



**S B D C**  
P E N N S Y L V A N I A

**Small Business Development Centers**  
*Helping businesses start, grow, and prosper.*

**THE BUSINESS MODEL CANVAS WAY**  
Business Planning Workshop

October 6, 2022  
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**SBDC** next-gen SAP Lab

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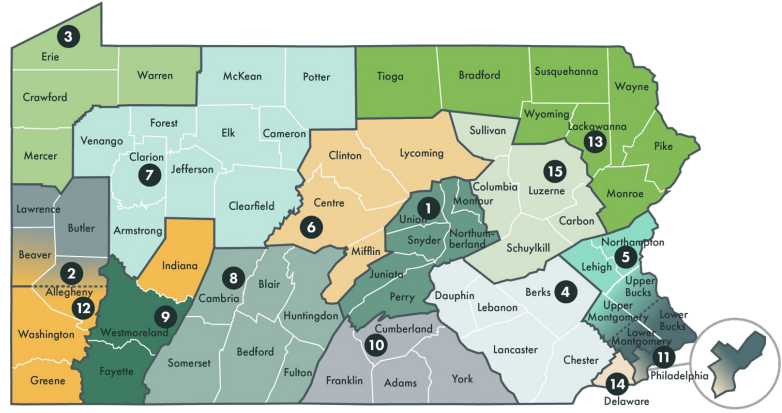
THROUGH OUR SERVICES WE CAN HELP YOUR BUSINESS

START GROW PROSPER

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# OUR NETWORK LOCATIONS

THE PENNSYLVANIA SMALL BUSINESS DEVELOPMENT CENTERS



New color

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## FUNDING PARTNERS



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# ABOUT THIS PRESENTATION










## Content & Practice

<p><b>BASIC CONCEPTS</b></p>  <p><b>15%</b></p>	<p><b>FORMULAS TO SUCCEED</b></p>  <p><b>10%</b></p>	<p><b>BIG BUSINESS LESSONS</b></p>  <p><b>35%</b></p>	<p><b>CANVAS UTILIZATION</b></p>  <p><b>40%</b></p>
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**The Business Model Canvas**

Designed for: \_\_\_\_\_ Designed by: \_\_\_\_\_ Date: \_\_\_\_\_ Version: \_\_\_\_\_

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 			Revenue Streams 	

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**Strategyzer**  
strategyzer.com

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A well written business plan is  
the key to funding your  
business?

- Very much agree
- Pretty much agree
- Somewhat disagree
- Very much disagree

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## BUSINESS PLAN VS. BUSINESS MODEL CANVAS

IDEAS TO  
CONCEPT



Canvas distills ideas  
to concept

*Let's you focus on what  
is important*

EXPERIMENT  
W/DIFF. B.M.



Canvas is quicker to do and let's  
you experiment with different  
business models

*The business plan is easier to write  
when you have a canvas*

EASIER TO  
UNDERSTAND



Looking at a canvas makes your  
business easier to understand

*Not suitable if you are looking for  
bank funding but is a good intro for  
investors*

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## BMC & BUSINESS PLAN

Each of the nine BMC components corresponds to one or more sections of a traditional business plan

**The Business Model Canvas**

Designed for: \_\_\_\_\_ Designed by: \_\_\_\_\_ Date: \_\_\_\_\_ Version: \_\_\_\_\_

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
	Key Resources		Channels	
Cost Structure		Revenue Streams		

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1. **Executive Summary**
  - Clear, succinct & effective as a standalone overview of the plan
2. **Company Overview**
  - Genesis of concept
  - History & current status
  - Overall strategy & objective of the venture
3. **Products & Services**
  - Description of your product / services' key features, benefits to customers, & pricing
  - Comments on development, next steps, & proprietary position
4. **Marketing**
  - Description of your potential customers in terms of size & composition
  - Sales & promotion strategy
  - Assessment of competitors through barriers to entry & competitor analysis
5. **Operations**
  - Production of your potential customers in terms of size and composition
  - Product costs & margins
  - Potential obstacles and risks, & corresponding alternate courses of action
6. **Management**
  - Organizational structure & a summary of how the skills and backgrounds of management will enable venture to execute strategy
7. **Summary Financials**
  - Projected cash flow statement, income statement & balance sheet
  - Amount of funding needed to move forward, if any, and the intended usage of capital

