

Business Model Canvas

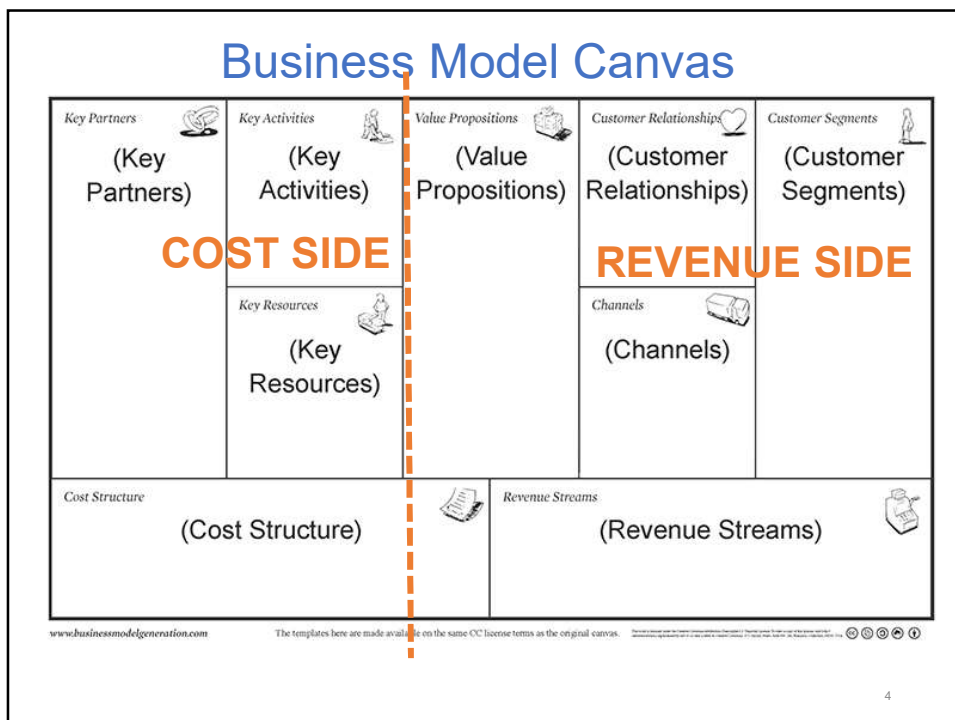
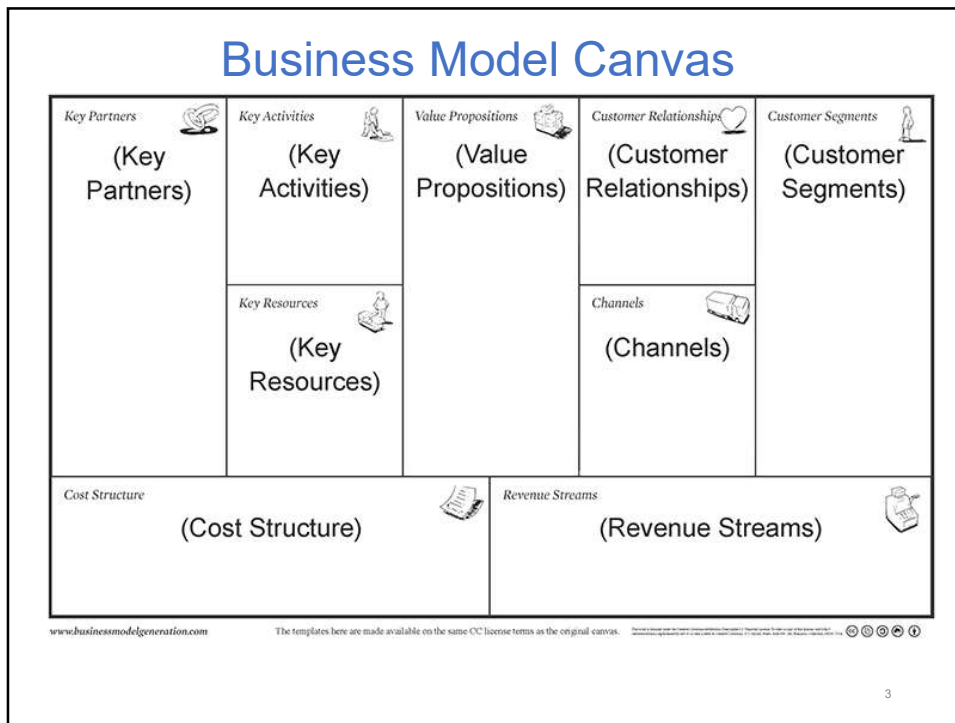
