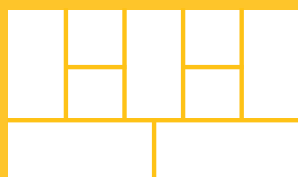# The Business Model Canvas

Why and how organizations around the world adopt it. A field report from:

Strategyzer

We're just
getting started

The roots of the Business Model Canvas lie in a PhD dissertation that started in 2000 *(see p. 46 for a Business Model Canvas Reminder)*. Today its success goes far beyond our wildest imagination. Organizations around the world are adopting the Canvas.

The research outlined in this report shows why the Business Model Canvas is so popular and how organizations apply it. We are excited to share this knowledge with you and highlight some best practices.

Yet, the Business Model Canvas is just the beginning. Strategyzer aspires to create a whole new generation of business tools that change the way organizations do strategy and innovation. Accompany us on this exciting journey of transformation.

— Alexander Osterwalder and Yves Pigneur

2000–2004
PhD Business Model Ontology

2007
Creation of Business Model Canvas

2008
First Business Model Workshops

2009
Business Model Generation published

2010
Strategyzer founded

2011
Strategyzer iPad app launched
+
Creation of Value Proposition Canvas

2012
Strategyzer Web app launched

2013
Business Design Summit
+
Trainer Certification launched

2014
Online Course launched
+
Value Proposition Design published

2015
First Strategyzer Peer Learning Summit

Contents

How to use
this little booklet

Use this booklet to get a bird's eye view into Business Model Canvas adoption, uses, and experiences. Understand why people from organizations like Nestlé, SAP, and MasterCard adopted the Business Model Canvas.

Get inspired about how to use the Canvas in your organization and find new and better ways to apply it.

Steal information from this booklet to "sell" the Canvas in your organization. Use our stories and lessons learned directly from first movers and corporate champions.

—

The content of this booklet combines in-house data with over a year of research. We surveyed over 1,300 Canvas users and conducted 35 interviews with individuals in FT Global 500/Fortune 500 corporations, consultants, entrepreneurs, and academics. Sectors covered telecommunications, health care, industrial products, IT, finance, consulting, and more.

The Numbers

5,000,000+ downloads of the Business Model Canvas

≈1,000,000 *Business Model Generation* books sold

2,000+ people trained in Strategyzer's Business Model Canvas Workshops + Masterclasses around the world

2,000 online courses owned

250+ universities in the USA have adopted the book for at least one course

30+ translations of the book and the Canvas

30+ certified trainers

A Global Movement

Across Europe and America we have many early adopters of the Canvas. The influence of the Canvas continues to grow in these regions. Canvas use in Brazil is taking off, where we have the second largest number of website hits! Colombia and Argentina have been growing rapidly in South America, as is use in Asia, particularly, Japan, Indonesia, and China.

The Who Is Who Of Business Model Canvas Users

Business Model Canvas adopters include a wide range of Fortune 500 and FT Global 500 companies, as well as other leading global organizations around the world. They use the Canvas in incredibly diverse ways. Applications span from strategic reorientation and building entirely new businesses at the corporate level, all the way to better understanding of B2B clients and on-boarding senior executives and new employees.

3M ACT® AMGEN ANZ BOSCH

Capgemini CARVAJAL Coca-Cola COLGATE-PALMOLIVE

CREDIT SUISSE EMBRAER endeavor ERICSSON

FUJITSU GE hp IBM ING INNOVASJON NORGE

intel KLM LEGO Lufthansa Technik MasterCard Medtronic

MICHELIN Microsoft Nestlé Nokia Siemens Networks P&G

Panasonic PHILIPS Queensland Government sanofi SAP SCHOTT

SIEMENS SWIFT syngenta TEIJIN Telefónica

TOYOTA Unilever Universal Forest Products VW WESTERN UNION

A Language for Strategy and Innovation

How the Business Model Canvas Creates Value for its Users

We asked survey respondents to highlight how the Business Model Canvas creates value for them. The main contributions lie in providing a shared language, leading to better strategic conversations and better ideas on the table.
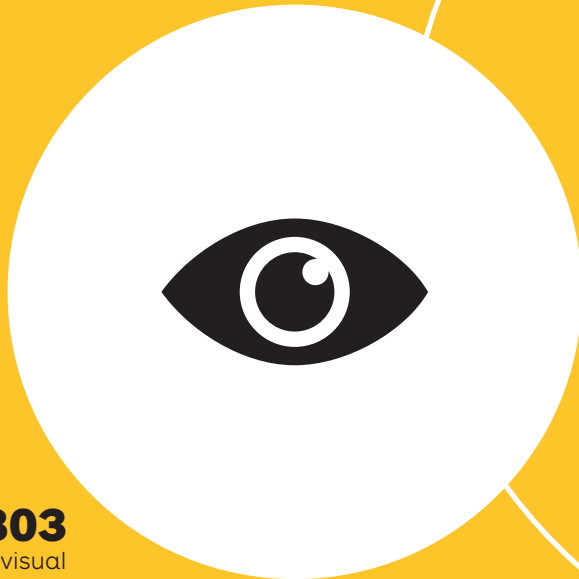
	1 None	**2** Small	**3** Good	**4** Major
Contribution:				

