University of Teramo
Master in "Food Science and Technology

Marketing and agri-food business

Sustainable Business Canvas

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Business Model

A business model describes the rationale of how an organization creates, delivers, and captures value.

Osterwalder & Pigneur (2011) Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers

Sustainable Business Canvas

The Sustainable Business Canvas serves as a foundation for the systematic development of sustainability-oriented business models.

Tiemann I. and Fichter K. (2016) Developing business models with the Sustainable Business Canvas

https://www.borderstep.de/wp-content/uploads/2016/10/Tiemann-Fichter-Workshopkonzept-EN-RZ2.pdf

Business Model Canvas
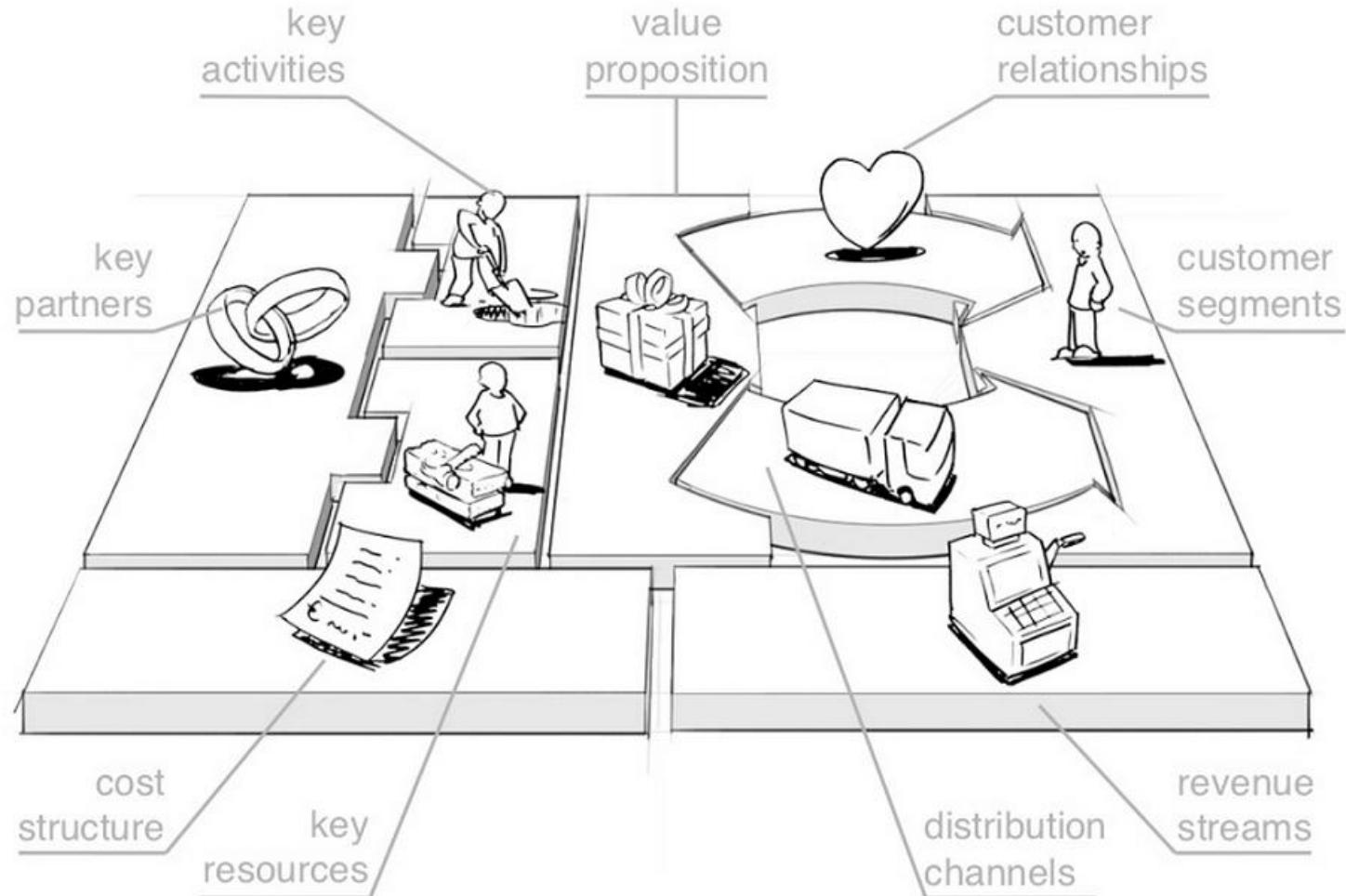
images by JAM

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The **Customer Segments Building Block** defines the different groups of people or organizations an enterprise aims to reach and serve.

Customer groups represent separate segments if:
• Their needs require and justify a distinct offer
• They are reached through different Distribution Channels
• They require different types of relationships
• They have substantially different profitability
• They are willing to pay for different aspects of the offer
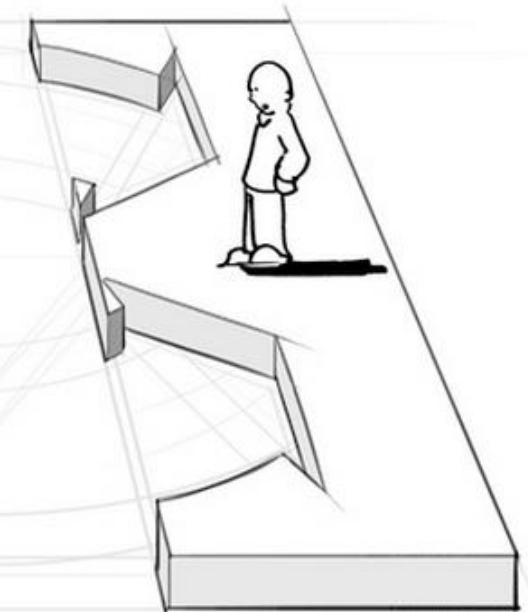
Customer segments

Who are they?

Which are their needs (and dreams)?

Can I help them in any way?

