

DEVELOPING THE SINNOLAB: APPLYING THE SOCIAL BUSINESS MODEL CANVAS

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The process ...

- Three workshops
 - Value proposition
 - Customers, costs and revenues
 - Implementation
- Activity
 - I will introduce key questions for each workshop
 - Begin to develop outline SBMC for your SINNOlab
 - Pair up - 1 India + 1 Israel team
 - Discuss, challenge, learn
 - Take this back to colleagues as work in progress
 - Report on progress (share draft/completed SBMCs?) at Edinburgh meeting

Schedule for Wednesday

- 11.00 Coffee/tea
- 11.30 - 13.00 Your value proposition
- 13.00 Lunch
- 14.00 - 15.30 Customers, costs and revenues
- 15.30 Coffee/tea
- 16.00 - 17.30 Implementation
- Schedule for Thursday

Start with example

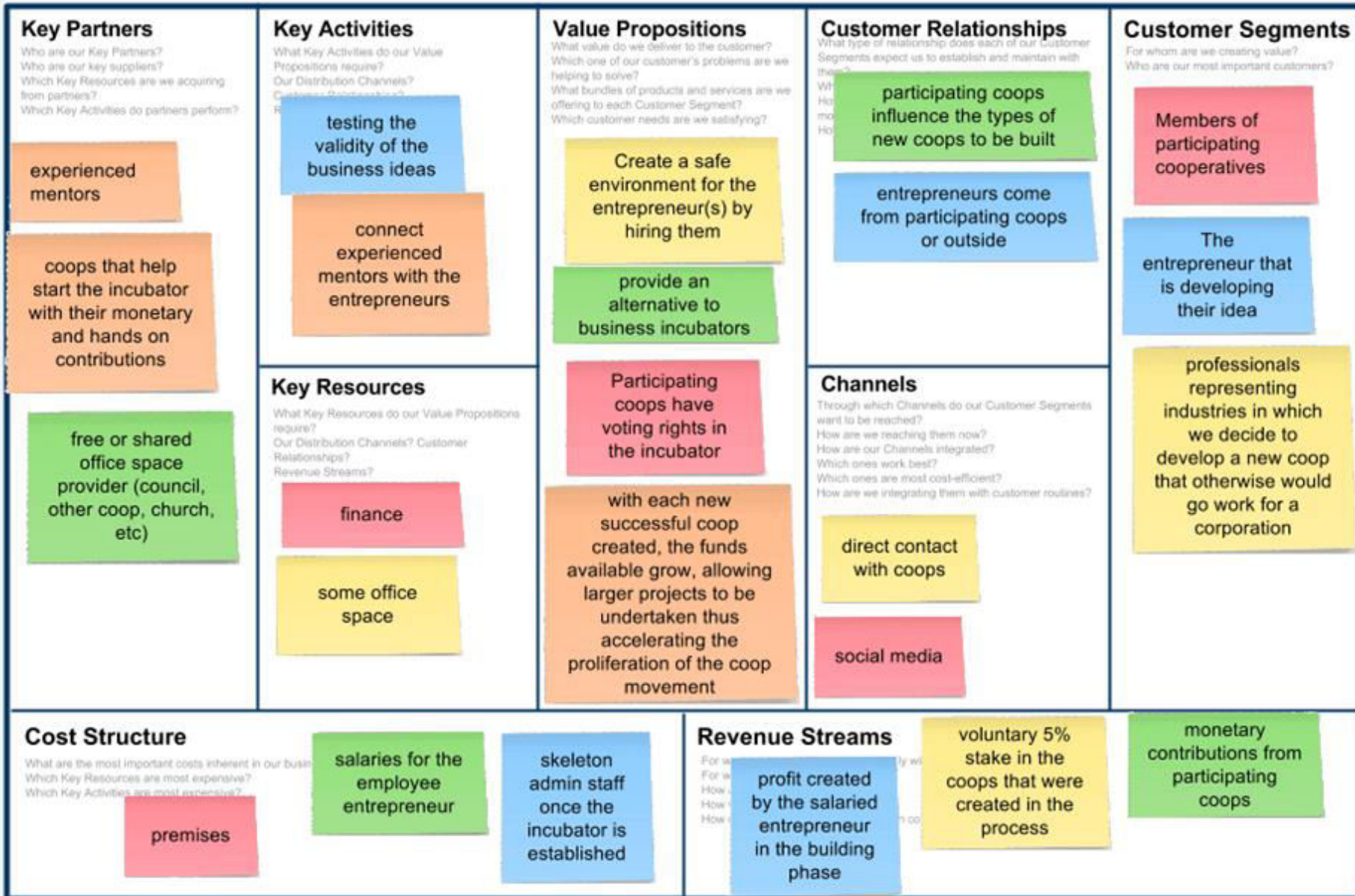
The Business Model Canvas

Designed for:
Cooperative Incubator

Designed by:
Daniel Tyrkiel

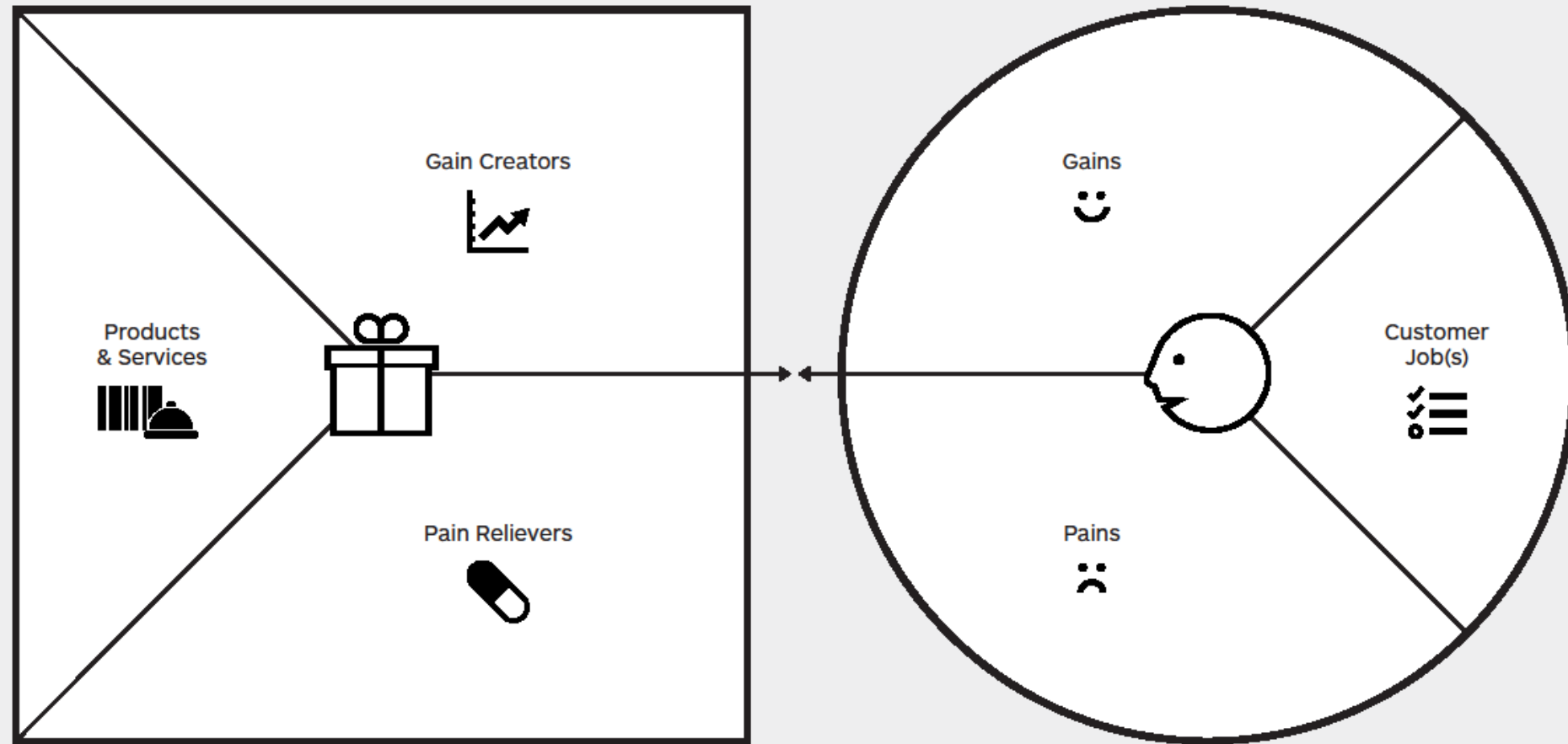
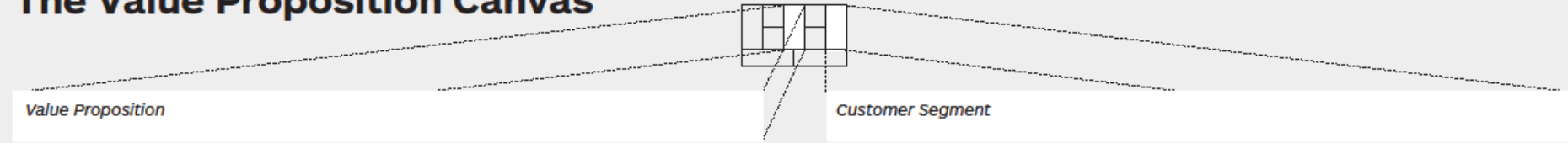
On: 11/11/2013