Better conversations on strategy — **3.52**

Creating a shared language — **3.5**

Better ideas put on the table/ better brainstorming — **3.42**

Better teamwork — **3.19**

Structured, practical outcomes to implement — **3.16**

Better collaboration across disciplines — **3.01**

Better collaboration across geographical boundaries — **2.49**

Seduction of the Canvas
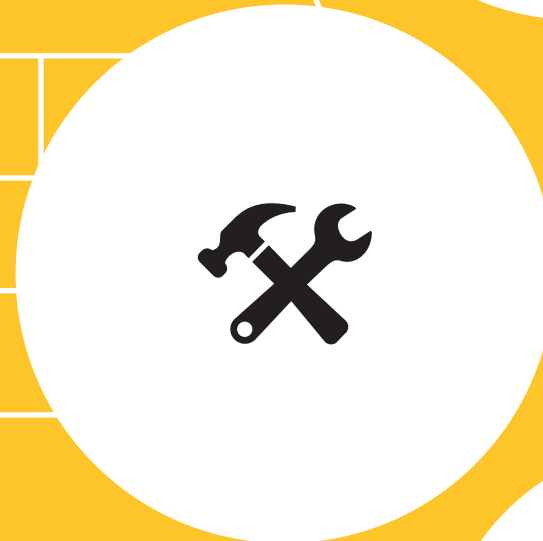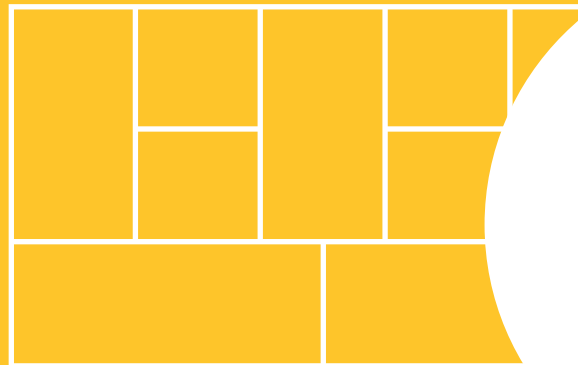
Why Users Decide to Adopt the Canvas

Canvas users appreciate the visual, practical, and intuitive aspects of the Business Model Canvas most, leading to better group discussions. We learned that the Canvas is particularly valued in cross-functional teams and especially among users in non-business functions (IT, engineers, scientists, etc.).

750
...facilitates group discussion

1,500
respondents adopted the Canvas because it...

198
...is affordable

803
...is a visual tool

719
...has a practical, simple user interface

228
...was recommended/ has good reviews

667
...is intuitive

The Voice of the User

*Users see value in the Canvas for a myriad of reasons.
A Few Direct Quotes...*

Finding out how we ourselves could be disrupted.

The Canvas has helped me to describe many ideas that — without it — would be very difficult to do.

Managers have sometimes forgotten to gamble with ideas... BMG helps me to reduce this problem!

It made sense!

Great way of clarifying ideas and challenging assumptions.

Simplicity; even my mother could understand it.

The book has had a major influence on how we discuss the strategic side of business today.

Helps business leaders quickly see their business on one page.

