

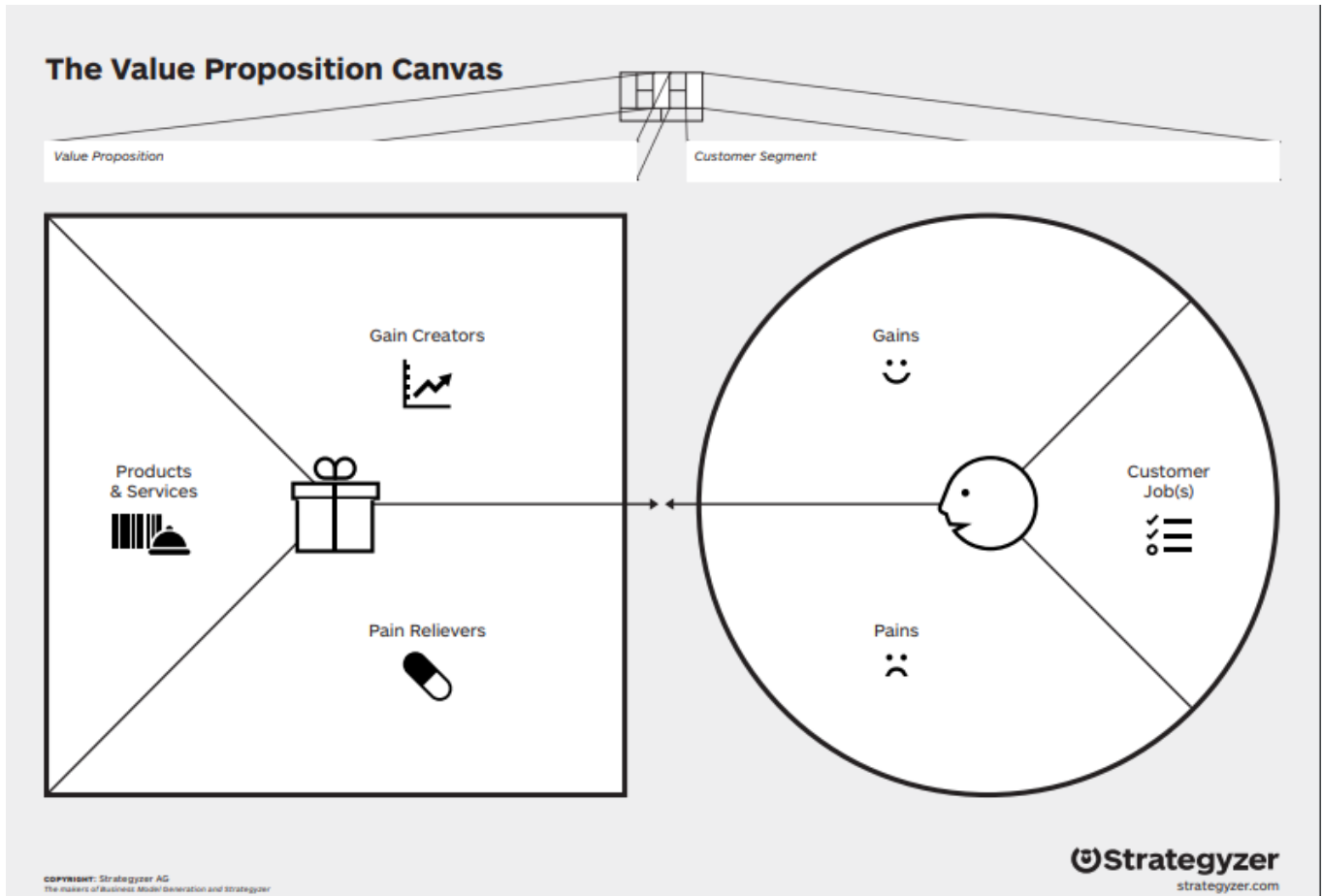
Overview

Business Model Canvas & Value Proposition Canvas

This is an overview of tools from Strategyzer.com called the Business Model Canvas and Value Proposition Canvas. These tools are designed to quickly visualize the elements of business planning and move to testing the interactions among the elements of a business plan, focusing on the value proposition for the customers. Also referenced is the Mission Model Canvas for mission-driven organizations such as military, government and non-profits.

