

## BUSINESS MODEL CANVAS

A helpful tool to brainstorm the practical aspects of your solution is the Business Model Canvas (BMC). The BMC highlights important elements you have to think through to make your solution work. You may not have all of this information - that's OK. Use it as a brainstorming tool to generate hypotheses about the various aspects of your solution and plan ways to test these hypotheses. This can involve talking to decision-makers and stakeholders in your organization, experts in the field, and other ways to get answers. Iterate on the hypotheses as you gather information.

Think about how each of these elements relates to your situation. For example:

- Who is your customer?
- Can you generate Value Propositions for your direct user, and also for decision-makers?  
(e.g. Patient may be your direct user, but the Physician may be the one to determine if this procedure is to be used. Or, the Patient may be the user, the Payer may determine which procedure is covered. In a way, all these parties are your customers and you need to have a good Value Proposition for them to buy-in.)

Be creative at this point about ways your solution can work. Your clinic may cover all of the cost - but are there other ways you can accomplish this? Perhaps a way that can make it sustainable? It might be helpful not to assume right off the bat that certain parties may or may not want to pay - be creative in generating hypotheses, and then get feedback from the parties involved.

There may be non-monetary costs and benefits as the result of your solution. Can they be translated into monetary equivalents downstream? (E.g. benefits of reducing readmissions). If not, then are these parameters that your stakeholders care about? (e.g. social impact metrics.) Add these non-monetary parameters below Cost and Revenue boxes.



**TIP:**










Draw a large BMC on a white board and brainstorm as a team. Use the example on the next page as a guide.

# The Business Model Canvas

Designed for:

Designed by:

On: Day Month Year  
 Iteration: No

<h2>Key Partners</h2>  <p>Who are our Key Partners?              Who are our key suppliers?              Which Key Resources are we acquiring from partners?              Which Key Activities do partners perform?</p> <p><b>REASONS FOR PARTNERSHIP:</b>              Optimization and efficiency              Reduction of risk and uncertainty              Acquisition of particular resources and activities</p> <p><b>CHARACTERISTICS:</b>              Proximity              Problem Solving              Platform/Network</p>	<h2>Key Activities</h2>  <p>What Key Activities do our Value Propositions require?              Our Distribution Channels?              Customer Relationships?              Revenue streams?</p> <p><b>CHARACTERISTICS:</b>              Non-rival              Performance              Customization              "Getting the Job Done"              Design              Brand/Status              Price              Cost Reduction              Risk Reduction              Accessibility              Complementarity/Compatibility</p>	<h2>Value Propositions</h2>  <p>What value do we deliver to the customer?              Which one of our customer's problems are we helping to solve?              What bundles of products and services are we offering to each Customer Segment?              Which customer needs are we satisfying?</p> <p><b>CHARACTERISTICS:</b>              Non-rival              Performance              Customization              "Getting the Job Done"              Design              Brand/Status              Price              Cost Reduction              Risk Reduction              Accessibility              Complementarity/Compatibility</p>	<h2>Customer Relationships</h2>  <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them?              Which ones have we established?              How are they integrated with the rest of our business model?              How costly are they?</p> <p><b>EXAMPLES:</b>              Personal assistance              Tailored Personal Assistance              Self-Service              Automated Services              Communities              Co-creation</p>	<h2>Customer Segments</h2>  <p>For whom are we creating value?              Who are our most important customers?</p> <p><b>Mass Market</b>  <b>Niche Markets</b>  <b>Segmented</b>  <b>Diversified</b>  <b>Multi-sided Platform</b></p>
<h2>Key Resources</h2>  <p>What Key Resources do our Value Propositions require?              Our Distribution Channels? Customer Relationships?              Revenue Streams?</p> <p><b>TYPES OF RESOURCES:</b>              Physical              Intellectual (Brand patents, copyrights, etc.)              Human              Financial</p>			<h2>Channels</h2>  <p>Through which Channels do our Customer Segments want to be reached?              How are we reaching them now?              How are our Channels integrated?              Which ones work best?              Which ones are most cost-efficient?              How are we integrating them with customer routines?</p> <p><b>CHANNEL PRINCIPLES:</b>              1. <b>Directness</b>              How do we reach customers about our company/products and services?              2. <b>Reachability</b>              How do we help customers realize our organization's Value Proposition?              3. <b>Efficiency</b>              How do we help customers experience specific products and services?              4. <b>Delivery</b>              How do we deliver a Value Proposition to customers?              5. <b>Alignment</b>              How do we integrate/align our Value Proposition to customers?</p>	
<h2>Cost Structure</h2>  <p>What are the most important costs inherent in our business model?              Which Key Resources are most expensive?              Which Key Activities are most expensive?</p> <p><b>IN YOUR BUSINESS MODEL:</b>              Cost Driven (lowest cost structure, low price value proposition, maximum automation, extensive outsourcing)              Value Driven (focused on value creation, premium value proposition)</p> <p><b>SAMPLE CHARACTERISTICS:</b>              Fixed Costs (salaries, rents, utilities)              Variable costs              Economies of scale              Economies of scope</p>		<h2>Revenue Streams</h2>  <p>For what value are our customers really willing to pay?              For what do they currently pay?              How are they currently paying?              How would they prefer to pay?              How much does each Revenue Stream contribute to overall revenues?</p> <p><b>TYPES:</b>              Asset sale              Usage fee              Subscription Fee              Licensing/Renting/Leasing              License              Brokerage fees              Advertising</p> <p><b>FIXED PRICING:</b>              Low Price              Product/Feature Dependent              Customer segment dependent              Volume dependent</p> <p><b>YNAMIC PRICING:</b>              Negotiated/Quoted/As-needed              Yield Management              Real-time Market</p>		