

# Creative thinking & Business Model Canvas (BMC)

by

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Entrepreneurship Crash course – Part I

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# Creativity

How creative ARE YOU ?



**I AM NOT AN ARTIST, SO I AM NOT  
CREATIVE...**

# Creativity

- **Creativity:** The ability to produce work that is *useful and novel*.
  - Individual creativity is a function of:
    - Intellectual abilities (e.g., ability to articulate ideas)
    - Knowledge (e.g., understand field, but not wed to paradigms)
    - Style of thinking (e.g., choose to think in novel ways)
    - Personality (e.g., confidence in own capabilities)
    - Motivation (e.g., rely on intrinsic motivation)
    - Environment (e.g., support and rewards for creative ideas)



## Tips for Enhancing Individual Creativity

- Allow yourself to be creative
- Give your mind fresh input every day
- Recognize the creative power of mistakes
- Keep a journal handy to record your thoughts and ideas
- Listen to other people
- Take some time off
- Talk to a child



## How to generate ideas?

- Go outside your comfort zone by going to places you have never been before.
- Sit at places where you observe individuals.
  - Try to find patterns
  - Use your intuition
  - Ideas sometimes emerge out of luck or serendipity.
- Leverage on the impulses other give you
  - Brainstorming
  - Focus group sessions
- Brows the Internet and visit libraries.

**LIST 3 PROBLEMS THAT COME INTO  
YOUR MIND RIGHT NOW  
RELATED TO CIRCULAR ECONOMY**



## Unsolved problems

- Does your favorite problem emerge from
  - Economic change
  - Social change
  - Technological change
  - Change in rules and regulations?
- Is your favorite problem a brand new one or an already realized and solved?
- Can your problem be solved with existing solutions?



**SELECT ONE OUT OF THE 3 AND  
START COMING UP WITH  
POSSIBLE SOLUTIONS TO THAT  
PARTICULAR PROBLEM.**

# Creativity and Innovation



**Creativity** - the ability to develop new ideas and to discover new ways of looking at problems and opportunities; *thinking new things.*

**Innovation** - the ability to apply creative solutions to problems or opportunities to enhance or to enrich people's lives; *doing new things.*

# What is innovation ?

- **Innovation is not limited to technology**
- **Innovation can come in many varieties including:**
  - **Technology**
  - **Process**
  - **Positioning,**
  - **Paradigm, and more....**





# Models and Modes of Innovation

## Dimensions of 'innovation space':

- **product** – changes in the things (products/services) which an organization offers,
- **process** – changes in the ways in which they are created and delivered
- **position** – changes in the context in which the products/services are introduced
- **paradigm** – changes in the underlying mental & business models which frame what the organization does

# What is innovation ?

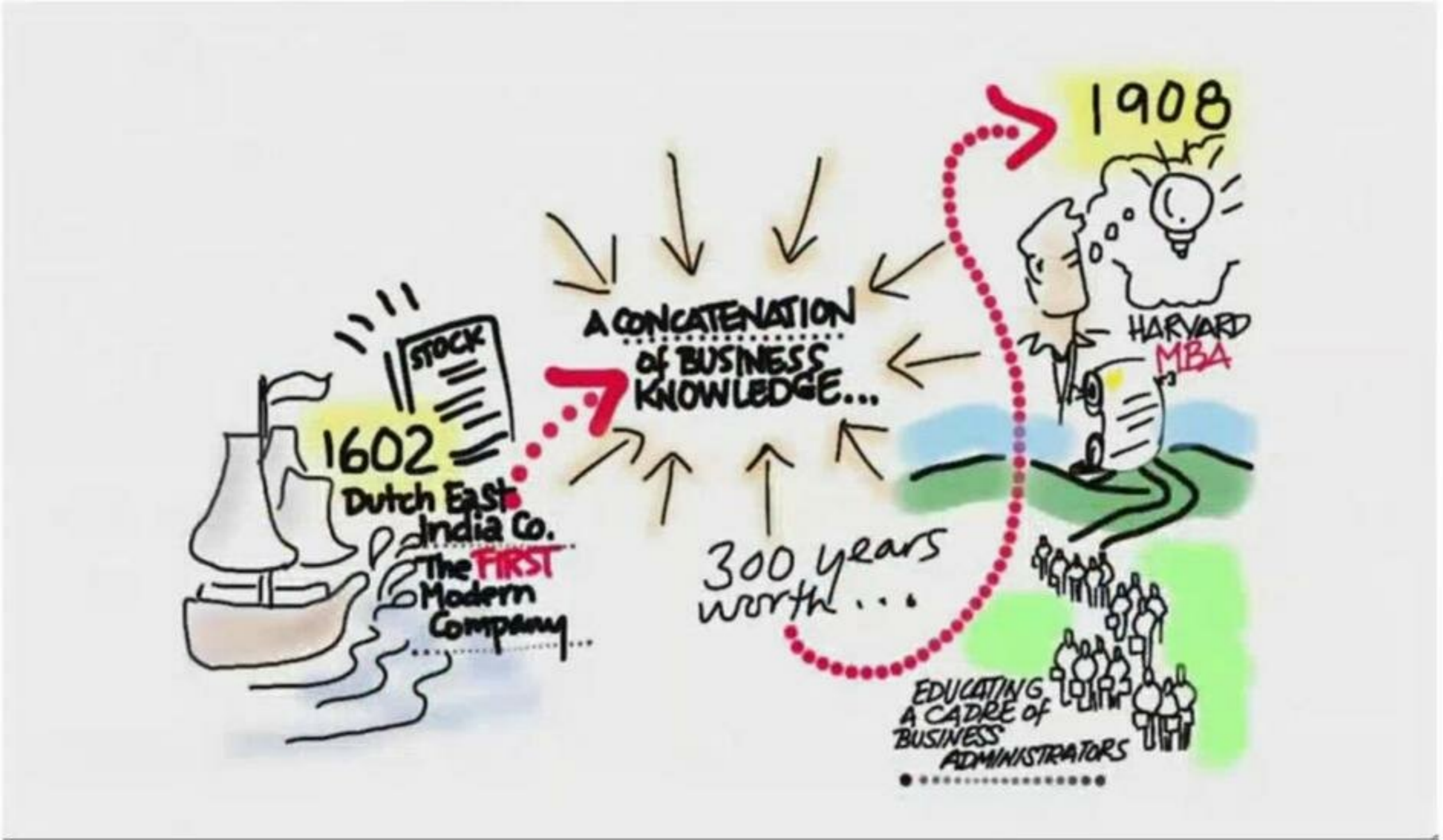
- **Innovation - the use of new technological or market knowledge to offer a new product or service that customers want**
  - **Innovation = invention + commercialisation**
- **Innovation - the adoption of ideas that are new to the adopting organisation**



**Innovation is the successful implementation of new ideas**



# 1st Modern Organisation





# What is a Company ? Revenue and profit



WHAT'S A COMPANY?

A BUSINESS ORGANIZATION WHICH  
SELLS A PRODUCT OR SERVICE IN  
EXCHANGE FOR REVENUE + PROFIT

## The Dream of the Founder

What are your dreams?



## Examples

“ We want to sell our water quality equipment to 10,000 Europeans in 2018”





## Examples

“ We want a world without rubbish”



- Change the world
- Become rich



Achievable  
Measurable



# The Business Idea

What do you offer?

