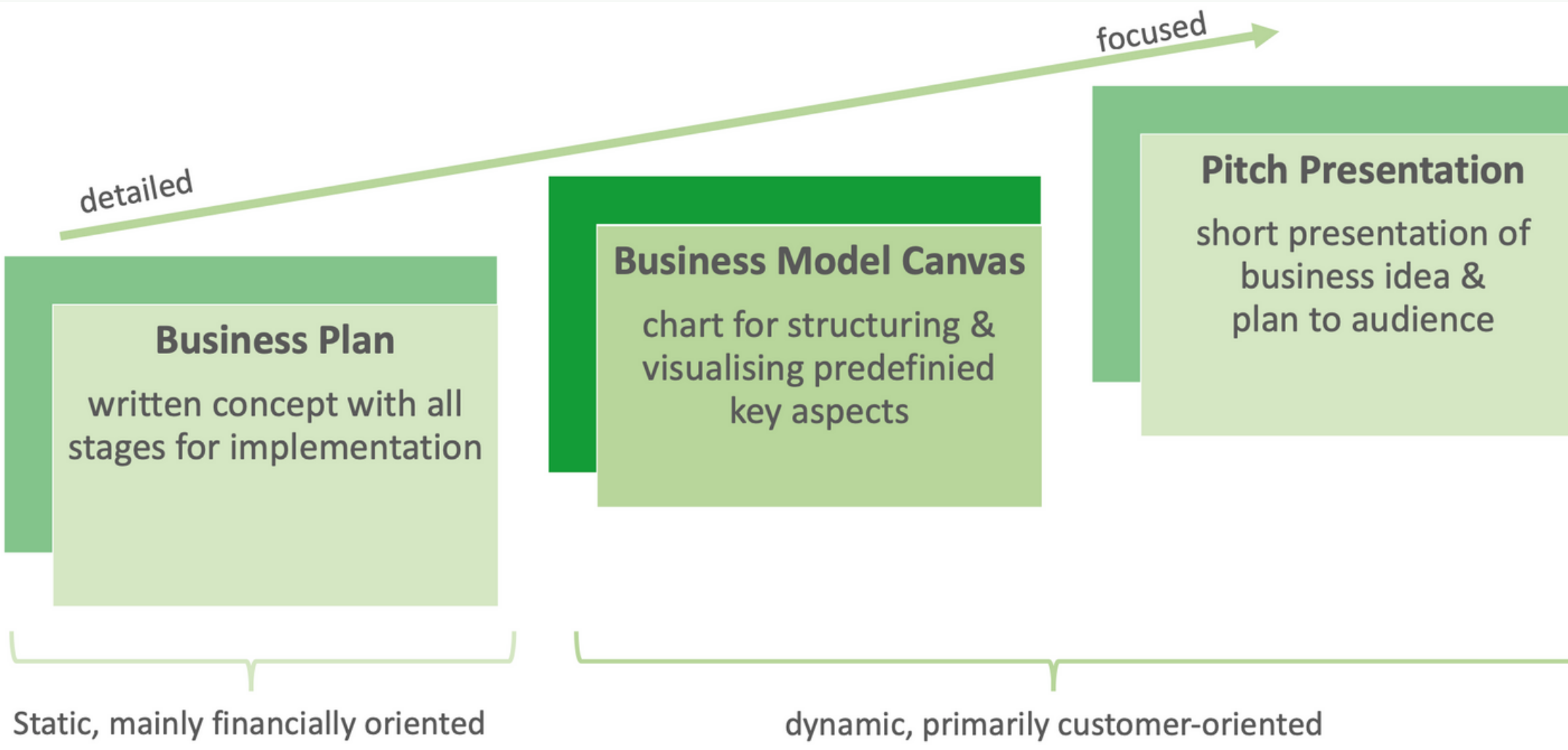
GTL Project

GreenTecLab

Business Model Canvas (BMC)

A method for structuring & further developing business ideas

3 Classical Methods to Develop a Business Idea



BMC - Structuring Business Idea

The BMC was developed in 2008 by the Swiss entrepreneur Alexander Osterwalder and today it is impossible to imagine the start-up sector without it.

The BMC comes into play when you already have a business idea, but it is not yet fully developed. It helps you sort out your thoughts and make the idea comprehensive for others.

BMC is based on a predefined structure with
specific questions that guide process:
The great advantage of BMC is that it helps to present your idea on a single sheet.

