

Business Model Canvas

Method to the madness of entrepreneurship

An introduction

What in hell is a “business model”?

- *an abstract conceptual model that represents the business and money earning logic of a company*
- *a business layer (acting as a sort of glue) between business strategy and processes.*

Alex Osterwalder

“Running a crappy friterie around the corner takes as much time and work as running a global corporation...”

Jean Derely

Founder, Woorank and BetaGroup

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DE WAARSCHOOT FRIETERIE

OPENINGSUREN

	Gesloten	Gesloten
MA		
DI		
WO	11u30 - 14u00	17u00 - 23u00
DO	11u30 - 14u00	17u00 - 23u00
VR	11u30 - 14u00	17u00 - 24u00
ZA	11u30 - 14u00	17u00 - 24u00
ZO	11u30 - 14u00	17u00 - 23u00



Bij Peter & Nathalie





[ONZE PRODUCTEN](#) [NIEUWS](#) [FAMILIES](#) [RESTAURANTS](#) [DE ONDERNEMING](#) [TEWERKSTELLING](#)



NL ▼

Ontdek ons nieuw restaurant in Ronse

OPENING IN

4

DAGEN

17

UREN

14

MINUTEN



RONSE

McFLURRY™ MARS

BESTE WINKELKETEN

BELGISCHE APPELTJES

McWRAP

ONZE DESSERTEN

So how do they compare?

Peter and Natalie...

vs.

