Training Program on Sustainable Natural and Advance Technologies and Business Partnerships for Water & Wastewater Treatment, Monitoring and Safe Water Reuse in India

# **Business Model Development**

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## Introduction to the authors





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We are specialised in developing, supporting, and managing innovative projects on sustainable development worldwide. Tailor-made approaches allow us to guide customers in their journey of developing impactful solutions. We are leading the PAVITR business development working group and the workpackage road to market.

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# Learning objectives



At the end of this session, participants will:

- Have a clear understanding of what a business model is and its significance in defining how a company creates, delivers, and captures value.
- Be able to identify the essential elements of a business model, such as customer segments, value proposition, channels, revenue streams, key activities, resources, partnerships, and cost structure.
- Be familiar with the Business Model Canvas as tool to facilitate business model innovation and strategic decision-making.
- Have been encouraged to think critically and creatively about the different components of their business models.
- Have developed a lean Business Model that includes core elements (building blocks) of their existing business operations.

## Agenda of the session



Time	Content
5 min	Introduction to the session
5 min	Introduction to business models
30 min	Introduction to the Business Model Canvas
50 min	Exercise



# Introduction to business models

## What is a business model?



Rationale of how a company creates, delivers, and captures value, in economic, social, cultural or other contexts.

## Why a business model?



#### Sustainable Business Model Canvas

- Provides clarity and direction
- Enables effective resource allocation
- Facilitates innovation
- Helps secure funding
- Supports long-term sustainability



# Introduction to the Business Model Canvas

## Sustainable Business Model Canvas





The 11 building blocks that cover the four main areas of a business

#### **Customer Segments**



- Are at the heart of your business model
- Without paying customers you are out of business
- Will only be willing to pay if their needs are met
- Group customers into different segments, if they present common needs, behaviours or other attributes

## **Customer Segments**



## Lead questions:



- Who is currently purchasing our products or services?
- Are there distinct groups within our customer base? Look for patterns or subgroups within your customer base.
- Are there potential customer segments that we haven't tapped into yet? Explore untapped markets or customer segments that may benefit from your offerings.

## Value Proposition



- Bundle of products and services that creates value for a specific customer segment, solving a problem or satisfying a need
- Describe the uniqueness and sustainability of your products & services
- Explain how are you different (and better) from your competitors

## **Value Proposition**



## Lead questions:



- How do you help your customer solving his/her problem?
- How do you satisfy his/her need?
- Why you? And not the competitor?

#### **Customer Relationships**



- It defines how you do acquisition (GET)
- It defines how you retain the customer (KEEP)
- It defines how you make your current customer to buy more of your products (GROW)

## **Customer Relationships**



Lead questions:



- What type of relationship does each of your Customer Segments expect you to establish and maintain with them?
- How costly would these be?

## Channels



 Defines through which touch points you are interacting with the customers and delivering value.

## Channels



## Lead questions:

- Where do you raise awareness about your product or service?
- Where do customers purchase your product or service?
- Where do you deliver the product or service to your customers?
- Where do you provide after-sales support to your customers?
- Where can customers evaluate your business?

## **Key Activities**



- The most important activities in executing a company's value proposition
- The more resourceintensive the production of the VP, the more comprehensive the CHs, the more personal the CR, the longer the list of activities

## **Key Activities**



- What activities does our value proposition need?
- What activities do you need to address to differentiate your product or service from your competition?





#### Key Resources



 Key Resources enable you to deliver your Value Proposition, reach markets, nurture Customer Relationships and create revenue

## Key Resources



• What human key resources do you require?

• What intellectual resources do you require?

• What physical resources do you require?





## **Key Partners**



 Key Partners are essentially your network of partners and suppliers which enable you to achieve your Key Activities and provide your Value Proposition

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## Key Partners





#### Lead questions:

• Who are your key partners?

• Who are your key suppliers?

• Which key activities do partners perform?

#### **Revenue Streams**



- Describes how a company will generate income from each Customer Segment
- Must take into account how much customers are willing to pay for the delivered value
- Revenues from one-time payments vs. recurring revenues from on-going payments

## **Revenue Streams**



#### Lead questions:



• How would they prefer to pay?



#### **Cost Structure**



#### Describes all costs incurred to operate a business model

## Cost Structure



## Lead questions:

- What are the most important costs inherent in your business model?
- Which Key resources are the most expensive?
- Which Key Activities are most expensive?

## Social and Environmental Benefits



Social and environmental benefits are beneficial impacts on people and the natural environment resulting from activities related to your product or service.

# Social and Environmental Benefits



Lead questions:



• What positive social & environmental impacts are served by your product(s) and service(s)?

## Social and Environmental Costs



Social and environmental costs are detrimental impacts on people and the natural environment resulting from activities related to your product or service.

# Social and Environmental Costs



Lead questions:



 What social & environmental losses, damages or disadvantages are caused by your product(s) and service(s)?



# Exercise





#### What to do

- Individually, fill out the Sustainable Business Model Canvas on the base of the provided information material
- Start with identifying and defining your Customer Segments and the unique value or benefits (Value Proposition) that your products or services offer to each customer segment.
- Match different Value Propositions for different Customers (and other elements) with different colours.



Sustainable Business Model Canvas

## References



- CASE (2017): Sustainable Business Model Canvas. URL: <u>https://www.case-ka.eu/wp/wp-content/uploads/2017/05/SustainableBusinessModelCanvas\_highresolution.jpg</u> [Accessed: 30.05.2023]
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