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Anatomy of BMC

The BMC consists of 9 elements as standard.
Each contains key questions that need to be answered to get a complete picture of the business idea and its stage of development.

Customer Segment

Value Proposition

Channels

Customer Relation

Revenue Streams

Key Resources

Key Activities

Key Partners

Cost Structure

BMC - Structuring Business Idea

<table>
<tr><td>GreenTecLab</td><td>Name:</td><td>Business Idea</td><td>Date:</td><td>Version:</td></tr>
<tr><td rowspan="2">Key Partner

• Who are our most important partners?
• Who are our key suppliers?
• Which key resources do we acquire from partners?</td><td>Key Activities

• What key activities are required for our user promise?
• Our sales channels, customer relationships, revenue streams?</td><td rowspan="2">Value Proposition

• What benefit do we deliver to the customer?
• Which customer problem do we solve?
• Which customer needs are satisfied?

Features:
Novelty, performance, customization, accessibility.</td><td>Customer Relation

• What kind of relationship does our customer expect us to build and maintain?
• Which ones have we already established?
• How costly are they?</td><td rowspan="2">Customer Segment

• For whom is added value generated?
• Who are the most important customers?
• Is our customer base a mass market, or a niche market?</td></tr>
<tr><td>Key Resources

• What key resources are needed?
• Our distribution channels, customer relationships, Revenue streams?

Resources:
Physical, mental, financial</td><td>Channels

• Which channels do our customers want to be reached through?
• How do we reach them now?
• How do we engage them?</td></tr>
<tr><td colspan="3">Cost Structure

• What are the most important costs in the business model?
• Which key resources/activities are the most expensive?</td><td colspan="2">Revenue Streams

• What are customers willing to pay for?
• What are they currently paying for?
• How do they currently pay? How would they prefer to pay?
• How much does each revenue source contribute to total revenue?</td></tr>
</table>

Inspired by: The Business Model Foundry (www.businessmodelgeneration.com/canvas).
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Advantages of Using BMC

Simple structure, individuals but also teams can quickly work productively with the BMC.

The given template forces to limit oneself to the most important information and to formulate them precisely.

The business model is mapped on one page.

Dependencies in the business model become visible.

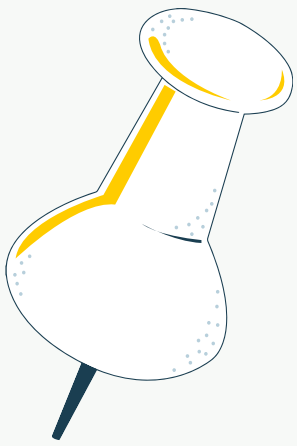
Team members as well as external parties (e.g. fianciers) gain an understanding of the importance of individual components of the business model.

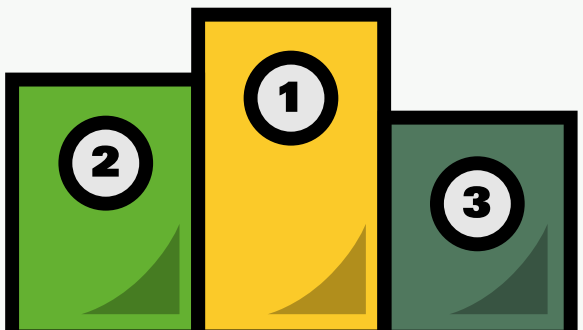
Tips for working with the BMC

Start by thinking about your mission
- You must always keep your goal in mind.

Think customer-oriented from the beginning and focus on the customer and the value proposition first.

Be as specific as possible.
If you want to demonstrate that your product/service is of a special quality make clear how you will achieve this and whether the possibly higher costs are matched by a is matched by a corresponding willingness to pay.





Focus on strategic factors and avoid completeness.
For costs, mention only the 3 most important factors.

GTL BMC - The Sustainable BMC

You may have noticed that in the classic Business Model Canvas, the reference to sustainable product innovations is missing

For this reason, GTL has developed an extended BMC - the ”**GreenTecLab Sustainable Business Model Canvas**”

The GTL SBMC encourages you to think about all aspects relevant to holistic business model design.

Sustainability impacts can be maximised from the beginning and contribute to sustainable and innovative business models.

How does the GTL SBMC look like?