Example



The screenshot shows the homepage of Pectcof. At the top left is the Pectcof logo, which consists of a circular arrow icon and the text "pectcof". To the right of the logo is the tagline "Unlocking the potential of coffee pulp biomass". Below this is a horizontal row of six small images: coffee cherries on a branch, a hand holding a coffee cherry, a dirt path in a field, industrial machinery, a close-up of coffee pulp, and several glasses of coffee. Below the images is a navigation menu with links for Home, Sustainability, Technology, Team, Partners, News, and Contact. The main content area features a paragraph: "Pectcof technology unlocks the potential of the coffee pulp as a source of bio based materials, at the same time detoxifying the waste stream produced by the second most traded commodity in the world." Below this paragraph is a dark banner with the text "Pectcof environmental responsibility in the cof..." and a right-pointing arrow.



# Business Models

How will you satisfy your customers?

# Questions to help you reflect

- How will you recover the investment?
- How will you earn money?
- Who is benefited?
- Who pays?
- Who recommends your product/service?



# What is a Business Model?

It is a summary of how a business will satisfy its **customers**...



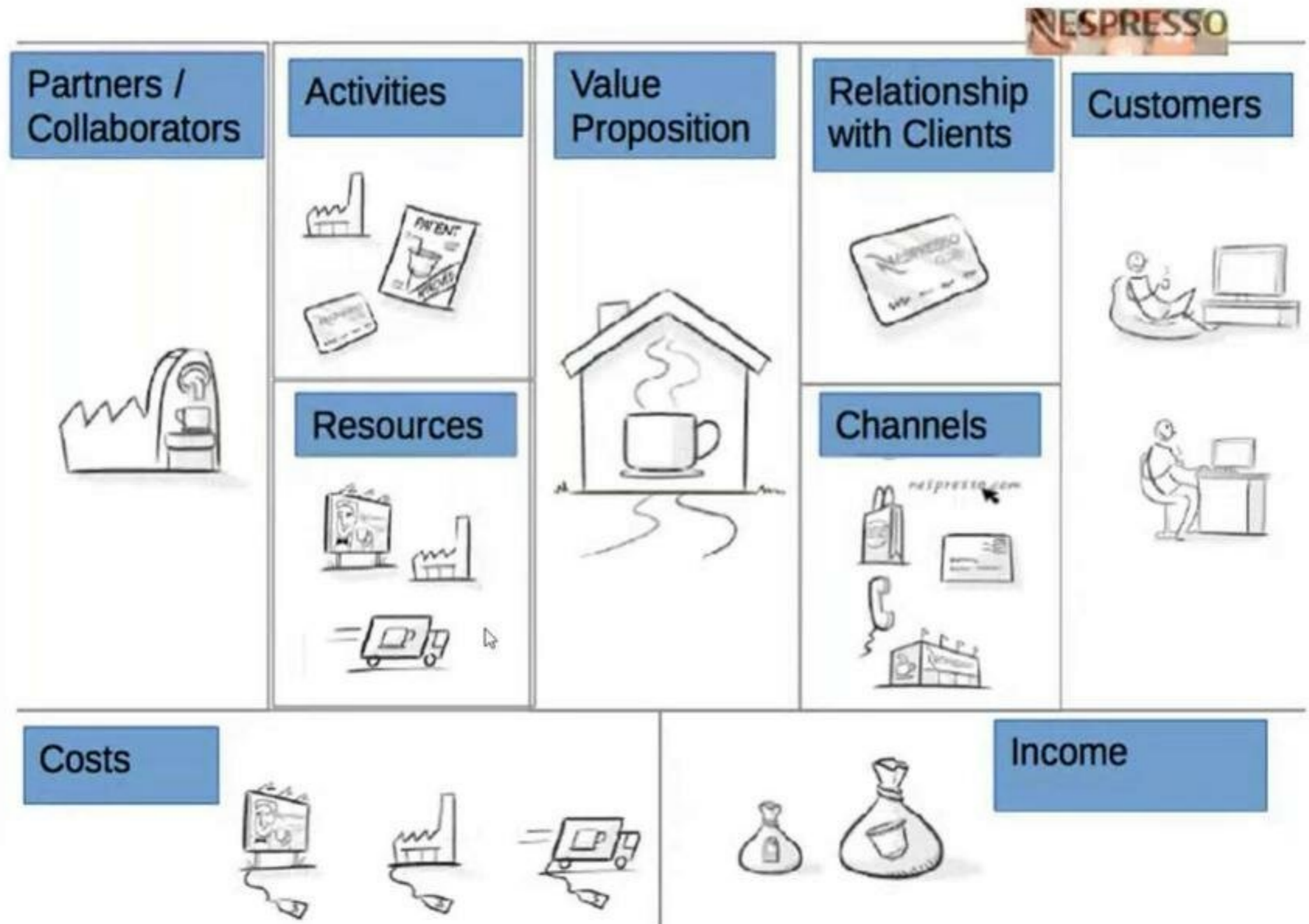
... or how it will generate income and benefits



# How to design a Business Model

<u>Key Partners</u>	<u>Activities</u>	<u>Value Proposition</u>	<u>Customer Relationships</u>	<u>Customers</u>
	<u>Resources</u>		<u>Channels</u>	
<u>Costs</u>		<u>Income</u>		

