



CLC & Capstone

Think of the community where you live. Like many other communities, your community likely has needs in terms of products and services that may have little or no competition, a lack of service, or be an innovation that hasn't yet been formed. An entrepreneurial idea should look closely at those community needs in order to assess the potential demand. Although looking at potential demand doesn't guarantee success, by at least considering demand, you can better determine the risks and potential outcomes of your business.

The best way to determine those needs is to conduct research of your market, share your idea with the community that you wish to target and ask for feedback. If the feedback is not as positive as you would have hoped, there is lots of time at this stage to **pivot** and change your idea based on the feedback you have received. Don't chase the demand of your idea!










Your business idea should **create a gain or solve a pain** for your target market!

In this assignment, you are going to take a potential business idea and create a simplified **business model canvas**. A business model canvas has taken over the role of an onerous Business Plan in the past few years. It is a template for developing new or existing business models as a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances. A business model canvas is a fantastic way to adapt a business idea with feedback from a target market.

Many students think they need to be interested in the field of business in order to make a successful business model canvas, but when you think about it, all organizations, from a veterinary office, to a carpenter, to the Red Cross should be continually looking at how they reach the people they need to make their organizations succeed.

Lastly...don't worry! Some students feel overwhelmed when initially looking at a business model canvas. Although a business model canvas can be quite detailed, for our purpose we will be developing a much more simplified version!

A [business model canvas](#) looks like this:

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 	

Print out or download the Business Model Canvas, and fill it out as follows for your idea:

1. **Customer Segments:** starting here is a great way to approach your business. In a few short points, define the different groups of people or organizations that your business will try to reach and serve. Think...who will be your customer? Using demographic information here is helpful!
2. **Value Proposition:** the value proposition is way easier than it sounds - essentially it is the reason why customers turn to one company over another. In a few short points, describe what would make you different or special...what will bring value to your customer? Which customer problem will you solve, or what need are you satisfying for your customer?
3. **Channels:** this describes how a company communicates with and reaches its different customer segments to deliver their product or service. Write a few points about how will you reach your customers, or how will they find out about you. How will you reach them and how will they reach you once they are an established customer?
4. **Customer Relationships:** this is the type of relationship you want to establish with each customer segment. You can have a personal relationship with customers (in person, on the phone), or an automated relationship (such as online). make a few points about your customer relationships. Are they based on acquiring customers, retaining customers, or boosting sales (such as upselling)? Will they be based on a one time or a long-term relationship?
5. **Key Resources:** every business model requires key resources - these things that allow a business to operate and offer value, reach customers and maintain relationships and earn revenue. The resources that you will need are really based on the type of business you are proposing; will your business need a factory or is it based on human resources? Make a few key points on your business model canvas about the human, capital, physical, or financial



resources that you will need to operate. These resources can be owned by your company, or acquired from your key partners (which we will decide in one of the next sections).

6. **Key Activities:** these are the most important things that your company must do to make your model work. These will be different depending on your type of business, but these activities will be required to reach and maintain relationships with your customers, offer value, and earn revenue. A key activity for a software developer is to hire the best people for software development, where as the key activity for a consultant or business manager is problem solving. In a few points, describe what the key activities for your business will be.
7. **Key Partnerships:** most businesses need the help of other businesses and people to make their model work, and partnerships are important. What partnerships will you need to operate and produce your good or service? This could be your key suppliers, the key resources you are getting from your partners, or the key activities for your business that your partners are performing. In a few points, describe who the key partners will be for your business.
8. **Cost Structure:** we've all heard that you need to spend money to make money, and in this section, you will describe the costs to operate your business model. All of the activities you have described in #1-#7, such as creating value for your customers and maintaining relationships all incur costs. You may add value to your customers with your high costs (and therefore perceived high quality), or low costs (such as a budget airline). In a few points, describe what will be your most important costs in terms of key resources and activities.
9. **Revenue Streams:** possibly the most important aspect of your business model is your revenue streams, which represents the cash a company generates from each customer segment (costs - revenues = earnings). In this section, make a few points about your revenue. For what value are your customers really willing to pay? How would they prefer to pay? If your business model has different revenue streams, approximately what percentage will each stream contribute to your overall revenue total?

