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# The quest for a scalable business model

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[saxion.nl](http://saxion.nl)

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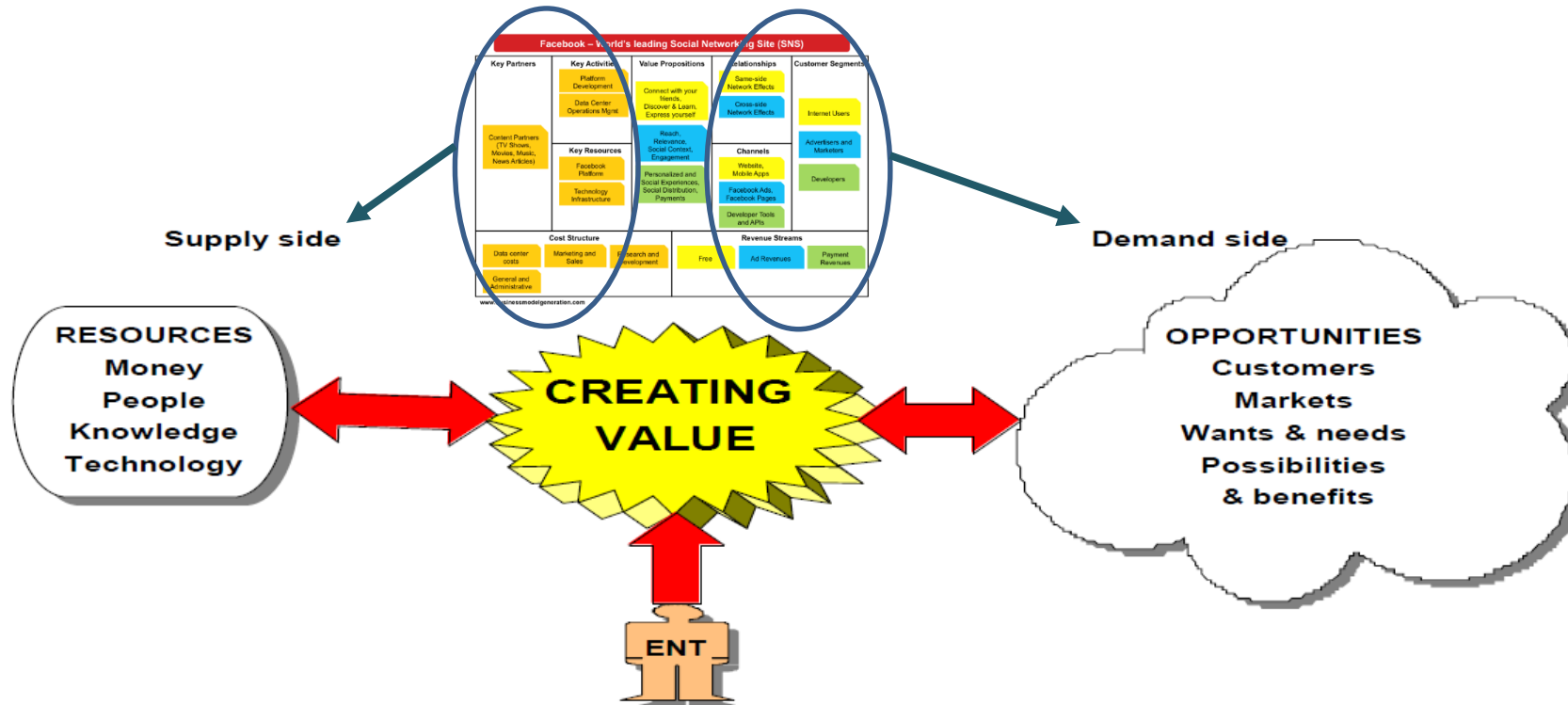


This session is to try and experiment with business models

# Male vs. Female Entrepreneurship

University spin-offs NovelT ecosystem				
				5years
Sex of the entrepreneur	Total	Active now	Survival rate	
F	75	58	77	
M	432	302	70	
Unknown	673	466	69	
Average number of workplaces				
F	2			
M	8			
Unknown	7			
Number Percentage 1 pers. Company				
F	48	64		
M	176	41		
Unknown	246	37		

# What is an entrepreneur doing?



Eric Ries, “The lean startup”:

*An entrepreneur is seldom the swashbuckling adventurer that we usually think he / she is. We often have this image in mind of the Branson type. But, almost all entrepreneurs are thoughtful methodical persons, looking for as much as possible solid arguments for their decisions.*



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Let's practice a bit!

The "pop-up store"



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# Pop-up stores



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# Pop-up stores





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# Pop-up stores



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# Pop-up stores



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# Pop-up stores



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# Pop-up stores



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# Pop-up stores



## Assignment:

Design a temporary pop-up store, just for a month...

Make it so that it is going to be the “talk of the town”.

What will be your value proposal / customer segment?

What are you going to sell there and how will it look like?

**Draw your ideas on a paper.** No explanation in words...just pictures.

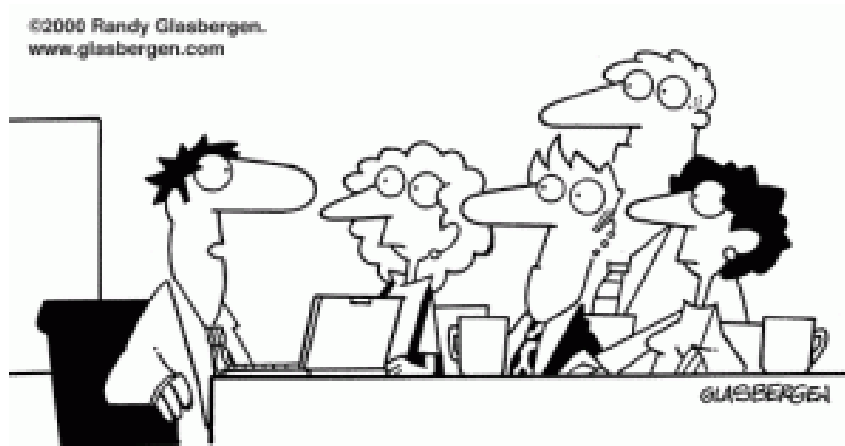
# Business model checklist

- Who are your target customers?
- What value is created for them?
- Why will they buy the product from you?
- How is it superior to its competitors?
- How will you produce, market and distribute it?
- How and when will it generate cash and profits?
- What financial investment is required?
- Can you draw a simple diagram to show the process?

# Who is my customer?

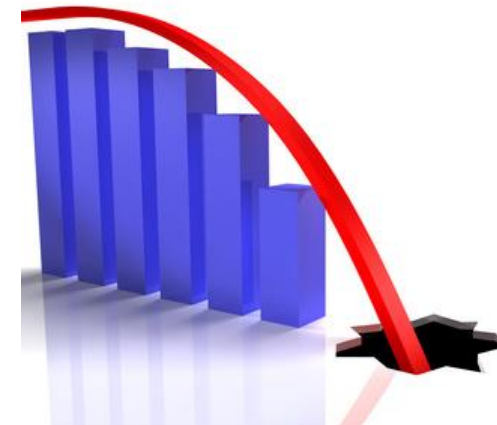
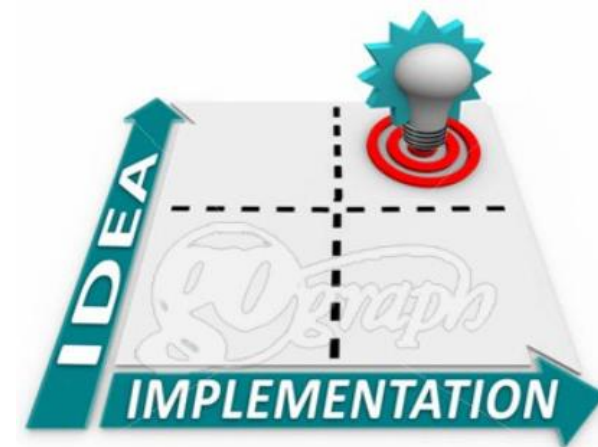
As entrepreneur you offer the customers a value proposal

*How do you know a proposal is good? Who is my customer?*



©2006 Randy Glasbergen.  
www.glasbergen.com

**"Now that we've celebrated our diversity, embraced a new spirit of creativity, made a fresh commitment to excellence, and given something back to the community, does anyone here remember what it is we're supposed to manufacture and sell?"**





# Remember when developing a business:

*Customers  
care  
about  
their pro-  
blems, not  
your  
solution.*

*“Your mother is not your customer!”*



# Creating value: where is my customer?

Answer to this question is to look into the customer needs and understand which needs customers have



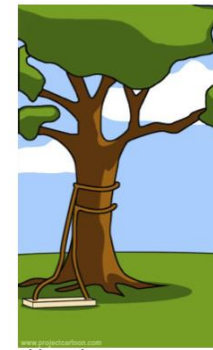
How the customer explained it



How the project leader understood it



How the analyst designed it



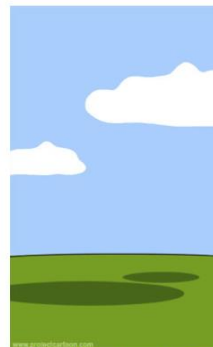
How the programmer wrote it



What the beta testers received



How the business consultant described it



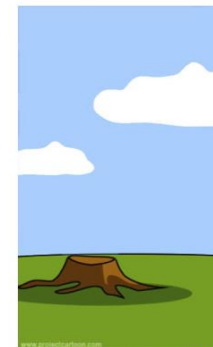
How the project was documented



What operations installed



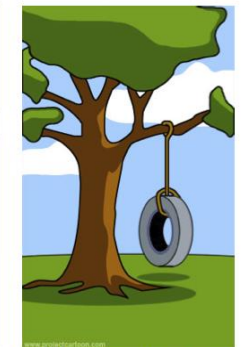
How the customer was billed



How it was supported



What marketing advertised  
iSwing



What the customer really needed

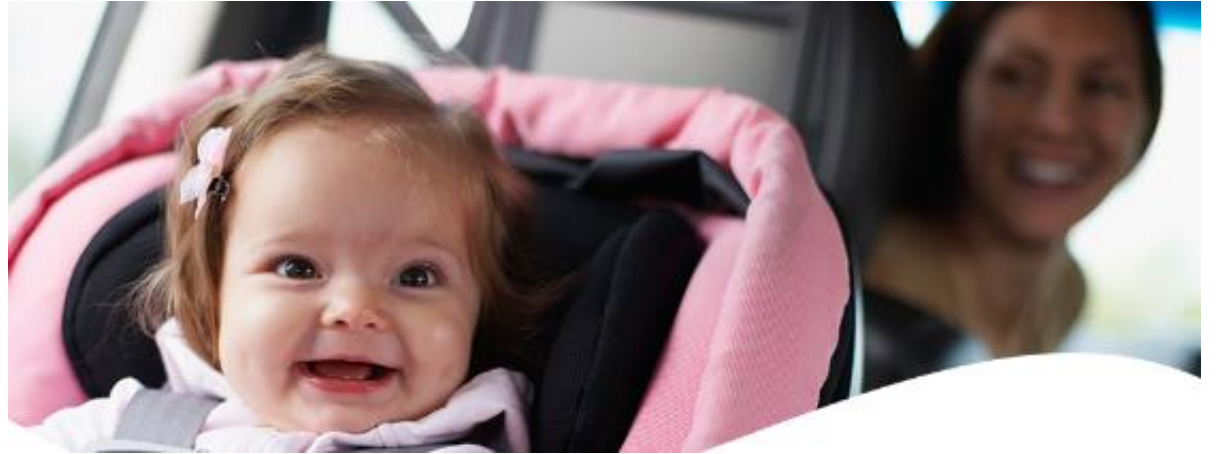
## Example: Parents looking for a baby seat in car

- Technical:  
It must be helping our baby to be transported safely (the product does the job)
- Emotional:  
Buying a good baby seats makes us feel good, as loving parents (the product makes you feel good)
- Social:  
We want to show others that we have the best product (how the product is seen by others)

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# Customer needs: positioning



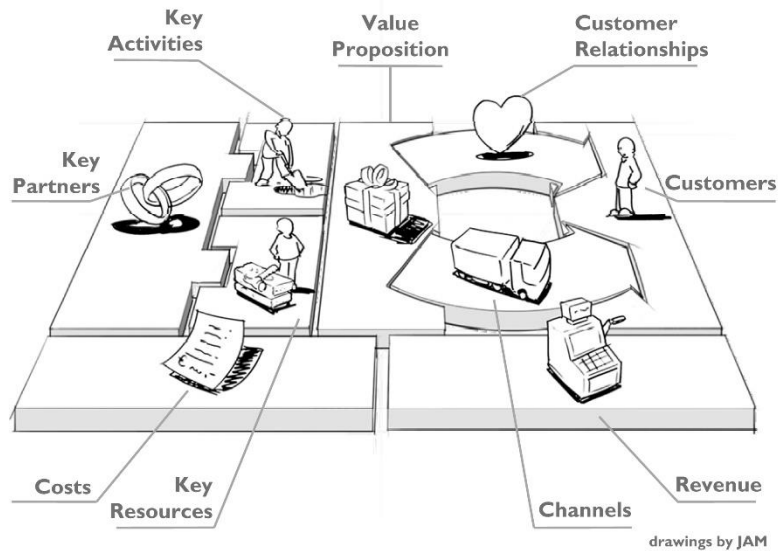
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How do the customer needs relate to the development of an enterprise?

# Describing a business model

How to describe a business idea as easy and clear as possible.  
 Idea: write it in a predefined framework of 1 A4.  
*(Osterwalder & Pigneur, 2010)*



**The Business Model Canvas** Design of for: \_\_\_\_\_ Designed by: \_\_\_\_\_

<b>Key Partners</b> Who are our Key Partners? Who are our Key Suppliers? Which Key Resources do we acquire from our partners? Which Key Activities do our partners perform? Which Key Channels do our partners use? Which Key Revenue Streams do our partners generate?	<b>Key Activities</b> What are the most important activities that our business model requires? Do our Key Partners (Suppliers) perform these activities? Do our Customers (Channels) perform these activities? Do our Key Resources (Channels) perform these activities? Do our Key Revenue Streams (Channels) perform these activities?	<b>Value Propositions</b> What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? Which benefits do our customers value? Which customer needs are we satisfying? Which customer segments are we targeting?	<b>Customer Relationships</b> What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which type of relationship do we offer? How are they interacting with the rest of our business model? How are they interacting with the rest of our business model? How are they interacting with the rest of our business model?	<b>Customer Segments</b> For whom are we creating value? Who are our current (potential) customers? What are their needs? How are they interacting with the rest of our business model? How are they interacting with the rest of our business model?
<b>Key Resources</b> What are the most important assets that our business model requires? Do our Key Partners (Suppliers) own these resources? Do our Customers (Channels) own these resources? Do our Key Activities (Channels) own these resources? Do our Key Revenue Streams (Channels) own these resources?	<b>Channels</b> Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How do we intend to reach them in the future? Which are our most effective Channels? How are we integrating these Channels into our business model?	<b>Cost Structure</b> What are the most important costs incurred by our business model? Which Key Resources are most expensive? Which Key Activities are most expensive? Which Key Channels are most expensive? Which Key Revenue Streams are most expensive?	<b>Revenue Streams</b> For what value are our Customers willing to pay? How are we currently generating revenue? How do we intend to generate revenue in the future? Which are our most profitable Revenue Streams? How are we integrating these Revenue Streams into our business model?	

www.businessmodelgeneration.com

# Osterwalder about his business model canvas

- Business models as tool to compete in business

<http://www.youtube.com/watch?v=RzkdJiax6Tw>

- The canvas is a way to show in an easy way what you do and how you work
- Because it is easy to produce, it is easy to make several canvasses, to select the best.












