



ICT ENTREPRENEUR



*“One becomes an entrepreneur
not by birth but by education
as well as by experience”*

Volkmann 2004



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ICT
ENTREPRENEUR

MODULE 6: BUSINESS MODEL CANVAS



MAIN CONTENTS OF THE UNIT



1. Business Model and the Value Proposition

2. Other components of BMC

2.1. Customer Segments and Channels

2.2. Customer Relationships

2.3. Revenue Streams

2.4. Key Activities

2.5. Key Resources

2.6. Key Partners

2.7. Cost Structure

3. Lean Canvas

4. Market Needs

BUSINESS MODEL CANVAS AND THE VALUE PROPOSITION

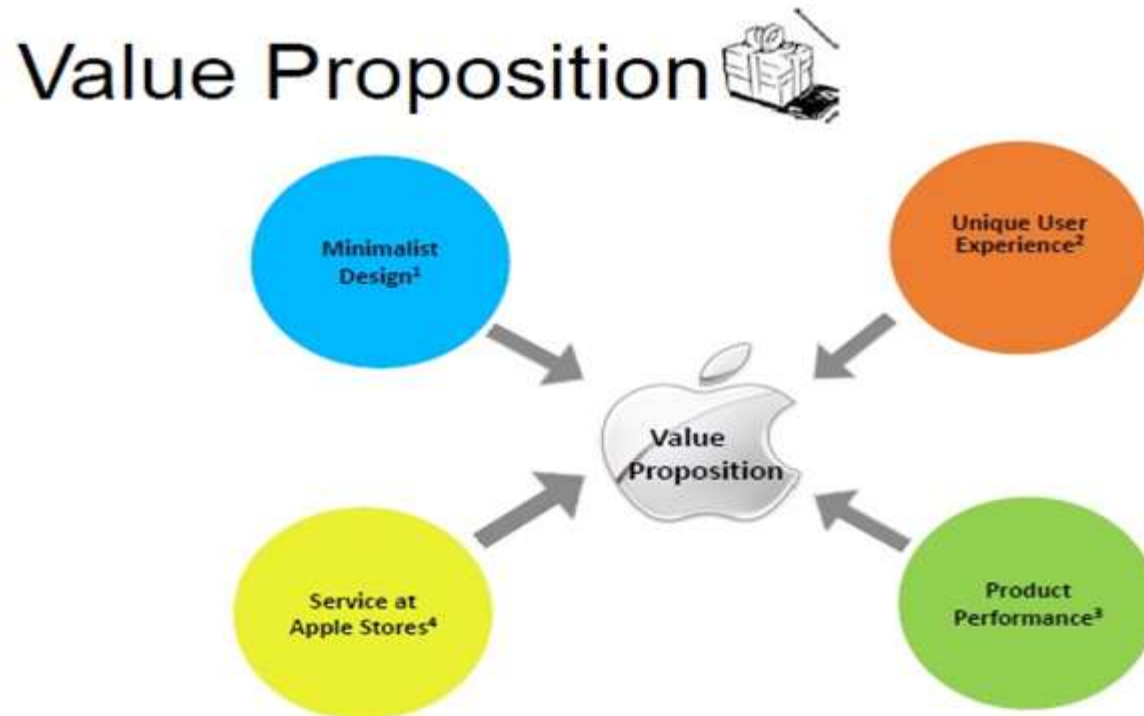


1. BUSINESS MODEL CANVAS AND THE VALUE PROPOSITION

- The Business Plan shows many components and interactions
- BP considers the atmosphere something stable when it is not
- Business Model Canvas is a shorter, but effective, version of BP
- Everything in business surrounds the Value Proposition
- The Value Proposition must meet clients' needs

BUSINESS MODEL AND THE VALUE PROPOSITION

EXAMPLE OF VALUE PROPOSITION (APPLE)