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### Business Model Canvas Introduction

Caption: Feasibility Desirability Viability

<p><b>Key Partners</b> </p> <ul style="list-style-type: none"> <li>• List the key partners that will help you optimize your operations, reduce your risks, and get a competitive advantage.</li> </ul>	<p><b>Key Activities</b> </p> <ul style="list-style-type: none"> <li>• List the most important activities required to implement the company's value proposition.</li> </ul>	<p><b>Value Propositions</b> </p> <ul style="list-style-type: none"> <li>• List the products and services you offer to meet the needs of your customers. Also include in this section your unique selling proposition (USP) that will distinguish you from your competitors.</li> </ul>	<p><b>Customer Relationships</b> </p> <ul style="list-style-type: none"> <li>• Identify the type of relationship you want to create with your customer segments. How will you interact with them?</li> </ul>	<p><b>Customer Segments</b> </p> <ul style="list-style-type: none"> <li>• Identify which customers you try to serve (e.g. age, gender, location, interests, languages, habits, etc.).</li> </ul>
<p><b>Key Resources</b> </p> <ul style="list-style-type: none"> <li>• List the resources that are necessary to create value for your customers. These resources could be human, financial, physical and intellectual.</li> </ul>	<p><b>Channels</b> </p> <ul style="list-style-type: none"> <li>• List the different channels you will be using to deliver your value proposition to your targeted customers. An organization can reach its clients through its own channels, partner channels, or a combination of both.</li> </ul>	<p><b>Cost Structure</b> </p> <ul style="list-style-type: none"> <li>• Estimate how much you are planning to spend on Product development, Marketing, Sales, Website design &amp; development, etc.</li> </ul>	<p><b>Revenue Stream</b> </p> <ul style="list-style-type: none"> <li>• Estimate how much you are planning to earn from your different sources of revenue.</li> <li>• Estimate your earnings based on your costs and revenues.</li> </ul>	

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## YOUR BUSINESS, YOUR THEATER

**FRONTSTAGE**

- Customer Segments
- Customer Relationships
- Channels

• Revenue Streams

- Key Activities
- Key Resources
- Key Partners

• Costs

**BACKSTAGE**

**Value Proposition**

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### The Business Model Canvas

Designed for:		Designed by:		Date:	Version:
Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments	
<b>BACKSTAGE</b>		<b>FRONT STAGE</b>			
	Key Resources		Channels		
Cost Structure		Revenue Streams			
<b>FINANCE</b>					

**COMPONENTS**

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**The Business Model Canvas**

Designed for: \_\_\_\_\_ Designed by: \_\_\_\_\_ Date: \_\_\_\_\_ Version: \_\_\_\_\_

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<b>FEASIBILITY</b> Can we build it?		<b>DESIRABILITY</b> Do they want it?		
Key Resources	Channels	Revenue Streams		
Cost Structure		Sanity check		

**DESIGN, TEST, LEARN, EVOLVE**

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**MONITOR YOUR BABY**  
FROM YOUR SMART PHONE

**OWLET**

O<sub>2</sub> 97% Oxygen Levels

Heartbeat 130/min

2h17m deep sleep

36.6 temperature °C

on back

Graphics Vitals

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## Wireless monitoring of babies' blood oxygen, heart rate, and sleep data, by nurses in the hospitals



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...more than 80,000 units last year. The company also pulled in \$15 million in Series B funding in late 2016, bringing the total amount in the coffers to \$25 million.