02/02/22

Value Proposition Canvas



<https://assets.strategyzer.com/assets/resources/the-value-proposition-canvas.pdf>

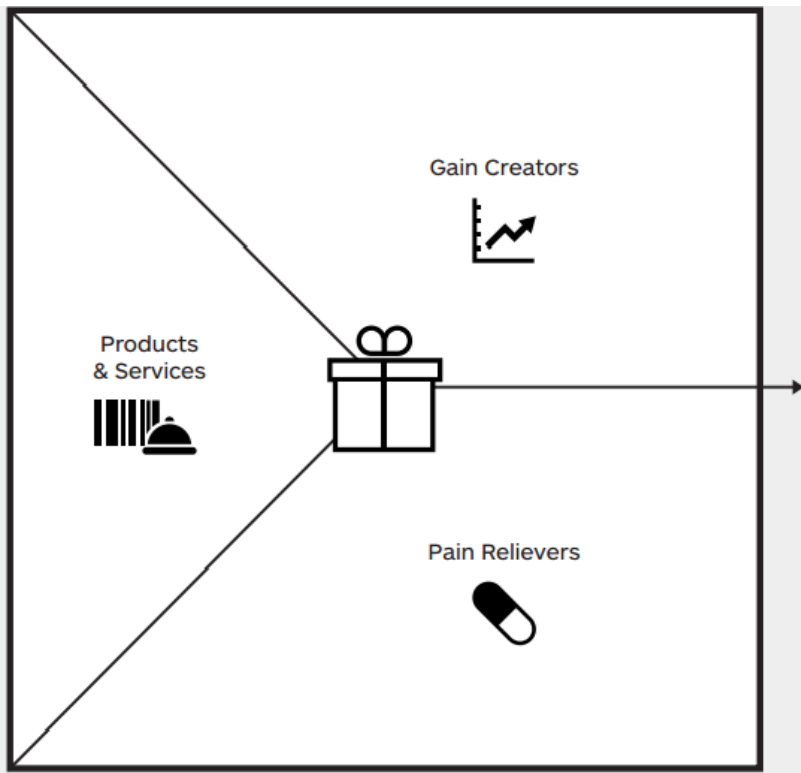
YouTube: Strategyzer's Value Proposition Canvas Explained (3:13)

<https://www.youtube.com/watch?v=ReM1uqmVfP0&t=33s>

YouTube: Value Proposition Canvas Explained by Alex Osterwalder (4:38)

<https://www.youtube.com/watch?v=D254suPMpwY>

Value Proposition: Describes the benefits customers can expect from your products and services.



Value Map

Value Map: The Value (Proposition) Map describes the features of a specific value proposition in your business model in a more structured and detailed way. It breaks your value proposition into products and services, pain relievers and gain creators.

