

The Business Model Canvas

Instruction Manual

With the Business Model Canvas you can sketch out new business ideas or visualize existing businesses.

The Canvas can be used in teams as a shared language to have better strategic conversations or individually as a tool to structure your thinking.



Materials

Canvas Poster:

In B0 format

Large Statty's in several colors:

See stattys.com for refills

Thick markers:

Keep your ideas rough

Strategyzer.com, the Business Model Toolbox for iPad, or a Camera:

To capture and share the results sketched out on your Canvas

Ground Rules

Don't write on the Canvas:

By using Stattys to describe your business model you will be able to move things around, onto as well as off the Canvas. This way ideas stay mobile and you keep things flexible.

One idea per Statty:

Don't make bullet points on Stattys. For instance, use two Stattys to describe two different channels, like your sales force and your company's website. This will allow you to play around with the elements of your business model.

Instructions

Getting started:

Start sketching out your business model by creating Stattys for each one of the nine building blocks. Some people prefer to begin with listing their customer segments or value propositions. Others prefer starting with their key resources or key activities. It doesn't matter. Just do it.

Add all elements relevant to your model:

Ask yourself what all the elements are that your business model requires to create, deliver, and capture value. Create a Statty for every single element that is important.

Check completeness and coherence:

Make sure you don't create "orphan" elements in your business model. For example, for each customer segment and their jobs-to-be-done you should have a corresponding value proposition. Or, for instance, for each value proposition you should list the key resources and activities that are required to create it.

Tell a story:

When finished sketching out your business model try telling the story of your model one Statty at a time. Take all the Stattys down and explain your business model by putting up one Statty after the other on a blank Canvas. This will force you to tell a coherent story element after element.

Best Practices

Color coding:

Use different color Stattys to highlight certain aspects of your business model. For example, use different color Stattys if you have two very different customer segments in your business model with very different jobs-to-be done (e.g. advertisers and users). Then continue to use the same colors for the corresponding value propositions, channels, etc.



Visuals & words:

Combining images and words to describe business model building blocks is more powerful than just using words. Our brain processes images quicker than words. Hence, images will allow viewers of your Canvas to more rapidly grasp the big picture of your model.

Granularity:

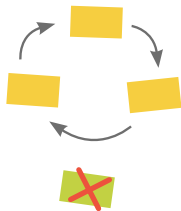
Don't add too many Stattys when you are sketching out the strategic overview of a business model. Too many details hide the big picture. On the other hand, adding detail is appropriate when you work on the refinement of your business model, in order to test it and consider customer development.



Frequently Committed Mistakes

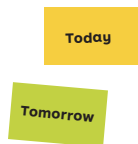
Orphan Elements:

Make sure you don't create "orphan" elements in your business model. For example, every Staty in the revenue streams box needs a corresponding Staty in the customer segment and value proposition box that highlights who is willing to pay for what. You should not, for instance, have "advertising" as a revenue stream, without having an "advertiser" who is willing to pay for "an audience".



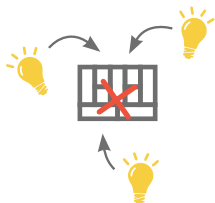
Mixing present and future:

Make sure you clearly distinguish between presently existing business models and future ideas. Mixing them can be confusing. You can easily distinguish between the two by using colour coding or by using separate Canvases.



Too many ideas in one Canvas:

Describing too many different ideas in the same Business Model Canvas can lead to confusion. Try using separate Canvases to sketch out individual ideas. If necessary you can always bring them together in the same Canvas later on.





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