

# **Module 1: Entrepreneurship**

Unit 3: Business Model Canvas

## Module 1 : Entrepreneurship

<b>Unit 3</b>	<b>Business Model Canvas</b>
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Topic 4	Key Resources
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Topic 8	Customer Relationships
Topic 9	Revenue Streams

# Module: Learning Outcomes

## Module XXX

**Introduction text:** *Please write a short introduction text to the section, it should state what this section is about. It should be written in a motivating and appealing way. It should be addresses to the beneficiaries (migrants/refugees), meaning that you can also use the format of direct speech.*

### Knowledge

Statements of what a learner knows:

### Skills

Statements of what a learner understand:

### Competences

Statements of what a learner is able to do on completion of a learning process:


# Introductory video

Thank you for taking this course. I would like to welcome you on behalf of the Erasmus+ Project YOU-GO team. A Project design to help Young Women in Crafts industry to build their entrepreneurial and marketing skills.

On this unit we will discover the Business Model “Canvas” which is a compact template which helps entrepreneurs to graphically visualise their business plan in a single piece of paper. This valuable tool was developed by Alexander Osterwalder as part of his PhD work in business model ontology.

Business Model Canvas consists of nine blocks which can be grouped in three categories:

1. Infrastructure
2. Customers
3. Finances

Through this module we will analyse each one of the nine blocks and elaborate how and with what we can fill them in order to create a solid outcome which can guide us on decision making about our business.

## Unit 3: Business Model Canva










# The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

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



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# Topic 1: Value Propositions

*“Value proposition is what distinguishes your company from your competitors”* -  
Alexander Osterwalder

Your Value Proposition should

- Explain the value you offer to the customer
- Explain the need the you fulfil, how your product or services are “pain relievers”
- How you make customers lives easier
- How you overcome customers expectations

# Topic 1: Value Propositions

Value proposition can be

- Quantitative: Producing big amounts or serving many customers for low or value for money price
- Qualitative: Producing customized products, focusing on customer experience

# Topic 1: Value Propositions

To start defining your value propositions take the following steps:

- Define your customer profiles (we will analyse this on Topic 6: Customer Segments)
- Think of the value you create

Combine the two to success on a product/service and market fit

# Topic 1: Value Propositions

The following questions will help you to think of and be more specific on your value propositions

- What value do we deliver to the customer?  
Which one of your customers problems are you helping to solve?
- What bundles of products and services are you offering to each Customer Segment
- Which customer needs are you satisfying?

# Topic 2: Key Partners

Key partners are other people or companies that help you stay focused on your major activity, by supplying you with material or services.

Those could be

- Raw material providers,
- Delivery service provider,
- External marketing managers

Think of them as the people or companies that take some of the responsibilities of running a business off your shoulders.

## Topic 2: Key Partners

The following questions will help you with identifying your key partners

- Who are your key partners?
  - Which key resources are you acquiring from partners?
  - Which key activities do your partners perform?
- Who are your key suppliers?

# Topic 3: Key Activities

Key activities are those needed to realize your value proposition. Are the activities needed to be done in order to serve or satisfy a need of your customers.

Some examples are:

- Communication with customers to understand their needs
- Manufacture/ produce a final product
- Deliver a workshop

# Topic 3: Key Activities

The following questions will help you with identifying your key activities

- What key activities does your value propositions require?
- Think of several aspects of your company
  - Customer relations
  - Production
  - Research and Development

# Topic 4: Key Resources

Key resources are those which are necessary to satisfy a need or create value for your customers.

Resources can be

- Your people, like experts on your field, sales people etc
- Your capital, like money, buildings, machinery
- Your intellectual property, like ideas, patents
- The materials you need, like paints, toners, beads etc

## Topic 4: Key Resources

The following questions will help you with identifying your key resources

- Who are the people you can trust running your company?
- Which key resources are you acquiring from partners?
- What do you own which if you lose you might need to close your company?

# Topic 5: Cost Structure

Cost structure is where you list your biggest expenses, taking in consideration the amounts you spend, how often you spend and how this reflects to your sales and revenue.

