Service Science
UniMiB
F9101Q022

Business Model Canvas

Instruments & Purposes

- Goal
  - To **communicate** important information to **investors**
  - To reason and discuss about the business/service/…
- Instruments
  - **Business Plan**
    - Very large document (till 100 pages)
    - Provides information to **justify** the entrepreneur assumptions about the **problem**, **opportunity**, **market size**, **solution**, **competitors**, and **team**
  - **Business Model Canvass**
    - **one page**
    - illustrates how a company **creates**, **delivers**, and **captures value** and the **interactions** between the different parts of the company
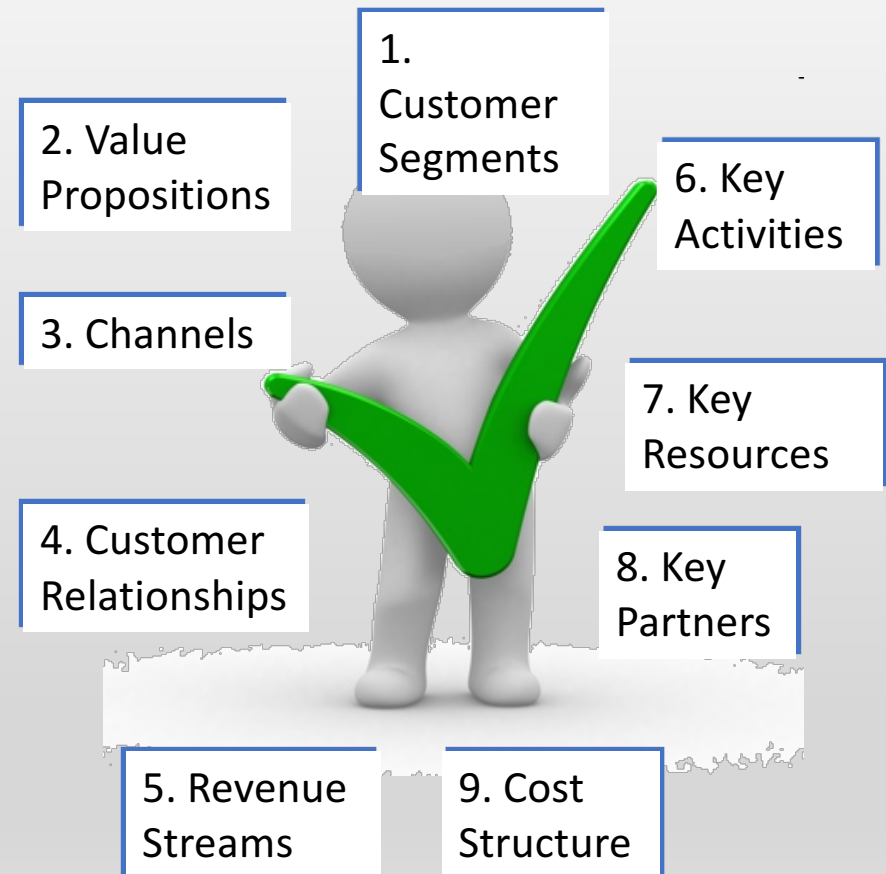
Business Model Canvass