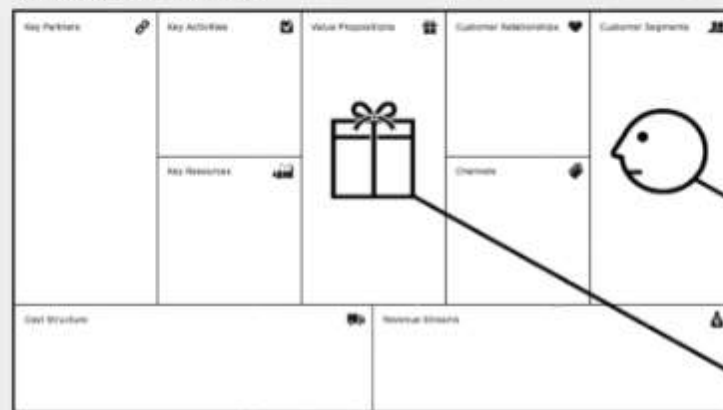


Sources: ¹Burrows & Satariano, (2012); ²Osterwalder & Pigneur (2009); ³Apple Inc. (2014); ⁴Apple Inc. (2014);

BUSINESS MODEL AND THE VALUE PROPOSITION

Business model & value proposition

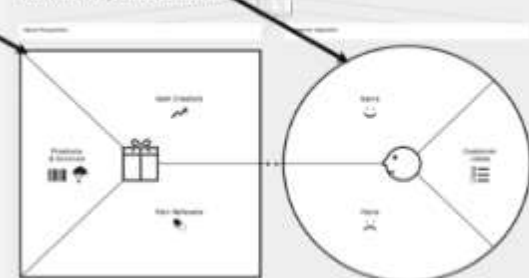
The Business Model Canvas



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The Value Proposition Canvas



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BUSINESS MODEL AND THE VALUE PROPOSITION



THE CANVAS


Key partnerships	Key activities	Value propositions	Customer relationships	Customer segments
	Key resources		Channels	
Cost structure			Revenue streams	

BUSINESS MODEL CANVAS





OUR COMMON LANGUAGE!