Better communication to decision makers. It clarifies complexity.
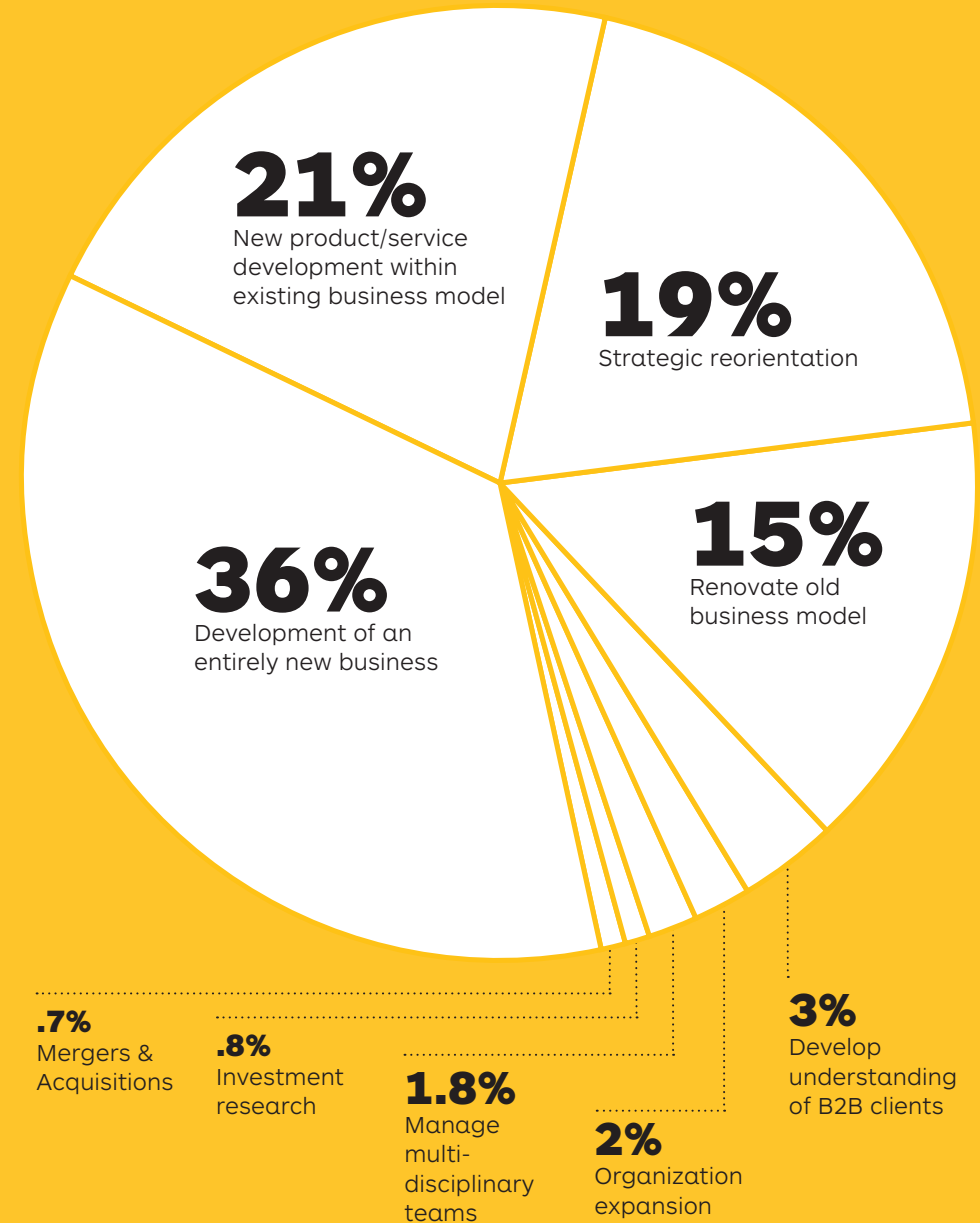
The application of Design Thinking is a superior way of strategizing.

Putting the Canvas to Work

Users put the Canvas to work in very different areas of their organizations. The majority of our surveyed users apply the Business Model Canvas to develop entirely new businesses, launch new products and services, or revamp their existing business model and strategy.

Our survey research highlighted some of the most common ways that organizations use it.

Reasons for using the Canvas

21%
New product/service development within existing business model

19%
Strategic reorientation

36%
Development of an entirely new business

15%
Renovate old business model

.7%
Mergers & Acquisitions

.8%
Investment research

1.8%
Manage multi-disciplinary teams

2%
Organization expansion
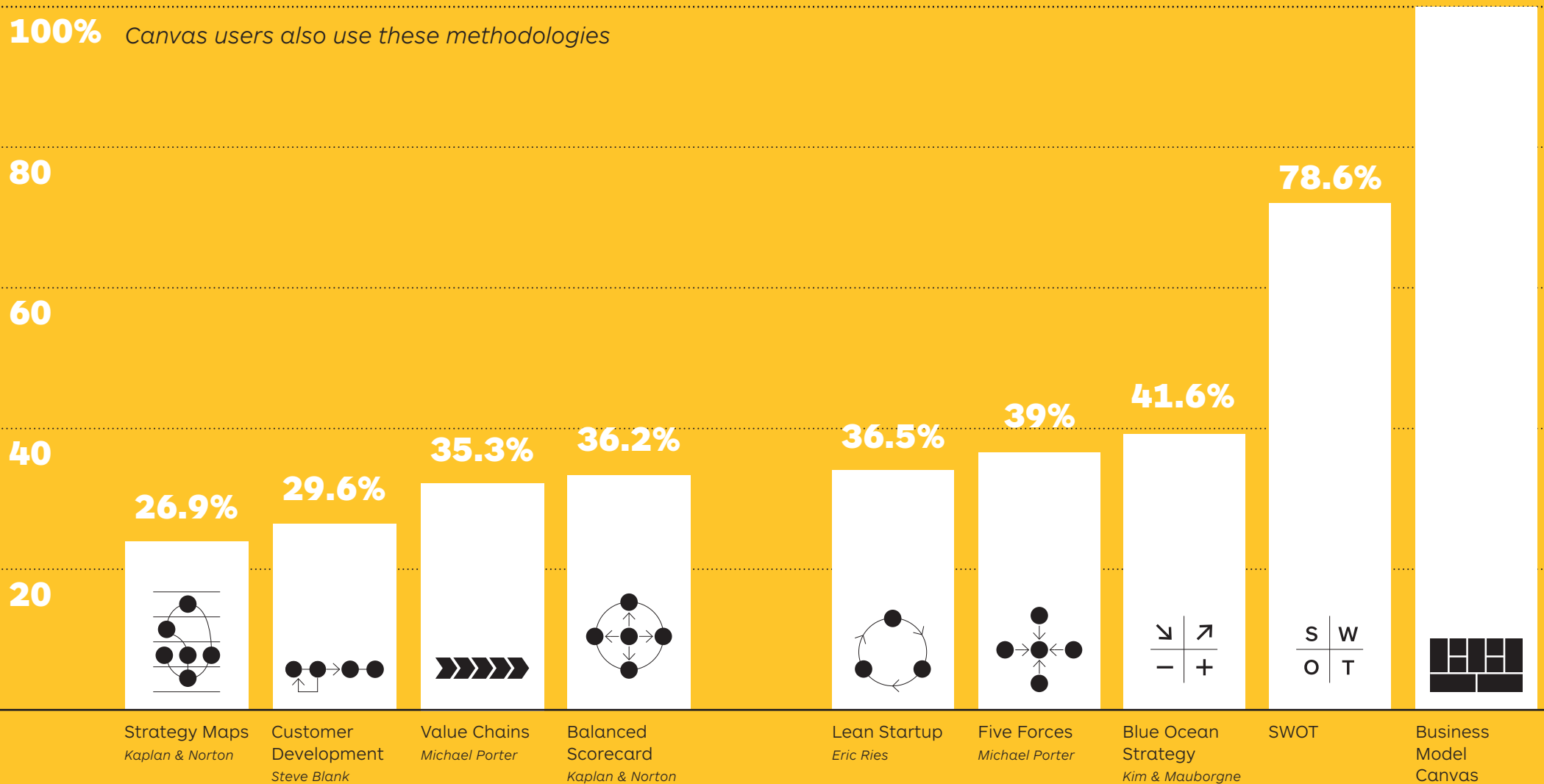
3%
Develop understanding of B2B clients

