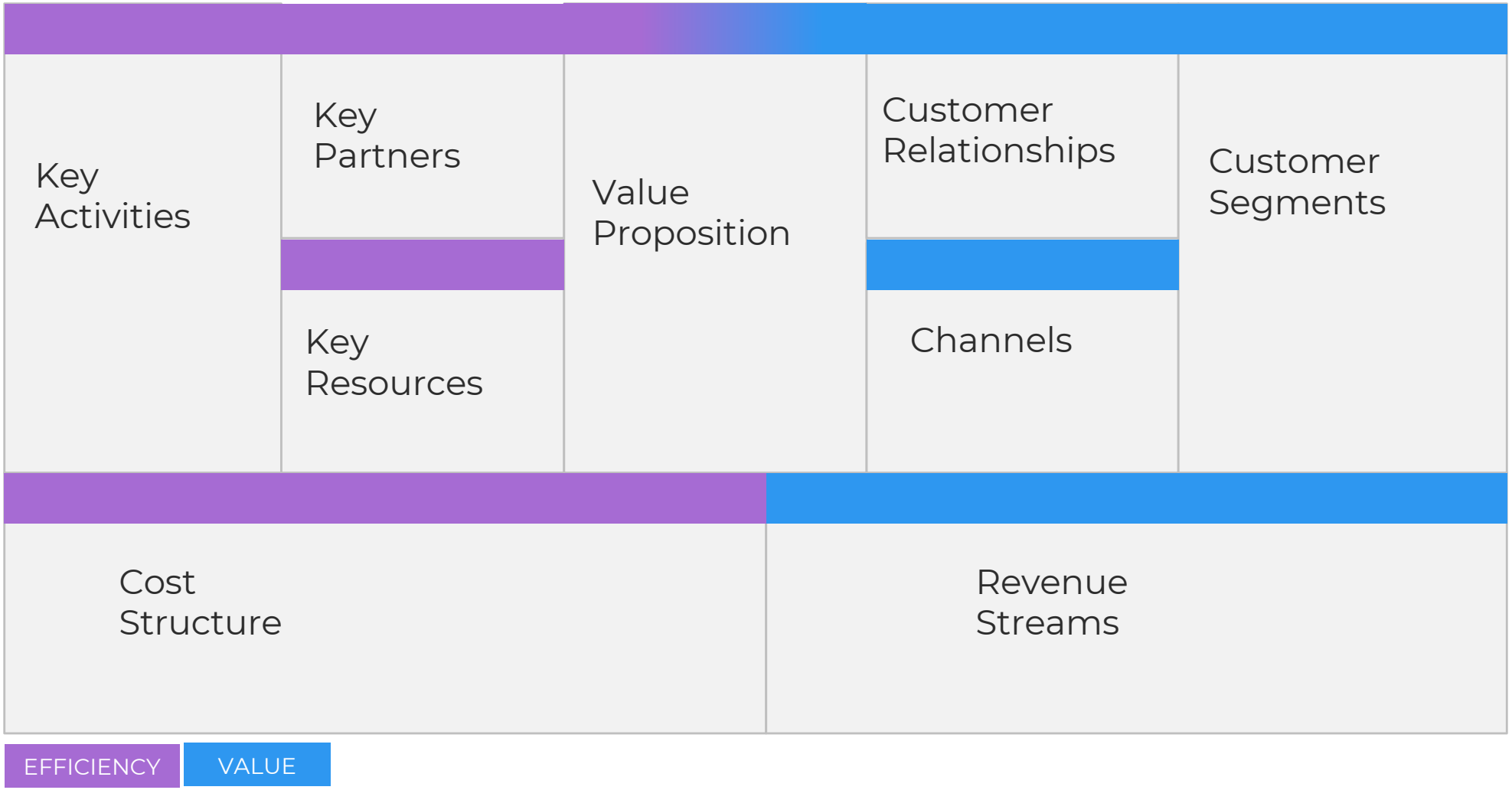
Business model canvas

Business model canvas

What?	Why?	How?	Example & Assignment

Business model Canvas



Business model canvas

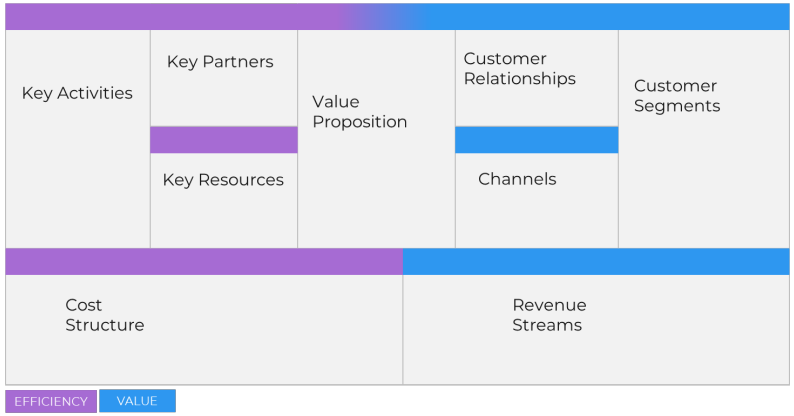
Made up of nine building blocks showing the logic of how a company intends to deliver value and make money.