# Business Model. Example: NESPRESSO





# Strategy – Business Plan



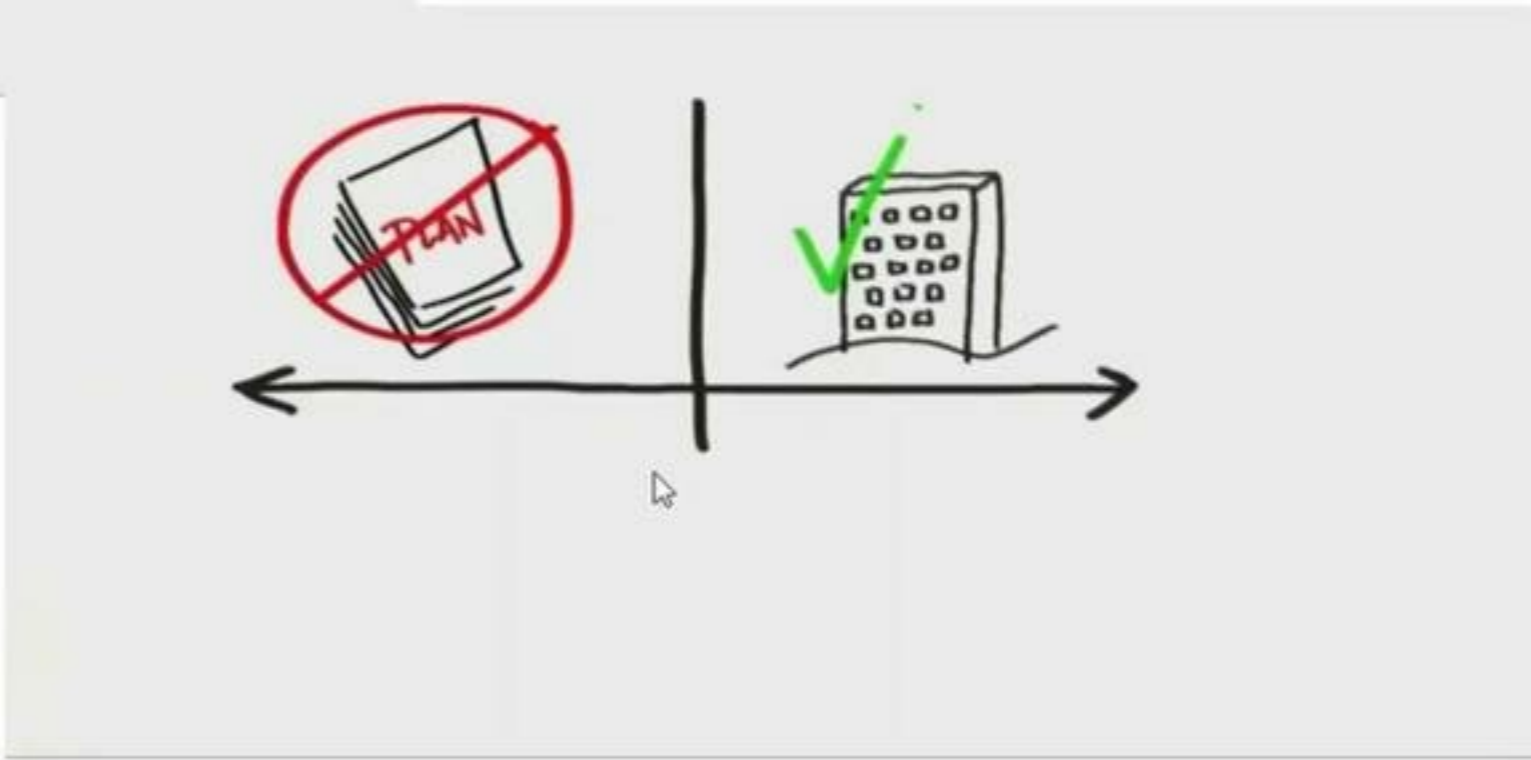
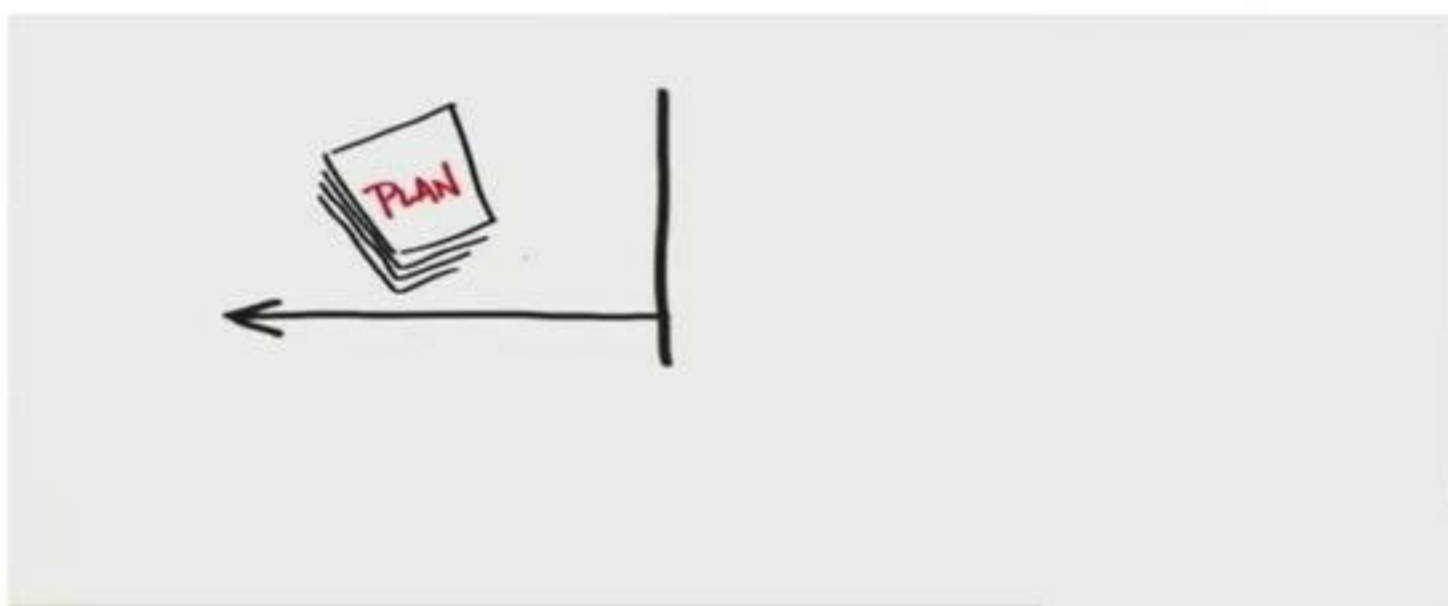
NO PLAN SURVIVES  
FIRST CONTACT WITH  
CUSTOMERS



