

Business Model Canvas – Key Components

1. Customer Segments

The specific groups of people or organizations a business aims to serve. Customers may be divided based on their needs, preferences, demographics, or behaviors. Clearly identifying customer segments helps businesses design products and services that truly fit their audience.

2. Value Proposition

The unique mix of products, services, and benefits that create value for customers. It explains why customers should choose one business over another. A value proposition can focus on solving a problem, offering convenience, saving money, improving quality, or providing innovation.

3. Channels

The ways in which a business delivers value to its customers and communicates with them. This includes both distribution channels (online stores, physical shops, delivery services) and communication channels (social media, advertisements, word of mouth).

4. Customer Relationships

The type of relationship a business establishes with its customers to attract, retain, and grow them. Relationships can be personal (face-to-face service), automated (self-service portals), community-driven (forums, groups), or collaborative (co-creation of products).

5. Revenue Streams

The sources of income for a business. This shows how the company earns money from each customer segment. Revenue can come from direct sales, subscriptions, usage fees, licensing, advertising, or commissions.

6. Key Resources

The essential assets a business needs to function and deliver value. These can be physical (buildings, equipment), intellectual (patents, brand reputation), human (skilled staff, leadership), or financial (capital, credit lines).

7. Key Activities

The critical tasks and processes that a business must perform to make its model work. These activities depend on the type of business but may include production, marketing, distribution, customer support, or technology development.

8. Key Partnerships

The network of external organizations, suppliers, or collaborators that help the business operate. Partnerships may provide resources, reduce risk, share knowledge, or expand reach. They can include alliances, joint ventures, or supplier agreements.

9. Cost Structure

All the expenses involved in running the business. This includes fixed costs (rent, salaries), variable costs (raw materials, utilities), and strategic costs linked to growth. A business may focus on being cost-driven (efficiency and low cost) or value-driven (premium service and quality).