

# Developing a Social Business Model Canvas

The Social Business Model Canvas is a framework based on one originally developed by **Alex Osterwalder** and **Yves Pigneur**. This version has been adapted by Bernard Ross at **=mc consulting** to make it useful for anyone keen to plot how their social business works- in fundraising, in service delivery, or running social enterprises.

The canvas framework provides an integrated process for establishing how attractive and useful your Value Proposition is. The power comes from the 'fit' between the customer (or supporter) and your offering: does your monthly giving offering enable the donor to feel they are tackling child poverty, does the reproductive rights clinic's services match the needs of young women, does the theatre's outreach programme help teachers to deliver better lessons for children?

The canvas also helps you map out the elements you need to develop a new Value Proposition or to identify how to improve a current one. There are two sides: the left addresses the **Offering** elements and the right addresses the **Market** components. In the middle is where the **Value Proposition** is formed. Underneath are ways of exploring the cost and income base which allow you to assess if your business model is sustainable.

# Nine Key Elements

The canvas consists of nine interlinked elements

## Key Partners

Individuals or agencies, normally external, who contribute. These can be suppliers, affiliates, vendors, or even consultants. You may explore here what **resources/services** you get from these partners and how they add value.

## Value Proposition

At the heart of the canvas is the Value Proposition. This describes the actual and perceived value you deliver to your customer and the challenge you're solving for them or the need you're meeting. Elements can include ease, gift level, cost, values, achievement etc.

## Customer Segments

Here you should describe the key clusters of customers you engage with. What are their needs? Who directly benefits from the value you create, and how do they relate to the Value Proposition?

## Key Activities

Those actions that directly or indirectly contribute to delivering the Value Proposition. They can include elements of the Value Proposition, but how they enable distribution channels, maintain quality, sustain customer relationships, or drive revenue streams.

## Customer Relationships

This covers the type of relationship with customers, donors, users, or beneficiaries. For example, the level of personal attention, stewardship, community identity, co-creation etc. You can also describe the relationship frequency: **one-off** or **regular**.

## Cost

This section lays out the most important costs — **direct** and **indirect** — in your business model. These are normally associated with the key resources you need and the key activities your deliver.

## Key Resources

The resources that contribute to the value proposition, channels, relationships and revenue. These resources may be **tangible** or **intangible**, so they might include intellectual property, brand, hardware, software, finance, facilities and people.

## Distribution Channels

How you reach your customers: online, face to face, peer to peer, direct mail etc. You may have multiple channels- and different channels for acquisition and maintenance. And indeed different channels for different customers.

## Revenues

This covers the ways in which you receive donations or make money. This may depend how much customers are willing to pay for the level of value you deliver? Consider how they would like to pay: a one off gift, a subscription, a bequest?

# Sequence for developing a strategy canvas

You can begin the creating the canvas in any of the nine elements

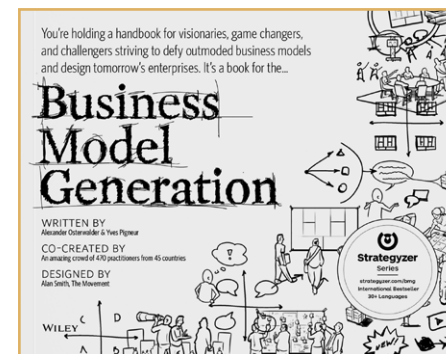
Almost like a jigsaw you can build out, e.g. you have a supermarket chain who wants to be a partner. Ask yourself, how can you build a value proposition to their customers as donors? Or you want to reach HNWI prospects: what is a good channel to reach them? Or you have skilled cancer advice team: should their offering be delivered face to face, online or by phone? What would best meet the needs of those in need of cancer advice?

However, a common sequence would be:

1. Define customer segments and their needs
2. Match Value Proposition from your offering
3. Clarify the customer relationships
4. Identify the appropriate channels
5. List and order main activities
6. Establish key resources
7. Recruit appropriate partners
8. Map revenue streams
9. Capture cost structure

## Want to know more?

There are also two books which go further into the models:



On the next page is our version of the **Pro-Social Business Model Canvas**. See the questions contained in each element. They should help you frame the content.

# Creating your pro-social value proposition

Combine your **Value Map** and **Customer Profile** to create your **Value Proposition**

## Value Map

Which of these helps your customer to 'do' a functional, social or emotional job?



### Offerings

Who offerings is your value proposition is built around?  
Which of these help your customer do a function, social, and emotional job, and satisfies basic needs?



### Gain Creators

How do your offerings create customer gains?  
Deliver solutions that your customer wants or needs?  
Do the gains fulfil a dream or ambition for them and those they love?



### Pain Relievers

How do your offerings alleviate customer pains? Include: functional use, social gains, positive emotions, higher impact, and cost savings.  
Eliminate or reduce anxiety or unwelcome costs?  
Mitigate risks or common concerns they experience common concerns?  
Reduce or eliminate barriers to adopting solution?



## Customer Profile

Customers include supporters, donors, funders and users.



### Customer Job

What's the social/functional/emotional job your customer wants to succeed at?



### Gains

Which benefits does the customer want? Include: effectiveness, social gains, emotions and cost savings.  
Which savings would make your customer happy?  
What outcomes does your customer expect?  
How to current solutions delight customers?



### Pains

Which negative emotions/experiences does the customer not want? Include as above.  
Which costs make your customer unhappy? What outcomes/failures does your customer dread? What barriers are there to adopting new solutions? How are current solutions underperforming?

# Value Proposition

At the heart of the strategy canvas sits the Value Proposition.

This forms the link between your offerings (products and services) and jobs (issues or needs) your customers are trying to solve in their work or personal lives. So the value consists exclusively in the benefit your offerings deliver for customers.

Think of these issues as having three dimensions, with complements on the product/service side:

## Jobs

The tasks they help achieve and needs they meet. These jobs can have a functional, social or emotional intent. Your **offering** should match these intents.

## Gains

These are the benefits, payoffs or advantages that customers are seeking. Your offerings should provide a **gain creator**.

## Pains

These are the discomforts, difficulties or potential losses customers want to avoid. Your offerings should provide a **pain reliever**.

Where the three dimensions meet should be a fit- a match.

The following page contains our diagram for **Creating your pro-social value proposition**.

# Pro-Social Business Model Canvas

Designing your business for good



\* We use the word 'customers' to include supporters, donors, funders and service users

# Want to know more?

=mc consulting has extensive helping pro-social agencies- charities, INGOs, NGOs, CSOs and public bodies develop their business models canvases or their Value Propositions. Among our customers are **South Downs National Park, British Red Cross, International Development Law Organization, MSF, and UNICEF International.**

For more information on the **Business Model Canvas** or the **Social Value Proposition** contact:

**Bernard Ross**

Director

=mc consulting

**+44 7976 280314**

**[bernardross@mc.consulting](mailto:bernardross@mc.consulting)**