Jim Skinner

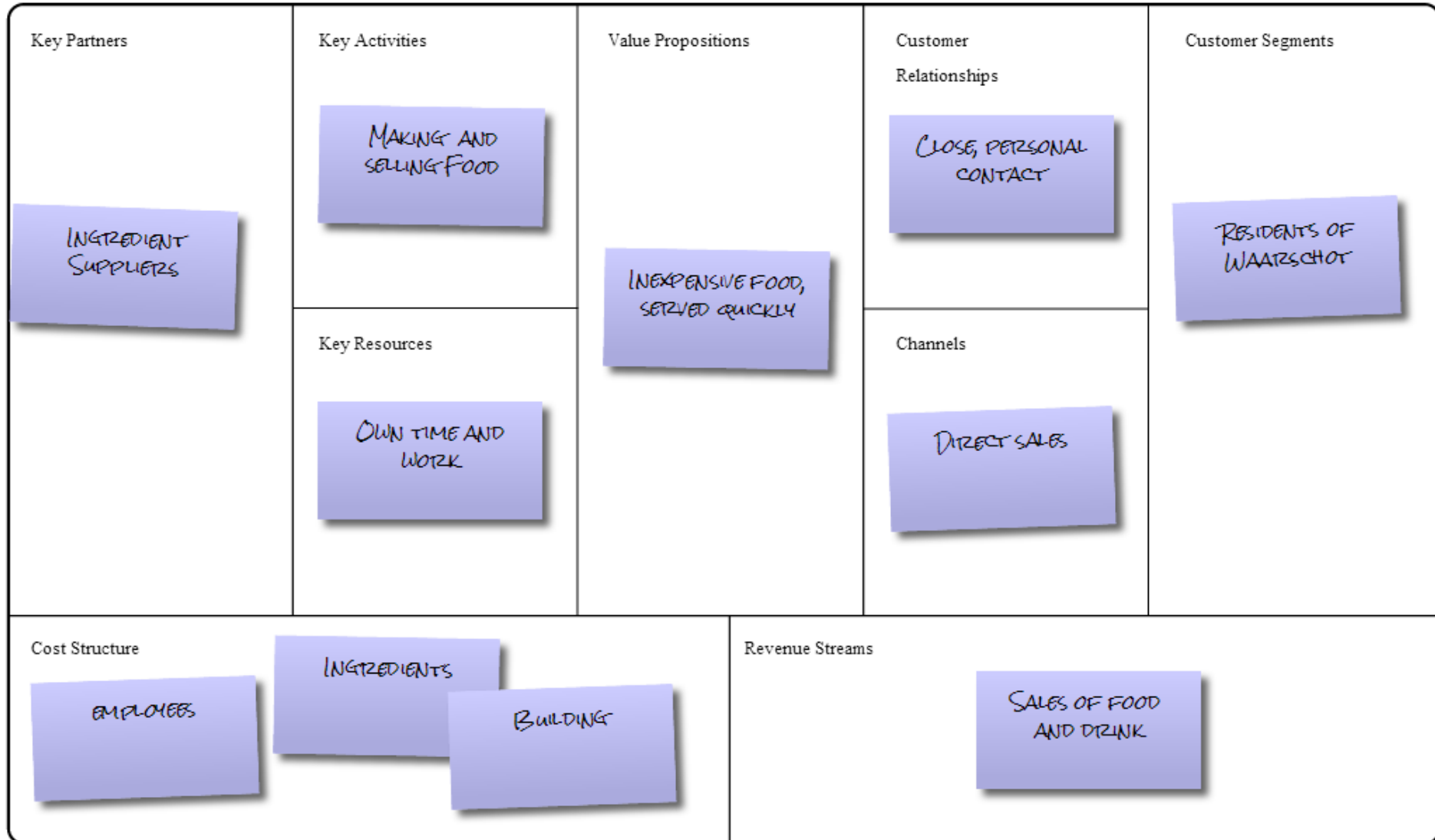
Several 100,000s of Euros

vs.