Those could be:

- Raw materials
- Wages
- Marketing
- Rent

# Topic 5: Cost Structure

The following questions will help you build your cost structure

- Which are the most important costs of your company?
- Which Key Resources are the most expensive?
- Which Key Activities are the most expensive?
- What could you acquire in order to significantly minimize expenses?

# Topic 6: Customer Segments

Customer segments are the groups of people you believe you can serve. Those whose needs you can satisfy or those for whom you can build value.

The two extremes are:

- Mass market: no specific segmentation, has a very wide view of potential customers
- Niche market: identifying a specific group of people with specific characteristics and needs and creating specialized solutions

# Topic 6: Customer Segments

Customer segments are the groups of people you believe you can serve. Those whose needs you can satisfy or those for whom you can build value.

Other major customer segmentations are:

- **Segmented:** identifying a group of customers with specific characteristics and further segment them based on other characteristics like age, gender, place of living etc
- **Diversified:** your company might serve several groups of people, each with different needs and characteristics

You might fall in one of the two extremes or in between. You just need to be certain that you can serve the customer segments you choose.

# Topic 6: Customer Segments

The following questions will help you with identifying your customer segments

- Whose needs can you satisfy?
- For whom are you creating value?
- Who could purchase your products/ services?

# Topic 7: Customer Channels

Customer channels is how you reach your customers and how you deliver your value propositions.

You can reach customers using several channels. When designing and selecting channels make sure that through them you can reach your customers fast and in a balance cost-benefit equation.

Customer channels can be:

- Your physical store and/or your online market
- Resale places and distributors
- Marketing and advertising

# Topic 7: Customer Channels

The following questions will help you select the customer channels you need

- Through which channels do your customer segments want to be reached?
- How are you reaching them now?
- Which ones work best?
- Which ones are most cost-efficient?
- How are you integrating them with customer routines?

# Topic 8: Customer Relationships

Customer relationships are the relationships you would like have with your customers and specifically with the customers segments you have selected.

You need to focus on three important

- How will you get new customers
- How will you keep customers who purchased a product/service from you?
- How will you grow your revenue from your current customers?

# Topic 8: Customer Relationships

The following questions will help you select the customer relationships you need

- What type of relationship does each customer segment expect from your company? – How do you establish and maintain it?
- How do you integrate the establishment and maintenance of customer relationship in your activities?
- How costly is to keep each type of relationship?

# Topic 9: Revenue Streams

Revenue streams is anything that brings income to the company. When identifying them try to also consider amounts and frequency of receiving that income.

When listing your revenue streams, try also to contrast them with

- The expenses they are related
- The customer segment they are related
  - Identify one time shoppers and returning customers and big spenders
  - Identify the products/ services that are selling fast and those not

# Topic 9: Revenue Streams

The following questions will help you build your revenue streams

- Which are the most important costs of your company?
- Which Key Resources are the most expensive?
- Which Key Activities are the most expensive?
- What could you acquire in order to significantly minimize expenses?

# Learning Activity 1: Building your Business Model Canvas

Educational goal	Type of activity	Content	Additional materials
Knowledge and skills related to Business Model Canvas creation	Individual exercise	Download the Business Model Canvas from the material of the course. Try to complete the boxes with the guidance of the questions included in each topic of this module.	<a href="https://www.strategyzer.com/canvas/business-model-canvas">https://www.strategyzer.com/canvas/business-model-canvas</a>

# Evaluation

## Question 1:

**What are the initial steps to begin defining your value propositions?**

- a) Identify potential competitors in the market
- b) Conduct a detailed financial analysis
- c) Define customer profiles and analyze customer segments
- d) Launch the product or service immediately

**Correct answer:** c) Define customer profiles and analyze customer segments

## Question 2:

**Who are key partners in a business, and what role do they play?**

- a) Key partners are customers who purchase your products or services.
- b) Key partners are competitors who challenge your business to improve.
- c) Key partners are individuals responsible for financial management.
- d) Key partners are other people or companies that provide materials or services, helping you focus on your main activity.
- e) Key partners are investors who provide funding for your business growth.

**Correct answer:** d) Key partners are other people or companies that provide materials or services, helping you focus on your main activity.

