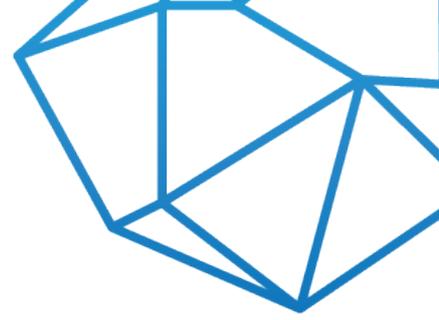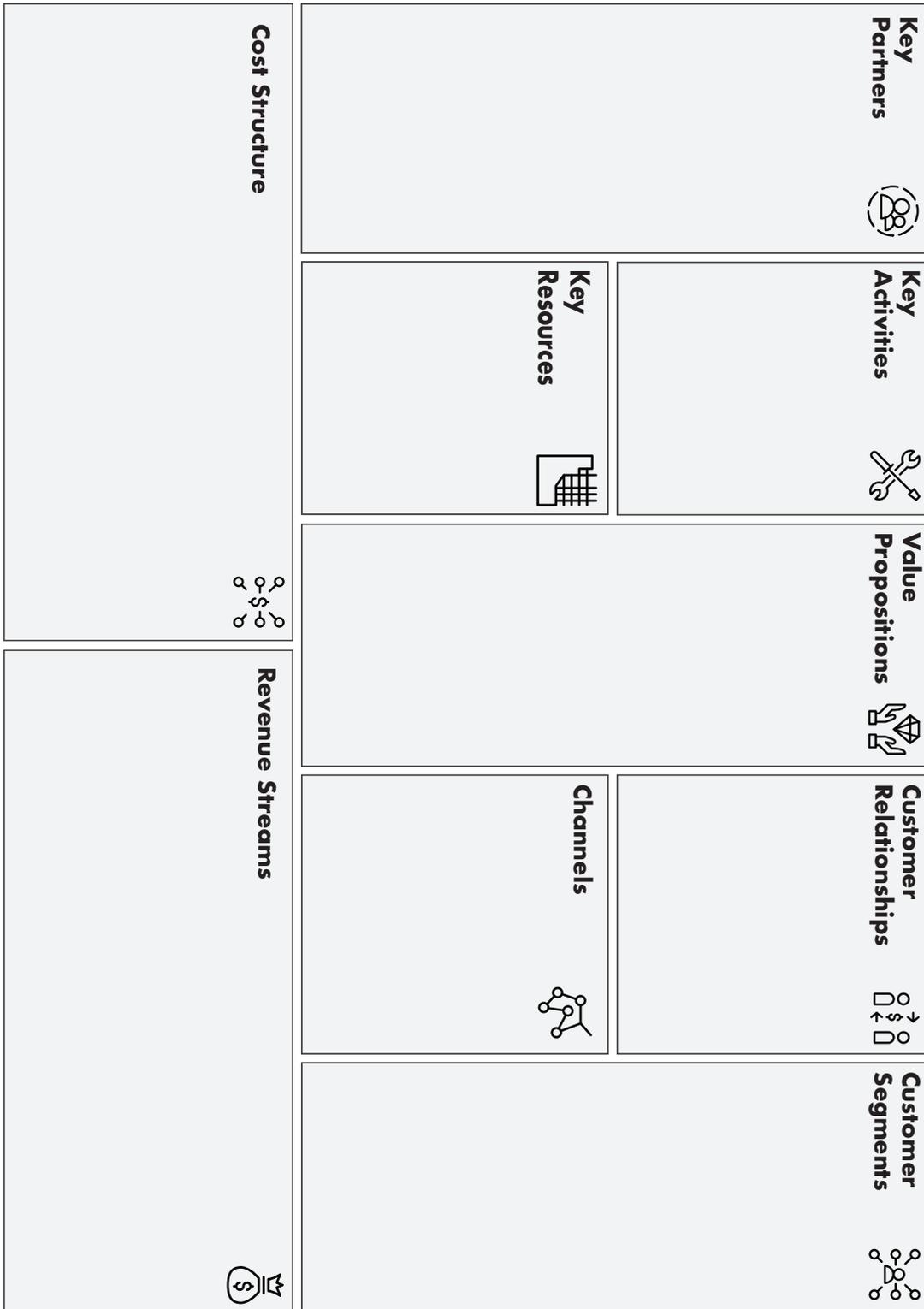# BUSINESS MODEL CANVAS
TOOL

The Business Model Canvas is a framework to help you plan your business model while addressing the needs of all of your customer segments.

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

BUSINESS MODEL CANVAS
TOOL

Time: 30 minutes

People: 1+ people

Complexity: Intermediate

Materials: Pens, print-outs of tool

The value business model canvas was developed by Alex Osterwalder. It provides a visual template to help design a viable, desirable business model that addresses your customer's needs.

WHY USE THE BUSINESS MODEL CANVAS?

Developing a strong business model depends on how closely you can match your offering to your customer's requirements (their jobs to be done, pains and gains) It helps to ensure that your offering is desirable, viable and feasible. The business model canvas helps you to visually plan and ensure you are not offering products, services or features that your customer doesn't want.

HOW TO USE THE BUSINESS MODEL CANVAS

Complete the canvas with your business model as it is today. Then populate it in line with your vision for 3 years from now. Use the example on page 3 of this document for guidance.

1	Print this document (A3 ideally)
2	Get together with your team
3	Start with the Value Proposition box in the blue section. Define your value proposition for each of your customer segments and how it addresses and meets their:

    a. Jobs to be done (tasks and problems to solve)

    b. Pains (frustrations and risks)

    c. Gains (positive outcomes & benefits from completing their 'jobs to be done')

4	Fill in the remaining boxes on the right-side (Customer Relationships, Customer Segments and Channels) these sections give you the elements that assess the desirability of your offering. Do your customers want it?
5	Fill in the boxes on the left-side (Key Partners, Activities, Resources and Value Proposition) to work out if your model is feasible. Is it feasible?
6	Fill in the bottom two boxes – Cost Structure and Revenue Streams – these will ensure the viability of your offerings – a sanity check. Is it viable?
7	Finally, consider how you could validate or invalidate your assumptions using experiments. Could you build and test a prototype? Or test interest online using landing pages?

BUSINESS MODEL CANVAS
EXAMPLE

Key Partners

- Partners
- Suppliers
- Resources you use from partners
- Activities performed by partners

Key Activities

- Activities required by your value propositions
- Geographies
- Client relationships
- Revenue streams

Key Resources

- Resources required by your value propositions
- Distribution channels
- Customer relationships
- Revenue streams

Value Propositions

- What value do you deliver to your customer?
- Customer problems you are helping to solve
- Services offered
- Customer needs you are satisfying

Characteristics

- Newness
- Performance
- Customisation
- Getting the job done
- Brand / status
- Price / cost reduction
- Risk reduction
- Accessibility
- Convenience / usability

Customer Relationships

- Expected customer - client relationships
- Which are established?
- How do they fit with the rest of your business model?
- How costly are they?

Channels

- Which channels are your customer using?
- Which do they want to communicate with you on?
- How best to reach them?
- Which are cost effective?

Customer Segments

- How many groups do your different types of customers fit into?
- Who are you creating value for?
- Who are your most important customers?

Cost Structure

- Key costs in your business model
- Most costly key resources
- Most costly key activities

Revenue Streams

- What do customers most value?
- What are they willing to pay?
- What are they currently paying?
- How are they currently paying?
- How would they like to pay?
- How much does each revenue stream contribute to your overall revenue?