# Business Model Canvas



# Business Plan





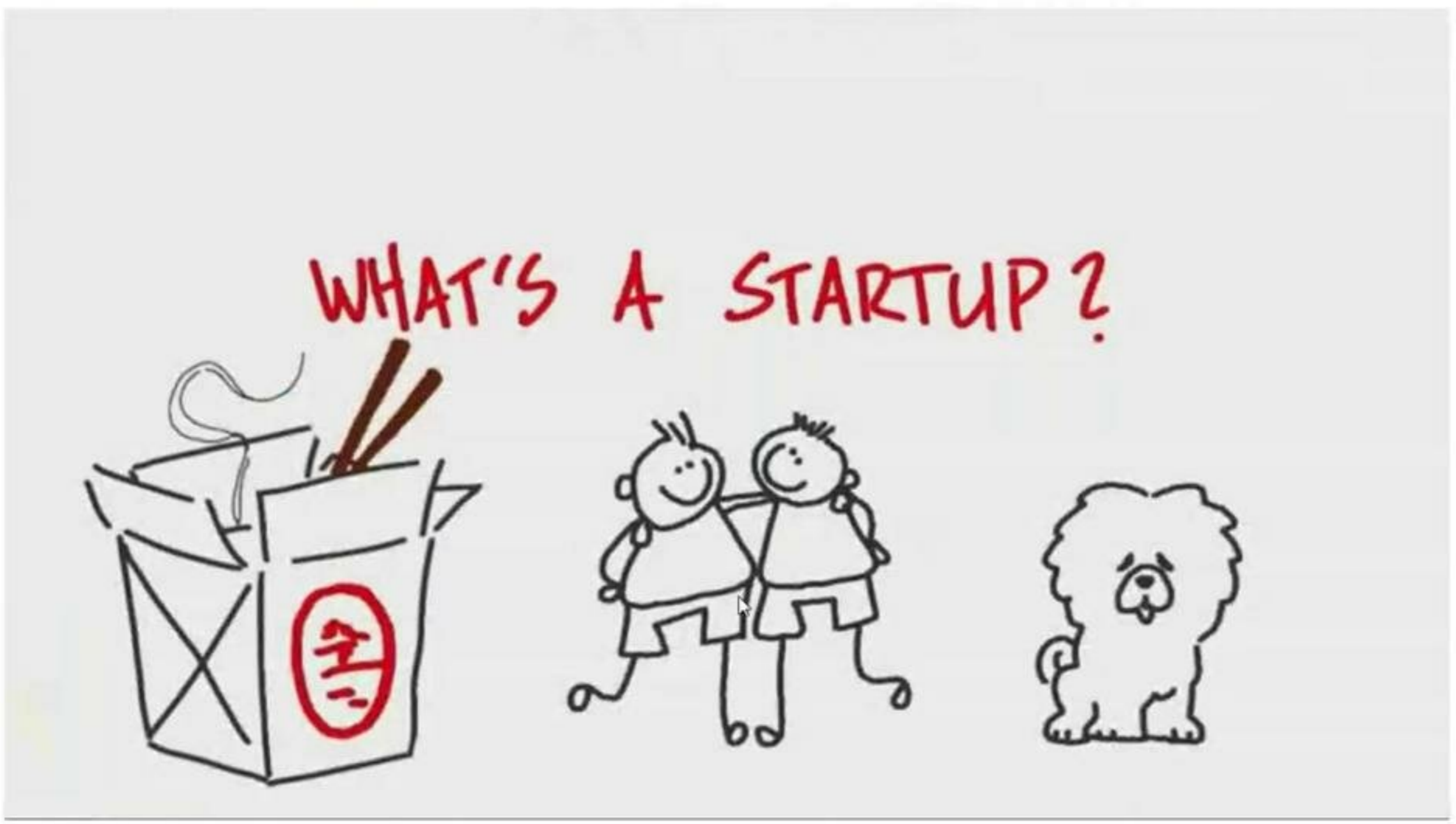
# Strategy



## Question ?

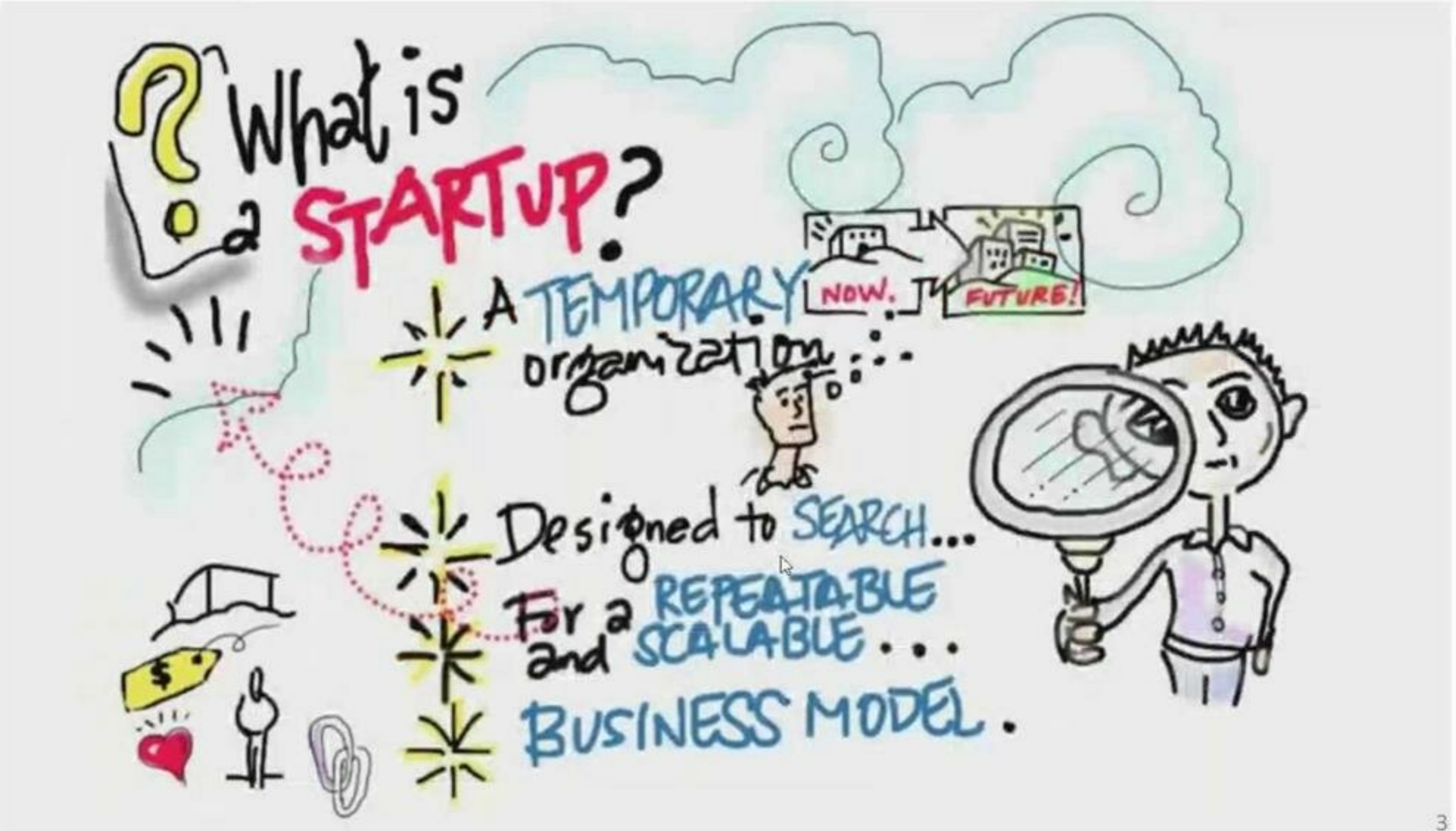
- Are startups a smaller version of a Large Company ?
  - Start-ups ----- SEARCH (core of their time)
  - Large Companies ----- EXECUTE (core of their time)

# What is a Startup ?





# What is a Startup



# What is a Startup?

*“A startup is a human institution designed to deliver a new product or service under conditions of **extreme uncertainty**”*

- Eric Ries -



# Business vs. Startup

## Cargo Ship



**Large, slow and efficient**

Optimized for carrying high number of containers over long distances

## Research Ship



**Small, agile and robust**

Able to work in versatile environments and under conditions of uncertainty



## Definition of a Business Model

A business model describes the rationale of how an organization creates, delivers, and captures value.

# What is Business Model Canvas (BMC)?

**Business Model Canvas (BMC) helps you to map, discuss, design and invent new business models.**

- Business Model Canvas:
  - Is a helpful tool to plan, build, develop, test, review and finetune your business model
  - Enables to quickly grasp all key elements of your business model and present them to the investors, partners and other important stakeholders
  - Works as a visual chart of the key elements of the business operations
- In action business model canvas can work as a hands-on tool that stimulates discussion, creativity and analysis



***Business  
Model Canvas:***  
How a company  
creates value for itself  
while delivering  
products or services for  
customers.

