

# Sustainable business model canvas

## 1. SHORT SUMMARY

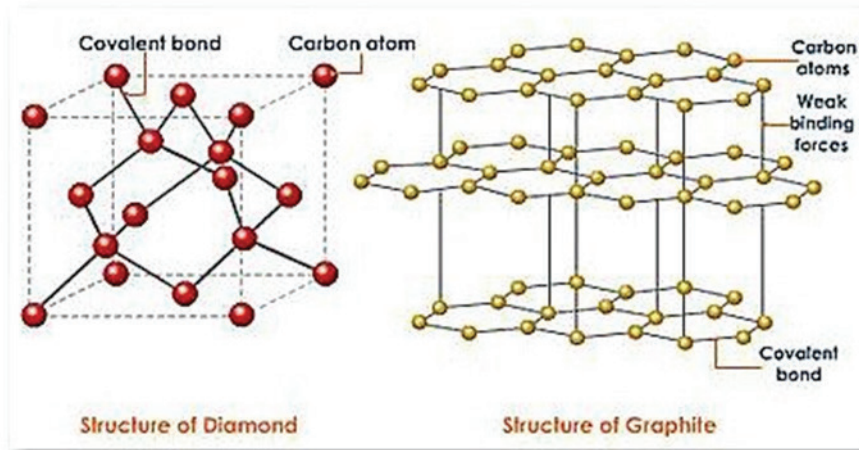
- Total duration of this lesson: 45 minutes
- What will the students learn?
  - How to organize their ideas and make them sustainable by visualizing relations through the business model canvas.
  - Get an idea of the business model canvas' practical application and explore some case studies of its importance.
  - See how relations are crucial for sustainability.
- What will the students do during this lesson?
  - Read and analyze a text given in the lesson.
  - Explore a case study on the business model canvas and reflect on it.
  - Create their own business model canvas.
- What skills are the students going to improve?
  - Observe, elicit and analyze factual information
  - Digital literacy (analysis of internet data on the subject)
  - Reading comprehension
  - Comparing and contrasting similar concepts
  - Effective communication
  - Creativity
  - Critical thinking
  - Cooperation and collaboration
- Cross-curricular links:
  - Geography
  - Economics / Entrepreneurship
  - Foreign languages
- Materials needed:
  - Multimedia projector
  - Laptop / computer with speakers
  - Internet connection in the classroom (if there is no Internet in your classroom, you can download the online videos in this lesson in advance and bring them on a flash drive, or alternatively you can ask students to form groups and use their smartphones/tablets in order to watch the videos)
  - A couple of packs of Post-it notes

## 2. INTRO – THE GIST OF IT

CORE

(5 min.)

Ask the students to think about what makes a structure balanced and stable by looking at the picture. What's the main difference in the structure that makes diamond much harder than graphite?



Source: <https://www.quora.com/What-are-the-physical-and-chemical-properties-of-diamond-and-graphite>

After collecting several answers, ask the students to recall the checklist that they had to fill in for homework. They also had to watch two videos related to the business model canvas. Ask them:

- What did you find out about the business model canvas from the videos?
- How can the business model canvas make a business idea stronger? (Similar to how the diamond is structured where each atom has numerous connections to the rest. It can actually help turn a business idea into a working and scalable business model by helping an entrepreneur see all the connections and consider all the necessary building blocks.)
- Were you able to use the business model canvas in your own green business checklist?

## 3. THE THEORY

CORE

(10 min.)

Tell the students that in the startup phase of a business idea the business model canvas is a very valuable tool. It helps you structure your thoughts, as well as visualize at one place all the elements of your business idea, all in the form of **guesses** – at this point of time these are all elements of a business model that you, having a business idea, are **supposing** will work. The only way to find out if they really work is to talk to people, try to discover their problems and whether your solution is a good fit. Then entrepreneurs usually go back and revise their business model canvas based on the feedback they receive.

