



REthinking
EDUcation COmpetencies.
Expertise, best practices
and teaching in Digital Era



Erasmus+

Mentorship Sessions Programme

Develop your business idea!

Session 2 - Development of the Business Model Canvas The value proposition

The contents of this publication do not necessarily reflect the position or opinion of the European Commission

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1st mentorship session | ONLINE | 1-2 h

- Explanation of RE-EDUCO training process
- BMC introduction
- Explanation and determination of sectors
- Brainstorming (homework)

2nd mentorship session a/ development of the Business Model Canvas | The value proposition | ONLINE | 1-2 h

- Problems
- Solutions
- Unique value proposition

3rd mentorship session a/ development of the Business Model Canvas | The Business | ONLINE | 1-2 h

- Key Resources & Key Activities
- Key partnerships
- Cost structure

4th mentorship session a/ development of the Business Model Canvas | The Customer | ONLINE | 1-2 h

- Customer segments
- Customer relationships
- Channels
- Revenue streams





Contents of the session

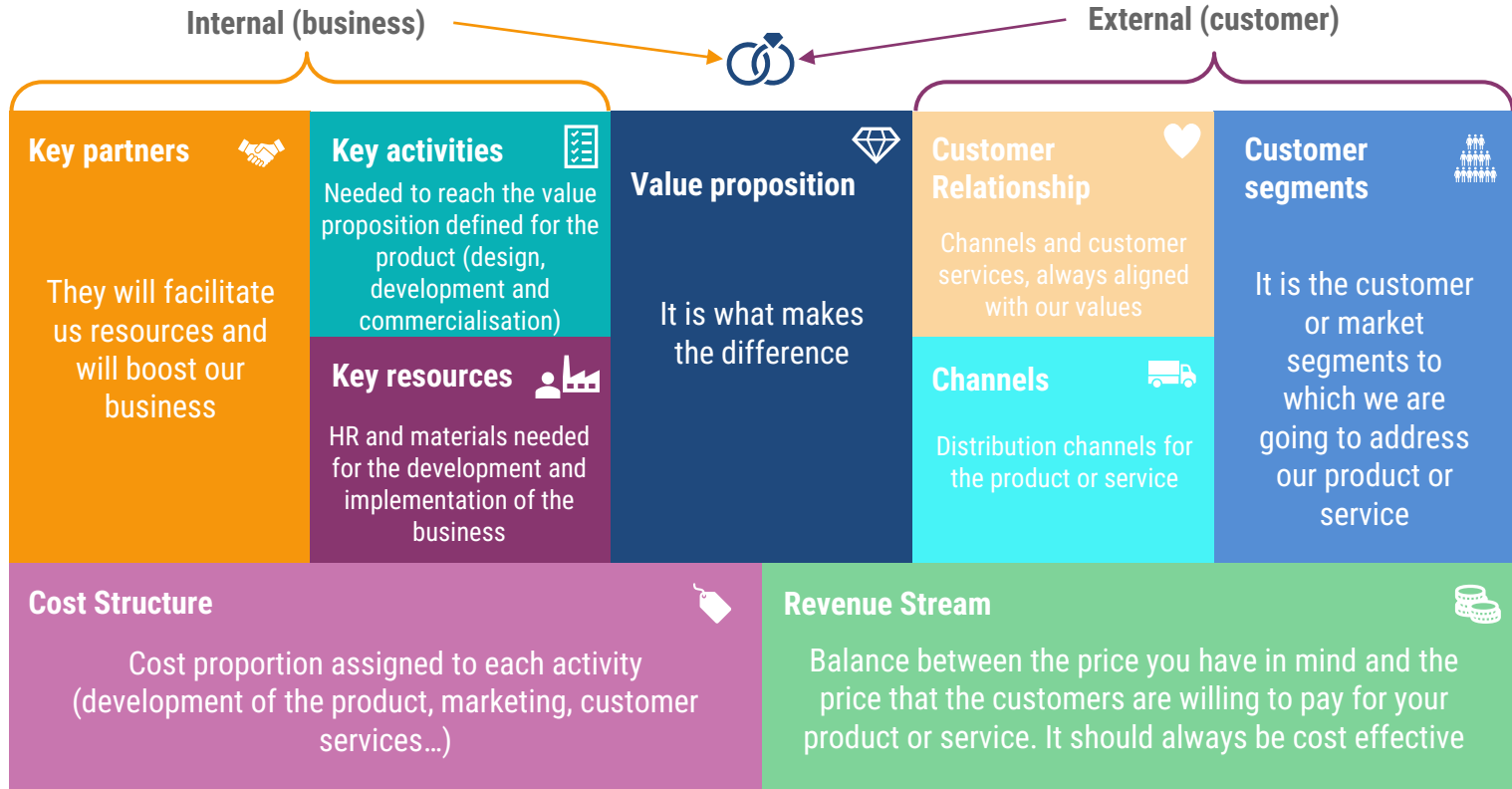
1. Brief recap
2. Introduction
3. **The Problem:** define the challenge that you will address
4. **The Solution:** ideate the solution for the challenge
5. **The value proposition:** show us your idea!