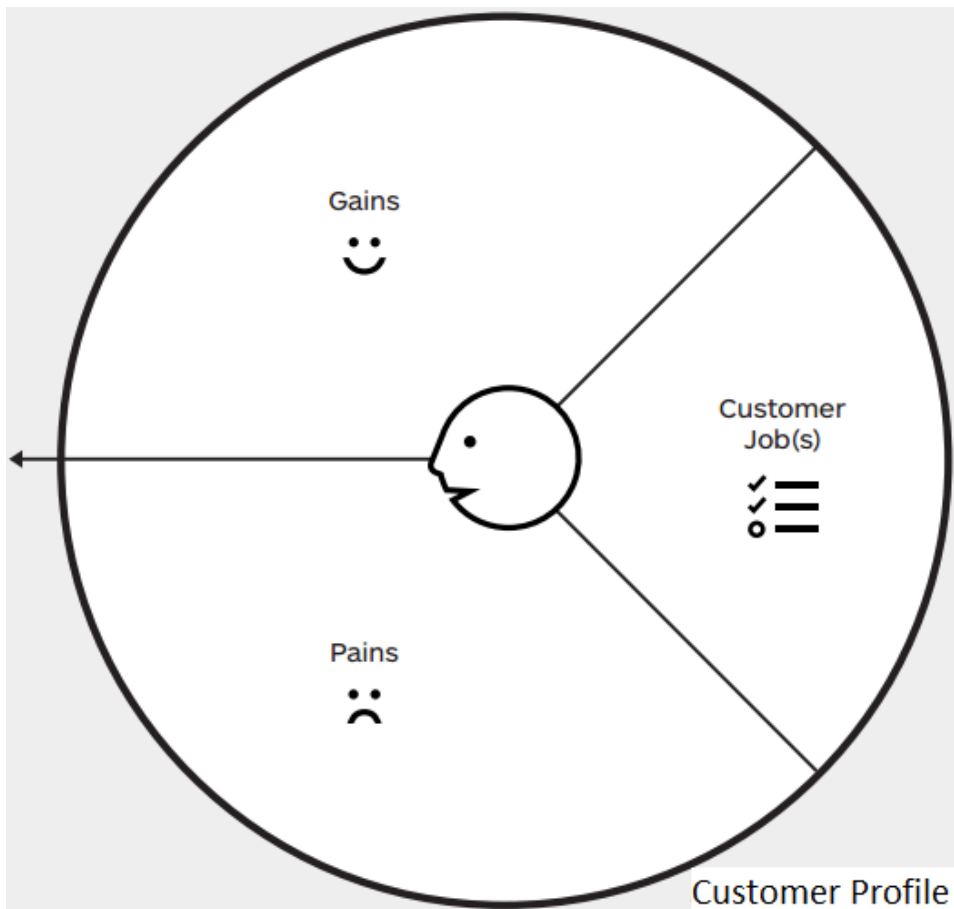
Products & Services: Those things around which the Value Proposition is built

Pain Relievers: Describe how your products and services alleviate (or eliminate) customer pains

Gain Creators: describe how your products and services create customer gains



You achieve **FIT** when your value map meets your customer profile – when your products and services produce pain relievers and gain creators that match one or more of the jobs, pains, and gains that are important to your customer.



Customer Profile: The Customer (Segment) Profile describes a specific customer segment in your business model in a more structured and detailed way. It breaks the customer down into its jobs, pains and gains.

Gains: Describe the outcomes customers want to achieve or the concrete benefits they are seeking.

Customer Jobs: Describe what customers are trying to get done in their work and in their lives.