Extended Version with 13 Core Elements and guiding questions

Additional Aspects

- Sustainable Mission & Vision (economic, environmental, social sustainability goals; sustainability principles)
- Extended Product Life Cycle (e.g. through recycling, upcycling, rental instead of ownership)
- Eco-Social Benefits (advantages achieved through sustainable principles)
- Eco-Social Costs (caused costs, minimisation of environmentally critical production factors)

How does the GTL SBMC look like?

The GreenTecLab-Sustainable Business Model Canvas

GreenTecLab

Key Partners

- Which partners/cooperations do we need to make your offer more sustainable?
- Who are our Key suppliers?
- Which Key Resources are we acquiring from partners?
- Which Key Activities do partners perform?

Motivation for Partnerships:
- Optimization and Economy
- Reduction of risk & uncertainty

Key Activities

- What Key Activities do our Value Proposition require?
- How can we adjust/design them (e.g. manufacturing, production) to ensure sustainability?
- What role does sustainability play in our key activities?
- What risks (e.g. change in legal requirements, loss of reputation, etc.) can be avoided through more sustainable key activities?

Sustainable Value Proposition

- Which value do we create and deliver to our customer?
- Can we transform sustainability into customer value?
- Which customer problem do we solve?
- Which customer needs are we addressing?
- Can we satisfy our customer's needs more sustainable?
- How is our value proposition linked to sustainability?

Characteristics:
- Efficiency
- Disributive justice
- Sufficiency

Sustainable Customer Relation

- Which customer relationships are already established?
- Which role does sustainability play in these relationships?
- How can we improve and enlarge customer relationships?
- How are they integrated with the rest of our business model?
- How costly are they?

Responsible Customers

- For whom are we creating value?
- Who are our most important customers?
- What is the importance of sustainability for our customers now/in the future?
- How can we enable and motivate them to act sustainably?
- Which target customers may help to promote our sustainable solution?
- How can the idea of sustainability help us to reach more customers?

Sustainable Channels

- Through which channels do our customer segments want to be reached?
- How are we reaching them now?
- How can we make distribution channels more sustainable and circular?
- Which distribution Channels are most sustainable?
- How do we communicate the sustainable aspects of our product/ service?

Key Resources

- What key Resources natural, energy, and technical do we need?
- Can we substitute any for more sustainable resources?
- Are resources and skills already available within the founding team to meet the defined sustainability requirements, or does the team need external support?

Extended Product Life Cycle

- Can we extend the product life cycle?
- Can the product be profitably recycled, upcycled, reused?
- Is ownership necessary or is the product as a service model viable?
- What happens at the end of the product life cycle?

Cost Structure

- What are the most important costs inherent to our business model?
- Which key resources/key activities are the most expensive?
- Which resources/activities are the least sustainable?
- Do sustainable alternatives exist?
- Is switching economically reasonable?
- Can costs be reduced through savings in resource consumption?
- Can additional costs arise in the future if sustainable action is not taken?
- Do tax bonuses or subsidiations exist for my business idea?

Revenue Streams

- Which are existing and possible revenue sources?
- For what value are our customers really willing to pay?
- How are they currently paying?
- Does the orientation of the business model towards sustainability enable improved access to revenue
- Are customers willing to pay for a premium sustainability?
- Can we create a unique advantage dur to sustainable proposition elements?
- Do price structure exist that incentivize sustainable customer behavior?

Vision & Mission

- What are our economic, environ-mental or social sustainability goals?
- Which sustainability principles play a role in your business idea?
- What concrete contribution to the European climate goals do we offer?

Eco-Social Costs

- What ecological or social costs is our business model causing?
- If environmentally critical production factors are among the key resources, how can their use be minimised or eliminated?
- Which Key Recources are non-renewable?
- Which Key Activities use a lot of resources?

Evaluation Instruments:
- Life-Cycle Assessment*
- Common good matrix**

Eco Social Benefits

- What ecological or social benefits is our business model generating?
- Who are the beneficiaries?
- Are they potential customers?
- Can we transform the benefits into a value proposition, if yes, for whom?
- What competitive advantage could be achieved by considering sustainability principles? Is this advantage long-lasting?
- Do we create jobs?

Any more questions?
Visit the website and become a future leader of the transition

GreenTecLab

- https://digitaleneuordnung.de/blog/business-model-canvas-erklaerung/
- https://www.fuer-gruender.de/wissen/geschaeftsidee-finden/how-to-startup/business-model-canvas/infografik