# SAXION
## HOGESCHOOL
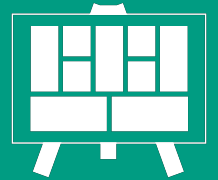
# BUSINESS MODEL CANVAS

How to use
Template
Example

# Business Model Canvas

The Business Model Canvas helps you to visualize your business model. With a business model you describe how your company creates, delivers, and captures value. It creates a shared understanding of what your business actually is and does. With the Business Model Canvas, it is easy to discuss your business model with others.

## Tips for use

You can design a business model canvas by yourself but it is more effective if done by a group of people, for example with colleagues or domain experts.

Make a large print of the Business Model Canvas template to use in a brainstorm. Use sticky notes to add items to your printed Business Model Canvas, in this way you can easily change something or place an item in another block.

Get inspired by the example from Uber and learn from the practical application of the Business Model Canvas.

## How to use

The Business Model Canvas consists of nine basic building blocks. These blocks reflect the different parts of your company. Create your business model by completing the building blocks in the following order:

### Customer Segments

Define the different groups of people or organisations you aim to reach and serve.

- Who will buy your products or services?
- Are the target customers companies or consumers?
- What are the most important characteristics of your customers?

### Value & Services

Describe the products or services that create value for your customers.

- What products or services do you sell?
- What customer problem or need do you solve?
- Why would a customer buy your product or service?

### Channels

Determine how you reach your customers to deliver the value.

- Which communication, distribution and sales channels are used?
- Which sales channels does your company use to reach customers?
- What channels do you use to deliver your products or services to your customers?

## Customer Relationships

Define which kind of relationships your company has with the customers. Relationships can vary from personal to automated.

- How personal is the relationship with the customer?
- Does your company offer personalised or similar products to all customers?

## Revenue Structure

Describe how the company generates revenues. Revenue is generated by selling your products or services or from other activities.

- For what are the customers currently paying?
- In which ways can customers pay?
- How are customer billed, one time or in instalments?

## Key Resources

Determine the most important resources for your company. Key resources can be physical, financial, intellectual, or human.

- What resources are needed to sustain and develop your product or service?
- What resources does your company need to organise the distribution channels?
- What resources are needed to maintain customer relationships?

## Key Activities

Describe the most important activities your company must perform.

- What activities are needed to sustain and develop your product or service?
- What is needed to organise the distribution channels?
- What activities are needed to set-up and maintain customer relationships?

## Key Partnerships

Describe the suppliers and partners on which your company depends. Partnerships can be created to reduce risk or to acquire resources.

- Who are your partners and suppliers?
- Which resources are acquired from them?
- Which activities do partners perform?

## Cost Structure

Creating and delivering products or services results in costs. Determine the most important costs for your company.

- Which Key Resources are most expensive?
- Which Key Activities are most expensive?

# business model canvas

| key partners | key activities | value & services | customer relationships | customer segments |
|---|---|---|---|---|
| | **key resources** | | **channels** | |

| cost structure | revenue structure |
|---|---|
| | |

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# Example Uber

| | |
|---|---|
| **industry** | Transport |
| **products & services** | Transport of people and fresh goods |
| **size of business** | 16,000 employees |
| **revenue** | $6.5 billion (2016) |
| **location** | San Francisco |