Describe the persons so as to understand who they are and their needs (and dreams) (BI-SOGNI)

The **Value Propositions Building Block** describes the bundle of products and services that create value for a specific Customer Segment

The Value Proposition is the reason why customers turn to one company over another.
It solves a customer problem or satisfies a customer need.
Each Value Proposition consists of a selected bundle of products and/or services that caters to the requirements of a specific Customer Segment.
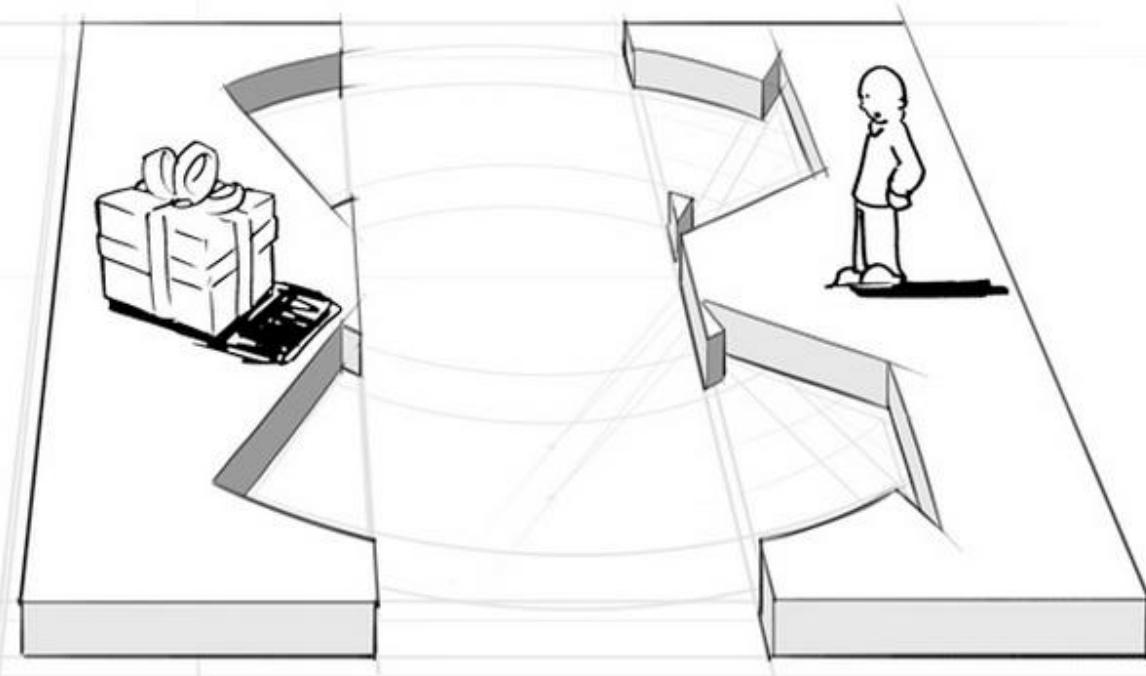
Value Proposition

What value do we deliver to the customer?

Which one of our customer's problems are we helping to solve?

Which customer needs are we satisfying?

Describe the VALUE of your product in terms of UNIQUENESS and NEEDS understanding

What bundles of products and services are we offering to each Customer Segment?

Product / Market Fit

Every business starts with a small group of customers. There's a match between a findable customer group and a specific product they want.

You can change your product. You can choose your customer. You need to keep changing both until you find a good match.
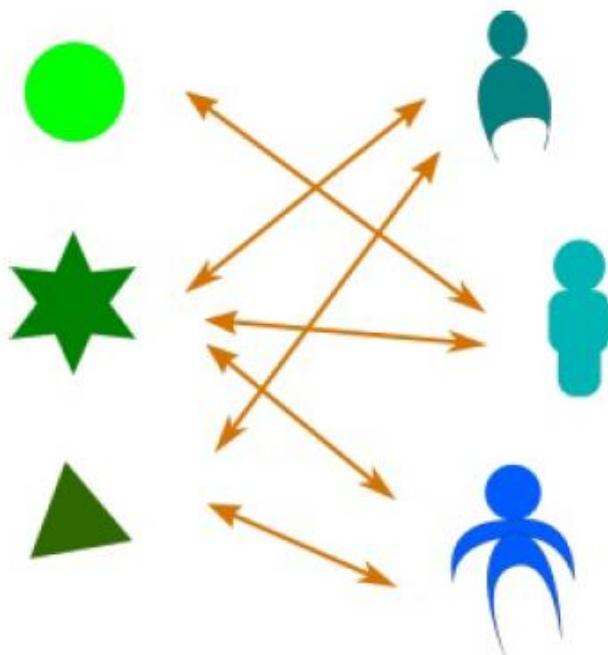
Define customers on their behaviour, not characteristics

Define customer groups in a way where we visualise them and see them as real people. Then we can find them and design for them easily.

Characteristics: females aged 25-35, living in the central urban areas with a 20 to 30k income. That's vague. Useless information.

Behaviour: creative freelancers who use Macs and go to meetups looking for gigs. Now, we know what to do.
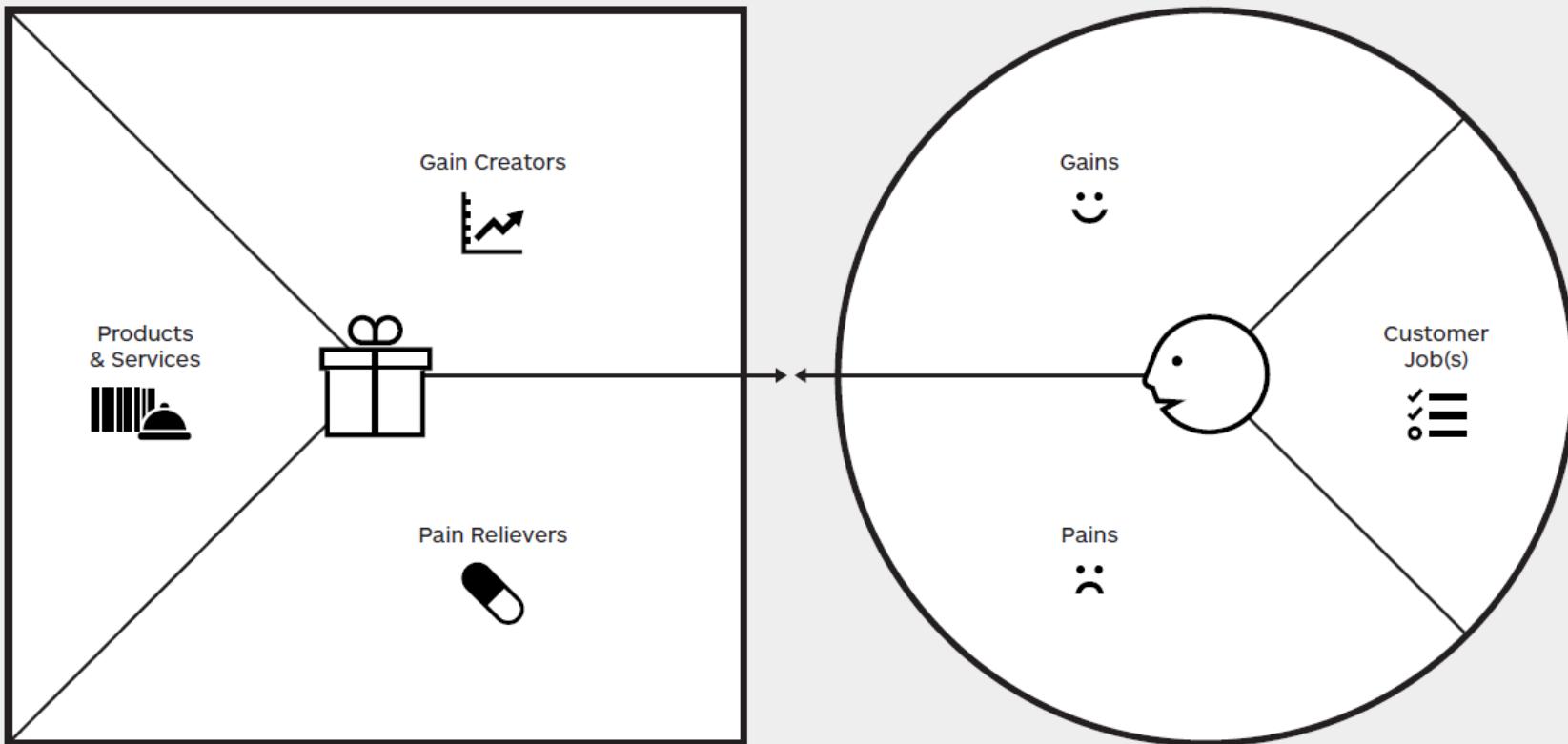
Source: Salim Virani (2019), Decision hacks for first customer contacts

