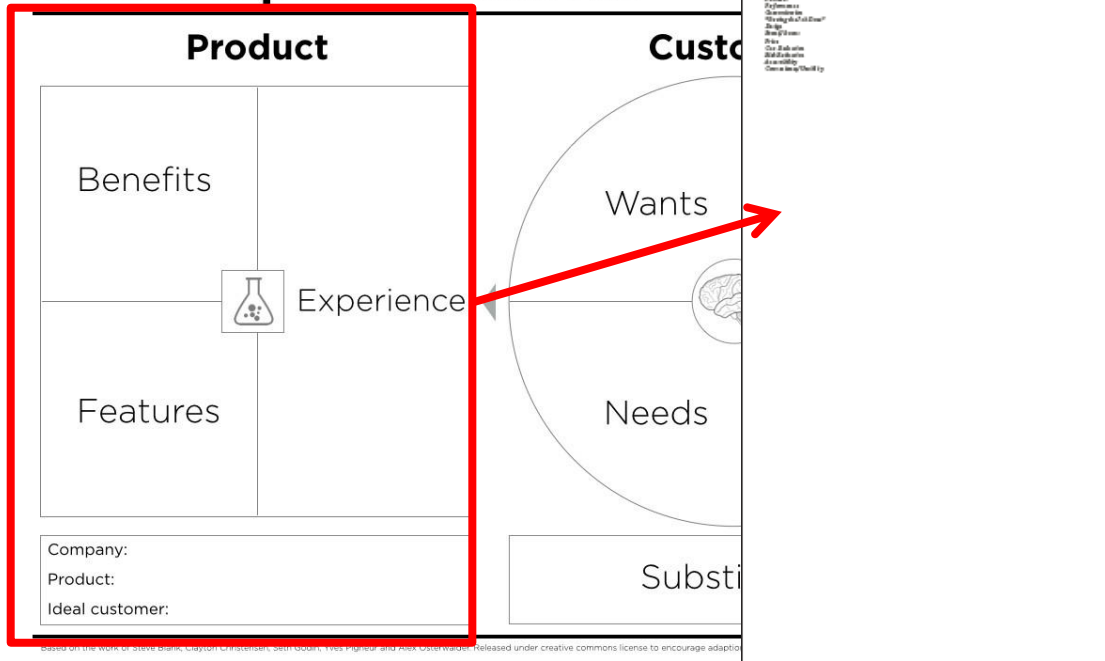
Define your *PERSONA* **B. Aulet, *Disciplined Entrepreneurship* (Wiley, 2013)**

BUSINESS CANVAS: VALUE PROPOSITION



Find a **solution** to a problem that is shared by people who are willing to pay to solve it.

Value Proposition Canvas



Remember also:

- Product leadership
- Operational excellence
- Customer intimacy

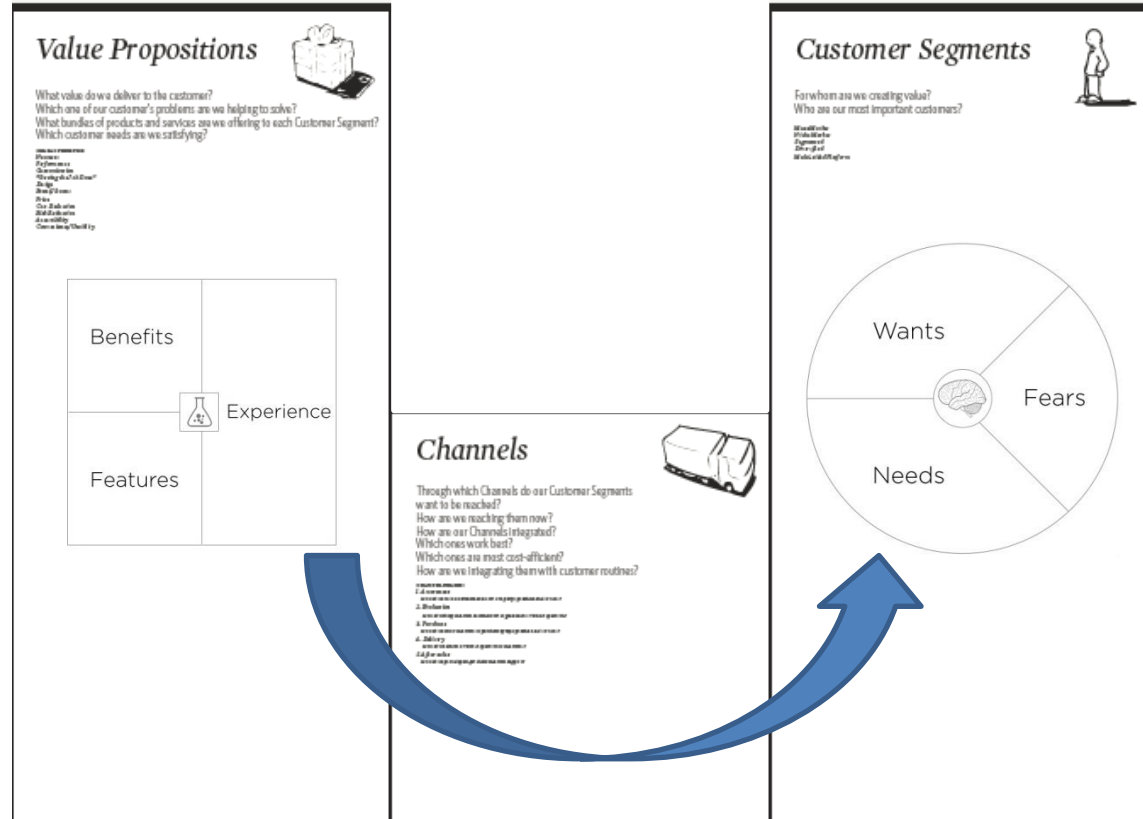
(At the start, you are going to be in customer intimacy, most of the times, why?
→ lean startup and co-development!)

