

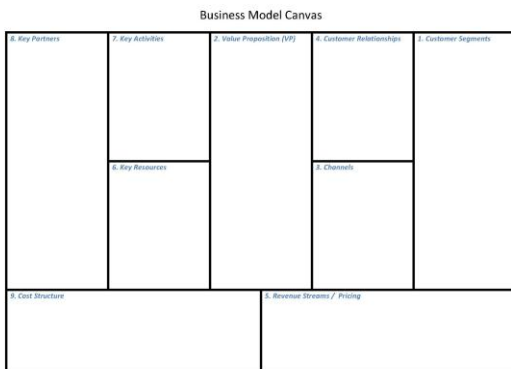
YES! AND... CREATIVE GORILLA # 132

The Business Model Canvas is a powerful thinking tool...

Facilitate New Business Models ...

"The Business Model Canvas was highly effective and really challenged our thinking"

Client of Yes! And...



Need a new business model?

Many of you will have heard of the recent issues experienced by a top media company in Britain. You may also know I look constantly for clues for new Gorilla articles so whilst others may have found interest in the scandal, I was drawn to the company's decision to close a Sunday newspaper. Of particular interest are the rumours, fuelled by registration of new URLs, that management plans to extend one of their daily titles to become a new Sunday newspaper.

The Gorilla "clue" for me is the change in the business model and so I am going to discuss a way you might facilitate a team to analyse its business model. This is an exercise I ran recently for a client and to facilitate their analysis I used the "Business Model Canvas".

This tool consists of nine blocks or sections on a metaphorical artists "canvas".

The blocks enable you to analyse your business model in a number of different areas:

- Customer Segments: For whom do you create value
- Customer Relationships: The relationship you have with different segments, e.g. self service
- Channels: The channels through which you reach your customer, e.g. a sales force
- Key Activities: E.g. Creating an easy to use web site
- Key Resources: E.g. System architects
- Key Partners: E.g. A third party who provides software programming services
- Value Proposition: What value you deliver to the customer
- Cost Structure: The key costs involved
- Revenue Streams / Pricing: How you raise revenue

[I cannot explain every question in the model in this article and suggest, if you are interested, you purchase the book, "Business Model Generation" by Alexander Osterwalder and Yves Pigneur which explains the model in detail and is a great read.]

The canvas should be big enough for small teams to work on together. I use my facilitation boards, which are around two flipcharts (A1) high by three wide covered with flipcharts.

To carry out the analysis, I arrange the groups in to teams of three or four people to ensure each person can contribute and that there is sufficient difference in perspectives. The teams run through a series of questions about each block and place Post It notes on the canvas to answer those they think are key.

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Next, the group compares and contrasts the analysis of each team, discusses different viewpoints and creates an agreed canvas (if that is required). In the case of my client, this led to a critical piece of rethinking about one group of customers.

What you do next will depend on your requirements as the canvas is very flexible. People have used it to: move from a bureaucratic function to a value added function; to show the big picture with roles and interdependencies; to explore new opportunities. My client's group used it for this latter purpose. Having previously had an idea for doing business in a new way, they explored it using the Canvas, followed by a SWOT analysis using the Business Model canvas.

At this point I can hear some of you groan at the use of a model that can often lead to little more than a vague analysis. However, the Canvas provides a much more structured way for people to carry out a SWOT.

Following the SWOT, the team identified Critical Success Factors associated with their idea and developed a plan to achieve them.

If you haven't thought of a new idea, you can use the canvas to help you, by taking interesting aspects of your business model analysis and asking the question, "What if this were different?"

SO

I hope I have given you a flavour for the Business Model Canvas. It is a brilliant tool to encourage creative thinking and collaboration. It facilitates discussion, verbalisation and physical activity. It also creates tremendous understanding of how the business works, sharing this across all functions.

It can take a lengthy amount of time so I would suggest you do it with a small group, at least for the first time. It also requires a fair amount of preparation up front but repays the investment.

ACTION

As the client said, "The Business Model Canvas was highly effective and really challenged our thinking".

Think about how you might use the Business Model Canvas. If you are interested in facilitating it yourself, I recommend you buy the book, which provides a lot more detail than I can show here.

TO CLOSE

I am off on holiday this month. I have been pondering how one might adapt the Business Model Canvas to help people choose their next holiday. It might lead to people having a much better holiday although carrying out a SWOT analysis on Torremolinos might be going a bit far.

I'll leave you with that thought and the best wishes for a great summer or a mild winter if you are in that part of the world..

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