

How to Generate A Business Model Canvas

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University of New Mexico University Program

- ▶ ***How to Generate A Business Idea,***
3/20/2019
- ▶ ***Pitching and Presenting, Your Idea,***
3/29/2019
- ▶ ***Market Analysis,*** 4/17/2019
- ▶ ***Business Model Canvas,*** 5/2/2019
- ▶ ***Coming in June...Design Thinking***

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Susan R. Cornelius, Principal, Accelerate to Solutions

FOCUS:

- ▶ Help exploit the latest technological developments with the right business model.
- ▶ Address unsatisfied customer needs and build new business models around those models.
- ▶ Invest in companies with the most competitive business models

Entrepreneurs Take Risks and Love What They Do!

▶ Are you an entrepreneurial spirit?

yes _____ no _____

▶ Are you constantly thinking about how to create value and build new businesses, or how to improve or transform your organization?

yes _____ no _____

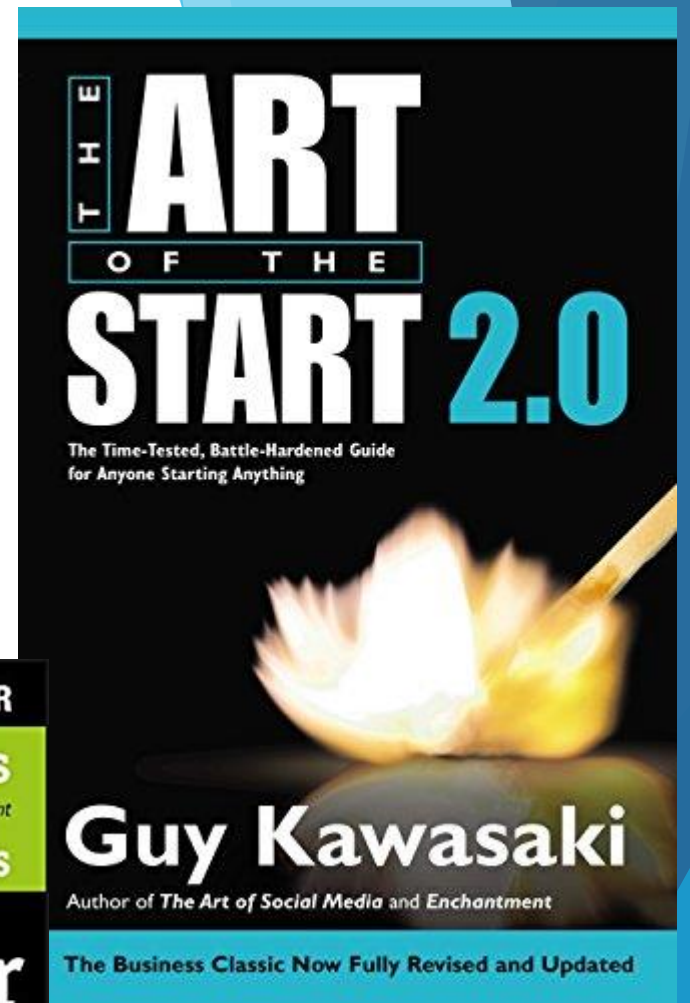
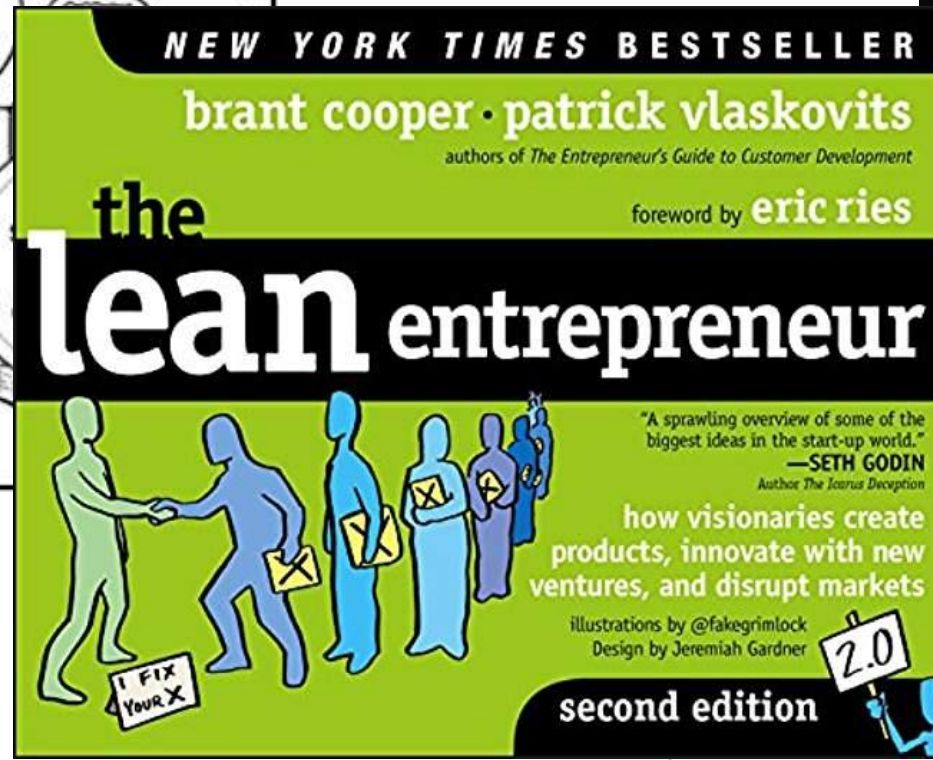
▶ Are you trying to find innovative ways of doing business to replace old, outdated ones?

yes _____ no _____

RESOURCES available on Amazon.com



Alexander Osterwalder



What is a Business Model Canvas?

