

The Business Model Canvas

Understanding your business foundation before any marketing begins

LESSON GOAL

By the end of this lesson, you will understand why the Business Model Canvas is the most important tool before any marketing investment — and you will be able to map your own business across all 9 building blocks.

BUSINESS MODEL CANVAS

VALUE PROPOSITION

DIGITAL CHANNELS

Why Marketing Exists

- The shift to customer-driven thinking
- Attention as the new scarce resource
- Old vs. modern marketing mindset
- What marketing actually is (Kotler)

The Business Model Canvas

- Why the BMC comes before advertising
- All 9 building blocks explained
- The real Osterwalder layout
- Coffee shop case study

Core Truth: A brilliant marketing campaign cannot save a flawed business model. Understand how your business creates, delivers, and captures value — before you spend a single euro on ads.

Illustrated BMC Reference

- Full Osterwalder layout with guiding questions
- All 9 blocks explained in detail

Fillable Canvas — Your Business

- Starford-branded fillable PDF form
- Map your own business across all 9 blocks

Why Marketing Exists

The historical shift — and why attention is now the scarcest resource

The Historical Context

For many decades, demand in most industries exceeded supply. Companies focused primarily on production and distribution — marketing as a structured discipline was not yet essential. As economies matured, competition intensified dramatically, customers gained real choices, and supply began to exceed demand in most categories. Businesses could no longer simply "make and sell." They had to start understanding their customers.

Attention has become the scarcest resource in the digital economy. The average customer is exposed to thousands of marketing messages every single day. Businesses no longer compete solely on product quality or price — they compete on trust, clarity, positioning, and the overall experience they create.

THE MINDSET SHIFT

Old vs. Modern Marketing Thinking

Traditional Thinking

- Make a good product and sell it
- Focus on production volume
- One-way communication — broadcast
- Mass market, same message for all
- Success measured by sales volume
- Short-term transactional focus

Modern / Digital Thinking

- Understand the customer first, then build
- Focus on value creation & experience
- Two-way dialogue and community building
- Segmented, personalised messaging
- Success measured by lifetime value & loyalty
- Long-term relationship and brand equity

What Marketing Actually Is

PHILIP KOTLER

"The process by which companies create value for customers, build strong customer relationships, and capture value from customers in return."

Marketing is not advertising. Advertising is only one tool inside a much larger system — and the Business Model Canvas is the foundation of that system.

MY NOTES

The Business Model Canvas

One page. Nine blocks. Your entire business — at a glance.

Developed by Alexander Osterwalder, the Business Model Canvas lets you visualise and improve your entire business on a single page — instead of getting lost in a 50-page business plan. It gives you a clear strategic overview of how your business **creates, delivers, and captures** value.

WHY IT MATTERS IN MARKETING

Before you spend money on ads, websites, or social media — understand your business first. The Canvas helps you align your marketing strategy with reality. The right side (customer-facing blocks) directly drives every marketing decision.

Designed for:
Designed by:
Date:
Version:

The Business Model Canvas

<p>Key Partners </p> <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>DEFINITION FOR ENTREPRENEURS Collaboration and co-creation. Reduction of risk and uncertainty. Acquisition of particular resources and activities.</p>	<p>Key Activities </p> <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p>DEFINITION Processes. Physical things. Platform/network.</p>	<p>Value Propositions </p> <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>DEFINITION Benefits. Performance. Customisation. "Getting the job done". Design. Risk/Status. Price. Cost Reduction. Risk Reduction. Accessibility. Convenience/ability.</p>	<p>Customer Relationships </p> <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>EXAMPLES Self-education. Dedicated Personal Assistance. Self Service. Automated Services. Communities. Co-creation.</p>	<p>Customer Segments </p> <p>For whom are we creating value? Who are our most important customers?</p> <p>EXAMPLES Mass Market. Niche Market. Segmented. Diversified. Multi-sided Platform.</p>
<p>Key Resources </p> <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p>TYPE OF RESOURCES Physical. Intellectual (brand patents, copyrights, data). Human. Financial.</p>	<p>Channels </p> <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>CHANNEL FITNESS 1. Awareness. 2. How do we raise awareness about our company's products and services? 3. Distribution. 4. How do we help customers evaluate our organization's value Proposition? 5. Purchase. 6. How do we induce customers to purchase specific products and services? 7. Delivery. 8. How do we deliver a value Proposition to customers? 9. After sales. 10. How do we provide post-purchase customer support?</p>	<p>Cost Structure </p> <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>IS YOUR BUSINESS MODEL Cost Driven (Fixed cost structure, low price value proposition, maximum automation, extensive outsourcing). Value Driven (Focused on value creation, premium value proposition).</p> <p>SCALE & ECONOMIES Fixed Costs (Salaries, rent, utilities). Variable Costs. Economies of scale. Economies of scope.</p>	<p>Revenue Streams </p> <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>TYPE Fixed fee. Usage fee. Subscription Fee. Licensing/Renting/Leasing. Advertising. Commodities. Brokerage fees. Advertising.</p> <p>FIXED PRICING Lump sum. Product feature dependent. Customer segment dependent. Volume dependent.</p> <p>DYNAMIC PRICING Relationship dependent. Field Management. Real-time Market.</p>	

The Business Model Canvas — Alexander Osterwalder & Yves Pigneur, Strategyzer

→ Start Here: Right Side (Customer-Facing)

Customer Segments, Value Proposition, Channels, Relationships, Revenue Streams — these 5 blocks directly drive your marketing strategy.