1. Brief recap - The Business Model Canvas

- The Business Model Canvas (BMC) is a strategic management tool to quickly and easily define and communicate a business idea or concept. It is a one page document which works through the fundamental elements of a business or product, structuring an idea in a coherent way
- It is a very useful tool for new business models, to develop differentiated value propositions in the market and also for existent business models that want to improve their differentiation, strengthen their competitive advantages or identify new business opportunities
- It gives a global view of the business. It is **visual, direct and easy to share** in order to tag ideas and thoughts in order to find new ways or solutions to existent challenges
- We use the BMC to:
 - Quickly draw a picture of what the idea entails
 - It allows us to get an understanding of the business and to go through the process of making connections between what the idea is and how to make it into a business
 - Takes into account what kind of customer decisions will influence the use of the final service or product
 - It allows everyone to get a clear idea of what the business will likely be

1. Brief Recap - The Business Model Canvas



2. Introduction: What are we going to see today?



3. The Problem: define the challenge that you will address

What problem or problems does your solution solve?

Clearly express what the problems are, and how your solution addresses them.

- Insert the text here



What problem related to the chosen sector you may have in your family, school, community?



3. The Tool: Design Thinking

- How are you going to create, deliver and capture market value?
- **Design Thinking** will help you in creative problem solving and helps you to focus on the people you are creating for (customer centered). This leads to **better products, services, and internal processes**
- **First question that you have to answer:** What's the human need behind the problem?
- Design thinking can help to:
 - Better understand the unmet needs of the people you're creating for (customers, clients, students, users...)
 - Reduce the risk associated with launching new ideas, products, and services
 - Generate solutions that are revolutionary and not just incremental
 - Learn and iterate faster
- **Not linear process!!**
- **Mixes analytical and intuitive thinking:** It involves enough viability to enable to move the knowledge forward and keep up with the changing needs of the users and enough reliability for corporate minds as well. In other words it takes the the invention of the future from intuitive thinking and some parts of the inductive and the deductive reasoning from the analytical thinking



3. The Tool: Design Thinking

Analytical thinkers



Hold and refine the knowledge that they already know at the current stage

Don't like the mystery stage: automatize processes, predict the results, calculate and be sure that everything will go according to plan

Apply inductive reasoning (proving what is already known) and deductive logic (proving what should happen)