Osterwalder A., Pigneur Y. , Bernarda G., Smith A. (2014) Value Proposition Design: How to Create Products and Services Customers Want
https://issuu.com/business.model.innovation/docs/vpd_sneakpeek

Customer profile

1. Customer jobs (or activities): describe what customers are trying to get done in their work and in their lives, as expressed in their own words: functional, social, emotional.

2. Pains: describe bad outcomes, risks and obstacles related to customer jobs.

3. Gains: describe the outcomes customers want to achieve or the concrete benefits they are seeking.

Value Map

1. Products and services: a list of all product and services a value proposition is built around.

2. Pain relievers: describe how your products and services alleviate customers pains.

3. Gain creators: describe how your products and services create customers gains.

Value Proposition Canvas

Pay attention to...

Stick to the facts

People are awful at predicting their own behaviour. So don't ask what they would do, ask what they have done.

People like sharing opinions, but those opinions change. Better to ask them for **facts**, like numbers and events.

Be careful when people generalise. It's easy to believe a story that starts with, "Normally, I do it this way." The real story often comes out when you ask them to talk through **specific** cases. What happened last time? Was there a time when it didn't go like that? When has this gone off-track? Discard and clarify when you hear predictions, opinions or generalisations.

Keep your conversations on the specific, past facts. That's what will help you see the true picture.

Keep your idea out of it

Interviewing potential customers is an exploration in finding a good customer group to find product/market fit.

The goal is observation, so keep the conversation about them, their life, and how they do things now.

Bringing your idea into it is a trap. It leads the conversation away from what matters to them, and skews towards topics what they think you want to talk about.

Source: Salim Virani (2019), Decision hacks for first customer contacts

Now visualize your profile of food consumer…

Marketing and Agri-Food Business, degree in Food Science and Technology

Name … age, life style…
Which product we are talking about…
Frequency of consumption (sporadic, occasional, frequent, regular)
Preferences: organic, regional, …
Attitudes: loyal, creature of habit, into changes…
Knowledge: expert…
Involvement: passionate, informed, conscious…
Awareness: check website, by guides…
Average expenditure
Place of purchase / consumption: supermarkets, restaurants…
Consumption occasions:
Benefits sought:
The last food product (specify: i.e. a specialty product) purchased: where, when, how much, why…
The last meal at a restaurant: where, when, how much, why…
Before the purchase he / she has collected information…

3 The **Channels Building Block** describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition

Communication, distribution, and sales Channels comprise a company's interface with customers.
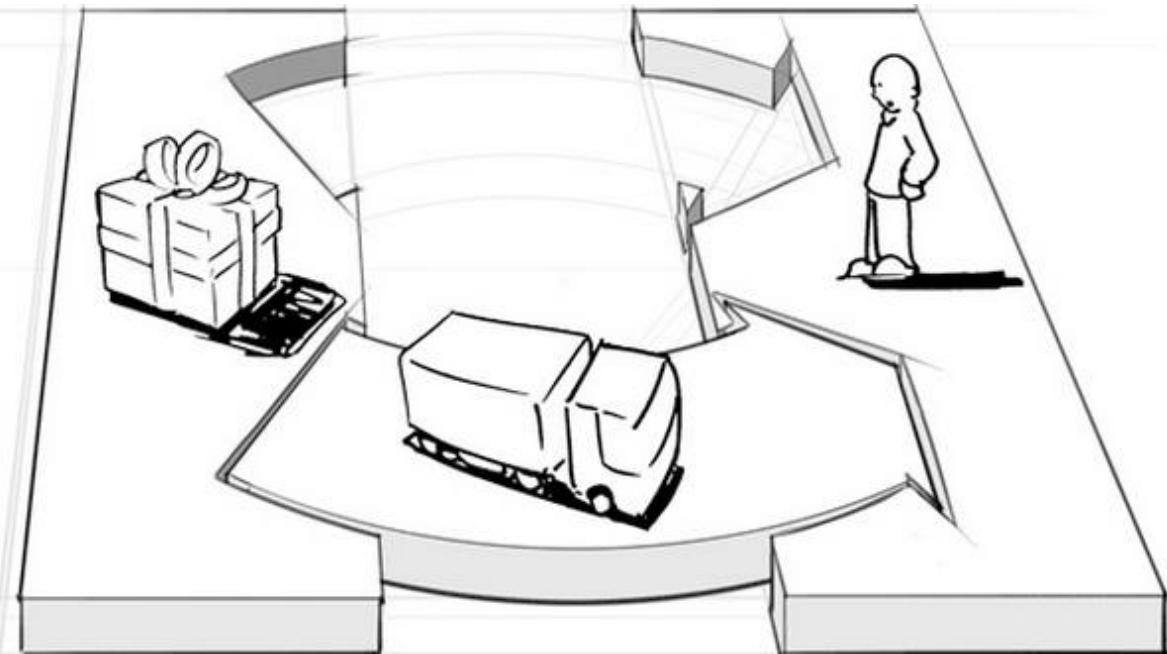
Channels

Through which Channels do our Customer Segments want to be reached?

How are we reaching them now?

Which ones work best? Which ones are most cost-efficient?

How are our Channels integrated? How are we integrating them with customer routines?

Describe Channels and means you can use to put in relation your products and customers.