The Tools of Strategy and Innovation

An overwhelming majority answered SWOT, when we asked Canvas users what other methods they worked with. Other new methodologies, like Lean Startup and Customer Development are attractive to Canvas users, besides established methods, like Blue Ocean Strategy, Five Forces, Value Chain, or Balanced Scorecard.
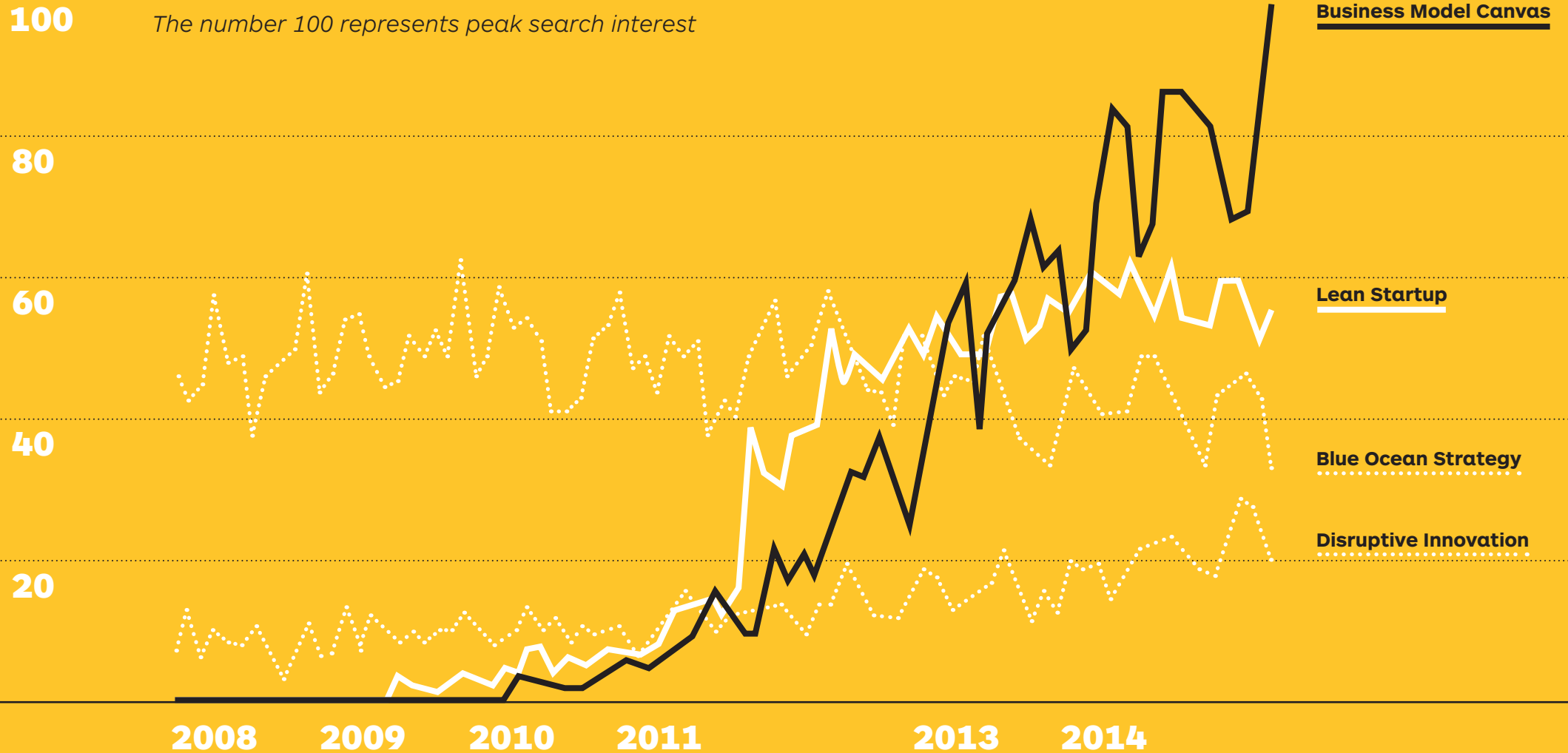
SWOT remains one of the most popular tools, while the Canvas is slowly and steadily rising in popularity as it becomes increasingly widely known. The Canvas method works well with other popular frameworks like SWOT, Blue Ocean Strategy, and Five Forces. Indeed, over half of Canvas users combine the Canvas with other methods.
