Social
Entrepreneurship

Social Business Model Canvas

Session and Workshop by

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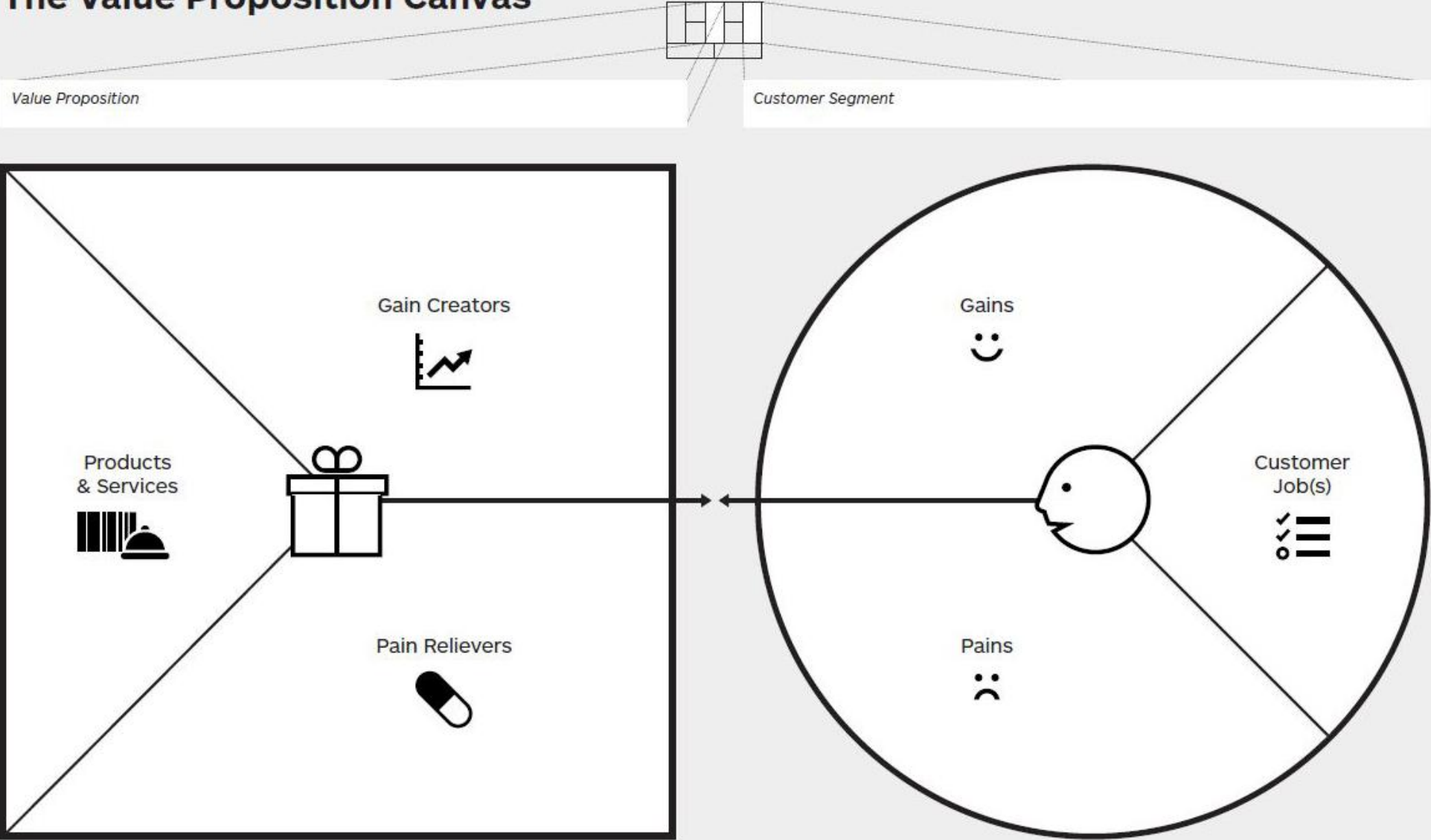
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Social Business Model Canvas

Social Innovat>on Lab

Key Resources

What resources will you need to run your activities? People, finance, access?

Partners + Key Stakeholders

Who are the essential groups you will need to involve to deliver your progamme? Do you need special access or permissions?

Key Activities

What programme and non-programme activities will your organisation be carrying out?

Type of Intervention

What is the format of your intervention? Is it a workshop? A service? A product?

Channels

How are you reaching your beneficiaries and customers?

Segments

Beneficiary

Customer

Who are the people or organisations who will pay to address this issue?

Value Proposition

Social Value Proposition

Impact Measures

How will you show that you are creating social impact?

Customer Value Proposition

What do your customers want to get out of this initiative?

Cost Structure

What are your biggest expenditure areas? How do they change as you scale up?

Surplus

Where do you plan to invest your profits?

Revenue

Break down your revenue sources by %

Inspired by The Business Model Canvas

Value Proposition Canvas
https://www.strategyzer.com/canvas

► The Value Proposition Canvas allows you to describe your Value Propositions and the target Customer Segments in more detail and evaluate the "fit" between the value you intend to create and the expectations your customers have.