BUSINESS CANVAS: CHANNELS



KEY ELEMENTS:

- Awareness
(branding and marketing)
- Evaluation
- Purchase
- Delivery
- After sales





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

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 interacting with the rest of our business model?
 How costly are they?

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?

Customer Segments

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

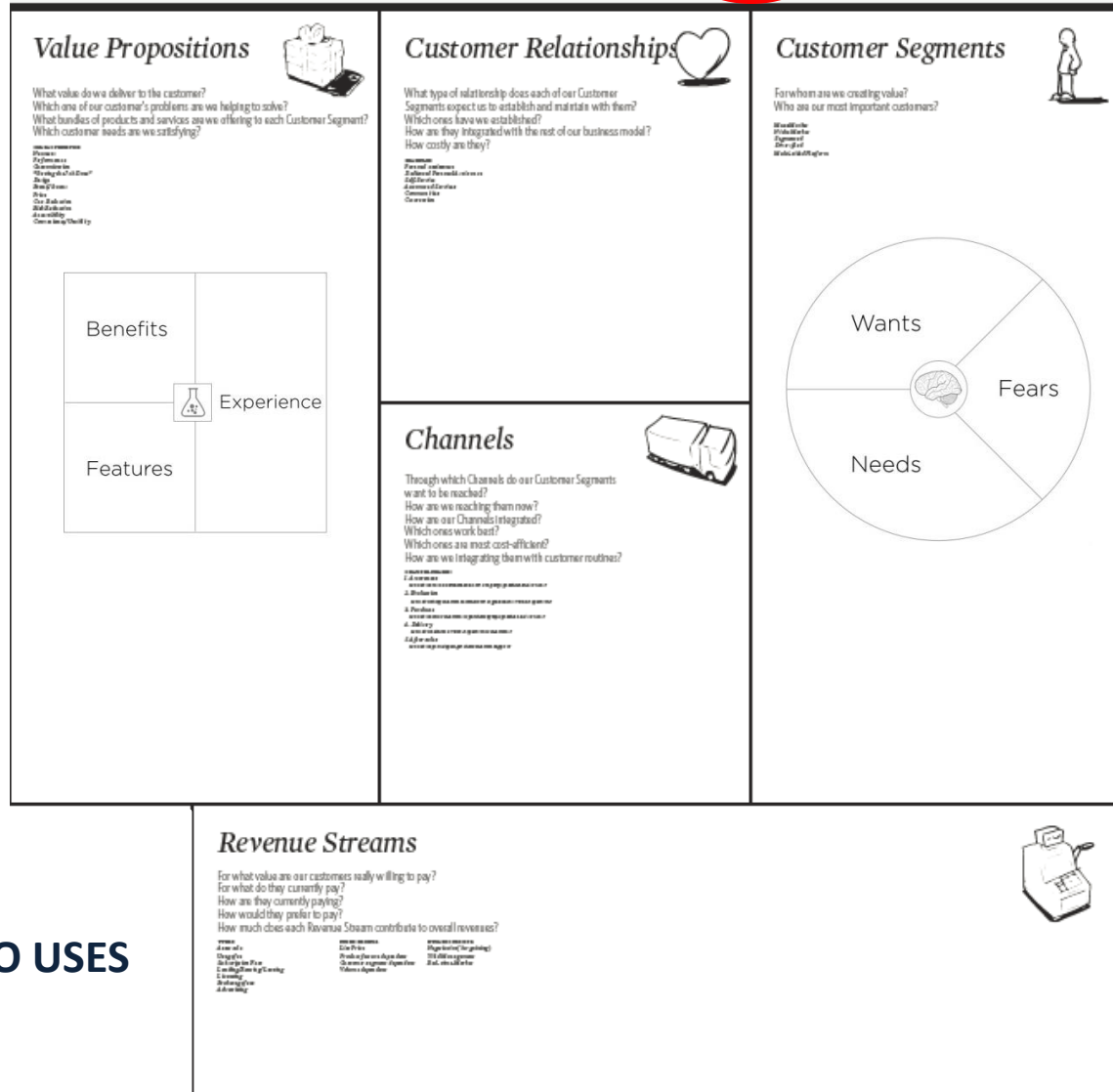
Diagram Details:

