

9 Building Blocks of a Business Model Canvas

An organised way to lay out your assumptions across nine parts.

Alexander Osterwalder, a Swiss business theorist and entrepreneur, developed the 'business model canvas' framework that is viewed by many as the most comprehensive template on which to construct business assumptions or hypotheses. It is an organised way to lay out your assumptions across nine parts.

Key Partners

Who are your key partners? Who are your key suppliers? Which key resources are we acquiring from them?

Types of partnerships:
Strategic alliances, cooperation, joint ventures and buyer-supplier relationships.

Key Activities

What key activities do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?

Categories:
Production, problem-solving and platform/network.

Key Resource

What key resources do our value proposition require?

Types of resources:
Human, physical, intellectual and financial.

Value Propositions

What values do we deliver to the customer? Which one of our customer's problems are we trying to solve? What products and services are we offering to our customer segments? Which customer needs are we satisfying?

Customer Relationships

What type of relationships do our customers expect us to establish and maintain with them? Which ones have we established? How costly are they?

Types of customer relationships:
Personal assistance, dedicated personal assistance, self-Service, automated services communities and co-creation.

Distribution Channels

Through which channels do our customers want to be reached? How are we reaching them now? Which ones work best and are cost-efficient?

Types of channels:
Owned channels, partner and channels.

Customer Segments

From whom are we creating value? Who are our most important customers?

Types of customer segments:
Mass market, niche market, segmented, diversified and multi-sided platform.

Revenue streams

For what value our customers are willing to pay? For what do they currently pay? How are they currently paying? How much does each revenue stream contribute to our overall revenues?

Types of revenue stream:
Asset sales, usage fee, subscription fee, lending/leasing/renting, licensing, brokerage fees and advertising.

Cost structure

What are the most important costs inherent in our business model? Which key resources and activities are most expensive? Is our business more cost-driven or value-driven?

Source: Alexander Osterwalder (2010). The Business Model Canvas
<https://www.strategyzer.com/>