Overview

Not Confirmed Tale

- Two groups looking for funds
  - The first group
    - They spent four months writing a 60-page business plan with 12 pages of spreadsheets. They focused on collecting information to justify their assumptions about the problem, opportunity, market size, solution, competition and team
    - They prepared a 5-year sales forecast, a five-year Profit & Loss statement, balance sheet, cash flow … They prepared a 15 slide presentation and were ready to go pitch
    - However, once they got their product to actual users, they realized that at least **half of their key assumptions were wrong**
  - The second group
    - They decided not to spend time writing a detailed business plan. Instead, they focused on **building and testing their business model**
    - A business model is best presented through a **business canvas** (more on next slide)
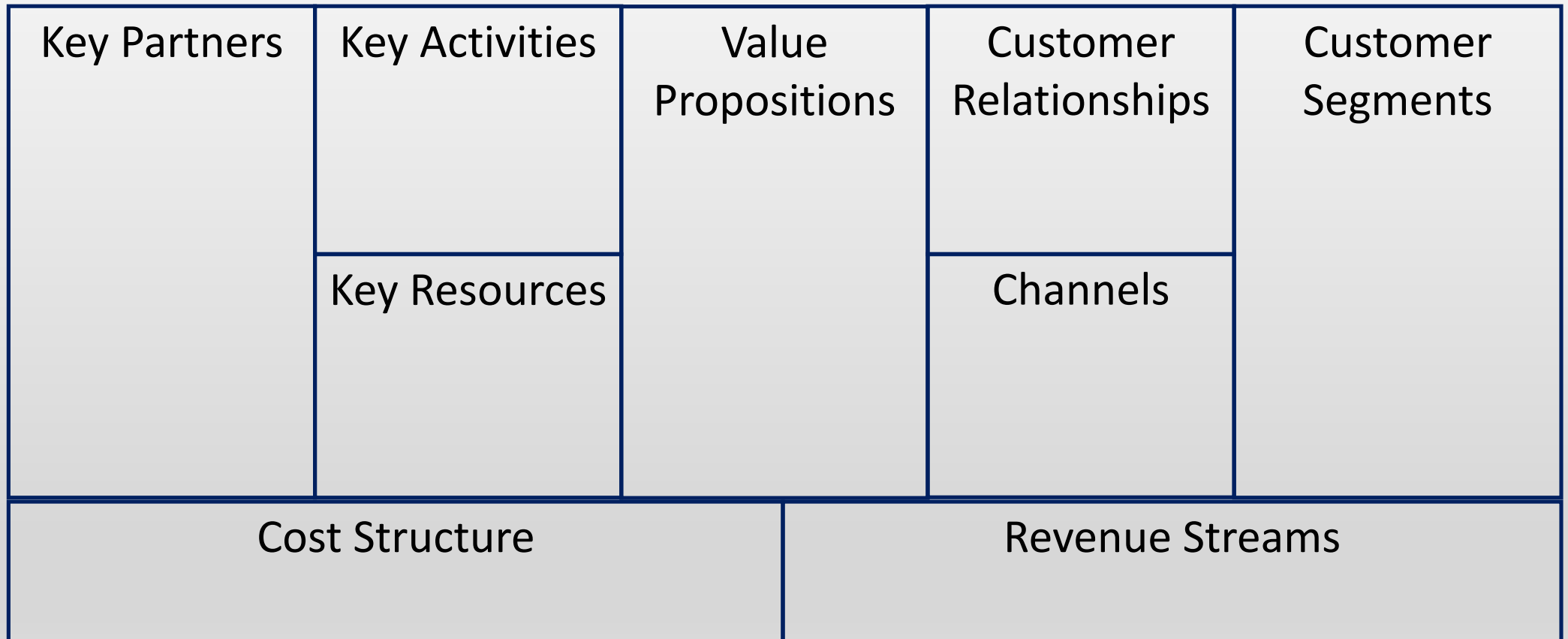
https://articles.bplans.com/how-to-write-a-business-plan/

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Business Canvas

- A Business Canvas is usually a one page document (e.g., A4, or a poster)

- It illustrates how a company **creates**, **delivers** and **captures value** by presenting the interactions between the different parts of the company

- E.g.. The Profit-First Business Model Canvas →

  - It focuses on the 9 questions to be profitable

1. Customer Segments
2. Value Propositions
3. Channels
4. Customer Relationships
5. Revenue Streams
6. Key Activities
7. Key Resources
8. Key Partners
9. Cost Structure

A Business Canvas Framework Example

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
	Key Resources		**Channels**	

Cost Structure	Revenue Streams

- Some explaining videos
  https://www.youtube.com/watch?v=QoAOzMTLP5s
  https://www.youtube.com/watch?v=IP0cUBWTgpY

Questions behind Each Section

- 1) **Value Proposition**. What are the **customer needs** or **problems** addressed?

- 2) **Customer Segments**. Who are they, why they buy, ...?

- 3) **Channels**. How does the product/service/... reach the customers?

- 4) **Customer relationships**. How does a company **get**, **keep**, and **grow customers**?