- Value Propositions:** Includes a small icon of a box with a heart and a list of questions.
- Customer Relationships:** Includes a small icon of a heart and a list of questions.
- Channels:** Includes a small icon of a truck and a list of questions.
- Customer Segments:** Includes a small icon of a person and a circular diagram with four segments: Wants, Fears, Needs, and a central brain icon.

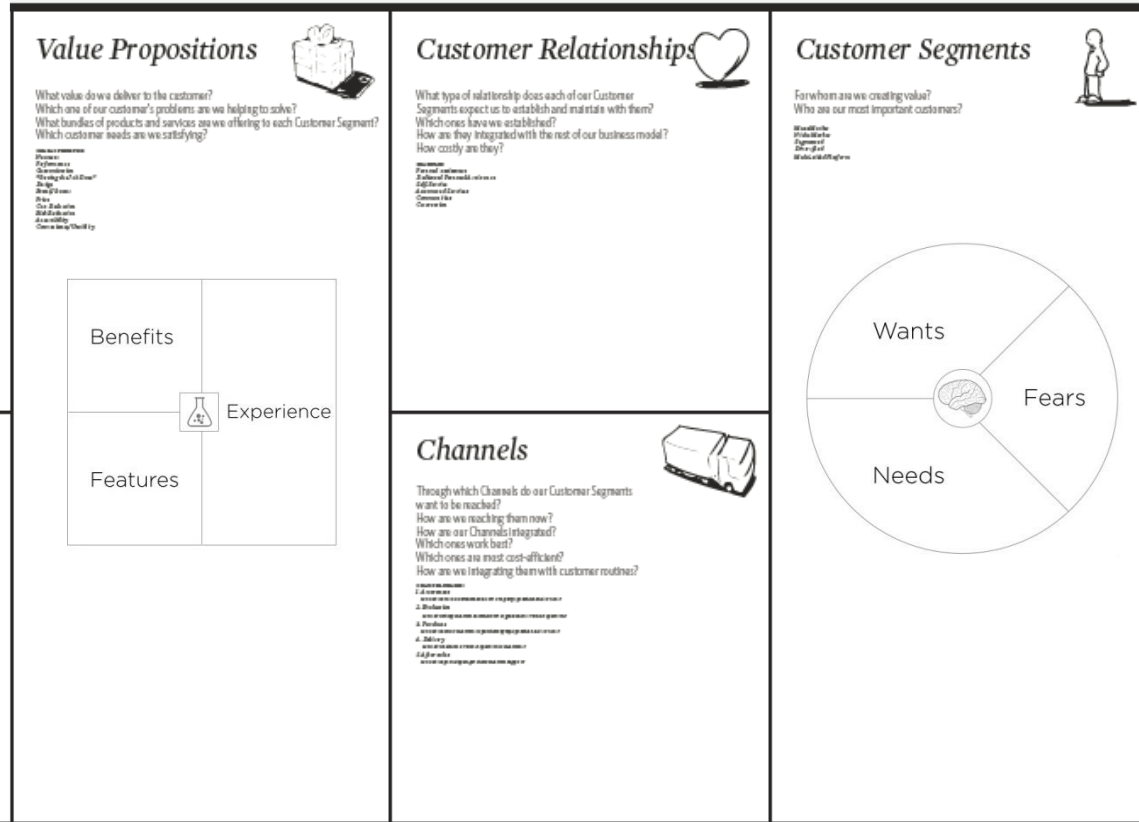
BUSINESS CANVAS: REVENUE STREAMS



Find a solution to a problem that is shared by people who are willing to **pay** to solve it.