Key Partners 


Key Activities 


Value Proposition 


Customer Relationships 

Customer Segments 

Key Resources 

Channels 

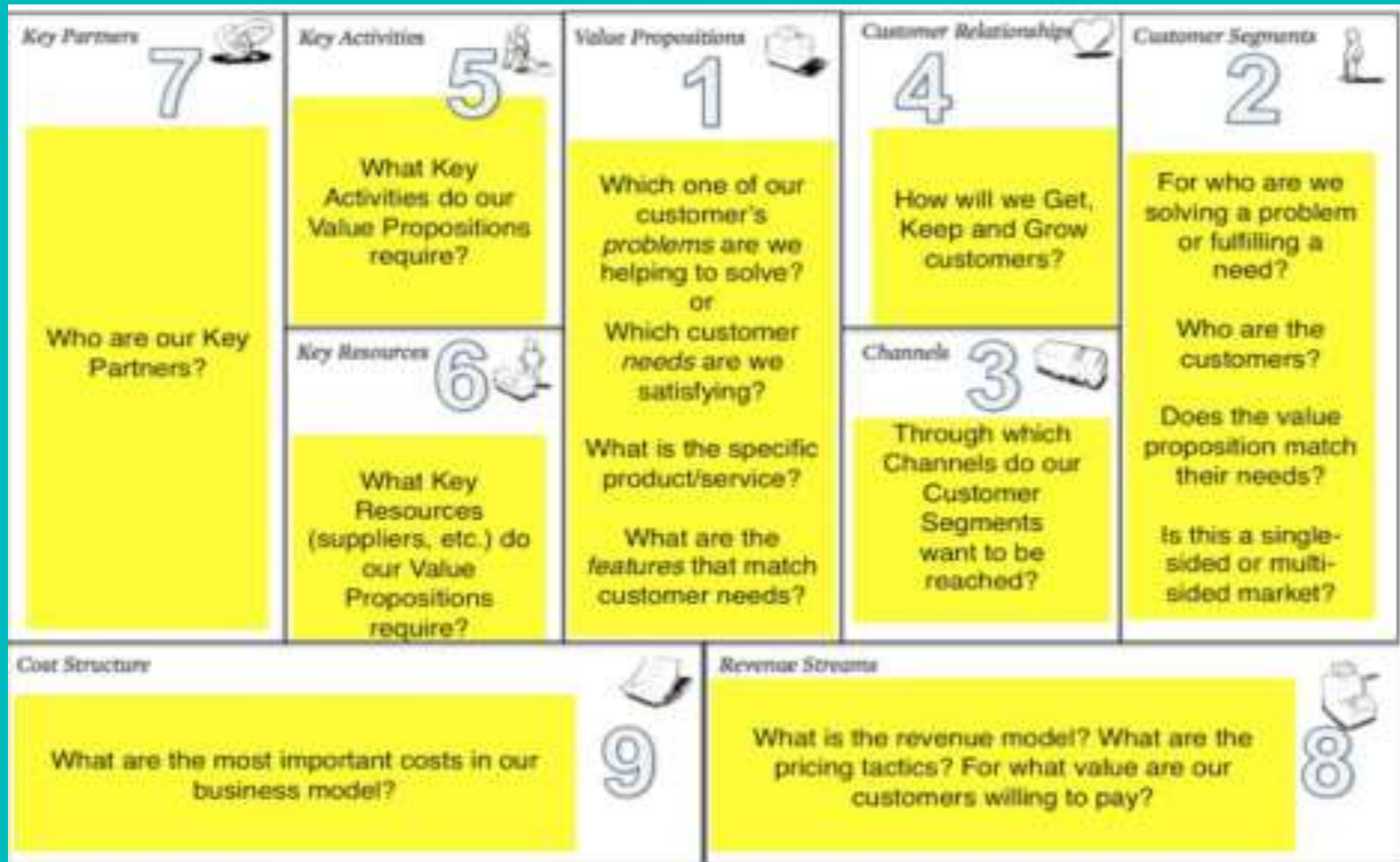
Cost Structure 

Revenue Streams 

THE BUSINESS MODEL CANVAS

A business model canvas is to
strategic planning
what an excel spreadsheet
is to financial planning

BMC COMPONENTS AND GUIDING QUESTIONS



OTHER COMPONENTS OF CANVAS MODEL



2. OTHER COMPONENTS OF CANVAS MODEL

2.1. Customer Segments and Channels

- Every organization aims to meet some people's need
- Customers who share a need that they can afford make a segment
- Businesses work matching Value Proposition to Customer Segment
- Business Model must determine both
- All the customers segments can be classified in different groups

OTHER COMPONENTS OF CANVAS MODEL



Kinds of Customer Segments:

1. Mass Market.- The whole population are potential customers
2. Niche Market.- Selected group of people are potential customers
3. Segmented.- Different groups inside one customer segment
4. Diversify.- The business aims to multiple customer segments
5. Multi-Sided Platform/Market.- Aiming to both sides of a relationship

OTHER COMPONENTS OF CANVAS MODEL



Example: Segmentation Strategies used by Apple and Samsung

http://prezi.com/635kt-vpajlq/?utm_campaign=share&utm_medium=copy&rc=ex0share

Both strategies are effective in their own right. However, recently Apple has been losing out on sales to Samsung, due to its narrow product line, premium image, and focus on bringing out one product at a time. But then this is the differentiation between Samsung and Apple.

OTHER COMPONENTS OF CANVAS MODEL



Channel is what the company uses to deliver its Value Proposition

It is also used to liaise with customers in order to get feedback.

It consists of three different phases:

- Marketing
- Sales
- Distribution

OTHER COMPONENTS OF CANVAS MODEL



The channel must be rapid, efficient and cost effective

The channel must be tailored to convenience the end-user

In terms of property, there are:

- own channels, partner channels or a mix

In terms of presence, they can be:

- physical channels or web/mobile channels

OTHER COMPONENTS OF CANVAS MODEL



2.2. Customers Relationships

The relationship with a customer consists mainly of three phases:

- acquisition
- retention
- upselling

OTHER COMPONENTS OF CANVAS MODEL



There are six different kinds of relationships business-customer

1. Personal Assistance.- A business representative (BR) assists customers
2. Dedicated Personal Assistance.- BR for special set of customers
3. Self Service.- Customers choose and take what they want
4. Automated Services.- Offer based on clients' previous preferences
5. Communities.- Coordinated group of people helps business with offer
6. Co-creation.- The customers help in setting up the business' offer

OTHER COMPONENTS OF CANVAS MODEL



CUSTOMER RELATIONSHIP MANAGER (CRM)

<https://www.youtube.com/watch?v=wJ63PqPIjcM>

Even the Personal Assistance needs a good tool to manage customers relationships.