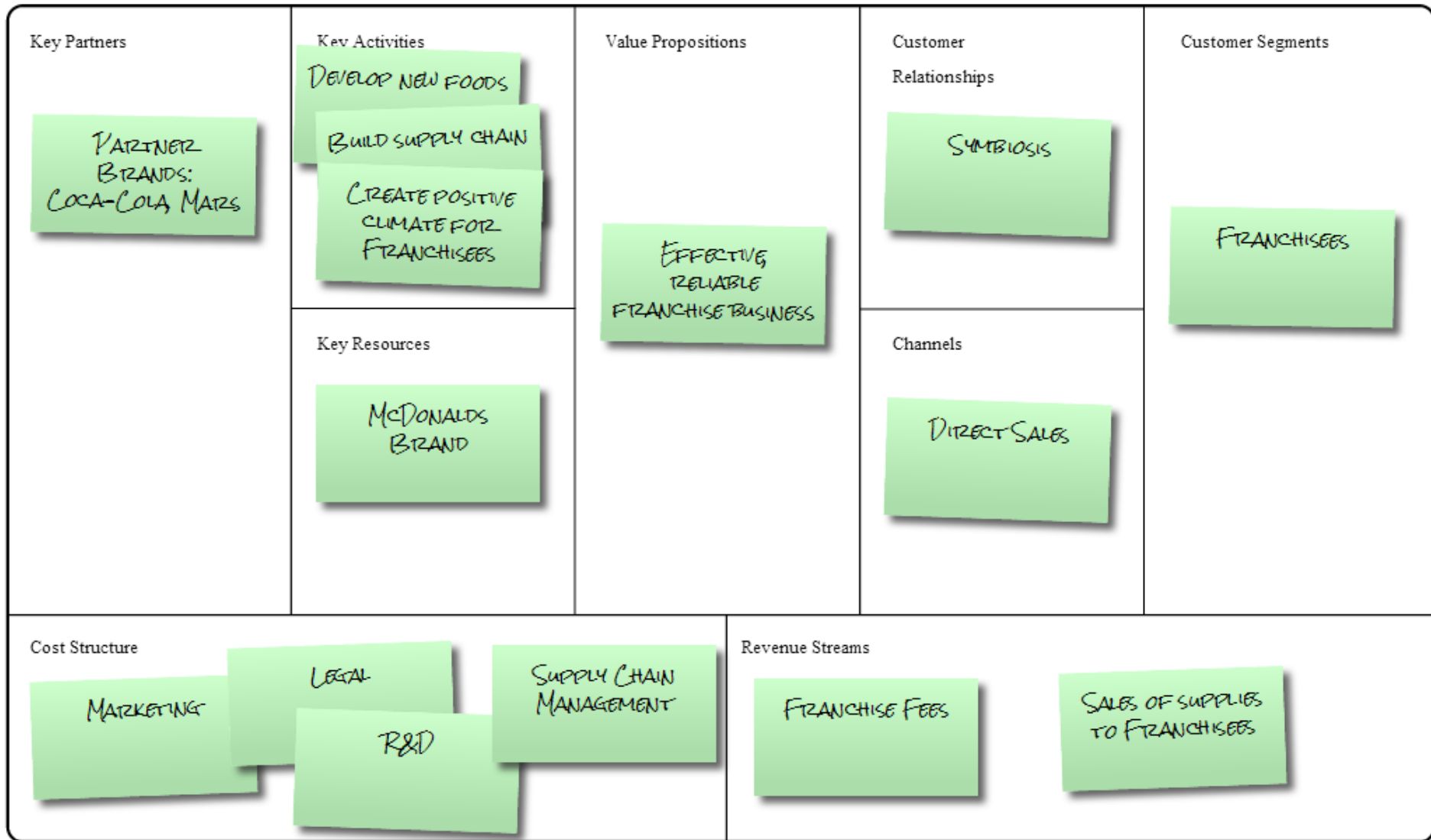
\$27 billion



DEFTRIETRIE.BE



McDonald's (Global Corporation)



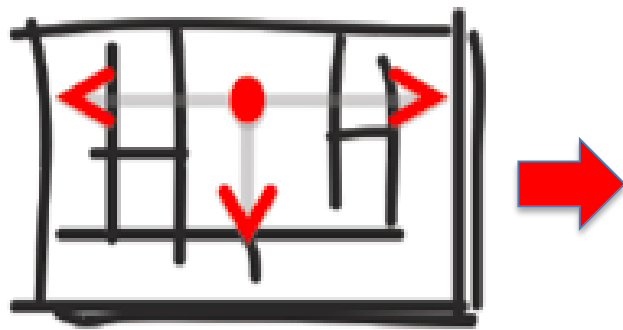
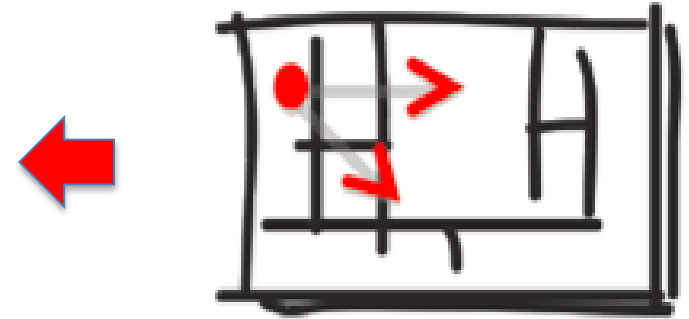
BMC is not an abstract exercise...

It helps you answer two important questions:

- Is this a business or a hobby?
- If it's a hobby, how can you turn it into a business?

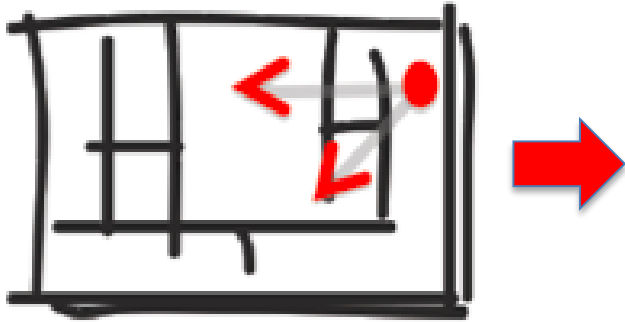
2 ways to start your Canvas

Specific resources, some
specific competences, a
license (IP),
a specific know-how, ...



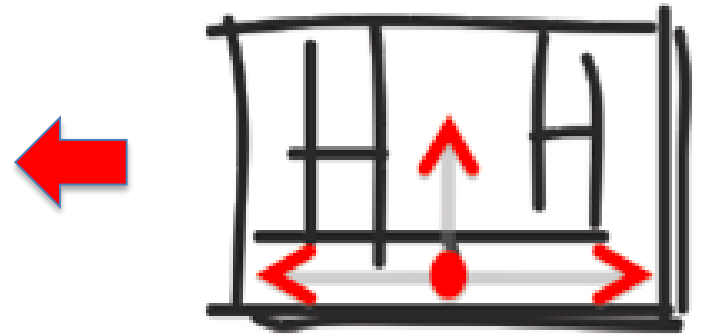
A specific Value Proposition
... a well-defined offer : you
have a solution looking for a
problem to solve, or a
customer to satisfy.

