

USHCC Workshop Weekend

A BUSINESS MODEL CANVAS FOR MINORITY CHAMBERS

What is a Business Model?

discuss with your neighbor
what a business model is and
write down your **definition**

Business Model Defined

“Business Model”

“The plan implemented by a company to [generate revenue](#) and make a profit from operations. The model includes the components and functions of the business, as well as the revenues it generates and the expenses it incurs.”

- *investopedia.com*

“Describes the [rationale](#) of HOW an [organization](#) creates, delivers, and captures value”

- *Osterwalder and Pigneur*

Mission Statement

- A brief description of a company's fundamental purpose. It answers, "**Why** do we exist?"
- The mission statement articulates the company's purpose both for those in the organization and for the public.
- The mission statement should guide the actions and decision making of the organization
- It's the **goal** for what the organization wants to do for the world.

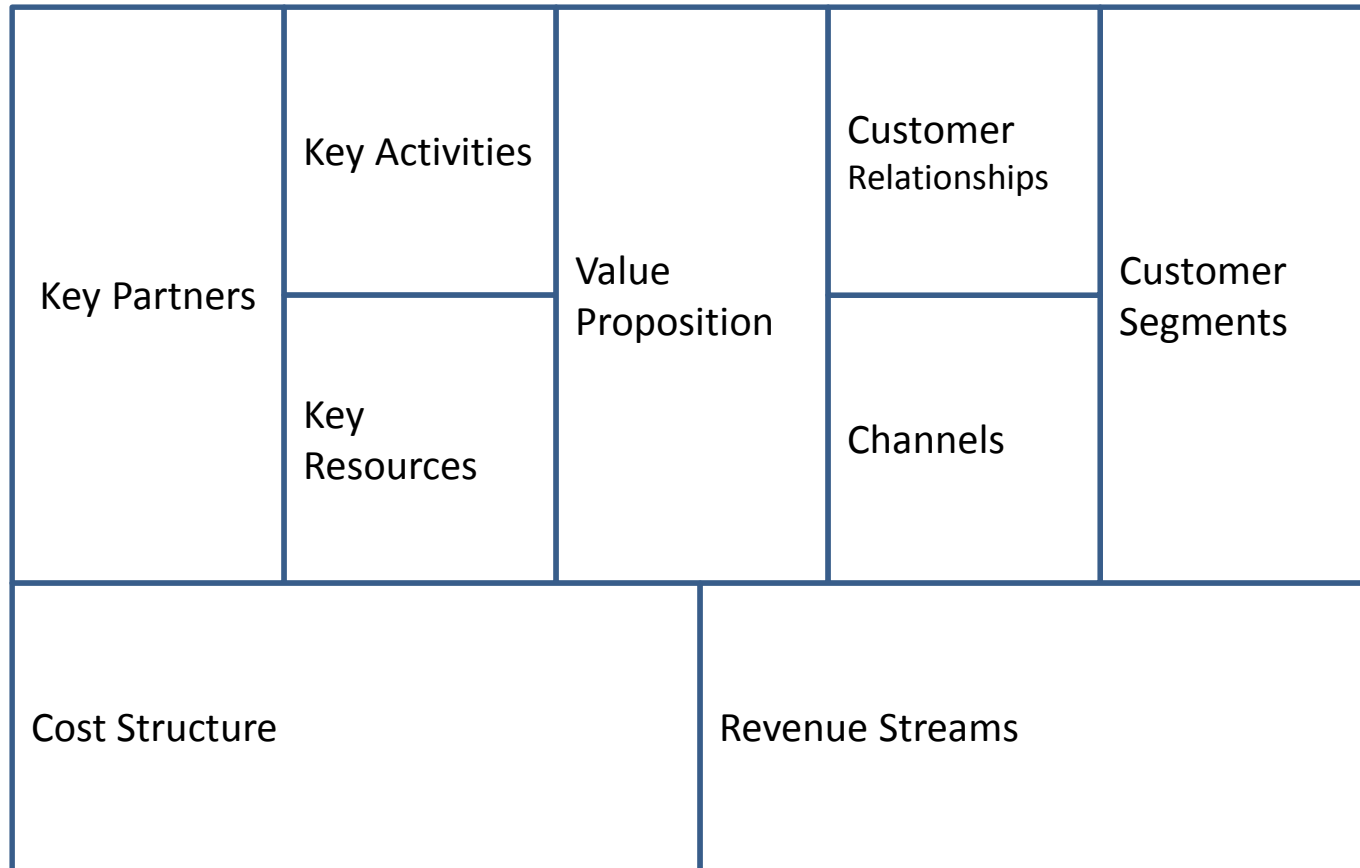
Mission vs Model

- Why vs How
- To be successful the how must always point back to the why
- The why inspires others to join while the how accomplishes the goal



**Hope is not a
business model**

Why the “Business Model Canvas”?