OTHER COMPONENTS OF CANVAS MODEL



2.3.Revenue Streams

A company makes income from 7 different ways

1. Asset Sale.- Transferring the ownership of a physical good
2. Lending/Leasing/Renting.- Selling exclusive right to an asset for a time
3. Subscription Fees.- Charging a service that is permanently offered
4. Usage Fee.- Charging the use of a particular service

OTHER COMPONENTS OF CANVAS MODEL



- 5.Licensing.- Charging the use of protected intellectual property
- 6.Brokerage Fees.- Charging intermediation seller-buyer
- 7.Advertising.-Charging fees for helping others in advertising

OTHER COMPONENTS OF CANVAS MODEL



Example: Twitter Revenue Streams

- Licensing Data Streams
- Promoted Accounts
- Promoted Tweets
- Analytics

OTHER COMPONENTS OF CANVAS MODEL



2.4.Key Activities

The activities that make a business survive

A business must identify them and include them on the business model

These main activities must be classified in one of the following groups:

1.Production

2.Problem-solving

3.Platform/network

OTHER COMPONENTS OF CANVAS MODEL



1. Production - Designing, creating and delivering a physical good

It requires a lot of investment and focused on value proposition

Key activities (some of the following):

- Control of production and manufacturing
- Website management, online orders and product distribution
- Branding strategy
- Marketing and product promotion
- Product and packaging design

OTHER COMPONENTS OF CANVAS MODEL



2.Problem-solving.- To solve others' problems

It needs a huge knowledge in management and must learn permanently

There are many different problems to solve

Example: Computer Service Provider s.a.r.l.

<http://www.cspro-lb.com/default.htm>

OTHER COMPONENTS OF CANVAS MODEL



3. Platform/network

- When a platform is a key resource in a business
- Its key activities are related to that platform and to network in general
- It requires branding and software are also important activities

OTHER COMPONENTS OF CANVAS MODEL



2.5.Key Resources

The resources every business needs to create value for its customers

They can be owned, leased or provided by the partners of the company

There are mainly four kinds of key resources:

- 1.Physical resources
- 2.Intellectual resources
- 3.Human resources

OTHER COMPONENTS OF CANVAS MODEL



1. Physical resources

They are equipment, buildings, furniture and other small assets

2. Intellectual resources

It includes brand, patents, IP, copyrights, and even contacts

3. Human resources

Employees are a very important resource of a company

4. Financial resources

Access to many different financial products that shows health/strength

OTHER COMPONENTS OF CANVAS MODEL



2.6.Key Partners

Every business must hold strategical alliances with partners

Forming partnerships requires the combination of certain aspects:

- Right Partnership Agreements
- Defining Expectations.-
- Impact on your clients.- It must be profitable for clients
- Win-Win situation.- They both must get profit
- Selecting partnerships.- To save time and money

OTHER COMPONENTS OF CANVAS MODEL



Example: Facebook's Key Partners

They are Content Partners:

- Tv Shows
- Movies
- Music
- News Articles

OTHER COMPONENTS OF CANVAS MODEL



2.7. Cost Structure

Monetary consequences of every operation of a business model

We can consider these ones the main kinds of cost structures:

- Cost-Driven.- When the main objective is to minimize costs
- Value-Driven.- When the company tries to offer the best value
- Fixed Costs.- Expenses don't depend on company's production level
- Variable Costs.- Expenses depend on company's production level

OTHER COMPONENTS OF CANVAS MODEL



- Economies of Scale.- Cost per unit lowers when production increases
- Economies of Scope.- Costs go down adding "connected" products

BUSINESS MODEL CANVAS



6 Ground Rules

Use sticky notes!

Rule #1
Use sticky notes on the canvas

blah
blah blah
blah blah ...

Rule #2
Just start. No *blah blah blah*



Rule #3
Start *anywhere*, and with any building block.

- Never
- Use
- Bullets

Rule #4
Never use bullet points

Too much detail is more blah blah
blah blah blah blah
blah blah blah blah

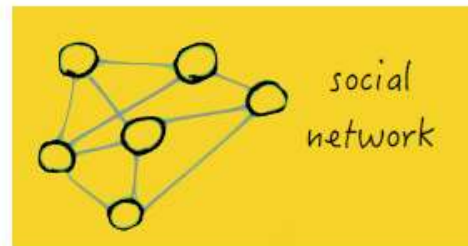
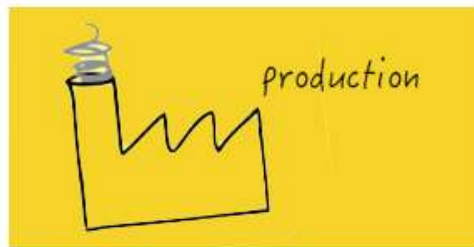
Rule #5
Avoid too much detail



Rule #6
Be precise for each building block

BUSINESS MODEL CANVAS

Use visuals as much as you can!