2 more ways to start your Canvas

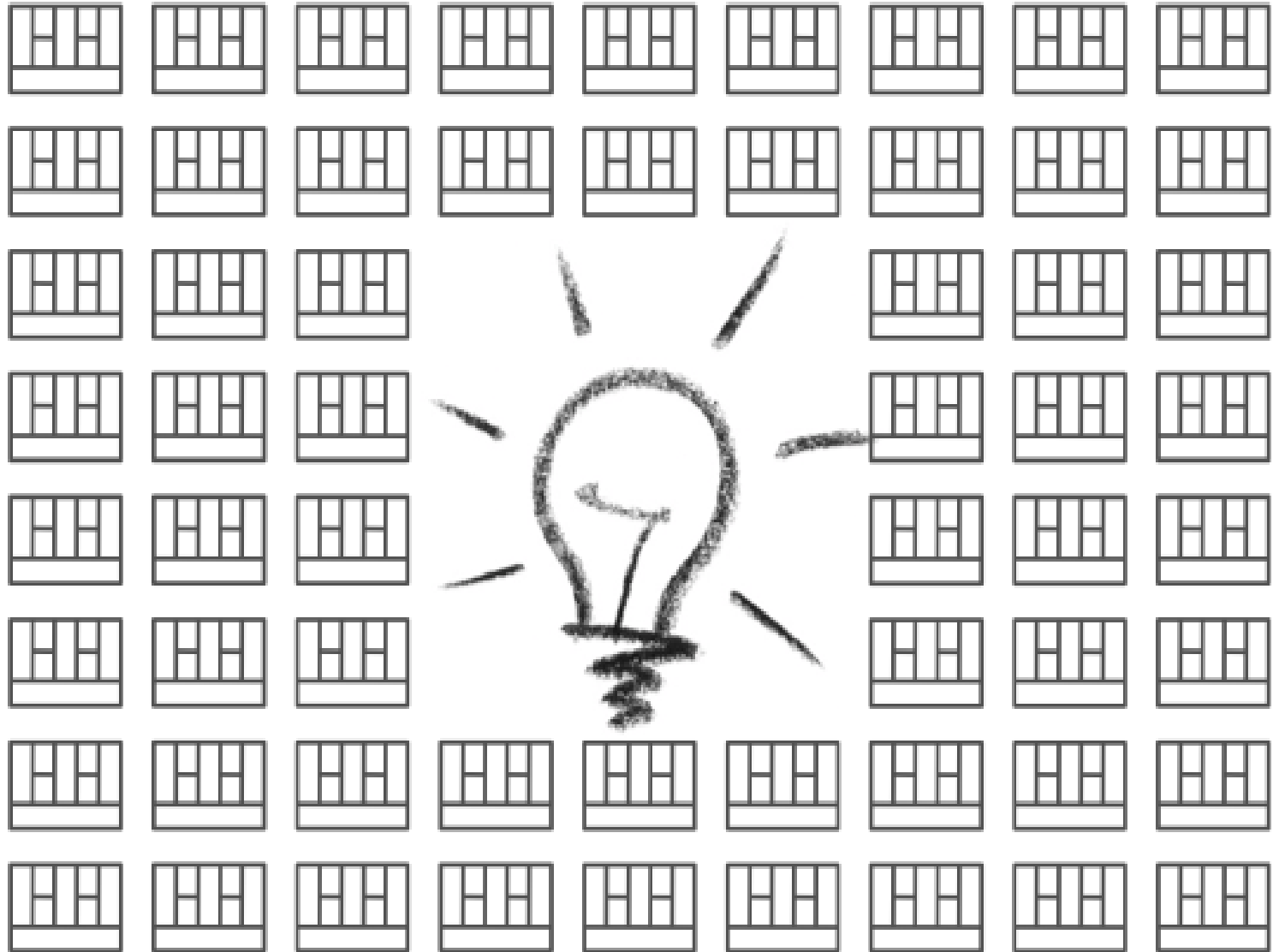


A well-defined segment of customer having a problem you intend to satisfy

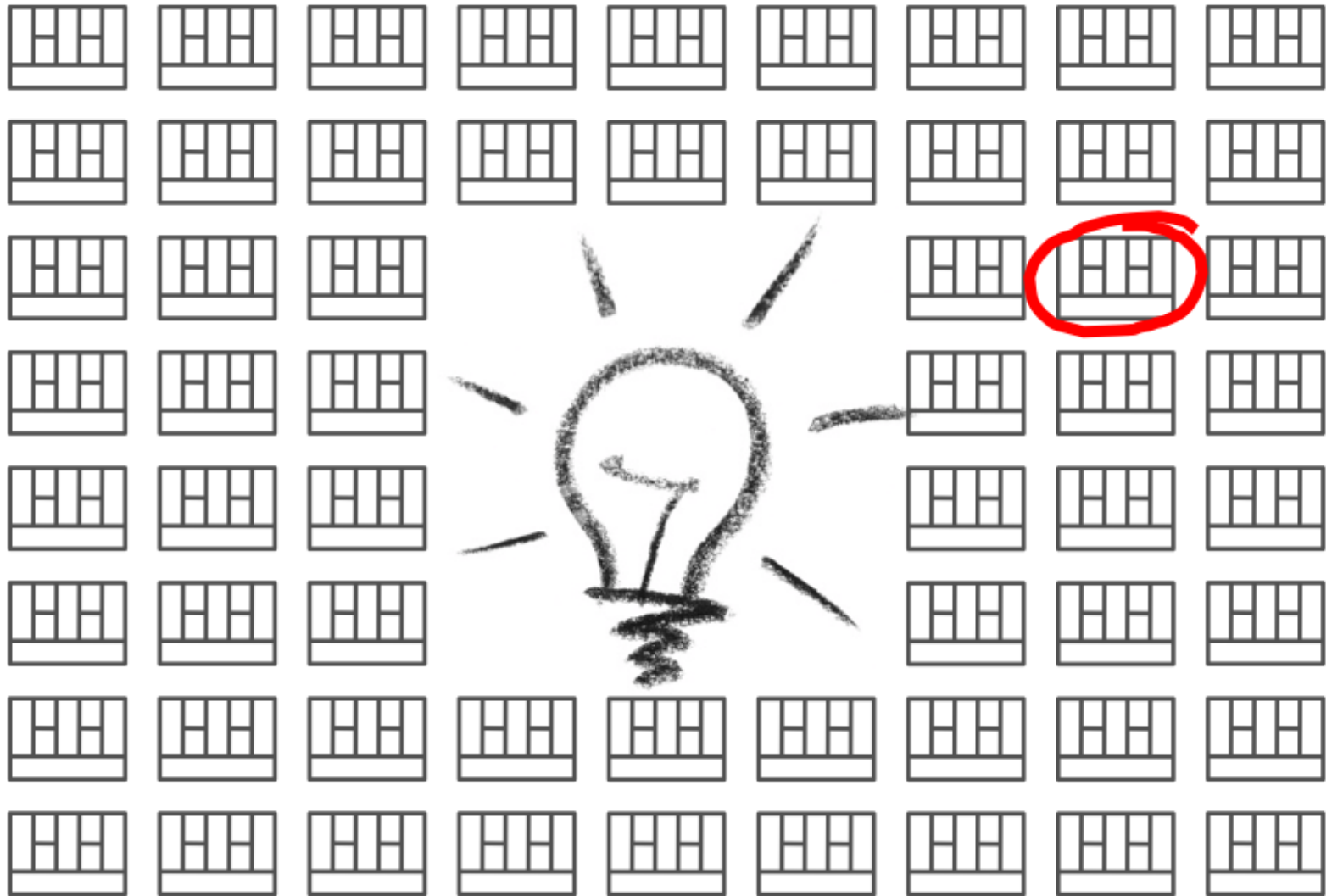
A low-cost model where more customer can access a product or a service



Come up with a ton of options



Choose one that sounds reasonable



Fill them in with knowledge. Quickly.



Canvas without numbers = bullsh*t

Check it against these four criteria

- Are there customers who will buy what you sell?
- Are you different enough from competition?
- Is this more profitable than another business?
- Can you build a “factory” for doing what you do and vastly increase output?

Business or hobby?

- Watch found at a flea market: € 3
- Repairs: € 80
- Sold for: € 200
- Profit: € 117



Demand

- Dozens of blogs and forums dedicated to “exotic” watches
- “Exotic” watches on Ebay seem to always get sold
- Consistent price levels

Competition

- Lots of “premium brand” watches, not a lot “exotic” sold online
- Same story in “bricks and mortar” shops

So far so good...