Analyze the past experiences to predict the future
Magic word: reliability

Business people are said to be more analytical thinkers

Design Thinking

Intuitive thinkers



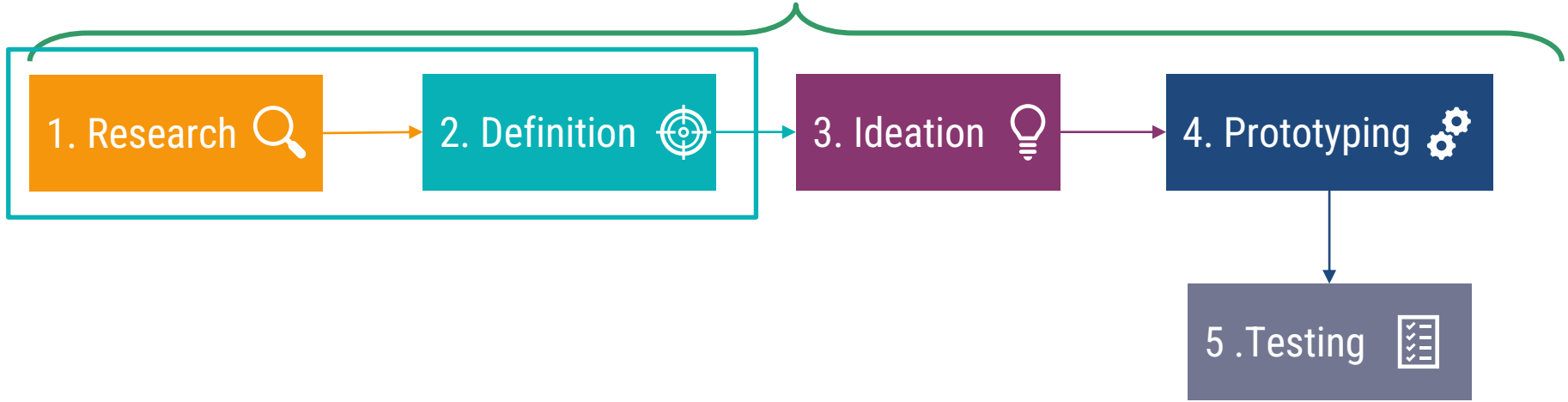
Tend to see things differently
More sensible and they are happy in the mystery stage
Concerned with how things ought to be
Happy to explore new areas, and the possible solutions of the problems are based on their feelings without any reasoning
Magic word: validity (if you do something, it produces the results that you want)

Designers are said to be intuitive thinkers



4. The Tool: Design Thinking

Existent Challenge: THE PROBLEM



3. The Tool: Design Thinking

1. Research

EMPATHY

- Design Thinking is user centric
- **Understand what is the real problem for our target audience: people**
- Our solution should **add a significant value**
- **IMPORTANT!!** You should clearly define your **target audience** in order to begin the process
- In order to understand our target audience, we should first understand their **environment and the players** that interact with them, their **daily reality**

COLLECT INFORMATION!!!

Tools:

- **Interviews:** ask them what they need
- **Shadowing:** observe them for a better understanding
- **Focus groups:** group interview
- **Benchmark:** take a look at what your competitors are developing and offering
- **Google is your friend:** on the internet there's a huge range of interesting articles and lots of information! But do not forget to verify the veracity of the articles



3. The Tool: Design Thinking

1. Research

Example: A HOTEL

- There's a company that wants to launch a new hotel brand
- What does the company want: to create a hotel that offers a differentiated experience that fosters a lasting long relationship with the customers (loyalty)
- Challenge: **What can we do to make our guests to feel like home?**

1. RESEARCH – some simple ways to implement the strategy

- **Interviews & focus groups:** Ask yourself, your friends, family and random people about their experiences in hotels
- **Shadowing:** remember your previous experiences in hotels, try to understand what did you miss
- **Benchmark:** study other hotels, see on their webpages their services, if you have traveled recently write down your experience and what was offered to you
- **Google:** view the opinions of people and recommendations on Google reviews, visit forums, etc.