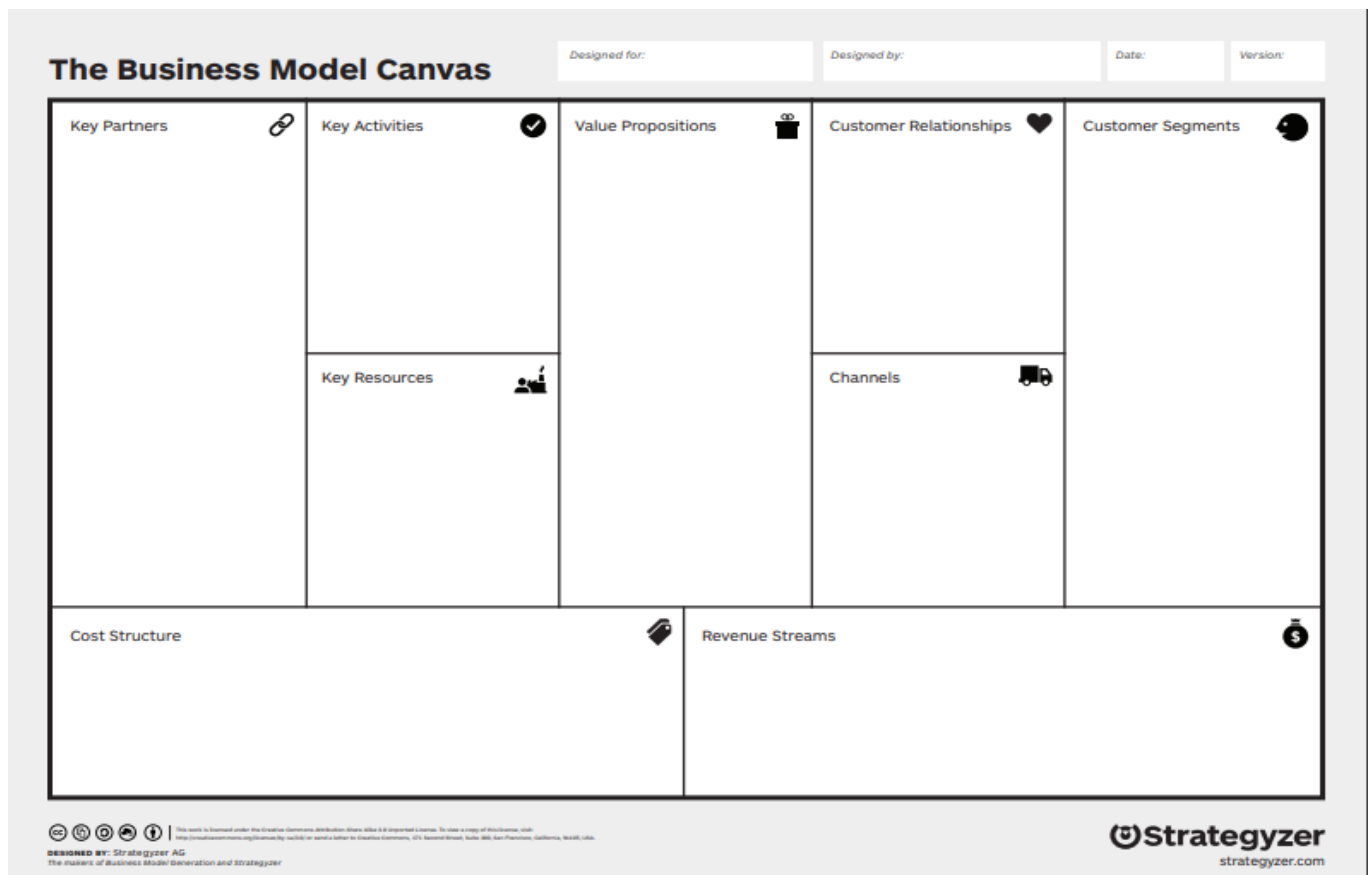
Pains: Describe bad outcomes, risks, and obstacles related to customer jobs.

Business Model Canvas

https://en.wikipedia.org/wiki/Business_Model_Canvas

Business Model Canvas is a [strategic management](#) and [lean startup](#) template for developing new or documenting existing [business models](#).^{[1][2]} It is a visual chart with elements describing a firm's or product's [value proposition](#), infrastructure, customers, and finances.^[3] It assists firms in aligning their activities by illustrating potential trade-offs.

The Business Model Canvas was initially proposed by [Alexander Osterwalder](#)^[4] based on his earlier work on Business Model Ontology.^[5] Since the release of Osterwalder's work in 2008, new canvases for specific niches have appeared.



