


<p style="text-align: center;"><b>8</b></p> <p style="text-align: center;"><b>Key Partners</b></p> <p><i>The key suppliers and partners to make this business model work</i></p> <p>What resources are we getting?</p> <p>What activities do they perform?</p> <p>Needed for optimization, to reduce risk, or to acquire resources.</p> <p>Samples:</p> <ul style="list-style-type: none"> <li>• Strategic alliance between non-competitors</li> <li>• Cooperation: strategic partnerships between to competitors</li> <li>• Join ventures to develop new business</li> <li>• Buyer-supplier relationships to assure reliable supplies</li> </ul>	<p style="text-align: center;"><b>7</b></p> <p style="text-align: center;"><b>Key Activities/Processes</b></p> <p><i>The most important things you must do to make this business model work</i></p> <p>Most important actions to operate successfully</p> <p>What is necessary to create the value propositions, reach markets, maintain customer relationships, and earn revenue?</p> <p>What is needed to support production?</p>	<p style="text-align: center;"><b>2</b></p> <p style="text-align: center;"><b>Value Propositions</b></p> <p><i>The reason why customers turn to one company or another</i></p> <p>What value do we deliver to the customer?</p> <p>What problems are we trying to solve?</p> <p>What bundles of products and services are we offering to each customer segment?</p> <p>A new set of needs:</p> <ul style="list-style-type: none"> <li>• Better performance</li> <li>• Customization</li> <li>• Design</li> <li>• Brand status</li> <li>• Price</li> <li>• Cost reduction</li> <li>• Risk deduction</li> <li>• Accessibility</li> <li>• Convenience</li> </ul>	<p style="text-align: center;"><b>4</b></p> <p style="text-align: center;"><b>Customer Relationships</b></p> <p><i>The types of relationships you establish with each customer segment</i></p> <p>Personal or automated.</p> <p>For acquisition, retention &amp; growth.</p> <p>How costly are they?</p> <p>How are they integrated with the rest of the model?</p>	<p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>Customer Segments</b></p> <p><i>The different groups of people or organizations we will serve</i></p> <p>Who are you creating value for?</p> <p>Who are your most important customers?</p> <p>What common needs or behaviors do they have?</p> <p>May require different offers, types of relationships, hav different profitability levels, utilize different channels, etc.</p> <p>May have slightly different needs, or very different needs.</p>
<p style="text-align: center;"><b>9</b></p> <p style="text-align: center;"><b>Cost Structure</b></p> <p><i>The costs incurred to operate the business</i></p> <p>What will it cost to deliver on the value proposition, maintain customer relationships, generate revenue, etc.?</p> <p>What key resources are most expensive? What key activities are most expensive? What partnerships are costly?</p> <p>Fixed vs. Variable / Economics or scale and/or scope</p>	<p style="text-align: center;"><b>6</b></p> <p style="text-align: center;"><b>Key Resources/Assets</b></p> <p><i>Important assets to make a business model work</i></p> <p>What key resources enable us to deliver our value proposition?</p> <p>What resources are needed to support our channels, customer relationships, revenue streams&gt;?</p> <p>Can be physical, financial, intellectual or human.</p>	<div style="border: 2px solid black; padding: 10px;"> <p><b>Business Model Canvas Cheat Sheet</b> <b>October 2024</b></p>  </div>	<p style="text-align: center;"><b>3</b></p> <p style="text-align: center;"><b>Channels</b></p> <p><i>How you communicate with and reach your customers (to deliver a value proposition)</i></p> <p>Communication, distribution &amp; sales channels.</p> <p>Customer touch-points.</p> <p>Channel phases: awareness, evaluation, purchase, delivery, after sales</p>	<p style="text-align: center;"><b>5</b></p> <p style="text-align: center;"><b>Revenue Streams</b></p> <p><i>Cash generated from each customer segment</i></p> <p>What value is each customer segment willing to pay for?</p> <p>Transactional (one-time) vs. Recurring / Fixed vs. Dynamic pricing</p> <p>What do they currently pay for? How are they currently paying? How do they prefer to pay? How much does each revenue stream contribute over all?</p>

## Notes:

- Describes the rationale of how an organization creates, delivers and captures value. Shows the building blocks for how a company intends to make money
- Covers the 4 main areas of a business: Customers, Offer, Infrastructure, Financial viability
- It becomes a shared language.
- Also shows how to manipulate the business model to address or create new strategies. In which block can we innovate in?

1. Customer Segments
  - a. Profitable customers
  - b. Segments can be large or small – what are your 80/20 rules?
  - c. What segments to serve and which to ignore?
2. Value Propositions
  - a. Our value drivers – both for differentiation and orthodox
  - b. How creative can you be in helping them get the job done?
3. Channels
  - a. What channels do our customers prefer?
  - b. Do different segments prefer different channels?
  - c. Direct vs. Indirect – how does each affect margins
4. Customer Relationships
  - a. Need to define for each customer segment
  - b. Different strategies/reasons for each segment
5. Revenue Streams
  - a. Products vs. Services
  - b. What other streams can you introduce? Subscriptions, renting, licensing, etc.
  - c. How or should you vary pricing?
6. Key Resources
  - a. How you support the value drivers
  - b. Human resources are key in knowledge-intensive industries
7. Key Activities
  - a. How you support the value drivers
  - b. Problem solving, providing solutions are key in knowledge-intensive industries
8. Key Partners
  - a. What should we not be doing ourselves?
  - b. Who can do things better than us?
  - c. Who can help us scale?
  - d. What is needed to support our value drivers?
9. Cost Structure
  - a. Are we a cost-driven company or a value-driven company?
  - b. Does this align to our customer segments and our value drivers?

The model should support what you are: a Product Innovation company (Apple), a Customer Innovation company (Nordstrom) or an Infrastructure Innovation company (Wal-Mart).

### How to Use the Business Model Canvas

- If your value drivers change, how does it affect the model?
  - Do key activities change? Resources? Cost, etc?
  - Are your customer segments driving this change? Why?
- If you add a new customer segment (e.g. Space), how does it affect the model?
  - Do they require different relationships or value drivers? Are the channels different?
  - How little or how much of the model will need to change to support this new segment?
- If you want to add a new channel (e.g. e-commerce), how does it affect the model?
  - Does the cost structure change (we become the bank)
  - What key activities change, like shipping?
  - How do we maintain customer relationships through that channel?
  - Are customer segments moving to new channels?
- If we add a new product, how does it affect the model?
  - What customer segments does it serve? Does it open the door to new segments, and how does that affect the rest of the model?
  - What about a service?
- If want to increase our profitability, how does it affect the model?
  - Can we support of key activities and value drivers?
  - Do we focus on different products and customer segments?