Focus: Stripping away the 40+ pages of ‘stuff’ in a traditional business plan

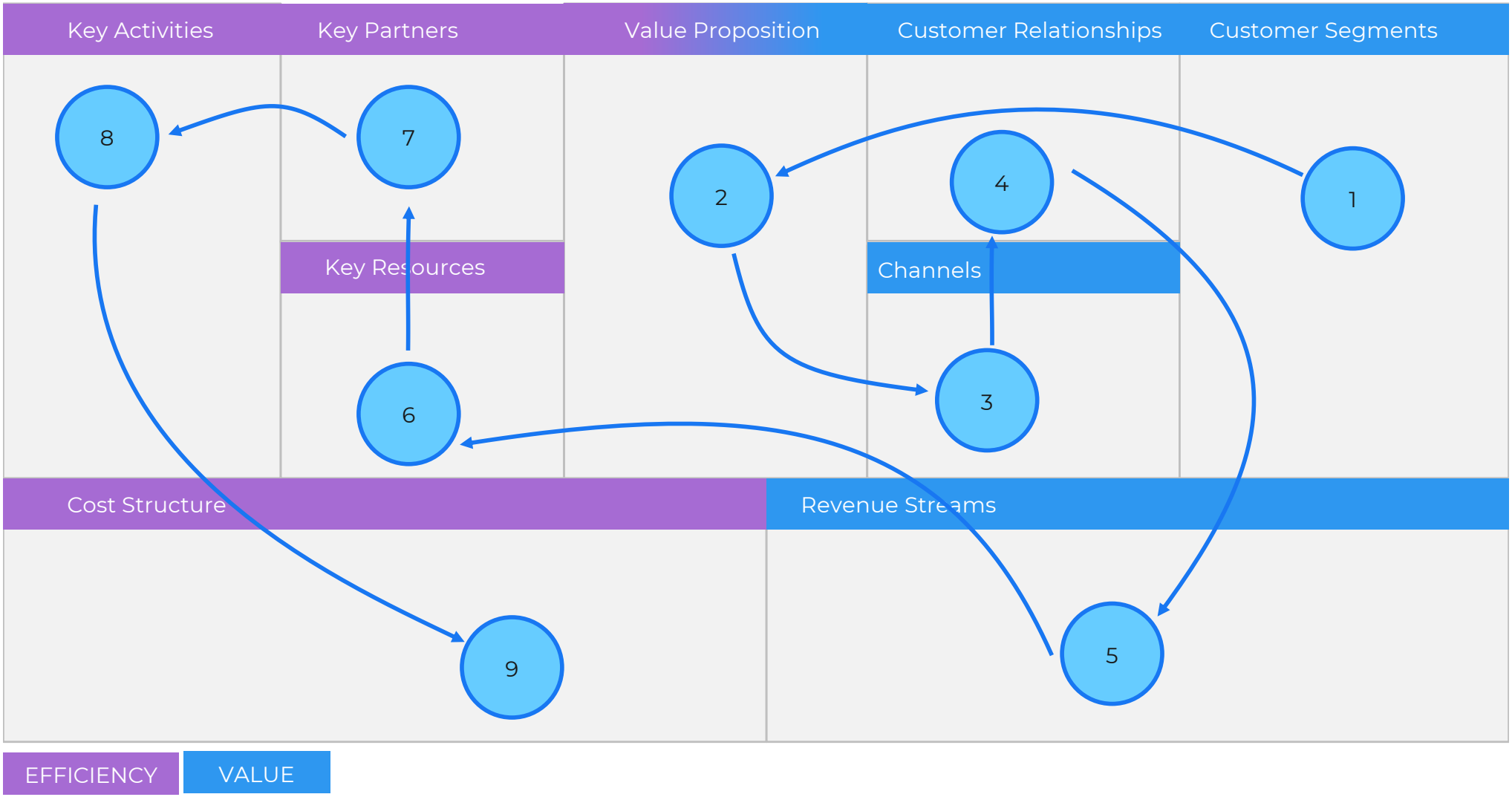
Fast - Instead of taking weeks or months, you can outline multiple business models in an afternoon.

Flexibility: It’s a lot easier to tweak the model and try things (from a planning perspective) on a single page.

