

THE BMC

The BMC, or Business Model Canvas, was designed by Alex Osterwald as a strategic management tool. Basically, it's a graphic organizer that helps you think through your project so that you can begin to test your assumptions & achieve results. You can use the BMC for all kinds of projects, programs, new ventures, organizational realignments, & solutions.

This DO Guide introduces you to an "adapted" BMC & helps you create your first iteration. If you DO this with fidelity, by the end of the activity you will think differently about your opportunity.

 **TIME TO COMPLETION:** 1.5 hours (less time for later drafts)

TOOLS FOR THE JOB:



Your Team



Sticky Notes



Sharpies



The BMC Map



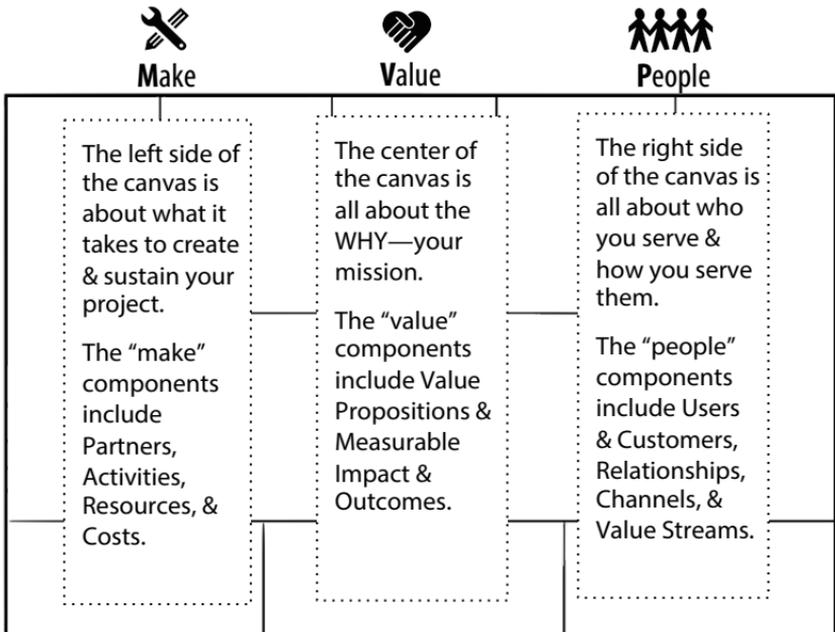
Your Brain

STEP 1: Understand the BMC

The original BMC was designed by Strategyzer with for-profit ventures in mind. The original version has 9 fields & doesn't include non-financial value or mission-related outcomes.

The BMC in this DO has 10 fields & room for alternative value creation (*because money isn't everything—though it does help*) 😊

The BMC may look confusing, but it is actually pretty simple. In short, the BMC is for thinking about how to *make value for people*.



You are designing for people (customers & users), so begin on the *right* of the canvas & move left as you learn & experiment.

STEP 2: Users & Customers

To complete this step, you will need to refer to the user & customer segments your team developed during your DO: What's at Stake(holder) (Field Manual—Building Opportunity).

- **Idea Post** (1-2 min)

Who are the early adopters in each segment?

Early adopter = Someone who starts using a product or service as soon as it's available.

- **Affinity Map** & prioritize (5-10 min)

Don't be afraid to take an uncomfortably narrow view.

Early adopters are where you begin your deep dive into testing value props & assumptions about customer or user behavior.

STEP 3: User & Customer Relationships

Relationships address how you get, keep, & grow your user or customer base. In other words, it's how you build "brand loyalty." Brainstorm your ideas now. Test your assumptions later.

- **Idea Post** the following questions & share your answers as you post them (1 min/question)

How do we GET users/customers in the door?

What do we do to KEEP them coming back?

How do we GROW their participation or loyalty?

Keep your posts grouped by "get," "keep," & "grow." You will test these assumptions with rapid experiments.

STEP 4: Channels

Channels are the way you *deliver* your product or service & your messaging. It's all about distribution. Brainstorm your ideas now & test assumptions later.

- **Idea Post** the following questions (2 min)

How do we provide ongoing communication, support, & awareness about our product or service?

How do we deliver our product or services?

- Share & **Affinity Map** (5 min)

Example channels: In-person, on-location; digital asynchronous (website, blog, social media) or synchronous (Skype, conference call, chat); hybrid; traditional media; partner/3rd party delivery, etc.

 **TIP:** If you have multiple products or services, complete a separate idea post for each product or service grouping.

STEP 5: Value Propositions

Value props are the unique benefit your solution offers.