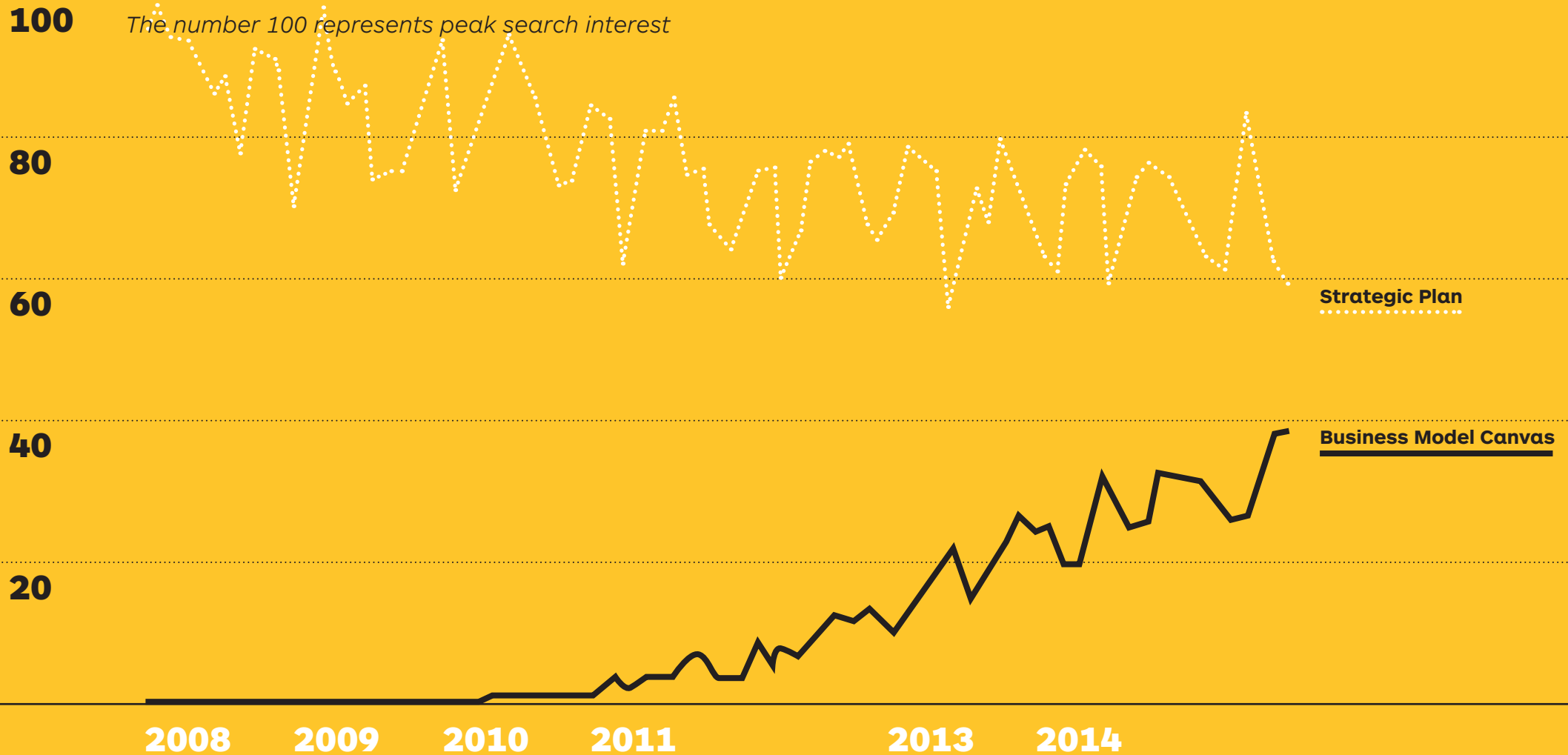
Canvas users also use these methodologies

100%

80

60

40

20

| 26.9% | 29.6% | 35.3% | 36.2% | 36.5% | 39% | 41.6% | 78.6% | 100% |

Strategy Maps
Kaplan & Norton

Customer Development
Steve Blank

Value Chains
Michael Porter

Balanced Scorecard
Kaplan & Norton

Lean Startup
Eric Ries

Five Forces
Michael Porter

Blue Ocean Strategy
Kim & Mauborgne

SWOT

Business Model Canvas

On the Rise

A Google Trend analysis shows that the Business Model Canvas is trending upwards together with the Lean Startup.