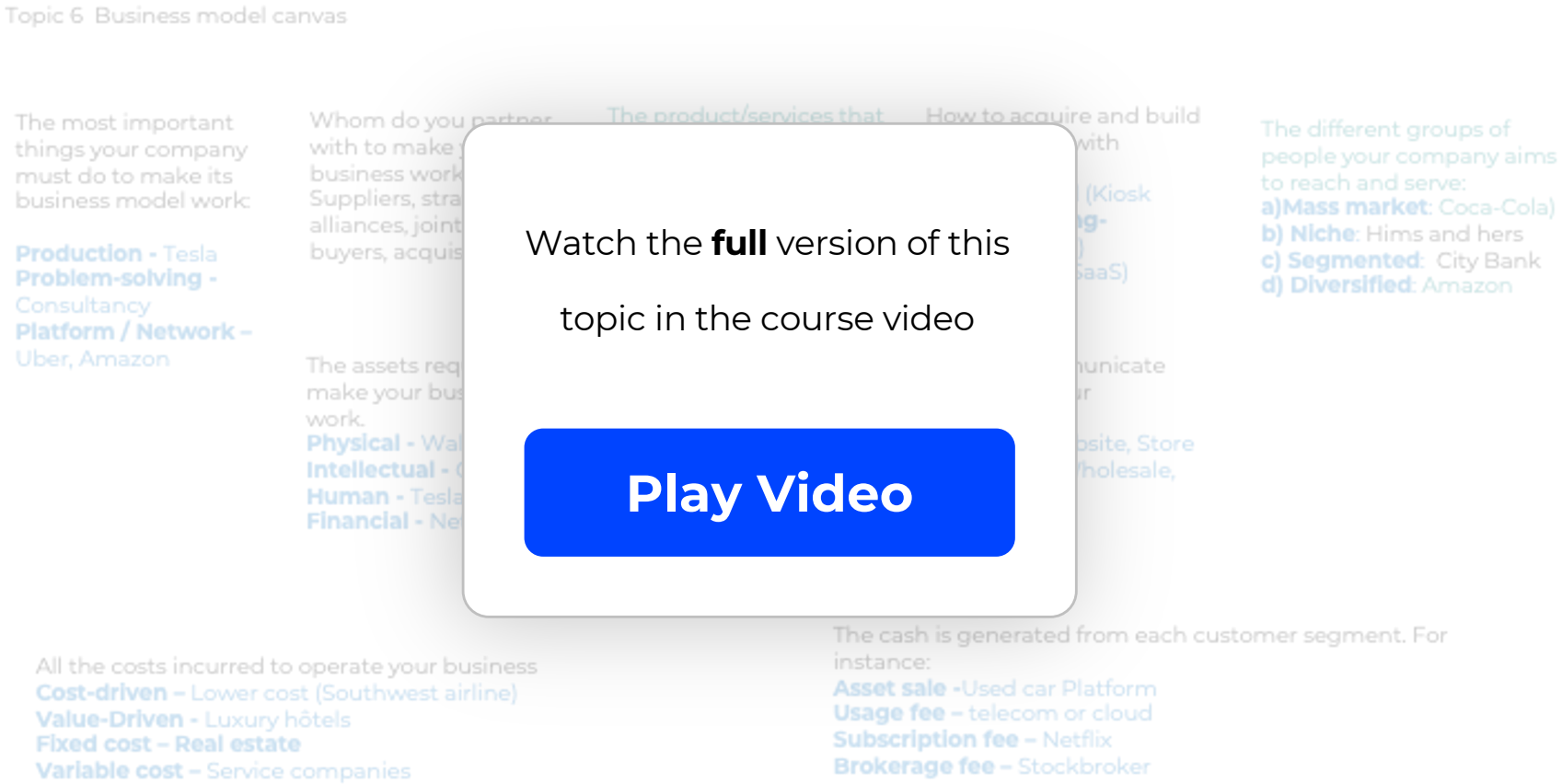
Transparency: Your team will have a much easier time understanding your business model laid out on a single page.



Topic 6 Business model canvas



Topic 6 Business model canvas



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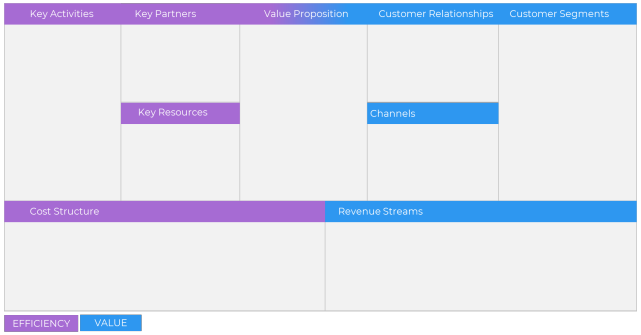
Components of a Business Model Canvas

Customers segmentation is done based on their needs, behaviours, social and demographic profile, interests, and motivations.

Value Proposition - How uniquely do you bundle your product and service to create value for a specific customer segment

Channels describe how a company communicates with and reaches its Customer Segments.

Customer Relationships describe the types of relationships a company establishes with specific Customer Segments.