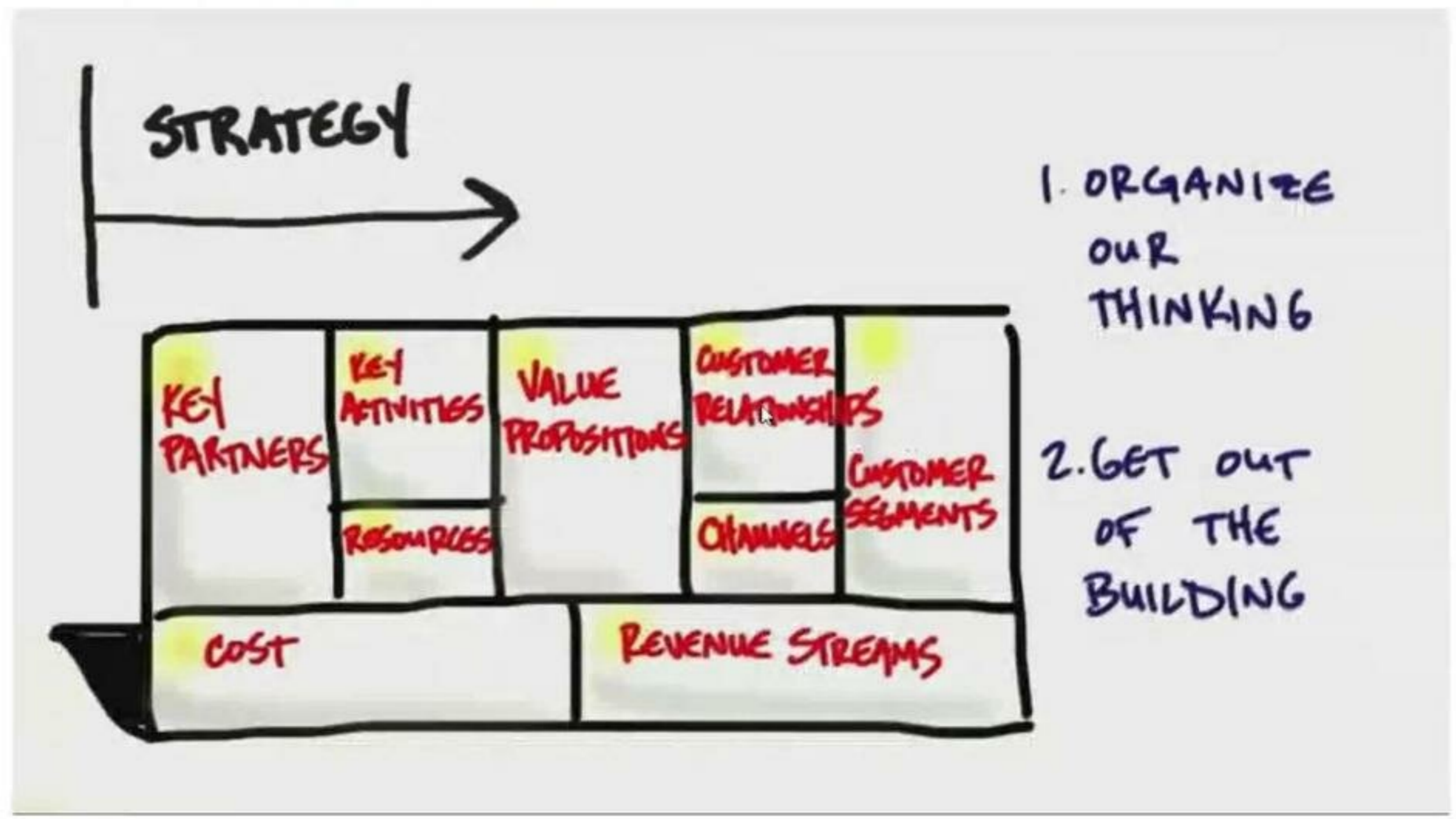
***Osterwalder ja Pigneur  
(2010) comprise their  
standardised Business  
model of 9 building blocks:***

1. Value proposition
2. Customer segments
3. Channels
4. Customer relationships
5. Key activities
6. Key resources
7. Key partners
8. Cost structure, and
9. Revenue streams.

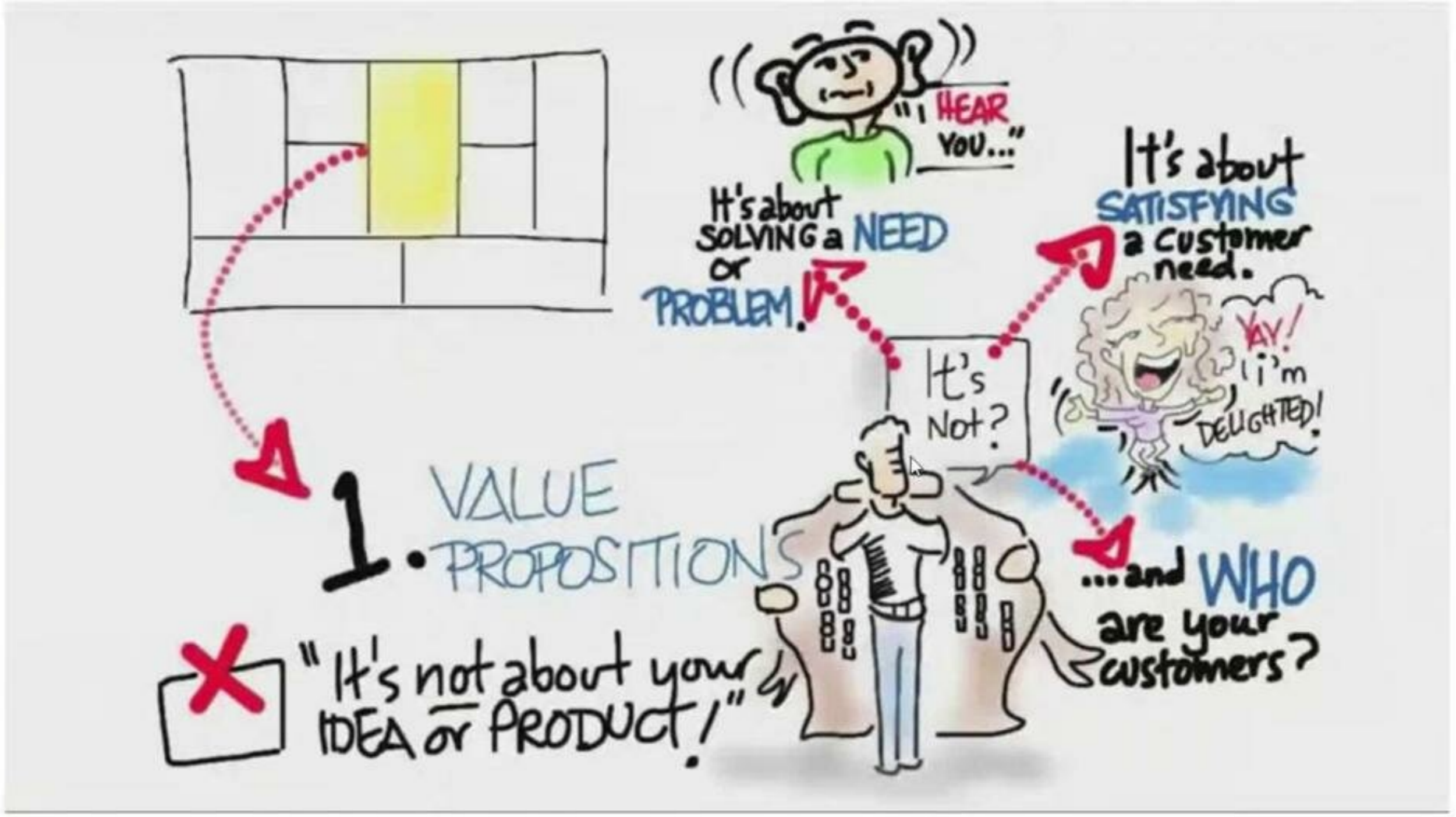




# Business Model Canvas



# 1. Value proposition - what are you Building and for WHO ?



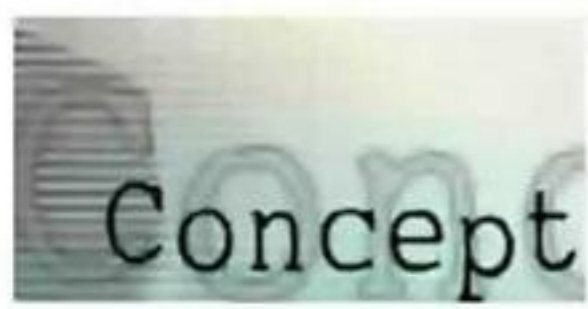




The **Value Proposition** defines the company to the customer.