- 5) **Revenue streams**. **How do you make money**? Revenue models, pricing, What value are the customer paying for?
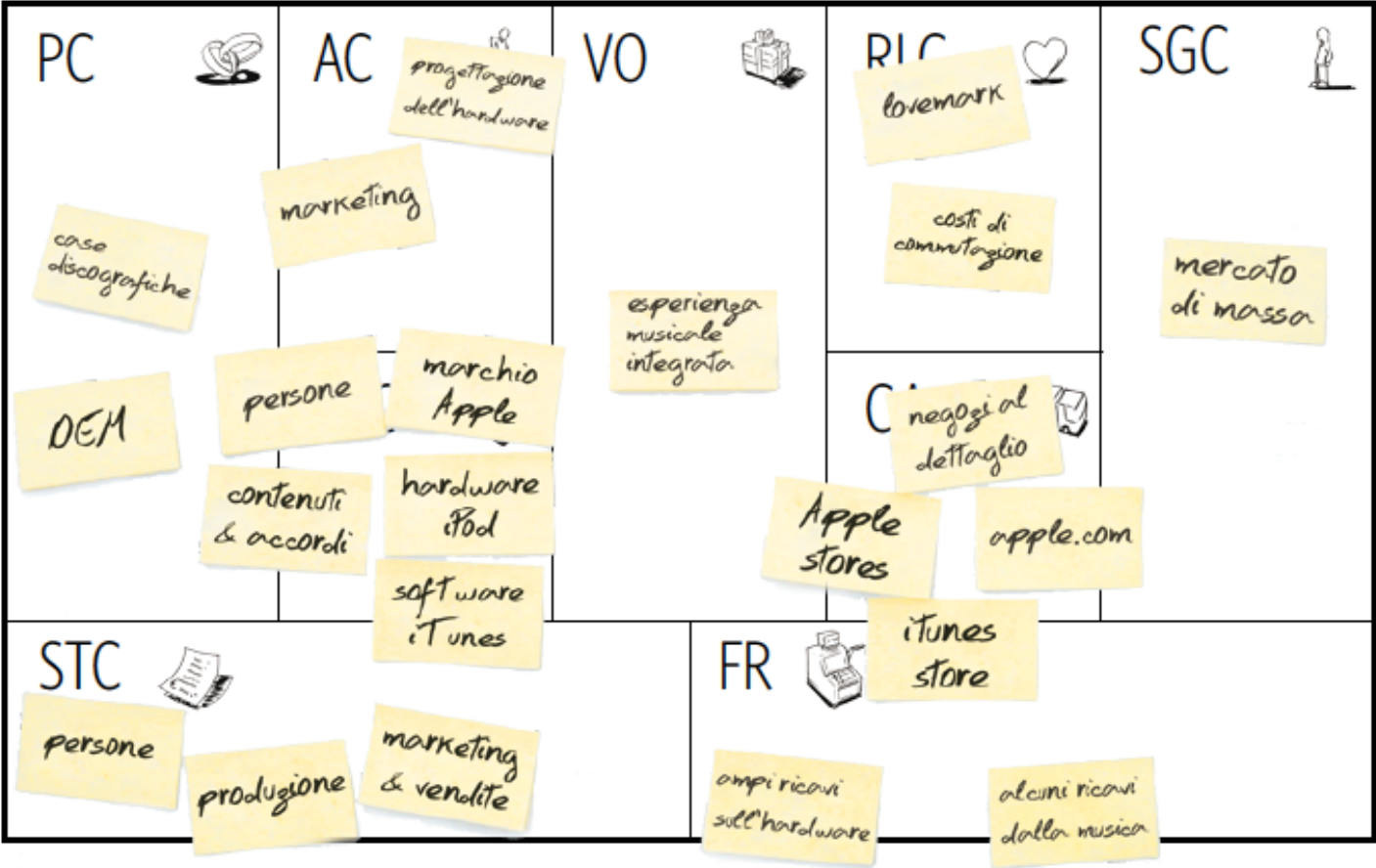
Questions behind Each Section (2)

- 6) **Resources**. What are the most important **assets** and **key resources**? E.g., **Finance** (Raising money, line of credit, ...), **physical** (manufacturing, machines, vehicles), **Intellectual** (Patents, Customer lists, ...), **human** (key people)

- 7) **Key partnership**. Who are the key partners and suppliers? What key resources are we acquiring from them? What **key activities** do they perform?

- 8) **Key activities**. What are the **most important things to do** to make the business model work? E.g., production, problem solving, supply chain management, ...