Tell the students they will watch a short video about the business model canvas (it is very similar to the one given for homework, so this will make sure if someone didn't watch it, they will now get the essential information).

“**Business Model Canvas Explained**”: <https://www.youtube.com/watch?v=QoAOzMTLP5s> (02:19 min.)

After playing the video, ask the students:

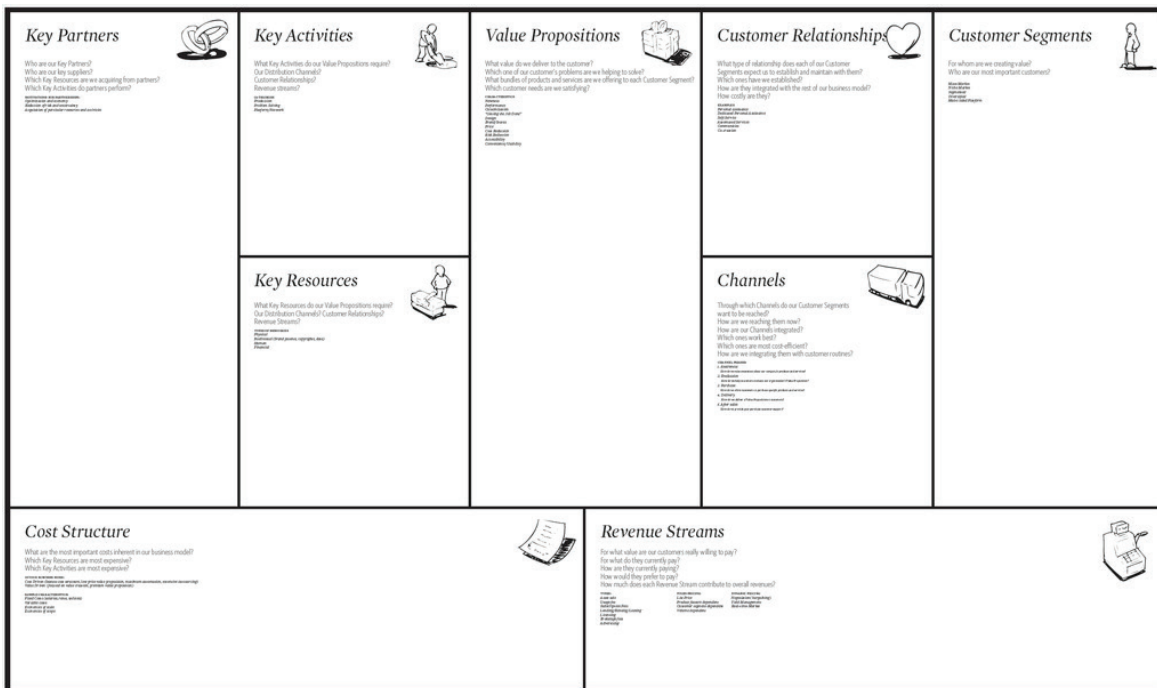
- What can the business model canvas be used for? (Describe, discuss, design, challenge, improve, innovate, invent a business model.)
- Can it be used only for new business ideas? (No, it can also be used to uncover and analyze the business model of existing, well-established companies.)
- Can you give synonyms of the word “model”?



**Business Model Canvas:** A strategic management and lean startup template for developing new or documenting and improving existing business models. It is a visual chart that describes how an organization creates, delivers and captures value.

**Value proposition:** The collection of products and services a business offers to meet the needs or solve the problems of its customers. A company’s value proposition is what distinguishes itself from its competitors through the value it creates. Answers the question “What are you building and for who?”

While having the students answer the questions above, project the picture below on the multimedia to give students the opportunity to look at the business model canvas:



Source: <https://www.blankcanvas.io/canvases/business-model-canvas>

Then ask:

- Do you see any limitations of the business model canvas? (The point here is that it looks at things from the perspective of a business’ financial viability. But where are the environment, natural resources and society?)