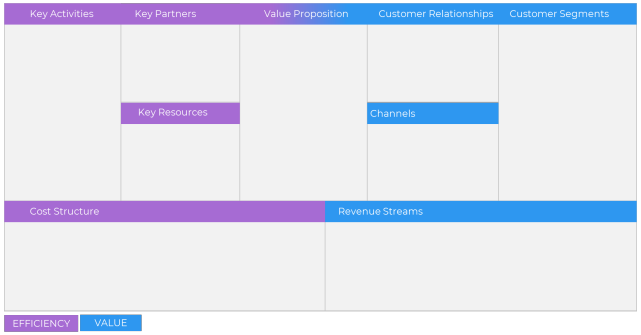
Components of a Business Model Canvas

Key Partnerships describe the network of suppliers and partners that make the business model work.

Key Activities are the most important actions a company must take to operate successfully.

Revenue Streams - If customers are the heart of a business model, Revenue Streams are its arteries. It represents the cash a company generates from each Customer Segment.

Cost Structure describes all costs incurred to operate a business model.



UBER Business model canvas

The nine blocks cover the three main areas of a business: desirability, viability, and feasibility.
It’s a blueprint for implementing a strategy through organizational structures, processes, and systems.

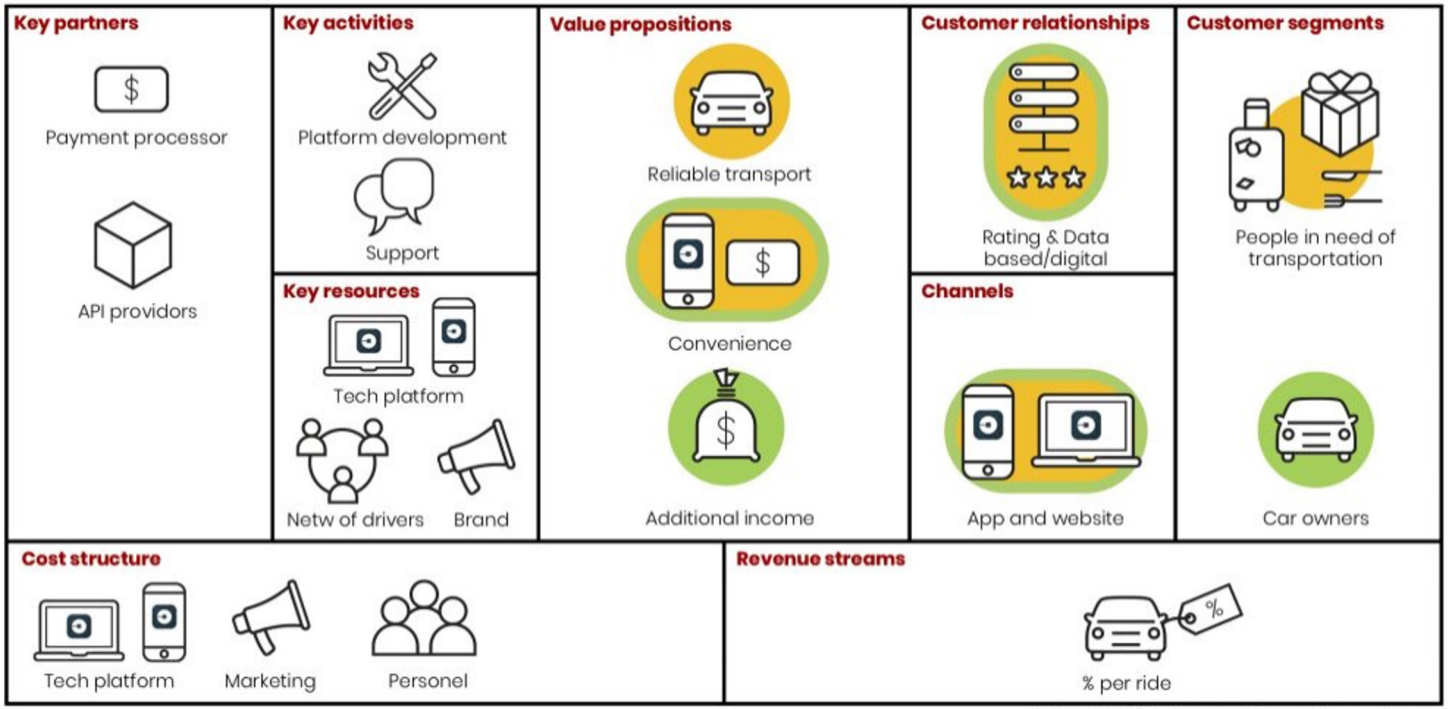
Desirability
The Value Proposition's Building Block describes if the products and services create values or not.

Viability – The Revenue Streams Building Block represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings).