- Startups
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Crunchbase  
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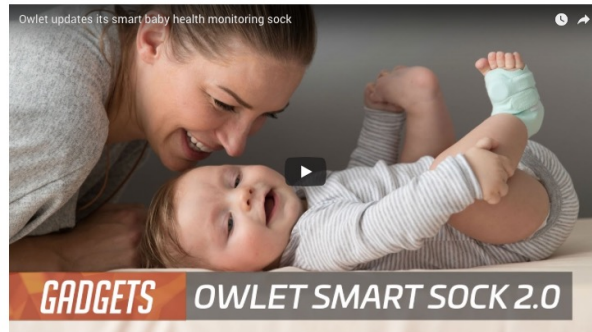
- YouTube
- Fundings & Exits
- Bag Week 2018
- Instagram

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### Owlet updates its smart baby health monitoring sock so babies can't kick it off

Sarah Buhr @sarahbuhr / Mar 29, 2017

Comment



Owlet, a Utah-based startup monitoring your babies vitals, has a new and improved smart sock

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### Business Model Canvas Tutorial

Caption: Feasibility Desirability Viability

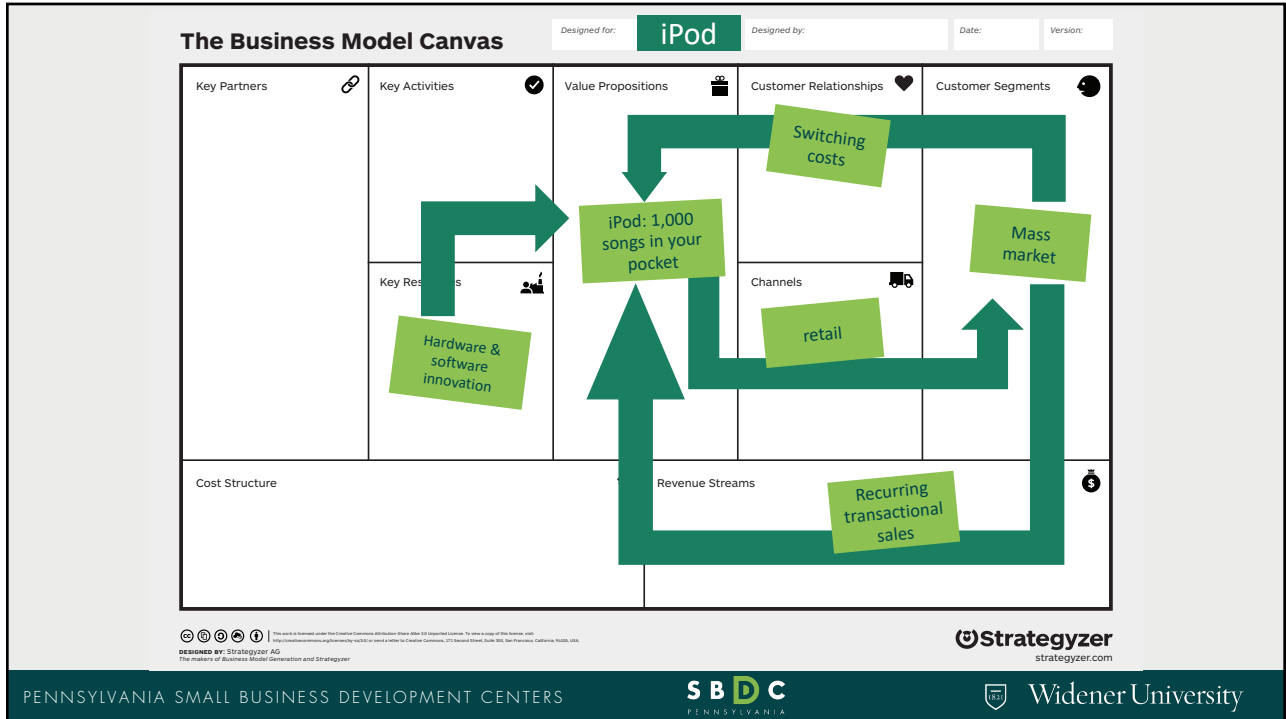
<b>Key Partners</b> <ul style="list-style-type: none"> <li>List the key partners that will help you optimize your operations, reduce your risks, and get a competitive advantage.</li> </ul> <p>9</p>	<b>Key Activities</b> <ul style="list-style-type: none"> <li>List the most important activities required to implement the core proposition.</li> </ul> <p>7</p>	<b>Value Propositions</b> <ul style="list-style-type: none"> <li>List the products and services you offer to meet the needs of your customers. Also include in this section your unique selling proposition (USP) that will distinguish you from your competitors.</li> </ul> <p>1</p>	<b>Customer Relationships</b> <ul style="list-style-type: none"> <li>Identify the type of relationship you want to create with your customers. How will you interact with them?</li> </ul> <p>4</p>	<b>Customer Segments</b> <ul style="list-style-type: none"> <li>Identify which customers you try to serve (e.g. age, gender, location, interests, languages, habits, etc.).</li> </ul> <p>2</p>
<b>Key Resources</b> <ul style="list-style-type: none"> <li>List the resources that are necessary to create value for your customers. These can be physical, financial, intellectual, or human resources.</li> </ul> <p>6</p>	<b>Channels</b> <ul style="list-style-type: none"> <li>List the channels through which you will be able to reach your target customer segments. Consider your own organization's channels, as well as those of your partners.</li> </ul> <p>3</p>			
<b>Cost Structure</b> <ul style="list-style-type: none"> <li>Estimate how much you are planning to spend on each of the following: Product development, Marketing, Sales, Website design &amp; development, etc.</li> </ul> <p>8</p>		<b>Revenue Stream</b> <ul style="list-style-type: none"> <li>Estimate how much you are planning to receive from each of the different sources of revenue.</li> <li>Estimate your earnings based on your cost structure.</li> </ul> <p>5</p>		