9 Building Blocks

- Customer Segment
- Value Proposition
- (Delivery) Channels
- Customer Relationships
- Revenue Streams
- Key Resources
- Key Activities
- Key Partners
- Cost Structure

Osterwalder, Alexander and Pigneur, Yves. *Business Model Generation*. Hoboken, NJ: John Wiley & Sons (2010).

Who do we serve?

- Customers?
- What market segment?
- Who buys our products and services?

What do we provide?

- What are our products and services?
- What benefits and solutions do we provide
 - what is our value proposition?

How do we provide it?

- Distribution channels?
- How is our value chain configured?
- What are the core processes and activities that translate into our competencies?
- Who are our partners?
- How do our suppliers and partners help us deliver value?

How do we make money?

- What are customers charged for?
- What are our costs?
- How do we extract value?
- What is our pricing model?

What is our advantage?

- How are we different?
- How do customers experience this difference?
- What differences do our customers value most?
- How sustainable is our differentiation?

Recent Successful Examples

BOGO – Buy One Give One

Bait and Hook (Razors and Blades)

Franchising

Licensing

Hypermarkets

Overnight Delivery

Warehouse Retailing

Online Ordering

Online Auctions

The 3rd Place (Starbucks)

Bricks and Clicks

Collective or Pooling Models

Cutting Out the Middleman

Direct Selling

Fee In Free Out

Freemium

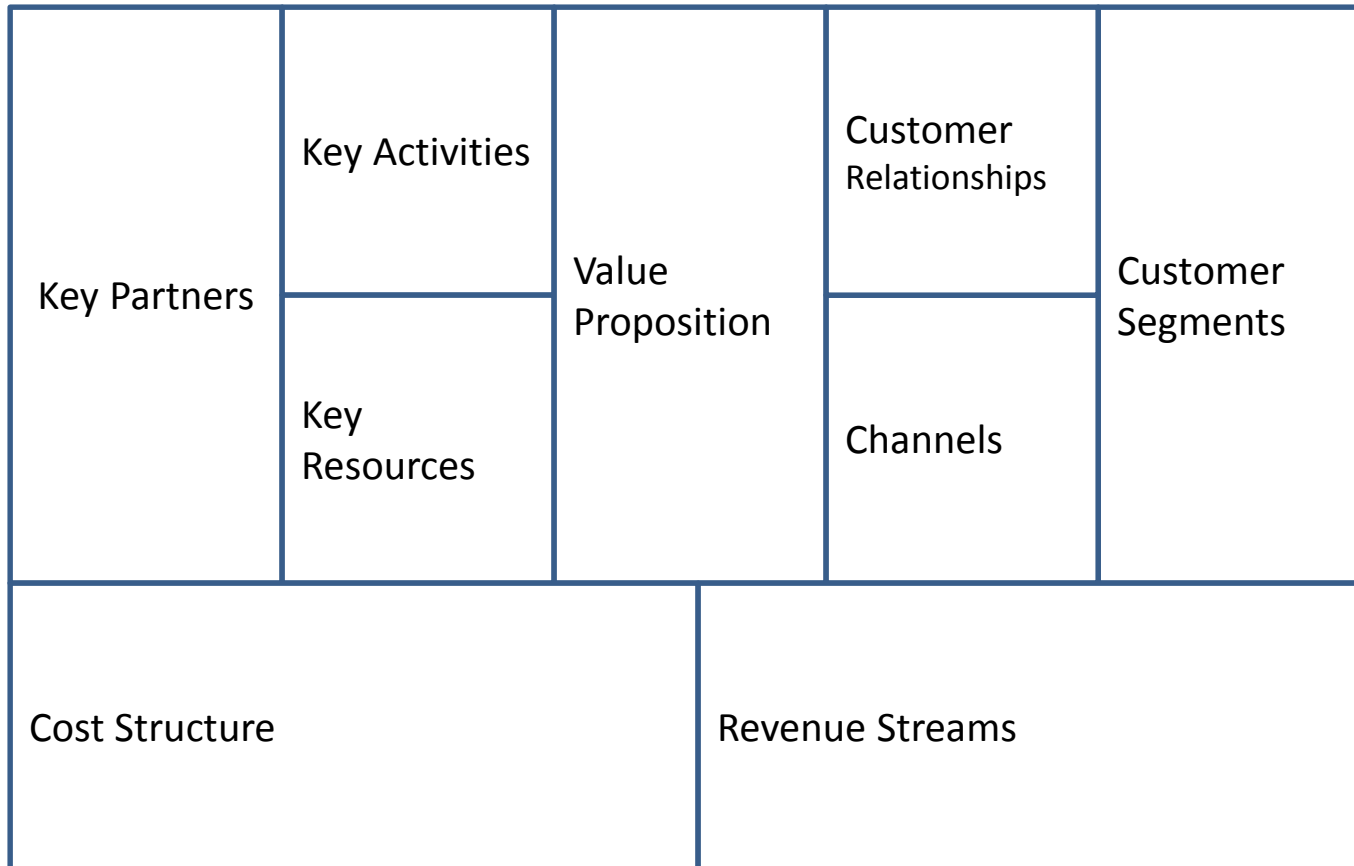
Low-cost Carrier

Pyramid

Business Model Example

The Public Library's Business Model

Business Model Canvas





Business Model Design Techniques

Customer Insights – Gaining the customer perspective when designing products and services. The challenge of innovation is developing a deeper understanding of customers rather than just asking them what they want.

Ideation – A creative process for generating a large number of business model ideas and successfully isolating the best ones.

Visual Thinking – Using visual tools such as pictures, sketches, diagrams, and Post-it notes to construct and discuss meaning. Because business models are often complex concepts composed of various building blocks and their interrelationships, it is difficult to truly understand a model without sketching it out.

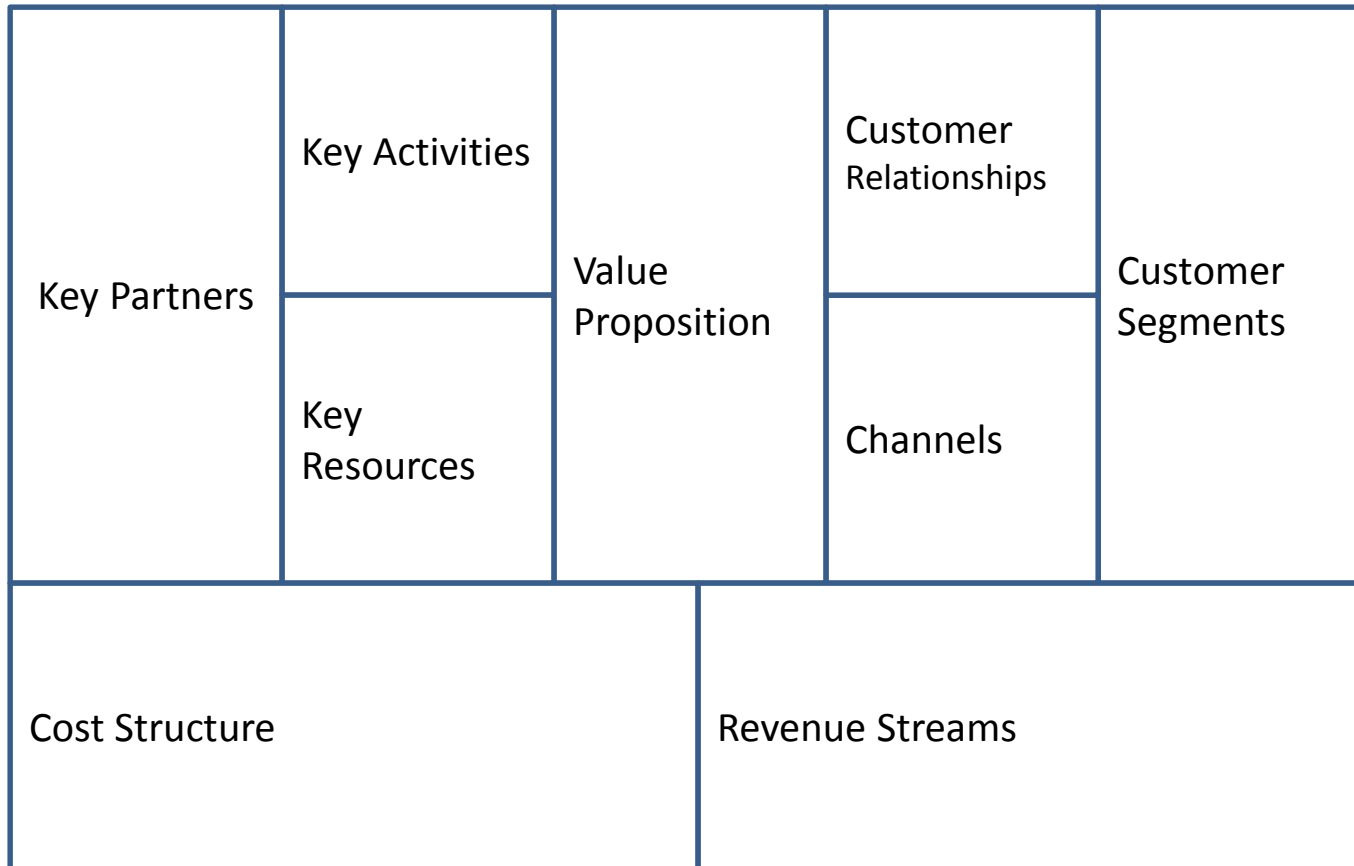
Prototyping – A thinking tool that helps us explore different directions in which we could take our business model.