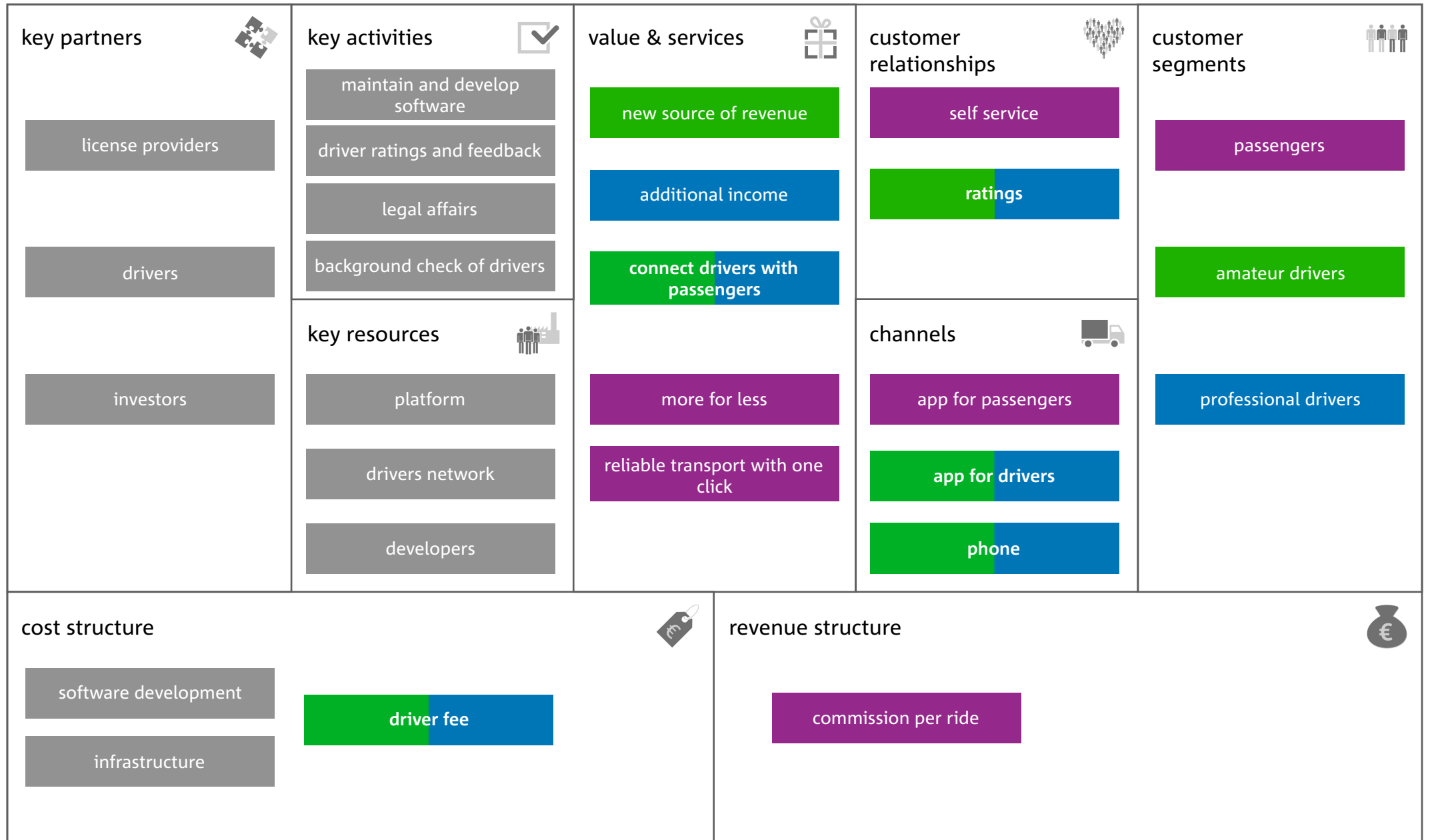In 2010 taxi drivers and taxi companies were startled. Previously, a passenger was dependent on a taxi company with regular drivers. A lot of overhead and little flexibility drove up the prices in this market. Uber developed an application that enables people to offer rides they already make as taxi rides. A so-called peer-to-peer ride service. In addition, Uber also has a version of the app for professional drivers. Having drivers use an app by themselves reduces overhead significantly. Uber takes a percentage of the ride fare for maintenance of the platform.

**The Business Model Canvas of Uber**

Completing Uber's Business Model Canvas starts with the question on the right, who do I want to reach and serve? Uber distinguishes three customer segments: passengers, professional drivers and amateur drivers. Each customer segment gets its own colour. For example, it is clear that the relationship with and preferred channels for passengers are different than for drivers. The added value for the three parties differs. On the left side of the canvas we see in grey the activities that Uber performs to deliver their service (the app). At the bottom of the canvas we find the financial structure.

# business model canvas

## key partners

- license providers
- drivers
- investors

## key activities

- maintain and develop software
- driver ratings and feedback
- legal affairs
- background check of drivers

## key resources

- platform
- drivers network
- developers

## value & services

- new source of revenue
- additional income
- connect drivers with passengers
- more for less
- reliable transport with one click

## customer relationships

- self service
- ratings

## channels

- app for passengers
- app for drivers
- phone

## customer segments

- passengers
- amateur drivers
- professional drivers

## cost structure

- software development
- driver fee
- infrastructure

## revenue structure

- commission per ride

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