- 9) **Costs**. What are costs and expenses to operate the business model? What are the **most important costs**? What are the most **expensive resources**? What key activities are the most expensive? Fixed costs / Variable Costs, Economies of scale
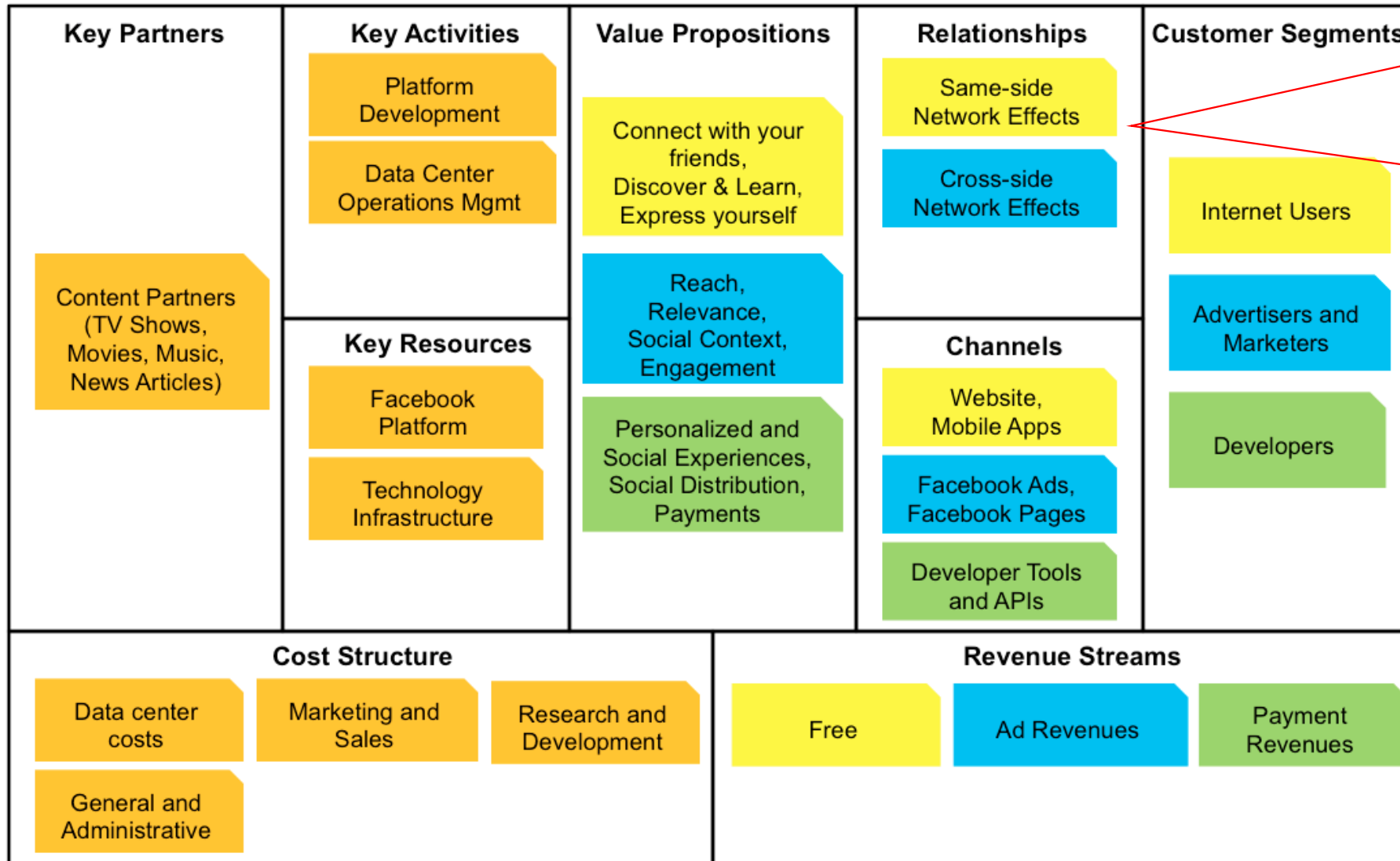
Business Canvas vs Business Plan