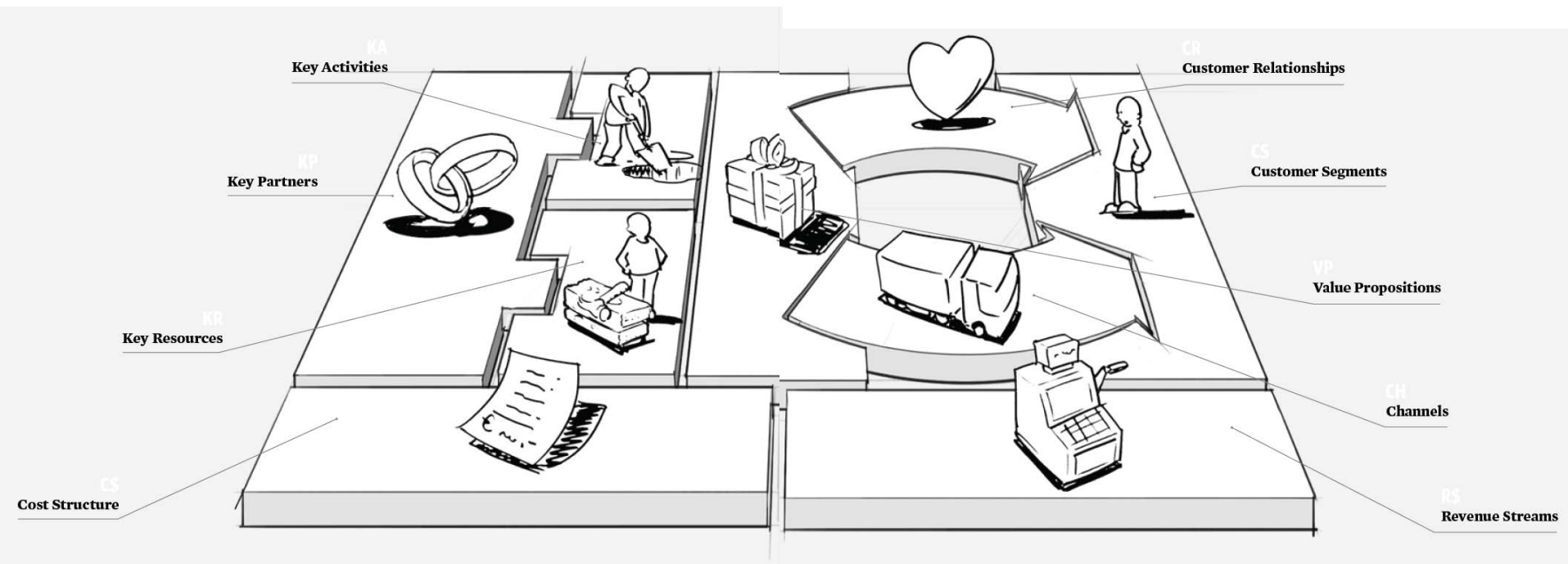
Storytelling – Taking advantage of the explanatory power of business model design by suspending disbelief in the unfamiliar. Examples are: *Talk and Image*; *Video Clips*; *Role Play*; *Text and Image*; *Comic Strips*.