The **Customer Relationships Building Block** describes the types of relationships a company establishes with specific Customer Segments
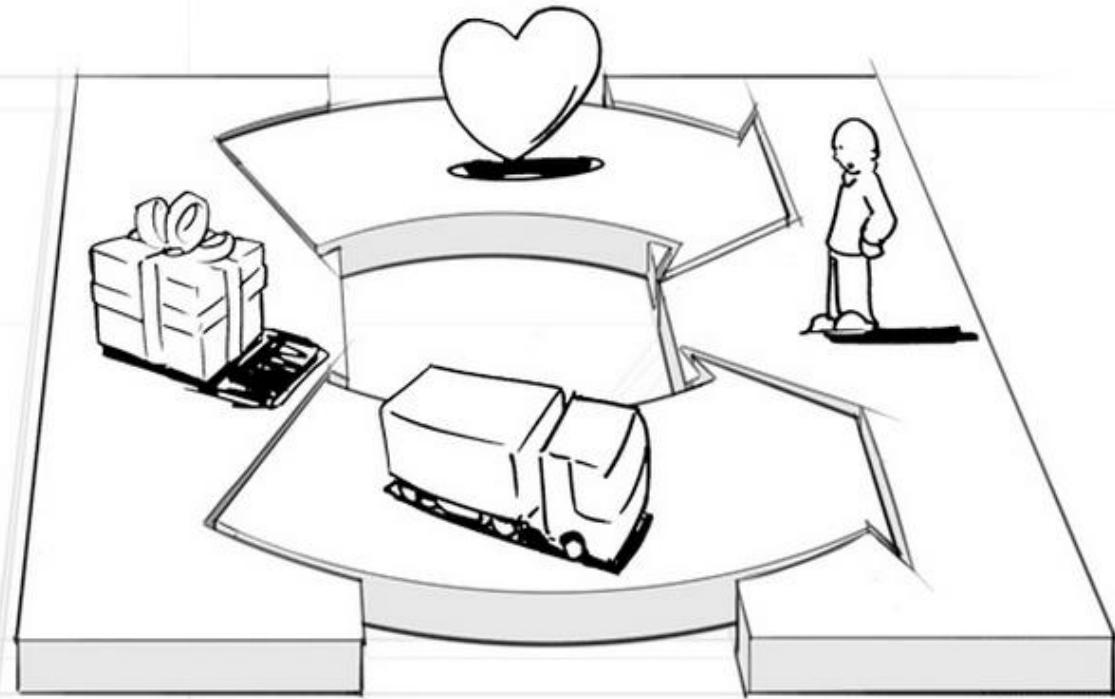
Customer Relationships

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?

Relationship between the company and customers in the different stages: before / during / post experience

- Customer acquisition
- Customer retention
- Boosting sales (upselling)

- Communities
- Co-creation…

The **Revenue Streams Building Block** represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings)
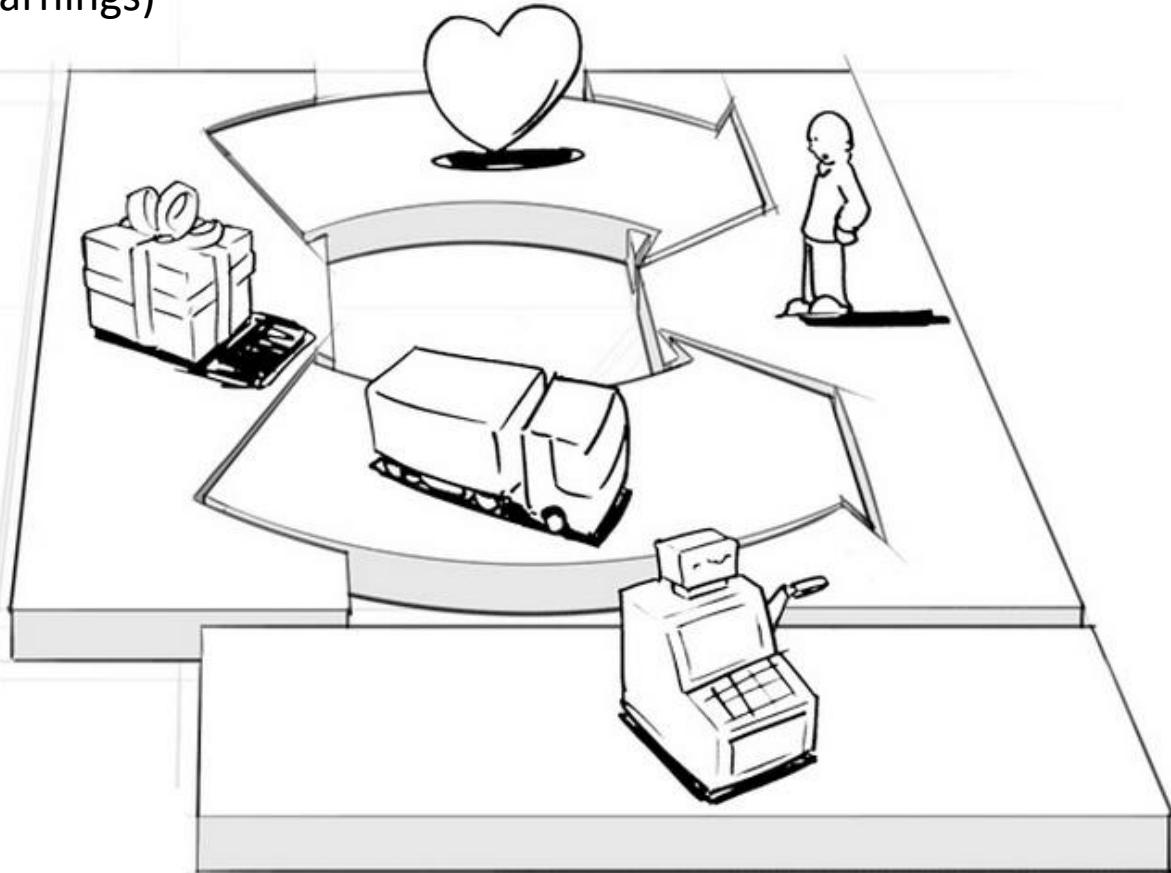
Revenue Streams

For what value are our customers really willing to pay?

For what do they currently pay? (uniqueness)

How are they currently paying? How would they prefer to pay?

Describe the revenue streams company obtains by selling its products / services to the target customers.