Profitability

- Flea market: 2 hours
- Research: 1 hour
- Repairs: 0.5 hours
- Sale on Ebay: 2.5 hours

½ day of work for € 117

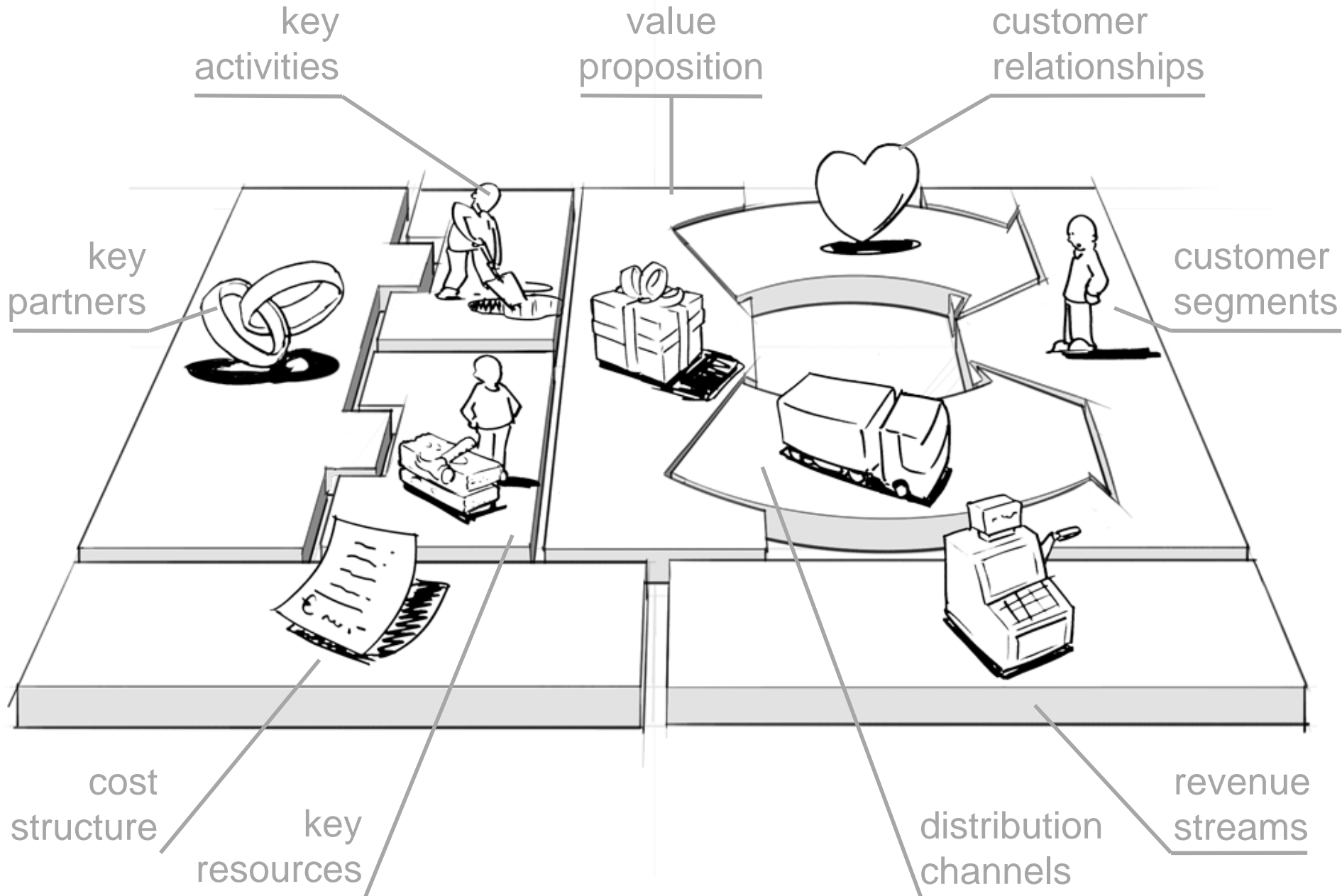
Scalability

- 1 flea market per week
- Maybe 3 in one day
- Max. 12 watches/month
- Don't forget travel cost

MAYBE € 1000 / month

Don't quit the day job...

Try again, use canvas as inspiration.



How can I improve my watch business?

- (key activities) Reduce cost of repairing watches
 - Croatia: € 15 per watch instead of € 100
- (key partners) Source more watches to repair and sell
 - Recruit flea market traders as my “supply chain”
- (resources) Source more watches to repair and sell
 - Hire “cheap” part-time assistants in major cities
- (distribution channels) Make more money per watch
 - Create my own online community of exotic watch fans
- (customer segment) Make more money per watch
 - Open a shop at Sablon (Brussels)
- (value proposition) Make more money per watch
 - Add more expensive watches from known brands



You need knowledgeable
people around the table

One last bit of Canvas wisdom





This is the right
kind of a
Swiss Army Knife.

