Faculty Development Program

Day 3 - Session 1

By Smt. Sakuntala Kasaragadda

12th March 2025

Kakatiya Institute of Technology & Science, Warangal

Business Model Canvas (BMC) – Faculty Reference Material

1. Introduction to Business Model Canvas (BMC)

The Business Model Canvas (BMC) is a strategic management tool developed by Alexander Osterwalder in 2005. It provides a visual framework for developing, describing, and analyzing business models. The tool is widely used in entrepreneurship, corporate strategy, and business innovation to align business activities with customer needs.

1.1 Purpose of BMC

•   Helps entrepreneurs and businesses visualize their business model in a single-page format

•   Supports collaborative brainstorming and team discussions

•   Provides a structured approach to developing a business plan

•   Facilitates business innovation and pivoting strategies
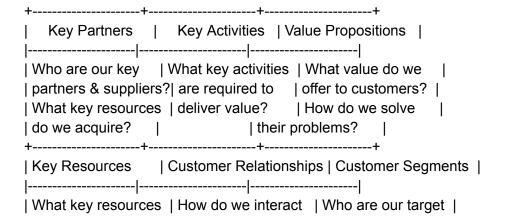
---

2. Structure of Business Model Canvas (BMC)

The BMC consists of nine interrelated building blocks that define how a business creates, delivers, and captures value.

Building Block	Key Questions	Examples
1. Customer Segments	Who are our target customers?	Mass market, niche market, B2B, B2C, early adopters
2. Value Propositions	What problem do we solve? What value do we offer?	Convenience, cost reduction, luxury, accessibility
3. Channels	How do we deliver value to customers?	Online platforms, physical stores, social media

4. Customer Relationships	How do we interact with customers?	Personalized service, automated support, community engagement
5. Revenue Streams	How does the business generate income?	Sales, subscriptions, licensing, freemium model
6. Key Resources	What essential assets does the business need?	Intellectual property, human capital, financial resources
7. Key Activities	What core activities are necessary to deliver value?	Product development, marketing, logistics, customer service
8. Key Partnerships	Who are the external collaborators and stakeholders?	Suppliers, distributors, strategic alliances, government bodies
9. Cost Structure	What are the major costs of running the business?	Fixed vs. variable costs, operational expenses, R&D investments

---

3. Business Model Canvas Template (Visual Representation)

Below is a graphical representation of the BMC template that faculty can use for reference or classroom instruction.

```
+---------------------+---------------------+---------------------+
|   Key Partners      |    Key Activities   | Value Propositions  |
|---------------------|---------------------|---------------------|
| Who are our key     | What key activities | What value do we    |
| partners & suppliers?| are required to    | offer to customers? |
| What key resources  | deliver value?      | How do we solve     |
| do we acquire?      |                     | their problems?     |
+---------------------+---------------------+---------------------+
| Key Resources       | Customer Relationships | Customer Segments  |
|---------------------|---------------------|---------------------|
| What key resources  | How do we interact  | Who are our target  |
```

```
| are needed to      | with customers?     | customers?          |
| deliver value?     | How do we retain    | What are their      |
| Human, financial,  | and grow customers? | needs?              |
| intellectual,      | Personalized,       | Mass, niche, B2B,   |
| physical           | self-service, AI    | segmented, local    |
+--------------------+---------------------+---------------------+
| Channels           | Revenue Streams     | Cost Structure      |
|--------------------|---------------------|---------------------|
| How do we reach    | How do we earn?     | What are our        |
| our customers?     | Direct sales,       | major costs?        |
| Online, stores,    | subscriptions, ads  | Fixed, variable,    |
| distributors       |                     | operational         |
+--------------------+---------------------+---------------------+
```

4. Practical Applications of BMC in Academia

4.1 Teaching BMC in Business & Entrepreneurship Courses

Faculty can integrate BMC into curriculum to help students:

- Understand real-world business models

- Analyze successful companies and startups

- Develop and pitch their own business ideas

4.2 BMC for Research Commercialization

Professors and researchers can use BMC to:

- Translate research innovations into marketable products

- Identify potential industry collaborations and funding sources

- Develop sustainable business models for academic spinoffs

4.3 Using BMC for Institutional Planning

Universities can apply BMC to:

- Design new academic programs and courses

- Improve student services and administrative efficiency

- Enhance industry partnerships and funding strategies

5. Case Studies & Real-Life Examples

5.1 Case Study: Airbnb (Disruptive Innovation in Hospitality)

•	Customer Segments: Budget-conscious travelers, business travelers, homeowners

•	Value Proposition: Affordable accommodations, unique lodging experiences, additional income for homeowners

•	Channels: Website, mobile app, social media

•	Revenue Streams: Commission from hosts and guests

•	Key Resources: Platform technology, brand reputation, customer trust

5.2 Case Study: Amazon (E-commerce & Cloud Computing)

•	Customer Segments: Online shoppers, businesses using AWS, Prime subscribers

•	Value Proposition: Convenience, fast delivery, broad selection

•	Key Activities: Warehousing, logistics, cloud computing

•	Revenue Streams: E-commerce sales, cloud services, advertising

---

6. Business Model Canvas Workshop Guide for Faculty

Session	Topic	Activity	Duration
Session 1	Introduction to BMC	Lecture on BMC concepts	45 min
Session 2	Hands-on Case Study	Analyze an existing company's BMC	60 min
Session 3	Group Activity	Develop a BMC for a new business idea	90 min

| Session 4 | Presentation & Feedback | Groups present their BMCs, receive feedback | 60 min |

---

7. References & Further Reading

1.   Osterwalder, A., & Pigneur, Y. (2010). Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers. Wiley.

2.   Strategyzer. (n.d.). Business Model Canvas. https://www.strategyzer.com/canvas/business-model-canvas

3.   Harvard Business Review (2014). Reinventing Your Business Model. https://hbr.org/2008/12/reinventing-your-business-model

4.   Blank, S. (2013). The Four Steps to the Epiphany: Successful Strategies for Startups That Win. K & S Ranch.

5.   Gassmann, O., Frankenberger, K., & Csik, M. (2014). The Business Model Navigator: 55 Models That Will Revolutionize Your Business. Pearson.

---

8. Additional Resources & Tools for Faculty

•   BMC Templates (Editable): Canva, Miro, Strategyzer

•   Recommended Online Courses:

•   Coursera: Business Model Innovation

•   edX: Entrepreneurship & Business Model Thinking

•   Udemy: Business Model Canvas Masterclass