# The Business model canvas

## The Business Model Canvas

Designed for:

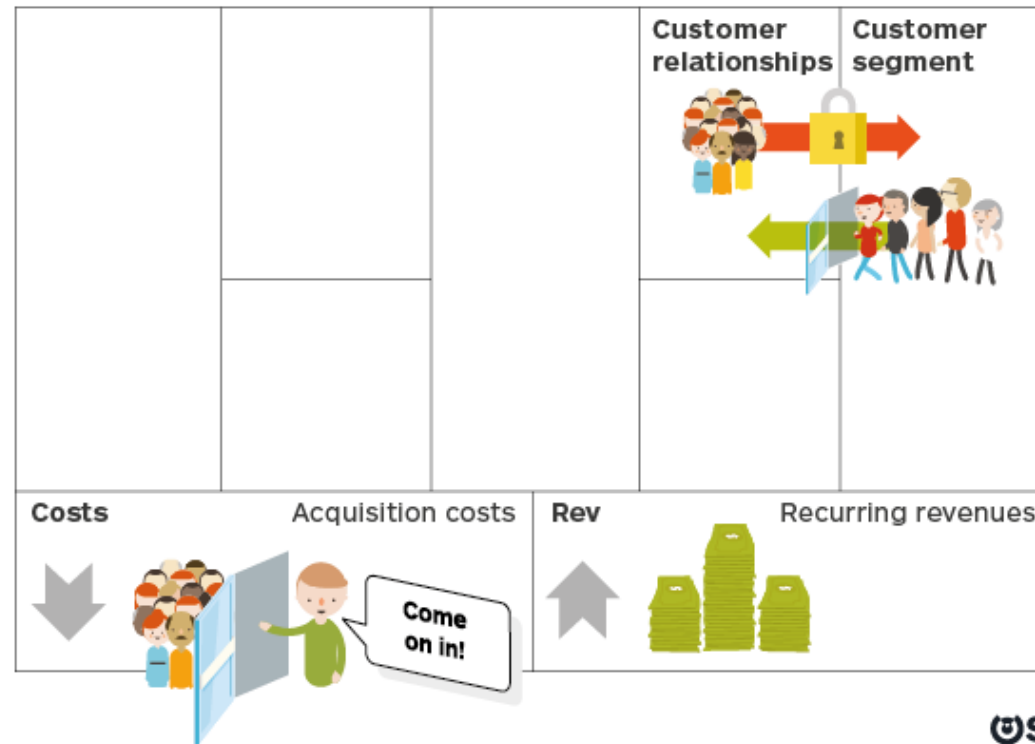
Designed by:

On:     
 Duration:

<p><b>Key Partners</b> </p> <p>Who are our Key Partners?          Who are our key suppliers?          Which Key Activities do our partners perform?          Which Key Resources do our partners provide?          Which Key Channels do our partners use?          Which Key Customer Relationships do our partners provide?</p>	<p><b>Key Activities</b> </p> <p>What Key Activities do our Value Proposition require?          Our Distribution Channels?          Customer Relationships?          Revenue Streams?</p> <p>Key Activities:          Production          Distribution          Logistics          Procurement          Human Resources</p>	<p><b>Value Propositions</b> </p> <p>What value does deliver to the customer?          Which one of our customer's problems are we helping to solve?          What bundles of products to and services are we offering to each Customer Segment?          Which customer needs are we satisfying?</p> <p>Value Propositions:          New products          Performance          Reliability          Design          Price          Customization          Convenience          Consistency          Risk-reduction          Self-Service          Status          Security</p>	<p><b>Customer Relationships</b> </p> <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them?          Which ones have we established?          How are they integrated with the rest of our business model?          How costly are they?</p> <p>Customer Relationships:          Personal Assistant          Concierge          Self-Service          Co-creation          Communities          Partnerships          Resellers          Agents          Intermediaries          Resellers          Agents          Intermediaries</p>	<p><b>Customer Segments</b> </p> <p>For whom are we creating value?          Who are our most important customers?</p> <p>Customer Segments:          Mass          Niche          Segments          Markets          Niches          Segments</p>
<p><b>Key Resources</b> </p> <p>What Key Resources do our Value Proposition require?          Our Distribution Channels?          Customer Relationships?          Revenue Streams?</p> <p>Key Resources:          Physical          Intellectual          Financial          Human          Channels</p>		<p><b>Channels</b> </p> <p>Through which Channels do our Customer Segments want to be reached?          How are we reaching them now?          How do we want to reach them?          Which ones are most cost-efficient?          How are we integrating them with customer routines?</p> <p>Channels:          Direct          Indirect          Retail          Wholesale          Partners          Resellers          Agents          Intermediaries          Resellers          Agents          Intermediaries</p>		
<p><b>Cost Structure</b> </p> <p>What are the most important costs inherent in our business model?          Which Key Resources are most expensive?          Which Key Activities then are most expensive?</p> <p>Cost Structure:          Variable          Fixed          Semi-variable          Variable          Fixed          Semi-variable</p>			<p><b>Revenue Streams</b> </p> <p>For what value are our customers really willing to pay?          For what do they currently pay?          How are they currently paying?          How would they prefer to pay?          How much does each Revenue Stream contribute to overall revenue?</p> <p>Revenue Streams:          Transactional          Recurring          Lumpy          Commission          Advertising          Rental          Royalty          License          Resale          Brokerage          Service          Subscription          Usage-based          Performance-based          Advertising          Rental          Royalty          License          Resale          Brokerage          Service          Subscription          Usage-based          Performance-based</p>	

# Keeping customers: lock-in

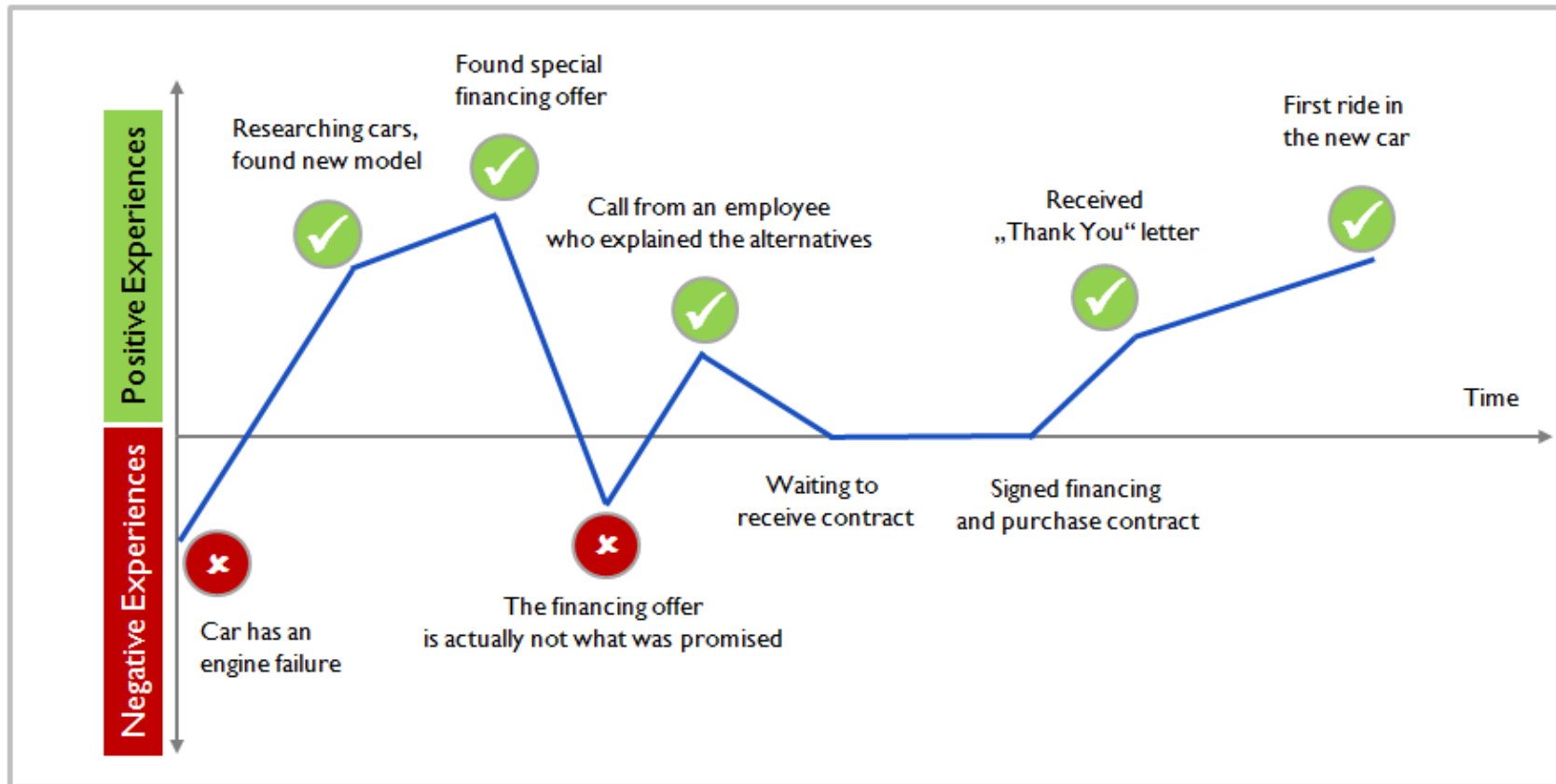
**Superior business models use switching costs to lock customers in their ecosystem and earn more from them**



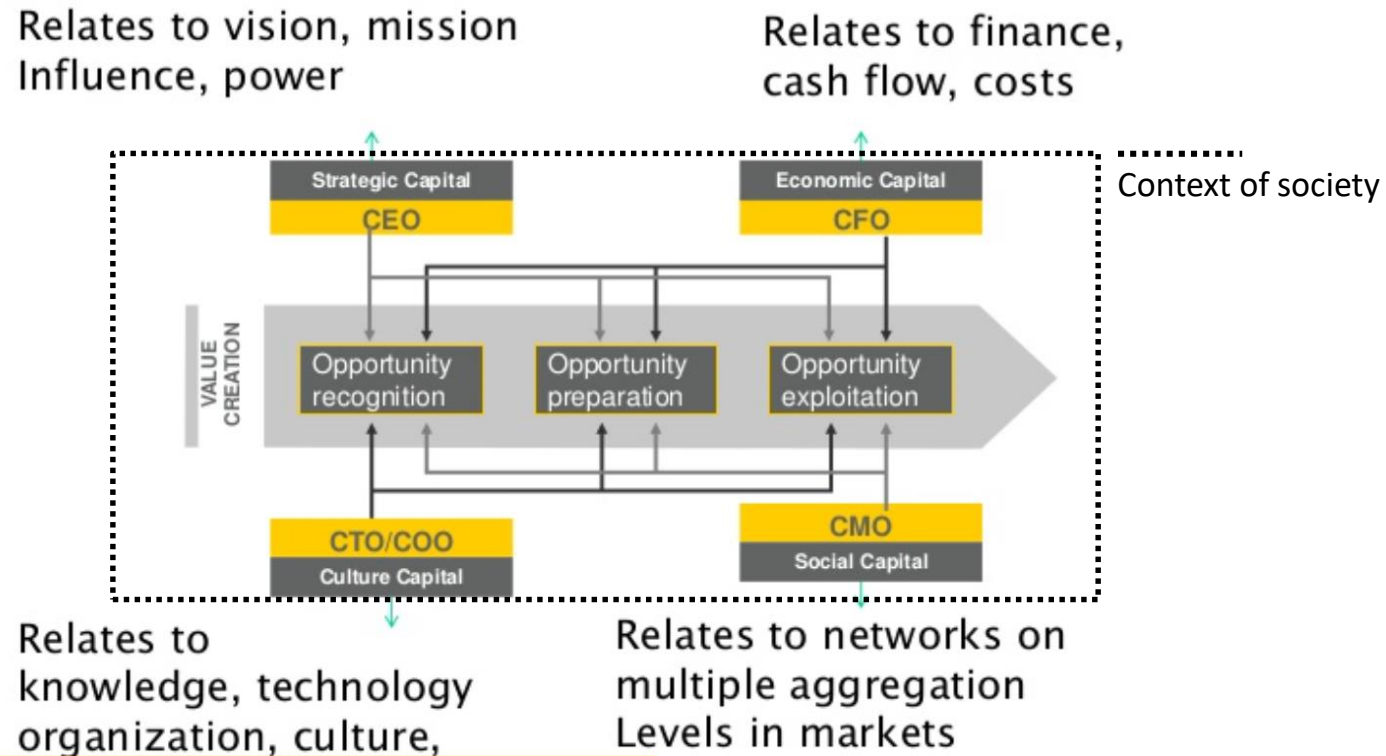
- **Base Product & Consumable trap:** *Nespresso, Gillette, HP, Kodak*
- **Data trap:** *Apple, Google Android, Spotify*
- **Learning Curve trap:** *Adobe*
- **Industry standards trap:** *Microsoft, Adobe*
- **Service trap:** *Rolls Royce, Hilti*
- **Exit trap:** *Mobile phone companies*

# Customer journey

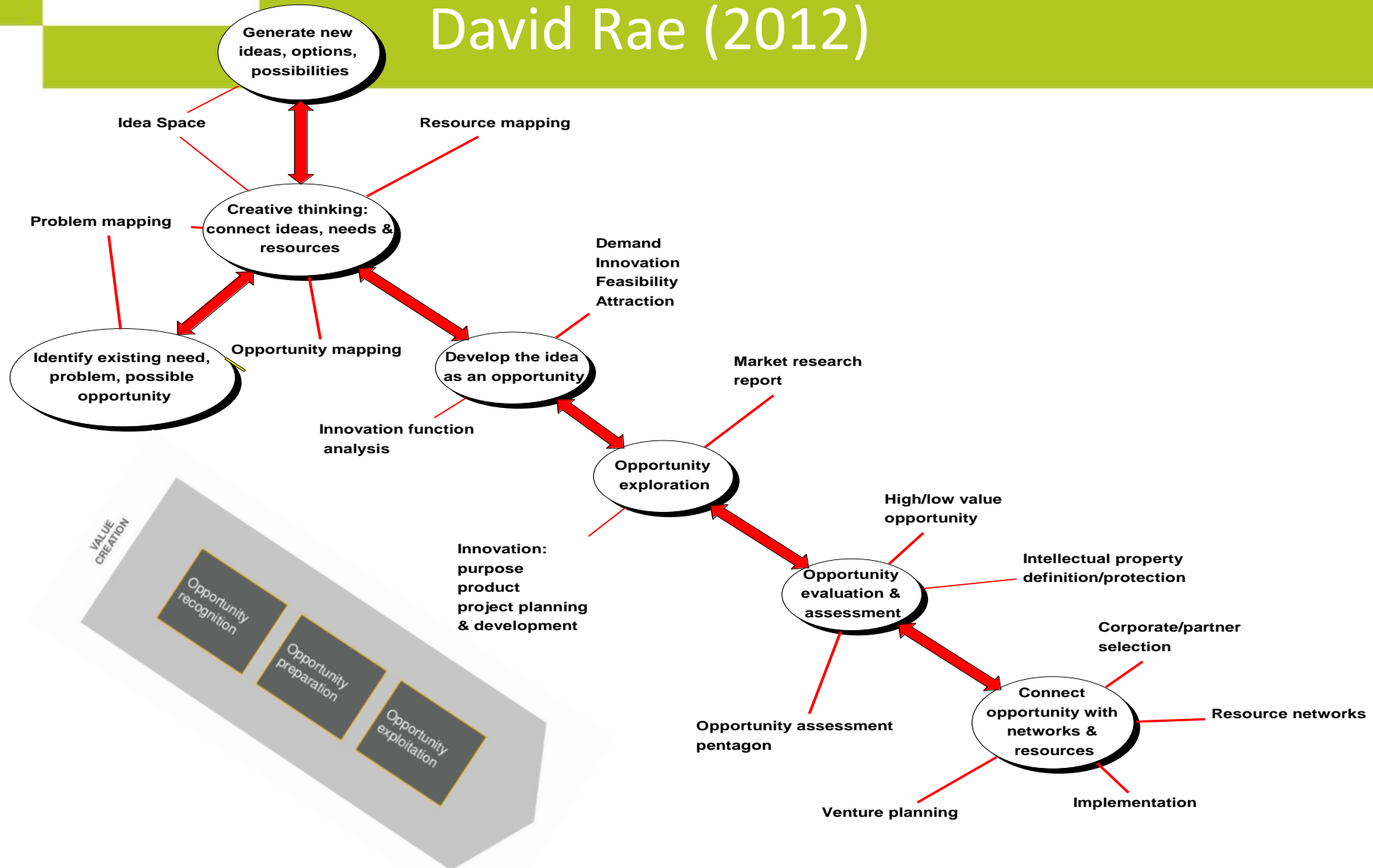
## Customer Journey Example: Car Purchase