The value proposition is the reason why customers turn to one company over another.

It solves customer problem or satisfies a customer need.

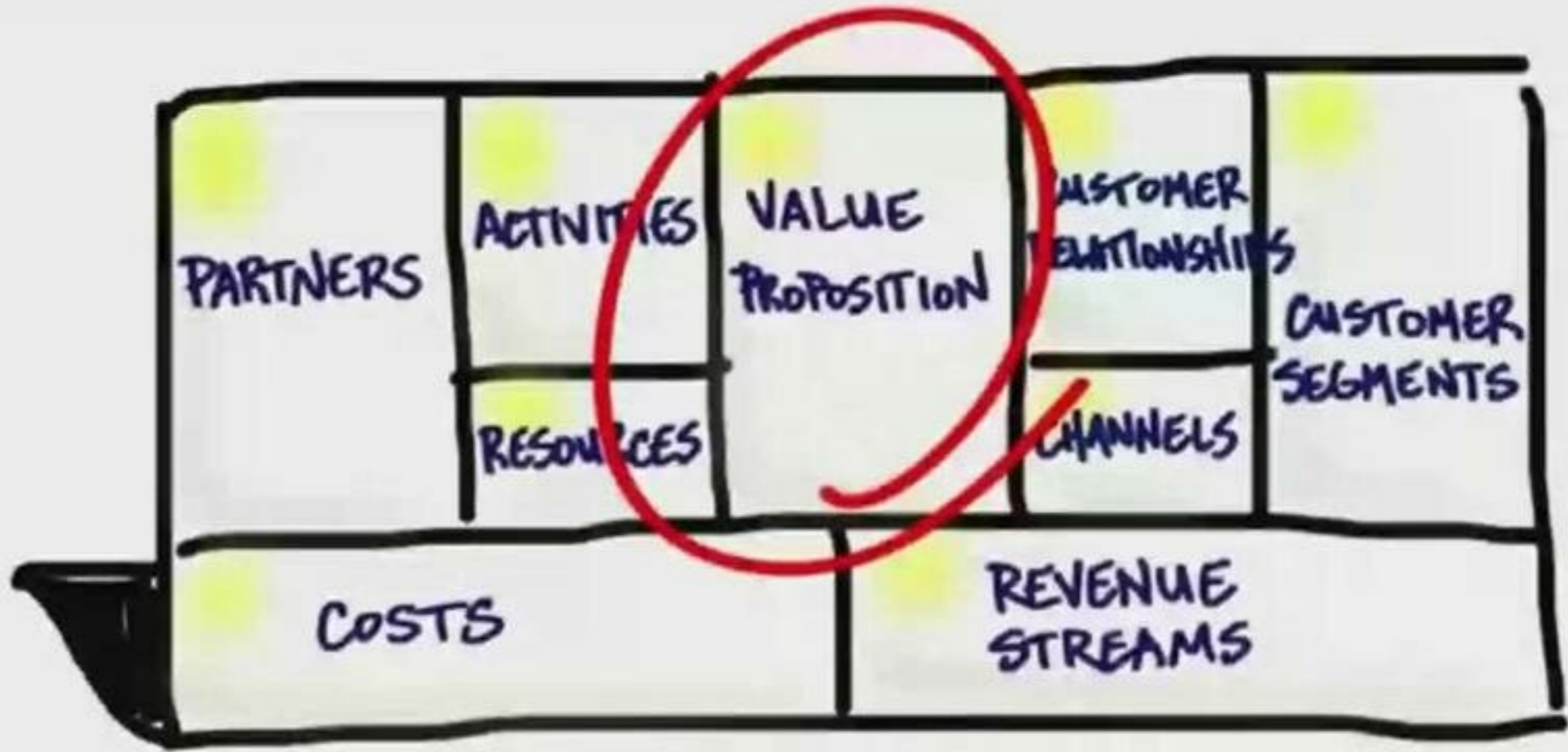


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# Business Canvas



What product or service are you building, for who, and what does it solve?



# Define your Unique Value Proposition

## UNIQUE VALUE PROPOSITION

Single, clear, compelling message that states why you are different and worth paying attention.



The Unique Value Proposition is a clear message that describes the advantages of your offer, what makes you different and distinguishes you from the competition.

EF → Who creates value with your solution? Who benefits from this value? Is it sustainable?

D → How does your solution delivers value? How can you protect it form competitors?

## Problem vs. Need

WHAT ABOUT MY TECHNOLOGY?

Customers don't care about your technology

They are trying to solve:

**PROBLEM**

Accounting  
Word Processing

**NEED**

Entertainment  
Communication



## 2. Customer Segments





# Guidelines to be followed

1. Who is the customer?
2. What is the "customer pain"?
3. What is the solution (the product of the start-up)?
4. Does it relieve the "pain" totally or partially? (Does it satisfy the need completely?)
5. Is the product of the start-up better than the current solution?
6. Why? Key aspects (value, what are its advantages?)