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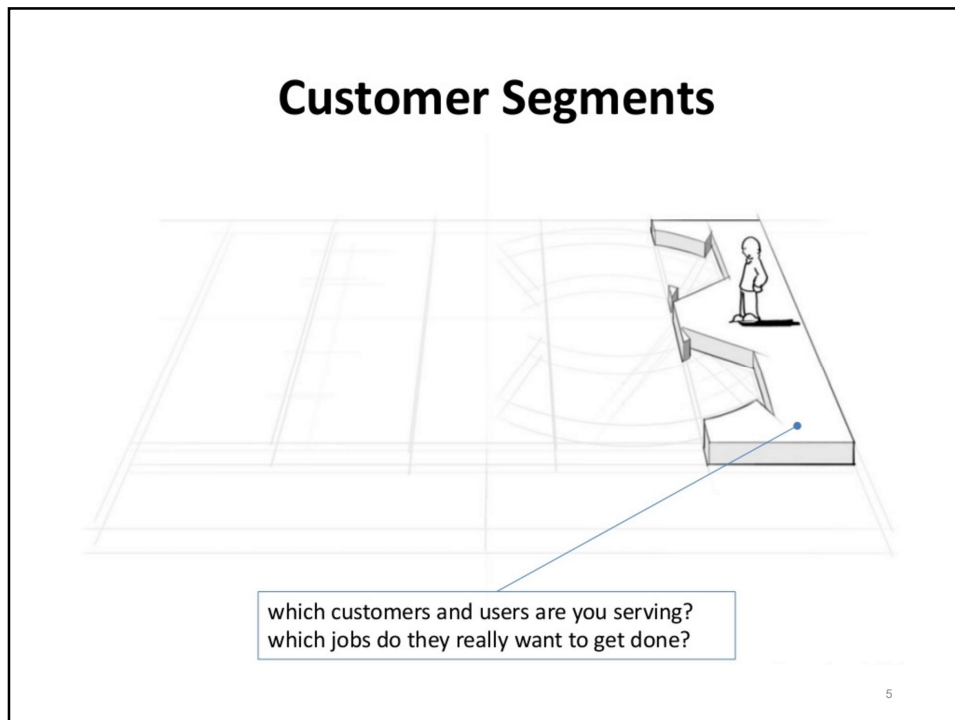