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With this amazing device you can have one thousand songs in your pocket

*Business Model Canvas for*  
**Apple iPod**

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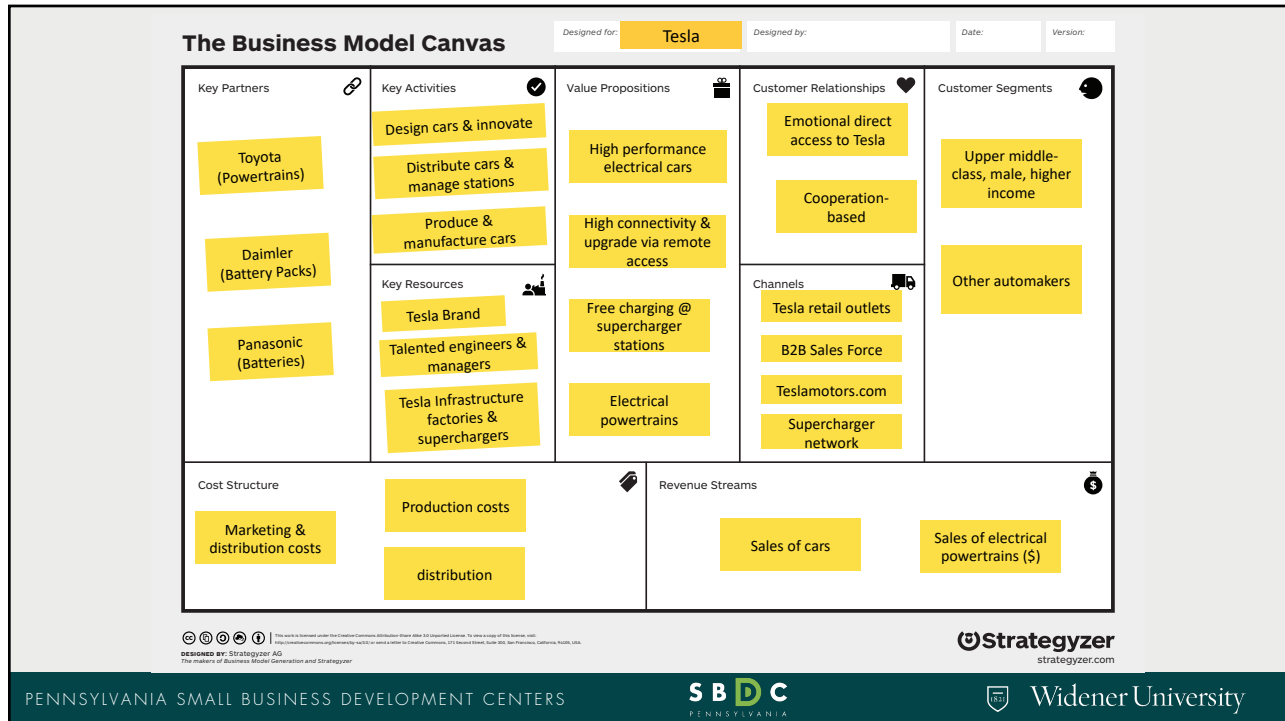
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# Tesla