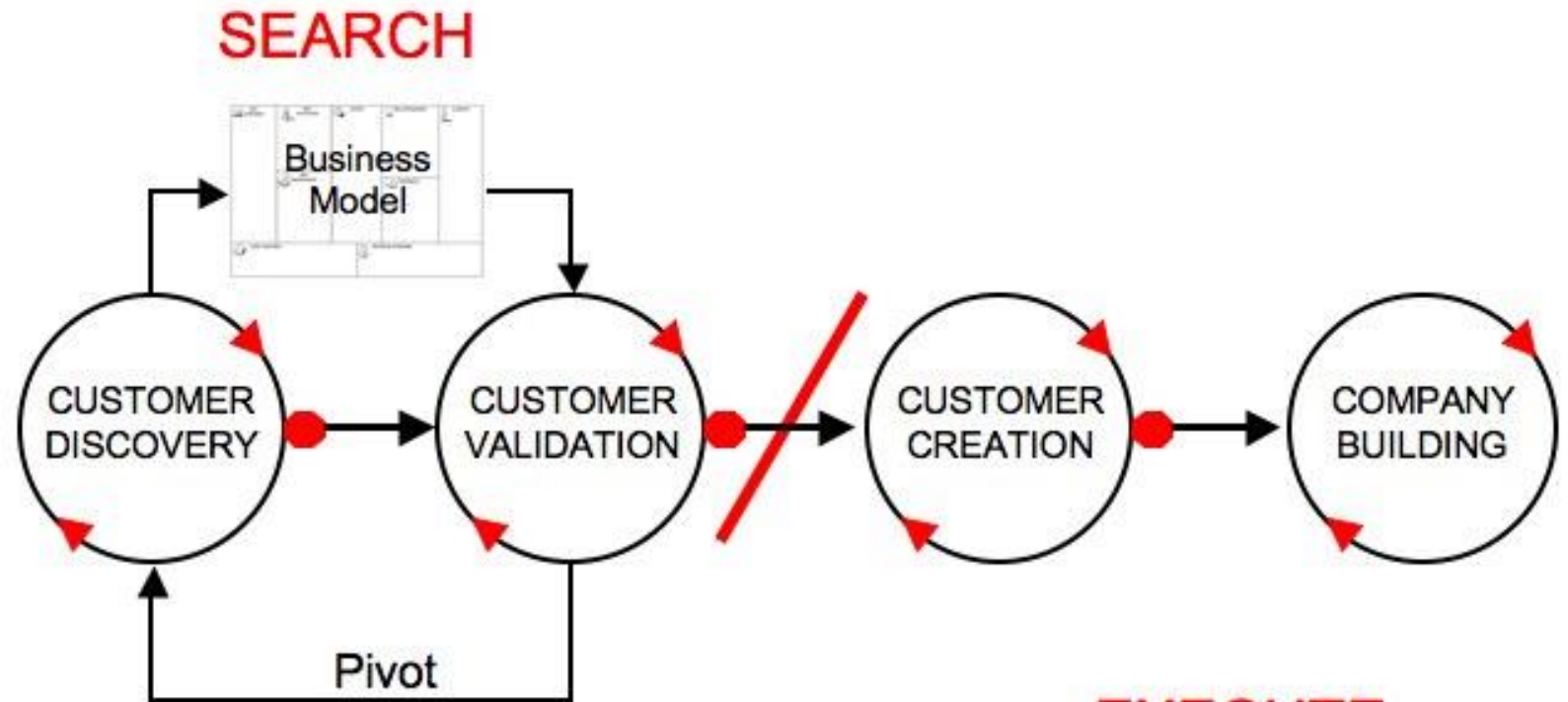
# Model of innovative entrepreneurship (Shane & Vankateraman, 2000)



# Model of innovative entrepreneurship David Rae (2012)

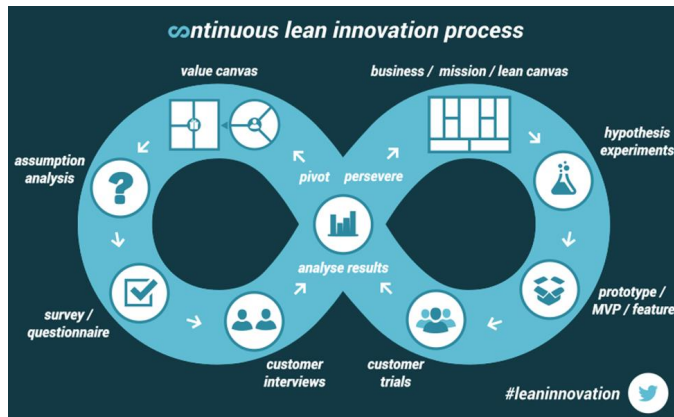


# Customer/Client Development Model



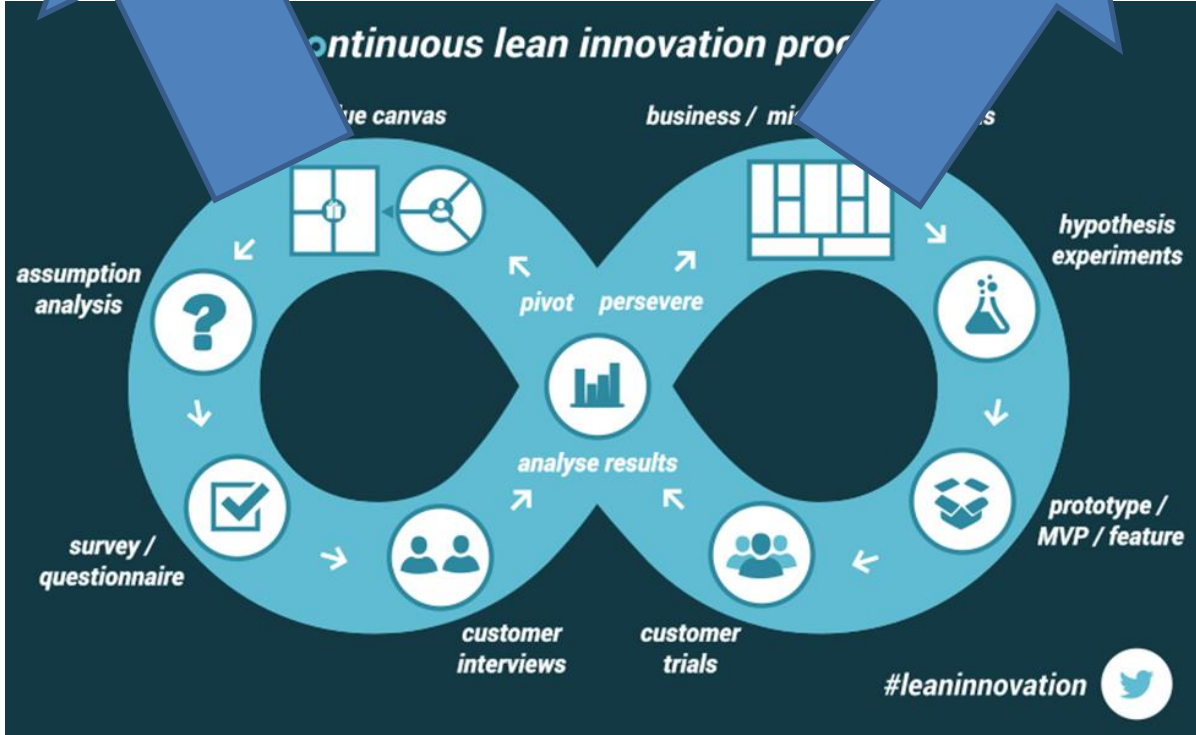
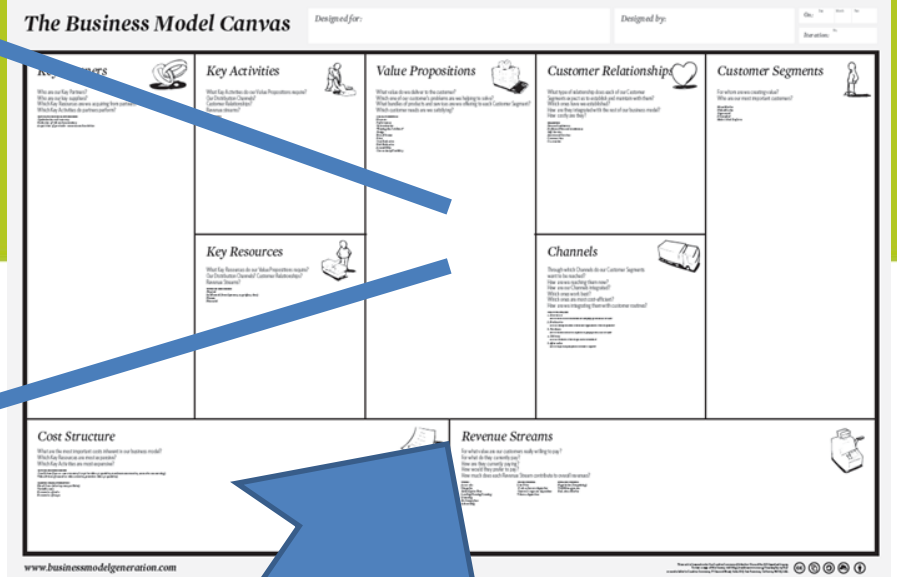
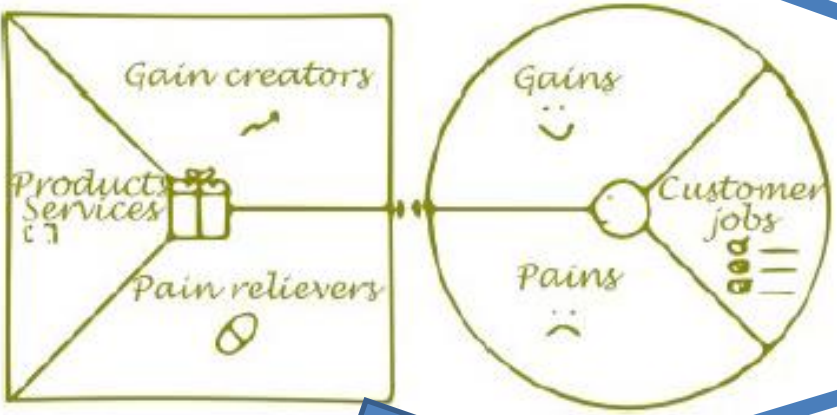
**EXECUTE**

Business Model Development  
Steve Blank & Bob Dorf (2014)



Lean enterprise  
Eric Ries (2012)