100   *The number 100 represents peak search interest*   **Business Model Canvas**

80

60   **Lean Startup**

40   **Blue Ocean Strategy**

       Disruptive Innovation

20

2008   **2009**   **2010**   **2011**   **2013**   **2014**

Disrupting the Strategic Plan

An increasing number of users apply the Business Model Canvas to describe current and future strategy. A Google Trend analysis shows how the traditional strategic plan is losing popularity, while the Canvas is gaining popularity. The latter was coined in 2009, while the former has a much longer track record.

100 *The number 100 represents peak search interest*

80

60 Strategic Plan

40 Business Model Canvas

20

2008   2009   2010   2011   2013   2014

Teaching the Canvas globally

Top ranked business schools around the world are adopting the Business Model Canvas in their class rooms. Students are learning how to apply the Canvas in strategy and innovation in leading MBA and Executive programs, and they are bringing this cutting-edge knowledge back to their organizations.

"

As I look back over a long personal involvement with innovation, I can point to few conceptual advances that have had as big an impact on how we teach as has the Business Model Canvas.

— Bill Fischer, IMD

The business tool that revolutionized how to think about new ventures.

— Steve Blank, Stanford

The Business Model Canvas puts the thought process of successful serial entrepreneurs within the grasp of the rest of us — it has completely transformed how we teach planning for new businesses.

— **Rita Gunther McGrath, Columbia**

The Business Model Canvas is now taught to every fulltime MBA student at our school. It has become the standard for describing and designing business models.

— Henry Chesbrough, Berkeley

Berkeley
UNIVERSITY OF CALIFORNIA

Columbia
Business
School

HARVARD
BUSINESS SCHOOL

IESE
UNIVERSITY OF NAVARRA

IMD
REAL WORLD. REAL LEARNING.

NORTHWESTERN
UNIVERSITY

NUS
National University
of Singapore

STANFORD
UNIVERSITY

TECNOLÓGICO
DE MONTERREY

University of St.Gallen

Wharton
UNIVERSITY of PENNSYLVANIA

Lessons Learned

Adoption

Though people see very practical and immediate value in adopting the Canvas, spreading it inside a large organization is no easy task. During our research we observed a couple of shared best practices in organizations that successfully adopted the Canvas for various different objectives.

Find Champion Users

Successful adopters all have one or more champion users. They make sure that the systematic use of the Canvas doesn't fall off the corporate agenda.

Action → ID passionate Canvas users who continuously push the use of the method and help others understand the basics.

Get C-level Sponsorship

Champion users often remain isolated if they lack a sponsor at the C-level or executive board level. Serious commitment and buy-in are indispensible for adoption of the Canvas.

Action → ID C-level executives who understand the value of practical methodologies and are open to new approaches.

Showcase Success

In many organizations there are teams that already successfully use the Canvas. Showcase their results to demonstrate what is possible. If this doesn't exist yet, start with small projects to facilitate scaling up the use of the Canvas.

Action → ID or create successful small showcases.

Create a Sense of Urgency

Big reasons for change boost the adoption of the Canvas. Without a sense of urgency people stick to business as usual and it becomes difficult to get them to adopt a new — even if useful — methodology.

Action → ID a BIG reason to integrate the Canvas into the organization's processes.

Make it Official

The integration of the Canvas in official company templates (e.g. business plans, strategic plans, idea submissions) makes adoption much easier.

Action → ID in which templates the Canvas should be present and integrate it.

Get Outside Help

External help of experts to facilitate Canvas understanding, learning, use, and integration early on, has proven to be a powerful vector of adoption.

Action → ID qualified Canvas facilitators to assure a proper adoption of the methodology.

Start Simple

The Canvas can be used in a myriad of ways from just capturing an existing business model and creating better strategic conversations, all the way to innovating new business models. At one organization we interviewed, employees showed relief when they learnt that the Canvas is not "just" for disruptive innovation. They started using the Canvas in a very simple way to clarify and understand existing business models before moving towards inventing new ones.

Be Opportunistic

The Canvas often "pops" up within an organization in an opportunistic and unstructured way, after which it can get lost or marginalized. However, when the Canvas is noticed across an organization as a template within one business unit's or team's work, an opportunity opens for the Canvas to "catch on" and spread throughout the organization. Its internal integration as a template increases the perception of an "institutionalized" tool and can kick-start Canvas use to percolate through an organization.