3. The Tool: Design Thinking

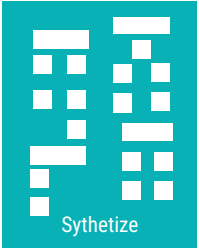
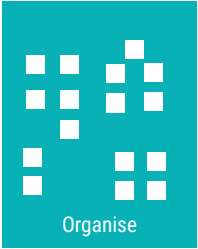
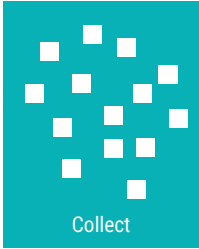
2. Design

DEFINE THE PROBLEM

- It comes from the empathy phase
- Organise all the information that you have collected, it will be easy for you in order to give a solution
- Define a sentence that reflects the **desire or necessity of the user** (pains and gains)
- **Identify why the user needs it** (insight) → **OPPORTUNITIES**
- Take into account that your problem shouldn't be neither too big (you won't be able to give a solution) nor too specific (your solution won't add a significant value)
- Ask questions: Which is the problem? The information that I have is valuable? Why are these problems important?

Tools: CLUSTERS

- Set common criteria to the different necessities
- Use post-its to write down the necessities
- Group all the post-its according to the criteria
- Write a sentence that synthetize the necessity. It should be short, direct and reflect in a self-explicative way the problem



REDEFINE THE CHALLENGE

3. The Tool: Design Thinking

2. Design



Example: A HOTEL

You have all the information that you needed so...

2. DESIGN – some insights

After the information clustering, we have reach the following sentences:

1. **Home is when you feel your family is close to you**
2. Being able to follow my regular routine and to keep my daily habits is enough to make me feel like home
3. Home for me is having fun and feeling comfortable

We have now **3 opportunities** to help our customers to feel like home! But we choose the most valuable one and the one that better meets our philosophy: **Home is when you feel your family close to you**

We redefine our challenge: **What could we do in order to make our customers feel like family is close to them?**



4. The solution: ideate the solution for the challenge

Describe your solution. What does your product or service do?

- Insert the text here

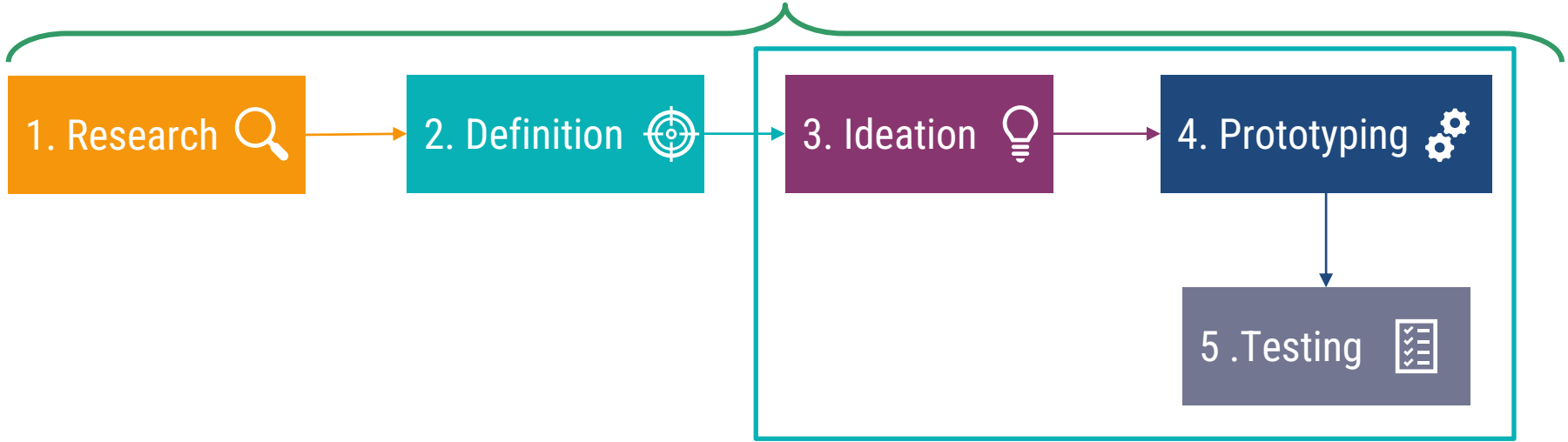


You can use images to illustrate your description



4. The Tool: Design Thinking

Once redefined the challenge: THE SOLUTION



4. The Tool: Design Thinking

3. Ideation

- We have defined our challenge (problem), so we need a **solution**
- This process will lead you to specific solutions for your specific challenge → **Creative challenge**
- Formulate your idea in a **positive way**: “How could we make our customers feel like home?” instead that “How could we make our customers not feel lonely?”
- The ideas should, on one hand, answer to the **challenge** and on the other hand, give an answer that adds a significant value when compared with existent solutions
- Define a **facilitator**, they will guide you!