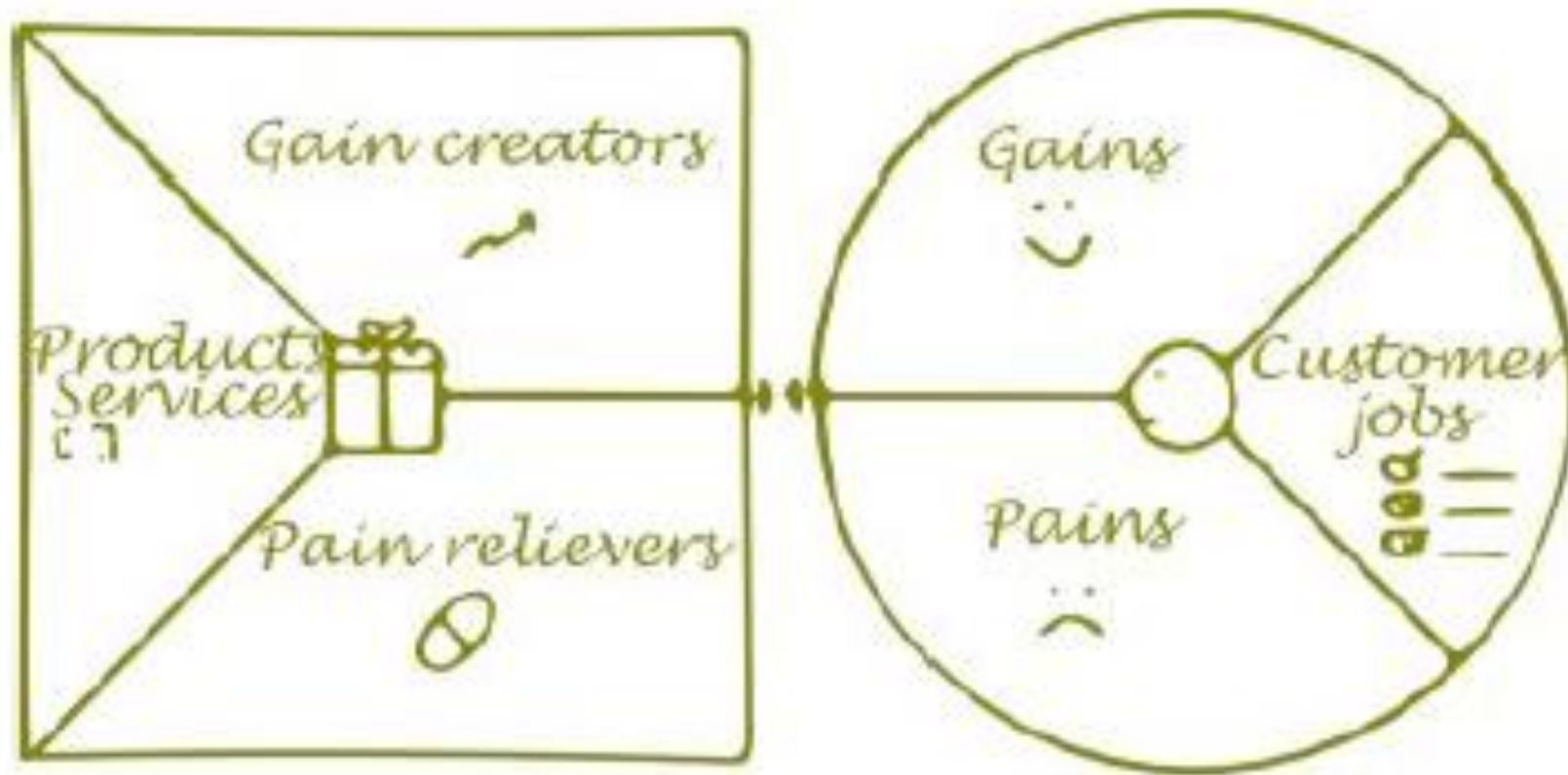
Kom verder



Osterwalder & Peigneur (2010)  
Business Model Canvas

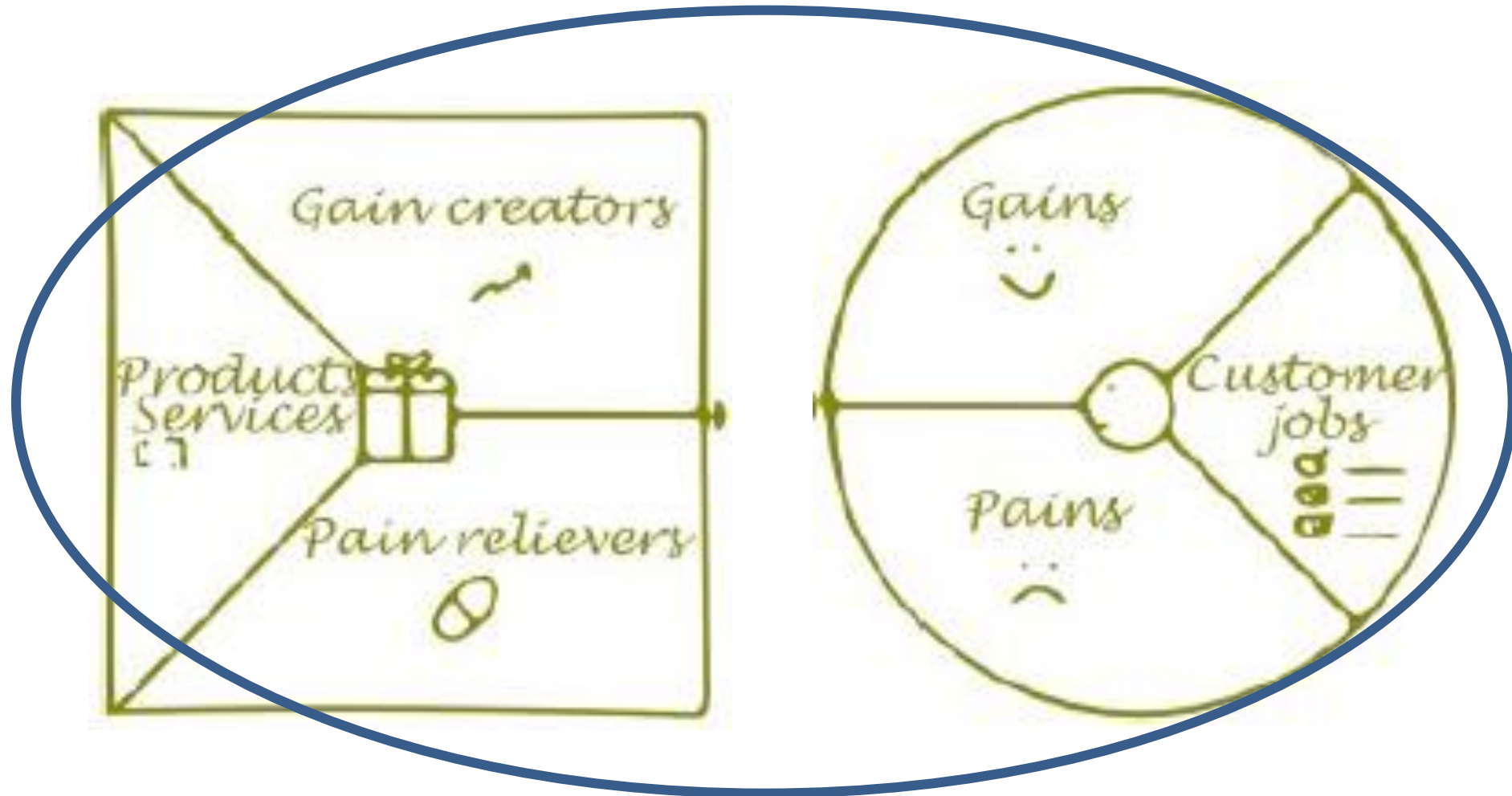


# The value proposition canvas (Osterwalder & Pigneur, 2010)



Value Proposition Canvas

# Successful business: The two match



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# Moscow souvenir powerbank



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# Your Pop up store value proposition?

Think a few moments about your value proposition...

How could you be sure that your idea would be attractive for your customers?

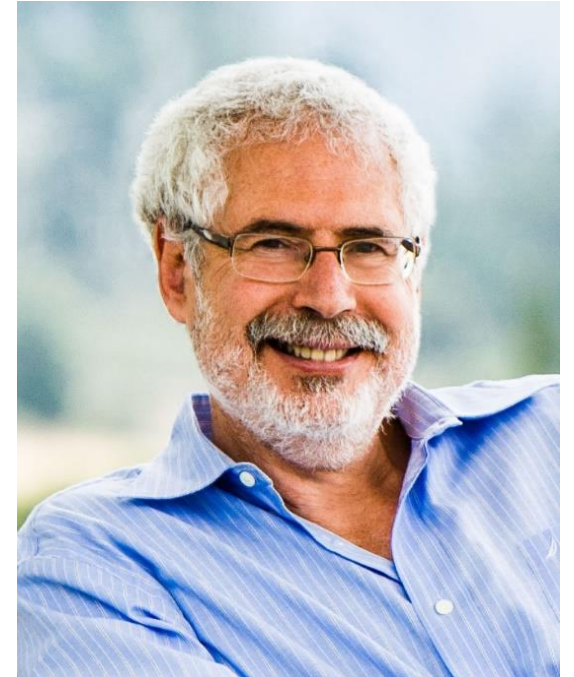
Lesson number 1 (Steve Blank & Bob Dorf)

Get out of the building: There are no facts to be found in school → interview prospective customers

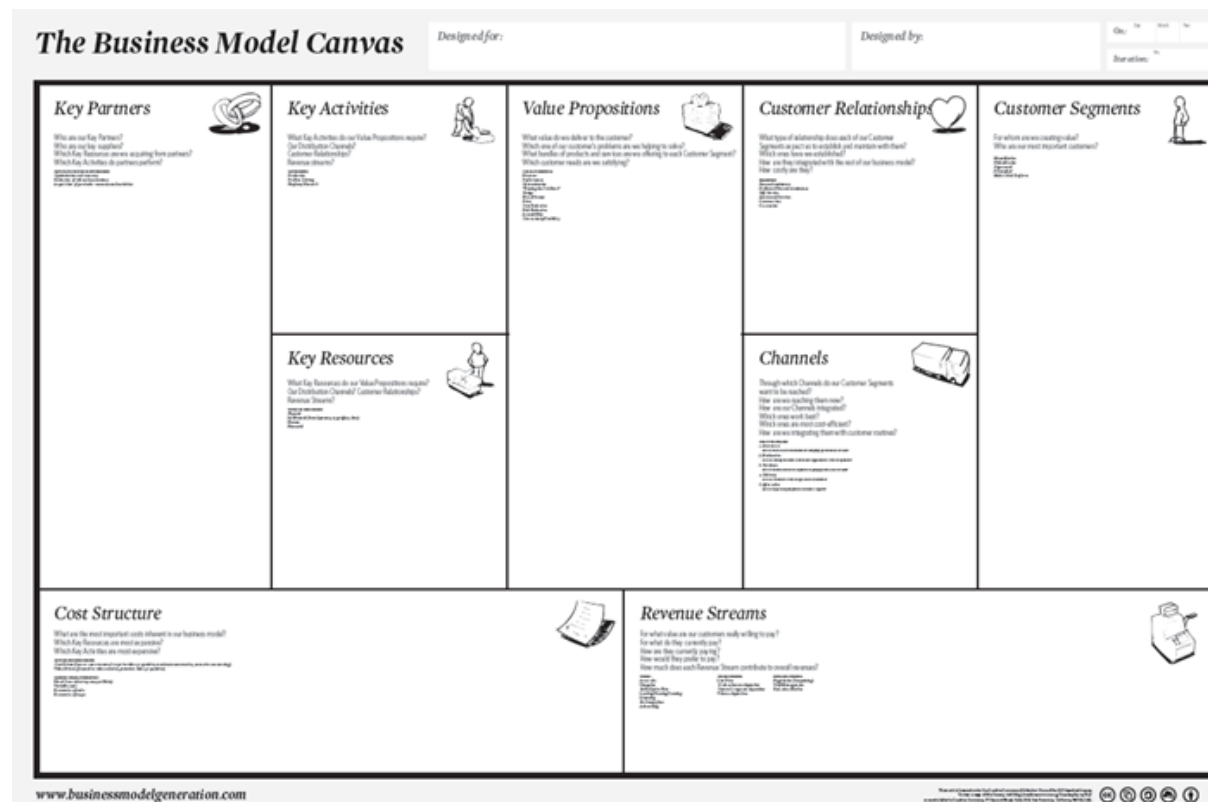
<https://www.youtube.com/watch?v=1bAT44QPPHw>

How well prepared a business model is, “*no business plan will survive the first contact with customers*” (Steve Blank & Bob Dorf, the start-up owners manual)

In other words...your business model is going to change.



# What is the most important part of your business model?



# “0kCal” vs. Gurley

- Sustainable competitive advantage?
- Most important question: *“How easy is it for someone else to provide the same product or service that you provide?”*





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# Competitive advantage: Meet Dennis



goodfood concepts home catering over ons contact

### Festival & Event Catering

Wij zijn een festival cateraar met een eigen identiteit en onderscheidend vermogen, waarbij de festivalganger, maar ook de opdrachtgever en zijn behoefte op een professioneel creatieve manier altijd centraal staat.

- FESTIVAL CATERING
- INDOOR EVENTS
- OUTDOOR EVENTS
- CREW CATERING

### VIP & Hospitality Catering

Wij maken elk event bijzonder en uniek doormiddel van totaal beleving. Wij dragen zorg voor een exclusieve touch in alle catering oplossingen. Wij zijn in staat om uw event naar een culinair hoogwaardig niveau te brengen.

- LOGES
- SKYBOXEN
- POP UP A LA CARTE RESTAURANTS
- LUXE DINERS OP LOCATIE



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Small Assignment:

Business idea “Sell low calory  
cupcakes”

Make a value proposition for the “0  
kcal”, low calory cupcake store.

Think about all pains/gains, pain  
relievers and gain creators



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# Saxion Start-up handbook

More information about finding your business model:

*Free & simpler version of the Steve Blank & Bob Dorf's Start-up owners manual: Saxion Start-up Handbook*

Downloadable from:

<http://www.startupwerkboek.nl/index.php/124>

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# What about competition?

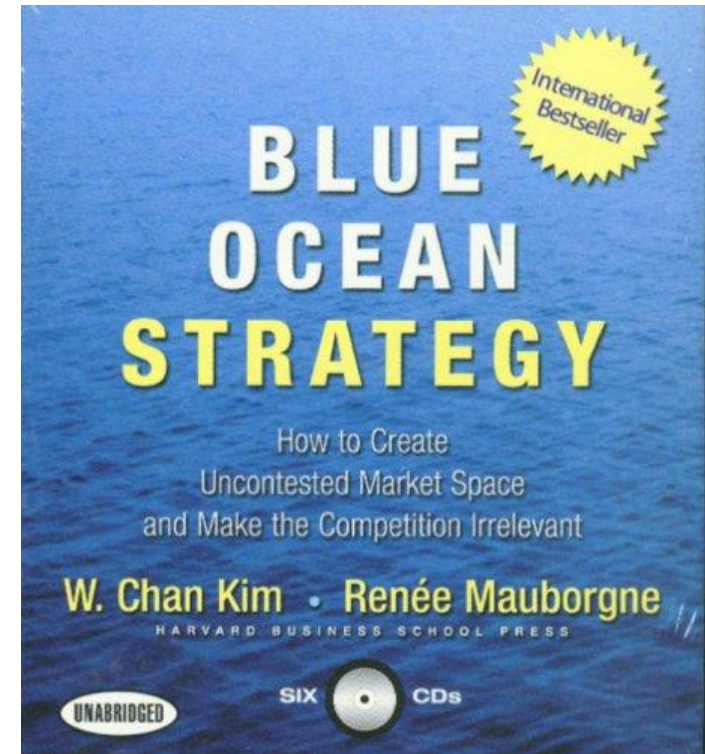
*Blue Ocean* :  
Uncontested market  
space



*Red Ocean* : Full of  
competitors



Avoid Red Oceans...  
develop the blue ones!



# What about competition? Blue ocean/Red ocean

## The bicycle market as an ocean

Bicycle industry competes for a share of the 20% cyclists (red, with blood)



ABBIE TRAYLER-SMITH



# Overview: Blue ocean/Red ocean



Compete in existing market space

Beat the competition

Exploit existing demand

Make the value-cost trade-off

Align the whole system of a firm's activities with its strategic choice of differentiation or low cost

**"Defend Current Position"**  
*Perspective*



Create uncontested market space

Make the competition irrelevant

Create and capture new demand

Break the value-cost trade-off

Align the whole system of a firm's activities in pursuit of differentiation and low cost

**"Innovate & Pursue New Opportunities"**  
*Perspective*

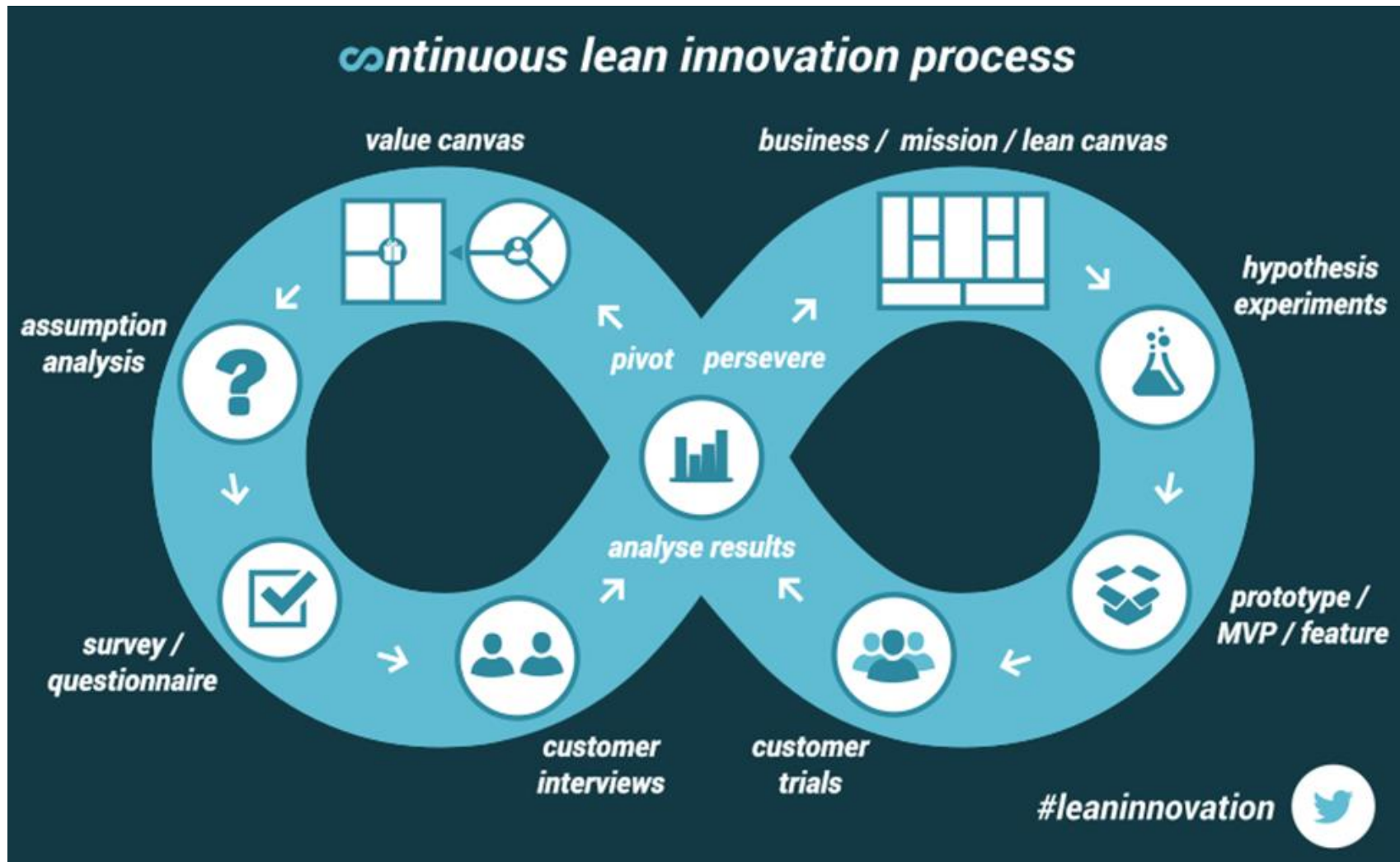
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# How to create sustainable competitive advantage?

