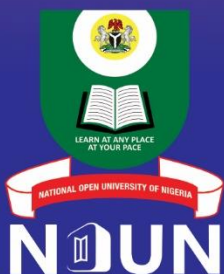


NEE0013

# BUSINESS CANVAS



NATIONAL OPEN UNIVERSITY OF NIGERIA



## NEE 0013 BUSINESS CANVAS

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## Unit 1 Business Model Canvas

### Unit Structure

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### 1.1 Introduction

The Business Model Canvas is a strategic management tool used to visualise and develop new or existing business models. It consists of nine key building blocks that help entrepreneurs and business leaders understand their business's value proposition, customers, infrastructure, and finances.



### 1.2 Intended Learning Outcomes

By the end of this unit, you will be able to:

- discuss the Business Model Canvas Framework
- apply the Business Model Canvas to Develop and Innovate Business Models
- communicate and Present Business Models effectively.

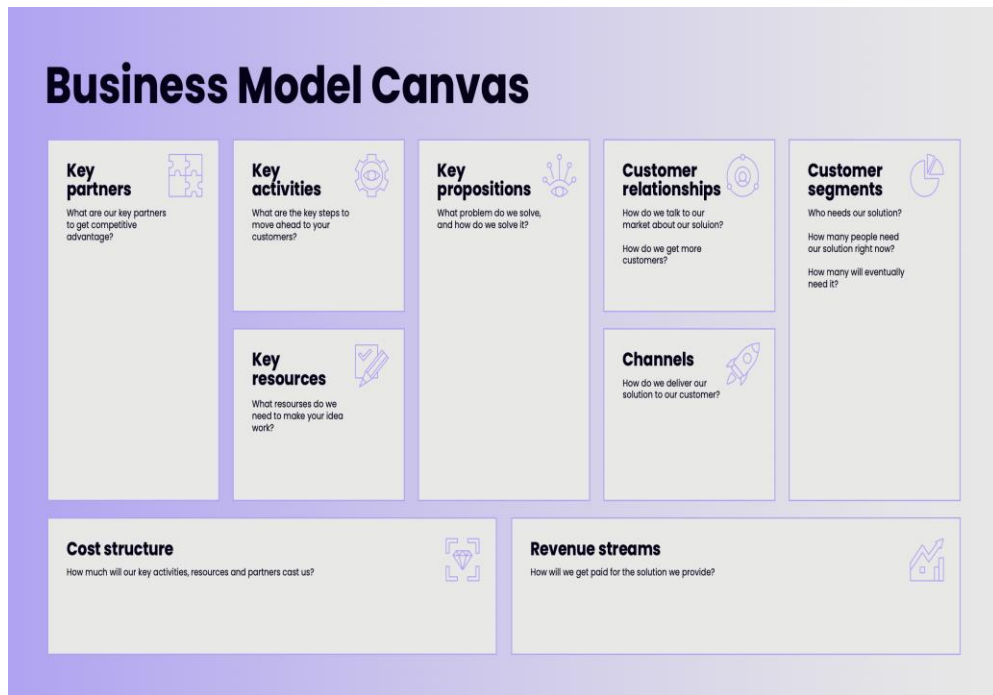


### 1.3 Understanding the Business Model Canvas

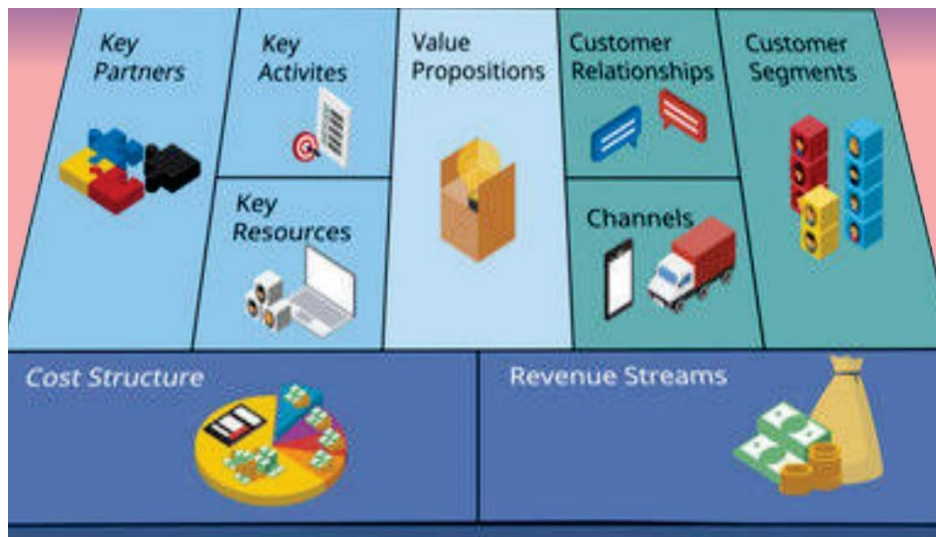
#### Introduction to the Business Model Canvas

**Definition:** The Business Model Canvas (BMC) is a strategic tool for developing and analysing business models.

**Purpose:** It helps entrepreneurs and businesses understand, design, and innovate upon their business model.



Source: <https://creately.com/guides/business-model-canvas-explained/>



<https://rb.gy/klu69j>

## Competencies

**Framework Familiarity:** Ability to demonstrate a deep understanding of the nine key building blocks of the Business Model Canvas and their interrelationships.

