# PaulHoytLogo 2013-06-26 Final

# Overview

The Business Model Canvas was created by Alexander Osterwalder, and been very popular among investors and many consultants for communicating the basic business model. (see <http://en.wikipedia.org/wiki/Business_Model_Canvas>).

## Instructions

1. Complete the Canvas step by step, using the notes that follow the Canvas on the next page
2. If you have any challenges, we can help you complete it for a small fee
3. Delete this page and the notes that follow the Canvas when done

**We Look Forward to Helping You Grow!**

# Business Model Canvas

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **7.** Key Partners and Suppliers | **8.** Key Activities | **1.** Value Propositions | | **4.** Customer Relationships | **2**. Customer Segments |
| **6.** Key Resources | **3.** Channels |
| **9.** Cost Structure | | | **5.** Revenue Streams | | |

**1. The Value Proposition**

* What is the pain you are solving, what gain are you creating?
* Hint: Solving a need is much better than fixing a problem. Selling aspirin is much better than selling vitamins

**2. Customer Segments**

* You exist for your customers – find them and understand them in detail.
* Hint: You can’t know them on the first day – you have to find them and build a relationship with them

**3. Channels**

* How do your products get to your customers?
* Who will sell them?

**4. Customer Relationships**

* How do you get, keep, and grow customers?
* Hint: this varies according to the channel.

**5. Revenue Streams**

* How do you make money from your customer segments?
* What will your customers pay for, and how do you get the money?
* What are your products and services?

**6. Resources**

* What assets are important? Capital? People? Facilities? Cars? IP protection?

**7. Partners and Suppliers**

* What activities will they perform and when?
* Hint: This varies according to the phase of growth.

**8. Key Activities**

* What are the most important things you need to do to make the business model work?
* What are your critical competencies?

**9. Costs**

* Think about the most important ones and most expensive ones.
* Understand fixed costs, variable costs, and economies of scale.
* Hint: Some are obvious, some are not.