Now let's talk about
YOUR
business

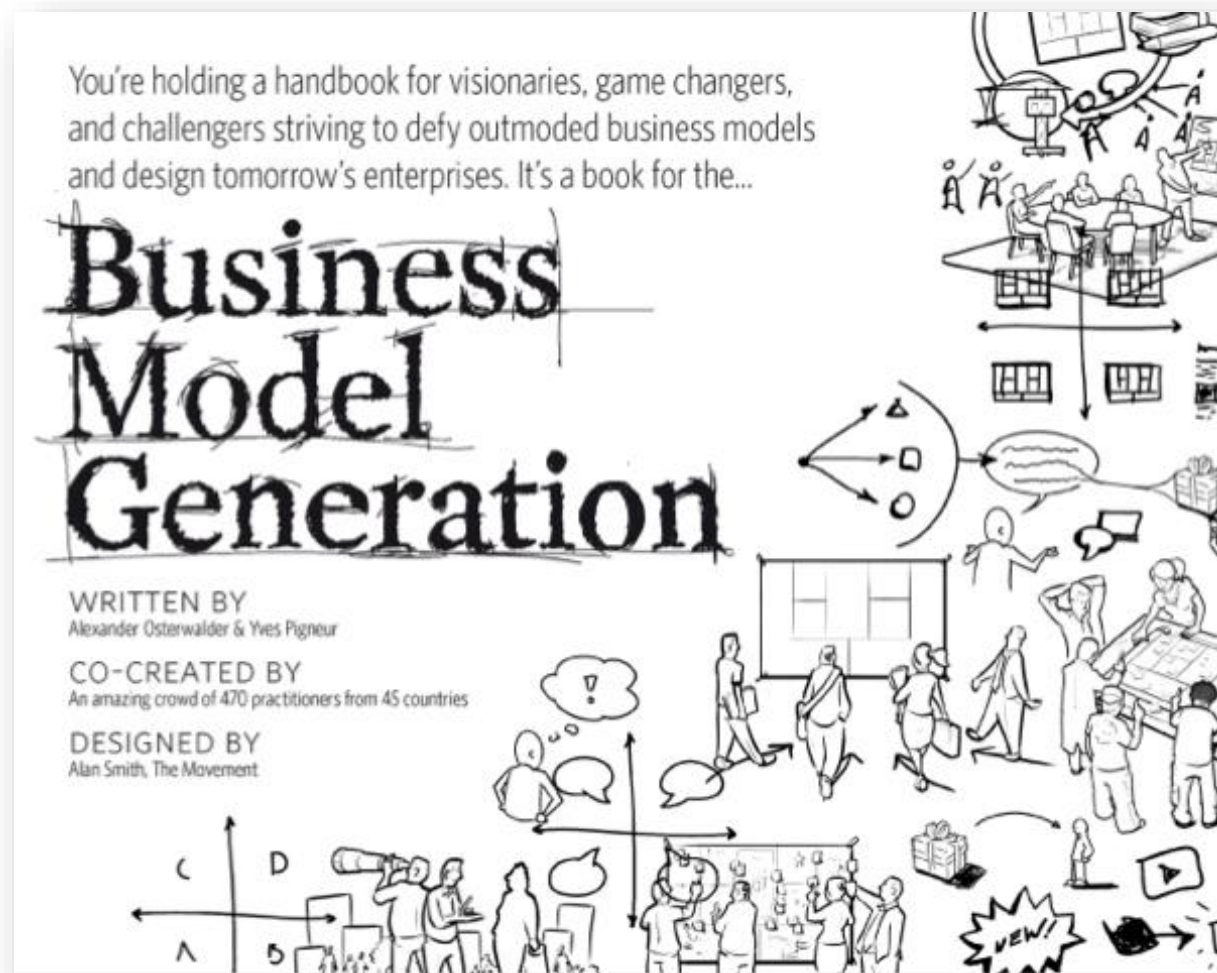
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Book describes the Canvas



Download the book :

