Business Model Canvas

"Think of a business model canvas as a mission statement for your product roadmap."

Introduction to BMC

- A business model canvas is a one-page summary describing the high-level strategic details needed to get a business (or product) successfully to market.
- WHY BMC??

"A business model describes the rationale of how an organization creates, delivers, and captures value"

The nine "building blocks" of the business model design template that came to be called the Business Model Canvas were initially proposed in 2005 by Alexander Osterwalder

Key Partners



Key Activities



Value Propositions



Customer Relationships

Customer Segments



(Key Partners)

(Key Activities)

(Value Propositions)

(Customer Relationships)

(Customer Segments)

Key Resources



(Key Resources) Channels

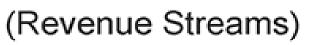


Cost Structure





Revenue Streams





Key Partners

Who are our key partners?
Who are our key suppliers?
Which key resources are we acquiring from them?

Types of partnerships

- Strategic alliance
- Coopetition
- Joint ventures
- Buyer-supplier relationships

Key Activities

What key activities do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?

Categories

- Production
- Problem-solving
- Platform/ Network

Key Resources

What key resources do our value propositions require?

Types of resources

- Human
- Physical
- Intellectual
- Financial

Value Propositions

What values do we deliver to the customer? Which one of our customer's

problems are we trying to solve?
What products and services are we offering to our customer segments?
Which customer needs are we satisfying?

Customer Relationships

What type of relationships do our customers expect us to establish and maintain with them? Which ones have we established? How costly are they?

- Personal assistance
- Dedicated personal assistance
- Self-service
- Automated services
- Communities
- Co-creation

For whom are we creating value?

Customer Segments

For whom are we creating value? Who are our most important customers?

Customer segment types

- Mass market
- Niche market
- Segmented
- Diversified
- Multi-sided platform

Distribution Channels

Through which channels do our customers want to be reached? How are we reaching them now? Which ones work best and are cost-efficient?

Types of channels

- Owned channels
- Partner channels

Cost Structure

What are the most important costs inherent in our business model? Which key resources and activities are most expensive? Is our business more cost-driven or value-driven?

Revenue Streams

For what value our customers are willing to pay? For what do they currently pay? How are they currently paying? How much does each revenue stream contribute to our overall revenues?

Types of revenue stream

- Asset sales
- Usage fee
- Subscription fee
- Lending/ leasing/ renting
- Licensing
- Brokerage fees
- Advertising

The blocks on the BMC are:

Customer Segments: Who are the customers? What do they think? See? Feel? Do?

Value Propositions: What's compelling about the proposition? Why do customers buy, use?

Channels: How are these propositions promoted, sold and delivered? Why?

Is it working?

Customer Relationships: How do you interact with the customer through their 'journey'?

Revenue Streams: How does the business earn revenue from the value

propositions?

Key Activities: What uniquely strategic things does the business do to deliver its proposition?

Key Resources: What unique strategic assets must the business have to

compete?

Key Partnerships: What can the company not do so it can focus on its Key Activities?

Cost Structure: What are the business' major cost drivers? How are they linked to revenue?

BUSINESS MODEL CANVAS - ZARA



KEY PARTNERS

Providers

Holding company (Inditex)

KEYACTIVITIES

Design
Manufacturing
Retail process
(point of sale & 3rd
party management)
Distribution
channels and
logistics

KEYRESOURCES

Stock

Large network of stores

Strong brand Logistics and supply chain infrastructure

VALUE PROPOSITIONS

Fashionable clothes

Accessories

Great eCommerce experience

Flagship store experience

Fast-fashion

CUSTOMER RELATIONSHIPS

Salesperson at store Brand through social media Sentimental attachment to clothing/ accessories

CHANNELS

Direct store

Online

Social media

CUSTOMER SEGMENTS

Men

Women

Children

COST

Fixed (rent, payroll, etc.)
Variables associated with sale of goods

REVENUE STREAMS

Sales of clothing and accessories

BUSINESS MODEL CANVAS - NETFLIX



PARTNERS	KEY ACTIVITIES	VALUE PROPOSITIONS	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS
Internet service providers (ISP) 3rd party studios	Content procurement Application development 3rd party licensing KEY RESOURCES Streaming rights Internet bandwidth Recommendation algorithm Content library	On-demand video Huge selection of content Original content Competitive price point	• CHANNELS Website App store Affiliate partners	Mass market

In-house content production 3rd party licensing Streaming application (staff, maintenance, etc,.)

Subscriptions