The **Key Resources Building Block** describes the most important assets required to make a business model work
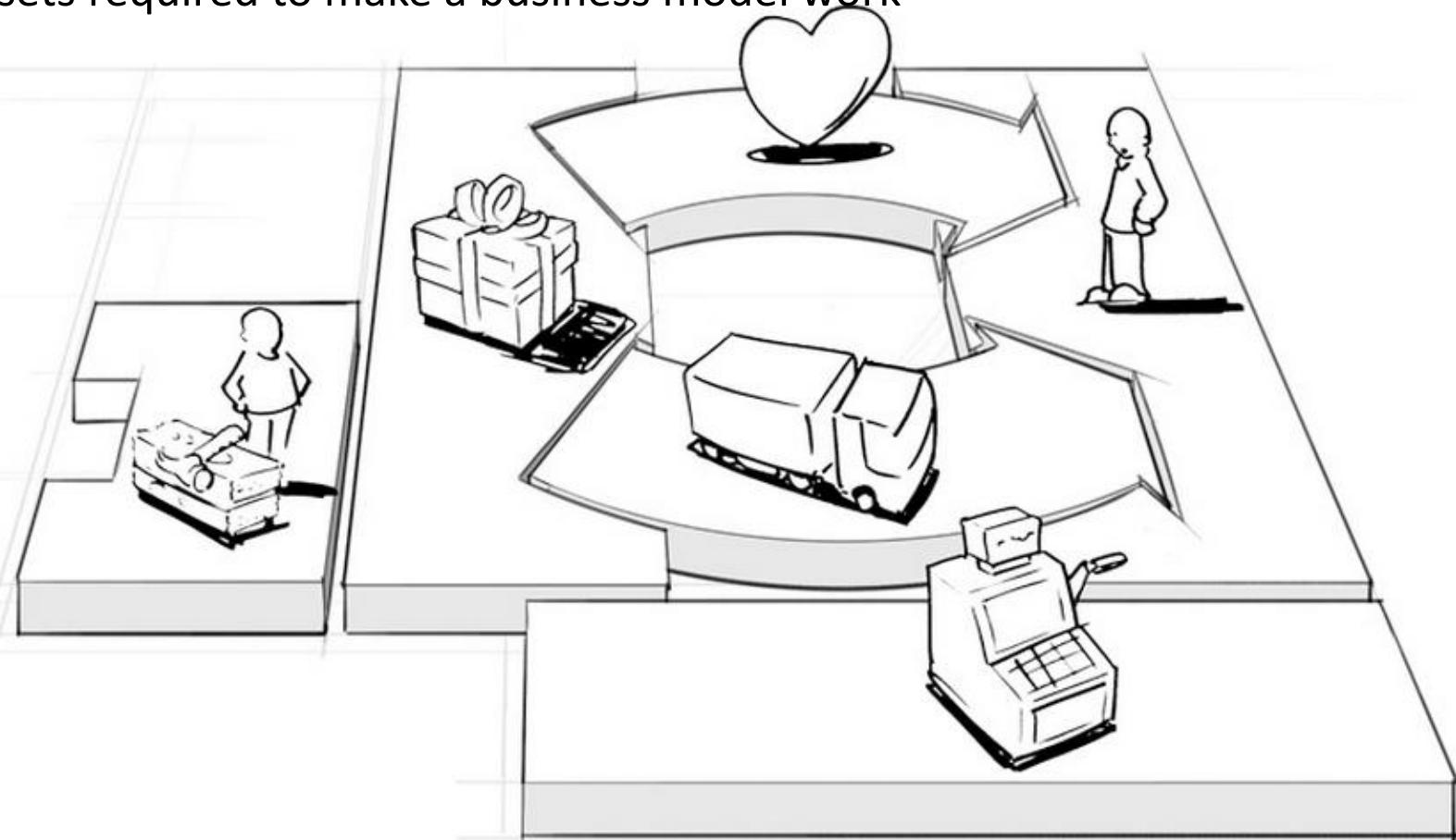
Key Resources

What Key Resources do our Value Propositions require?

Our Distribution Channels? Customer Relationships? Revenue Streams?

Physical, financial, intellectual, or human?

Describe the key resources necessary to achieve your value proposition and carry out your business model.

Key resources can be owned or leased by the company or acquired from key partners.

The **Key Activities Building Block** describes the most important things a company must do to make its business model work
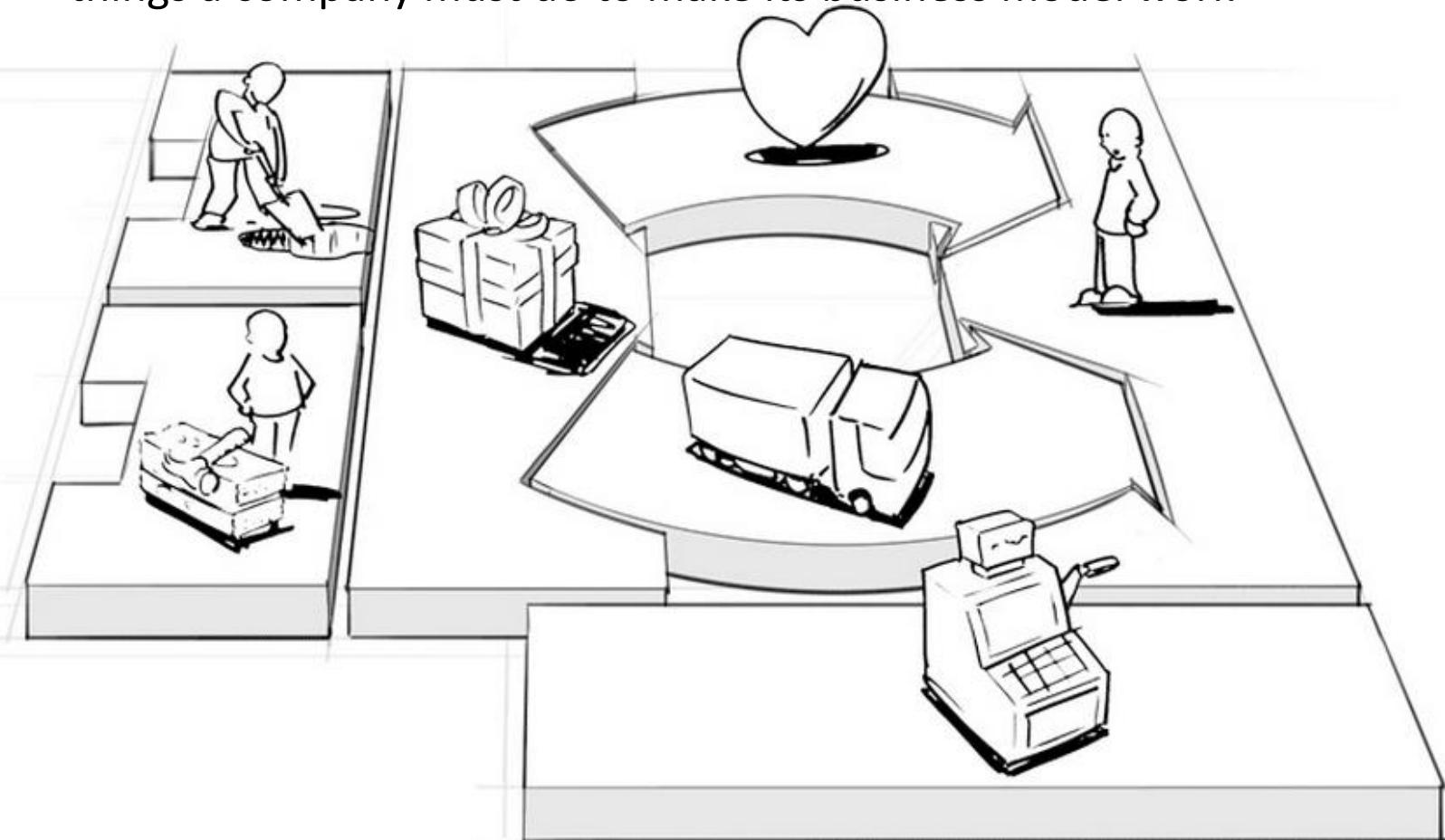
Key Activities

What Key Activities do our Value Propositions require?

