

What is Business Model Canvas (BMC)?



BMC

It is a visual tool that breaks down how your company creates, delivers, and captures value. Developed by Alexander Osterwalder, it's used by many startups to innovate and pivot.



BMC helps you spot gaps, test ideas, and communicate your vision clearly – perfect for entrepreneurs, managers, and investors.

The Origins of BMC

From Sketch to Global Standard

Created in 2008 by Swiss strategist Alexander Osterwalder as part of his PhD thesis, it was crowdsourced with input from 470 practitioners worldwide. It's now the cornerstone of his book Business Model Generation.

From lean startups to corporate strategy sessions, BMC has revolutionized how we think about business models. It's simple, collaborative, and adaptable – no wonder it's taught in top business schools!



Significance of Business Model Canvas

Simplifies Complex Ideas

Summarizes an entire business model on a single page.

Facilitates Communication

Provides a common visual language for all stakeholders.

Enhances Clarity

Clearly defines value proposition, customers, and operations.

Encourages Strategic Thinking

Helps analyze strengths, weaknesses, and opportunities.

Supports Innovation

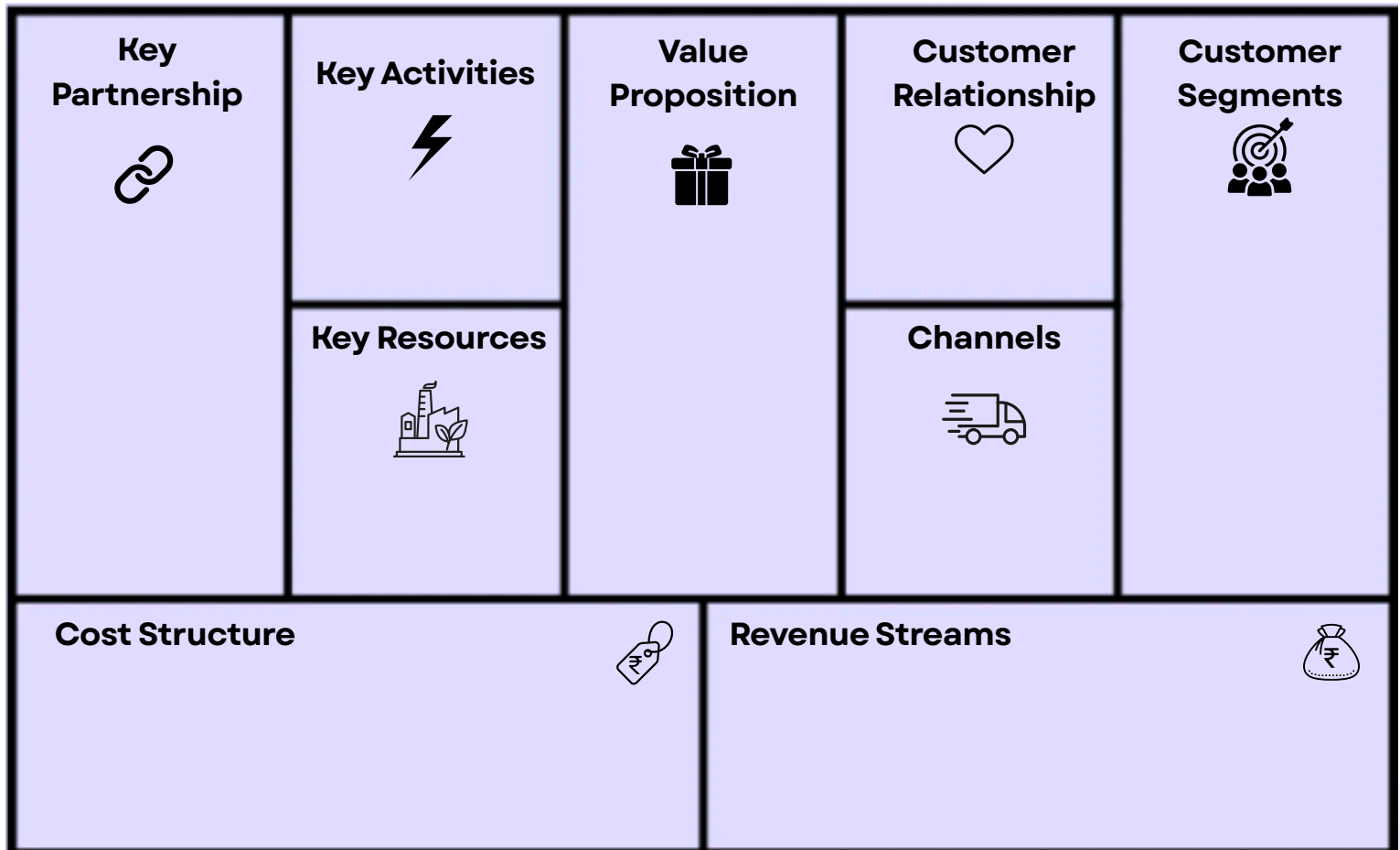
Enables quick adjustments and experimentation.

The 9 Building Blocks

Your business model = 9 connected components



Business Model Canvas



Credit: Strategyzer AG
The make of Business Model Generation and Strategyzer

A strategic blueprint to visualize, design, and innovate business models.

Real-World Examples of BMC

Airbnb:

Customer Segments (travelers & hosts), Value Prop (unique stays), Revenue (fees per booking). They pivoted from air mattresses to a global empire!



MoE's

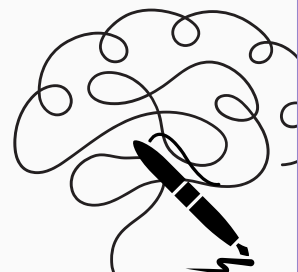
INNOVATION CELL
(GOVERNMENT OF INDIA)

Spotify:

Channels (app/streaming), Customer Relationships (personalized playlists), Cost Structure (royalties). Transformed music from ownership to access.

Flipkart:

Customer Segments (online shoppers), Value Prop (wide selection, convenience, competitive prices), Revenue (product sales, ads). They started with books and scaled up to India's largest e-commerce platform!



How to Create and Use Your Own BMC

Step 1: Gather Your Team

Brainstorm collaboratively – sticky notes work wonders!

Step 2: Fill the Blocks

Start with customers and value, then operations and finances.

Step 3: Iterate & Test

Validate assumptions with real data (e.g., customer interviews).

Step 4: Adapt for Growth:

Use it for pivots, like Netflix from DVDs to streaming.