Tell the students that, based on everything they learned so far, they are probably convinced that successful businesses should create three types of profit: social benefits, environmental regeneration and financial viability. So, surely there must be a tool that allows entrepreneurs to generate, visualize and analyze business models that comply with the four sustainability system conditions. There is such a tool being developed currently and it is called the “Flourishing Business Canvas” (<http://www.flourishingbusiness.org/>).

**Flourishing Business Canvas:** A tool that provides a common language in a useful visual framework to enable you to collaboratively sketch, prototype, design, improve, communicate, understand, measure, diagnose, and tell stories about any business model – economically, socially and environmentally.





Source: <http://www.flourishingbusiness.org/events/>

For the time being you can only tell the students that such a tool which is an extension of the business model canvas, more suitable for sustainable businesses, exists and that it takes into account the eco-centric view of sustainability (economy is part of society which is part of nature, GREENT lesson No.13).

Here, as a background information you can see this presentation: <http://www.slideshare.net/patkambitsch/i-need-a-flourishing-business-model-v20-comments-remove-pk-original-text1?ref=http://www.flourishingbusiness.org/>.

#### 4. CASE STUDY

OPTIONAL

Through the case studies suggested in this section you can deepen your students' understanding of the business model canvas showing examples of several companies that have been analyzed using this tool.

Tell the students that in the following case studies they will see examples of how the "Business model canvas" can be used in real life companies.

- **"Business Model Canvas: Gore Fabrics by Matt Terrell":** <https://www.youtube.com/watch?v=G1IHCP3gTQc> (07:39 min., play from 01:16 min. until the end). This is the business model of Gore Fabrics (world-known producer of the GoreTex membrane that makes jackets, pants and boots water resistant). **Very** well explained. We recommend you use this case study even though the company may not be known to your students if they have never used hiking equipment.
- **A written Business Model Canvas for LinkedIn:** <https://bmfiddle.com/f/#/nLKz8>. LinkedIn is the world's largest network for professionals.
- **"Uber Business Model Canvas":** <https://www.youtube.com/watch?v=b-NYrkVROu8> (03:47 min.). Uber is a mobile application that connects people owning cars, who would like to be drivers, to people who need to catch a ride. It is a disruptive innovation which poses a great



challenge to the traditional taxi company model because in Uber’s model Uber doesn’t own the cars – it only connects the people owning the cars to the people who need a ride.

As the examples are of different level of difficulty, there is not enough time to cover all of them in the classroom. You could divide the class in three groups and ask the students (depending on their level of accomplishment) to either watch one and the same video (this way they will be able to compare their answers) or assign a different resource to each group (also, depends on whether you are able to use tablets or laptops in your classroom). Then spend about 4-5 minutes to allow each group to share their findings.

While reading or watching, ask the students to direct their attention to the following questions (you can put them up on the board/screen):

- Who are the clients and what is the value proposition in each of the cases?
- What are the customer relationships and channels of communication?
- How do the companies make their money?
- What are the key resources, activities and partners?
- How could they make their company even more profitable?

**CORE**

**5. PRACTICAL ACTIVITY**

(25 min.)

Before the lesson, cut the different sections of the Business Model Canvas and during the lesson ask the students to create a puzzle, using the pieces (you will need about 10-13 different puzzles, depending on the size of your class).

Divide the class into pairs and challenge them to be the fastest to put the puzzle together. Now that the students have made their own Business Model Canvas (the assembled puzzle), ask them to start filling it in in pairs by answering the questions below.