Who, what, how?

How we implement them?

Describe all the key activities that have to be carry out to create your Value Proposition

Like Key Resources, they are required to create
and offer a Value Proposition

The **Key Partnerships Building Block** describes the network of suppliers and partners that make the business model work.
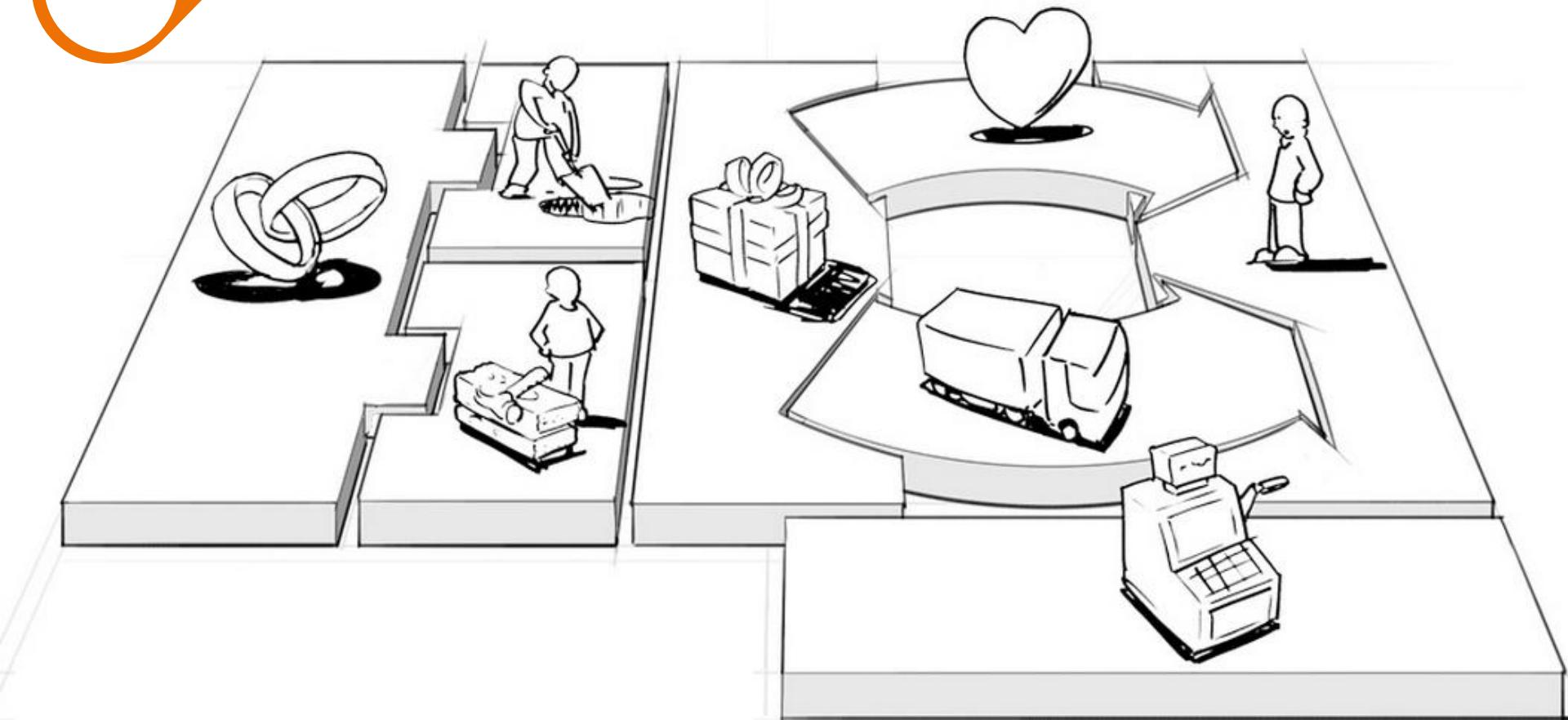
Key Partnerships

Who are our Key Partners? Who are our key suppliers?

Which Key Resources are we acquiring from partners?

Which Key Activities do partners perform?

Describe all the key partnerships to forge and strategic alliances (i.e. diminishing costs or risks, increasing innovation…)

Companies forge partnerships for many reasons, and partnerships are becoming a cornerstone of many business models. Companies create alliances to optimize their business models, reduce risk, or acquire resources.

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The **Cost Structure** describes all costs incurred to operate a business model
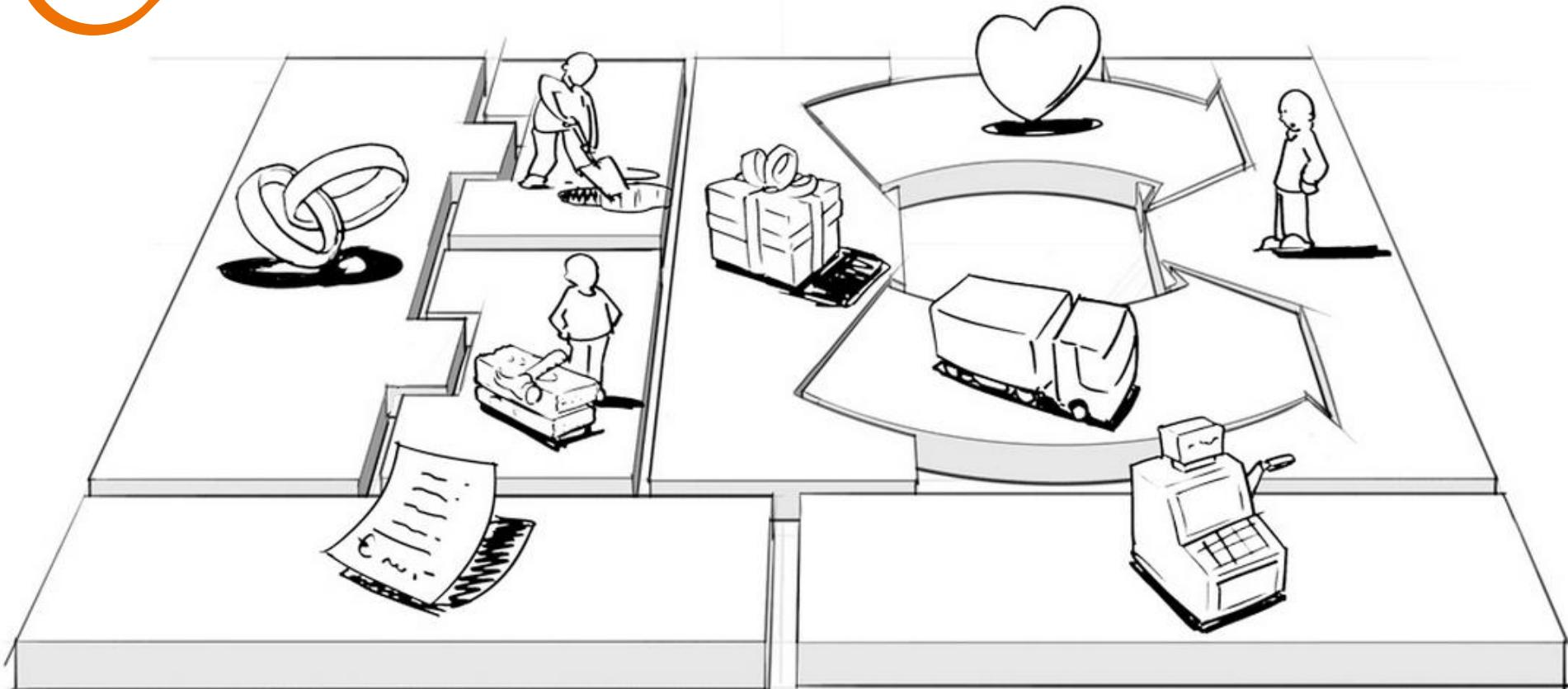
Cost Structure

What are the most important costs inherent in our business model?