What is a Business Model?

a clearly stated outline of how the business intends to generate revenue.





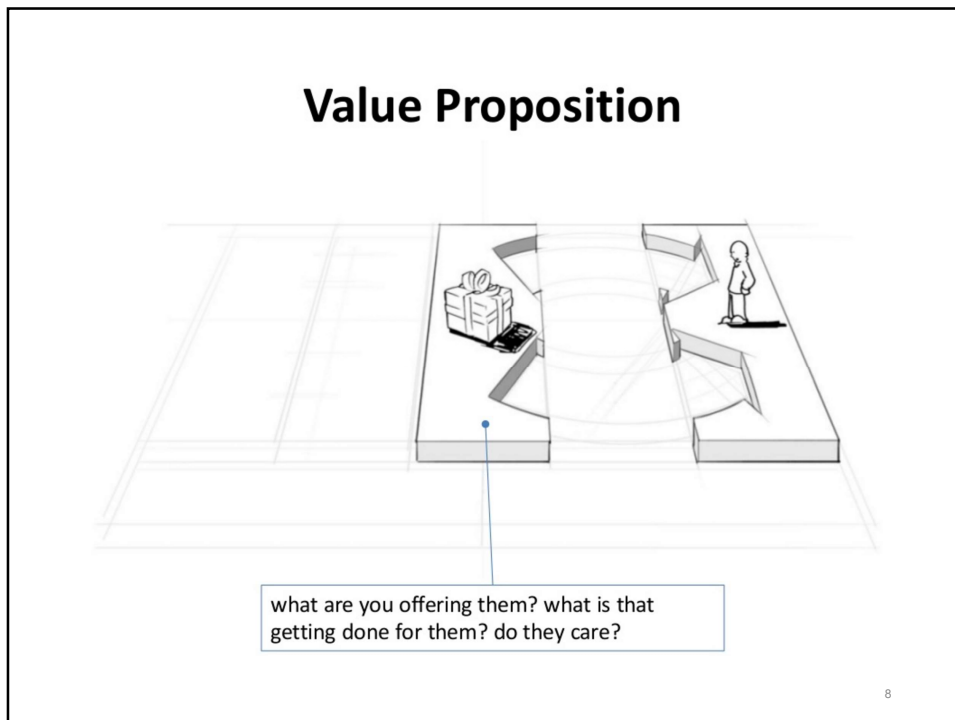
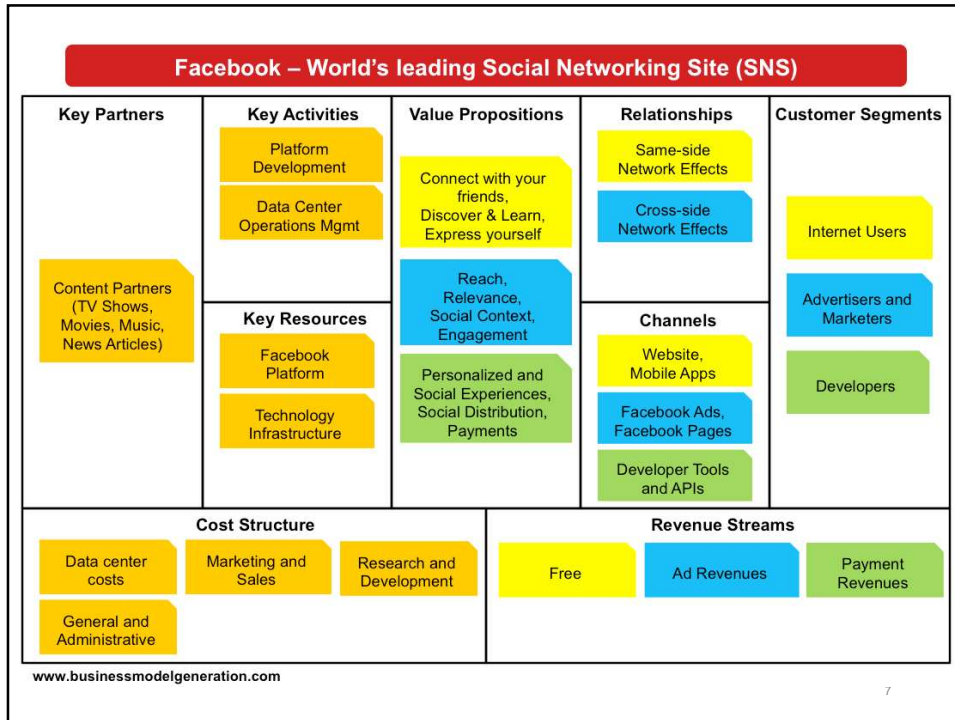


Customer Segments

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

- **Mass Market** Often found in consumer electronics sector
- **Niche Market** Often found in supplier-buyer relationships
- **Segmented** Market segments with slightly different needs and problems
- **Diversified** Unrelated Customer Segments with very different needs and problems
- **Multi-sided Platform** Two or more interdependent Customer Segments e.g. a credit card company or a free newspaper