Iteration # D01



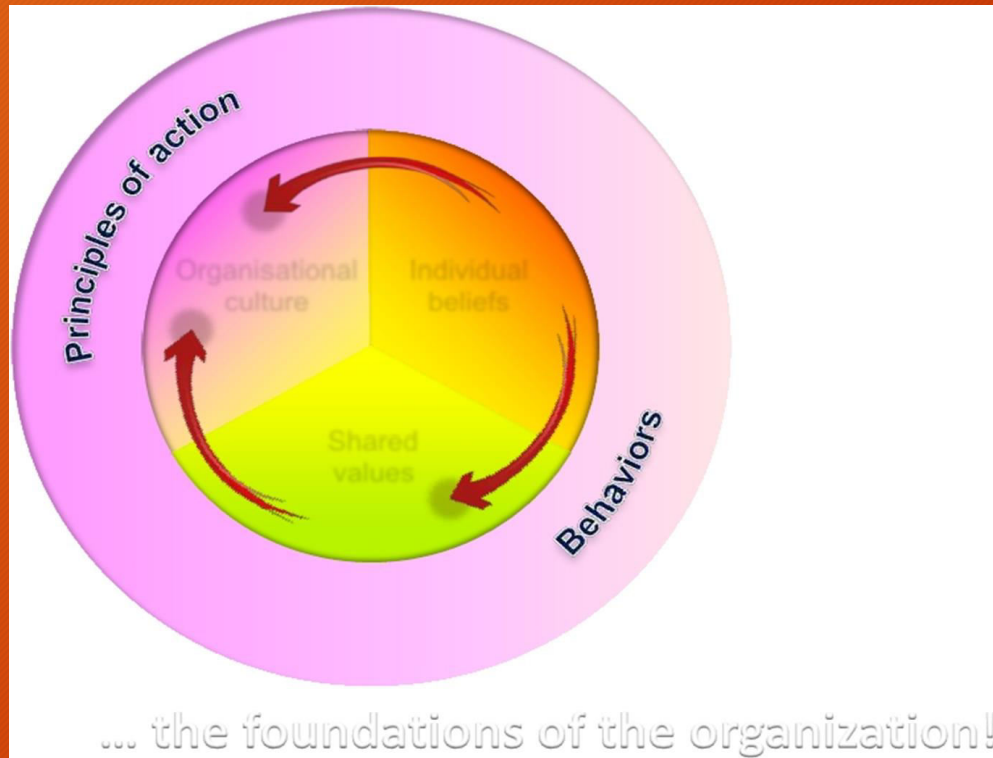
I - The Value Proposition

The Value Proposition Canvas



- <https://www.youtube.com/watch?v=ReM1uqmVfP0>
- <https://www.youtube.com/watch?v=D254suPMpwY>

Key questions



Why?

- What are the major problems the social business model will face?
 - What are the causes of these problems?
 - What are the real and relevant needs related to these problems?
 - What are the objectives that the business model wants to achieve?
 - Are there unexplored opportunities?
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- What problems are you trying to solve?
 - What is the market failure?
 - What value will you deliver to beneficiaries? To payers? To funders/donors?
 - How will you measure social impact?

Commercial vs social?

What value do you provide for your customers?

What is the relationship between commercial VP and social impact VP?

How visible or prominent is your impact VP? Who values and would pay for your impact VP?

How do you account for/measure your VP (both commercial and impact)?

II - Customers, Costs and Revenues

Customer segments - Who?

- Who are the people who will buy your product/service?
- Who are the people who will benefit?
- Who are your impact customers? (support social impact of activities)
- What will be the direct beneficiaries of the business model?
- Will they be simple users?
- Who will pay for the proposed benefits, users or other persons or organizations?
- Are there indirect beneficiaries, who will gain some advantage from the benefits, even if they are not for them?
- Are there indirect impacts in some segments of society?