- The level of detail
  - A business plan can top 100 pages (though, that isn't recommended!)
  - A business canvas has 1 page!
- A business plan, once created, it is expected to be a static document
  - The typical business plan **plots economics through 3 to 5 years**
  - Milestones not met require **corrective actions**
- The business canvas
  - spends a lot **less time trying to back up assumptions** since it realizes that they are just assumptions
  - focuses on **quickly identifying and testing** broader **assumptions** or hypotheses
- The business canvas is a dynamic document
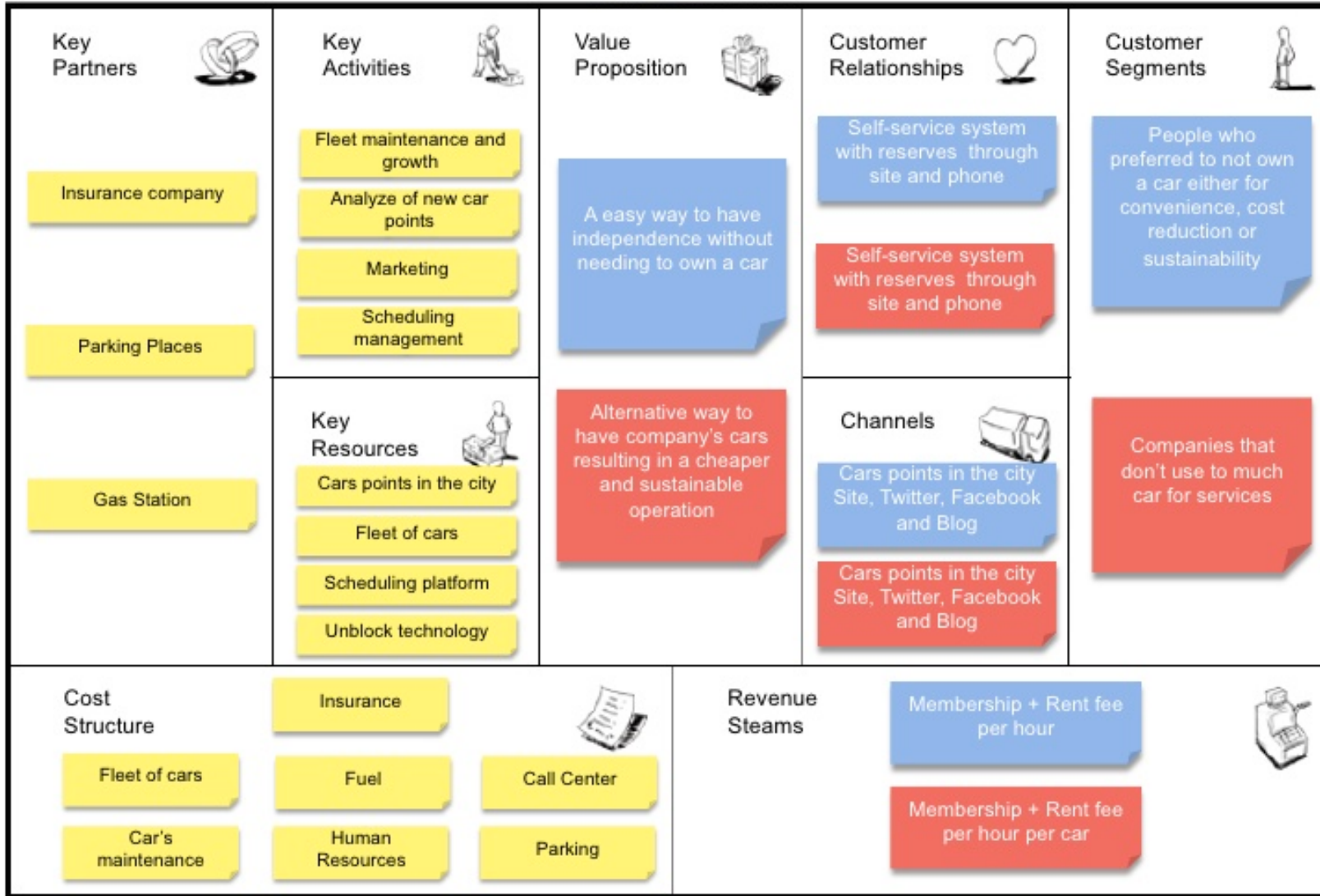 - If assumptions are adjusted the business canvas will be updated accordingly