<http://www.businessmodelgeneration.com/book>

Bibliography

- Download the canvas :
<http://www.businessmodelgeneration.com/canvas>
- Download the app to play with the canvas :
<http://www.businessmodelgeneration.com/toolbox>

Plenty of free digital tools

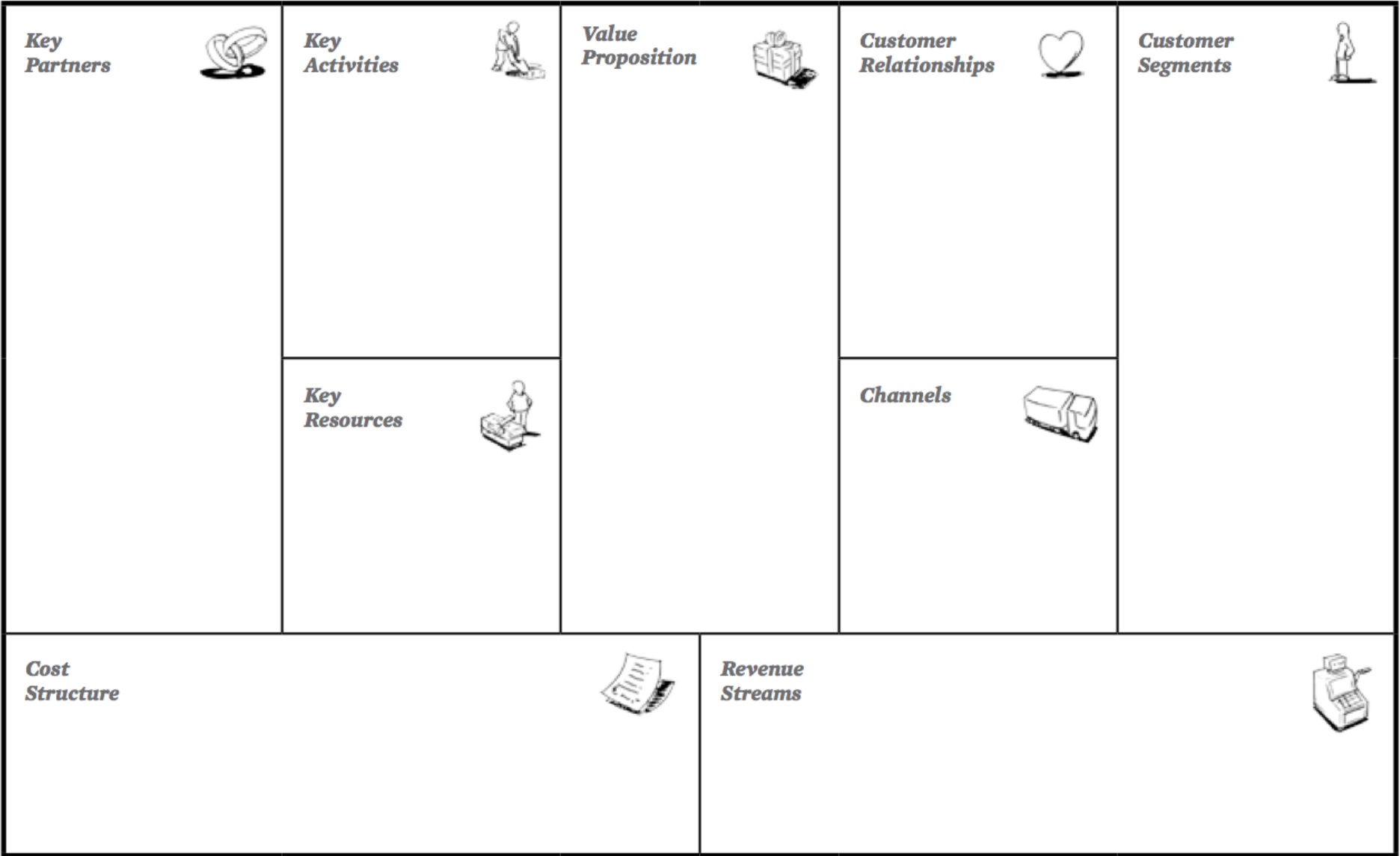
- Simplest web app in existence:

<http://www.bemcoapp.com/>

- A bit more sophistication:

<http://canvanizer.com/>

The Business Model Canvas



Download : http://www.businessmodelgeneration.com/downloads/business_model_canvas_poster.pdf