# Think about the Channels

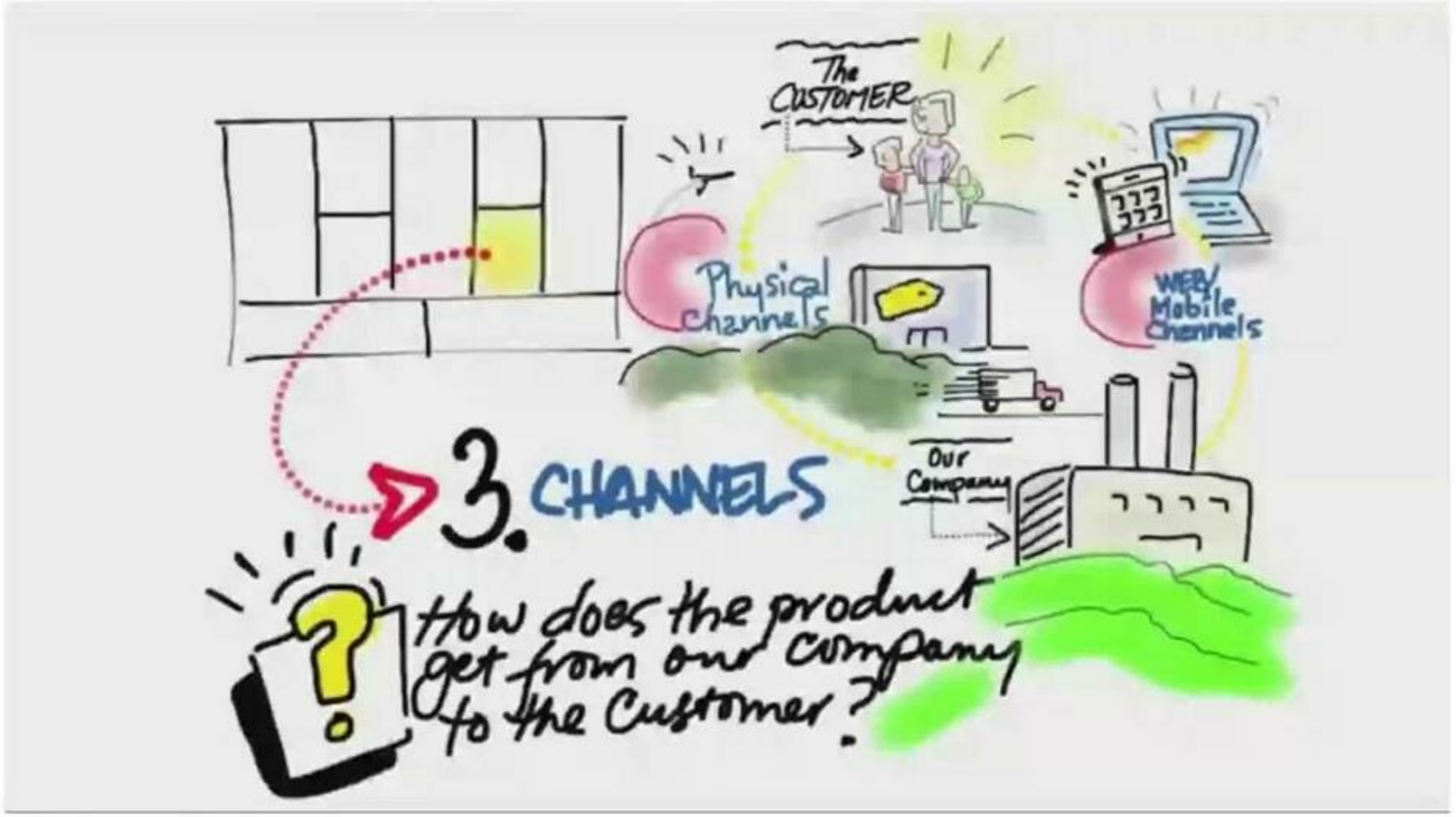


What are the channels you want to use to reach your customer? Define inbound channels that lead customers to your offer like SEO, white papers, blogs, social media – and outbound channels like ads, calls, fairs and conventions. **BE CREATIVE!**

D → Who are the key players/technologies to reach your customers? How do you engage with them/it?



### 3. Channels (physical – virtual)





# Channels – Virtual / Physical



# 4. Customer relationships





## Customer archetypes (persona)

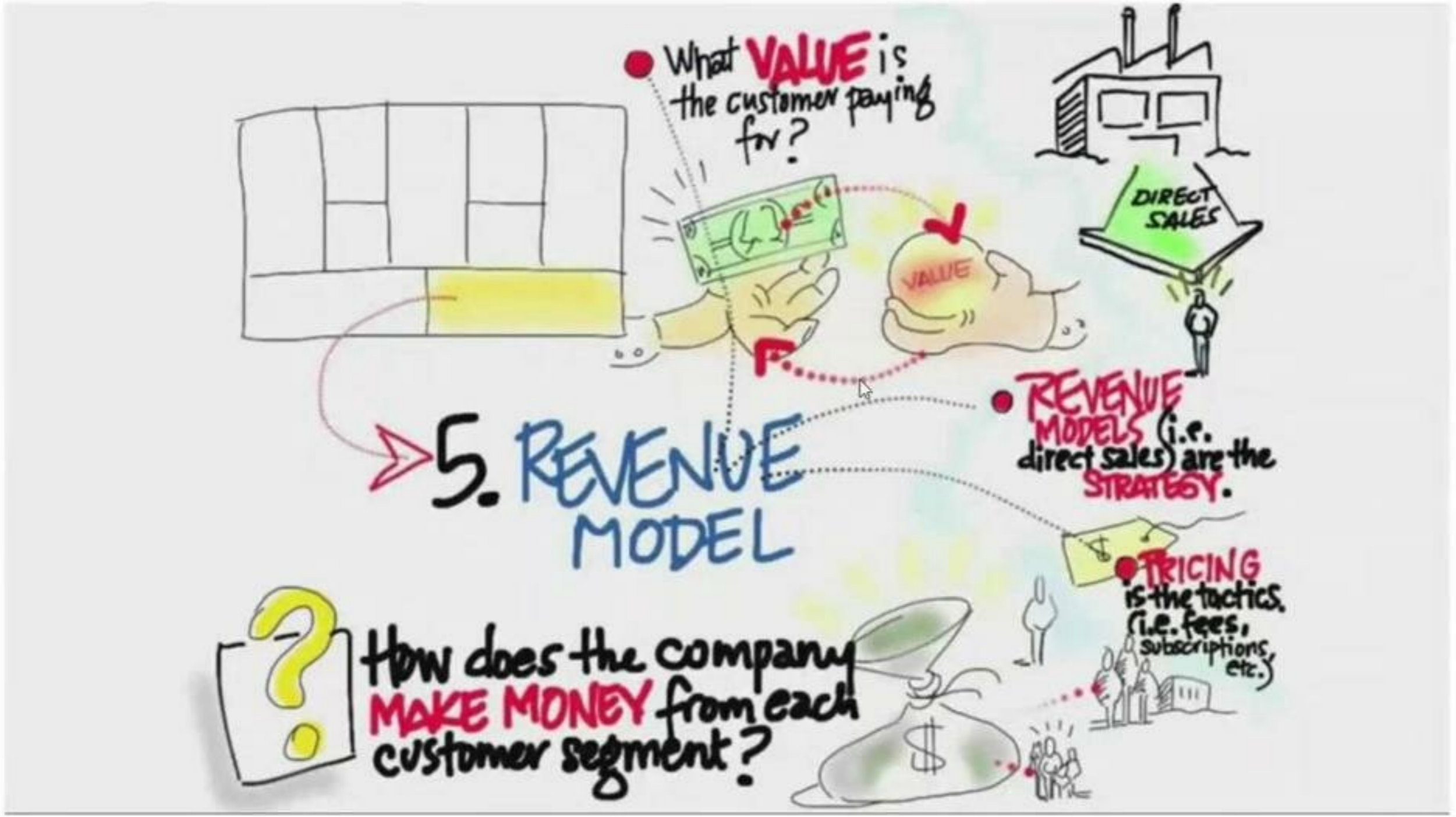
CUSTOMER ARCHETYPES DRIVE  
GET-KEEP-GROW

- What's their role?
- Who are they?
- How do they buy?
- What matters?