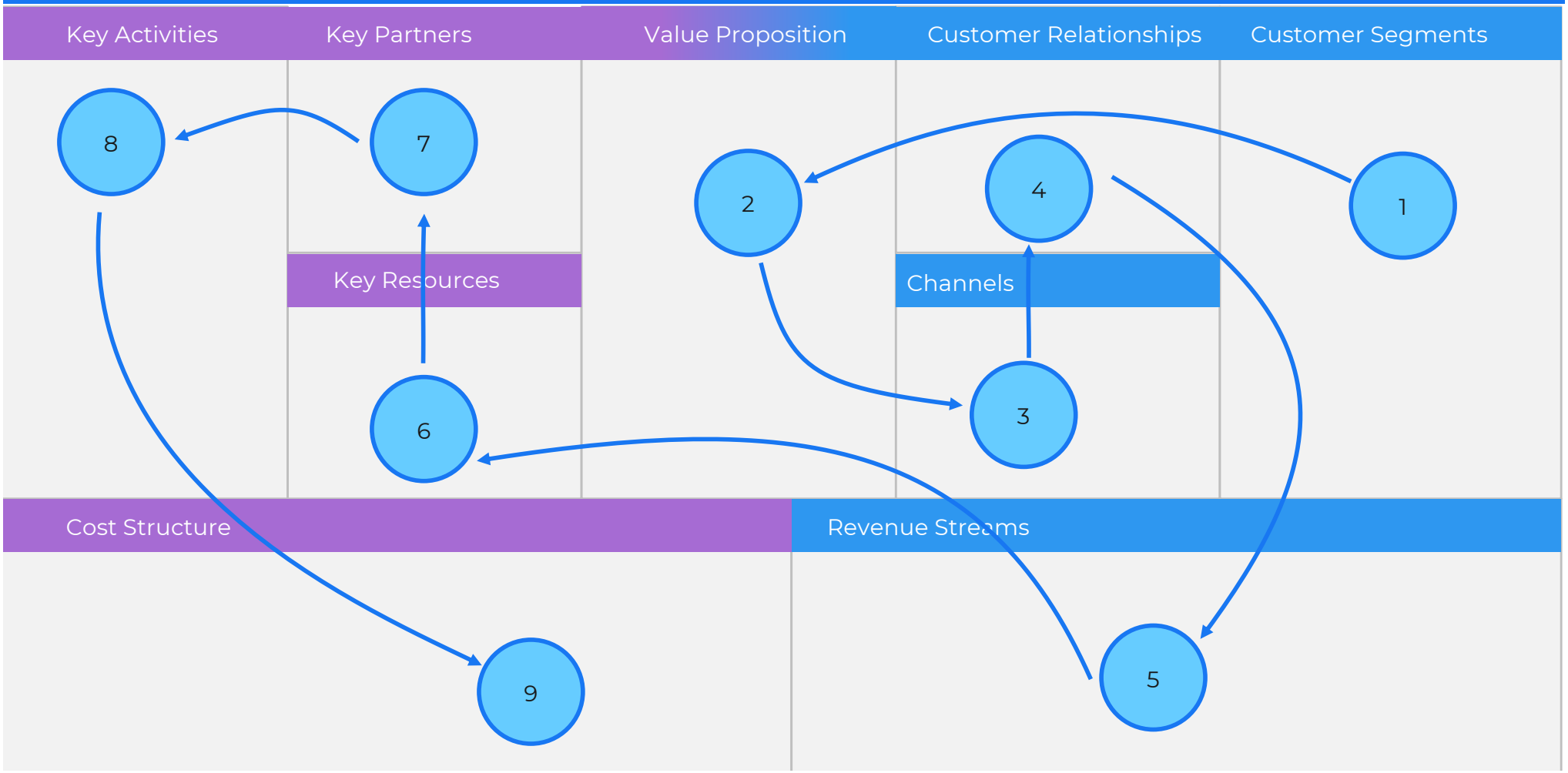
Revenue >Cost = Profit

Feasibility
Help you understand whether you have enough resources to deliver the values to the customer.

