

GreenVETAfrica

Foundations of Micro-Entrepreneurship for Micro-SMEs

Unit 5: Business Model Design



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Overview

- What is a Business Model?
- The Business Model Canvas
- Components of the Business Model Canvas



What is a Business Model?

It is how a business proposes to create, deliver and capture value.

- Creating Value is the promise made to the potential customer
- Delivering Value is honouring the promise
- Capturing Value is the profit/gains made from both the value creation and value delivery.

The tool for developing a Business Model is [The Business Model Canvas \(BMC\)](#).












The Business Model Canvas (BMC)

- **The Business Model Canvas** is a lean start-up template for developing new or documenting existing business models.
- **It is a visual chart** with elements describing a business's product or service value proposition, infrastructure, customers, and finances.
- Because it fits simply on one sheet, **it helps businesses see how the different parts of their business connect** and how decisions in one area of the business affect other parts



The Business Model Canvas (BMC)

The Business Model Canvas		Designed for:	Designed by:	Date:	Version:
Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 	
	Key Resources 		Channels 		
Cost Structure 		Revenue Streams 			

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Components of a Business Model Canvas

Value Proposition

What unique value does your product or service create for customers?

Customer Channels

What channels does a company use to acquire, retain and continuously develop its customers?

Key Resources

What assets and knowledge does a company possess that allow it to deliver its value to customers in ways that other companies can't?

Customer Segments

What group(s) of customers is a company targeting with its product or service?

Revenue Streams

How is a company pulling all of the above elements together to create multiple revenue streams and generate continuous cash flow?

Key Activities

What activities does a company engage in that allow it to execute its strategy and establish a presence in the market?

Customer Relationships

How does a company plan to build relationships with the customers it is serving

Key Partnerships

What strategic and cooperative partnerships does a company need to form in order to increase the scalability and efficiency of the business?

Cost Structure

What are the costs associated with each of the above elements and which leveraged components can help reduce costs?

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Thank you



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