Having trouble? Here is a short video to help!

<https://www.youtube.com/watch?v=QoAOzMTLP5s>

Assessment

Business Model Canvas Rubric					 
Criteria	Ratings				Pts
Customer Segments	4.0 pts 100% Student describes, in a few short points, the different groups of people or organizations that their business will try to reach and serve.	3.0 pts 75% Student partially describes, in a few short points, the different groups of people or organizations that their business will try to reach and serve.	2.0 pts 50% Student begins to describe, in a few short points, the different groups of people or organizations that their business will try to reach and serve.	1.0 pts 25% This portion of the assignment is incomplete.	4.0 pts
Value Proposition	4.0 pts 100% Student describes, in a few short points, what would make their business different or special...what will bring value to their customer? Which customer problem will you solve, or what need are you satisfying for your customer?	3.0 pts 75% Student partially describes, in a few short points, what would make their business different or special...what will bring value to their customer? Which customer problem will you solve, or what need are you satisfying for your customer?	2.0 pts 50% Student begins to describe, in a few short points, what would make their business different or special...what will bring value to their customer? Which customer problem will you solve, or what need are you satisfying for your customer?	1.0 pts 25% This portion of the assignment is incomplete.	4.0 pts
Channels	4.0 pts 100% Student writes a few points about how they will reach their customers, or how they will they find out about their business. How will you reach them and how will they reach you once they are an established customer?	3.0 pts 75% Student writes a few points about how they will reach their customers, or how they will they find out about their business. More detail could be included.	2.0 pts 50% Student begins to write a few points about how they will reach their customers, or how they will they find out about their business. Much more detail is necessary.	1.0 pts 25% This portion of the assignment is incomplete.	4.0 pts

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Customer Relationships	4.0 pts 100% Student is clear about the type of relationships they want to establish with their customer base.	3.0 pts 75% Student is somewhat clear about the type of relationships they want to establish with their customer base.	2.0 pts 50% Student is lacking clarity about the type of relationships they want to establish with their customer base.	1.0 pts 25% This portion of the assignment is incomplete.	4.0 pts
Key Resources	4.0 pts 100% Student is clear about the key resources they will need for their business to be successful.	3.0 pts 75% Student is somewhat clear about the key resources they will need for their business to be successful.	2.0 pts 50% Student is lacking clarity about the key resources they will need for their business to be successful.	1.0 pts 25% This portion of the assignment is incomplete.	4.0 pts
Key Activities	4.0 pts 100% Student is clear about they key activities for their business model to be successful.	3.0 pts 75% Student is somewhat clear about they key activities for their business model to be successful.	2.0 pts 50% Student is lacking clarity about they key activities for their business model to be successful.	1.0 pts 25% This portion of the assignment is incomplete.	4.0 pts
Key Partnerships	4.0 pts 100% Student is clear about they key partnerships for their business model to be successful.	3.0 pts 75% Student is somewhat clear about they key partnerships for their business model to be successful.	2.0 pts 50% Student is lacking clarity about they key partnerships for their business model to be successful.	1.0 pts 25% This portion of the assignment is incomplete.	4.0 pts
Cost Structure	4.0 pts 100% All of the activities you have described in #1-#7, such as creating value for your customers and maintaining relationships all incur costs. Student, in a few points, describes what will be their most important costs in terms of key resources and activities.	3.0 pts 75% All of the activities you have described in #1-#7, such as creating value for your customers and maintaining relationships all incur costs. Student, in a few points, partially describes what will be their most important costs in terms of key resources and activities.	2.0 pts 50% All of the activities you have described in #1-#7, such as creating value for your customers and maintaining relationships all incur costs. Student, in a few points, lacks clarity in their description of what will be their most important costs in terms of key resources and activities.	1.0 pts 25% This portion of the assignment is incomplete.	4.0 pts
Revenue Streams	4.0 pts 100% Student has discussed, in detail, various revenue streams for their business plan.	3.0 pts 75% Student has discussed various revenue streams for their business plan.	2.0 pts 50% Student discussion of various revenue streams for their business plan is lacking important and necessary details.	1.0 pts 25% This portion of the assignment is incomplete.	4.0 pts
Total Points: 36.0					