<https://assets.strategyzer.com/assets/resources/the-business-model-canvas.pdf>

YouTube video – Business Model Canvas Explained (Strategyzer, 2:19)

<https://www.youtube.com/watch?v=QoAOzMTLP5s>

The Nine Building Blocks of the Business Model Canvas

1. **Customer Segments:** An organization serves one or more Customer Segments. The Customer Segments building block defines the different groups of people or organizations an enterprise aims to reach and serve. Customer groups represent separate segments if:
 - a. Their needs require and justify a distinct offer (e.g., set of products or services)
 - b. They are reached through different Distribution Channels
 - c. They require different types of relationships
 - d. They have substantially different profitabilities
 - e. They are willing to pay for different aspects of the offer
2. **Value Propositions:** It seeks to solve customer problems and satisfy customer needs with value propositions. The Value Propositions building block describes the bundle of products and services that create value for a specific Customer Segment.
3. **Channels:** Value Propositions are delivered to customers through communication, distribution, and sales Channels. The Channels building block describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition. Channels serve several functions, including:
 - a. Raising awareness among customers about a company's products and services
 - b. Helping customers evaluate a company's value proposition.
 - c. Allowing customers to purchase specific products and services
 - d. Delivering a Value Proposition to customers
 - e. Providing post-purchase customer support
4. **Customer Relationships:** Customer Relationships are established and maintained with each Customer Segment. The Customer Relationship building block describes the types of relationships a company establishes with specific Customer Segments and may be driven by the following motivations:
 - a. Customer acquisition (i.e., getting customers),
 - b. Customer retention (i.e., keeping customers)
 - c. Boosting sales (e.g., upselling)
5. **Revenue Streams:** Revenue Streams result from value propositions successfully offered to customers. The Revenue Streams building block represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings). A business model can involve two different types of Revenue Streams:
 - a. Transaction revenues resulting from one-time customer payments
 - b. Recurring revenues resulting from ongoing payments to either deliver a Value Proposition to customers or provide post-purchase customer support.
6. **Key Resources:** The Key Resource building blocks describes the most important assets required to make a business model work. Key Resources can be physical, financial, intellectual, or human. Key resources can be owned or leased by the company or acquired from key partners.

7. **Key Activities:** The Key Activities building block describes the most important things a company must do to make its business model work. Like Key Resources, Key Activities differ depending on business model type. (Some examples: Microsoft has software development as a key activity; Dell has supply chain management as a key activity; and McKinsey has problem solving as a key activity in its consulting business.)
8. **Key Partnerships:** The Key Partnerships building block describes the network of suppliers and partners that make the business model work. Companies create alliances to optimize their business models, reduce risk, or acquire resources. We can distinguish between four different types of partnerships:
 - a. Strategic alliances between non-competitors
 - b. Coopetition: Strategic partnerships between competitors
 - c. Joint Ventures to develop a new business
 - d. Buyer-supplier relationships to assure reliable supplies
9. **Cost Structure:** The Cost Structure describes all costs incurred to operate a business model. Different models require different Cost Structures. For example, “no frills” airlines have built business models entirely around low Cost Structures.

YouTube video - Alexander Osterwalder: The Business Model Canvas (3:33)

<https://www.youtube.com/watch?v=2FumwkBMhLo>

YouTube video - Alexander Osterwalder: How to Design, Test and Build Business Models (42:28)

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










Mission Model Canvas

The Mission Model Canvas is an adaptation of the Business Model Canvas done by Strategyzer and Steve Blank (creator of the Lean Startup movement, adjunct professor of Entrepreneurship at Stanford University, Senior Fellow for Entrepreneurship at Columbia University; author of The Startup Owner’s Manual) for mission driven organizations such as military, government or Non-profit.

See Strategyzer’s blog post: <https://www.strategyzer.com/blog/posts/2016/2/24/the-mission-model-canvas-an-adapted-business-model-canvas-for-mission-driven-organizations> for more information about the creation of the Mission Model Canvas. (fill out email request to download the template)

See the diagram for an example of the Mission Model Canvas, followed by YouTube videos describing various elements.

