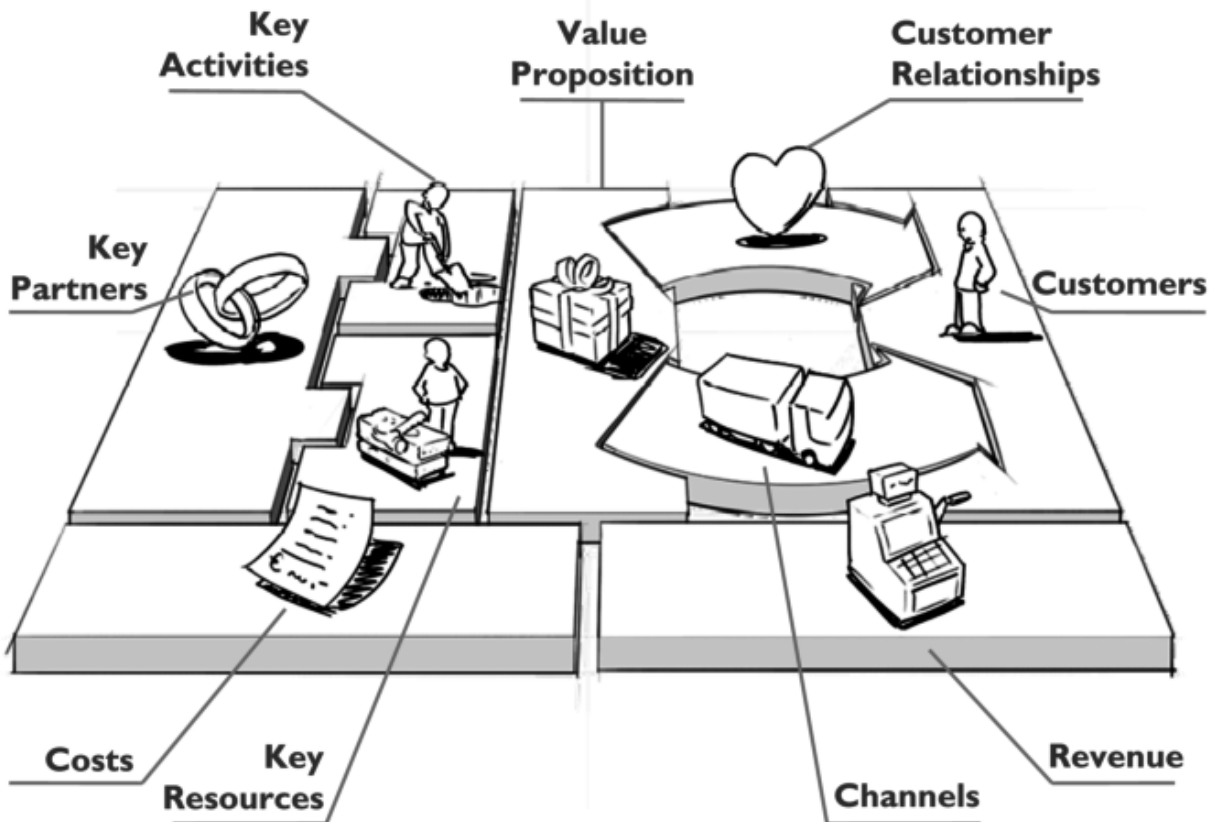



# Business Model Canvas

A business model describes the rationale of how an organization creates, delivers, and captures value.

Business model can best be described through nine basic building blocks that show the logic of how a company intends to make money. The nine blocks cover the four main areas of a business: customers, offer, infrastructure, and financial viability. The business model is like a blueprint for a strategy to be implemented through organizational structures, processes, and systems.



 <b>The building Block</b>	<b>Ask Yourself</b>
<p><b>Customer Segment:</b> the different groups of people or organizations an enterprise aims to reach and serve There are different types of Customer Segments</p>	<ul style="list-style-type: none"> <li>- For whom are we creating value?</li> <li>- Who are our most important customers?</li> </ul>
<p><b>Value Proposition</b> The Value Propositions Building Block describes the bundle of products and services that create value for a specific Customer Segment</p>	<ul style="list-style-type: none"> <li>- What value do we deliver to the customer?</li> <li>- Which one of our customer's problems are we helping to solve?</li> <li>- Which customer needs are we satisfying?</li> <li>- What bundles of products and services are we offering to each Customer Segment?</li> </ul>
<p><b>Channels</b> The Channels Building Block describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition. Communication, distribution, and sales Channels comprise a company's interface with customers.</p>	<ul style="list-style-type: none"> <li>- Through which Channels do our Customer Segments want to be reached?</li> <li>- How are we reaching them now?</li> <li>- How are our Channels integrated?</li> <li>- Which ones work best?</li> <li>- Which ones are most cost-efficient?</li> <li>- How are we integrating them with customer routines?</li> </ul>
<p><b>Customer Relationships</b> The Customer Relationships Building Block describes the types of relationships a company establishes with specific Customer Segments.</p>	<ul style="list-style-type: none"> <li>- What type of relationship does each of our Customer Segments expect us to establish and maintain with them?</li> <li>- Which ones have we established?</li> <li>- How costly are they?</li> <li>- How are they integrated with the rest of our business model?</li> </ul>
<p><b>Revenue Streams</b> The Revenue Streams Building Block represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings)</p>	<ul style="list-style-type: none"> <li>- For what value are our customers really willing to pay?</li> <li>- For what do they currently pay?</li> <li>- How are they currently paying?</li> <li>- How would they prefer to pay?</li> </ul>

	<ul style="list-style-type: none"> <li>- How much does each Revenue Stream contribute to overall revenues?</li> </ul>
<p><b>Key Resources</b> The Key Resources Building Block describes the most important assets required to make a business model work.</p>	<ul style="list-style-type: none"> <li>- What Key Resources do our Value Propositions require?</li> <li>- Our Distribution Channels?</li> <li>- Customer Relationships?</li> <li>- Revenue Streams?</li> </ul>
<p><b>Key Activities</b> The Key Activities Building Block describes the most important things a company must do to make its business model work.</p>	<ul style="list-style-type: none"> <li>- What Key Activities do our Value Propositions require?</li> <li>- Our Distribution Channels?</li> <li>- Customer Relationships?</li> <li>- Revenue streams?</li> </ul>
<p><b>Key Partners</b> The Key Partnerships Building Block describes the network of suppliers and partners that make the business model work</p>	<ul style="list-style-type: none"> <li>- Who are our Key Partners?</li> <li>- Who are our key suppliers?</li> <li>- Which Key Resources are we acquiring from partners?</li> <li>- Which Key Activities do partners perform?</li> </ul>
<p><b>Cost structure</b> The Cost Structure describes all costs incurred to operate a business model.</p>	<ul style="list-style-type: none"> <li>- What are the most important costs inherent in our business model?</li> <li>- Which Key Resources are most expensive?</li> <li>- Which Key Activities are most expensive?</li> </ul>

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<sup>1</sup> “Home.” *Business Model You@*, 20 Dec. 2013, [businessmodelyou.com/](http://businessmodelyou.com/).

Osterwalder, Alexander, and Yves Pigneur. *Business Model Generation: a Handbook for Visionaries, Game Changers, and Challengers*. Wiley, 2010.