→ Then: Left Side (Infrastructure)

Key Resources, Activities, Partners, and Cost Structure — the foundation that enables your value proposition to be delivered consistently.

The 9 Building Blocks

Every block explained — with the marketing questions that matter most

Block	Description	Key Marketing Questions
1. Customer Segments	The different groups of people or organisations you aim to reach and serve	Who is our ideal customer? Are there multiple segments? Online vs. offline?
2. Value Proposition	The bundle of products and services that create value for a specific segment	What problem do we solve? What benefit do we deliver? Why choose us?
3. Channels	How you communicate with and reach your customer segments to deliver value	How do customers find us? How do they buy? Which channels work best?
4. Customer Relationships	The types of relationships you establish with each customer segment	How do we interact? Personal? Automated? Community? Loyalty program?
5. Revenue Streams	The way your business generates income from each customer segment	How do we make money? One-time sales, subscriptions, commissions?
6. Key Resources	The most important assets required to make the business model work	What do we need? Physical, intellectual, human, financial assets?
7. Key Activities	The most important things you must do to make the business model work	What activities are critical? Production, marketing, support?
8. Key Partners	The network of suppliers, partners, and allies that help you operate	Who helps us? Suppliers, influencers, platforms, agencies?
9. Cost Structure	All the costs involved in operating the business model	What are our biggest costs? Fixed or variable? Where can we optimise?

HOW TO USE THIS


Check for alignment — does everything fit together logically? Are your costs justified by your revenue streams? Is your Value Proposition truly attractive to your Customer Segments? A gap anywhere here is a marketing problem before it is an advertising problem.

MY NOTES

The Coffee Shop


Same product. Two completely different business models. One builds a brand.

Two cafés on the same street. Same quality coffee. Same price. After two years, one has regulars — the other has a community, multiple revenue streams, and a waitlist. The only difference? Strategic thinking applied through the Canvas.

 **Traditional Thinking**

"We make good coffee."

- Serves whoever walks in
- No digital presence beyond a sign
- Revenue: coffee & pastries only
- Face-to-face interactions only
- No data on who their customers are

 **Digital-Enhanced Thinking**

"We build a premium experience & community."

- Reaches locals, tourists & online coffee lovers
- Instagram + Google Maps + website + delivery
- Revenue: coffee + merch + subscriptions + events
- Loyalty program + social media community
- Customer data drives every decision

FULL BMC COMPARISON

Traditional vs. Digital-Enhanced

BMC Block	Traditional Version	Digital-Enhanced Version
Customer Segments	Local residents & office workers	Local + tourists + online coffee lovers
Value Proposition	Good quality coffee & friendly service	Premium experience + convenience + community
Channels	Physical store only	Store + Instagram + Google Maps + Website + Delivery
Customer Relationships	Face-to-face	Personalised + loyalty program + social community
Revenue Streams	Coffee & pastries sales	Coffee + merchandise + subscription beans + events
Key Resources	Store, equipment, baristas	Store + brand + customer data + online content
Key Activities	Making coffee, serving customers	Coffee making + content creation + digital marketing
Key Partners	Coffee suppliers	Suppliers + delivery platforms + local influencers
Cost Structure	Rent, salaries, ingredients	Rent + salaries + digital ads + content production

MY NOTES

Key Takeaways

What to remember — and your fillable canvas is on the next page

♦ MODULE 1A — CORE LESSONS

- ♦ Marketing exists because customers have choices — it is about earning attention, trust, and preference in a crowded world
- ♦ Attention is the new scarcest resource — competing on product and price alone is no longer enough
- ♦ The Business Model Canvas is your strategic foundation — map it before you invest in any marketing
- ♦ The right side of the Canvas (customer-facing blocks) directly drives your marketing strategy
- ♦ A brilliant campaign cannot save a flawed business model — alignment across the 9 blocks is everything
- ♦ The coffee shop example proves it — same product, same price, completely different outcomes based on strategic thinking

REFLECTION

Questions to Answer for Your Business

- 1 Who exactly is your Customer Segment — and do you have more than one?
- 2 What is your Value Proposition — and why would a customer choose you over an alternative?
- 3 Which of your 9 blocks is currently the weakest or least defined?
- 4 Are your Revenue Streams diverse enough, or are you dependent on a single source?

MY REFLECTIONS & ACTION POINTS

Up Next — Module 1B: The Value Proposition. We go deep on crafting a compelling, clear, differentiated reason for customers to choose you — and the tools to test and refine it.

<p>8 Key Partners #</p>	<p>7 Key Activities []</p>	<p>2 Value Propositions <></p>	<p>4 Customer Relationship: <3</p>	<p>1 Customer Segments ○○</p>
	<p>6 Key Resources ⋮</p>		<p>3 Channels >></p>	

9 Cost Structure -\$

5 Revenue Streams \$+