THINK OUT OF THE BOX!!!

CREATIVITY

Tools - Brainstorming

- **Focus**: put your challenge and people in the center
- **Have fun!**: brainstorming should be funny and participative
- **Use post-its**: write down all the ideas and stick them together.
- **Number the ideas**: it creates a structure
- **If you get stuck, jump!**: do not let a topic block your creativity, jump to a new one
- If you want to generate confidence, **start with an ice-breaking activity**
- **Make it tangible**: if you can draw it, do it! It will help you to be more realistic
- Don't forget your **challenge**: why are you generating solutions?

Remember: the better the more ideas, have fun, launch your craziest ideas, be visual, do not judge the others, create a single conversation



4. The Tool: Design Thinking

3. Ideation

Example: A HOTEL

The challenge: What could we do in order to make our customers feel like family is close to them?

3. IDEATE – BRAINSTORMING

After the brainstorming, you have chosen the following idea:

1. Welcome pack that you will give to your guest when they arrive at the hotel
2. The welcome pack is full of things that **the family of your guest** have chosen



4. The Tool: Design Thinking

4. Prototyping

MAKE IT TANGIBLE

- We have to choose the best idea from the previous phase
- Basic prototyping, the final solution doesn't need to include all the final functionalities
- Fail soon, hit fast!
- Does your idea connect with the necessities of the users?
- Filter the ideas: evaluate the added-value for the user, easiness to be implemented and business impact

DRAW IT AND MAKE IT TANGIBLE!!

Tools

- **Role playing:** represent the situation in which your solution will work
- **Drawing:** draw your solution or make a diagram explaining how it works
- **Storyboard:** make a diagram explaining the interaction of the user with your solution. Like a comic!
- **Brochure:** it includes the information of your solution, diagrams and also a commercial speech
- **Screenshots:** if you have draw your prototype with a pen, just take a picture!



4. The Tool: Design Thinking

4. Prototyping

Example: A HOTEL

Now, we define our welcome pack!

4. PROTOTYPING – FILTER YOUR IDEAS

- The hotel staff will contact the family of the guest and the family or a relative will decide what to include in the welcome pack
- The hotel staff will buy the items or the relative will be the one who sends them
- The welcome pack could be a box with material items, but also other ideas (i.e., a letter)
- The welcome pack will be in the hotel room when the guest arrives
- Maximum budget for the welcome pack



4. The Tool: Design Thinking

5. Testing

DOES IT WORK?



- How does our solution add value to our users?
- Define which parts you are going to show and to validate
- We present our solution to **get feedback** (do it now with your teacher, colleagues and mentor to see if it is viable)
- You are not selling your solution
- Remember... the user is in the center!
- Your solution should be coherent and should link the user and their necessities
- Forget your ego!

Tools – Just listen!

- **Write down all the feedback:** and collect every comment that could help you
- **Read carefully all the opinions:** do it together with your team
- **Generate debate:** with your team, listen to all the feedback, opinions, constructive criticism, forget your ego and do not judge the others
- **Iterate:** ask yourself to which phases of the process should you come back and repeat. The failure is your opportunity to improve!

LISTEN TO EVERYTHING THAT COULD HELP YOU!



4. The Tool: Design Thinking

5. Testing

Example: A HOTEL

We have our welcome pack clearly defined, but... will it work?