- **Idea Post** (1 min)

What unique benefit do you (your product or service) offer?

- Share & **Affinity Map** (5 min)

You will come back to explore Value Propositions later when you test messaging during customer interviews or A/B tests.

STEP 6: Activities

Activities are the necessary actions you must perform to successfully create & deliver your product or service.

Example activities: business functions—marketing, accounting, training, management, product creation

- **Idea Post** the following question (1 min)

What are the key activities needed for your solution?

- Share & **Affinity Map** (5 min)

Later on, rapid experimentation & prototyping will help you refine what you'll need for key activities & resources.

STEP 7: Resources

Resources. It's self-explanatory. Consider what you'll need to make your project happen—from people, to place, to materials.

- **Idea Post** the following question (1 min)

What resources do you need to make your solution happen?

- Share & **Affinity Map** (5 min)

Example: Afterschool Program Resources

Tangible	Intangible
<ul style="list-style-type: none"> • Space • Equipment & supplies 	<ul style="list-style-type: none"> • Marketing expertise • Instructional expertise

Later on, interviews will help you identify resource partners.

STEP 8: Key Partners

Refer to the partner segments your team developed during the DO: What's at Stake(holder)? (Field Manual—Building Opportunity).

- **Idea Post** your early adopter partners (1-2 min)
Who are your early adopters in each partner segment?
- **Affinity Map** & prioritize (5-10 min)
Take an uncomfortably narrow view.

STEP 9: Costs

List all of the costs you'll incur as you create & sustain operations.

- **Idea Post** (1 min)
What will you need to pay for in order to make your solution happen?
- Share & **Affinity Map** (5 min)

Later you will refine your costs & do some cost projections.

STEP 10: Measurable Impact & Outcomes

Focus on your mission & its ripple effect.

- **Idea Post** the following questions (3 min)
 1. *What non-monetary value are you creating?*
 2. *What are your measurable short-term outcomes?*
 3. *What's your anticipated long-term impact?*
 4. *How will you measure long-term impact?*
- Share & **Affinity Map** (10 min)

Revisit these learnings when you conduct partner interviews.

STEP 11: Revenue Streams

Revenue can come from direct payment from customers (earned revenue). Revenue can also come from sponsorships, donations, grants, etc.

- **Idea Post** the following question (1-2 min)

What are your potential revenue streams?

- Share & **Affinity Map** (5-10 min)

You will revise your revenue streams as you conduct interviews & experiments with customers & partners.

A note about the BMC... (& life in general)

Keep in mind that your BMC is a work in progress. You will create many iterations of your BMC as you test your assumptions through interviews, prototypes, & experiments.

Does it require revision & patience? Yes. Sometimes you'll learn that your assumptions were dead wrong, but that's the point...

you're learning by doing.

In the end, you'll be ahead of the curve, because you'll create solutions that make value for people.

Business Model Canvas

(Adapted for Mission-driven Organizations & Projects)

Designed for:

Designed by:

Date:

Revision #

<p>Key Partners</p> <p>Who are our key partners? What resources will they provide? What key activities do they perform?</p>	<p>Key Activities</p> <p>What key activities are needed to deliver our product/service and sustain operations? (E.g. production, customer support, research, service delivery)</p>	<p>Value Propositions</p> <p>What value or benefits does our program offer our different users or customers?</p>	<p>User/Customer Relationships (Customer Relationships)</p> <p>How do we... - Get people to use our product/service? - Get them coming back? - Gain their engagement or investment?</p>	<p>User/Customer Segments (Customer Segments)</p> <p>Who are our most important users & customers? Which will be our early adopters?</p>
<p>Cost Structure</p> <p>What are the costs (employee, S. time, space, etc.) inherent in our business model?</p>	<p>Key Resources</p> <p>What key resources do we need to sustainably deliver our product or service?</p>	<p>Measurable Impact & Outcomes</p> <p>What are the measurable indicators of our investment benefit? NON-FINANCIAL: OUTCOMES: behavior change, social impact, mission-related milestones, etc.</p>	<p>Channels</p> <p>How do we provide ongoing communication, support, and awareness about our product or service? How do we deliver our product or service?</p>	<p>Revenue Streams</p> <p>What are our expected, recurring revenue streams? (e.g. program fees, membership dues, gifts or sale transactions, monetary support- program funding, donations, or grants, non-monetary support- donations of time, expertise, materials, etc.)</p>

Strategyzer BMC adapted by leadlocal