BMC, first draft
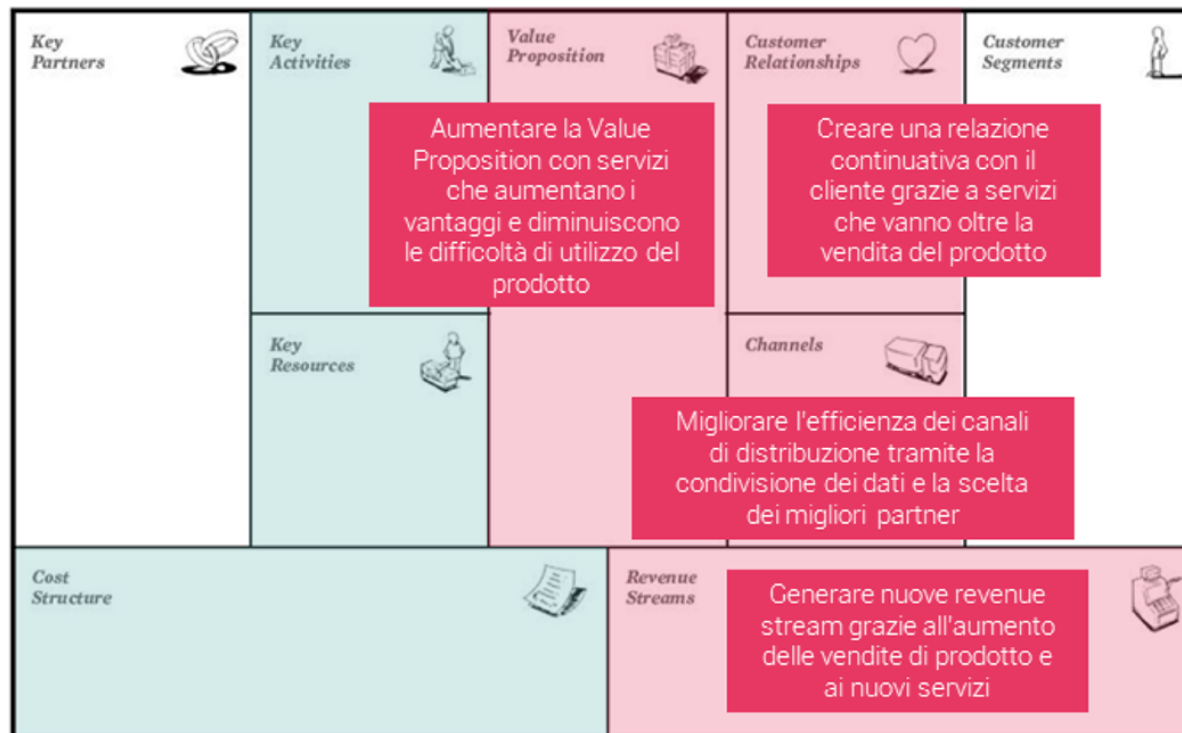
Facebook – World's leading Social Networking Site (SNS)

Key Partners

Content Partners (TV Shows, Movies, Music, News Articles)

Key Activities

Platform Development

Data Center Operations Mgmt

Key Resources

Facebook Platform

Technology Infrastructure

Value Propositions

Connect with your friends, Discover & Learn, Express yourself

Reach, Relevance, Social Context, Engagement

Personalized and Social Experiences, Social Distribution, Payments

Relationships

Same-side Network Effects

Cross-side Network Effects

Channels

Website, Mobile Apps

Facebook Ads, Facebook Pages

Developer Tools and APIs

Customer Segments

Internet Users

Advertisers and Marketers

Developers

Cost Structure

Data center costs

Marketing and Sales

Research and Development

General and Administrative

Revenue Streams

Free

Ad Revenues

Payment Revenues

www.businessmodelgeneration.com

FB is a multi sided network, where several distinct user groups provide each other with network benefits

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Key Partners
- Insurance company
- Parking Places
- Gas Station

Key Activities
- Fleet maintenance and growth
- Analyze of new car points
- Marketing
- Scheduling management

Key Resources
- Cars points in the city
- Fleet of cars
- Scheduling platform
- Unblock technology

Value Proposition
- A easy way to have independence without needing to own a car
- Alternative way to have company's cars resulting in a cheaper and sustainable operation

Customer Relationships
- Self-service system with reserves through site and phone
- Self-service system with reserves through site and phone

Channels
- Cars points in the city Site, Twitter, Facebook and Blog
- Cars points in the city Site, Twitter, Facebook and Blog