*Business Model Canvas*

1. Feasibility
2. Desirability
3. Viability

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## Business Model Canvas for Pizza Restaurant

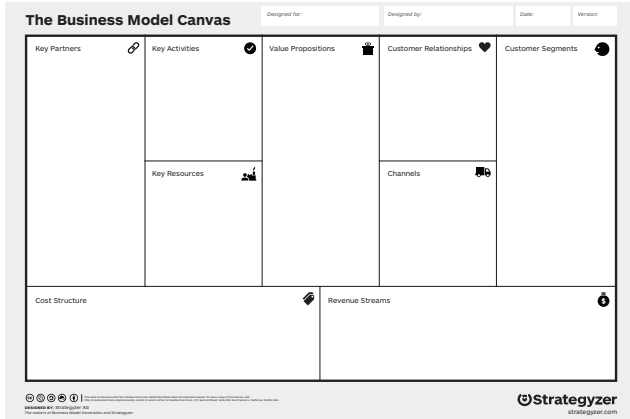
1. Feasibility
2. Desirability
3. Viability

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# INDIVIDUAL CHALLENGE

## Sketch a Business Model for a Pizza Restaurant



BMC



Avery Stickers

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**Business Model Canvas Tutorial**

**Pizza Restaurant**

Caption: Feasibility Desirability Viability

- Key Partners:** bank, Suppliers, schools, landlord
- Key Activities:** Cleaning, Hire & train staff, Order supplies, Food Prep
- Key Resources:** Quality Staff, Good location, Working capital, Fresh ingredients
- Value Propositions:** Tasty pizza, No cook/cleanup, Budget friendly, Convenient, Flexible menu
- Customer Relationships:** Social media, Personal attention, Rewards Program
- Channels:** Word of mouth, Social Media, Google Ads, Print Publications, Delivery Service Sites, Street traffic
- Customer Segments:** Families, Students, Workers in neighborhood
- Cost Structure:** Food & supplies, Rent, Equipment, staff, Utilities
- Revenue Stream:** Catering, Merchandise, Pizza sales, Events - rental, Liquor & beverage sales

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# A BIKE BUSINESS


- *Let's start one*



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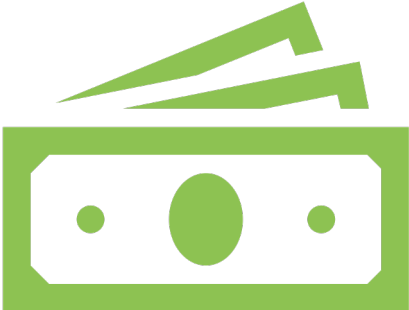
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You get...



One Bicycle

+



\$1,000

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### Business Model Canvas Tutorial

## Rolling Cafe

Caption: Feasibility Desirability Viability

#### Key Partners

- List the key partners that will help you optimize your operations, reduce your risks, and get a competitive advantage.

Suppliers

#### Key Activities

- List the most important activities required to implement the company's value proposition.

Inventory management  
Cycling & Sales

#### Value Propositions

- List the products and services you offer to meet the needs of your customers. Also include in this section your unique selling proposition (USP) that will distinguish you from your competitors.