In other words... how can you keep “swimming in a blue ocean” as a company?

# Lean company building





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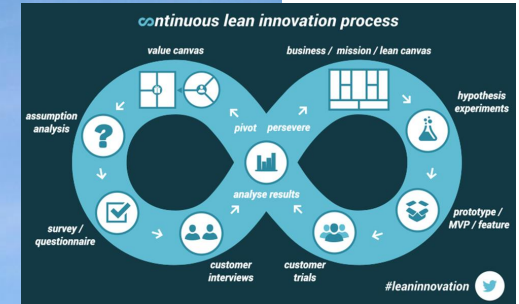
# Meet Frank



Kom verder



# Pivoting the business

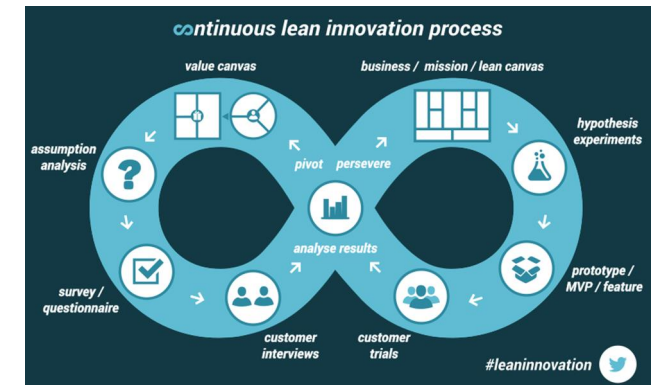
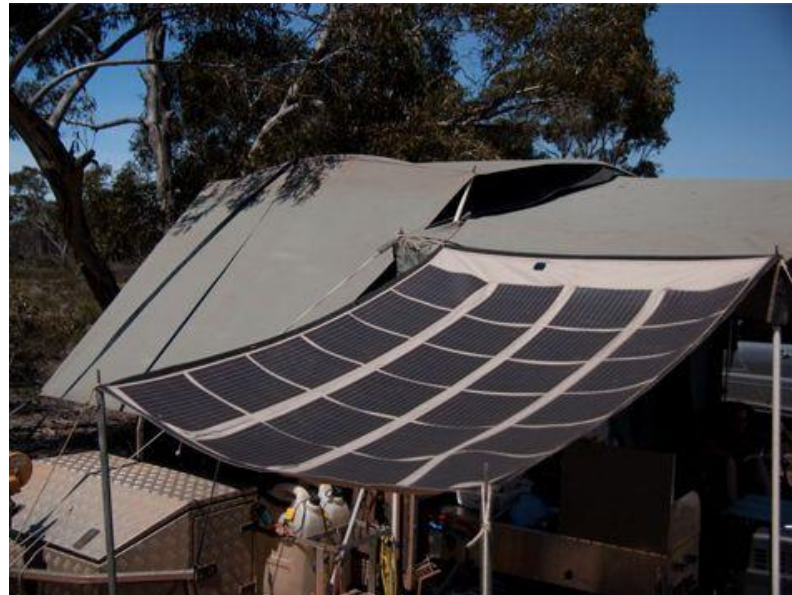


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# Pivoting the business

62 WATT



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# Pivoting the business



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NewsFAQContact

BenefitsHow does it work?Technical infoWhere to buy?About SolarfreezerPractice examples

## All year comfort without natural gas!

The SolarFreezer is a reliable system that replaces natural gas in a sustainable way. For comfortable warmth, all year round!



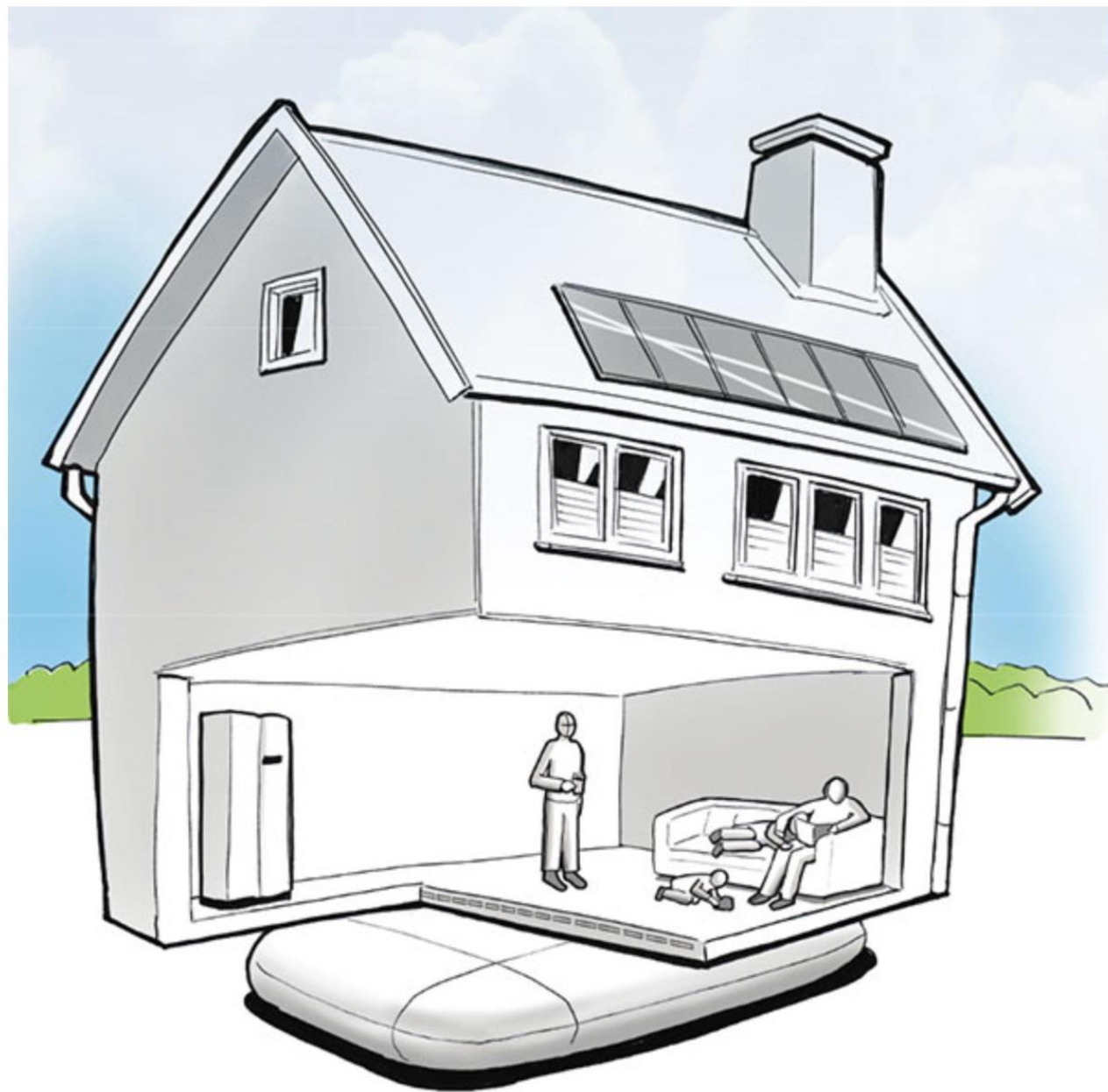
View the benefits



How does it work?



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verder



What a beautiful story...

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verder



Or is it?



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verder



# Where is Frank???



Benef



Kom  
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Oops....

What can happen when Venture  
Capitalists come on board?

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# Solarfreezer

## Who are we?

In 2013 we started this beautiful innovation and we started working on the transition from innovative idea to a market-ready product, aimed at different needs of users.

We have tested the design of the *SolarFreezer* extensively in our workshop as well as in a number of homes in various locations in the Netherlands. In particular, the results in the cold weeks in February and March of this year indicated that the system works as we had in mind, perhaps even better than we had dared to dream. By monitoring all temperatures and energy flows, we have been able to see how the system functions properly in practice.

We are so far! The *SolarFreezer* is ready for the market! We can make a substantial contribution to the sustainability of the Netherlands, just as the discussion about the use of natural gas and the associated environmental consequences takes on serious forms.

# NOM RENOVATIE STINSBURG ENSCHEDÉ



## APP-BEDIENING

Alle verbonden apparaten in het huis kunnen met de app worden bediend.



## BEVEILIGING

Met een slimme alarmcentralisatie kan je op afstand meekijken in je woning, maar ook kunnen je buren of de politie worden gewaarschuwd.



## DATA

Alle data die wordt verzameld wordt doorgestuurd naar een server. Deze data is beschikbaar voor analyse van de gebruiker en het huis.



## ROOKMELDING

De op het systeem aangesloten rookmelders piepen, maar schakelen ook de verlichting van de vluchtwegen aan.



## SENSOREN

Sensoren meten de temperatuur, beweging en verlichting in een ruimte. Dit kan worden gemonteerd op een raam of deur open staat.



## VERBINDINGS HUB

Als centraal verbindingspunt kunnen alle slimme apparaten communiceren met de hub.



## VERLICHTING

De verlichting wordt automatisch aangestuurd naar aanleiding van events of handmatig met de app. Zo kan ook de intensiteit en kleur worden gestuurd.



## VERWARMING

De verwarming is te bedienen met een app. De verbonden thermostaatkasten verwarmd elke ruimte zodat deze warm is wanneer dit nodig is, maar niet wanneer dat niet het geval is.

30 PV Panelen en 8 thermische collectoren  
Totaal 8.250 Wp



Woning is geheel luchtdicht gemaakt (Qv10 van 0,4)

Gasloos koken in de keuken

Voor- en achterdeuren dik 66mm inclusief dubbele kierdichting

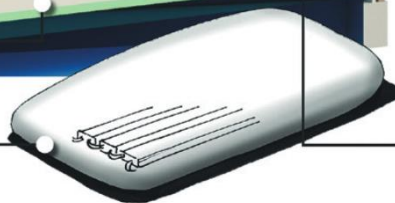
Warmteterugwinning balansventilatie

Pilkington Optitherm™ S3 glas vanwege de optimale combinatie van zon- en lichttoetreding. Ug-waarde van 1,0 W/m²K (geluidswerend i.v.m. de naastliggende spoorbaan) inclusief hand bedienbare Screenline zonwering tussen het glas.

Vloerverwarming



Solar Freezer bufferzak in de kruipruimte



Na-isoleren zolder Rc 4,2 m2K/W

Warmtepomp in de machinekamer



Infraroodpanelen in de badkamer (verwarming)

Achter de panelen (buiten) geïsoleerd met Blue dec

Na-isoleren aan de binnenzijde middels voorzetwand Rc 4,2 m2K/W

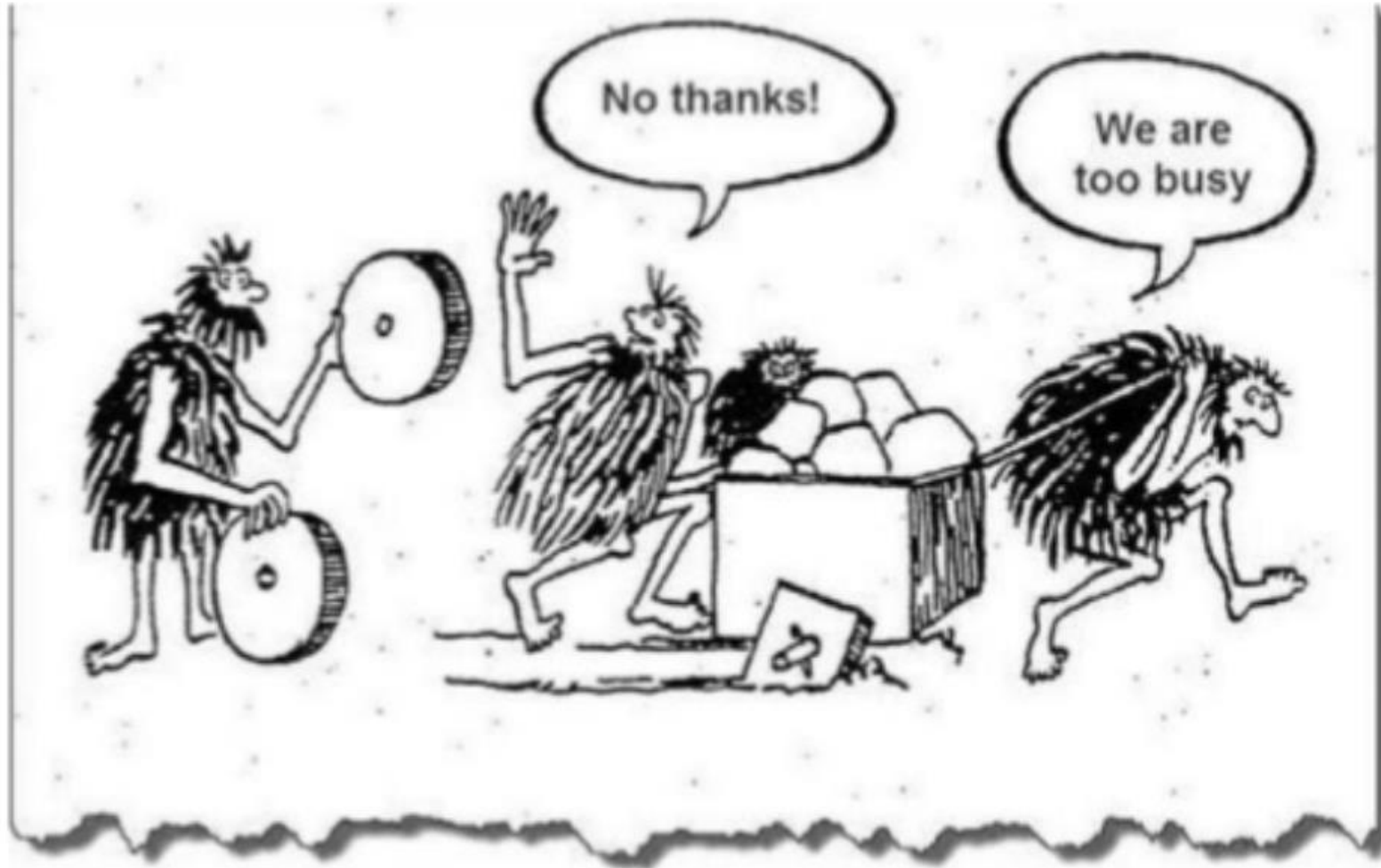
Pilkington Optitherm™ S3 glas vanwege de optimale combinatie van zon- en lichttoetreding. Ug-waarde van 1,0 W/m²K inclusief elektrisch bedienbare Pilkington Insulight™ met ScreenLine®, zonwering tussen glas.

Vloerisolatie aan de onderzijde RC 4,08 m2K/W

Protecting your ideas is always a good idea...  
Just too much secrecy doesn't work... Then nobody will  
invest!

