The Business Model Canvas can help move entrepreneurs to address specific risks and acquire more information. The Business Model Canvas helps visualize what is important and forces users to address key areas. It can be used by a team (employees and/or advisors) to understand relationships and reach agreements. Need assistance using this tool contact a SCORE Mentor.

Benefits of Using the Business Model Canvass: Businesses In Their Marketing Efforts

The Business Model Canvas is an entrepreneurial tool that enables you to visualize, design, and reinvent your business model. Swiss business theorist and author Alexander Osterwalder developed it (https://strategyzer.com/canvas). For many startups, using the tool can help them develop a clear view of their value proposition, operations, customers, and finances. As a small business owner, you can use it to identify how the different components of your business relate to each other. That’s powerful when deciding where you need to focus your time and attention as you start and grow your business. Many start up entrepreneurs and small businesses are so busy trying to get started and survive that they spend little time planning. When they do try to plan, they are often confused and don’t know where to start. This tool sets an overarching framework for developing a business strategy, a detailed business plan, and/or a prioritized action plan.

The Business Model Canvas can help move entrepreneurs to address specific risks and acquire more information (about competitors or a market niche, for example).

- Key Partners—Who are the buyers and suppliers you need to form relationships with? What other alliances will help you accomplish core business activities and fulfill your value proposition to customers?
- Key Activities—What are the most important activities you must engage in to fulfill your value propositions, to secure distribution channels, to strengthen customer relationships, to optimize revenue streams, etc.?
- Key Resources—What resources do you need to create value for your customers and sustain your business?
- Value Propositions—What products and services will you offer to meet the needs of your customers? How will your business be different from your competition? What challenges will you solve for your customers?
- Customer Relationships—What types of relationships will you forge with your customer segments? What are the relationship expectations of each customer segment? How are they entwined with the rest of your business model?
- Customer Segments—What sets of customers will you serve? Which are most important to your business?
- Channels—Through what means will you reach your targeted customers and deliver your products and services to them? Which are most cost effective? How are the channels integrated?
- Cost Structure—What are the key costs your business will face? Which resources will cost the most? Which activities will cost the most?
- Revenue Streams—How much will you charge for your products and services? What are customers willing to pay for? How will customers pay? How much will each revenue stream contribute to your overall revenue?

Gaps in planning stand out when using the tool, making it effective for entrepreneurs who are new to starting and running a business. The Business Model Canvas helps visualize what is important and forces users to address key areas. It can also be used by a team (employees and/or advisors) to understand relationships and reach agreements. Need assistance using this tool contact a SCORE Mentor.

Greater Cincinnati SCORE, which includes greater Cincinnati, northern Kentucky, and southeast Indiana, is a nonprofit organization with more than 100 experienced executive volunteers who offer free mentoring in finance, operations and marketing and low-cost workshops for small business owners. SCORE is the largest and oldest free business mentoring organization in the US. With over 12,000 volunteers nationwide who are motivated to contribute and give back to local communities. www.greatercincinnati.score.org

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