Create Risk-free Spaces
for Learning and Experimentation

Understanding the value of business model thinking takes time especially in more traditional corporations. Creating risk-free spaces for exploration can prove very powerful. One organization introduced "jam sessions" and "brown bag lunches" to play around with the Canvas and stimulate idea creation for real projects.

Bring the Canvas into the
'DNA' of your Organization

The Canvas can be perceived as "extra work" — to avoid this, organizations need to align internal incentive structures and integrate the Canvas with operations and processes; otherwise, it remains an ad hoc tool at a department, team or individual level.

Go Beyond the Low Hanging Fruits

It is easy to use the Canvas as an "improve" tool; catching the "low-hanging fruit" to make small changes or improvements. It is harder to reach a deeper and more valuable level of usage without utilizing external coaching beyond the Business Model Generation book; such as a public or corporate Business Model Canvas Workshop, or hiring a consultant who is a certified Business Model Canvas trainer.

Invest

The Canvas is not a "silver bullet", it still requires support, training, and championing.

Adoption Checklist

Use this checklist to make sure your team has followed the best practices.

- ☐ **Find champion users**
- ☐ **Get C-level sponsorship**
- ☐ **Showcase success**
- ☐ **Create a sense of urgency**
- ☐ **Make it official**
- ☐ **Get outside help**
- ☐ **Start simple**
- ☐ **Be opportunistic**
- ☐ **Create risk-free spaces for learning and experimentation**
- ☐ **Bring the Canvas into the 'DNA' of your organization**
- ☐ **Go beyond the low hanging fruits**
- ☐ **Invest**

14 Ways to Apply the Canvas

1 Strategizing

Strategic planning/development

2 Dashboard

Indicators for every building block to measure performance

3 Understanding Competition

Business model environment — competitive analysis

4 Portfolio of Business Models

From improving existing models to inventing new ones to measure performance

5 Innovation

Design/prototype, test, and build new growth engines/ business models

6 New Idea Template

Work in multidisciplinary teams to submit ideas and compare

7
Understanding Customers

Business model environment — market analysis

8
Alignment

CEO/executive onboarding

9
Strategy Diffusion & Co-creation

The blueprint that shows more concretely how you're actually going to implement strategy to measure performance

10
Shared Language Across Functions

People from different areas discuss using the same language

11
Alignment: Value side (Revenues) & Infrastructure side (Costs)

A shared understanding of what you're trying to achieve

12
Investing

Sketch the business model to make better investment decisions

13
Mergers & Acquisitions

Sketch out the business model of two organizations to determine if there's a fit

14
Exit strategies (IPO, Acquisition)

Understanding if your organization can fit with others when selling

Tools & Offers from Strategyzer

How can we help you do your job better?

Strategyzer's mission is to turn business practitioners into users of business tools. All our value propositions aspire to be relevant, practical and immediately applicable for time-pressed professionals. Discover our offer.

Books
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Get a copy of our beautifully crafted visual books Business Model Generation and Value Proposition Design for everybody in your company. Offer them this little gift to help them create value propositions customers can't resist, embedded in scalable and profitable business models.

Masterclass
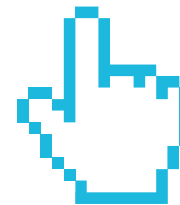**businessmodelgeneration. com/training**

Join practitioners from around the world and learn how to apply the Business Model Canvas, Value Proposition Canvas, and Lean Startup methodologies. Experience the power of prototyping and testing your ideas hands-on with practical exercises. Hone your innovation skills and prepare your organization for the 21st century.

Online Course
strategyzer.com/learn

Enroll your teams in our online courses and introduce them to the Business Model Canvas, Value Proposition Canvas, and Lean Startup methodologies. Create value for your customers and for your business more effectively. Chose between our self-service and facilitated courses or license our material for your own platform.
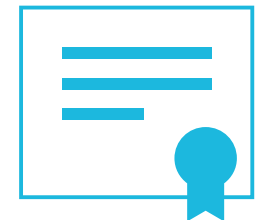
Web-app
strategyzer.com/build

Try out our simple but powerful web app to design, refine, and test business models and value propositions collaboratively. Minimize the risk of new strategies and innovations by continuously prototyping, testing and iterating your ideas until you have evidence for success. Leverage the best of paper and computer-based tools.

