

# BUSINESS MODEL CANVAS

## ACTIVITY 1

**Directions:** Think of a Business Model Canvas (BMC) as a conversation tool for your team to dig deep into each part of your product's business. In this activity, you will learn about the BMC and then create one for your team. You will also gain valuable information from your user (community partner) to help move your product forward.

### 1. Crash Course on the Business Model Canvas (BMC): Watch the following 3 videos on YouTube (Time: About 7 minutes total):

- <https://www.youtube.com/watch?v=wwShFSFb-Y&list=PLBh9h0LWoawphbpUvC1DofjagNqG1Qdf3>
- <https://www.youtube.com/watch?v=wKPBaC0jA&list=PLBh9h0LWoawphbpUvC1DofjagNqG1Qdf3&index=2>
- <https://www.youtube.com/watch?v=iA5MVUNkSkM&list=PLBh9h0LWoawphbpUvC1DofjagNqG1Qdf3&index=3>

2. After watching the videos above, it's time to create your team's BMC. We have created a custom Business Model Canvas below to help guide you in thinking through each segment of the canvas. Answer the questions for each segment below. Focus on answering the larger, bolded questions first. You do not need an answer for the smaller, sub-questions underneath. The sub-questions are simply meant to support your thinking of the larger, bolded question.

- Remember from Video 3 on prototyping your BMC: While completing each segment, you should discuss alternative answers to each question, rather than settling for the first answer that comes to mind. This helps you develop an innovative business model for your product.

<p><b>Key Partners</b></p> <p><b>Who can help you?</b></p> <ul style="list-style-type: none"> <li>- Your Community Partner!</li> <li>- Your Mentor!</li> <li>- Who can help you along the way? (ex. mentors, teachers, family, friends, etc.)</li> <li>- Who can provide services you need? (ex. local maker spaces, a friend with a 3D printer, etc.)</li> <li>- Who can provide resources you need? (ex. grant-making organizations)</li> <li>- Who can help you get your to-do list done (other than the people on your team)?</li> </ul>	<p><b>Key Activities</b></p> <p><b>What's on your "to-do" list?</b></p> <ul style="list-style-type: none"> <li>- What do you need to get done? (ex. marketing, creating a finished prototype, etc.)</li> <li>- Do you need a physical location or a website?</li> <li>- Do you need to get supplies or inventory?</li> <li>- Assign roles on your team!</li> </ul> <p><b>Resources</b></p> <p><b>What do you have that can help you?</b></p> <ul style="list-style-type: none"> <li>- Do you have customers?</li> <li>- Do you have inventory and supplies?</li> <li>- What resources do you need to acquire?</li> </ul>	<p><b>Value Proposition</b></p> <p><b>What problem are you trying to solve?</b></p> <ul style="list-style-type: none"> <li>- What does your product deliver that no other product on the market can deliver to your customer?</li> <li>- What is your minimum viable product? (What is the most scaled-back version of your product that you could offer to provide your customers with value? You might consider only offering 1-2 of your product's features).</li> </ul>	<p><b>Customer Relationships</b></p> <p><b>How will you manage your relationship with your customers?</b></p> <ul style="list-style-type: none"> <li>- How will you get and keep your customers? (ex. social media, website, salesperson)</li> <li>- How will you cultivate customer loyalty?</li> </ul> <p><b>Channels</b></p> <p><b>How will your customer get your product??</b></p> <ul style="list-style-type: none"> <li>- How do your customers want to be reached?</li> <li>- How do your competitors reach their customers?</li> <li>- Which channels are most cost effective for you?</li> </ul>	<p><b>Customers</b></p> <p><b>Who is your product for?</b></p> <ul style="list-style-type: none"> <li>- Who is going to buy your product?</li> <li>- Do you have more than one group of customers?</li> <li>- Who are your most important customers?</li> </ul>
<p><b>Cost</b></p> <p><b>What will it cost to make?</b></p> <ul style="list-style-type: none"> <li>- What items on your to-do list and resources list are going to cost you money?</li> <li>- Are those recurring costs or one time costs? Are they fixed or variable?</li> <li>- How can you minimize your costs?</li> </ul>			<p><b>Pricing Structure</b></p> <p><b>What are you hoping to gain?</b></p> <ul style="list-style-type: none"> <li>- How will you make money?</li> <li>- How much will your product cost?</li> <li>- What is your pricing strategy? (ex. product costs \$50, plus a connected app that costs \$8/month)</li> </ul>	

3. Answer the following questions directly in this PDF document by typing in your answers. Alternatively, you may type your answers in an MSWord document or shared Google document.

