

Business model canvas

The **business model canvas** is a template with 9 interconnecting sections that describe how your business works. It captures who your customers are, how you provide products or services and how you create income.

Use the canvas to discover insights about:

- the customers you serve
- what products and services (value propositions) are offered through what channels
- how your business makes money.

You can use the business model canvas to understand your own business model (or one of a competitor).

Overview

There are 9 sections of the business model canvas.

1. **Customer segments:** The different groups of people or organisations your business aims to reach and serve. List the top 3 customer types (or segments). Look for the segments that provide the most revenue. You might have some customers who don't pay you directly.
2. **Value proposition:** A description of your products and services that create value for a specific customer segment. Value propositions also describe the 'promises' you make to customers (e.g. they buy lemonade and they get refreshment). Each customer segment should have a matching value proposition.
3. **Channels:** How will customers access your products or services? How do you deliver your value proposition? Channels describes how customers find your products and services and eventually transact with your business, whether in person or remotely.
4. **Customer relationships:** The ways your business establishes and maintains lasting relationships with your customer segments that goes beyond the point of sale.
5. **Revenue:** How your business will make money (or not) from each customer and for each product or service listed as a value proposition. List your top 3 revenue streams, noting that offering something for free can be part of your revenue model.
6. **Key resources:** The most important assets required to make your business model work. These are the resources your business uses to continually create value sustainably and competitively. The people, knowledge, means, and money you need to run your business.
7. **Key activities:** The most important things your business must do to make your business model work. These are the things you do and that your business must use to create value. What do you have to do every day to run your business model?
8. **Key partners:** The network of suppliers and partners that make your business model work. Key partners are other businesses that allow your business to sustain its business model without having to develop or own everything.
9. **Costs:** The underlying expenses to run your business, including the key resources, key activities and key partners. The cost structure describes all costs you incur to operate your business model. List your top costs by looking at activities and resources.

Instructions

1. Before you start:

- Decide on the format that suits you:
 - print a large copy of the template and hang on the wall
 - download the template and complete on your computer or project onto a screen.
- Have plenty of sticky notes and pens ready.
- Allow around 45-60 minutes of undisturbed time.

2. Complete the canvas:

- a. Start by mapping out your business on a high level – focus on the most important aspects only. Make sure you look at how your business operates right now. Don't mix in ideas for how you want things to work in the future.
- b. Link up the different parts – every value proposition needs a customer segment and a revenue stream.

3. Next steps:

1. Review the canvas. Are you missing anything?
2. Save or take a photo of the completed canvas to review in the future.
3. Discuss with your support network (family, friends and colleagues).

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<ul style="list-style-type: none">● Key partners Who are your most important partners? Which key resources do you acquire from partners? Which key activities do your partners perform?	<ul style="list-style-type: none">● Key activities What are the activities you perform every day to create and deliver your value proposition?	<ul style="list-style-type: none">● Value propositions What is the value you deliver to your customer? Which of your customer's problems are you helping to solve? What is the customer need that your value proposition addresses? What is your promise to your customers? What are the products and services you create for your customers?	<ul style="list-style-type: none">● Customer relationships What relationship does each customer segment expect you to establish and maintain?	<ul style="list-style-type: none">● Customer segments Who are you creating value for? What are the customer segments that either pay, receive or decide on your value proposition?
<ul style="list-style-type: none">● Key resources What are the resources you need to create and deliver your value proposition?	<ul style="list-style-type: none">● Channels How does your value proposition reach your customer? Where can your customer buy or use your products or services?			
<ul style="list-style-type: none">● Cost structure What are the important costs you make to create and deliver your value proposition?			<ul style="list-style-type: none">● Revenue streams How do customers reward you for the value you provide to them? What are the different revenue models?	