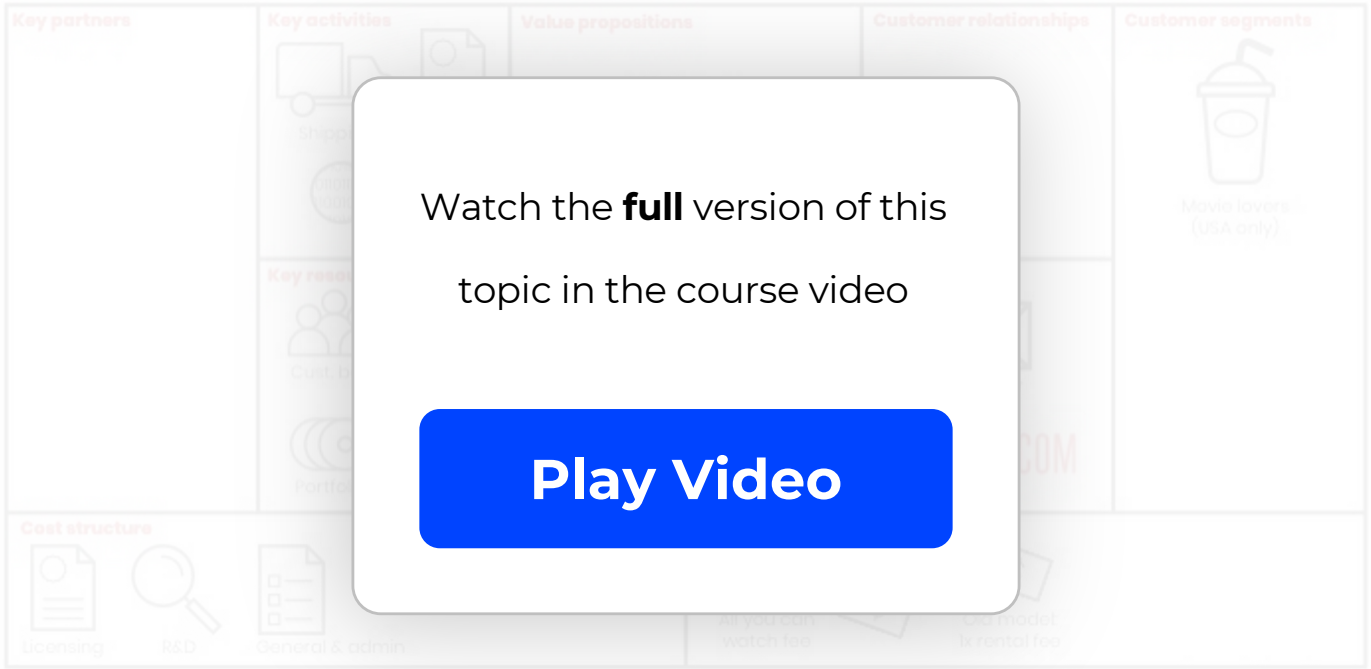
UBER Business model canvas



Assignment - Netflix Business model canvas



Netflix Business model canvas