Which Key Resources are most expensive?

Which Key Activities are most expensive?

Describe the costs structure the company needs for reaching its objectives.

This building block describes the most important costs incurred while operating under a particular business model.

Cost structure: fixed / variables costs. Minimum investment…
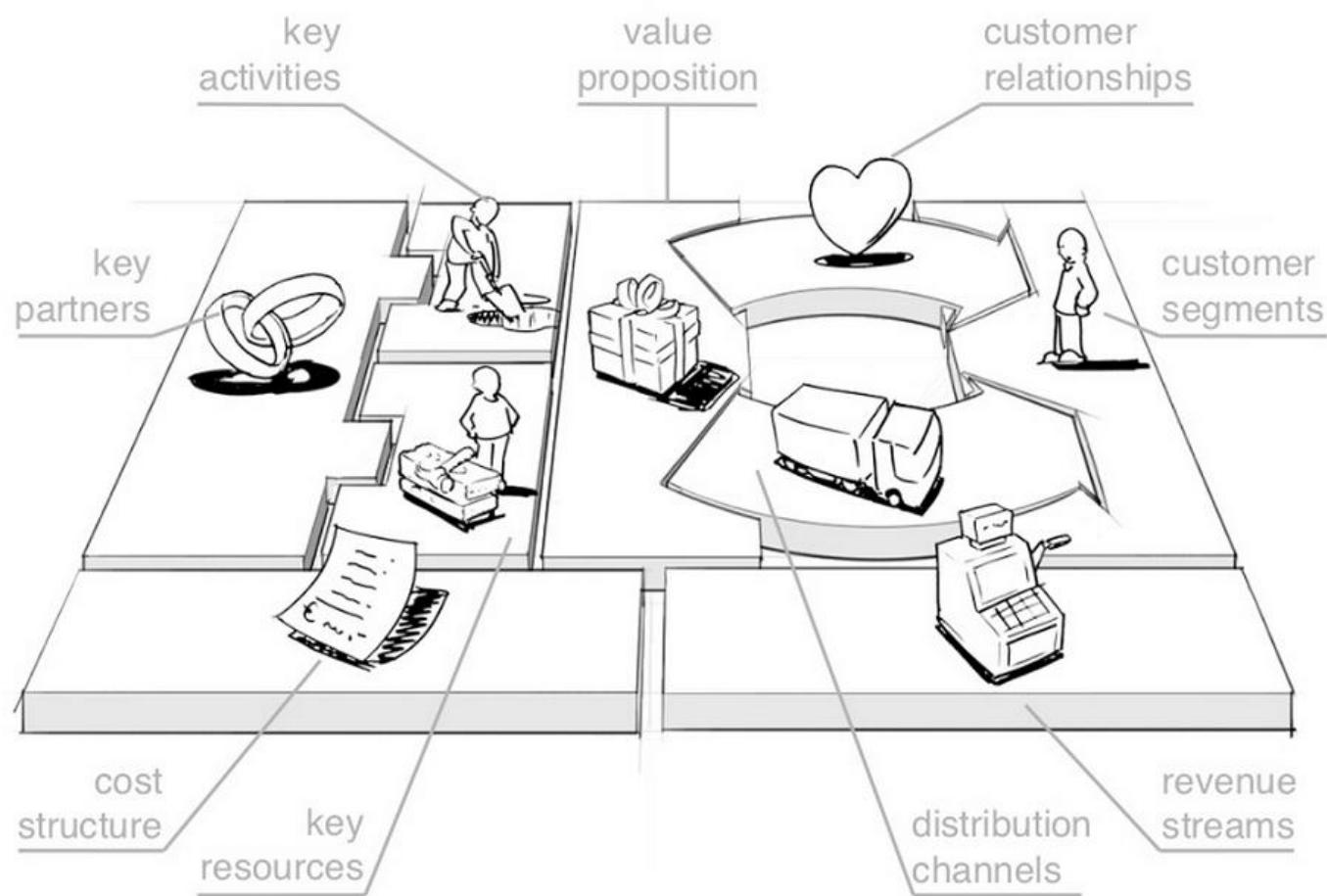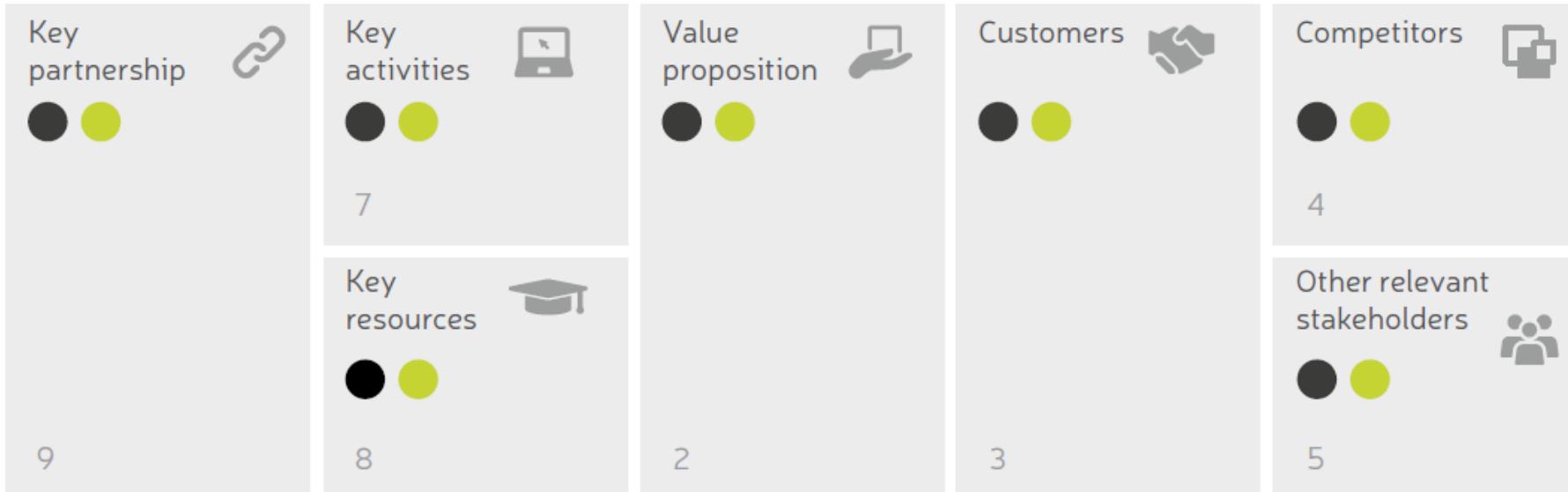
key activities

value proposition

customer relationships

key partners

key resources

cost structure

distribution channels

revenue streams

customer segments

images by JAM

And now?