6



Value Proposition

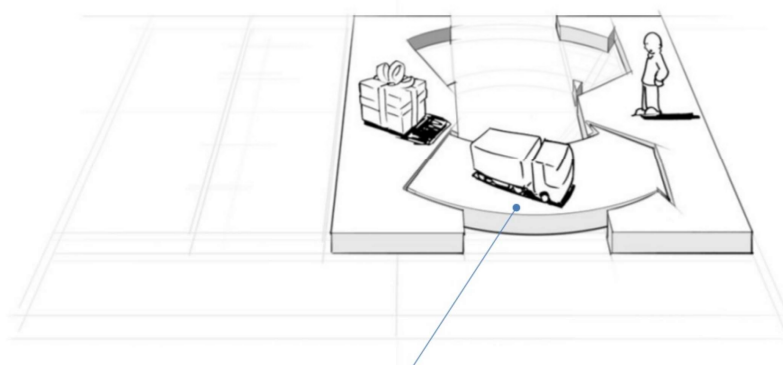
- What value do we deliver to the customer?
- Which one of our customer's problems are we helping to solve?
- What bundles of products and services are we offering to each customer segment?
- Which customer needs are we satisfying?

Characteristics

- Newness
- Performance
- Customization
- "Getting the job done"
- Design
- Brand/Status
- Price
- Cost Reduction
- Risk Reduction
- Accessibility
- Convenience/ Usability

9

Channels



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

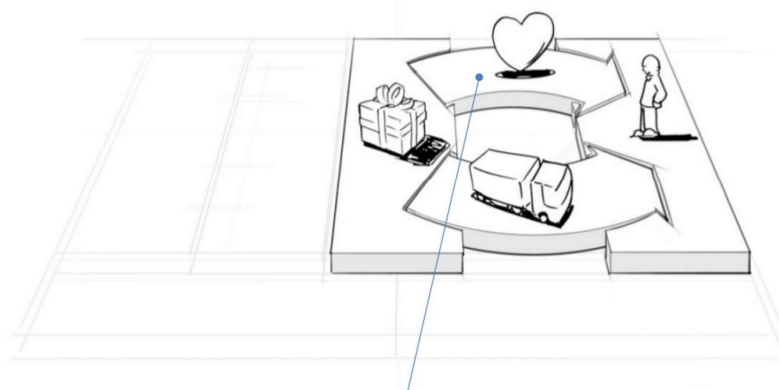
10

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?

11

Customer Relationships



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

12

Customer Relationships

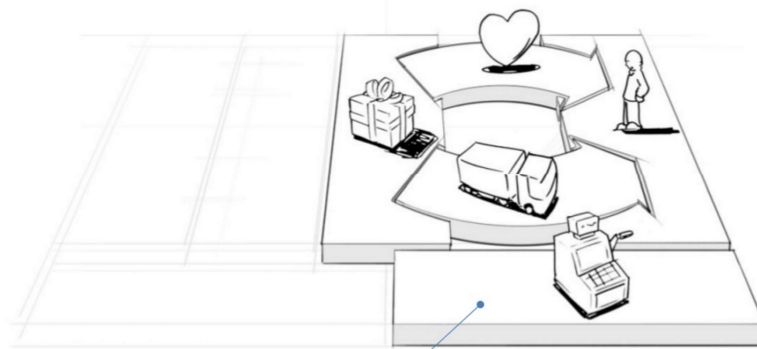
- What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
- Which ones have we established?
- How are they integrated with the rest of our business model?
- How costly are they?

Examples

- Personal Assistance
- Dedicated Personal Assistance
- Self-service
- Automated Services
- Communities
- Co-creation