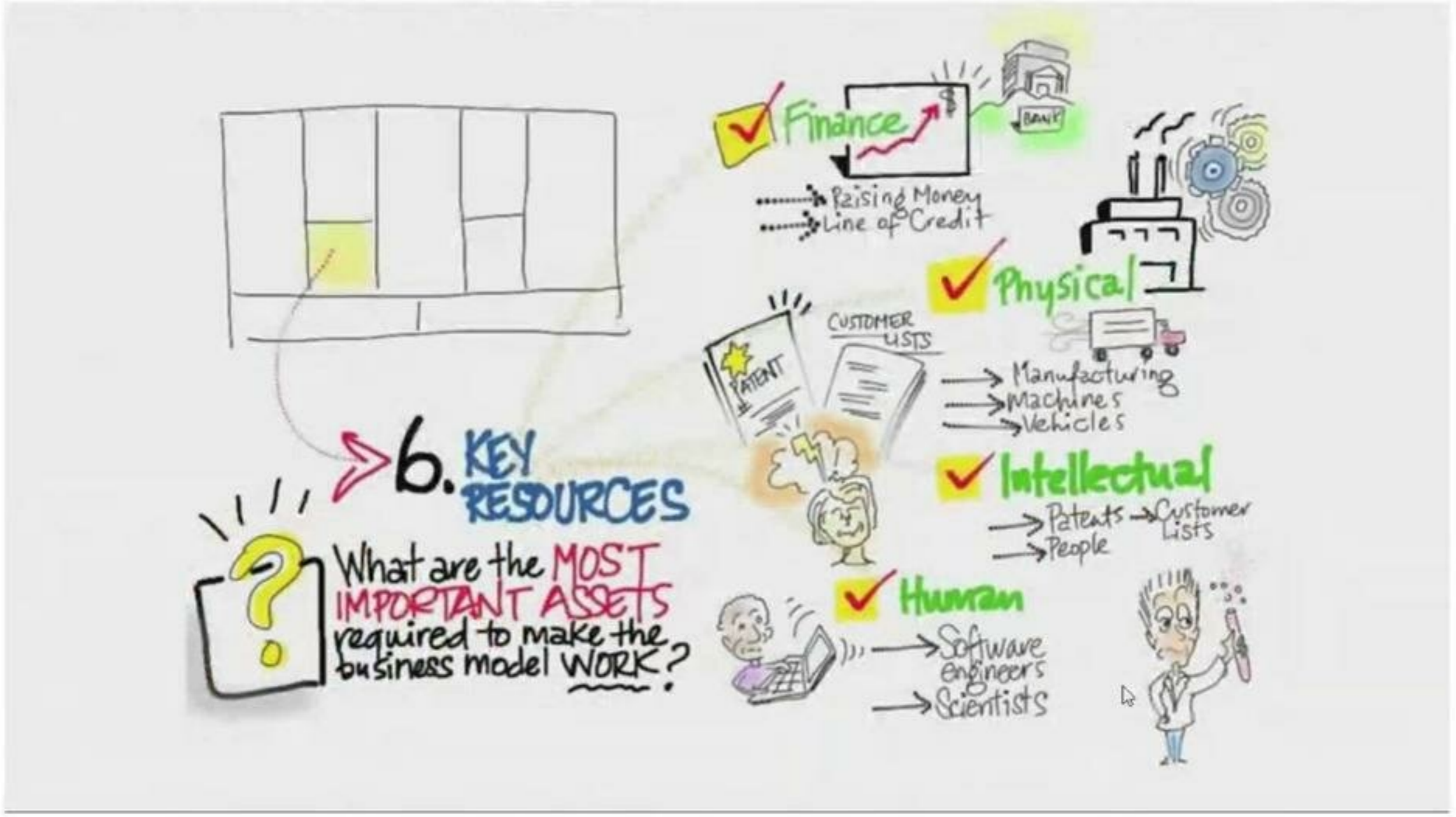




# 5. Revenue Model



# 6. Key Resources



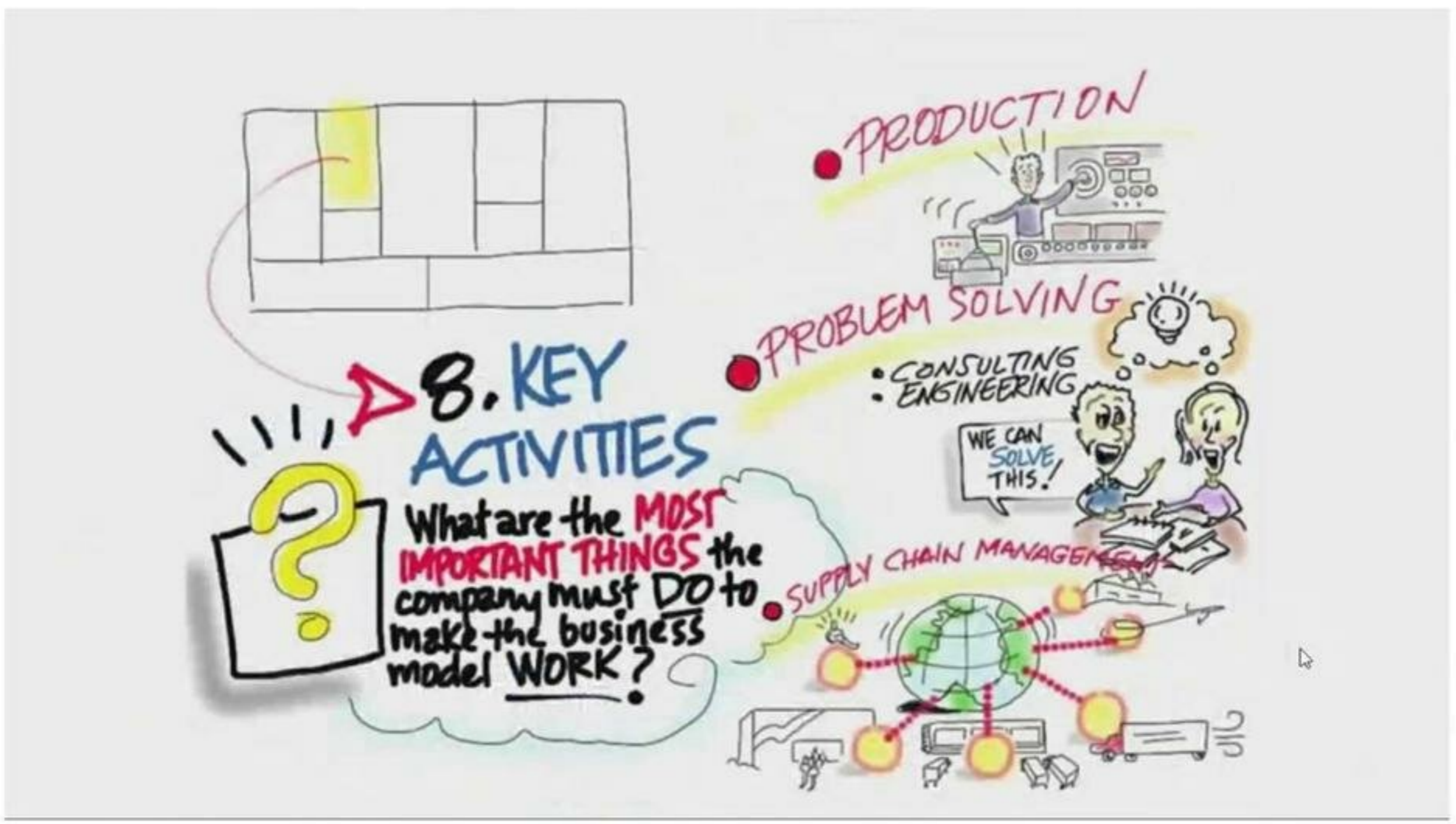


# 7. Key Partners and Suppliers





# 8. Key Activities







# Costs

**COST STRUCTURE**  
List your fixed and variable costs



List the most important costs for your offer.  
This might influence the pricing.

How are costs defined in your solution? Do you also incorporate social and environmental costs? How do they interact with economic costs?

How modular / scalable is your solution in terms of costs? Is the investment required too specific? How are your costs related to the expected obsolescence of the technology employed?



