



SNS COLLEGE OF ENGINEERING

Kurumbapalayam (Po), Coimbatore - 641 107

An Autonomous Institution

Accredited by NBA - AICTE and Accredited by NAAC - UGC with 'A' Grade

Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai



DEPARTMENT OF MANAGEMENT STUDIES

COURSE NAME : 19BA205 - ENTREPRENEURSHIP DEVELOPMENT

I YEAR /II SEMESTER

Unit II – PLANNING THE BUSINESS MODEL CANVAS

Topic 1,2 & 3: ED –Need and Objectives of Business Model Canvas



What is Business Model Canvas (BMC)

- The Business Model Canvas (BMC) is a strategic management tool to quickly and easily define and communicate a business idea or concept.
- It is a one page document which works through the fundamental elements of a business or product, structuring an idea in a coherent way.



Need and Objectives of BMC

- To quickly draw a picture of what the idea entails.
- It allows us to get an understanding of your business and to go through the process of making connections between what your idea is and how to make it into a business.
- It allows everyone to get a clear idea of what the business will likely be.



Need and Objectives of BMC

- The Business Model Canvas is a business tool used to visualize all the building blocks when you want to start a business, including customers, route to market, value proposition and finance.



Need and Objectives of BMC





Value Proposition

- It is the fundamental concept of the exchange of value between your business and your customer/clients.
- Generally, value is exchanged from a customer for money when a problem is solved or a pain is relieved for them by your business.
 - What is the problem I am solving?
 - Why would someone want to have this problem solved?
 - What is the underlying motivator for this problem?
 - what are your products and services? What is the job you get done for your customer?



Customer Segments

➤ Customer Segmenting is the practice of dividing a customer base into groups of individuals that are similar in specific ways, such as age, gender, interests and spending habits.

- Who are the people that will value my value proposition?
- Does my value proposition appeal to men/women or both?
- Does it appeal to young adults aged 20 to 30 or teenagers?
- What are the characteristics of the people who are looking for my value proposition?



Customer Segments

➤ Customer Segmenting is the practice of dividing a customer base into groups of individuals that are similar in specific ways, such as age, gender, interests and spending habits.

- Who are the people that will value my value proposition?
- Does my value proposition appeal to men/women or both?
- Does it appeal to young adults aged 20 to 30 or teenagers?
- What are the characteristics of the people who are looking for my value proposition?



Customer Relationships

- Customer Relationships is defined as how a business interacts with its customers
- So, do you meet with them in person? Or over the phone? Or is your business predominantly run online so the relationship will be online too?
- Sending out a thank you when a customer makes a purchase.
- Offering a birthday greeting with a promo code.
- Sending a discount to a customer that hasn't made a purchase recently.



Customer Relationships



- When purchasing an item from Amazon, you will need to set up a personal account.
- Then, Amazon can **track your purchases** and browsing history to **tailor marketing campaigns** and **email campaigns** based on things you will probably like.
- Play store app



Channels

- Channels are defined as the avenues through which your customer comes into contact with your business and becomes part of your sales cycle.
- How are these propositions promoted, sold and delivered?
- How do you communicate with your customer? - Social media , Electronic mail (email marketing), SEO (Search Engine Optimisation) , Content marketing, Offline advertising (TV, radio).
- Understanding how to reach your customers is so crucial to your business.



Key Activities

- What are the activities/ tasks that need to be completed to fulfill your business purpose?
- These key activities should focus on fulfilling its value proposition, reaching customer segments and maintaining customer relationships, and generating revenue.

Examples:-

- Consulting
- Designing
- Web development
- Banking
- Driving



Key Resources

Next you should think about what practical resources are needed to achieve the key activities (actions) of the business?

- Human,
- Machine
- Money
- Material
- Method



Key Partners

Key Partners are a list of other external companies/suppliers/parties you may need to achieve your key activities and deliver value to the customer.

An example of this is ‘if I sell groceries to customers, I may need a local baker to supply fresh bread to my store’.



Cost Structures

RM + Conversion + distribution + Marketing + Profit = Selling price

- How much does it cost to achieve my businesses key activities?
- What are the cost of my key resources and key partnerships?
- How much does it cost to achieve the value proposition for my customers/users?
- Are there additional costs to running a business?
- Legal?
- Insurance?



RECAP

QUESTIONS???

THANK YOU

Dr.V.Shanthaamani/BMCPProf MBA/SNSCE

Slide 14