5. TESTING – ASK QUESTIONS

You should ask some questions to yourself:

- Does the solution add a significant value to our user?
- Is the solution cost effective for our hotel?
- Is the logistics feasible?
- How could we improve the initial idea?



4. The Tool: Design Thinking

Do's

Focus on the user necessities and desires
(pains and gains)

Try to find an answer that adds a significant
value TO THE USER

Be creative

Be daring!

Be open

Iterate and learn from failure

Design Thinking

Don't's

Impose your personal opinions and thoughts
about the viability of the idea (user centered,
remember)

Judge your team

Underestimate your ideas

Forget the users

Get frustrated with failure



A recap?

Watch this video!



5. The value proposition: show us your idea!

What is unique or special about your solution?

Why is it different from similar or existing solutions? How will you make it stand out?

- Insert the text here



5. The value proposition: show us your idea!

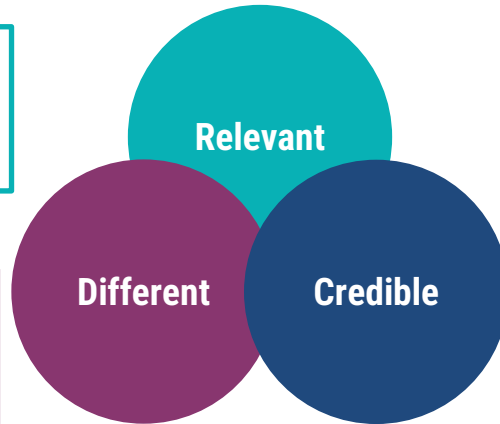
Value proposition

To convince the public it is essential that they understand why they should pay attention. And for this, nothing better than a good value proposition

Explain how your proposition solves the customer / user problems and improves their situation

Explain clearly the benefits

Explain to your target audience why they should choose you instead of your competitors



5. The value proposition: show us your idea!

Do you need some help?

- List the necessities you have found
- Rank your necessities in basic, performance, superfluous or enjoyment
- Give an specific score to each necessity (minimum and maximum)
- Find around 3 direct competitors
- Evaluate your proposal against the competitors
- Understand the conclusions!
- Explain to your audience why they should choose you!



5. The value proposition: show us your idea!

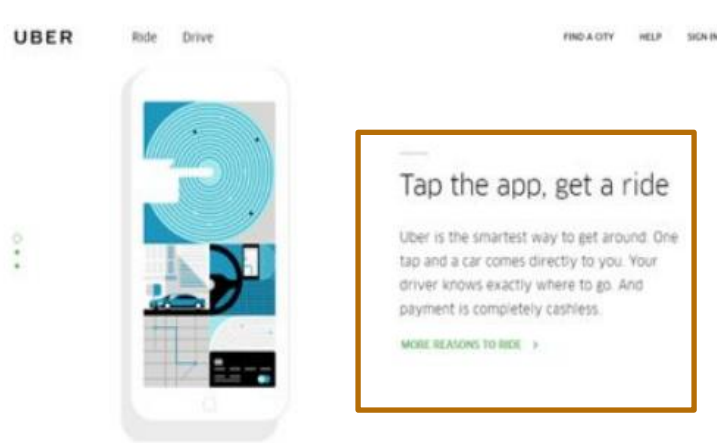
Do you need some Help?

Necessities	Competitor 1	Competitor 2	Competitor 3	Me
Basic 1	Yes	Yes	No	Yes
Basic 2	No	Yes	Yes	Yes
Performance 1	3	4	2	5
Performance 2	4	4	1	4
Performance 3	5	2	3	3
Enjoyment 1	Yes	No	No	Yes
Enjoyment 2	No	Yes	No	No

5. The value proposition: show us your idea!

Some examples

UBER



unbounce



5. Now it's your turn!

Now, you are going to work in groups

You have a template to fill with the contents learned in this session!

Your teachers will be with you and the mentors will assist you too (virtually)!



LET'S START!!



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Session 2 - Development of the Business Model Canvas
The value proposition

Thank you very much!

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