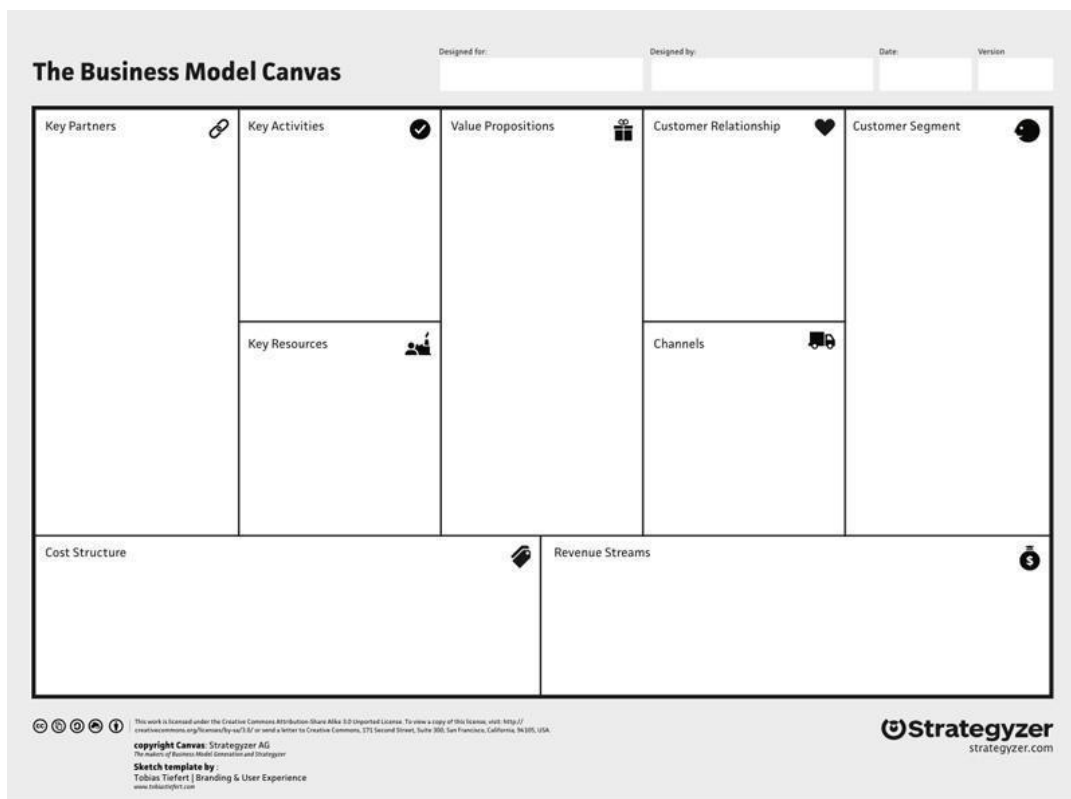


15. Business Model Canvas - explain your projects using the business language

The tool and why it is important in fundraising from SMEs

The Business Model Canvas, developed by [Strategyzer](#), is a strategic management and entrepreneurial tool for developing new or improving existing business models. It is a visual chart consisting of nine building blocks that allow to express an idea in just one page - the canvas. The Business Model Canvas can also be used in planning projects, activities and events.

We chose to include this tool among the fundraising tools, because we consider it useful in planning your projects for which you want to get the SMEs' support. At the same time, planning your projects for young people using the business model canvas helps you in developing and presenting these projects using the business mind and language.



The Business Model Canvas explained

Step 1: Customer/client segments

The first step is to identify what type of clients/beneficiaries your project is targeting. Try to identify all the groups (segments) that your project could reach. Consider also the key resources and partnerships you may need and the key activities you want to develop.

Questions to ask:

For whom are we creating value?

Who are our most important clients?

Step 2: Value propositions

Once you know your clients, then you can appeal to them with a value proposition. This part goes further than just stating your products/services provided through the project, by expressing *why* your product/service is valuable for them.

Questions to ask:

- What value do we deliver to the clients/beneficiaries?
- Which one of our clients' problems are we helping to solve?
- What bundles of products and services are we offering to each client segment?
- Which client needs are we satisfying through our project?

Step 3: Channels

Decide the communication and the distribution channels you are going to use to reach your beneficiaries, within the project, with the products or services you develop for them. Describe how your organization communicates with and reaches your client segments to deliver your value proposition.

Questions to ask:

- Through which channels do our client segments want to be reached?
- Which channels work best? How much do they cost? How can they be integrated into your and your clients' routines?

Step 4: Client relationships

Your client relationships describe the types of relationships your organization establishes with specific client segments (personal assistance, self-Service, automated services, communities, co-creation, etc) within the framework of the project. Connecting with your client base is important in keeping your reputation as a caring organization.

Questions to ask:

- What type of relationship does each of our client 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 project business model?

Step 5: Revenue streams

The revenue streams represent the ways your project generates income. Being a nonprofit, most of your client segments most probably not be able to pay for the services/products you provide. Here is where the SMEs can be involved, in supporting the income of your project so that key activities will happen. Describe how exactly your sponsors will "buy"/support your product/service, in the end the project.

Questions to ask:

- For what value are our supporters/donors really willing to pay?
- What and how do they recently pay? How would they prefer to pay?
- How much does each revenue stream/sponsor should contribute to overall revenues?

Step 6: Key resources

This section describes the most important assets required to make your project business model work. There are four main types of resources: physical, intellectual, human and financial. For each one, think about what your organization uses/what your project needs.

Questions to ask:

What key resources do our value propositions require, to be able to deliver the services/products to our clients?

What resources are most important the most in distribution channels, client relationships, but also in maintaining the relationship with the sponsors that ensure the revenue stream?

Step 7: Key activities

The key activities building block describes the most important things you must do to make the project happen and to deliver the products/services to your clients. Think the most important actions you must undertake to operate successfully.

Questions to ask:

What key activities do our value propositions require?

What activities are the most important in distribution channels, client relationships, but also for maintaining the relationships with the sponsors that ensure your revenue stream?

Step 8: Key partnerships

Describe the network of suppliers and partners that are needed in the implementation of your project. Decide what partnerships your organization should forge.

Questions to ask:

Who are our key partners and suppliers?

Which key resources are we acquiring from partners?

Which key activities do partners perform?

Step 9: Cost structure

In this final step, you need to describe the most important costs incurred while operating your project. Creating and delivering value, maintaining client relationships and generating revenue by maintaining the relationships with the sponsors... all incur costs. Such costs can be calculated relatively easily after defining key resources, key activities, and key partnerships.

Questions to ask:

What are the most important costs inherent in our project?

Which key resources are most expensive?

Which key activities are most expensive?

Finally, you have your project in one-page and ready to be presented to SMEs' owners or decision-makers. Using this canvas your project will be clearer, easier to understand by others, especially business people, and you will be able to answer to any business questions in a professional way!

The tool was described and adapted using the available resources from:

<https://www.strategyzer.com/>.