Keynotes
sales@strategyzer.com

Hire Alex Osterwalder, Yves Pigneur, Greg Bernarda, or Patrick van der Pijl for a keynote on Business Model Generation or Value Proposition Design. Experience their hands-on and interactive style guaranteeing immediate applicability. Get them to inspire you and build new growth engines.
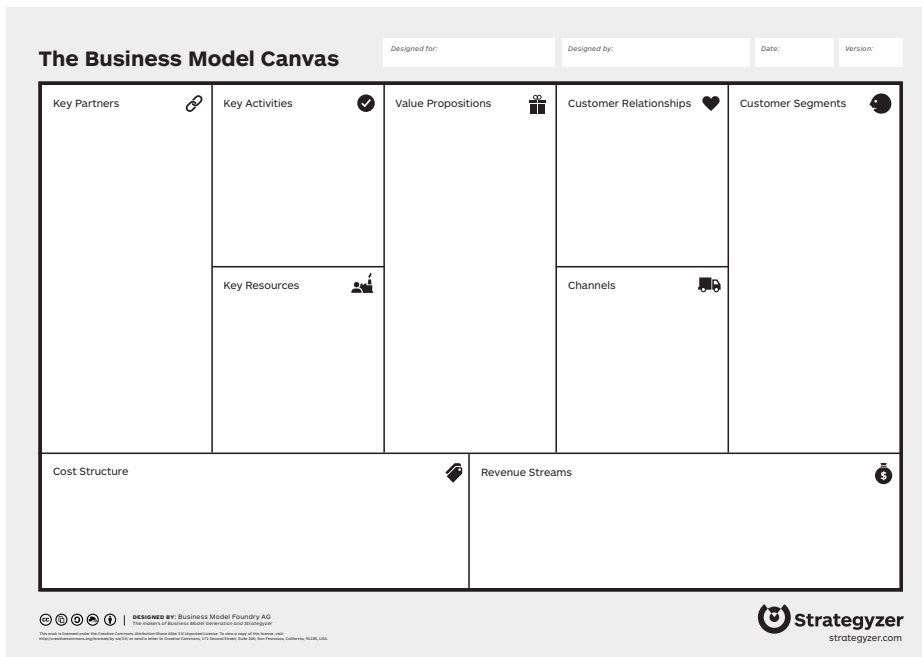
Certified Trainers
strategyzer.com/learn

Use our certified trainers to help you introduce Strategyzer's industry-leading concepts and tools in your organization. Let them show you how to design, test, and build business models and value propositions and build new growth engines while minimizing the risk of failure.

Business Model Canvas Reminder

The Business Model Canvas is a strategic management and lean startup tool. It is a visual chart composed of nine essential building blocks that describe how a business creates, delivers and captures value. The Business Model Canvas is used to design, test, and build new business models or to document, discuss, and manage existing ones.

strategyzer.com/canvas

The Business Model Canvas

| Designed for: | Designed by: | Date: | Version: |

| Key Partners 🔗 | Key Activities ✔ | Value Propositions 🎁 | Customer Relationships ♥ | Customer Segments |
| | Key Resources | | Channels 🚚 | |

| Cost Structure | Revenue Streams 💲 |

DESIGNED BY: Business Model Foundry AG
The makers of Business Model Generation and Strategyzer

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Customer Segments
are the groups of people and/or organizations a company or organization aims to reach and create value for with a dedicated Value Proposition.

Value Propositions
are based on a bundle of products and services that create value for a Customer Segment.

Channels
describe how a Value Proposition is communicated and delivered to a Customer Segment through communication, distribution, and sales Channels.

Customer Relationships
outline what type of relationship is established and maintained with each Customer Segment, and they explain how customers are acquired and retained.

Revenue Streams
result from a Value Proposition successfully offered to a Customer Segment. It is how an organization captures value with a price that customers are willing to pay.

Key Resources
are the most important assets required to offer and deliver the previously described elements.

Key Activities
are the most important activities an organization needs to perform well.

Key Partnerships
shows the network of suppliers and partners that bring in external resources and activities.

Cost Structure
describes all costs incurred to operate a business model.

Profit
is calculated by subtracting the total of all costs in the Cost Structure from the total of all Revenue Streams.

The Value Proposition Canvas

The Business Model Canvas helps you focus on creating value for your business. Discover and apply the Value Proposition Canvas to create value for your customers. Get Value Proposition Design, our new book, to improve your ability to design, test and build products and services that customers want.

strategyzer.com/value-proposition-design

How to create products and services customers want. Get started with...

Value Proposition Design

strategyzer.com/vpd

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Alan Smith

Designed by
Trish Papadakos

Strategyzer Series

Sequel to
Business Model Generation
International Bestseller
30+ Languages

WILEY

These members of the Strategyzer team prepared this report for you:

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Strategyzer

We're obsessed with building hands-on tools for strategy and innovation for business practitioners. Our platform serves hundreds of thousands of people with downloadable resources, a world-class web-app, online courses, and a network of trainers. Join the movement today.

Strategyzer was co-founded by best-selling author Alex Osterwalder, designer Alan Smith, and finance whiz Peter Sonderegger.

www.strategyzer.com

Strategyzer

Business Models Inc.

An international strategy consultancy that supports corporates and startups design new business models, with offices in The Netherlands (HQ), USA, UK, Australia, Eastern Europe and Greater China. In 2009, Patrick van der Pijl, CEO and founder of Business Models Inc., produced the global bestseller 'Business Model Generation', written by Alexander Osterwalder and Yves Pigneur. Business Models Inc. uses an innovative approach for designing better businesses, based on visual tools and co-creation.

www.businessmodelsinc.com

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