### **Question 3:**

**What do key activities refer to in a business?**

- a) Activities that are unrelated to customer needs
- b) Activities that focus solely on marketing efforts
- c) Activities needed to serve or satisfy customer needs
- d) Activities that are not essential for business operations
- e) Activities that only involve financial management

**Correct answer:** c) Activities needed to serve or satisfy customer needs

#### **Question 4:**

#### **What does the cost structure of a business involve?**

- a) Listing all possible expenses, regardless of their relevance to sales and revenue.
- b) Identifying the smallest expenses in the business.
- c) Focusing only on one-time expenses.
- d) Listing the major expenses, considering their amounts, frequency, and impact on sales and revenue.

**Correct answer:** d) Listing the major expenses, considering their amounts, frequency, and impact on sales and revenue.

## Question 5:

**What do customer segments represent in a business?**

- a) Random groups of people with no specific characteristics.
- b) Individuals who have the highest income.
- c) Groups of people whose needs can be ignored.
- d) Groups of people whose needs a business can satisfy or for whom it can build value.

**Correct answer:** d) Groups of people whose needs a business can satisfy or for whom it can build value.

## Question 6:

**What is the role of customer channels in a business?**

- a) They are unnecessary aspects that can be ignored in business planning.
- b) They determine the pricing strategy for products or services.
- c) They solely involve physical store locations.
- d) They are used to reach customers and deliver value propositions.

**Correct answer:** d) They are used to reach customers and deliver value propositions.

## Question 7:

**What aspects are important to consider when developing customer relationships in a business?**

- a) The number of physical store locations
- b) Only focusing on getting new customers
- c) How to reduce costs for customers
- d) How to maintain and attract new customers, retain existing ones, and increase revenue from current customers

**Correct answer:** d) How to maintain and attract new customers, retain existing ones, and increase revenue from current customers

## Question 8:

**What do revenue streams in a business encompass?**

- a) Only the expenses incurred by the company.
- b) Income sources without considering amounts and frequency.
- c) Anything that brings income to the company, considering amounts, frequency, and related expenses and customer segments.
- d) Expenses that are unrelated to customer segments.

**Correct answer:** c) Anything that brings income to the company, considering amounts, frequency, and related expenses and customer segments.

# References

Examples of APA 7th edition referencing:

## **For articles:**

Surname, A. A. (Year). Title of the work. *Title of the publication in italics, volume in italics*(issue), pages. doi or link

Oliver, K. L., & Lalik, R. (2004). Critical Inquiry on the Body in Girls' Physical Education Classes: A Critical Poststructural Perspective. *Journal of Teaching in Physical Education*, 23(1), 162 -195. <https://doi.org/10.1123/jtpe.23.2.162>

## **For books:**

Surname, A. A. (Year). *Title in italics*. Publisher.

Spiegel, D. (1981). *Reading for pleasure: Guidelines*. International Reading Association.

## **For book chapters:**

Surname, A. A., & Surname, A. A. (Year). Title of the chapter. In A. Surname & A. A. Surname (Eds.), *Title of the book in italics* (pp. xx-xx). Publisher.

Aron, L., Botella, M., & Lubart, T. (2019). Culinary arts: Talent and their development. In R. F. Subotnik, P. Olszewski-Kubilius, & F. C. Worrell (Eds.), *The psychology of high performance: Developing human potential into domain-specific talent* (pp. 345–359). American Psychological Association. <https://doi.org/10.1037/0000120-016>

# In-text citations

## Examples of APA 7th edition citations:

If there are **1 or 2 authors**, the first and successive times that they are cited, all the authors must be mentioned.

If there are **3 or more authors**, the surname of the first author and "et al." from the first time they are cited (in references ALL AUTHORS ARE CITED).

## PARAPHRASING

While improvements in aerobic capacity have been shown after 8 to 12 weeks of training (Eather et al., 2016; Goins, 2014; Heinrich et al., 2014; Murawska-Cialowicz et al., 2015; Smith et al., 2013), only Goins (2014) obtained significant improvements in anaerobic capacity after 6 weeks of the CrossFit programme.

## QUOTATIONS

Díaz and Hernández (2010), consider that cooperative learning is "the pedagogical use of a small community, in which students work together to increase their training and that of other members" (p. 87).