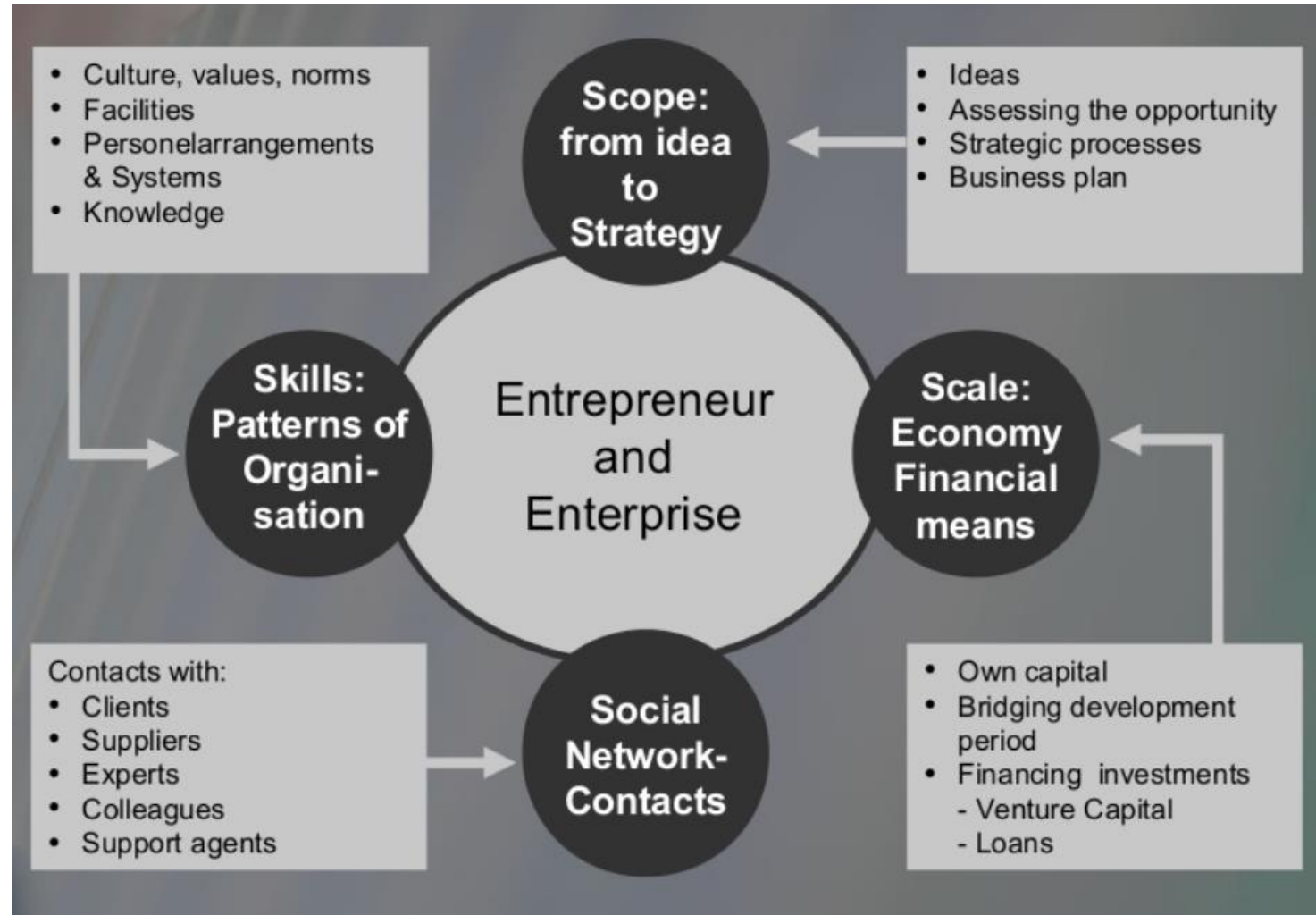
It is your personal skill as entrepreneur to balance it

# Starting your business – support

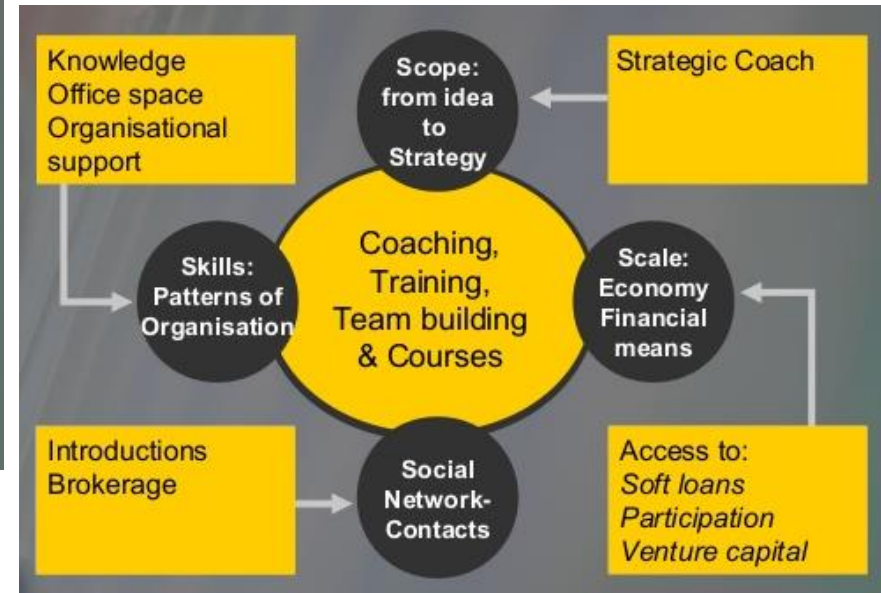
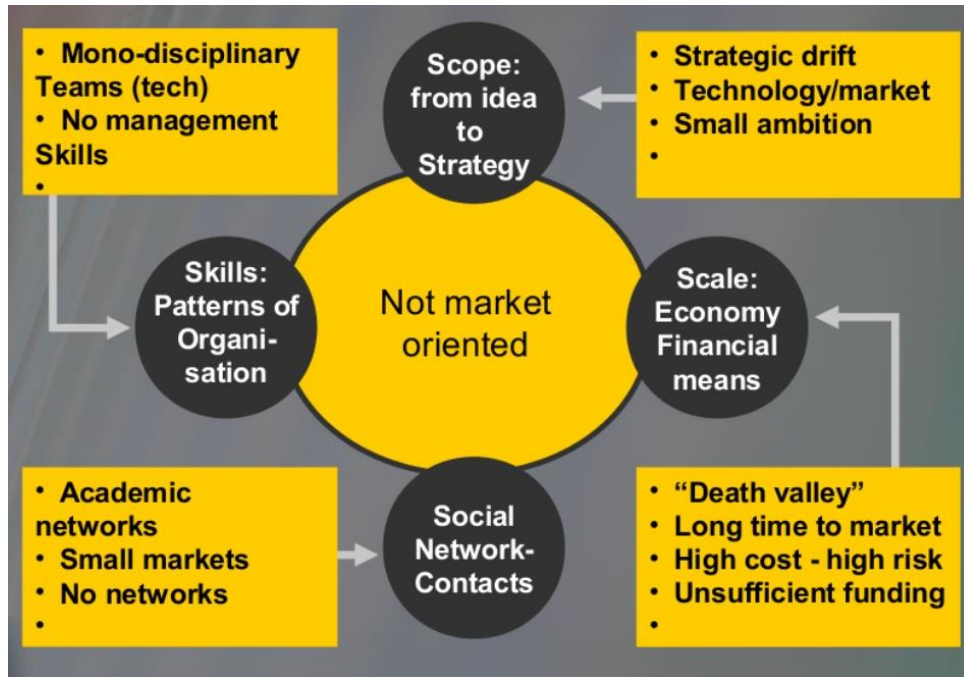


# Support – business incubation

## What do business incubators do?



# This is what business incubators do





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Thank you for your attention!

It's not the  
beginning of the end,  
but it is perhaps the  
end of the beginning

# So... How do you adopt a business model for a social business?

## Social Business Model Canvas

<p><b>Key Resources</b></p> <p><i>What resources will you need to run your activities? People, finance, access?</i></p>	<p><b>Key Activities</b></p> <p><i>What programme and non-programme activities will your organisation be carrying out?</i></p>	<p><b>Type of Intervention</b></p> <p><i>What is the format of your intervention? Is it a workshop? A service? A product?</i></p>	<p><b>Segments</b></p>	<p><b>Value Proposition</b></p>
<p><b>Partners + Key Stakeholders</b></p> <p><i>Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permissions?</i></p>		<p><b>Channels</b></p> <p><i>How are you reaching your beneficiaries and customers?</i></p>	<p><b>Beneficiary</b></p> <p><b>Customer</b></p> <p><i>Who are the people or organisations who will pay to address this issue?</i></p>	<p><b>Social Value Proposition</b></p> <p><b>Impact Measures</b></p> <p><i>How will you show that you are creating social impact?</i></p> <p><b>Customer Value Proposition</b></p> <p><i>What do your customers want to get out of this initiative?</i></p>
<p><b>Cost Structure</b></p> <p><i>What are your biggest expenditure areas? How do they change as you scale up?</i></p>		<p><b>Surplus</b></p> <p><i>Where do you plan to invest your profits?</i></p>	<p><b>Revenue</b></p> <p><i>Break down your revenue sources by %</i></p>	

## SOCIAL ENTERPRISE CANVAS

<b>Mission Statement</b> What is your unchangeable goal and purpose? This should be rooted and connected with your personal mission. Measure all your decisions and pivots to make sure they are supporting this Mission.					<b>+ Externalities</b> Who else benefits from what you are doing and how? Whom are you helping? Looking at this can highlight potential additional revenue streams by trying to capture some of this value.
<b>Problem</b> What are the critical problems of the target group? (From there perspective?)	<b>Key Activities</b> What are the key activities that we perform?	<b>Value Proposition</b> What value do we deliver to our target group? (from their perspective)	<b>Beneficiary Relationships</b> What kind of relationship? From personal to automated.	<b>Beneficiaries</b> For who are we creating value? Who are 'early adaptors'? (People who need our solution mist and are most likely to adapt it.	
<b>Solution</b> How to you solve these problems?	<b>Key Metrics</b> What are the numbers we measure to know if we are successful or not? Consider both social impact and financial metrics. The less the better.		<b>Channels</b> How do we gain access to the target group? How do we deliver the good or service?	<b>Key Partners</b> Who are our key partners? Which key activities are they performing?	<b>- Externalities</b> What unintended effects are you having on the target group, stakeholders and other people/ institutions? Try to minimize them and make sure to have a positive balance.
<b>Cost Structure</b> What are the key elements of our costs?		<b>Financial Sustainability</b> What are the different sources we tap to generate income?			

The Social Enterprise Canvas is based on Osterwalders Business Model Canvas as well as well as Mauryas Lean Canvas. I extracted the fields from both models that, based on our experience are the most important ones for a Social Enterprise in the Start Up phase. Additionally I added the "Mission Statement" box to ensure that the entrepreneur considers the impact of his iterations on his mission which is critical for social enterprise. The other addition are the + and - Externalities. Positive Externalities can point to additional resources and mission oentric organisations should identify and minimize negative externalities.

## The Social Enterprise Canvas

Designed for

Designed by

Date

Iteration #

<p><b>Enterprise Structure</b> What is the formal corporate structure? What is the management structure?</p>	<p><b>Key Resources</b> What key activities do our value propositions require? Our distribution channels? Customer/beneficiary relationships? Resource streams?</p>	<p><b>Opportunity as Hypothesis</b> How will you create social change? What are your intended outputs? What is the vision that this opportunity addresses?</p>	<p><b>Intended Social Impact</b> What is the intended outcome? What is the social change you are trying to create? What measures will you use?</p>	<p><b>Customer/Beneficiary Segments</b> For whom are we creating value? Who pays full price, partially subsidized price or fully subsidized price?</p>
<p><b>Key Partners</b> Who are our key partners? What resources or services do they provide?</p>				<p><b>Customer/Beneficiary Relationships</b> What type of relationship does each of our customer/beneficiary segments expect us to establish and maintain with them?</p>
<p><b>Key Resistances</b> Who are you competitors? Who benefits from the status quo? What potential roadblocks are there?</p>	<p><b>Key Activities</b> What key activities do our value propositions require? Our distribution channels? Customer/beneficiary relationships? Resource streams?</p>	<p><b>Value Propositions</b> What value do we deliver to the customer/beneficiary? Which of our customer's/beneficiary's problems are we helping to solve? How are we making people's lives better?</p>	<p><b>Unintended Consequences</b> How will social systems change? How will the environment be impacted?</p>	<p><b>Distribution Channels</b> How will goods and services be delivered? Through which channels do our customer segments want to be reached? Which channels are most effective?</p>
<p><b>Cost Structure</b> What are the most important costs inherent in our business model? Which customer/beneficiary segments and partners provide the necessary resources?</p>		<p><b>Resource Streams</b> How are resources acquired? For what value are our customers really willing to pay? Do customers pay with capital, information, labor or items?</p>		

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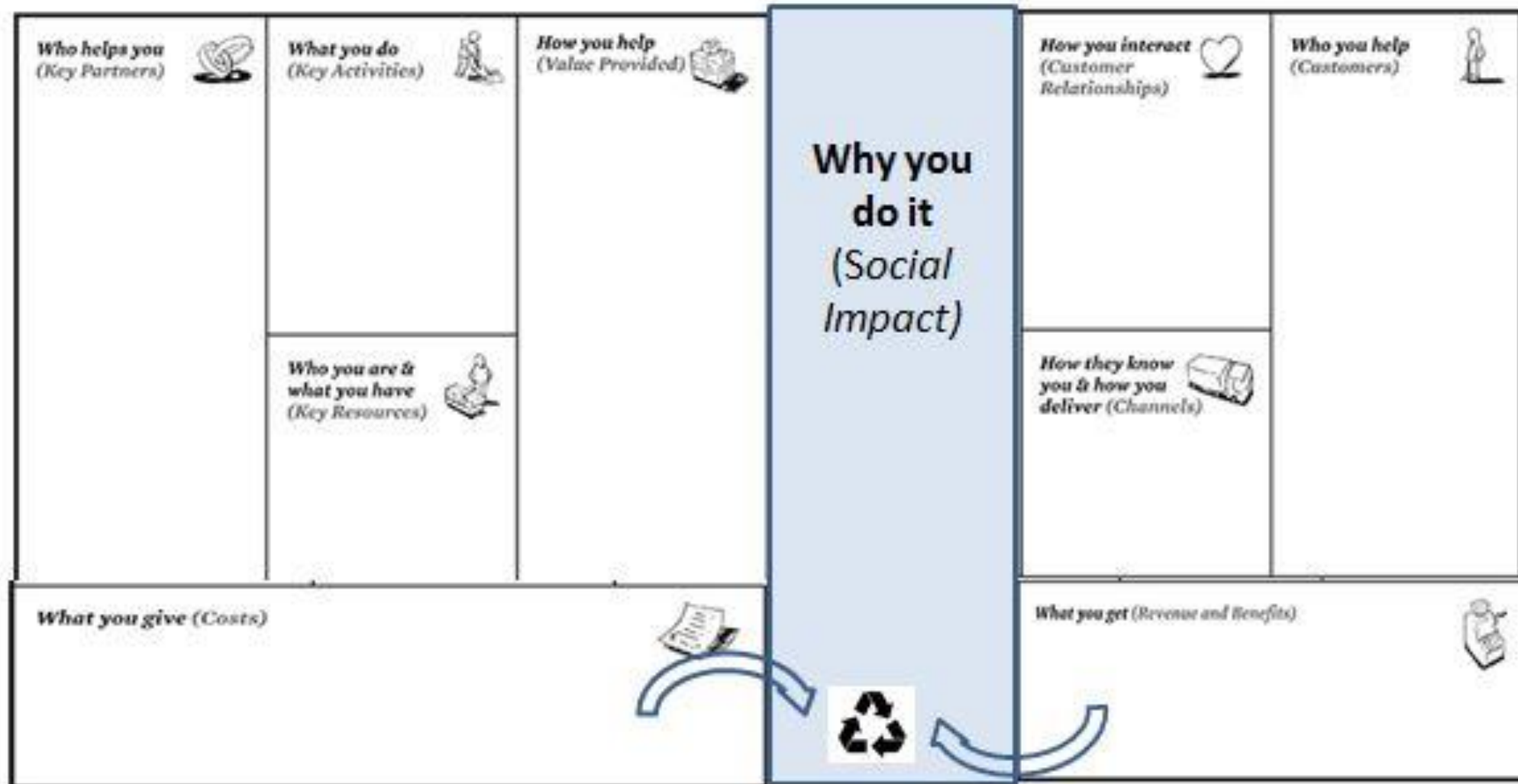
### The Social Enterprise Business Model Canvas

Name of Venture:

Problem	Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments	Impacts and Measurement
		Key Resources		Channels		
	<b>Cost Structure</b>		<b>Revenues</b>			