1. **Value Proposition:** What problem are you trying to solve?

- Help visually impaired people avoid colliding with overhead objects
- Help visually impaired people maneuver outside more easily and with comfort

- What does your product deliver that no other product on the market can deliver to your customer? (This might be a range of features, cost, design, etc.)

- We will try to make the cap affordable and less expensive than other products created for the same purpose

- What is your minimum viable product? (What is the most scaled-back version of your product that you could offer to provide your customers with value? You might consider only offering 1-2 of your product's features).

- **Important Note:** At this stage, please reach out to your user to confirm that your product meets their needs. Schedule a call or video chat with them to share your product idea and make sure that this product is something your user would actually want. You may want to ask several users to get a broader base of information.

- Uses vibration motors to notify user of object
- Uses ultrasonic sensors to identify objects
- Works consistently and wiring is not seen

2. **Customers:** Who is your product for? (Who is going to buy your product?)

Omar and other visually impaired people

- Do you have more than one group of customers? If so, who else could your product serve?

Right now we have only thought about one group of customers.

3. **Customer Relationships:** How will you manage your relationship with your customers?

We will communicate with our customers online. We communicate with Omar through Zoom and emails. Last year, we met him around once a month for feedback, and were able to have him try our product in person.

- How will you get and keep your customers? (ex. Social media, website, salesperson, etc.)

We will probably try to get customers through a website. We will try to keep them by forming a relationship with them and checking in for feedback and their experiences with our products.

- How will you cultivate customer loyalty?

We will cultivate customer loyalty by trying to keep our product affordable and making sure to continue to refine our product. We will have check-ins for feedback to show that we take their experiences and opinions into consideration.

#### 4. **Customer Channels:** How will your customer get your product?

- How do you customers want to be reached? (Ex. Customers of Spotify expect an impersonal, automated relationship where they don't need to talk to a person to buy their product. On the other hand, people expect to have a personal, one-on-one relationship with their doctor.)

- How do your competitors reach their customers?

- Which channels are most cost effective for you? (Ex. direct-to-consumer website, opening up your own retail store, selling your product in existing retail stores, Amazon, etc.)

#### 5. **Resources:** What do you have that can help you?

- Do you have any potential customers already? If so, who?

- Do you have inventory and supplies? What do you currently have?

- What resources do you need to acquire?

6. **Key Partners:** Who can help you? (Your Community Partner, Your Mentor, Teachers, Friends, etc.)

- Who can provide services or resources you need? (Ex. Local maker spaces)

- Who can help you get your to-do list done (other than the people on your team)?

7. **Key Activities:** What's on your "to-do" list this year? (Ex. Making a website, creating a finished prototype, looking into manufacturing, getting a patent, etc.)

- Do you need a physical location or website?

- Do you need to get supplies or inventory?

- Assign roles on your team (engineering, marketing/social media, research, etc.)

- Team Member 1: \_\_\_\_\_, Role: \_\_\_\_\_
- Team Member 2: \_\_\_\_\_, Role: \_\_\_\_\_
- Team Member 3: \_\_\_\_\_, Role: \_\_\_\_\_
- Team Member 4: \_\_\_\_\_, Role: \_\_\_\_\_
- Team Member 5: \_\_\_\_\_, Role: \_\_\_\_\_

8. **Cost:** What will your product cost to make?

a. What items on your to-do list and resources list are going to cost money?

a. Are those recurring costs or one-time costs? Are they fixed or variable?

a. How can you minimize costs?

9. **Pricing Structure:** How will you make money?

a. How much will your product cost to buy? (Consider the cost it takes to produce and what similar products on the market cost)

a. What is your pricing strategy? (Ex. product costs \$50, plus a connected app that costs \$8/month)