► You can use this map before, during and after developing an in-depth knowledge of your customers. If you use it before, it will highlight what you need to learn about customers and test about value propositions.

► If you use it after, it will help you analyze and evaluate "fit".

► The Value Proposition Canvas can be applied to new and existing value propositions and customer segments alike. In both cases it will help you structure your thinking and make your ideas more tangible.

The Value Proposition Canvas

Value Proposition

Customer Segment

Gain Creators

Products & Services

Pain Relievers

Gains

Customer Job(s)

Pains

ⓈStrategyzer

strategyzer.com

How to use the VPC

- **One idea per Statt** Don't make bullet points on Stattys. For instance, use two Stattys to describe two different elements your customers value, like a lower price and better performance. This will allow you to play around with the elements of your value proposition and modify things when you learn from talking to customers.

- **Instructions**

- **Start with customer jobs: .** Start sketching out your map by describing what jobs a specific customer of yours is trying to get done. Create a Statty in the Customer Job(s) box for every major and ancillary job you intend to help your customer get done.

- **Add pains and gains:** Create a Statty in the Pains box for every pain your customer experiences or could experience before, during, and after getting the job done. Create a Statty in the Gains box for every benefit your customer expects, desires or would be surprised by.

- **Describe your products and services:** List all the products and services your value proposition is built around by creating a Statty for each element in the Products & Services box.

- **Outline how you intend to create value:** Describe how your products and services create value by either killing customer pains or creating customer gains. Create a sticky note for each element in the Pain Relievers or Gain Creators box respectively.

Customer Pains - Trigger Questions

Pains describe anything that annoys your customers before, during, and after trying to get a job done or simply prevents them from getting a job done. Pains also describe risks, that is, potential bad outcomes, related to getting a job done badly or not at all.

- How do your customers define too costly? Takes a lot of time, costs too much money, or requires substantial efforts?

- What makes your customers feel bad? What are their frustrations, annoyances, or things that give them a headache?

- How are current value propositions under performing for your customers? Which features are they missing? Are there performance issues that annoy them or malfunctions they cite?

- What are the main difficulties and challenges your customers encounter? Do they understand how things work, have difficulties getting certain things done, or resist particular jobs for specific reasons?

- What negative social consequences do your customers encounter or fear? Are they afraid of a loss of face, power, trust, or status?

- What risks do your customers fear? Are they afraid of financial, social, or technical risks, or are they asking themselves what could go wrong?

- What's keeping your customers awake at night? What are their big issues, concerns, and worries?

- What common mistakes do your customers make? Are they using a solution the wrong way?

- What barriers are keeping your customers from adopting a value proposition? Are there upfront investment costs, a steep learning curve, or other obstacles preventing adoption?

Customer Gains – Trigger Questions

Gains describe the outcomes and benefits your customers want. Some gains are required, expected, or desired by customers, and some would surprise them. Gains include functional utility, social gains, positive emotions, and cost savings.

► Which savings would make your customers happy? Which savings in terms of time, money, and effort would they value?

► What quality levels do they expect, and what would they wish for more or less of?

► How do current value propositions delight your customers? Which specific features do they enjoy? What performance and quality do they expect?

► What would make your customers' jobs or lives easier? Could there be a flatter learning curve, more services, or lower costs of ownership?

► What positive social consequences do your customers desire?

► What makes them look good? What increases their power or their status?

► What are customers looking for most? Are they searching for good design, guarantees, specific or more features?

► What do customers dream about? What do they aspire to achieve, or what would be a big relief to them?

► How do your customers measure success and failure? How do they gauge performance or cost?

► What would increase your customers' likelihood of adopting a value proposition? Do they desire lower cost, less investment, lower risk, or better quality?

3 types of fit – when the VP is right

1

On Paper

Problem-Solution Fit

Problem-solution fit takes place when you

- Have evidence that customers care about certain jobs, pains, and gains.
- Designed a value proposition that addresses those jobs, pains and gains.

2

In the Market

Product-Market Fit

Product-market fit takes place when you

- Have evidence that your products and services, pain relievers, and gain creators are actually creating customer value and getting traction in the market.

3

In the Bank

Business Model Fit

Business model fit takes place when you

- Have evidence that your value proposition can be embedded in a profitable and scalable business model.

10 Characteristics of Great Value Propositions

Use this checklist to design great value propositions or assess your own:

○ **Are embedded in great business models**

○ **Focus on few pain relievers and gain creators, but do those extremely well**

○ **Focus on jobs, pains, or gains that a large number of customers have or for which a small number is willing to pay a lot of money**

○ **Align with how customers measure success**

○ **Focus on the most significant jobs, most severe pains, and most relevant gains**

○ **Differentiate from competition in a meaningful way**

○ **Address functional, emotional and social jobs all together**

○ **Outperform competition substantially on at least one dimension**

○ **Are difficult to copy**

○ **Focus on unsatisfied jobs, pains, and gains**

Group Assignment 2 – 7 marks

Make the Value Proposition Canvas for your idea or for the organisation you are tracking.

Explain in detail the rationale for your choice of all the items you list in the canvas