Customer Segments
- People who preferred to not own a car either for convenience, cost reduction or sustainability
- Companies that don't use to much car for services

Cost Structure
- Fleet of cars
- Car's maintenance
- Insurance
- Fuel
- Human Resources
- Call Center
- Parking

Revenue Steams
- Membership + Rent fee per hour
- Membership + Rent fee per hour per car

Zazcar is a carsharing startup and the first carshare operator in Latin America

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IoT Business Model Canvas

L'IMPATTO DELL'IOT SUL BUSINESS MODEL

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
		Aumentare la Value Proposition con servizi che aumentano i vantaggi e diminuiscono le difficoltà di utilizzo del prodotto	Creare una relazione continuativa con il cliente grazie a servizi che vanno oltre la vendita del prodotto	
	Key Resources		Channels	
			Migliorare l'efficienza dei canali di distribuzione tramite la condivisione dei dati e la scelta dei migliori partner	
Cost Structure		Revenue Streams	Generare nuove revenue stream grazie all'aumento delle vendite di prodotto e ai nuovi servizi	

IoT all'interno della fabbrica   IoT all'interno dei prodotti

Tools

- Power Point
- https://canvanizer.com/
- ...

Proposte per l'attività di laboratorio

- Sviluppare i primi passi di un'idea imprenditoriale
- Attività da svolgere (da portare all'esame):
  - Business Model Canvas
  - Definire i processi per la realizzazione dell'idea di servizio
  - Produrre una relazione/presentazione con la descrizione dell'idea
  - Progettare l'MVP iniziale

Proposta 1

- Proposta libera
- Requisiti minimi
  - Lavorate come se doveste creare una start-up
  - Dovete offrire un prodotto/servizio innovativo basato su, o che abbia a che fare con, l'analisi dei dati

Proposta 2

- Volete creare una start-up che:
  - Fa scraping dei siti che propongono offerte di vendita di case (real-estate web sites)
  - Calcolate informazioni sui prezzi medi per area (suddivisi magari per tipologie di case)
  - … (il resto dovete deciderlo voi)

Proposta 3

Progetto sugli Open Data della Lombardia

- Fonte dati: Open Data Lombardia https://www.dati.lombardia.it/

- Scegliere un settore (e.g., Ambiente, Sanità …)

- Scegliere l'idea di azienda/servizio da sviluppare

- Identificare i dati necessari all'idea di azienda/servizio scelti e verificarne la disponibilità e, in parte, la qualità
  - Cercare, se necessario, altri dati

- Identificare i principali indicatori di analisi da estrarre dai dati

- Definire i processi per la realizzazione dell'idea di servizio

- Realizzare il Business Model Canvas dell'idea

- Produrre una relazione/presentazione con la descrizione dell'idea

Modalità di lavoro

- Vi suggeriamo di formare dei gruppi
- Il lavoro si svolgerà
  - Durante le ultime ore del corso di lezione/esercitazione
  - **Fuori lezione (homework)**
  - **Il prodotto finale deve essere presentato all'esame**

Esempi progetti passati

Speak-Confident: the Social Lifelong Learning Platform

SP Smart Phone

PARTNER CHIAVE	ATTIVITÀ CHIAVE	PROPOSTE DI VALORE	RELAZIONI CON I CLIENTI	SEGMENTI DI CLIENTELA
• Google e i principali player delle telefonie mobile.	• Creazione di telefoni che soddisfano il cliente. • Il rispetto delle tempistiche delle creazioni. • Assistenza tempestiva in caso di problematiche. • Analisi dei dati a fini commerciali.	• Uno smartphone personalizzato e ottimizzato secondo i propri bisogni.	• Assistenza. • Attraverso email. • Chat bot. • Assistenza. telefonica.	• Generalmente persone che se ne intendono (Techy) poiché hanno competenza relativamente le componenti del telefono e hanno delle preferenze.
	RISORSE CHIAVE • Shop on line. • Professionisti altamente specializzati. • Interfaccia utente brevettata.		**CANALI** • Sito. • Youtube. • Twich. • App.	

STRUTTURA DEI COSTI

• Affitto annuo.
• Acquisizione dei pezzi.
• Dipendenti.
• Spese di ufficio.
• Immobilizzazioni varie.

FLUSSI DI RICAVI

• Sul prezzo di vendita.
• Leasing.
• Abbonamento.
• Assistenza all inclusive.