EXAMPLES OF BUSINESS MODELS

“App Store Model”



AMAZON BUSINESS MODEL CANVAS



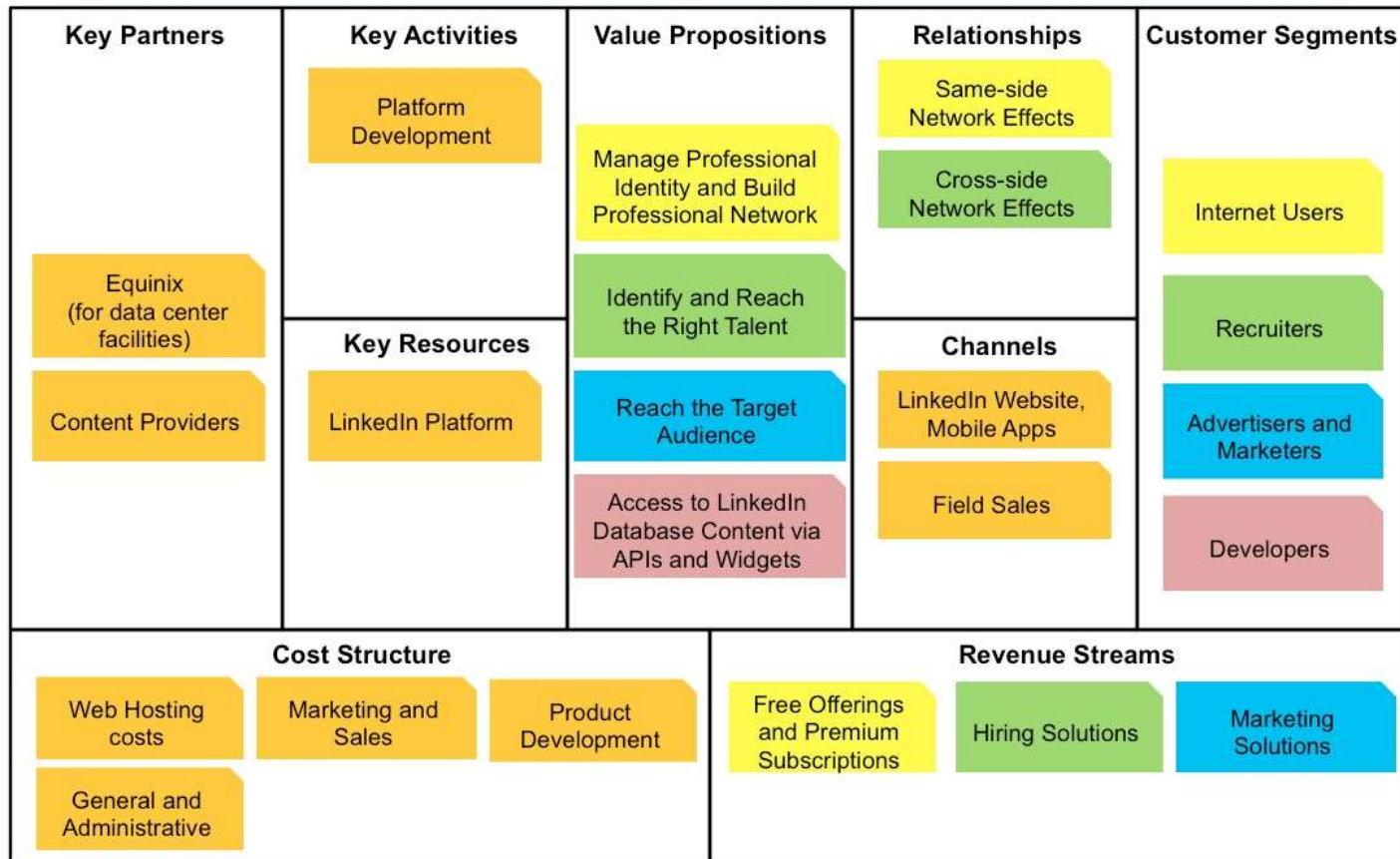
STARBUCKS BUSINESS MODEL CANVAS



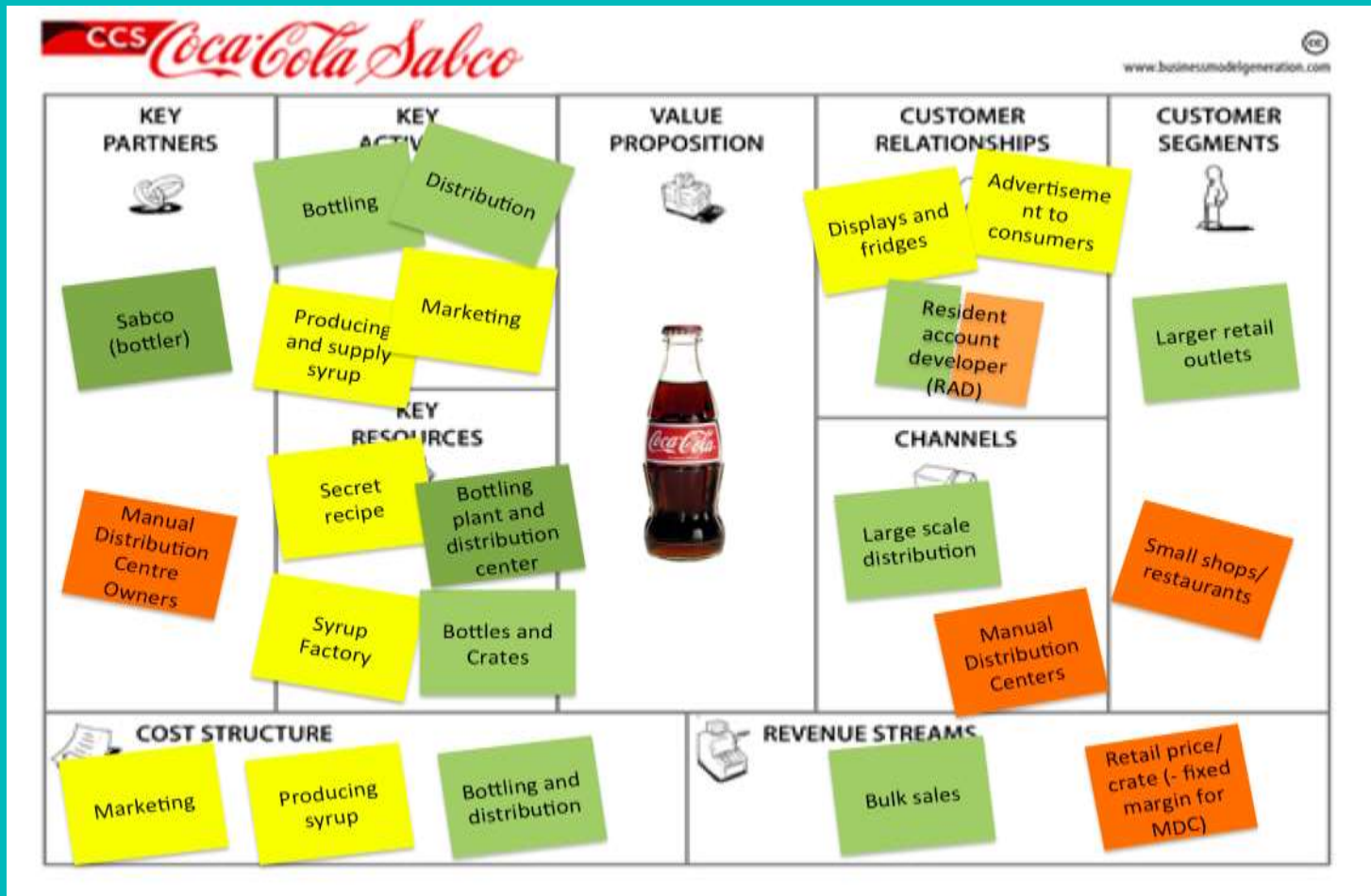
LINKEDIN BUSINESS MODEL CANVAS



LinkedIn – World's Largest Professional Network



COCA COLA BUSINESS MODEL CANVAS



PRACTICAL EXERCISE: NOW PREPARE YOUR OWN BMC!



You will each receive a printed business model canvas.

You have 45' to work with your team in preparing this.

Please remember to use sticky notes.

Follow the instructions given already.

You will then present your BMC within 2'.

Q & A session follows from the trainers and your fellow participants!

Total duration of exercise: 120'.

THANK YOU!



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