13

Revenue Streams



14

Revenue Streams

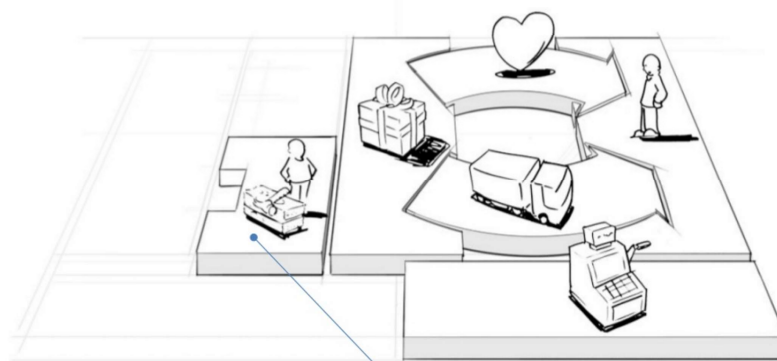
- For what value are our customers really willing to pay?
- For what do they currently pay?
- How are they currently paying?
- How would they prefer to pay?
- How much does each Revenue Stream contribute to overall revenues?

Types:

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

15

Key Resources



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

16

Key Resources

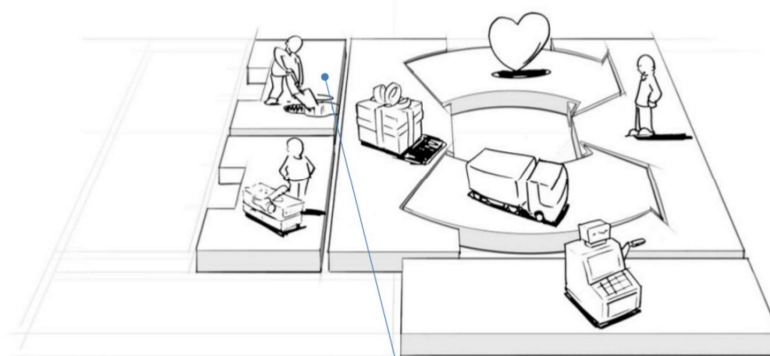
- What Key Resources do our Value Propositions require?
- Our Distribution Channels?
- Customer Relationships?
- Revenue streams?

Types of resources:

- Physical
- Intellectual (Brand patents, copyrights, data)
- Human
- Financial

17

Key Activities



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

18

Key Activities

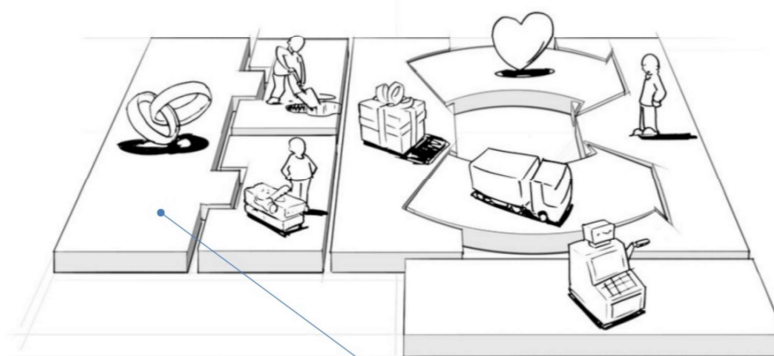
- What Key Activities do our Value Propositions require?
- Our Distribution Channels?
- Customer Relationships?
- Revenue streams?

Categories:

- Production
- Problem Solving
- Platform/ Network

19

Key Partners



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

20

Key Partners

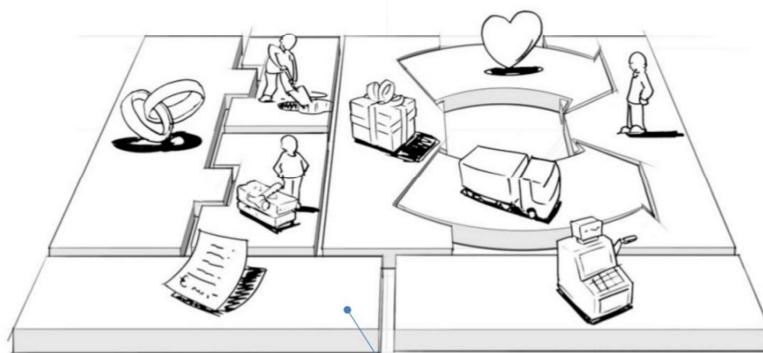
- Who are our Key Partners?
- Who are our key suppliers?
- Which Key Resources are we acquiring from partners?
- Which Key Activities do partners perform?