Source: (Fichter & Tiemann, 2015)

Figure 1: Sustainable Business Canvas

Sustainable Business Canvas

The Business Model Canvas
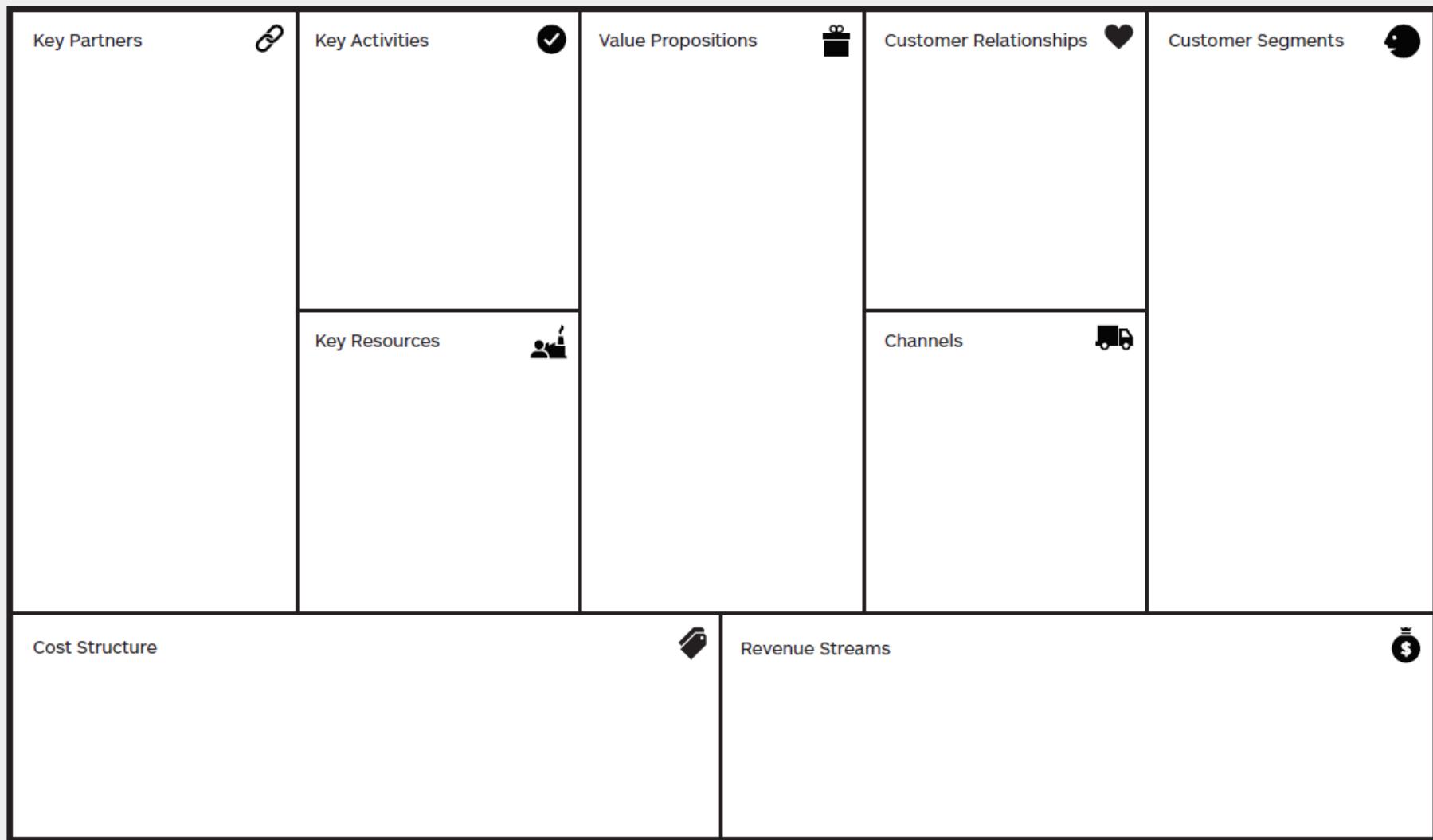
Key Partners 🔗

Key Activities ✓

Key Resources

Value Propositions 🎁

Customer Relationships ♥

Channels 🚚

Customer Segments

Cost Structure

Revenue Streams 💰

DESIGNED BY: Strategyzer AG
The makers of Business Model Generation and Strategyzer

Strategyzer

strategyzer.com

Italo — Strategyzer

Key Partnerships
- Eataly (ristorazione)
- Alstom (treni)
- Alpitour (servizio Italo Tour)
- Sky
- Medusa Film
- Agenzie di viaggio

Key Activities
- Formazione personale @ Scuola Ospitalità
- Cura del cliente
- Indagini miglioramento qualità del servizio

Key Resources
- Esperti marekting, customer s., ferroviario
- Piattaforme Tecnologiche
- Personale giovane
- Treni ultima generazione

Value Propositions
- Ambiente smart
- Ambiente Prima
- Ambiente Club
- Torino-Salerno e Venezia-Napoli
- 3 offerte: Base, Economy, Low Cost
- Treno sicuro, silenzioso, confortevole, ecologico
- Wi-Fi e internet gratuiti
- Sicurezza: telecamere a circuito chiuso
- Ristorazione di qualità, menù prenotabili
- Area Snak con distributori automatici
- ItaloNoStress: parcheggi, autonoleggio, bagagli
- Italo Tour: viaggio e hotel + pacchetti

Customer Relationship
- Social Network
- Casa Italo
- Italo Più: carta fedeltà
- Contact Center Pronto Italo
- FAQ - Italotreno.it

Channels
- Sito internet
- Social Network
- Contact Center Pronto Italo
- Biglietterie self-service
- Casa Italo
- Agenzie di viaggio

Customer Segments
- Chi cerca convenienza e svago
- Chi desidera comfort e relax
- Chi vuole esclusività, attenzione e privacy

Cost Structure
- Manutenzione
- Personale dietro le quinte
- Costi per le partnership
- Treni
- Personale di bordo
- Affitto Casa Italo

Revenue Streams
- Biglietti
- Italo No Stress
- Italo Tour
- Ristorazione e Area Snak
- Servizi aggiuntivi

For example…..

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