Remember:
WHO PAYS ≠ WHO BUYS ≠ WHO USES





BUSINESS CANVAS: KEY PARTNERS



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 Partners
Partnerships to develop
Distribution Channels
Acquisition of particular resources and activities

Key Activities



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

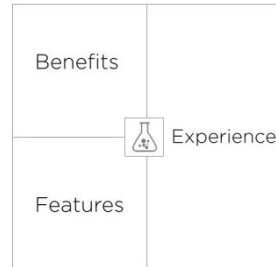
Key Activities
Production
Distribution
Platform Building
Logistics Network

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?

Value Propositions
Proprietary Technology
Performance
Customization
Convenience
Risk
Our Solution
Social Media
Availability
Cost Savings/Discount



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?

Customer Relationships
Personal Assistance
Self-Service
Automated Services
Communities
Co-creation

Customer Segments



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

Customer Segments
Mass
Niche
Segment of a Segment
Mass Premium
Mass Premium



Key Resources



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

Key Resources
Physical
Intellectual
Human
Financial

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?

Channels
Direct
Indirect
Partners
Retailers
Distributors
Sales
Online
Offline
Mobile
Social Media
Email
SMS
Voice
Video
Webinars
Conferences
Trade Shows
Events
Partnerships
Referrals
Word of Mouth
Public Relations
Advertising
Direct Mail
Telemarketing
Sales Force
Partnerships
Referrals
Word of Mouth
Public Relations
Advertising
Direct Mail
Telemarketing
Sales Force

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?

Revenue Streams
Asset Sale
Usage Fee
Subscription
Licensing
Advertising
Sales
License
Franchise
Royalty
Investment
Debt
Equity
Gift
Donation
Grants
Sponsorship
Partnerships
Referrals
Word of Mouth
Public Relations
Advertising
Direct Mail
Telemarketing
Sales Force



...and stakeholder analysis



INTERACTIONS



COMMITMENTS

BUSINESS CANVAS: COST STRUCTURE



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 Partners
Partners in our business model
Partners in our business model
Partners in our business model

Key Activities



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

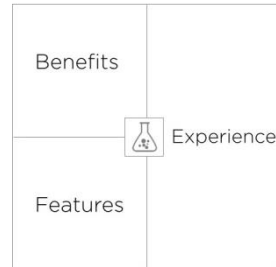
Key Activities
Activities in our business model
Activities in our business model
Activities in our business model

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?

Value Propositions
Propositions in our business model
Propositions in our business model
Propositions in our business model



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?

Customer Relationships
Relationships in our business model
Relationships in our business model
Relationships in our business model

Customer Segments



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

Customer Segments
Segments in our business model
Segments in our business model
Segments in our business model



Key Resources



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

Key Resources
Resources in our business model
Resources in our business model
Resources in our business model

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?

Channels
Channels in our business model
Channels in our business model
Channels in our business model

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?

Cost Structure
Costs in our business model
Costs in our business model
Costs in our business model



COST ANALYSIS

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?

Revenue Streams
Revenue in our business model
Revenue in our business model
Revenue in our business model



BUSINESS CANVAS: EXAMPLE (SIMPLIFIED)



TIME = t_0

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

Wine researchers and influencers

Optics11

Stefan Witte

Key Activities



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

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

Test the microscope as is

Key Resources



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

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

Unique bird-in-hand (see previous lectures)

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?

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?

A portable microscope for at-line control of yeast cells.
It's an insurance against disaster!

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?

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?

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?

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?

Direct interaction and sale

Customer Segments



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

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

Young Italian mid-size wine producers (500,000 bottles/year)
INNOVATORS!

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?

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?

See cost projections (5,000 + 45,000)

Personal affordable losses



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?

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?

Grant: no paying customer until test confirms customer added value



YOUR HOMEWORK FOR 2017

CHOOSE A (SMALL) PROJECT

MAKE A PRODUCT

AND TRY TO SELL IT!

(you do not necessarily need a company!)

IF YOU FAIL, FAIL FAST, AND TRY AGAIN

IF IT WORKS, MAKE IT FLY!

THANK YOU FOR YOUR ATTENTION

ABOUT PERSUASION

<https://www.youtube.com/watch?v=cFdCzN7RYbw>