Rolling Cafe



#### Customer Relationships

- Identify the type of relationship you want to create with your customer segments. How will you interact with them?

Personal

#### Key Resources

- List the resources that are necessary to create value for your customers. These resources could be human, financial, physical and intellectual.

Bicycle Cafe

#### Customer Segments

- Identify which customers you try to serve (e.g. age, gender, location, interests, languages, habits, etc.).

Frustrated Coffee Drinkers

#### Channels

- List the different channels you will be using to deliver your value proposition to targeted customer segments through its own channels, partner channels, or a combination of both.

Rolling Cafe

#### Cost Structure

- Estimate how much you are planning to spend on Product development, Marketing, Sales, Website design & development, etc.

Inventory  
Bicycle cafe maintenance

#### Revenue Stream

- Estimate how much you are planning to earn from your different sources of revenue.
- Estimate your earnings based on your costs and revenues.

Sales margins

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# SEVEN REVENUE MODELS TO GROW YOUR BUSINESS

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## DISCUSS

*What do these 3 business models have in common?*



## 1. SWITCHING COSTS



*how easy or difficult is it for companies to switch to another company ?*

## DISCUSS

*What do these 3 business models have in common?*



## RECURRING REVENUES

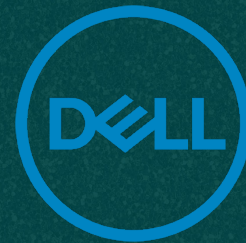


*Is every sale a new effort or will it result in follow-up revenues and purchases?*

*How evenly distributed are your revenues through the year?*

## DISCUSS

*What do these 3 business models have in common?*



## EARN BEFORE YOU SPEND



*Are you earning money before you are spending it?*

## DISCUSS

*What do these 3 business models have in common?*



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## GAME CHANGING COST STRUCTURE



*Is your cost structure substantially different and better than those of competitors?*

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## DISCUSS

*What do these 3 business models have in common?*



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## GETTING OTHERS TO DO THE WORK



*How much does your business model get customers or third parties to create value for you?*

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## DISCUSS

*What do these 3 business models have in common?*

ARM



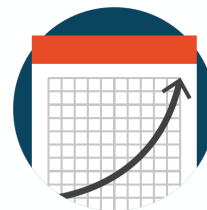
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## SCALABILITY



*How rapidly and how easily can you grow your business model without hitting roadblocks (e.g. infrastructure, customer support, etc.)?*

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## DISCUSS

*What do these 3 business models have in common?*



## PROTECTION FROM COMPETITION



*How much is your business model protecting you from your competition?*

## SEVEN REVENUE MODELS



1. Switching Costs
2. Recurring Revenues
3. Earn Before You Spend
4. Game Changing Cost Structure
5. Getting Others to do the Work
6. Scalability
7. Protection from Competition

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## RESOURCES

- Value Proposition Design and Testing Business Ideas books, online learning, blog etc., [www.strategyzer.com](http://www.strategyzer.com)
- [Talking to Humans \(customer discovery & validation\)](#)
- [Lean Startup \(Eric Ries\)](#)
- [Customer Development \(Steve Blank\)](#)
- [Kauffman Foundation](#)
- <http://fromideatobusiness.strategyzer.com>



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# RESOURCES

- [Guide to Starting & Operating a Small Business](#)
- [Checklist of General Legal Requirements 2022](#)



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# SPECIALTY PROGRAMS



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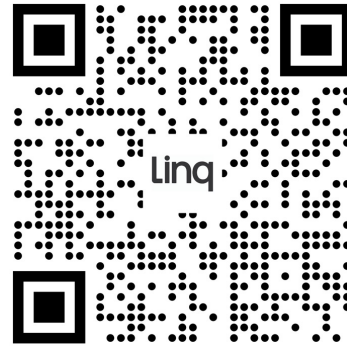


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# LET'S KEEP IN TOUCH



Lenin Agudo, MBA, CGBP  
 Director, Widener University SBDC



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# THANK YOU!



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