The Mission Model Canvas

Mission/Problem Description:		Designed by:		Date:	Version:
Key Partners 	Key Activities 	Value Propositions 	Buy-in & Support 	Beneficiaries 	
	Key Resources 		Deployment 		
Mission Budget/Cost 			Mission Achievement/Impact Factors 		

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DESIGNED BY: Strategyzer AG & Steve Blank
The masters of Business Model Generation and Strategyzer

Strategyzer
strategyzer.com

YouTube video – Steve Blank (2:18) – Mission Model Canvas
Introduction: https://www.youtube.com/watch?v=8_FfL9rrn8Q

YouTube video – Steve Blank (2:43) – Mission Model Canvas Key
Concepts: https://www.youtube.com/watch?v=t_DXxrB77MA

YouTube video – Steve Blank (1:32) – Mission Model Canvas Value
Proposition: <https://www.youtube.com/watch?v=jRv90FDn5cE>

YouTube video – Steve Blank (2:48) – Mission Model Canvas
Beneficiaries & Stakeholders:
<https://www.youtube.com/watch?v=tqOlz8pr5sc>

YouTube video – Strategyzer Webinar with Steve Blank Business Model
Design for Mission Driven Organizations (1:05:06)
<https://www.youtube.com/watch?v=jvwCY10jlQ&t=197s>

Other Reference YouTube Videos:

Alexander Osterwalder: Business Model Canvas of Nespresso (3:52)

<https://www.youtube.com/watch?v=dhQh-tryXOg>

Alexander Osterwalder Explains the Nespresso Business Model Canvas (4:38)

https://www.youtube.com/watch?v=_UECTWQCYxQ

Alexander Osterwalder: Tools for Business Model Generation (53:20)
Cracking the Code of Entrepreneurship (Concept-Tools-Process)

<https://www.youtube.com/watch?v=8GlbCg8NpBw>

Strategyzer (Alex Osterwalder): Mastering Value Propositions (57:17; skip to 3:52 to bypass marketing info)

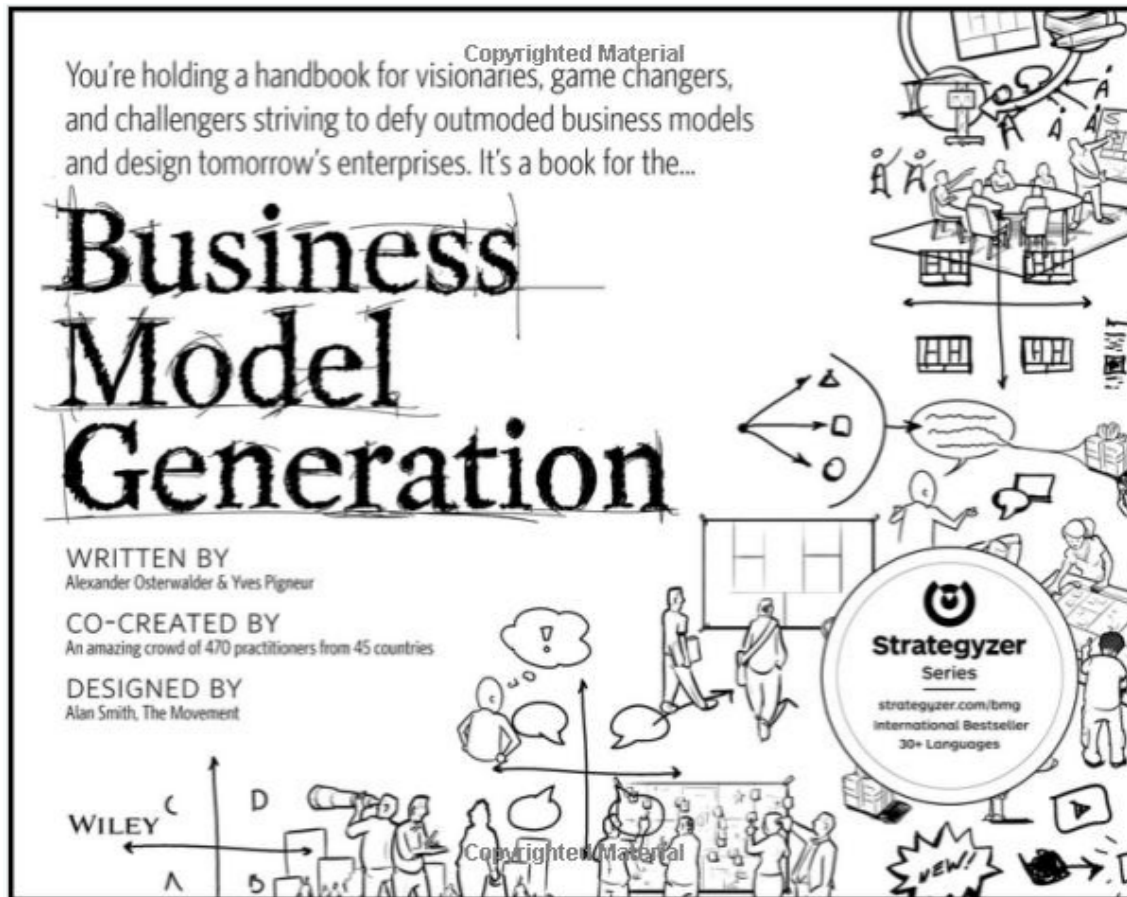
<https://www.youtube.com/watch?v=35ST-37PPXc>

