

H3

Hands-on (pt.I): co-design & networking

Business Model Canvas

The Business Model Canvas is a high-level approach to co-create and visualize the key components of a business model that allows to iteratively test and refine various options. A way of explicitly showing how value is being created and captured, as well as thinking about the several possibilities where a solution might be useful.



TIMEFRAME

60 – 120 minutes
(depending on group size)



GROUP SIZE

Groups of 5



FACILITATION LVL.

●●○



COMFORT ZONE

●●○

Use it to...

- Structure a business plan
- Have a comprehensive view of all forces and stakeholders
- Grasp deep insight into the nature of business models
- Public sector organisations, for example, have used the canvas to help departments view themselves as serviced-focused businesses
- Quickly visualize a business model so you can iteratively test and refine various options.
- Quickly sketch out the business model of existing services or products, whether physical or digital, or prototype the business model of new concepts.



MATERIALS AND OTHER REQUIREMENTS

- (optional) Business Model Generation Book
- (optional) Value proposition canvas book
- Pens/ markers
- Stickies

LEARN MORE

- [Strategyzer](#)
- [Design a better business](#)
- [Business Model Generation Book](#)
- [This is Service Design Thinking book - for detailed cases](#)
- [Value proposition design book - to have a practical guide on how to use it](#)



Business Model Canvas

Walkthrough (1/2)

1. Setup

Print the templates (A0 or any size you can fit a lot of stickies) and hang the business model canvas or the business model canvases on the wall and have the groups explore different options. One thing you can do if you wish to gather collective and fresh insights is rotating the groups every 10 minutes and have them look at different canvases. If you can't print, sketch the template on a large sheet of paper or whiteboard.

Sometimes it may help to have personas, stakeholder maps and prototypes at hand.

3. Posting

each sticky must have just one idea written on and with legible handwriting as you go through each section in order

4. Customer segments

Who are the customers? What do they think? What are their differences? (you can start by using the customer canvas if you feel you need to start off a more detailed analysis). An organization serves one or several Customer Segments. Some examples: Mass market, niche market, segmented, diversified, multisided

5. Value proposition

What is compelling about the propositions? Why do customers buy or use our solution? (The value proposition should be linked to each customer segment found. You can also use the 'value proposition template' to aid in defining the value proposition) It seeks to solve customer problems and satisfy customer needs with value propositions.

6.

Channels Value propositions are delivered to customers through communication, distribution, and sales Channels.

7.

Customer relationships

How do we interact with the customer during their journey? What customer relationships are established and maintained with each Customer Segment

8.

Key activities

What uniquely strategic things does the business do to deliver its proposition?

9.

Key resources

What unique strategic assets must the business have to compete? Key resources are often linked to key activities – what resources are needed to conduct a specific activity. Try to be as specific as you can.

10.

Key partnerships

What Activities and Resources are important but not aligned with what's uniquely strategy for you? What's outside of your business type? Could partners do some of those? Why? Which? Key partners maybe or maybe not mapped with key activities because as you iterate and refine the canvas unexpected partnerships may come to light.

Business Model Canvas

Walkthrough (cont.)

1. Revenue streams & Cost structure

This one and the cost structure really depends on how far you want to go. You can identify main drivers of revenue / cost for instance or go as to developing an actual business plan. Start by going through the infrastructure blocks to identify cost drivers and go through the customer blocks to find potential revenue streams. Once you have both cost and revenue structures, put numbers to them and estimate costs and revenues. Understand your audience's capabilities and adjust to whatever is going to be more fruitful for the session's objectives.

2. Iterate & Refine

Don't just stop at the first result. The canvas is great for uncovering different solutions that can later be explored. Search for missing information and try to fill the gaps. Keep asking questions to ascertain whether the proposition stands on its own. Challenge the canvas by defining constraints on resources, partners, etc. Compare, discuss and refine the model.



DOs, DON'Ts & BE AWARE

- ✓ Compare to competition, market, and trends: The business model also needs to be analyzed and challenged with respect to competition, market forces, industry forces, and future trends.
- ! Rule of thumb: if you cannot fit any more sticky notes into one of the boxes, your discussion is already too detailed.