- Customer segment questions for the social enterprise:
 - For whom are we creating value? And what kind of value?
 - Who are our commercial customers and why will they continue to be our customers?
 - Who are our impact customers and what value are they seeking from us (and how much are they willing to pay)?
 - How important is the linkage between our products/services and our impact to our customers? Are they prepared to pay more for the impact?
 - Are our constituents customers? Co-creators? Partners?
 - Are our funders customers or partners or both?
 - What kind of value proposition will keep customers coming back over the long term?

Customer relationships - Who and How?

- What type of relationship does each of our customer segments expect us to establish and maintain with them?
- Which ones have we established?
- How costly are they?
- How are they integrated with the rest of our business model?
- Eg, personal/automated; transactional/long-term; acquire/retain customers/boost sales (upselling)
- Are relationships with impact customers different?
- What happens if customers fall in love with our impact?

Channels - By What?

- How will users know about your business model services and products?
- What relationship do you have with your users, direct and customized or self-service?
- How will your benefits arrive in the hands of your users?
- Are there some ways for your users to return you products?
- What is your sales and marketing plan?
- How do you reach the beneficiaries? The payers?

- Key questions

- Awareness - stand out in crowded market; awareness of impact
- Evaluation - help customers evaluate impact VP (share stories etc)
- Purchase - how do customers find us/can we extend these ways?
- Delivery - more efficient, effective, novel ways to deliver services?
- After-sales - follow-up customers, after-sales support/information?

Cost structure - Validation?

- What are the major cost drivers?
- Fixed costs
- Variable costs
- Economies of scale
- Economies of scope
- What impact are you trying to achieve? What is additionally required (relative to commercial VP only)?
 - What activities are necessary to achieve this impact? Costs?
 - What resources needed for impact? Costs?

Revenue streams - Validation?

- What do you do to get paid?
- Who pays for what?
- Donations vs earned income?
- Asset sales
- Subscription/membership fees
- Linkage/service fees
- Licencing/brokerage fees
- Equity for service arrangements
- Separate analyses of commercial/impact revenues?
- Possible ongoing new revenue streams from impact activities?

III - Implementation

Key partners - With whom?

- What partnerships are critical to helping deliver, scale, strengthen our commercial/impact objectives?
- What motivations underpin our partnerships?
- What will be the decision making process?
- What governance model/structure will be internal?
- How do we demonstrate value of partnerships internally/externally?
- Is it possible to have partners in the business model?
- Or allies?
- Organizations or individuals can play the role of prescribers (relays)?
- Who helps you make your business model work (suppliers, distributors, strategic partners)?

Key activities - Where?

- In what geographical area the business model will be active?
- The activities will be subject to temporal, seasonal constraints?
- Can the political or legal context strongly influence the business model?
- The social context play an influence on the business model?
- Can the model benefit from the technological context?
- Environmental constraints exist?

Key activities - What?

- What key activities will you focus on to be successful?
- The business model will provide products, which ones?
- What will be the services developed by the business model?
- Your business model will work by projects or streamed?
- Will there be intangible products, such as "information packets"?
- Services will be produced directly at the users places?
- Can they be divided in primary and secondary?

Key resources - With what?

- What resources do you own/need to acquire/develop? In-house or external (partnerships)?
- With what human resources (internal teams, external persons, service providers, volunteers...)?
- What are the specific skills needed for the core business?
- Which raw materials, consumables will you need?
- What will be the process of production, the support activities, the administrative tasks?
- Will you need production and maintenance equipment's, software support?
- What will be your installations, furniture, infrastructure, logistics equipment, vehicles?
- How much financial resources do you need for investment and funding working capital?
- From where do these financial resources come (revenue, grants, investors, sponsors, other donors...)?

IMPACT - verifiable?

- How will we know if the social business model has been successful?
- How to measure immediate results?
- Activities, outcomes, impact
 - Activities - what was actually done
 - Outcomes - finite, often measurable change
 - Impact - much broader, the longer term effect of an outcome
 - Centre for Nonprofit Management: “While the outcome evaluation tells us what kind of change has occurred, an impact evaluation paints a picture as to how a program might have affected participants’ lives on a broader scale.”
- How to check the impact caused by the social business model?
- What will be the measurement tools? What will be the sources of information?
- When measuring?

The story of stuff - change the game

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- <https://youtu.be/cpkRvc-sOKk?t=160>