StratChat (Strategyzer): Value Proposition Canvas Best Practices (1:01:25; skip to 4:10 to bypass marketing info)

<https://www.youtube.com/watch?v=r0mtUQnny94>

References

Business Models



https://www.amazon.com/Business-Model-Generation-Visionaries-Challengers/dp/0470876417/ref=sr_1_1?ie=UTF8&qid=1520466924&sr=8-1&keywords=business+model+canvas+book

Alexander Osterwalder: Tools for Business Model Generation (53:20)
Cracking the Code of Entrepreneurship (Concept-Tools-Process)

YouTube: <https://www.youtube.com/watch?v=8GlbCg8NpBw>

Webinar with Steve Blank: Business Model Design For Mission Driven Organizations (1:05:06) - Strategyzer

YouTube: https://www.youtube.com/watch?v=_jvwCY1OjIQ



https://www.amazon.com/Value-Proposition-Design-Customers-Strategyzer-ebook/dp/B06X429CJH/ref=sr_l_3?ie=UTF8&qid=1520466924&sr=8-3&keywords=business+model+canvas+book&dpID=51y6fB6Re9L&preST=_SX342_QL70_&dpSrch=srch

YouTube: Alexander Osterwalder – Value Proposition Design – 58 min

https://www.youtube.com/watch?v=b_X18bmpHaw

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You're holding a field guide for rapid experimentation.
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strategyzer.com/test

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REVIEWED BY
Alan Smith
Trish Papadakis



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The book integrates with
Business Model Innovation
& Value Proposition Design
International Bestsellers
50+ Languages