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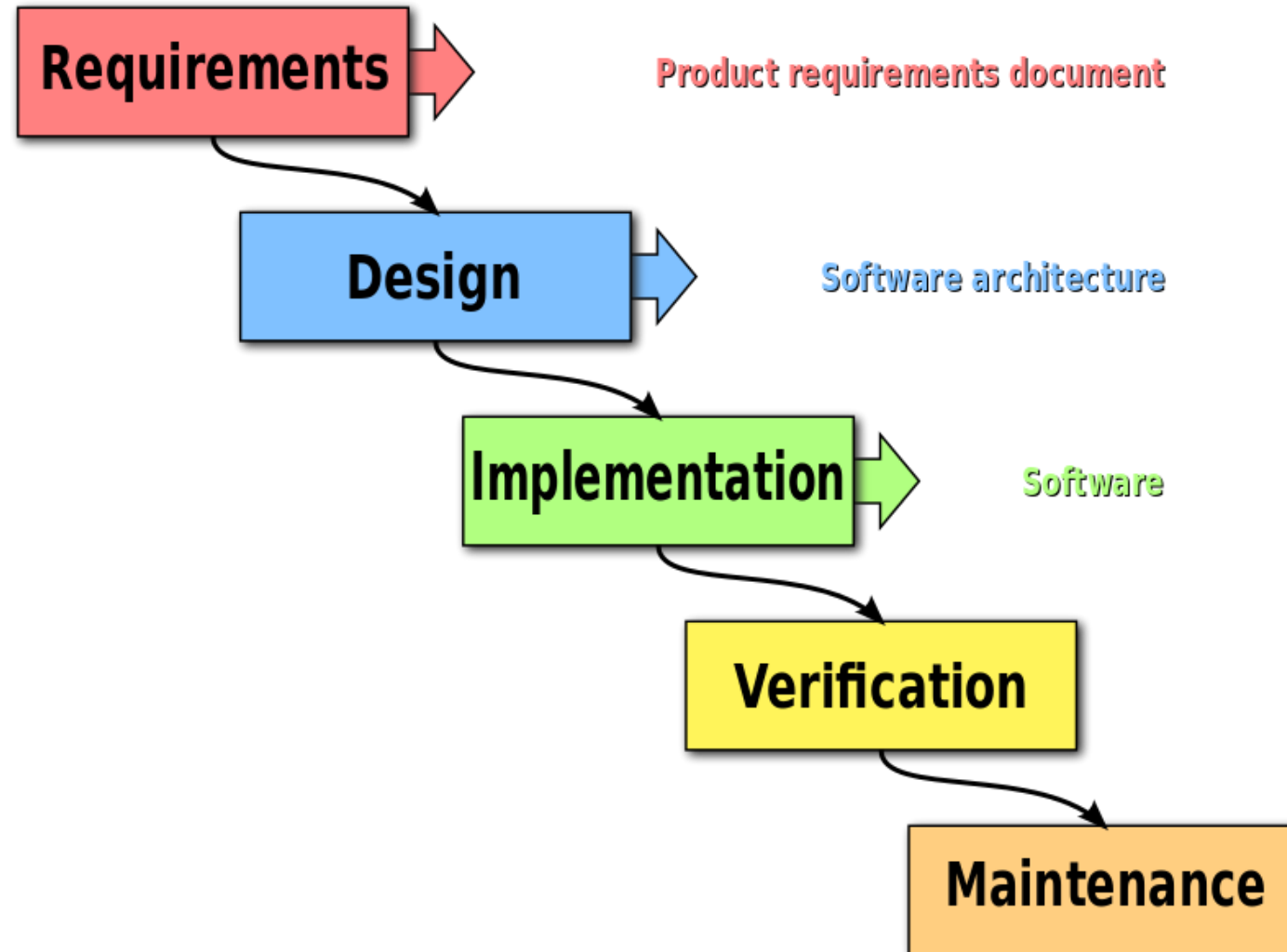
# Additional materials

# What methods of innovation?

- Methods of innovation:
  - Waterfall
  - Agile
  - Lean

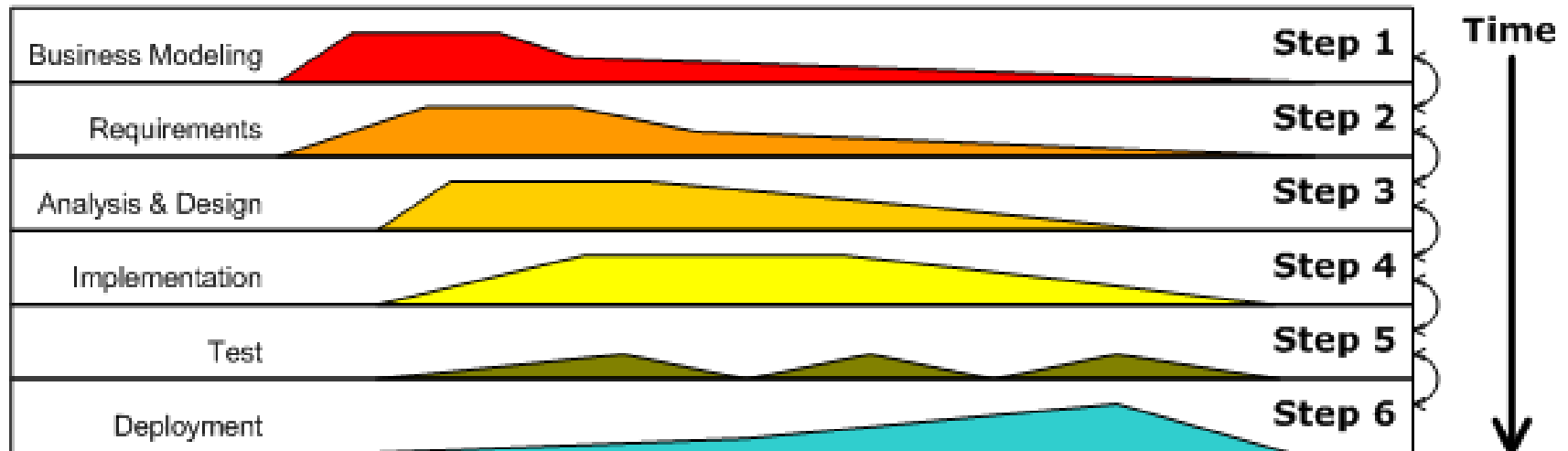


# Waterfall development



### Waterfall Development

Business value is delivered at the end of the project after a completing a series of single-discipline steps.



# Agile innovation method



## 1. Share challenges

Convert problems into business challenges and ask your colleagues to help.

## 2. Collaborate

Collaborate and share ideas relating to challenge. Find creative solutions.

## 3. Combine ideas

Add selected ideas into innovation funnel. Manage evolving concept portfolio.

## 4. Make decisions

Implement the most promising concepts with stages and clear decision making.

## 5. Deliver results

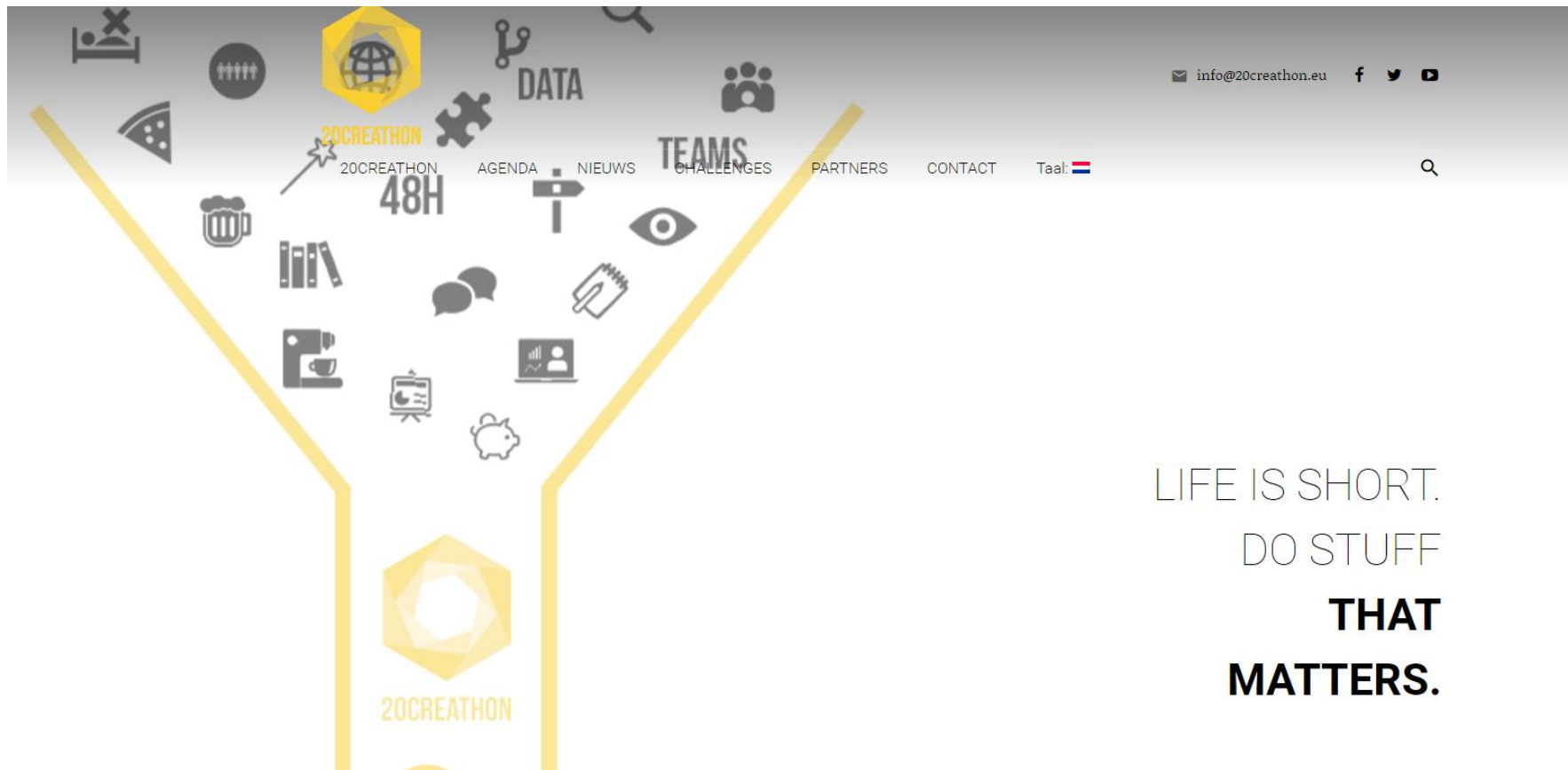
Manage activities and follow the progress until goals has been reached together.



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# Creathon / Hackathon



LIFE IS SHORT.  
DO STUFF  
**THAT**  
**MATTERS.**

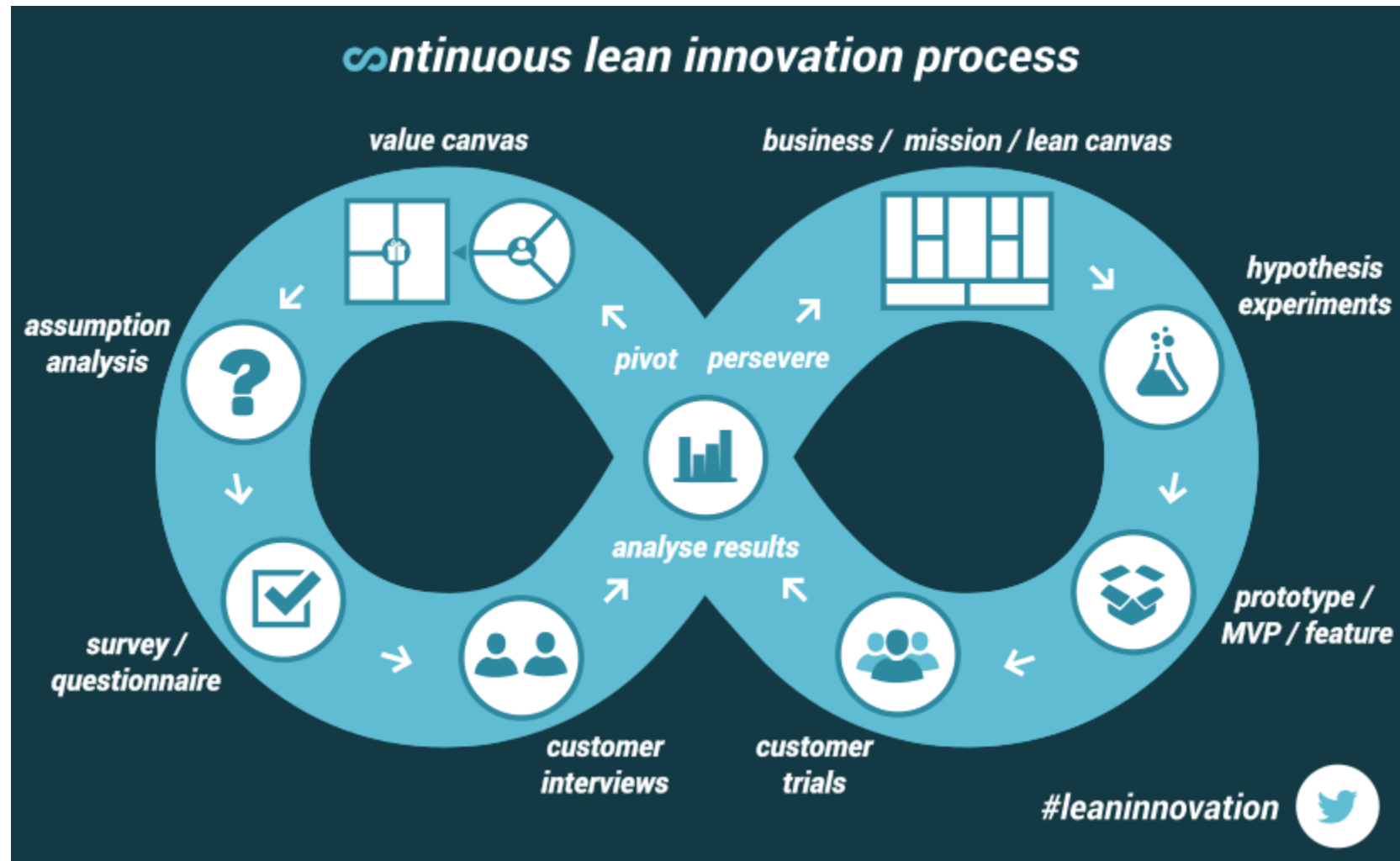
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SAXION