**Analytical Skills:** Develop the ability to critically analyse existing business models and identify opportunities for improvement or innovation using the Canvas framework.

**Strategic Thinking:** Apply strategic management principles to interpret and leverage the insights gained from the Canvas to drive business success.

**Model Development:** Students will be able to apply the Canvas framework to develop new business models or refine existing ones, aligning them with organizational goals and market demands.

**Innovation Skills:** Foster creativity and innovation in business model design, exploring unconventional approaches and disruptive strategies to create competitive advantage.

**Risk Management:** Develop the ability to anticipate and address potential risks and challenges associated with implementing new business models, ensuring sustainability and resilience

**Visual Communication:** Master the art of visually presenting

business models using the Canvas framework, creating clear and compelling representations for internal and external stakeholders.

**Presentation Skills:** Develop effective communication and presentation skills to articulate business models persuasively, tailoring messages to different audiences and contexts.

**Feedback Integration:** Learn how to solicit and incorporate feedback on business models, iteratively refining and improving them based on stakeholder input and market insights.

### 1.3.1 The Nine Building Blocks of the BMC

#### Customer Segments

- Definition: The different groups of people or organizations a business aims to reach and serve.
- Example: Young professionals, families, small businesses, etc.
- Examples: Mass market, niche market, segmented, diversified, multi-sided platform

#### Value Proposition

- Definition: The bundle of products and services that create value for a specific customer segment.
- Explain what makes your offering unique and why customers would choose it over alternatives
- Example: Convenience, affordability, customisation, etc.

## **Channels**

- Definition: The avenues through which a business reaches and delivers value to its customer segments.
- Outline the various channels through which you reach and interact with your customers.
- Consider both traditional and digital channels such as direct sales, online platforms, partnerships
- Example: Online platforms, physical stores, direct sales, etc.

## **Customer Relationships**

- Definition: The types of relationships a business establishes with its customer segments.
- Determine how you acquire, retain, and grow customer relationships.
- Example: Personal assistance, self-service, automated services, etc.

## **Revenue Streams**

- Definition: The sources of revenue generated from each customer segment.
- Identify pricing mechanisms, revenue models, and payment structures
- Example: Product sales, subscription fees, advertising, etc.

## **Key Resources**

- Definition: The assets required to deliver the value proposition to the customer segments.
- List the essential assets and resources required to operate your business.
- Example: Human resources, technology, facilities, physical, intellectual, and financial resources etc.

## **Key Activities**

- Definition: The crucial tasks a business must perform to deliver its value proposition.
- Describe the core activities necessary to deliver your value proposition and operate your business effectively.
- Example: Manufacturing, marketing, distribution, etc

## **Key Partnerships**

- Definition: The network of suppliers and partners necessary to operate the business model.



- Example: Suppliers, distributors, strategic alliances, etc.

## **Cost Structure**

- Definition: The expenses incurred while operating the business model.
- Example: Fixed costs, variable costs, economies of scale, etc.

### **1.3.2 Using the BMC in Practice**

#### **Creating a BMC**

- Steps: Identify each building block, fill in details, iterate, and refine.
- Example: Using a hypothetical business idea to fill in the canvas.

#### **Analysing Existing Business Models**

- Steps: Evaluate each building block, identify strengths and weaknesses, and seek opportunities for improvement.
- Example: Analysing a well-known company's business model using the BMC.

### **1.3.3 Practical Exercise**

#### **Interactive Exercises**

- Engage participants in hands-on activities to fill out a canvas for a fictional or real business. This helps solidify their understanding.

#### **Case Studies**

- Share real-world examples of successful businesses and how they utilise each canvas block. Discuss failures as well to highlight the importance of a well-thought-out business model.

#### **Group Work**

- Encourage collaborative work where participants can brainstorm and discuss each building block together. This promotes diverse perspectives.

#### **Iterative Process**

- Emphasise that the canvas is a dynamic tool that can be revisited and revised as the business evolves or as new insights are gained.

## Visual Aids

- Use visuals, charts, and diagrams to illustrate the relationships between different canvas elements. This aids in comprehension and retention.

## Industry-specific Examples

- Provide examples relevant to the participants' industries to make the concept more relatable and applicable to their own business challenges.

## Scenario Analysis

- Explore different scenarios by adjusting elements of the canvas. Discuss the potential impact on the overall business model and strategy.



### 1.4 Summary

The Business Model Canvas is a vital tool for entrepreneurs and leaders, facilitating effective visualisation, development, and innovation of business models. Its nine building blocks offer a comprehensive framework for understanding value proposition, customers, infrastructure, and finances. Throughout this course, participants gain deep understanding and practical skills in three key areas: analysing business models critically, developing innovative models while managing risks, and effectively communicating and presenting models. Interactive exercises, case studies, and group work solidify learning, supplemented by visual aids and scenario analysis for practical application. Ultimately, this course equips participants to leverage the Canvas as a strategic driver for business success, promoting innovation and effective communication.



### 1.5 References/Further Readings/Web Resources

<https://creately.com/guides/business-model-canvas-explained/>

<https://shorturl.at/uHK23>