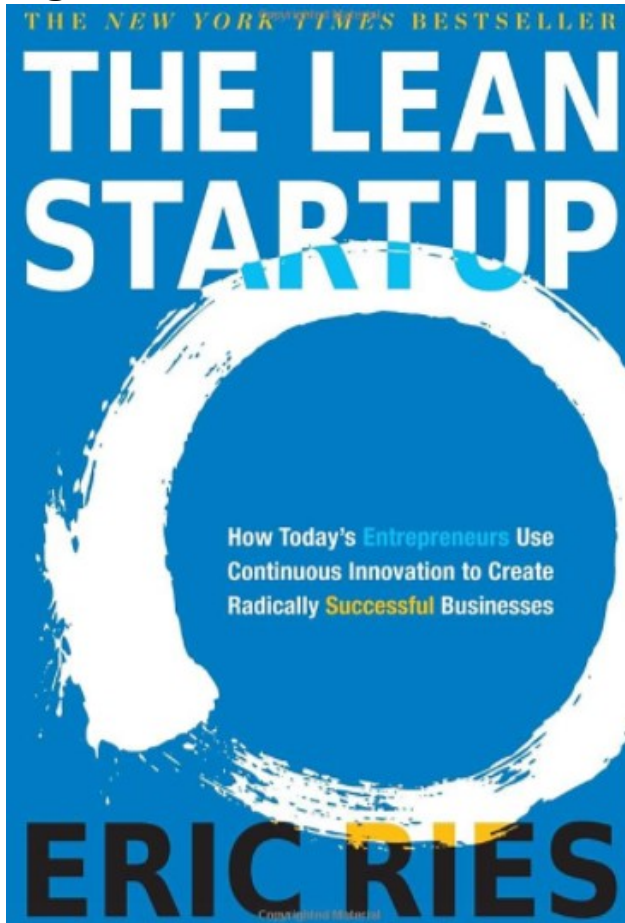
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https://www.amazon.com/Rapid-Testing-Business-Ideas-Customer/dp/1119551447/ref=sr_1_1?crd=EKT7FIZISJ88&dchild=1&keywords=testing+business+ideas&qid=1606198516&prefix=testing+business%2Caps%2C216&sr=8-1

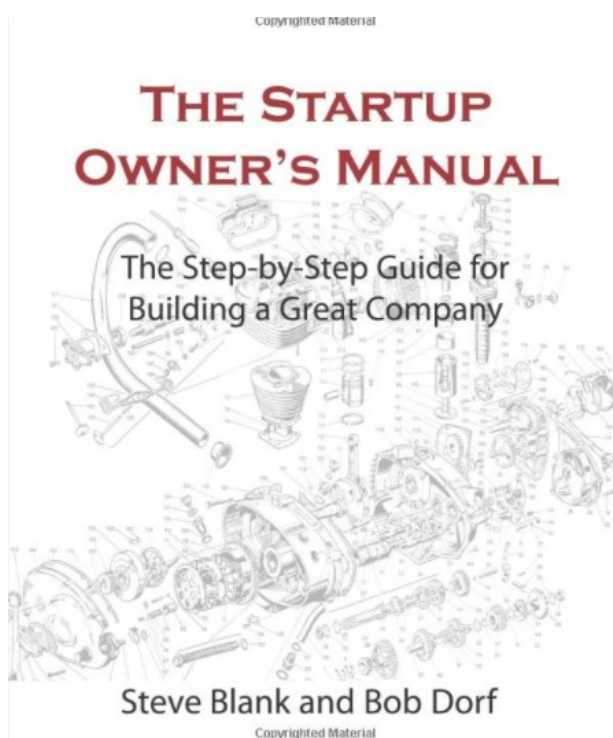


https://www.amazon.com/Invincible-Company-Alexander-Osterwalder/dp/1119523966/ref=sr_1_1?dchild=1&keywords=invincible+company&qid=1606199136&sr=8-1

Other good references



[Innovation/dp/0307887898/ref=sr_l_3?ie=UTF8&qid=1520469083&sr=8-3&keywords=lean+startup](https://www.amazon.com/Innovation/dp/0307887898/ref=sr_l_3?ie=UTF8&qid=1520469083&sr=8-3&keywords=lean+startup)



https://www.amazon.com/Startup-Step-Step-Building-Company/dp/0984999302/ref=sr_l_1?s=books&ie=UTF8&qid=1520470067&sr=1-&keywords=the+startup+owners+manual+the+step+by+step+guide&dpID=51L7Ewwlkbl&preST= SX218_BO1,204,203,200_QL40_&dpSrc=srch