Motivations for partnerships:

- Optimization and economy of scale
- Reduction of risk and uncertainty
- Acquisition of particular resources and activities

21

Cost Structure



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

22

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:

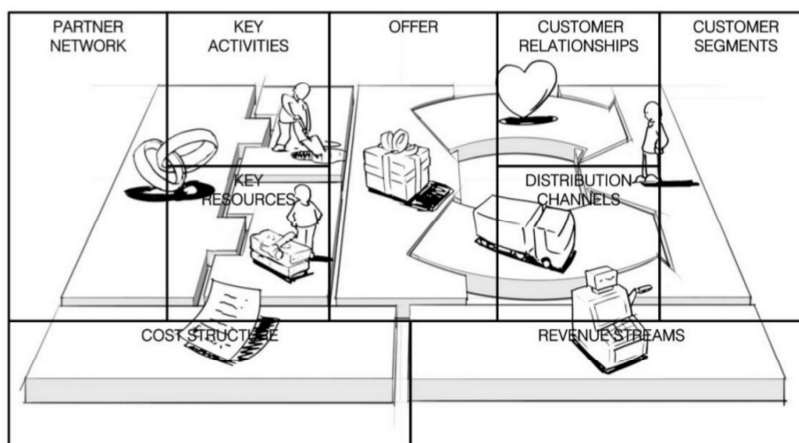
- Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)
- Value Driven (focused on value creation, premium value proposition)

Sample characteristics:

- Fixed costs (salaries, rents, utilities)
- Variable costs
- Economies of scale
- Economies of scope

23

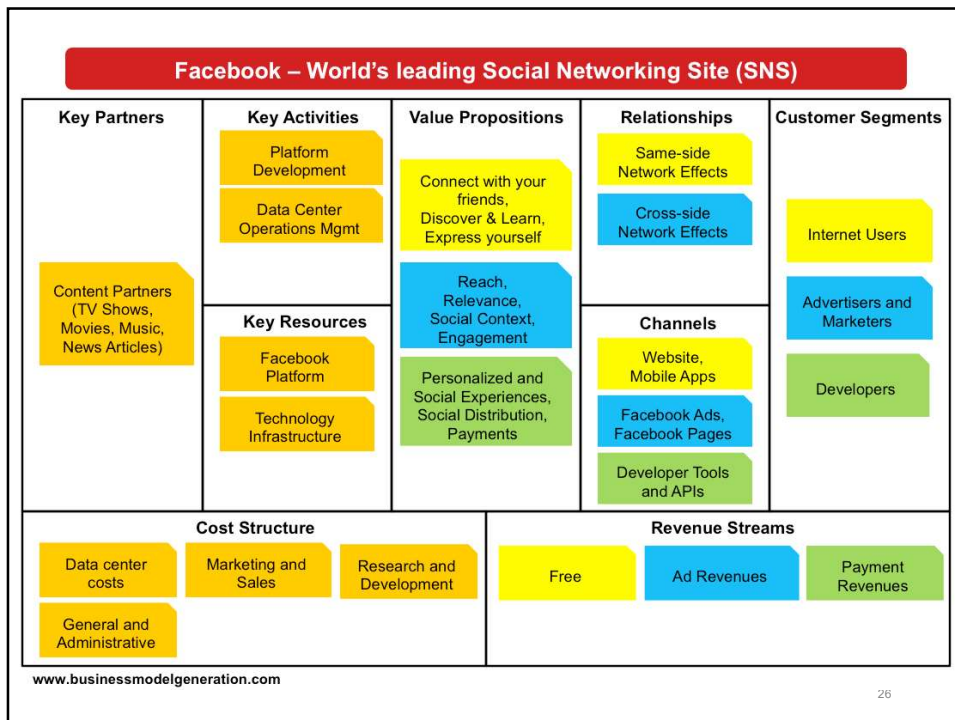
Business Model Canvas



24

Business Model Canvas Example

Facebook



Business Model Canvas Example

Traditional Retail

