



2.4 Start-up

2.4.1 New Venture Creation Framework

2.4.2 Business Model Canvas

What is Business model?



This brief HBR video explains the difference between a strategy & a business model.



Advantages of using a business model framework



- Allows elements of model to be easily modified
- Allows innovative options to be explore in a structured way
- Facilitates the understand of linkages between elements of the model
- Allows the testing of new models against established ones
- Allows experiment with different versions to see which critical assumptions are most realistic (revenue model; pricing, sales, costs etc.)
- Helps identify patterns & ensure consistency in the elements of the model

The development phase of a Business model



This video explains the business model development phase of the Framework

Business Model Canvas

8. Key partnerships

The network of suppliers and partners that make the business model work

6. Key activities

The most important things you need to do to make the business model work

7. Key resources

The most important assets required to make the business

1. Value proposition

The product/ service bundle that creates value for each customer segment

3. Customer relations

The types of relationships you aim to have with each customer segment

4. Channels

How you communicate with and reach each customer segment

2. Customer segments

The different groups of people or organizations you aim to reach

9. Cost structures

All the costs that you will incur to operate your business model

5. Revenue streams

The cash generated from each customer segment

Lean Business Model Canvas

8. Key problems

The key problems that the value proposition seeks to address

(incl. in 4. Channels?)

6. Solutions

Solutions to problems (8)

7. Key metrics

The few actions that matter

(6. Key activities?)

1. Value proposition

The product/ service bundle that creates value for each customer segment

3. Unfair advantage:

Competitive advantage

4. Channels

How you communicate with and reach each customer segment

2. Customer segments

The different groups of people or organizations you aim to reach

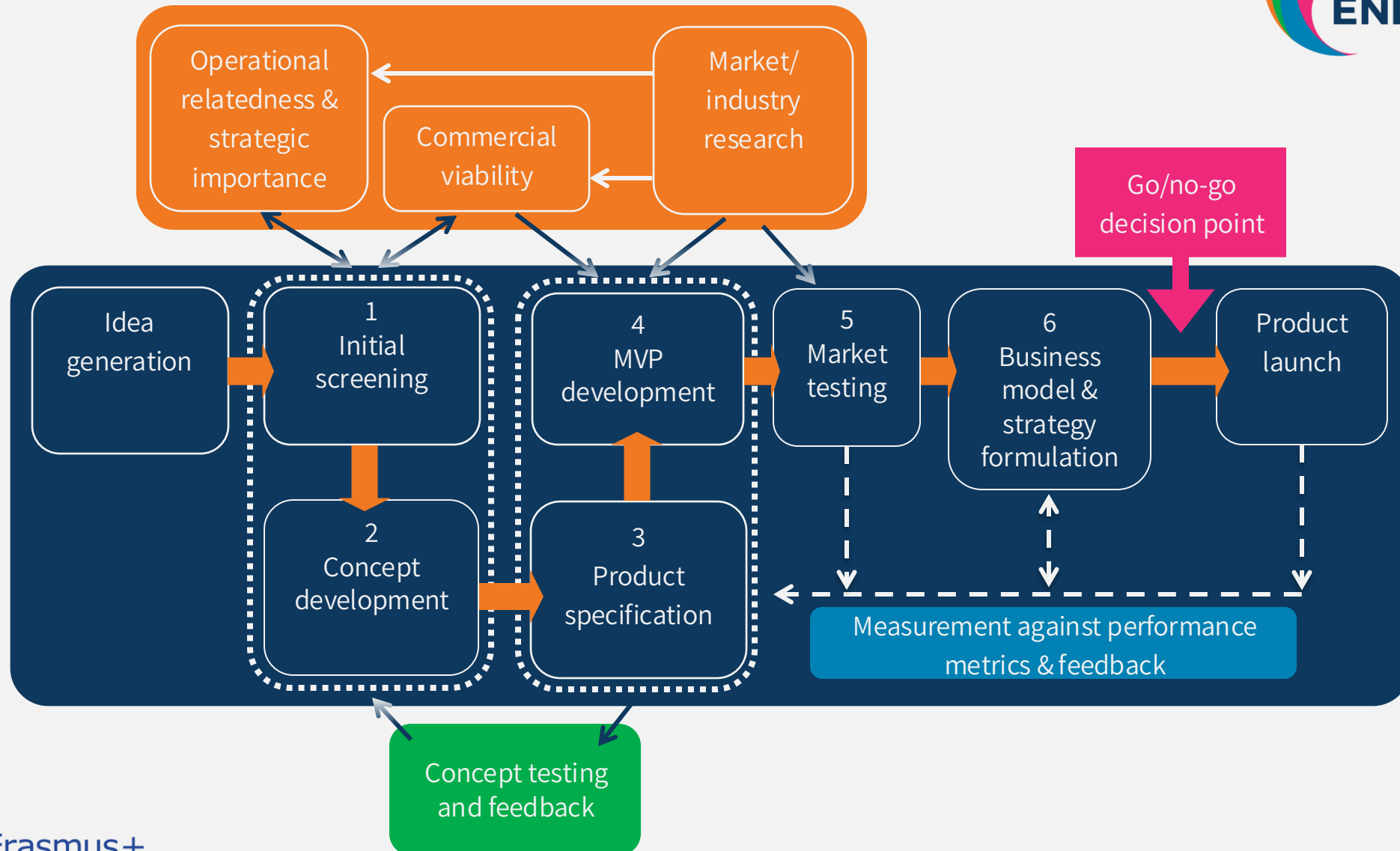
9. Cost structures

All the costs that you will incur to operate your business model

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The cash generated from each customer segment

Concept development cycle



Business Model Canvas



The Business Model Canvas & other online tools to help apply it are available to download here

These video animations that explain how to use the Canvas



<https://tinyurl.com/55crdscy>

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