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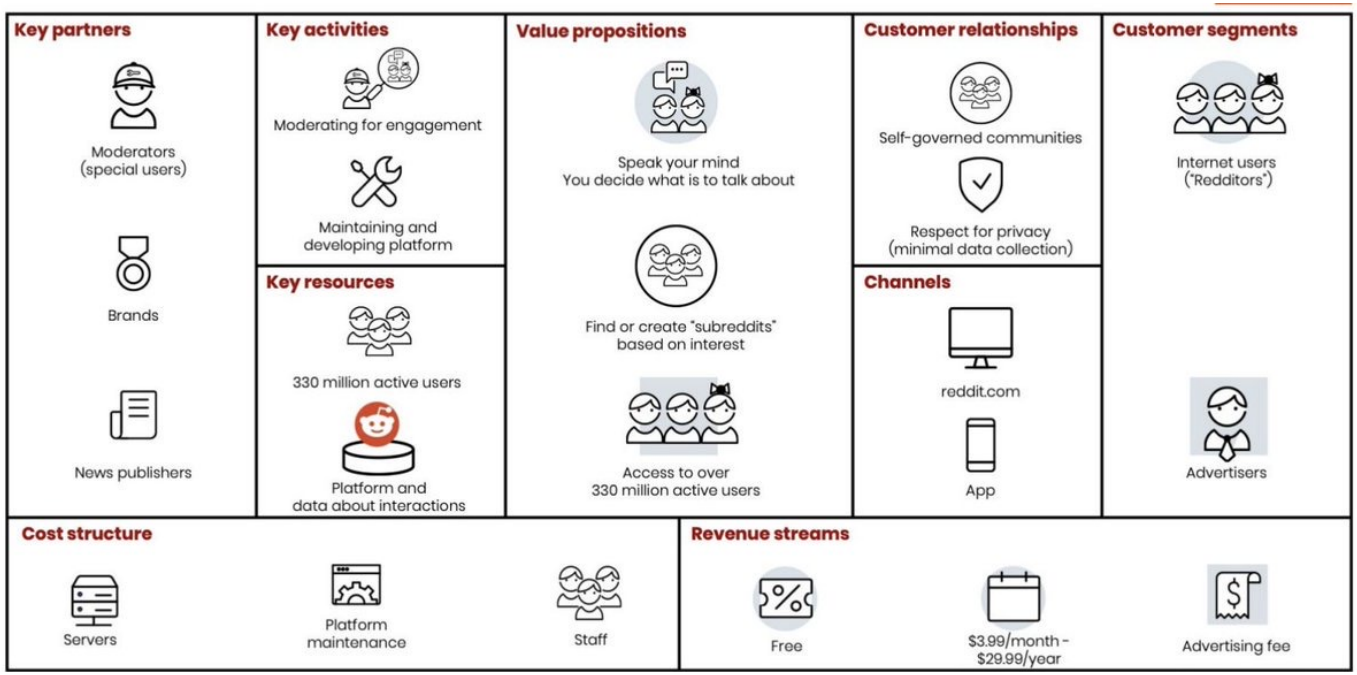
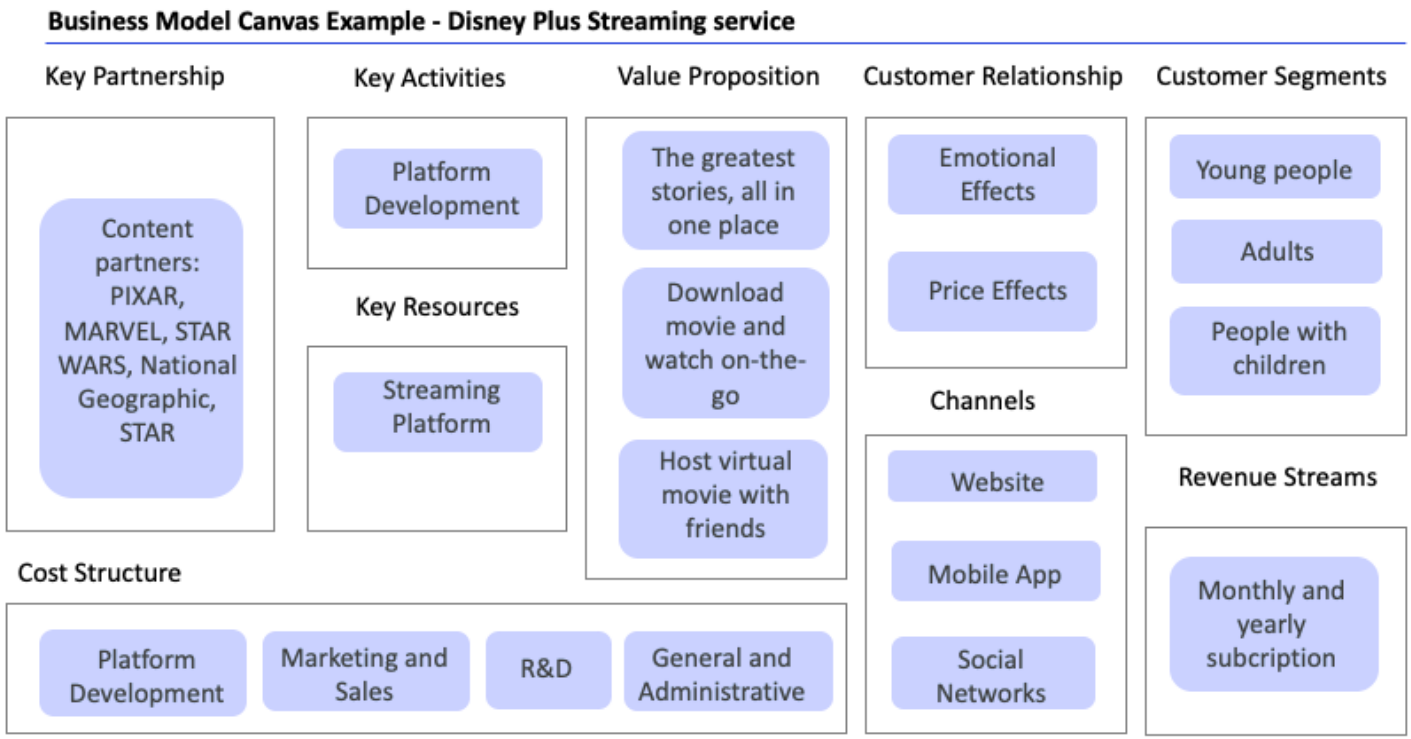
Reddit Business model canvas

