Business Model Canvas
Method to the madness of entrepreneurship

An introduction

Leo Exter, founder @ westartup
What in hell is a “business model”? 

- an abstract conceptual model that represents the business and money earning logic of a company 
- a business layer (acting as a sort of glue) between business strategy and processes.

Alex Osterwalder
“Running a crappy friterie around the corner takes as much time and work as running a global corporation...”

Jean Derely
Founder, Woorank and BetaGroup
Contact info:
09/378.54.75
info@defrieterie.be

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Bij Peter & Nathalie

webontwikkeling door nalo.be
Ontdek ons nieuw restaurant in Ronse

Opening in

4 Dagen
17 Uren
14 Minuten
So how do they compare?

Peter and Natalie...

vs.

Jim Skinner

Several 100,000s of Euros

vs.

$27 billion
BMC is not an abstract exercise...

It helps you answer two important questions:

• Is this a business or a hobby?
• If it’s a hobby, how can you turn it into a business?
2 ways to start your Canvas

Specific resources, some specific competences, a license (IP), a specific know-how, ...

A specific Value Proposition ...
... a well-defined offer: you have a solution looking for a problem to solve, or a customer to satisfy.
2 more ways to start your Canvas

A well-defined segment of customer having a problem you intend to satisfy

A low-cost model where more customer can access a product or a service
Come up with a ton of options
Choose one that sounds reasonable
Start with guesses...
Fill them in with knowledge. Quickly.
Canvas without numbers = bullsh*t
Check it against these four criteria

– Are there customers who will buy what you sell?
– Are you different enough from competition?
– Is this more profitable than another business?
– Can you build a “factory” for doing what you do and vastly increase output?
Business or hobby?

- Watch found at a flea market: € 3
- Repairs: € 80
- Sold for: € 200
- Profit: € 117
Demand

• Dozens of blogs and forums dedicated to “exotic” watches
• “Exotic” watches on Ebay seem to always get sold
• Consistent price levels

Competition

• Lots of “premium brand” watches, not a lot “exotic” sold online
• Same story in “bricks and mortar” shops

So far so good...
Profitability

- Flea market: 2 hours
- Research: 1 hour
- Repairs: 0.5 hours
- Sale on Ebay: 2.5 hours

½ day of work for € 117

Scalability

- 1 flea market per week
- Maybe 3 in one day
- Max. 12 watches/month
- Don’t forget travel cost

MAYBE € 1000 / month

Don’t quit the day job...
Try again, use canvas as inspiration.
How can I improve my watch business?

- **(key activities)** Reduce cost of repairing watches
  - Croatia: €15 per watch instead of €100

- **(key partners)** Source more watches to repair and sell
  - Recruit flea market traders as my “supply chain”

- **(resources)** Source more watches to repair and sell
  - Hire “cheap” part-time assistants in major cities

- **(distribution channels)** Make more money per watch
  - Create my own online community of exotic watch fans

- **(customer segment)** Make more money per watch
  - Open a shop at Sablon (Brussels)

- **(value proposition)** Make more money per watch
  - Add more expensive watches from known brands
You need knowledgeable people around the table
One last bit of Canvas wisdom
This is the right kind of a Swiss Army Knife.
Now let’s talk about your business
leo.exter@westartup.eu
www.westartup.eu
@leoeexter
Book describes the Canvas

Download the book:
Bibliography

• Download the canvas:
  http://www.businessmodelgeneration.com/canvas

• Download the app to play with the canvas:
  http://www.businessmodelgeneration.com/toolbox
Plenty of free digital tools


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