To cut out the puzzle parts, use the image below (you have to print it at least on A3 format, otherwise the letters are very small to read):

<p><b>Key Partners</b></p> <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform? Which Key Channels do partners perform? Which Key Relationships do partners perform?</p>	<p><b>Key Activities</b></p> <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p>	<p><b>Value Propositions</b></p> <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p>	<p><b>Customer Relationships</b></p> <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p>	<p><b>Customer Segments</b></p> <p>For whom are we creating value? Who are our most important customers? How many are there? How are they being reached?</p>
	<p><b>Key Resources</b></p> <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p>		<p><b>Channels</b></p> <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are we currently planned? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p>	
<p><b>Cost Structure</b></p> <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive? Which Key Channels are most expensive? Which Key Relationships are most expensive? Which Key Segments are most expensive?</p>		<p><b>Revenue Streams</b></p> <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues? What are the revenue models? What are the revenue streams? What are the revenue sources? What are the revenue channels? What are the revenue partners?</p>		

Source: <https://www.blankcanvas.io/canvas/b/business-model-canvas>



## Sustainable business model canvas

Tell the students to stay in pairs and fill in the model, answering the questions:

Think about your favorite product/service (the pair should reach a consensus and choose one product they are both going to work on).

- Why do you like it?
- How do you receive it?
- What does it cost you?
- What do you think are the resources (natural, financial, people, machines, etc.) it takes to be produced?
- Which are in your opinion the key elements that make this business sustainable?

Try to draw the students' attention towards green products.

**Low-tech option:** Do the activity on paper. Distribute post-it notes to each pair and let them pin their guesses about the chosen company's business model to the different sections of the canvas

**Hi-tech option:** You can have your students use the following online tool: <https://canvanizer.com/new/business-model-canvas>. It is a simple web tool created by canvanizer.com. For the students' convenience there are a number of questions that will remind them what information they have to input in each field of the canvas.

After the pairs have finished creating their own business model canvas, they can share their ideas with the rest of the class.

### 6. REFLECTION



You can ask the following questions to the whole class and collect several answers from volunteers. Alternatively you could ask the students to fill in their answers individually in written form in the worksheet provided:

- In what ways do you find the business model canvas useful?
- How do you intend to use the business model canvas in your future activities as an entrepreneur?

(5 min.)

### 7. A LOOK INTO THE FUTURE

Tell the students that next time they will be looking at another tool entrepreneurs use – the business plan. They will be able to compare it with the business model canvas and differentiate when to use the former and when to use the latter.

### 8. ADDITIONAL LINKS

These are additional resources that you as a teacher can use in order to prepare for the lesson broadening your knowledge. You can also use these resources by assigning them to the students as out-of-class reading/viewing.

- **“The Business Model Canvas - 9 Steps to Creating a Successful Business Model - Startup Tips”:** <https://www.youtube.com/watch?v=IPOcUBWTgpY> (09:41 min.). This is one of the video tutorials from Steve Blank's Udacity course “How to build a startup”.



- **“3 Minute Introduction to Strongly Sustainable Business Model Canvas”**: <https://www.youtube.com/watch?v=XguhRt4YsxU> (04:50 min.). A tool based on the Business Model Canvas that adds questions allowing one to generate a sustainable business model that is good both for the business, and for society and the environment.
- **“The Flourishing Business Canvas - An Introduction”**: <https://www.youtube.com/watch?v=3pMKoH4wG9A> (04:42 min.). This very promising tool is still being developed and is poised to be world’s first holistic enterprise design tool.
- **“Webinar #4: Ways To Present The Business Model Canvas”**: <https://www.youtube.com/watch?v=SliMK6Z2jIA> (44:50 min.). A webinar on ways to present the Business Model Canvas. It can be used by the teacher to get ideas how to present the BMC in class. Besides, it can also be used by the students. There is a very nice example about the HILTI company and its BMC. It also shows a problem the company faced and suggests ways how to overcome it.
- <https://www.pinterest.com/ericoaraujo/creatives-business-models-canvas/>. This website offers creative BMC.
- **“TerraNovUp”**: <https://www.youtube.com/watch?v=VU7UIZ8qdsI> (01:02 min.). This is a video presenting a board game on Innovative Business Models. If you can buy this board game, the students will have fun creating their own business model canvas for their future business.

## Sustainable business model canvas

## Lesson 24

 In what ways do you find the business model canvas useful?

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 How do you intend to use the business model canvas in your future activities as an entrepreneur?

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