- ▶ A business model canvas is a simple tool.
- ▶ When completed, it describes the rationale of how an organization creates, delivers, and captures value.
- ▶ It requires deep research, defining the great Idea and the Minimal Value Proposition, interviewing numerous potential customers, and the business model.

A Great Idea

Over 3.5M people work in fast food, one of the easiest *first* jobs to find. It is a good step to the next job. John Miller's vision is about the future of fast food: make his hamburger restaurants, *Flipping Burgers*, operate more like the internet, by automating as much as he can. With a new retail restaurant AI software, he wants to help brick and mortar stores see their customers more like Amazon sees its customers. His process is called creative destruction. At his restaurant, *Cali Burger*, robots flip and cook burgers. John firmly believes that consistency is a key for success. Plus, he sees less liability with food safety, labor costs, and turnover. Robotics let him train and keep people longer and pay them more. Co-biotics is the future according to John. There are still things that robots cannot do, so humans talk to the customers, season and serve.

A Great Idea

Current robots or co-bots are rebuilding how man and machine work together. At Amazon, they are use co-bots or human and robot collaboration. Since doing that they have actually created 300,000 jobs at fulfillment centers. Humans have high value, high problem solving, generalization, and high judgment necessary to fulfillment. The question is why would you want to separate automation that move hamburgers or packages from human workers. Both John and Amazon want a closer, cohesive, and more problem free fulfillment of human needs and to prosper.










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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DESIGNED BY: Strategyzer AG

The master of Business Model Generation and Strategyzer Accelerate2Solutions

1 Key Building Blocks: Value Proposition

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

2KEY BUILDING BLOCKS: CUSTOMER SEGMENTS

- ❑ For whom are we creating value?
- ❑ Who are our most important customers?
- ❑ Is it a?
 - Mass Market: Needs of many kinds of users
 - Niche Market:
 - Segmented:
 - Diversified: Unrelated = Amazon books & Cloud Svcs.
 - Multisided Platform: Banks = Customers and Vendors

3KEY BUILDING BLOCKS: Channels

- ❑ Through which Channels do our Customer Segments want to be reached?
- ❑ How are we reaching them now?
- ❑ How are our Channels integrated?
- ❑ Which ones work best?
- ❑ Which ones are most cost-effective?
- ❑ How are we integrating them with customer routines?

4KEY BUILDING BLOCKS: Customer Relationships

- ❑ What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
- ❑ Which ones have we established?
- ❑ How are they integrated with the rest of our business model?
- ❑ How costly are they?

5KEY BUILDING BLOCKS: Revenue Streams

- ❑ For what, are our customers, really willing to pay?
- ❑ For what do they currently pay?
- ❑ How are they currently paying?
- ❑ How would they prefer to pay?
- ❑ How much does each Revenue Stream contribute to overall revenues?

6KEY BUILDING BLOCKS: Key Resources

- Who are our Key Partners?
- Who are our Key Suppliers?
- Which Key Resources are we acquiring from partners?
- Which Key Activities do partners perform?

7KEY BUILDING BLOCKS: Key Activities

What Key Activities does our Value Proposition require?

- Our Distribution Channels?
- Customer Relationships?
- Production/Manufacturing?
- Problem Solving/Product Development Team?
- Platform/Network?

8KEY BUILDING BLOCKS: Key Partners

- ❑ Who are our Key Partners?
 - ❑ Who are our Key Suppliers?
 - ❑ Which Key Resources are we acquiring from partners?
 - ❑ Which Key Activities do partners perform?
- ▶ **What are the Motivators for Partners:**
- ❑ Optimization and economy
 - ❑ Reduction of risk and uncertainty
 - ❑ Acquisition of particular resources and activities

9KEY BUILDING BLOCKS: Cost Structure

- ❑ What are the most important costs inherent in our business model?
- ❑ Which Key Resources are the most expensive?
- ❑ Which Key Activities are the most expensive?

Is Your Business Model More:

- ❑ Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)
- ❑ Value Driven (Focused on value creation, premium value proposition)

9KEY BUILDING BLOCKS: Cost Structure

Types

- ❑ Fixed Costs (salaries, rents, utilities)
- ❑ Variable Costs
- ❑ Economies of Scale
- ❑ Economies of Scope

Revenue Streams:

- ❑ For what are our customers really willing to pay?
- ❑ For what do they currently pay?
- ❑ How are they currently paying?
- ❑ How would they prefer to pay?
- ❑ How much does each Revenue Stream contribute to overall revenues?

The Business Model Canvas is a tool!

- ▶ We have taught you a new model and a new language
- ▶ The Business Model Canvas is a practical tool.
- ▶ It helps craft a new business model or analyze and revitalize an old one.

Next Steps

- ❑ Take the time to complete the Business Model Canvas for your idea.
- ❑ Use “stickies” on your computer or manually record your ideas.
- ❑ Collaborate and brainstorm with friends and/or family or business associates.
- ❑ Record all ideas. Avoid editing.
- ❑ Then do Customer Discovery.

This is only the first step!

- ❑ Based on Customer Discovery, reinvent your Business Model Canvas (BMC). Remember, you will reinvent the Business Model Canvas over and over again. The first draft will be redrafted many times and it should.
- ❑ The BMC does not take the place of a Business Plan.
- ❑ Many Pre-A and A Investors do not look for a Business Plan. They are looking at you.
- ❑ The BMC, once it has completed several iterations, can be used to create your Executive Summary.
- ❑ The BMC helps you see patterns that facilitate the design and invention of your new Business Model.