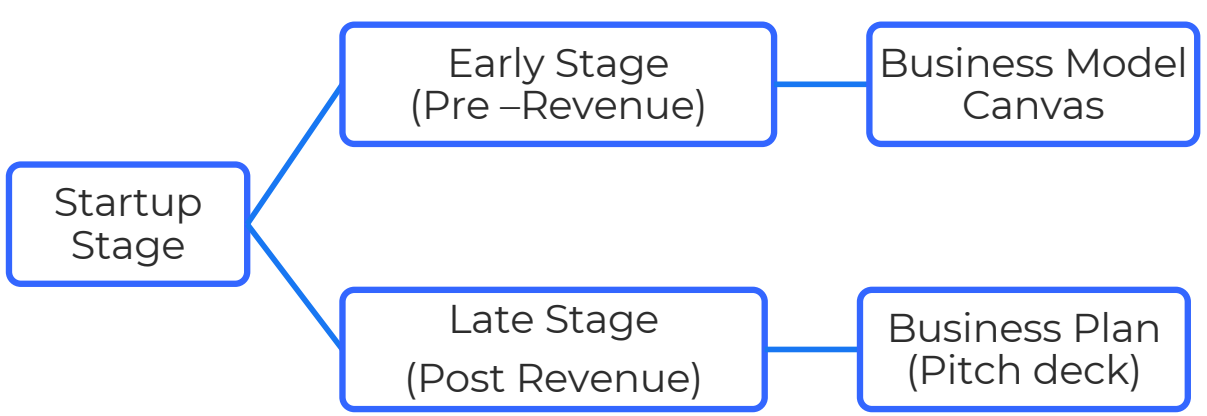


Business model canvas: Disney Plus



Business Model Canvas vs Business Plan

Well the choice depends on the stage of your Startup



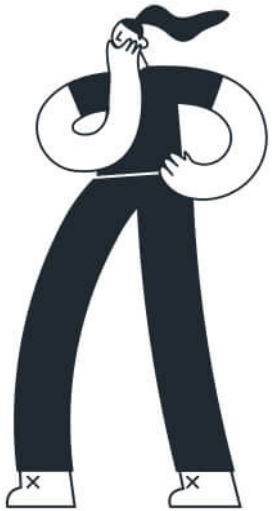
If you are in idea testing or product iteration mode

Good for external stakeholder to analyse your business

31 Types of Business Model

4 Questions to Answer Before Choosing a Business Model

1. Who is my customer?
2. What's the domain of my business?
3. How is my business different from the competitors?
4. What value do I bring to my customers?



4 Steps To Choose The Best Business Model For Your Startup

Step 1. Whose Problem Are You Solving?
Step 2. Analyse Your Competitors
Step 3. Make A Lean Canvas
Step 4. Choose Your Business Model

Step 1. Whose Problem Are You Solving?

Step 1. Whose Problem Are You Solving?
Firstly, identify who the final customer of your product/service is:

B2B (Business to Business) – an entrepreneur, not a private person. In this case, you work for the same company as you are. Classic examples of B2B models are software development companies, or web design agencies, outsourcing companies.
Examples: Microsoft Teams, Slack, Plai.

B2C (Business to Customer) – promoting the product and services to individual customers. Vivid examples of such models are online shops, where people buy products, mobile apps, and games for daily life usage.
Examples: Netflix, Hulu, Dollar Shave Club.

C2C (Customer-to-customer) – such platforms work as a connecting space for customers to provide products or services to each other. On such platforms, the peers are equal, interacting for economic benefits. This model is also called the “sharing economy”.
Examples: eBay, Uber, Horizon.

Step 2. Analyse Your Competitors

You cannot make a statement on the market niche unless you know your competition. So take time to look at the leading game setters in the niche:

- Whom are they targeting?
- Which monetization model do they use?
- What's the added value?

Step 3. Make A Lean Canvas

Step 3. Make A Lean Canvas
Business Model Canvas is an instrument that helps gather all your business elements in one scheme. The template usually includes nine blocks, each one dedicated to a specific direction of business processes:

Problem – what's the problem of each segment of users that you will be working with?

Consumers' Segment: to whom are you bringing value? Who's your most important client?

Value Proposition: what's the consumer's problem are you solving? What value are you bringing to the client?

Channels of communication: How do you communicate with the consumers? How do you communicate your value proposition to them?

Customer relations: How do you interact with a consumer? Directly or via a personal manager? Or via self-service?

Step 3. Make A Lean Canvas

Customer relations. How do you interact with a consumer? Directly or via a personal manager? Or via self-service?

Revenue Streams. For which value will the customer pay? How are you going to monetize your project?

Key resources. What do you need to bring your product to market? Or communicate the product's value to the consumer? These are resources, and they can be financial, material, intellectual, etc.

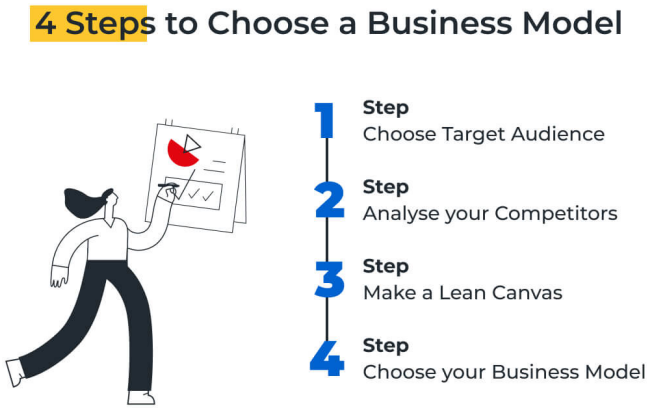
Key action steps. What does it take to make the business work? It can be production, distribution, solution search for an individual client, etc.

Key partners – are those stakeholders who make your business possible: suppliers integrated services.

Expenses – which expenses are necessary to make your business work.
Unfair advantage – think about what the value is that you can have and others cannot buy.

Step 4. Choose Your Business Model

Finally, we have arrived at the main point of this algorithm – the choice of the business model. This choice depends on a variety of factors that we have discussed before. Depending on your Business Model Canvas and the answers you will give to the questions above, you should choose the type of monetization model that suits your business best.



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