



اَبُو سَيِّدِي تَيْكُو لُو كِي مَارَا
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MARA

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BUSINESS MODEL CANVAS (BMC)

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1.0 INTRODUCTION

The Business Model Canvas is a business tool used to visualise all the nine building blocks when businessmen and businesswomen want to start a business, including customers, route to market, value proposition and finance. Using this canvas will lead to insights about the customers they serve, what value propositions are offered through what channels, and how their companies make money. They can also use the business model canvas to understand their own business model or that of their competitors. The Business Model Canvas was created by Alexander Osterwalder, of Strategyzer. The blocks on the BMC are:

1. Customer Segments:

Customer Segmenting is the practice of dividing a customer base into groups of individuals that are similar in specific ways, such as age, gender, interests and spending habits. Another thing to gauge and understand is the market size, and how many people there are in the customer segment. This will help understand the market from a micro and macro perspective. A great place to start understanding your customer is to create customer personas for each of customer segments.

2. Value Propositions:

The Value Proposition is foundational to any business or product. It is the fundamental concept of the exchange of value between your business and your customer or clients. Generally, value is exchanged from a customer for money when a problem is solved or a pain is relieved for them by your business.

3. Customer Relationships

Customer Relationships is defined as how a business interacts with its customers. A really helpful step is to guide customers as they interact with the business. This helps clarify the points of engagement between the businessmen and their customers and the modes used to relate to their customers. This will also help them to start defining their operations as a business and also help them identify opportunities for automation.

4. **Channels:**

Channels are defined as the avenues through which your customer comes into contact with your business and becomes part of your sales cycle. This is generally covered under the marketing plan for your business.

Examples of channels:

- Social media
- Public speaking
- Electronic mail (email marketing)
- Networking
- SEM (Search Engine Marketing)
- SEO (Search Engine Optimisation)
- Engineering as marketing
- Viral marketing
- Targeting blogs
- Sales and promotions for commissions
- Affiliates
- Existing platforms
- Social advertising
- Trade shows
- Content marketing
- Community building
- Offline advertising (billboards, TV, radio)

5. **Revenue Streams:**

Revenue Streams are defined as the way by which the business converts the value proposition or solution to the customer's problem into financial gain.

6. **Key Activities:**

The key activities of your business/product are the actions that your business undertakes to achieve the value proposition for your customers.

7. **Key Resources:**

The people, knowledge, means, and money needed to run a business.

These resources are what is needed practically to undertake the action/activities of your business:

- Office space
- Computers
- Hosting
- People (staff)
- Internet connection
- Car
- Bike
- Oven
- Electricity
- Car Parts

8. **Key Partnerships:**

Key partners are a list of other external companies or suppliers or parties that may be needed to achieve the key activities and deliver value to the customer. This moves into the realm of 'if my business cannot achieve the value proposition alone, who else do I need to rely on to do it?'. An example of this is 'if I sell groceries to customers, I may need a local baker to supply fresh bread to my store'. They are a key partner to achieve the value of the business promises to the customer.

9. **Cost Structure:**

Business cost structure is defined as the monetary cost of operating as a business.

Each of these blocks needs to be accurately filled in, and revisited regularly to ensure the business model is still accurate. its a good thing to do before registering a business.