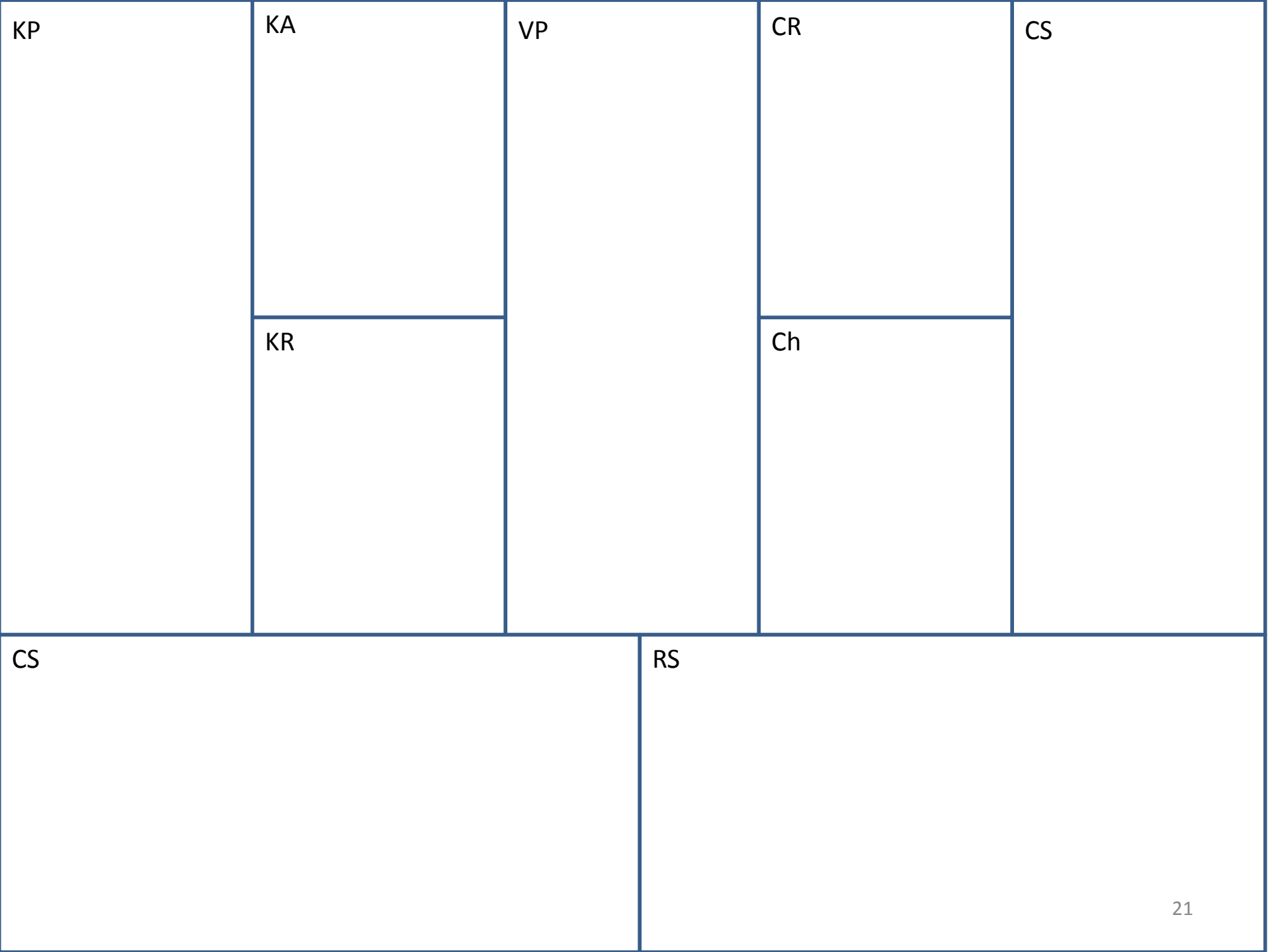
Scenarios – Rendering the abstract tangible. Examples could be describing different customer settings or describing future environments in which a business model might compete. The goal is not to predict the future but rather imagine the possible futures in concrete details.

What is your business model?

Sketch it out...







KP

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