# Lean innovation



## *continuous lean innovation*

*discover customer insights from interviews and tests*



*turn ideas into viable business models*



*validate assumptions early*



*prototype and build faster*



*find product market fit*



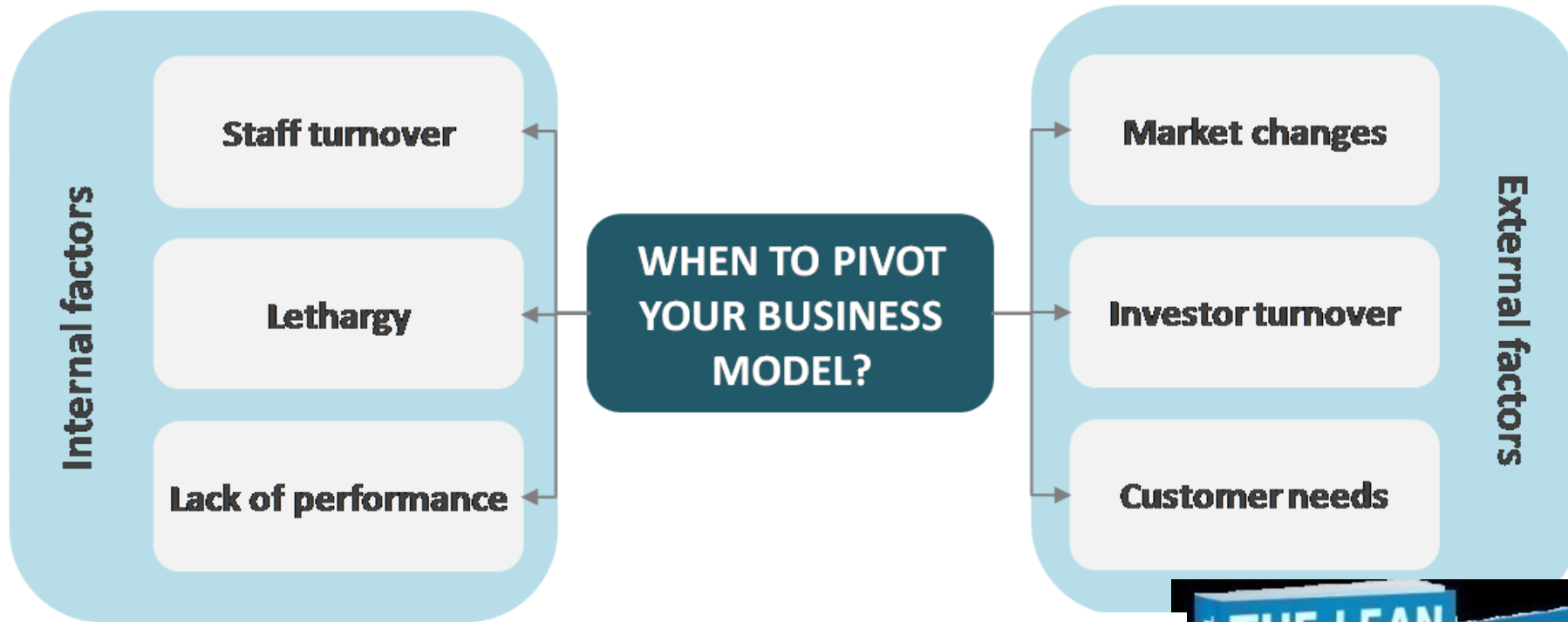
*account for and manage innovation*



*... via a simple process*

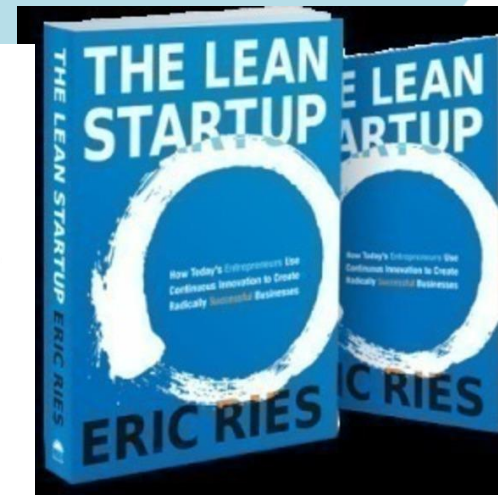




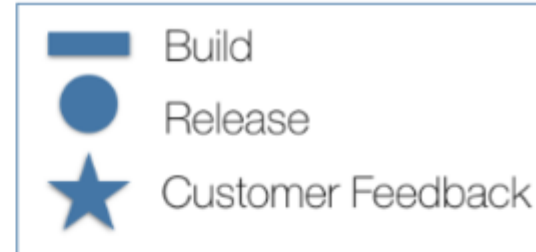


### Types of pivots

- Customer need pivot: same customer segment, different need/problem
- Customer segment pivot: same problem, different segment
- Business architecture pivot: ie from enterprise to consumer
- Zoom-in feature pivot: remove features to focus on just one key feature
- Zoom-out feature pivot: add features to become more of a holistic solution
- Technology pivot: solve same problem but with different technology stack
- Channel pivot: same problem, same solution, different path to customers
- Platform pivot: open up an application to third-parties to become a platform (or vice-versa)



## Innovation Morse Code



### Waterfall



### Agile



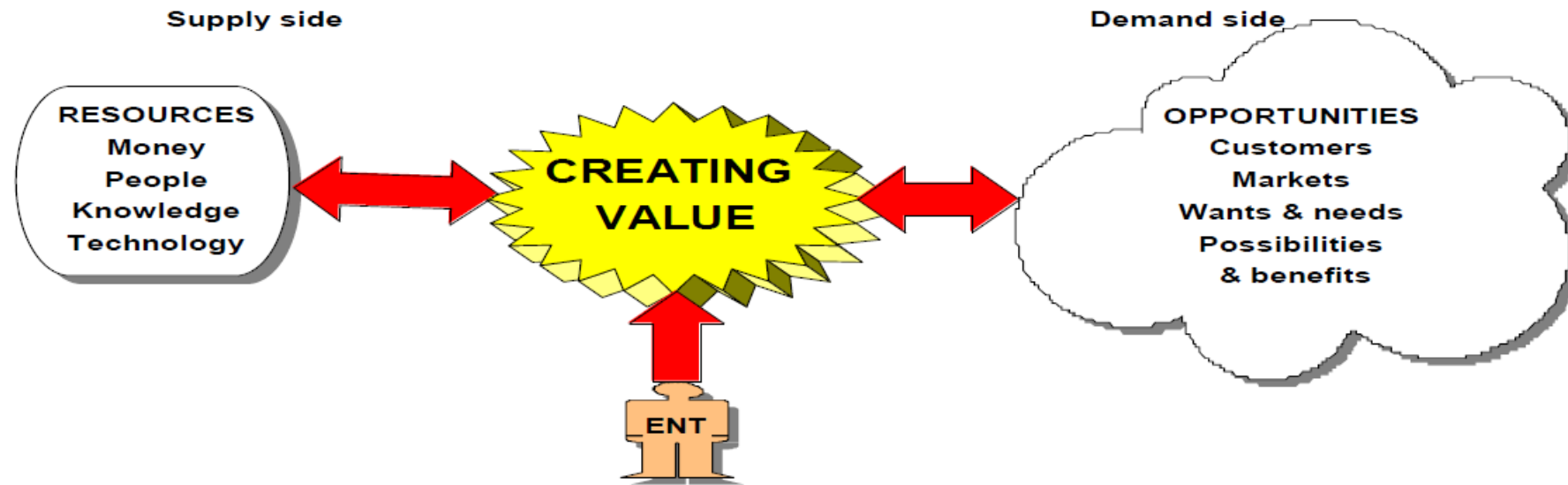
### Lean Innovation



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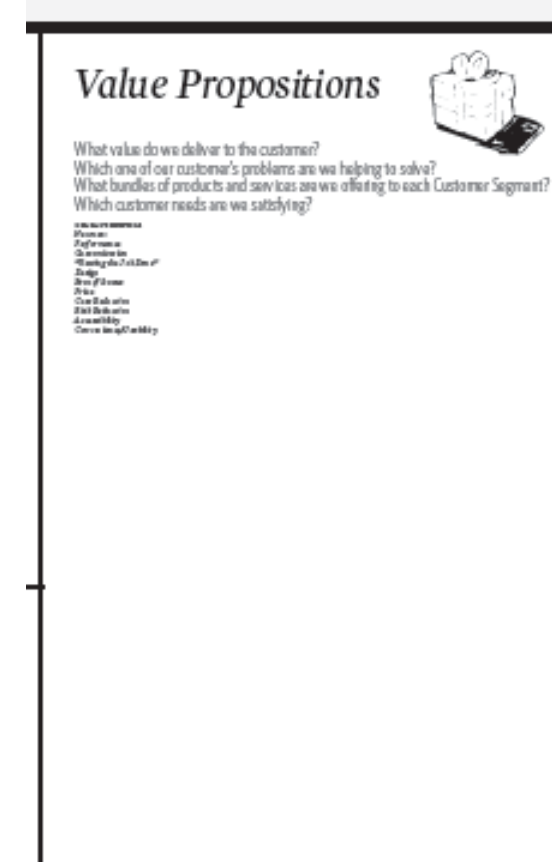


# Details on Osterwalder



## VERY IMPORTANT:

- What is the problem you are going to solve for your customers? (If nothing: then you have a so-called *Bullshit-business. Eg. Wells-Fargo case*)
- What do the customers really want to pay for?

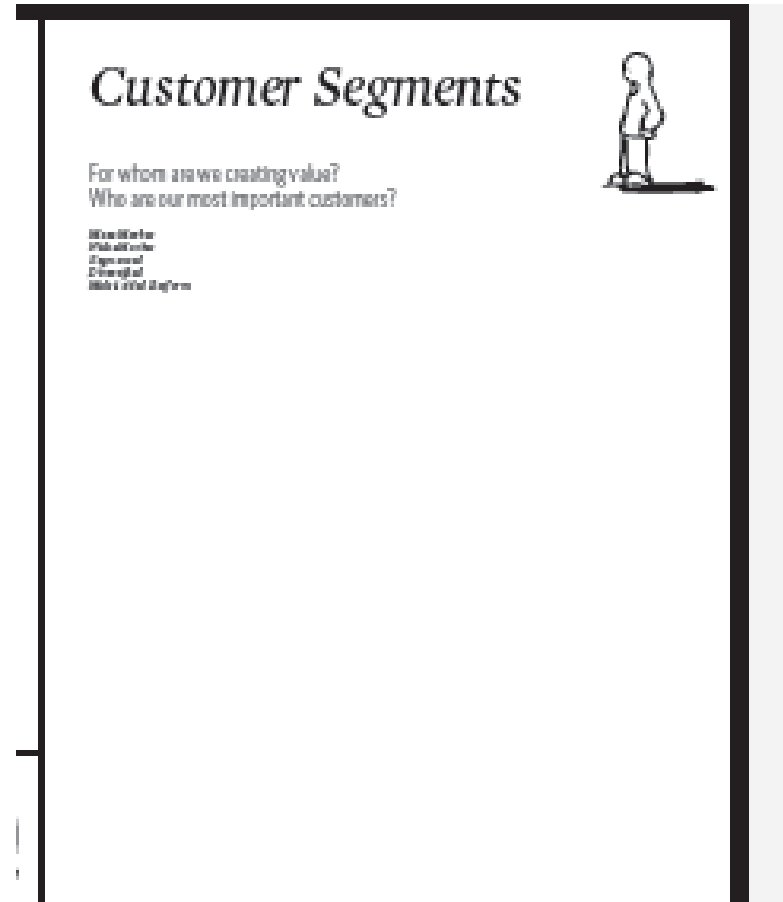


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# Customer segment

For whom are  
you working?  
Who are your  
customers, what  
different  
segments?



How are you going to reach your customers?  
And how are you going to stay in touch with them in order for them to make returning purchases?

- For example:  
newsletters, loyalty cards,  
personalized ads or  
personal contacts...

## Customer Relationships

What type of relationship does each of our Customer Segments expect us to establish and maintain with them?  
Which ones have we established?  
How are they integrated with the rest of our business model?  
How costly are they?

Customer  
Segment  
Customer  
Segment  
Customer  
Segment  
Customer  
Segment

How are you going to sell your product or service? Shops, website? How are you going to get your service or goods to the customer? What works best in reaching the customers? How they would like to be reached?

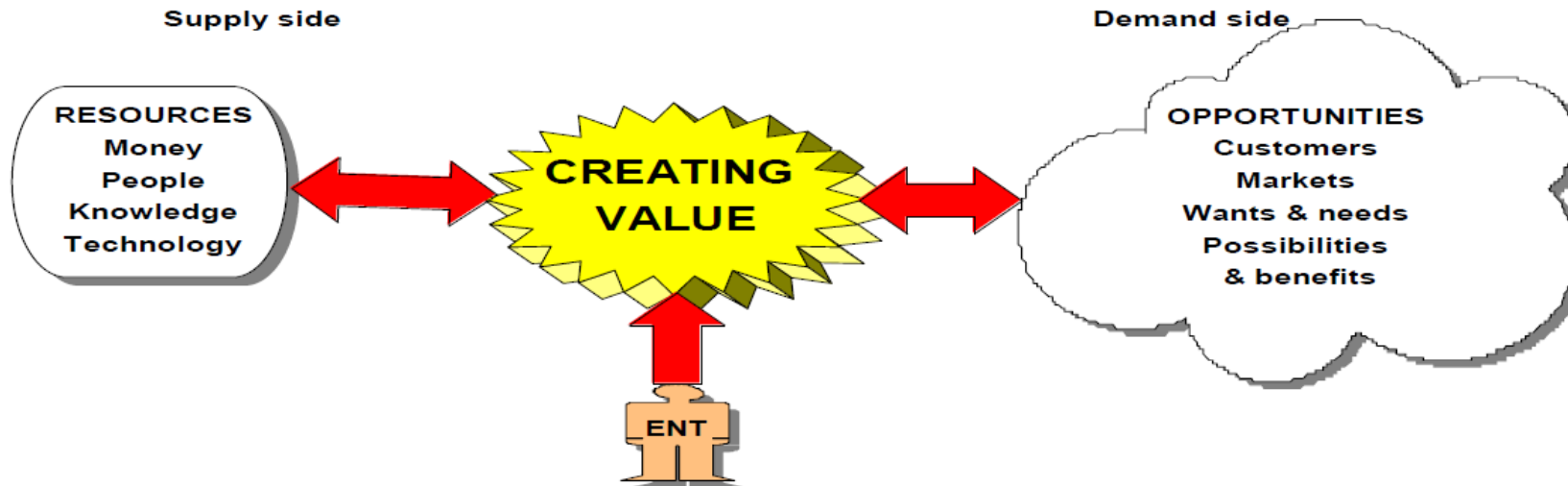
## Channels



Through which Channels do our Customer Segments want to be reached?  
How are we reaching them now?  
How are our Channels integrated?  
Which ones work best?  
Which ones are most cost-efficient?  
How are we integrating them with customer routines?

- 1. Direct sales
- 2. Indirect sales
- 3. Retailers
- 4. Distributors
- 5. Wholesalers
- 6. Retailers
- 7. Wholesalers
- 8. Retailers
- 9. Wholesalers
- 10. Retailers





# Key partners

## Key Partners



Who are our Key Partners?  
Who are our key suppliers?  
Which Key Resources are acquired from partners?  
Which Key Activities do partners perform?  
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Who are the partners you work with? Or are dependent on?

What activities are the partners involved in?

Which resources we acquire from them?

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# Key activities

## *Key Activities*

What Key Activities do our Value Propositions require?  
Our Distribution Channels?  
Customer Relationships?  
Revenue streams?

Production  
Product Design  
Marketing/Sales



What are the activities that your business is doing to make sure the value proposal gets realized?

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# Key resources

## Key Resources

What Key Resources do our Value Propositions require?  
Our Distribution Channels? Customer Relationships?  
Revenue Streams?

Physical  
Intellectual  
Human  
Financial



What kind of resources  
you need for that?  
Buildings, machines, staff,  
patents etc.


What are the most important costs?  
– Supplies, salaries etc.

**Cost Structure**

What are the most important costs inherent in our business model?  
Which Key Resources are most expensive?  
Which Key Activities are most expensive?

Customer segments: (list of customer segments, target markets, geographic, economic, social, etc.)  
Value Drivers (list of value drivers, product lines, geographic)

Business model: (list of business model, revenue streams, cost structure, etc.)  
Key Resources: (list of key resources, etc.)  
Key Activities: (list of key activities, etc.)  
Channels: (list of channels, etc.)



What does the customer pay for?

- sales, licenses, fees, subscription etc. etc.
- Roughly how much does every stream contribute to the overall revenue?
- How do your customers pay?

*Revenue Streams*

For what value are our customers really willing to pay?  
For what do they currently pay?  
How are they currently paying?  
How would they prefer to pay?  
How much does each Revenue Stream contribute to overall revenues?

Revenue Stream	Current Revenue	Target Revenue
Product Sales	€ 100 million	€ 120 million
Service Fees	€ 50 million	€ 60 million
Subscription	€ 30 million	€ 40 million
Licensing	€ 20 million	€ 25 million
Other	€ 10 million	€ 15 million

